

**Bangkok Bank Pcl (BBL TB) - HOLD, Price Bt170.5, TP Bt164.0**

Results Comment

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**Miss 4Q25 results on opex and FVTPL**

- BBL posted 4Q25 net profit of Bt7.8bn (-25% y-y, -44% q-q), **missing** Bloomberg consensus and our estimate by 26%, due to weaker investment gains and higher opex. FY25 net profit was Bt46bn (+2% y-y), with NIM pressure offset by strong investment income.
- **We expect a negative market reaction** given the earnings miss, particularly as it dampens expectations of a higher DPS. While the market had anticipated an increase in 2025F DPS, we believe BBL is more likely to **maintain DPS at the 2024 level of Bt8.5**, implying a yield of c.5% p.a. (or 3.8% for 2H25).
- 4Q25 Key highlights
  - (-) **Opex surged** by 4% y-y and 20% q-q, driven mainly by higher consulting costs from the upgraded payment system and upgraded core banking in Hongkong branches.

(-) **NIM contracted** by 12bps q-q to 2.56%, from policy rate cut.(-) **Investment income fell sharply** by 60% q-q (Bt5.5bn), due to weaker equity market conditions and a higher bond yield.(+)**Asset quality improved**, with NPLs declining 9% q-q following successful loan restructuring efforts. Coverage ratio remained high at above 300%.(+)**Fee income recovered** by 7% q-q, supported by global market services and credit card businesses.

- **We reiterate our HOLD rating on BBL.** We continue to expect BBL to deliver the weakest EPS growth among large banks, offer the lowest dividend yield, and lag peers in ROE over 2025–27F.

Income Statement (consolidated)					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25
Interest & dividend income	52,400	49,470	49,142	47,318	45,151
Interest expense	18,424	17,562	17,436	16,568	15,886
<b>Net interest income</b>	<b>33,977</b>	<b>31,908</b>	<b>31,706</b>	<b>30,750</b>	<b>29,266</b>
Non-interest income	10,757	13,695	12,676	16,869	11,455
Total income	44,734	45,603	44,382	47,619	40,721
Operating expense	23,757	20,752	20,094	20,697	24,822
<b>Pre-provisioning profit</b>	<b>20,977</b>	<b>24,852</b>	<b>24,288</b>	<b>26,922</b>	<b>15,899</b>
Provision for bad&doubtful debt	7,634	9,067	10,740	9,742	6,598
Profit before tax	13,343	15,784	13,548	17,180	9,301
Tax	2,896	3,132	1,672	3,331	1,487
Profit after tax	10,447	12,618	11,876	13,849	7,814
Equity income	48	50	39	44	41
Minority interests	(90)	(85)	(75)	(103)	(96)
Extra items	-	-	-	-	-
<b>Net profit</b>	<b>10,404</b>	<b>12,618</b>	<b>11,840</b>	<b>13,789</b>	<b>7,759</b>
<b>Normalized profit</b>	<b>10,404</b>	<b>12,618</b>	<b>11,840</b>	<b>13,789</b>	<b>7,759</b>
PPP/share (Bt)	11.0	13.0	12.7	14.1	8.3
EPS (Bt)	5.5	6.6	6.2	7.2	4.1
Norm EPS (Bt)	5.5	6.6	6.2	7.2	4.1
BV/share (Bt)	290.8	295.1	300.2	306.2	300.7

Income Statement (Bt m)					
	q-q%	y-y%	12M as % 2025F	2025A	2026F
Interest & dividend income	(5)	(14)	100	191,082	181,651
Interest expense	(4)	(14)	101	67,452	62,519
<b>Net interest income</b>	<b>(5)</b>	<b>(14)</b>	<b>100</b>	<b>123,630</b>	<b>119,132</b>
Non-interest income	(32)	6	93	54,694	46,014
Total income	(14)	(9)	98	178,324	165,146
Operating expense	20	4	101	86,363	79,944
<b>Pre-provisioning profit</b>	<b>(41)</b>	<b>(24)</b>	<b>94</b>	<b>91,961</b>	<b>85,202</b>
Provision for bad&doubtful debt	(32)	(14)	97	36,148	27,865
Profit before tax	(46)	(30)	93	55,814	57,337
Tax	(55)	(49)	86	9,622	10,894
Profit after tax	(44)	(25)	94	46,191	46,443
Equity income	(7)	(14)	81	174	226
Minority interests	neg	neg		(359)	-
Extra items	neg	neg		-	-
<b>Net profit</b>	<b>(44)</b>	<b>(25)</b>	<b>93</b>	<b>46,007</b>	<b>46,668</b>
<b>Normalized profit</b>	<b>(44)</b>	<b>(25)</b>	<b>93</b>	<b>46,007</b>	<b>46,668</b>
PPP/share (Bt)			(41)	(24)	94
EPS (Bt)	5.5	6.6	(44)	(25)	93
Norm EPS (Bt)	5.5	6.6	(44)	(25)	93
BV/share (Bt)	290.8	295.1	300.2	306.2	300.7

Balance Sheet (consolidated)					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25
Cash and Interbank	799,633	838,213	875,620	761,663	818,754
Other liquid items	192,843	183,269	195,748	195,634	203,008
Total liquid items	992,476	1,021,483	1,071,368	957,298	1,021,763
Gross loans and accrued interest	2,701,059	2,727,377	2,718,853	2,612,697	2,608,286
Provisions	272,738	278,707	284,727	288,996	291,421
Net loans	2,428,321	2,448,670	2,434,126	2,323,701	2,320,306
Fixed assets	66,015	64,840	79,358	78,276	77,066
Other assets	73,581	76,757	70,759	70,568	78,057
<b>Total assets</b>	<b>4,551,379</b>	<b>4,628,379</b>	<b>4,609,753</b>	<b>4,538,455</b>	<b>4,606,342</b>
Deposits	3,169,654	3,225,131	3,195,939	3,174,287	3,196,284
Interbank	346,936	337,468	337,742	307,524	314,644
Other liquid items	7,125	7,560	6,756	5,771	6,805
Total liquid items	3,523,714	3,570,158	3,540,437	3,487,583	3,517,734
Borrowings	213,785	249,317	239,774	214,196	244,009
Other liabilities	257,006	243,687	254,741	250,398	268,916
Minority interest	1,834	1,892	1,763	1,708	1,761
<b>Shareholders' equity</b>	<b>555,039</b>	<b>563,325</b>	<b>573,038</b>	<b>584,570</b>	<b>573,923</b>
<b>Total Liabilities &amp; Equity</b>	<b>4,551,379</b>	<b>4,628,379</b>	<b>4,609,753</b>	<b>4,538,455</b>	<b>4,606,342</b>

Financial Ratios (%)					
	4Q24	1Q25	2Q25	3Q25	4Q25
Gross loan growth (YTD)	0.8	1.0	0.7	(3.2)	(3.2)
Gross loan growth (q-q)	2.1	1.0	(0.3)	(3.9)	0.1
Deposit growth (YTD)	(0.5)	1.8	0.8	0.1	0.8
Deposit growth (q-q)	1.9	1.8	(0.9)	(0.7)	0.7
Non-interest income (y-y)	53.9	66.8	22.3	36.1	6.5
Non-interest income (q-q)	(13.2)	27.3	(7.4)	33.1	(32.1)
Fee income / Operating income	15.7	16.6	13.7	13.8	17.1
Cost-to-income	53.1	45.5	45.3	43.5	61.0
Net interest margin	3.03	2.78	2.74	2.68	2.56
Credit cost	1.15	1.34	1.58	1.47	1.01
ROE	7.5	9.0	8.3	9.5	5.4
Loan-to-deposit	85.0	84.4	84.9	82.1	81.6
Loan-to-deposit + S-T borrowing	85.0	84.4	84.9	82.1	81.6
NPLs (Bt m)	85,833	97,793	105,521	103,404	94,664
NPL increase	(18,163)	11,960	7,728	(2,117)	(8,740)
NPL ratio	3.19	3.59	3.89	3.97	3.63
Loan-loss-coverage ratio	317.8	285.0	269.8	279.5	307.8
CAR - total	20.4	21.0	22.0	22.6	21.8

Sources: Company data, Thanachart estimates

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