

KASIKORNBANK Pcl (KBANK TB) - BUY, Price Bt183.5, TP Bt216**Results Comment**

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Strong 1Q26 fees drive beat

- KBANK reported 1Q26 core profit of Bt13.4bn (-3% y-y, +30% q-q), **beating** both our estimate (+32%) and Bloomberg consensus (+18), due to **strong fee income and net insurance premium**. Its 1Q26 net profit was at Bt14.7bn (+6%y-y, +43% q-q), due to one-time compensation income from investment of Bt1.5bn.
- We view the **results positively**, mainly supported by solid fee income growth.
- 2Q26 net profit might drop y-y and q-q**, dragged down by a lower NIM and a decrease in fee income following the weaker market sentiment.
- We maintain our **BUY** rating as we view its attractive shareholder return, steady asset quality, and improving fee income outlook as key strengths, while the ongoing share buyback program through May 2026 provides additional downside support.
- 1Q26 Key highlights:**

(+) Non-Nii up 28% y-y, 17% q-q: from 1) fee income up 18% y-y, 6% q-q; by wealth management and brokerage fee income; 2) investment income; and 3) improved performance in insurance services.

(+) Slightly improved asset quality: NPLs dropped 3% q-q and Stage 2 loans decreased 1% q-q. However, amid the Iran conflict, the bank maintained a prudent stance by setting aside additional provisions, resulting in an elevated credit cost of 160bps, in line with 2026 guidance.

(+) Opex -4% y-y from the implementation of the human resource management strategy.

(-) NIM dropped 9bps q-q to 2.95% from policy rate cut and a gear toward lower risk segments.

(-) Loan grew -1.1% q-q, mainly due to a decrease in trade finance and retail lending.

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(Bt m)	q-q%	y-y%	% 2026F	2026F	2027F
Interest & dividend income	44,963	43,938	43,059	41,665	40,458	Interest & dividend income	(3)	(10)	25	162,351	165,762
Interest expense	9,537	9,283	8,901	8,752	8,500	Interest expense	(3)	(11)	24	35,658	35,004
Net interest income	35,425	34,655	34,158	32,913	31,958	Net interest income	(3)	(10)	25	126,693	130,758
Non-interest income	13,502	13,726	14,821	14,777	15,792	Non-interest income	7	17	28	55,729	58,304
Total income	48,927	48,381	48,979	47,690	47,750	Total income	0	(2)	26	182,422	189,062
Operating expense	20,052	20,804	20,965	23,028	19,279	Operating expense	(16)	(4)	24	81,115	84,683
Pre-provisioning profit	28,875	27,578	28,014	24,662	28,471	Pre-provisioning profit	15	(1)	28	101,307	104,380
Provision for bad&doubtful debt	9,818	10,050	10,179	10,265	9,823	Provision for bad&doubtful debt	(4)	0	25	39,824	38,402
Profit before tax	19,057	17,528	17,835	14,398	18,648	Profit before tax	30	(2)	30	61,483	65,978
Tax	3,977	3,482	3,603	2,809	3,752	Tax	34	(6)	31	12,297	13,196
Profit after tax	15,080	14,046	14,232	11,588	14,895	Profit after tax	29	(1)	30	49,186	52,782
Equity income	176	218	266	162	316	Equity income	95	80	37	863	906
Minority interests	(1,465)	(1,776)	(1,491)	(1,473)	(1,834)	Minority interests	neg	neg	44	(4,156)	(4,223)
Extra items	-	-	-	-	1,289	Extra items	neg	neg	-	-	-
Net profit	13,791	12,488	13,007	10,278	14,667	Net profit	43	6	32	45,894	49,466
Normalized profit	13,791	12,488	13,007	10,278	13,378	Normalized profit	30	(3)	29	45,894	49,466
PPP/share (Bt)	12.2	11.6	11.8	10.4	12.0	PPP/share (Bt)	15	(1)	28	42.8	44.1
EPS (Bt)	5.8	5.3	5.5	4.3	6.2	EPS (Bt)	43	6	32	19.4	20.9
Norm EPS (Bt)	5.8	5.3	5.5	4.3	5.6	Norm EPS (Bt)	30	(3)	29	19.4	20.9
BV/share (Bt)	246.5	242.0	247.3	245.3	247.7	BV/share (Bt)	1	1	248	251.4	260.1

Balance Sheet						Financial Ratios					
(consolidated)						(%)					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26		1Q25	2Q25	3Q25	4Q25	1Q26
Cash and Interbank	574,498	561,557	604,840	613,910	547,043	Gross loan growth (YTD)	(2.0)	(2.0)	(2.7)	(0.3)	(1.1)
Other liquid items	107,983	105,560	99,204	112,596	110,378	Gross loan growth (q-q)	(2.0)	0.0	(0.8)	2.5	(1.1)
Total liquid items	682,481	667,117	704,044	726,506	657,421	Deposit growth (YTD)	0.1	0.0	0.9	4.8	1.7
Gross loans and accrued interest	2,450,885	2,452,458	2,434,604	2,495,767	2,468,588	Deposit growth (q-q)	0.1	(0.1)	0.9	3.9	1.7
Provisions	135,656	138,691	141,404	142,997	146,503	Non-interest income (y-y)	15.8	4.5	23.2	18.8	17.0
Net loans	2,315,229	2,313,767	2,293,200	2,352,770	2,322,085	Non-interest income (q-q)	8.5	1.7	8.0	(0.3)	6.9
Fixed assets	117,208	117,776	118,129	117,412	116,175	Fee income / Operating income	17.2	17.0	19.0	19.7	20.9
Other assets	102,418	103,905	104,554	98,668	123,294	Cost-to-income	41.0	43.0	42.8	48.3	40.4
Total assets	4,355,212	4,374,808	4,436,648	4,558,618	4,539,958	Net interest margin	3.41	3.32	3.24	3.06	2.95
Deposits	2,722,146	2,719,855	2,744,278	2,850,387	2,899,401	Credit cost	1.60	1.65	1.68	1.68	1.60
Interbank	186,073	180,102	186,253	207,482	201,345	ROE	9.6	8.6	9.0	7.0	9.2
Other liquid items	30,057	31,899	29,322	33,878	27,524	Loan-to-deposit	89.4	89.5	88.0	86.9	84.5
Total liquid items	2,938,276	2,931,856	2,959,853	3,091,746	3,128,270	Loan-to-deposit + S-T borrowing	89.4	89.5	88.0	86.9	84.5
Borrowings	68,306	66,227	66,763	64,478	67,337	NPLs (Bt m)	91,241	90,929	90,755	93,533	90,767
Other liabilities	687,273	722,563	736,710	728,626	669,020	NPL increase	(1,768)	(312)	(174)	2,778	(2,766)
Minority interest	77,429	80,833	87,339	92,622	88,406	NPL ratio	3.75	3.74	3.76	3.78	3.71
Shareholders' equity	583,926	573,331	585,983	581,146	586,925	Loan-loss-coverage ratio	148.7	152.5	155.8	152.9	161.4
Total Liabilities & Equity	4,355,212	4,374,808	4,436,648	4,558,618	4,539,958	CAR - total	20.5	20.7	21.6	20.4	20.0

Sources: Company data, ttb wealth estimates

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