


HOLD (Unchanged)

Change in Numbers

TP: Bt 162.00 (From: Bt 164.00)

Downside : 3.3%

17 FEBRUARY 2026

Bangkok Bank Pcl (BBL TB)

Lagging the pack



While the FDI boom should support BBL in the long term, we see limited near-term catalysts. The bank is set to deliver the lowest dividend yield (~5%) and ROE (~7%) among peers, with the steepest profit drop in 2026F of -9% y-y. We thus reaffirm our HOLD rating.

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Muted near-term outlook; maintaining HOLD

We reaffirm our HOLD rating on BBL. **First**, we expect the bank to maintain its DPS at Bt8.5, implying a 5.1% dividend yield — the lowest in the sector — reflecting its conservative capital stance. **Second**, we estimate that ROE will decline from 8.2% in 2025 to an average of 7.1% over 2026–28F, driven by weaker earnings momentum and a high capital base that continues to dilute returns. **Third**, following our 8–10% cuts to 2026–27F earnings, primarily due to lower NIM and limited scope for further opex reduction, we expect BBL to record the steepest y-y profit contraction in the sector of -9% y-y in 2026. **Lastly**, while we believe the ongoing FDI upcycle presents a structural opportunity, meaningful benefits are likely to be back-end loaded. We therefore lower our DDM-based 12-month TP (2026F base year) to Bt162 (from Bt164).

Conservative payout weighs on ROE

Despite a strong capital position (CET1 of 17.2%), BBL is unlikely to enhance shareholder returns in the near term, as management remains committed to maintaining elevated capital buffers amid an uncertain economic outlook. We expect DPS to remain at Bt8.5 in 2025–26F, implying a 5.1% yield and payout ratios of 35–39%, below the sector average yields of 6–7%. The conservative dividend stance constrains both income appeal and ROE expansion. We project ROE to fall from 8.2% in 2025 to an average of 7.1% over 2026–28F vs. peers' averages of 8.7–8.9%.

Long-dated FDI upside

While ASEAN's rising share of global FDI and Thailand's strong 2024–25 investment applications are encouraging, the benefit to BBL is likely to be delayed. FDI approvals typically take several years before projects become operational and translate into meaningful domestic financing demand. We expect loan growth acceleration to lag initial capital commitments by three to five years. As a result, BBL's loan growth should remain subdued in the near term. For 2026, management targets loan growth of 2–3% y-y (vs. our 1.5% assumption), primarily driven by corporate and international portfolios.

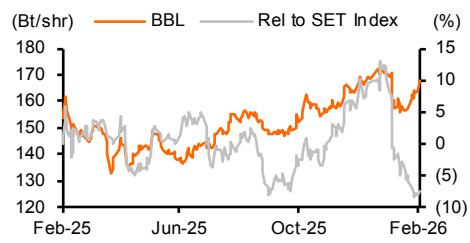
Constraints on cost reduction

We expect BBL's cost-to-income ratio to remain high at 49–50% in 2026–28F, above the 44–45% sector averages. Despite having Thailand's third-largest branch network, retail loans account for only 12% of total loans, leaving much of the network underutilized and weighing on returns. Additionally, compared with peers, BBL has been slower in its digital transformation and branch rationalization, thereby limiting the scope for meaningful cost reductions. This structural constraint is likely to cap operating leverage in the short to medium term, thereby constraining ROE.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Pre Provision Profit	91,961	79,698	82,718	85,274
Net profit	46,007	42,051	44,154	45,372
Consensus NP	—	42,464	43,755	44,607
Diff frm cons (%)	—	(1.0)	0.9	1.7
Norm profit	46,007	42,051	44,154	45,372
Prev. Norm profit	—	46,668	48,200	48,449
Chg frm prev (%)	—	(9.9)	(8.4)	(6.4)
Norm EPS (Bt)	24.1	22.0	23.1	23.8
Norm EPS grw (%)	1.8	(8.6)	5.0	2.8
Norm PE (x)	7.0	7.6	7.2	7.0
P/BV (x)	0.6	0.5	0.5	0.5
Div yield (%)	5.1	5.1	5.4	5.7
ROE (%)	8.2	7.2	7.2	7.0
ROA (%)	1.0	0.9	0.9	1.0

PRICE PERFORMANCE



COMPANY INFORMATION

Price: as of 17-Feb-26 (Bt)	167.50
Market Cap (US\$ m)	10,238
Listed Shares (m shares)	1,908.8
Free Float (%)	98.6
Avg. Daily Turnover (US\$ m)	41.8
12M Price H/L (Bt)	173.50/133.00
Sector	BANK
Major Shareholder	Thai NVDR 23.24%

Sources: Bloomberg, Company data, Thanachart estimates

Muted near-term outlook; maintaining HOLD

We cut 2026–27F earnings by 8–10% and lower our TP to Bt162 (from Bt164)

We revise down our 2026–27F earnings estimates for Bangkok Bank Pcl (BBL TB) by 8–10%, primarily due to lower NIM and limited scope for further opex reduction. We therefore lower our DDM-based 12-month TP (2026F base year) to Bt162 (from Bt164). We reiterate our HOLD rating on BBL due to four reasons.

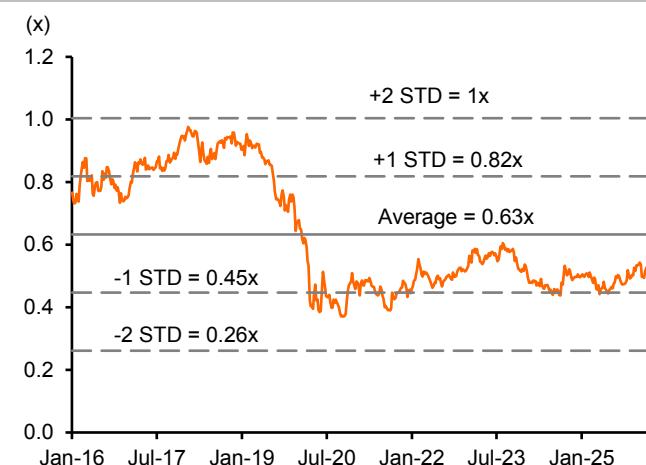
First, we expect the bank to maintain its DPS at Bt8.5, implying a 5.1% dividend yield vs the sector average of around 7%. In a sector where peers offer higher yields and potential payout expansion, BBL's income appeal remains relatively muted.

Second, we forecast ROE to decline from 8.2% in 2025 to an average of 7.1% over 2026–28F, due to softer earnings momentum and a high capital base that continues to dilute returns.

Third, BBL looks set to record the steepest y-y 2026F profit contraction in the sector of -9% y-y, pressured by NIM compression, lower investment-related income, and slow fee income growth.

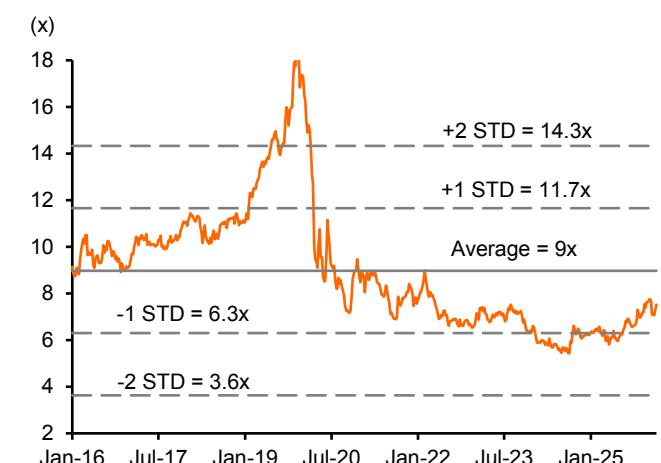
Lastly, while the ongoing FDI upcycle presents a structural opportunity, meaningful benefits are likely to be back-end loaded.

Ex 1: BBL's P/BV STD



Sources: Bloomberg, Thanachart estimates

Ex 2: BBL's PE STD



Sources: Bloomberg, Thanachart estimates

Ex 3: 12-month DDM-based TP Calculation Using A Base Year Of 2026F

(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	Terminal Value
Dividend of common shares	16,226	16,704	17,658	18,135	19,090	20,044	20,044	25,771	32,453	34,361	34,361
Dividend payment	16,226	16,704	17,658	18,135	19,090	20,044	20,044	25,771	32,453	34,361	453,764
PV of dividend	16,226	13,874	13,364	12,509	12,000	11,483	10,463	12,260	14,071	13,578	179,305
Risk-free rate (%)	2.5										
Market risk premium (%)	8.0										
Beta	0.9										
WACC (%)	9.7										
Cost of equity	9.7										
Terminal growth (%)	2.0										
Equity value	309,133										
No. of shares	1,909										
Equity value / share	162.00										

Sources: Company data, Thanachart estimates

Ex 4: Earnings Revisions And Assumption Changes

	2024	2025	2026F	2027F	2028F
Normalized profit (Bt bn)					
- New	45.21	46.01	42.05	44.15	45.37
- Old			46.67	48.20	48.45
- Change (%)			(9.89)	(8.39)	(6.35)
Normalized EPS (Bt/share)					
- New	23.68	24.10	22.03	23.13	23.77
- Old			24.45	25.25	25.38
- Change (%)			(9.89)	(8.39)	(6.35)
Loan growth (%)					
- New	0.80	(3.16)	1.50	1.50	1.00
- Old			1.50	1.50	1.00
- Change (ppt)			0.00	0.00	0.00
NIM (%)					
- New	2.99	2.71	2.49	2.56	2.58
- Old			2.59	2.66	2.67
- Change (ppt)			(0.10)	(0.10)	(0.09)
Non-NII (Bt bn)					
- New	41.71	54.69	44.47	43.38	45.35
- Old			46.01	44.44	46.45
- Change (%)			(3.35)	(2.39)	(2.37)
Cost-to-income ratio (%)					
- New	48.07	48.43	50.19	49.56	49.27
- Old			48.41	48.04	47.75
- Change (ppt)			1.79	1.52	1.53

Sources: Company data, Thanachart estimates

Ex 4: Earnings Revisions And Assumption Changes (Con't)

	2024	2025	2026F	2027F	2028F
Credit costs (%)					
- New		1.30	1.36	1.05	1.05
- Old			1.05	1.05	1.10
- Change (ppt)			0.00	0.00	(0.05)

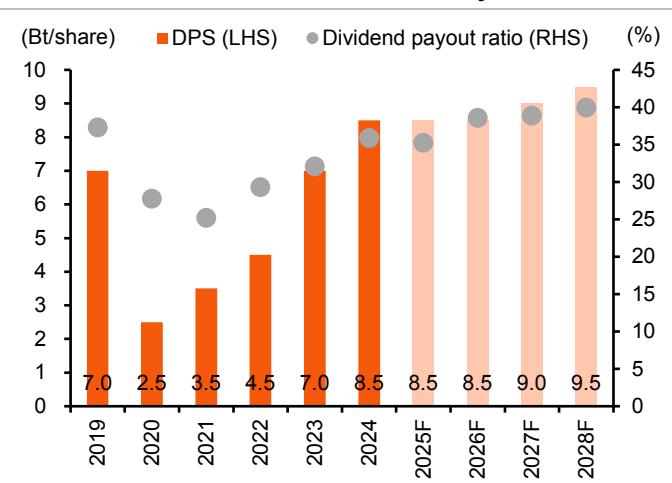
Sources: Company data, Thanachart estimates

Conservative payout weighs on ROE

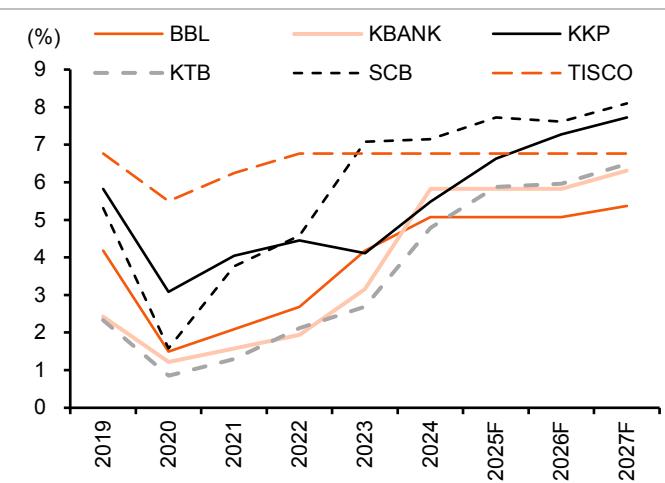
We expect 2025-26F DPS of Bt8.5 = 5.1% dividend yield

We estimate DPS at Bt8.5 for 2025–26F, implying a 5.1% dividend yield and payout ratios of 35% and 39%, respectively. Although BBL's CET1 ratio increased to 17.2% in 2025, exceeding its pre-Permata acquisition level of 17.0% in 2019, management has indicated a preference to maintain capital at around this level. Given the still-uncertain economic outlook and the bank's historically conservative dividend policy, we do not expect an uplift in DPS in the near term. BBL has typically maintained stable dividends until earnings visibility improves meaningfully.

The bank's conservative capital management stance reduces its relative attractiveness vs. peers. Its projected dividend yield of 5.1% remains below the sector average of 6–7%. In addition, the restrained payout policy weighs on return metrics. We project BBL's ROE to decline from 8.2% in 2025 to an average of 7.1% over 2026–28F, trailing the sector averages of 8.7%/8.9%/8.9% during the same period. In our view, without stronger earnings momentum or a shift in capital-return strategy, BBL is likely to continue to lag peers on both yield and ROE metrics.

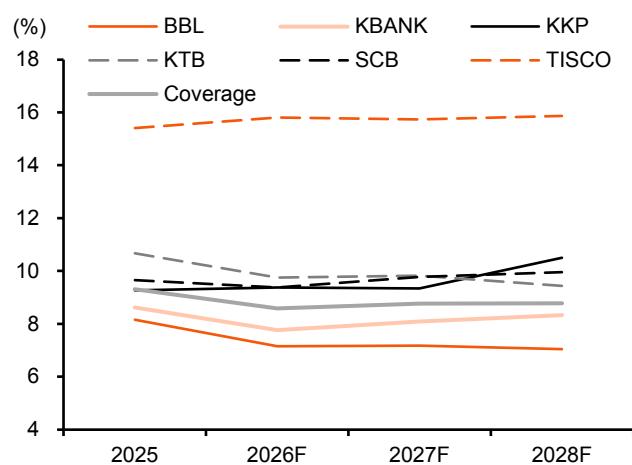
Ex 5: Conservative DPS And Dividend Payout Ratio

Sources: Company data, Thanachart estimates

Ex 6: Lower Dividend Yield Vs. Peers

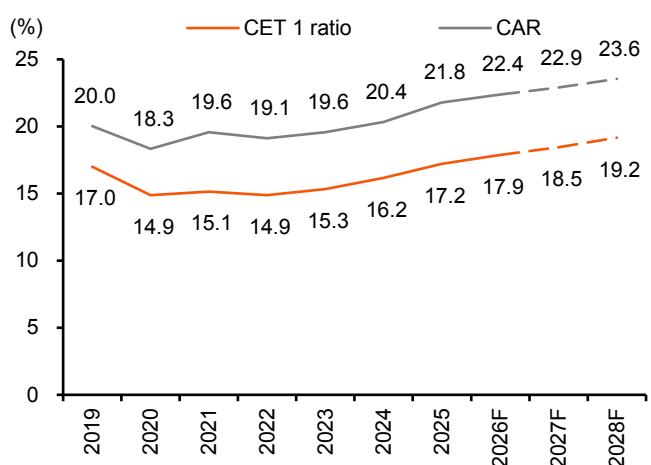
Sources: Company data, Thanachart estimates

Ex 7: ROE Lags Peers



Sources: Company data, Thanachart estimates

Ex 8: CET1 Higher Than 2019's Level



Sources: Company data, Thanachart estimates

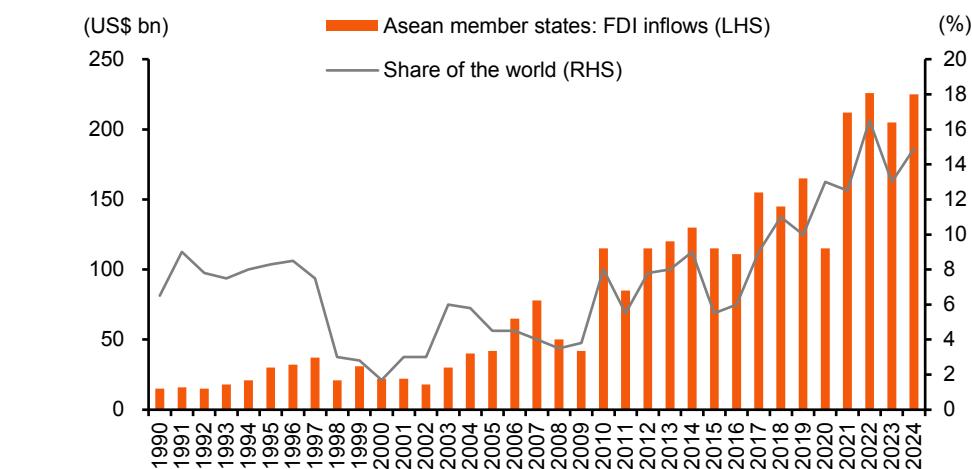
Long-dated FDI upside

Strong FDI flows into Thailand and ASEAN

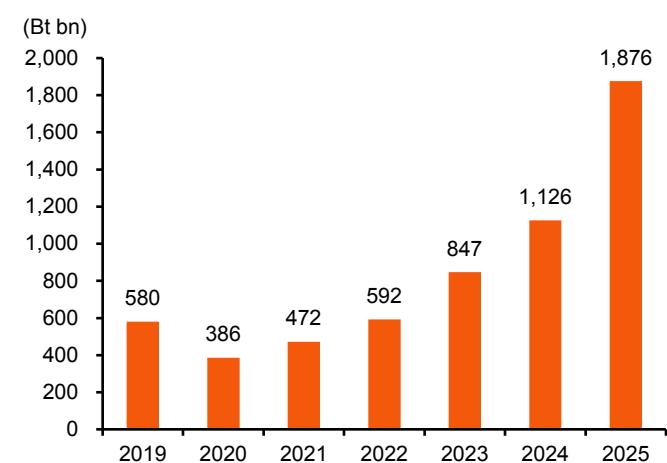
ASEAN remains an increasingly strategic destination for global capital amid rising geopolitical tensions between major economies. The region's share of global FDI inflows rose to approximately 15% in 2024, up significantly from around 5% pre-COVID, reflecting supply chain diversification. Thailand has seen renewed momentum in FDI applications in 2024–25, particularly in high-capex sectors such as electronics, EV manufacturing, and data centers.

Historically, Thailand has experienced similar investment cycles, most notably during the late 1980s to early 1990s. The sharp appreciation of the Japanese yen prompted Japanese manufacturers to relocate production to Southeast Asia, including Thailand. This wave of investment transformed Thailand into a regional automotive and electronics manufacturing hub, driving a multi-year expansion in industrial estates, supply chains, and bank lending growth. In our view, the current FDI pipeline has the potential to represent a comparable structural shift.

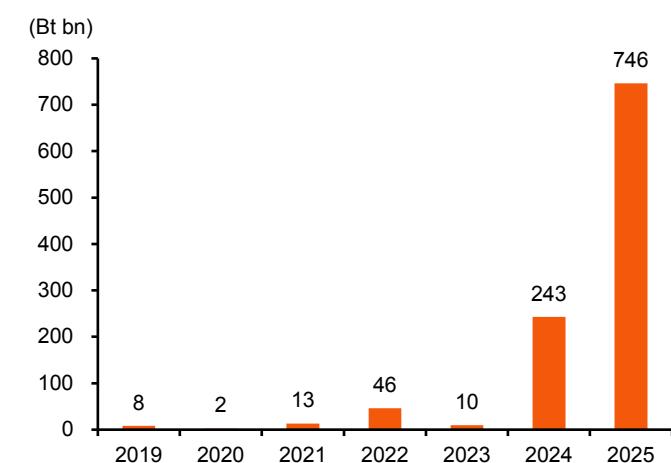
Ex 9: ASEAN: A Strategic And Attractive Destination



Sources: Company data, UN Trade and Development (UNCTAD)

Ex 10: Total BOI Application Value

Source: Board of Investment

Ex 11: BOI Application Value In Digital Technology Sector

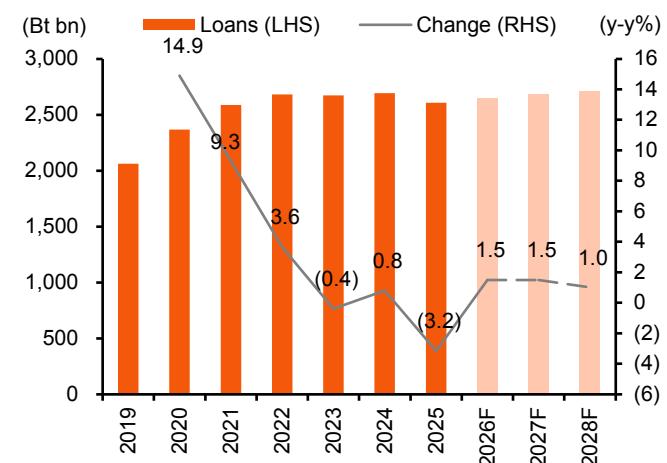
Source: Board of Investment

BBL's loan growth should lag from FDI boom 3-5 years

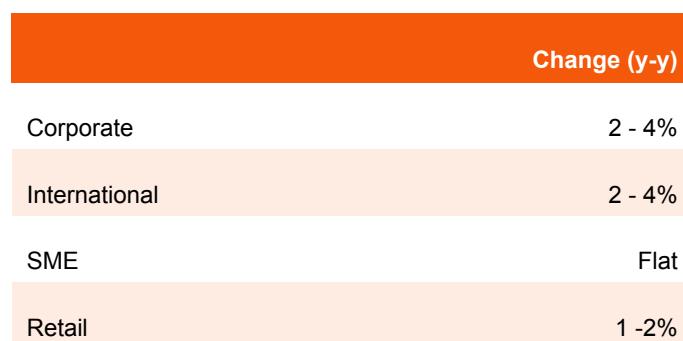
BBL appears structurally well-positioned to benefit from this theme. The bank maintains longstanding relationships with large corporates, embedding itself within the financing ecosystem of inbound investment and associated supply chains. In addition, its regional footprint, particularly in Indonesia and Vietnam — both strong recipients of FDI — enhances its ability to capture cross-border financing and trade flows.

However, the conversion from FDI approvals to actual loan drawdowns typically lags by several years due to land acquisition, construction timelines, and project ramp-up phases. We expect the current surge in FDI to translate into credit expansion over a three- to five-year horizon rather than in the near term. Against a still-soft domestic economic backdrop, loan growth is likely to remain conservative in the interim.

For 2026, BBL guides for loan growth of 2-3% y-y (vs. -3% y-y in 2025), driven by the corporate (2-4%) and international (2-4%) segments, while SME lending remains flat and retail expands modestly at 1-2%. This suggests gradual stabilization rather than a sharp cyclical rebound, with the FDI theme representing a medium-term structural tailwind rather than an immediate catalyst.

Ex 12: BBL's Loan Growth

Sources: Company data, Thanachart estimates

Ex 13: 2026 BBL's Loan Growth Target

Sources: Company data, Thanachart estimates

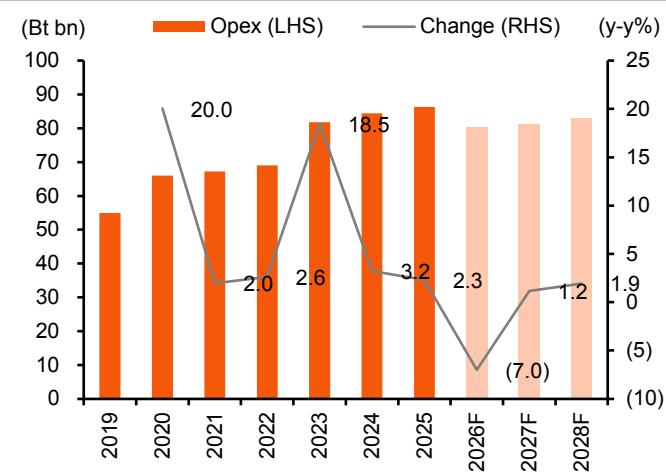
Constraints on cost reduction

Higher cost-to-income ratio of 49-50% in 2026-28F vs. peers' average of 44-45%

We expect BBL's cost-to-income ratio to remain elevated at 49–50% over 2026–28F, above the sector average of 44–45%. Despite operating Thailand's third-largest branch network, high-margin retail loans account for only 12% of total loans. As a result, a significant portion of the bank's physical infrastructure appears inefficient relative to its current loan mix, creating a structural drag on profitability.

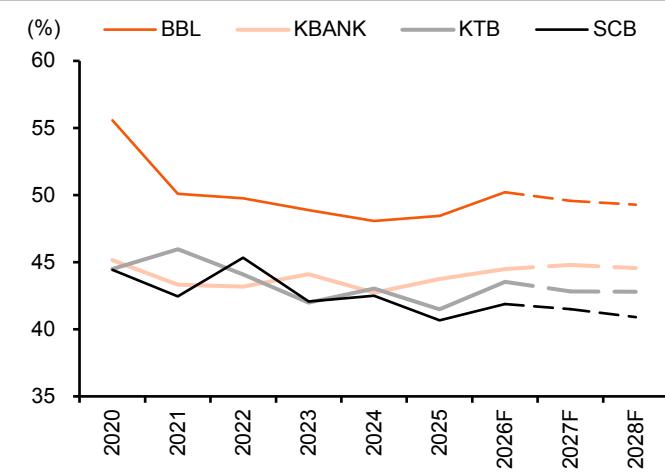
Also, compared with peers such as SCB X Pcl (SCB TB; BUY; Bt146) and KASIKORN BANK Pcl (KBANK TB; BUY; Bt206), BBL has progressed more slowly in digital transformation and network rationalization. While competitors have actively reduced headcount and closed underperforming branches to improve efficiency, BBL's pace of restructuring has been more gradual. Without a clearer strategy to rebalance toward a lighter, more digitally driven operating model, we see limited room for meaningful cost reduction. This structural constraint is likely to cap operating leverage and weigh on medium-term ROE.

Ex 14: BBL's Opex Growth



Sources: Company data, Thanachart estimates

Ex 15: BBL's Cost-To-Income Ratio Vs. Big Banks



Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 16: Valuation Comparison With Regional Peers

Name	BBG Code	Market	EPS growth		— PE —		— P/BV —		— ROE —		— Div. Yield —	
			26F (%)	27F (%)	26F (x)	27F (x)	26F (x)	27F (x)	26F (%)	27F (%)	26F (%)	27F (%)
BOC Hong Kong Holdings	2388 HK	Hong Kong	7.1	9.4	11.2	10.2	1.2	1.2	11.2	11.5	5.0	5.5
Bank of East Asia	23 HK	Hong Kong	35.3	13.6	8.5	7.4	0.4	0.4	4.5	5.0	5.4	6.2
China Citic Bank Corp	998 HK	Hong Kong	1.9	4.7	5.9	5.6	0.5	0.5	8.9	8.8	5.0	5.2
Hang Seng Bank	11 HK	Hong Kong	(11.4)	7.9	18.0	16.7	1.7	1.7	9.6	10.2	4.6	4.9
Industrial & Commercial Bk	1398 HK	Hong Kong	2.4	2.1	6.4	6.2	0.5	0.5	8.9	8.5	4.9	5.1
Axis Bank	AXSB IN	India	(10.2)	28.5	16.7	13.0	2.0	1.7	11.7	13.5	2.7	2.8
ICICI Bank	ICICIBC IN	India	3.5	10.9	18.8	16.9	2.8	2.4	na	na	0.8	1.0
State Bank of India	SBIN IN	India	6.6	8.4	13.1	12.1	2.0	1.8	16.5	15.2	1.4	1.5
Bank Central Asia	BBCA IJ	Indonesia	7.3	8.7	14.4	13.2	2.9	2.7	21.0	21.1	4.7	5.0
Bank Mandiri	BMRI IJ	Indonesia	0.3	8.4	8.4	7.7	1.5	1.4	18.5	18.7	7.8	8.1
Bank Rakyat	BBRI IJ	Indonesia	0.6	9.3	9.4	8.6	1.7	1.6	18.3	19.3	9.0	9.6
Bank Negara	BBNI IJ	Indonesia	8.7	10.2	7.7	7.0	0.9	0.9	12.5	12.9	8.0	8.7
CIMB Group Holdings	CIMB MK	Malaysia	6.8	6.3	10.9	10.2	1.2	1.1	11.2	11.4	5.8	6.2
Hong Leong Bank	HLBK MK	Malaysia	4.3	6.5	11.0	10.3	1.2	1.1	11.1	11.2	4.1	4.4
Malayan Banking	MAY MK	Malaysia	7.8	5.7	13.3	12.5	1.5	1.4	11.1	11.4	5.5	5.7
Public Bank	PBKF MK	Malaysia	5.9	5.6	na	na	na	na	12.2	12.2	na	na
Industrial Bank of Korea	024110 KS	S Korea	1.9	5.2	7.6	7.2	0.6	0.6	7.9	7.8	4.5	4.7
DBS Group Holdings	DBS SP	Singapore	3.4	6.7	14.3	13.4	2.3	2.2	16.2	16.7	5.7	6.1
Oversea-Chinese Banking	OCBC SP	Singapore	0.2	4.9	12.6	12.0	1.5	1.4	12.1	12.1	4.7	4.7
United Overseas Bank	UOB SP	Singapore	(3.3)	7.3	11.2	10.4	1.2	1.2	11.4	11.6	4.6	4.9
Bangkok Bank	BBL TB*	Thailand	(8.6)	5.0	7.6	7.2	0.5	0.5	7.2	7.2	5.1	5.4
KASIKORN BANK	KBANK TB*	Thailand	(7.4)	7.8	10.6	9.9	0.8	0.8	7.8	8.1	5.8	6.3
Kiatnakin Phatra Bank	KKP TB*	Thailand	3.6	5.5	10.0	9.5	0.9	0.9	9.3	9.3	7.0	7.4
Krung Thai Bank	KTB TB*	Thailand	(4.3)	5.8	9.8	9.2	0.9	0.9	9.7	9.8	5.9	6.5
SCB X	SCB TB*	Thailand	(1.5)	6.4	10.5	9.9	1.0	0.9	9.3	9.6	7.6	8.1
Tisco Financial Group	TISCO TB*	Thailand	3.9	1.5	13.2	13.1	2.1	2.0	15.7	15.6	6.8	6.8
Average			2.5	7.8	11.2	10.4	1.4	1.3	11.7	11.9	5.3	5.6

Source: Bloomberg

Note: * Thanachart estimates , using Thanachart normalized EPS

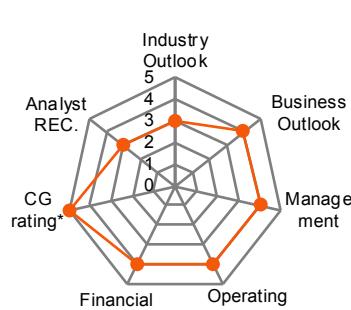
Based on 17 February 2026 closing prices

COMPANY DESCRIPTION

Bangkok Bank Pcl (BBL) provides various banking and financial services, including commercial, consumer, credit card, and mortgage lending, international trade financing, investment banking, and securities services.

Source: Thanachart

COMPANY RATING



Rating Scale

Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: Thanachart; *CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Extensive banking network and large customer base
- Strong relationships with large corporates
- Very solid balance sheet

O — Opportunity

- Beefing up its overseas presence and expanding its footprint into many more countries
- Rising cross-selling activity

W — Weakness

- Its large business size makes it difficult for the bank to adjust itself to changes in the industry landscape
- Its conservatism has prevented the bank from running at its full potential in our view

T — Threat

- Global economic recession
- New accounting standards and regulations

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	168.56	162.00	-4%
Net profit 26F (Bt m)	42,464	42,051	-1%
Net profit 27F (Bt m)	43,755	44,154	1%
Consensus REC	BUY: 9	HOLD: 11	SELL: 7

HOW ARE WE DIFFERENT FROM THE STREET?

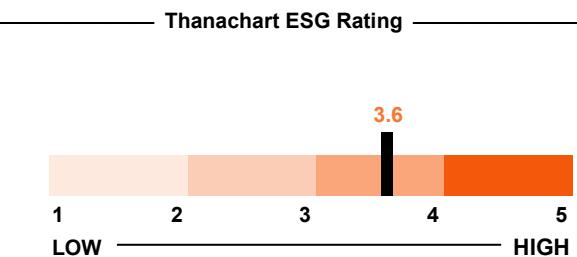
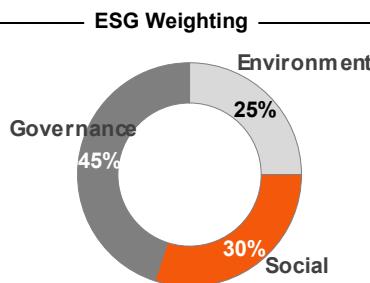
- Our 2026-27F net profit estimates are in line with the market expectations. However, our TP is slightly below by 4%. We attribute this to us having more conservative dividend payment assumptions.

RISKS TO OUR INVESTMENT CASE

- Slower/faster policy rate cuts than we presently forecast would lead to NIM upside/downside.
- Higher- or lower-than-expected dividend payout ratios would result in upside/downside risk to our TP.

Sources: Bloomberg consensus, Thanachart estimates

Source: Thanachart

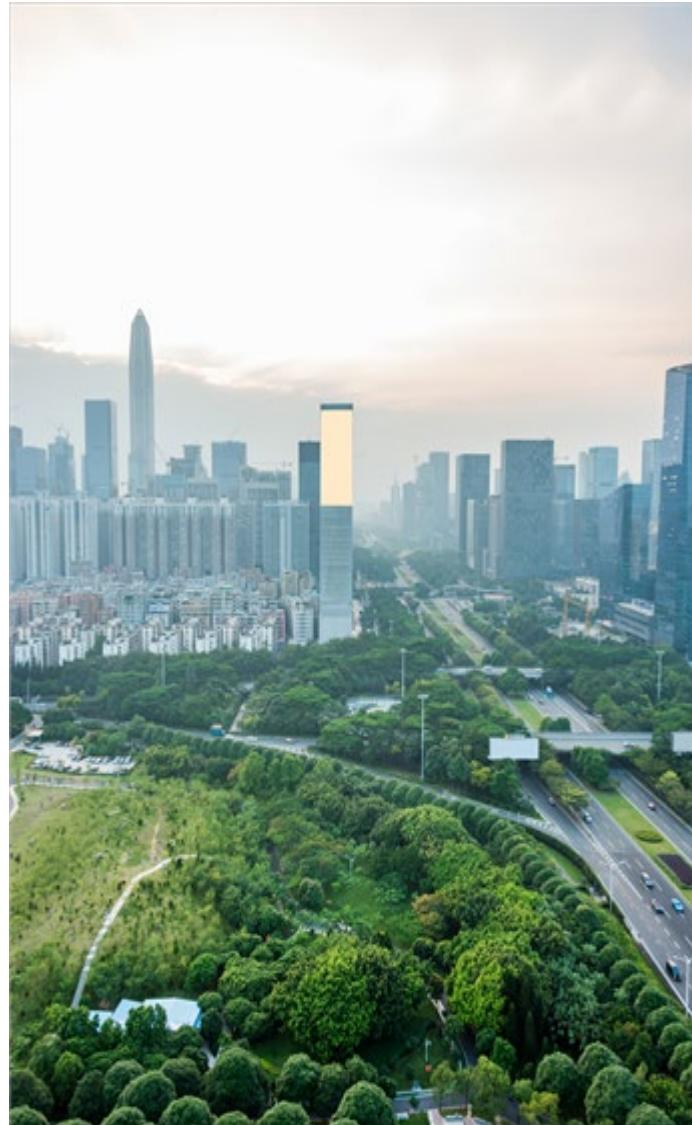


	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	Thanachart ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
BBL	YES	AAA	-	3.60	0	61.34	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)

MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)

Note: Please see third party on "terms of use" toward the back of this report.



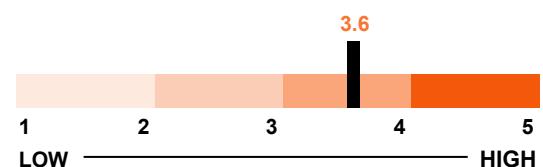
ESG Summary

- BBL was Thailand's largest bank by asset size and fourth largest by profit in 2025. Its loan breakdown in 2025 was 49% large corporate, 23% international, 16% SME, and 12% retail. Long known as Thailand's corporate powerhouse, BBL has the highest exposure to the commercial and manufacturing sectors and has aggressively expanded into Southeast Asia through its acquisition of Permata in Indonesia in 2019.
- We assign BBL a good ESG score of 3.6, in line with the sector average. Its Environment (E), Social (S), and Governance (G) scores all track closely with peers. The bank performs consistently across all pillars, though its approach remains relatively traditional and less innovative than that of some competitors.
- BBL's 3.6 E score is in line with its peer average. The bank demonstrates a clear commitment to environmental sustainability, particularly through its green financing and internal efficiency initiatives. However, its reliance on carbon offsets, limited Scope 3 (financed emissions) disclosure, and the incomplete bank-wide implementation of some environmental initiatives weigh on the score. To improve, BBL should set clearer climate targets and reduce dependence on carbon offsets.
- We assign BBL a good S score of 3.9, which is in line with the sector average, reflecting its solid commitment to creating value for people and society through financial inclusion, human capital development, customer responsibility, and community engagement.
- We assign BBL a G score of 3.5, in line with peers. The bank shows strong risk management, solid business ethics, and robust compliance. However, the large board size and low proportion of independent directors (33%) limit overall effectiveness.

Sector: Financials | Banking

We assign BBL's a good Environmental score of 3.6, in line with the sector average, reflecting meaningful progress in sustainable finance and internal environmental management, but with gaps in portfolio-level decarbonization and reliance on carbon offsets compared with leading peers.

Thanachart Environment (E) Rating



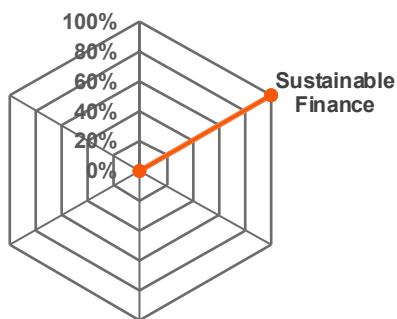
ENVIRONMENT

Our Comments

- Sustainable Finance

- We assign BBL an Environmental score of 3.6. We view its key strength as sustainable finance, and we also recognize meaningful progress in its internal environmental management, although there remains room for further improvement. We note that disclosure on financed emissions is still limited.
- **Solid sustainable finance:** Its "Bualuang Green Financing for Transition to Environmental Sustainability" loan highlights its commitment to helping businesses reduce emissions, adapt to climate change, and manage pollution. The bank also supports a range of green projects, including renewable energy, EV battery production, and green real estate across several countries. BBL's role as a leading underwriter of ESG bonds further strengthens its environmental profile. By supporting both government and private-sector green and sustainability-linked bonds, the bank contributes to the development of sustainable capital markets, placing it in a competitive position within transition finance.

SCALE WEIGHTING



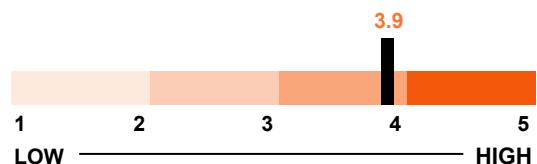
- **Progressed internal environmental management:** BBL has set 2024–26 targets to reduce Scope 1 and 2 emissions in line with the Paris Agreement. In 2024, its Silom Head Office achieved carbon neutrality mainly through carbon credits, but reliance on offsets is seen as less robust than direct emissions cuts, making BBL slightly weaker than some peers. BBL also has improved operational efficiency through energy-saving equipment, electric vehicles, and digitalization, and set a "Zero Waste to Landfill" target for its Rama 3 building. However, as these initiatives are not fully rolled out bank-wide, their overall impact remains limited.
- **Limited disclosure on financed emissions (Scope 3):** A material constraint on BBL's Environmental score is the absence of clear disclosure or targets related to Scope 3 (financed) emissions, which typically represent the largest climate impact for banks. Leading peers increasingly measure, report, and set reduction pathways for financed emissions across key sectors such as power, transport, and real estate. BBL's current framework appears more focused on operational emissions and green product offerings, rather than portfolio-level decarbonization.

Sources: Thanachart, Company data

Sector: Financials | Banking

We assign BBL a good Social score of 3.9, in line with peers. The bank performs well in financial inclusion, employee development, customer protection, and community engagement. Further upside lies in expanding financial literacy and outreach to underserved groups.

Thanachart Social (S) Rating



SOCIAL

Our Comments

- Access & Affordability
- Customer Welfare
- Data Security & Customer Privacy
- Product Quality & Safety
- Fair Product Marketing & Labelling
- Operational Risk Management
- Diversity & Inclusion

- We assign BBL a Social score of 3.9. The bank demonstrates a clear commitment to creating value for people and society, with strong initiatives in financial inclusion, human capital development, customer responsibility, and community engagement.
- **Financial inclusion & accessibility:** BBL has expanded access to banking services through over 200,000 agent points nationwide and improved mobile banking features. Special products target vulnerable groups, including state welfare cardholders and visually impaired customers. The bank also supports debt sustainability through programs such as "You Fight, We Help" for retail and SME borrowers.
- **Human capital & diversity:** Employees receive an average of 45 hours of training, focusing on digital skills and sustainability. With 55% of executive positions and 48% of STEM roles held by women, BBL significantly outpaces global financial averages. This indicates a meritocratic culture that effectively utilizes its entire talent pool. Policies on non-discrimination and anti-harassment, along with welfare support, highlight the bank's commitment to employee well-being.

SCALE WEIGHTING

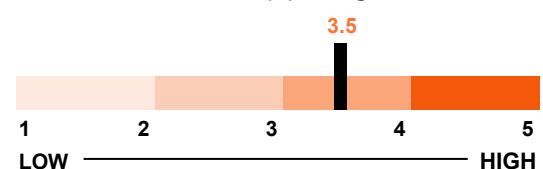


Sources: Thanachart, Company data

Sector: Financials | Banking

BBL's 3.5 Government score is decent and in line with the peer average. The bank demonstrates solid corporate governance with clear structures, strong risk management, and well-embedded ethics and compliance practices, though board independence remains a constraint.

Thanachart Governance (G) Rating



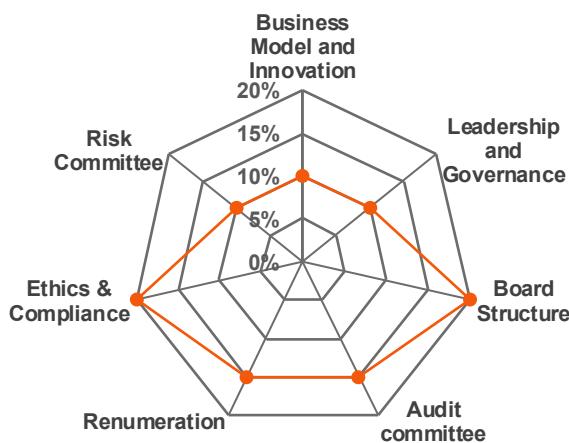
GOVERNANCE & SUSTAINABILITY

Our Comments

- Business Model and Innovation
- Leadership and Governance
- Board Structure:
- Audit committee:
- Renumeration:
- Ethics & Compliance:
- Risk Committee:

- We assign BBL a Governance score of 3.5. The bank exhibits strong risk management, solid business ethics, and robust compliance. It also has specialized board committees. However, the large board size and relatively low proportion of independent directors limit its overall score.
- **Board structure & oversight:** BBL maintains a clear separation between the roles of chairman and president, and the board is supported by specialized committees (audit, risk oversight, nomination & remuneration, and corporate governance), which enhance oversight effectiveness. However, we view the board size of 21 members as relatively large compared with the ASEAN corporate average of 9–12. In addition, only 33% of directors are independent, which remains below best-practice standard of two-thirds.
- **Risk management:** BBL operates under a comprehensive risk management framework covering traditional risks (credit, market, liquidity) as well as emerging risks such as geopolitics, climate change, and AI. The three lines of defense model — business units, risk/compliance functions, and internal audit — strengthens accountability and internal controls.
- **Business ethics & compliance:** BBL maintains a strict zero-tolerance anti-corruption policy and is certified under the Thai Private Sector Collective Action Against Corruption (CAC). It provides secure whistleblowing channels with protections for reporters, and 100% of employees have completed mandatory training on the Code of Conduct, Anti-Corruption, and Market Conduct.
- **Business sustainability & innovations:** BBL has invested less than big bank peers in IT. Although that might be due to its lower proportion of retail exposure than peers, we still believe IT is key for firm-based efficiency. On the positive side, BBL has expanded horizontally to overseas markets, including overseas loans and its Permata investment, to expand room for growth and for business diversification.
- **Room for improvement:** While governance practices are strong overall, increasing the proportion of independent directors would further strengthen board effectiveness and elevate BBL's Governance score.

SCALE WEIGHTING



Sources: Thanachart, Company data

INCOME STATEMENT					
FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Biggest 2026F net profit drop in the sector					
Interest and Dividend Income	208,029	191,082	178,409	181,961	184,548
Interest Expenses	74,129	67,452	62,865	61,361	61,790
Net Interest Income	133,900	123,630	115,544	120,600	122,758
% of total income	76.2%	69.3%	72.2%	73.5%	73.0%
Gain on Investment	891	10,737	3,221	805	829
Fee Income	27,724	27,192	27,824	28,658	30,091
Gain on Exchange	8,966	12,647	9,106	9,379	9,660
Others	1,781	1,774	1,863	1,956	2,054
Non-interest Income	41,707	54,694	44,475	43,383	45,348
% of total income	23.8%	30.7%	27.8%	26.5%	27.0%
Total Income	175,606	178,324	160,019	163,983	168,106
Operating Expenses	84,405	86,363	80,320	81,265	82,832
Pre-provisioning Profit	91,201	91,961	79,698	82,718	85,274
Provisions	34,838	36,148	27,592	28,006	28,356
Pre-tax Profit	56,363	55,814	52,106	54,712	56,918
Income Tax	10,946	9,622	9,900	10,395	11,384
After Tax Profit	45,417	46,191	42,206	44,316	45,534
Equity Income	205	174	183	192	202
Minority Interest	(411)	(359)	(338)	(355)	(364)
Extraordinary Items	0	0	0	0	0
NET PROFIT	45,211	46,007	42,051	44,154	45,372
Normalized Profit	45,211	46,007	42,051	44,154	45,372
EPS (Bt)	23.7	24.1	22.0	23.1	23.8
Normalized EPS (Bt)	23.7	24.1	22.0	23.1	23.8
BALANCE SHEET					
FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Liquid Items	799,633	818,754	840,431	828,665	834,525
cash & cash equivalents	47,364	47,560	37,182	42,315	52,146
interbank & money market	752,269	771,194	803,249	786,350	782,379
Securities under resale agreement	0	0	0	0	0
Investments	990,986	1,109,150	1,131,343	1,153,981	1,177,071
Net loans	2,428,321	2,320,306	2,344,552	2,380,556	2,403,575
Gross and accrued interest	2,701,059	2,627,076	2,655,088	2,694,914	2,721,863
Provisions for doubtful	272,738	306,770	310,536	314,358	318,288
Fixed assets - net	66,015	77,066	73,646	75,856	78,131
Other assets	266,424	281,066	187,130	192,744	198,527
Total assets	4,551,379	4,606,342	4,684,153	4,740,993	4,803,204
LIABILITIES:					
Liquid Items	3,523,714	3,517,734	3,589,129	3,610,664	3,635,939
Deposit	3,169,654	3,196,284	3,228,496	3,247,867	3,270,602
Interbank & money market	346,936	314,644	353,376	355,497	357,985
Liability payable on demand	7,125	6,805	7,257	7,301	7,352
Borrowings	213,785	244,009	217,754	219,061	220,594
Other liabilities	257,006	268,916	274,294	279,780	285,376
Total liabilities	3,994,506	4,030,659	4,081,178	4,109,505	4,141,909
Minority interest	1,834	1,761	1,849	1,942	2,039
Shareholders' equity	555,039	573,923	601,126	629,546	659,257
Preferred capital	-	-	-	-	-
Paid-in capital	19,088	19,088	19,088	19,088	19,088
Share premium	56,346	56,346	56,346	56,346	56,346
Surplus/ Others	38,112	27,541	28,918	30,364	31,882
Retained earnings	441,493	470,947	496,774	523,748	551,940
Liabilities & equity	4,551,379	4,606,342	4,684,153	4,740,993	4,803,204

Sources: Company data, Thanachart estimates

VALUATION					
FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	7.1	7.0	7.6	7.2	7.0
Normalized PE - at target price (x)	6.8	6.7	7.4	7.0	6.8
PE (x)	7.1	7.0	7.6	7.2	7.0
PE - at target price (x)	6.8	6.7	7.4	7.0	6.8
P/PPP (x)	3.5	3.5	4.0	3.9	3.7
P/PPP - at target price (x)	3.4	3.4	3.9	3.7	3.6
P/BV (x)	0.6	0.6	0.5	0.5	0.5
P/BV - at target price (x)	0.6	0.5	0.5	0.5	0.5
Dividend yield (%)	5.1	5.1	5.1	5.4	5.7
Market cap / net loans (x)	0.1	0.1	0.1	0.1	0.1
Market cap / deposit (x)	0.1	0.1	0.1	0.1	0.1
(Bt)					
Normalized EPS	23.7	24.1	22.0	23.1	23.8
EPS	23.7	24.1	22.0	23.1	23.8
DPS	8.5	8.5	8.5	9.0	9.5
PPP/Share	47.8	48.2	41.7	43.3	44.7
BV/Share	290.8	300.6	314.9	329.8	345.3
FINANCIAL RATIOS					
FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate (%)					
Net interest income (NII)	2.3	(7.7)	(6.5)	4.4	1.8
Non-interest income (Non-II)	14.5	31.1	(18.7)	(2.5)	4.5
Operating expenses	3.2	2.3	(7.0)	1.2	1.9
Pre-provisioning profit (PPP)	6.6	0.8	(13.3)	3.8	3.1
Net profit	8.6	1.8	(8.6)	5.0	2.8
Normalized profit growth	8.6	1.8	(8.6)	5.0	2.8
EPS	8.6	1.8	(8.6)	5.0	2.8
Normalized EPS	8.6	1.8	(8.6)	5.0	2.8
Dividend payout ratio	35.9	35.3	38.6	38.9	40.0
Loan - gross	0.8	(3.2)	1.5	1.5	1.0
Loan - net	0.1	(4.4)	1.0	1.5	1.0
Deposit	(0.5)	0.8	1.0	0.6	0.7
NPLs	(0.1)	10.3	2.8	2.8	2.7
Total assets	0.8	1.2	1.7	1.2	1.3
Total equity	4.9	3.4	4.7	4.7	4.7
Operating Ratios (%)					
Net interest margin (NIM)	3.1	2.9	2.6	2.7	2.7
Net interest spread	4.6	4.4	4.2	4.2	4.2
Yield on earnings assets	4.7	4.2	3.8	3.9	3.9
Avg cost of fund	2.0	1.8	1.7	1.6	1.6
NII / operating income	76.2	69.3	72.2	73.5	73.0
Non-II / operating income	23.8	30.7	27.8	26.5	27.0
Fee income / operating income	15.8	15.2	17.4	17.5	17.9
Normalized net margin	25.7	25.8	26.3	26.9	27.0
Cost-to-income	48.1	48.4	50.2	49.6	49.3
Credit cost - provision exp / loans	1.3	1.4	1.0	1.0	1.0
PPP / total assets	2.0	2.0	1.7	1.8	1.8
PPP / total equity	16.8	16.3	13.6	13.4	13.2
ROA	1.0	1.0	0.9	0.9	1.0
ROE	8.3	8.2	7.2	7.2	7.0

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Liquidity and Quality Ratio (%)					
Loan-to-deposit	85.0	81.6	82.0	82.7	83.0
Loan-to-deposit & S-T borrowing	85.0	81.6	82.0	82.7	83.0
Net loan / assets	53.4	50.4	50.1	50.2	50.0
Net loan / equity	437.5	404.3	390.0	378.1	364.6
Investment / assets	21.8	24.1	24.2	24.3	24.5
Deposit / liabilities	79.4	79.3	79.1	79.0	79.0
Liabilities / equity	719.7	702.3	678.9	652.8	628.3
Net interbank lender (Bt m)	405,334	456,550	449,873	430,853	424,394
Tier 1 CAR	17.0	17.2	17.9	18.5	19.2
Tier 2 CAR	3.4	4.6	4.5	4.4	4.4
Total CAR	20.4	21.8	22.4	22.9	23.6
NPLs (Bt m)	85,833	94,664	97,311	99,999	102,713
NPLs / Total loans (NPL Ratio)	3.2	3.6	3.7	3.7	3.8
Loan-Loss-Coverage	317.8	324.1	319.1	314.4	309.9

Tier 1 is currently higher than pre-Permata acquisition in 2019

Sources: Company data, Thanachart estimates

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1. MSCI (CCC- AAA)
2. ESG Book (0-100)
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SETESG Index (SETESG)

The SETESG Index reflects the price movement of stock of companies that have sustainable business practices which consider environmental, social and governance (ESG) aspect.

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SET ESG Index (SET ESG)

Currently, long-term investment guidelines abroad are beginning to focus on investing in companies that have sustainable business practices. which considers environmental, social and governance factors (Environmental, Social and Governance or ESG) of the company in making investment decisions along with analyzing the company's financial data.

Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

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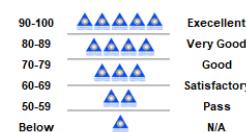
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Score range	Description
CCC - B	LAGGARD: A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	AVERAGE : A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	LEADER: A company leading its industry in managing the most significant ESG risks and opportunities

The Dow Jones Sustainability Indices (DJSI)

The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognized that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. The family was launched in 1999 as the first global sustainability benchmark and tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. Created jointly by S&P Dow Jones Indices and SAM, the DJSI combine the experience of an established index provider with the expertise of a specialist in Sustainable Investing to select the most sustainable companies from across 61 industries. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for investors who wish to encourage companies to improve their corporate sustainability practices.

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Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of "Debentures of Charoen Pokphand Food Public Co. Ltd.(CPF) No. 1/2026 (B.E. 2569) tranche 1-3", therefore investors need to be aware that there could be conflicts of interest in this research.

Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on the market price and the formal recommendation.

For sectors, an “Overweight” sector weighting is used when we have BUYS on majority of the stocks under our coverage by market cap. “Underweight” is used when we have SELLS on majority of the stocks we cover by market cap. “Neutral” is used when there are relatively equal weightings of BUYS and SELLS.

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