

**KASIKORNBANK Pcl (KBANK TB) - BUY, Price Bt189, TP Bt222****Results Comment**

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**Inline 4Q25 results: Mixed performance**

- KBANK reported 4Q25 net profit of Bt10.3bn (-5% y-y, -21% q-q), **in line** with both our estimate and Bloomberg consensus. FY25 net profit reached Bt49.6bn (flat y-y), as NIM pressure was fully offset by stronger fee income, higher investment income, and lower ECL.

- Our view on the results is **slightly negative**. Positives include the resumption of loan growth, resilient fee income, disciplined cost control, and a return to positive net insurance premium income. These were, however, offset by a sharp NIM contraction and a slight deterioration in asset quality.

- 4Q25 Key highlights:

**(+) Loan grew 2.5% q-q** (-0.3% y-y), mainly due to a rise in commercial loans, trade finance, and loans for working capital.

**(+) Fee income up 10% y-y, 1% q-q:** by wealth management services through broader product offerings.

**(+) Net insurance premium turned positive** for the first time after 13 consecutive loss-making quarters.

**(-) NIM dropped 18bps** to 3.06% from policy rate cut and a gear toward lower risk segments.

- (-) Slightly weaker asset quality:** NPLs rose 3% q-q and Stage 2 loans increased 4% q-q, mainly due to stricter criteria for problem-loan outflows, while new bad-loan inflows remained stable. As a result, credit costs stayed elevated at 168bps.

- A meeting with the CEO to provide a business outlook will be held on 6<sup>th</sup> Feb-26.

- We maintain our **BUY** rating as KBANK offers an attractive dividend yield of c.7% and retains flexibility for higher payouts and potential share buybacks.

| Income Statement (consolidated) |               |               |               |               |               |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Yr-end Dec (Bt m)               | 4Q24          | 1Q25          | 2Q25          | 3Q25          | 4Q25          |
| Interest & dividend income      | 45,812        | 44,963        | 43,938        | 43,059        | 41,665        |
| Interest expense                | 9,815         | 9,537         | 9,283         | 8,901         | 8,752         |
| <b>Net interest income</b>      | <b>35,998</b> | <b>35,425</b> | <b>34,655</b> | <b>34,158</b> | <b>32,913</b> |
| Non-interest income             | 12,439        | 13,502        | 13,726        | 14,821        | 14,777        |
| Total income                    | 48,437        | 48,927        | 48,381        | 48,979        | 47,690        |
| Operating expense               | 22,295        | 20,052        | 20,804        | 20,965        | 23,028        |
| <b>Pre-provisioning profit</b>  | <b>26,142</b> | <b>28,875</b> | <b>27,578</b> | <b>28,014</b> | <b>24,662</b> |
| Provision for bad&doubtful debt | 12,242        | 9,818         | 10,050        | 10,179        | 10,265        |
| Profit before tax               | 13,900        | 19,057        | 17,528        | 17,835        | 14,398        |
| Tax                             | 2,753         | 3,977         | 3,482         | 3,603         | 2,809         |
| Profit after tax                | 11,147        | 15,080        | 14,046        | 14,232        | 11,588        |
| Equity income                   | 269           | 176           | 218           | 266           | 162           |
| Minority interests              | (648)         | (1,465)       | (1,776)       | (1,491)       | (1,473)       |
| Extra items                     | -             | -             | -             | -             | -             |
| <b>Net profit</b>               | <b>10,768</b> | <b>13,791</b> | <b>12,488</b> | <b>13,007</b> | <b>10,278</b> |
| <b>Normalized profit</b>        | <b>10,768</b> | <b>13,791</b> | <b>12,488</b> | <b>13,007</b> | <b>10,278</b> |
| PPP/share (Bt)                  | 11.0          | 12.2          | 11.6          | 11.8          | 10.4          |
| EPS (Bt)                        | 4.5           | 5.8           | 5.3           | 5.5           | 4.3           |
| Norm EPS (Bt)                   | 4.5           | 5.8           | 5.3           | 5.5           | 4.3           |
| BV/share (Bt)                   | 240.0         | 246.5         | 242.0         | 247.3         | 245.3         |

| Income Statement 12M as         |             |            |            |                |                |
|---------------------------------|-------------|------------|------------|----------------|----------------|
| (Bt m)                          | q-q%        | y-y%       | % 2025F    | 2025A          | 2026F          |
| Interest & dividend income      | (3)         | (9)        | 100        | 173,625        | 167,335        |
| Interest expense                | (2)         | (11)       | 99         | 36,473         | 33,381         |
| <b>Net interest income</b>      | <b>(4)</b>  | <b>(9)</b> | <b>100</b> | <b>137,152</b> | <b>133,955</b> |
| Non-interest income             | (0)         | 19         | 101        | 56,826         | 53,477         |
| Total income                    | (3)         | (2)        | 100        | 193,978        | 187,431        |
| Operating expense               | 10          | 3          | 99         | 84,849         | 82,166         |
| <b>Pre-provisioning profit</b>  | <b>(12)</b> | <b>(6)</b> | <b>101</b> | <b>109,129</b> | <b>105,265</b> |
| Provision for bad&doubtful debt | 1           | (16)       | 99         | 40,312         | 40,568         |
| Profit before tax               | (19)        | 4          | 103        | 68,818         | 64,697         |
| Tax                             | (22)        | 2          | 105        | 13,871         | 12,939         |
| Profit after tax                | (19)        | 4          | 102        | 54,946         | 51,757         |
| Equity income                   | (39)        | (40)       | 80         | 822            | 1,082          |
| Minority interests              | neg         | neg        |            | (6,204)        | (4,141)        |
| Extra items                     | neg         | neg        |            | -              | -              |
| <b>Net profit</b>               | <b>(21)</b> | <b>(5)</b> | <b>99</b>  | <b>49,565</b>  | <b>48,699</b>  |
| <b>Normalized profit</b>        | <b>(21)</b> | <b>(5)</b> | <b>99</b>  | <b>49,565</b>  | <b>48,699</b>  |
| PPP/share (Bt)                  | (12)        | (6)        | 101        | 46.1           | 44.4           |
| EPS (Bt)                        | (21)        | (5)        | 99         | 20.9           | 20.6           |
| Norm EPS (Bt)                   | (21)        | (5)        | 99         | 20.9           | 20.6           |
| BV/share (Bt)                   | (1)         | 2          | 245        | 245.3          | 257.9          |

| Balance Sheet (consolidated)          |                  |                  |                  |                  |                  |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Yr-end Dec (Bt m)                     | 4Q24             | 1Q25             | 2Q25             | 3Q25             | 4Q25             |
| Cash and Interbank                    | 568,750          | 574,498          | 561,557          | 604,840          | 613,910          |
| Other liquid items                    | 114,205          | 107,983          | 105,560          | 99,204           | 112,596          |
| Total liquid items                    | 682,956          | 682,481          | 667,117          | 704,044          | 726,506          |
| Gross loans and accrued interest      | 2,500,355        | 2,450,885        | 2,452,458        | 2,434,604        | 2,495,767        |
| Provisions                            | 131,706          | 135,656          | 138,691          | 141,404          | 142,997          |
| Net loans                             | 2,368,649        | 2,315,229        | 2,313,767        | 2,293,200        | 2,352,770        |
| Fixed assets                          | 114,151          | 117,208          | 117,776          | 118,129          | 117,412          |
| Other assets                          | 101,507          | 102,418          | 103,905          | 104,554          | 98,668           |
| <b>Total assets</b>                   | <b>4,340,954</b> | <b>4,355,212</b> | <b>4,374,808</b> | <b>4,436,648</b> | <b>4,558,618</b> |
| Deposits                              | 2,718,675        | 2,722,146        | 2,719,855        | 2,744,278        | 2,850,387        |
| Interbank                             | 172,144          | 186,073          | 180,102          | 186,253          | 207,482          |
| Other liquid items                    | 30,459           | 30,057           | 31,899           | 29,322           | 33,878           |
| Total liquid items                    | 2,921,278        | 2,938,276        | 2,931,856        | 2,959,853        | 3,091,746        |
| Borrowings                            | 67,334           | 68,306           | 66,227           | 66,763           | 64,478           |
| Other liabilities                     | 706,680          | 687,273          | 722,563          | 736,710          | 728,626          |
| Minority interest                     | 76,937           | 77,429           | 80,833           | 87,339           | 92,622           |
| <b>Shareholders' equity</b>           | <b>568,726</b>   | <b>583,926</b>   | <b>573,331</b>   | <b>585,983</b>   | <b>581,146</b>   |
| <b>Total Liabilities &amp; Equity</b> | <b>4,340,954</b> | <b>4,355,212</b> | <b>4,374,808</b> | <b>4,436,648</b> | <b>4,558,618</b> |

| Financial Ratios (%)            |        |         |        |        |        |
|---------------------------------|--------|---------|--------|--------|--------|
|                                 | 4Q24   | 1Q25    | 2Q25   | 3Q25   | 4Q25   |
| Gross loan growth (YTD)         | (0.3)  | (2.0)   | (2.0)  | (2.7)  | (0.3)  |
| Gross loan growth (q-q)         | 2.1    | (2.0)   | 0.0    | (0.8)  | 2.5    |
| Deposit growth (YTD)            | 0.7    | 0.1     | 0.0    | 0.9    | 4.8    |
| Deposit growth (q-q)            | (1.9)  | 0.1     | (0.1)  | 0.9    | 3.9    |
| Non-interest income (y-y)       | 3.6    | 15.8    | 4.5    | 23.2   | 18.8   |
| Non-interest income (q-q)       | 3.4    | 8.5     | 1.7    | 8.0    | (0.3)  |
| Fee income / Operating income   | 17.6   | 17.2    | 17.0   | 19.0   | 19.7   |
| Cost-to-income                  | 46.0   | 41.0    | 43.0   | 42.8   | 48.3   |
| Net interest margin             | 3.48   | 3.41    | 3.32   | 3.24   | 3.06   |
| Credit cost                     | 1.99   | 1.60    | 1.65   | 1.68   | 1.68   |
| ROE                             | 7.7    | 9.6     | 8.6    | 9.0    | 7.0    |
| Loan-to-deposit                 | 91.4   | 89.4    | 89.5   | 88.0   | 86.9   |
| Loan-to-deposit + S-T borrowing | 91.4   | 89.4    | 89.5   | 88.0   | 86.9   |
| NPLs (Bt m)                     | 93,009 | 91,241  | 90,929 | 90,755 | 93,533 |
| NPL increase                    | 72     | (1,768) | (312)  | (174)  | 2,778  |
| NPL ratio                       | 3.74   | 3.75    | 3.74   | 3.76   | 3.78   |
| Loan-loss-coverage ratio        | 141.6  | 148.7   | 152.5  | 155.8  | 152.9  |
| CAR - total                     | 20.4   | 20.5    | 20.7   | 21.6   | 20.4   |

Sources: Company data, Thanachart estimates

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