

Company Update

Monday, April 28, 2025



I V Global Securities Public Company Limited

Bank of Ayudhya Plc (BAY)

Rating: HOLD

Fair price: Bt26.5

Close price: Bt22.0

Company Information

Ticker:	BAY TB
Sector:	Financials
Shares outstanding (m):	7,355.76
Market capitalization (Btm):	161,826.76
Trading vol/day (Btm):	4.16
Free float (%):	23.12
Beta:	0.86

Major Shareholders

MUFG Bank, LTD. BAY Account	76.88%
-----------------------------	--------

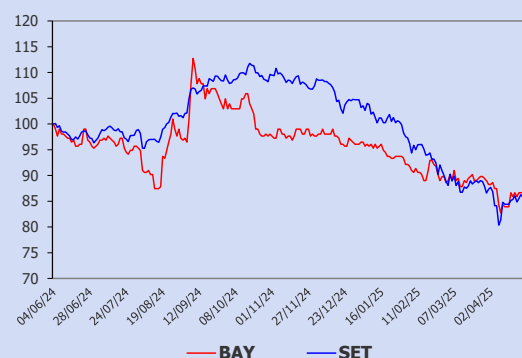
Consensus Bloomberg

2025F EPS (Bt):	4.05
Target price (Bt):	23.81

Price Performance

52 Wk high/low:	29.00 / 21.00
-----------------	---------------

	1M	3M	1Y	YTD
Absolute (%)	-3.5	-7.9	-16.2	-10.2
Relative (%)	-1.3	5.6	-1.1	7.0



Rating	CGR	Thai CAC	SET ESG
BAY		Certified	AAA

Analyst

Rattana Leenutaphong
rattana@ivglobal.co.th
Tel: 662-658-5787

1Q25 on track

- BAY posted a net profit of Bt7.5bn for 1Q25, flat YoY and +20% QoQ. The reported earnings were better than the Bloomberg consensus projection of Bt6.7bn. The decline in net-interest income of 7.6% YoY was partly offset by rising non-interest income (from gains on sales of properties and dividend income) and expected credit loss (ECL) falling by 19% YoY. Pre-provision operating profit (PPOP) fell 8.2% YoY and rose 1.9% QoQ to Bt20.1bn in 1Q25 on declining income from the core banking business. 1Q25 earnings accounted for 25% of our full-year estimate.
- Asset quality.** Gross NPLs were flat QoQ (or +0.25%) at Bt73.85bn. NPL ratio rose from 3.23% at end-4Q24 to 3.29% at end-1Q25. ECL fell 19% YoY and 5% QoQ to Bt10.0bn, suggesting credit costs at 211bps of loans (compared with 248bps in 1Q24 and 234bps in 4Q24). The loan-loss-coverage ratio rose a bit QoQ to 123.2% at end-2024 to 124.5% at end-March 2025.
- Loan growth.** Net loans were flat YTD, with corporate lending up 4.7%, and the SME and retail segments falling 2.4% and 2.5%, respectively. Under the corporate segment, Thai and multinational corporate lending grew 7.9% (from demand for working capital and capex requirements), while Japanese corporate lending fell 2.7% YTD (partly from loan repayments and caution over global economic uncertainty). Corporate lending contributed 36% of the total lending portfolio. The retail lending segment accounted for 46% of the total, falling 2.5% YTD, with all subsegments declining YTD. Auto hire purchase lending fell by 1.5%, mortgage loans also fell by 2.3% and personal and credit card loans declined 5.3% YTD.
- NIM checked in at 4.10% in 1Q25, down by 6bps YoY but up 7bps QoQ. The average yield on earning assets declined by 6bps QoQ and 26bps YoY to 5.84%, while the average cost of funds fell by 15bps QoQ and 18bps YoY to 2.02%.
- Total deposits were up 0.9% YTD. Therefore, the loan-to-deposit ratio checked in at 103.1%.
- Total non-interest income rose 5.4% YoY but fell 0.6% QoQ to Bt11.85bn. Net fee income declined YoY and QoQ on declining fee and service income from Asean business. The non-fee income increase was attributable to the gains on sales of properties and more bad debt recovery.
- Cost-to-income ratio was 45.7% during 1Q25. In absolute terms, total operating expenses rose 2% YoY but fell 1.5% QoQ to Bt16.9bn with rising employee expenses offsetting declining promotional, IT, premises and equipment expenses.
- Capital adequacy.** Total CAR was 19.1%, with Tier-1 capital of 14.9%.
- Valuations.** We have decided to cut our earnings estimates by 5% and 4% during 2025-26F, respectively to reflect higher credit costs following rising uncertainties over global economic activity. We prefer to maintain our HOLD rating with a revised price target of Bt26.5 (from Bt28), based on 0.5x P/BV at end-2025F. The stock is trading at 5.6x our 2025F earnings and offers a dividend yield of 3.9%. Potential downside risk to our earnings forecasts lies with a larger-than-expected hit to the global economy, raising unemployment and political uncertainty.

Investment summary

FY Dec 31	2022	2023	2024	2025F	2026F	2027F
Net profit (Btm)	30,713	32,930	29,700	28,795	29,948	30,312
Change (%)	-9.1	7.2	-9.8	-3.0	4.0	1.2
PPOP (Btm)	65,381	77,113	85,148	80,302	78,448	80,543
Change (%)	2.6	17.9	10.4	-5.7	-2.3	2.7
EPS (Bt)	4.18	4.48	4.04	3.91	4.07	4.12
Change (%)	-9.1	7.2	-9.8	-3.0	4.0	1.2
P/E (x)	5.3	4.9	5.4	5.6	5.4	5.3
DPS (Bt)	0.85	0.85	0.85	0.85	0.85	0.82
Yield (%)	3.9	3.9	3.9	3.9	3.9	3.7
BVPS (Bt)	46.35	50.09	53.29	56.29	59.51	62.81
P/BV (x)	0.5	0.4	0.4	0.4	0.4	0.4
ROAA (%)	1.2	1.2	1.1	1.2	1.1	1.1
ROAE (%)	9.3	9.2	7.8	7.3	7.0	6.7

Source: Company and IVG estimates

Company Update

Monday, April 28, 2025



I V Global Securities Public Company Limited

Results

Btm	1Q25	1Q24	% YoY	4Q24	% QoQ	2024	2023	% YoY
Net interest income	25,234	27,295	-7.6	25,045	0.8	107,894	99,390	8.6
Non-interest income								
Fee income	5,973	6,193	-3.6	6,270	-4.8	24,918	20,831	19.6
Others	5,873	5,045	16.4	5,652	3.9	20,468	18,728	9.3
Total	11,845	11,238	5.4	11,922	-0.6	45,386	39,558	14.7
Operating expense	16,941	16,584	2.1	17,206	-1.5	68,131	61,835	10.2
PPOP	20,138	21,949	-8.2	19,762	1.9	85,148	77,113	10.4
ECL	9,988	12,271	-18.6	10,524	-5.1	45,782	35,617	28.5
Pre-tax profits	10,150	9,678	4.9	9,238	9.9	39,366	41,496	-5.1
Tax	2,309	2,003	15.3	2,799	-17.5	8,962	8,364	7.1
Net income	7,533	7,543	-0.1	6,276	20.0	29,700	32,930	-9.8
EPS (Bt)	1.02	1.03	-0.1	0.85	20.0	4.04	4.48	-9.8

Source: Company and IVG estimates

Key ratios

(%)	1Q24	2Q24	3Q24	4Q24	1Q25
Net loan growth, YTD	-0.9	-1.3	-4.5	-6.0	0.0
Net loan growth, YoY	2.3	-0.9	-4.5	-6.0	-5.2
NIM	4.16	4.33	4.28	4.03	4.10
Fee income, YoY	45.7	37.1	20.1	-8.6	-3.6
Non-int income, YoY	26.9	26.3	16.9	-3.8	5.4
Cost to income	43.0	43.6	44.7	46.5	45.7
Loan-to-deposit	99.8	103.9	101.4	104.0	103.1
Credit cost (bps)	248.0	249.0	233.0	234.0	211.0
NPL	2.69	3.05	3.20	3.23	3.29
LLR/NPL	141.5	128.8	124.6	123.2	124.5
Tier I	13.4	13.8	14.8	15.1	14.9
Total CAR	18.1	17.9	18.9	19.4	19.1

Source: Company and IVG estimates

Quarterly performance

Btm	1Q24	2Q24	3Q24	4Q24	1Q25
Net interest income	27,295	28,299	27,255	25,045	25,234
Non-interest income					
Fee income	6,193	6,282	6,173	6,270	5,973
Others	5,045	4,890	4,880	5,652	5,873
Total	11,238	11,172	11,053	11,922	11,845
Non-interest expense	16,584	17,226	17,116	17,206	16,941
PPOP	21,949	22,245	21,192	19,762	20,138
ECL	12,271	11,817	11,171	10,524	9,988
Pre-tax profits	9,678	10,428	10,021	9,238	10,150
Tax	2,003	1,990	2,170	2,799	2,309
Net income	7,543	8,209	7,672	6,276	7,533
EPS (Bt)	1.03	1.12	1.04	0.85	1.02

Source: Company and IVG estimates

Key ratios

(%)	2021	2022	2023	2024
Net loan growth, YTD	3.1	3.1	3.5	-6.0
Net loan growth, YoY	3.1	3.1	3.5	-6.0
NIM	3.24	3.45	3.91	4.28
Fee income, YoY	270.0	0.6	22.9	19.6
Non-int income, YoY	421.8	-27.4	21.2	14.7
Cost to income	39.8	43.8	44.5	44.4
Loan-to-deposit	106.3	108.0	110.4	104.0
Credit cost (bps)	167.0	136.0	175.0	235.0
NPL	2.20	2.32	2.53	3.23
LLR/NPL	184.2	167.4	149.1	123.2
Tier I	13.6	13.2	13.6	15.1
Total CAR	18.5	18.0	18.2	19.4

Source: Company and IVG estimates

BAY

E: Environmental

BAY debuted Thailand's green and blue bond issuance with the aim of scaling up its green financing portfolio while accelerating blue financing transactions and speeding up the country's climate action.

S: Social

BAY strives to make positive societal impacts through its endeavors to become a net-zero organization centered on its own business operations and financial services, emphasizing resource efficiency, energy transition, and digitalization.

G: Governance

Through its credit policy, which internalizes environmental, social, and governance considerations, BAY advocates for customers and the real sector's sustainable growth journey and transitional financial and advisory services in moving toward a low-carbon economy.

Comment

BAY has been awarded a SET ESG rating of AAA, indicating a strong commitment to environmental, social, and governance (ESG) practices and clear long-term objectives in this regard. Furthermore, the company demonstrates the ability to execute short-term goals effectively.

Source: Company and IVG estimates

I V Global Investment Research – Recommendation Definitions

Sector Recommendations

OVERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index by at least 10% over the next 12 months.

NEUTRAL: The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

UNDERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index by 10% over the next 12 months.

Stock Recommendations

BUY: Expecting positive total returns of 15% or more over the next 12 months.




HOLD: Expecting total returns of not more than -10% to +10% over the next 3 months.

SELL: Expecting negative total returns of 15% or more over the next 12 months.

Anti-corruption Progress Indicator Definitions

Level 5 Extended	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
Level 4 Certified	Audit engagement by audit committee or auditors approved by the office of SEC, and receiving certification or assurance by independent external assurance providers (CAC etc.)
Level 3 Established	Carrying out preventive measures, risk assessment, communication and training for all employees, including consistent monitoring and review processes. (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)
Level 2 Declared	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
Level 1 Committed	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
Partially progress	Insufficient or not clearly defined policy
No progress	Data not available / no policy

Corporate Governance Report (CGR)

	Excellent
	Very good
	Good

Disclaimers

The disclosure of the survey result of corporate governance, which is surveyed by the Thai Institute of Directors Association ("IOD"), and the Anti-Corruption Progress Indicators, which is assessed by Thaipat Institute, are the disclosure of the survey or assessment result based on the information received from the listed company that was stipulated in the form for Annual Corporate Governance Report of Thai Listed Companies (CGR) and the form for the assessment of Anti-corruption that refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) or other relevant documents or reports of such listed company (as the case may be). The survey or assessment result is based on the information of the listed company, which is disclosed to the public and can be accessed by all investors and is made in order to comply with the policy of the Office of the Stock Exchange of Thailand.

Nevertheless, the survey or assessment result is made from the perspective of the IOD or Thaipat Institute that are the third party only. It is not an assessment of operation of the listed company and is not based on any inside information."

Since this survey or assessment result is only the survey or assessment result as of the date appearing in the survey or assessment result only, it may be changed after that date or when there is any change to the relevant information. Nevertheless, I V Global Securities Plc. (IVG) does not confirm, verify, or certify the accuracy and completeness of the survey or assessment result.



IVGlobal Securities Public Company Limited

18th Floor, Mercury Tower, 540 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Telephone: +66 (0) 2658-5800 Fax: +66 (0) 2658-5799