

Company Update

Friday, July 18, 2025



I V Global Securities Public Company Limited

Bangkok Bank Plc (BBL)

Rating: HOLD (from Buy)

Fair price: Bt155.0

Close price: Bt144.5

Company Information

Ticker:	BBL TB
Sector:	Financials/ Banking
Shares outstanding (m):	1,908.84
Market capitalization (Btm):	275,827.80
Trading vol/day (Btm):	1,205.15
Free float (%):	98.59
Beta:	0.66

Major Shareholders

Thai NVDR	23.41%
City Realty Co.	4.58%
Social Security	4.34%

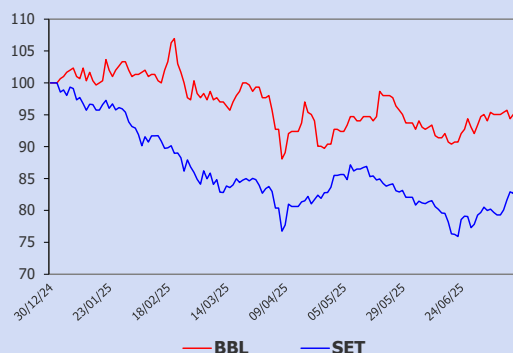
Consensus Bloomberg

2025F EPS (Bt):	22.95
Target price (Bt):	160.96

Price Performance

52 Wk high/low:	161.5/129.0
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	1M	3M	1Y	YTD
Absolute (%)	4.0	-1.4	7.0	-4.3
Relative (%)	-3.6	-6.3	16.3	10.1



Rating	CGR	Thai CAC	SET ESG
BBL		Certified	AAA

Analyst

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2Q25 NPLs on the rise

- BBL posted 2Q25 earnings of Bt11.8bn (EPS of Bt6.20), flat YoY and down 6.2% QoQ. The 2Q25 results came in better than the Bloomberg consensus estimate of Bt11.05bn, due to strong gains on investment. Net interest income fell by 4.3% YoY and 0.6% QoQ on declining NIM with slow loan growth of 0.7% YTD. Non-interest income grew by 22% YoY and fell 7.5% QoQ. Pre-provision operating profit (PPOP) came in flat YoY and was down 2.3% QoQ at Bt24.3bn. Expected credit loss (ECL) rose 3% YoY and 18.4% QoQ to Bt10.74bn (or 158bps of loans). 1H25 net profit rose 9.5% YoY to Bt24.5bn, accounting for 56% of our full-year estimate. It's worth noting that NPLs rose by 7.9% QoQ, or 22.9% YTD.
- Asset quality.** Gross NPLs rose to Bt105.52bn with the NPL ratio rising from 2.7% of loans at end-2024 to 3.2% at end-2Q25. The loan-loss-coverage ratio fell to 283.6% at the end of June 2025.
- Loan growth and LDR ratio.** Gross loans rose 0.7% YTD due to an increase in large corporate loans. Manufacturing and commercial loans grew by 2.4% YTD, accounting for 27.6% of the total. Utility and service sector loans (18.1%) also fell 1.9%. Housing loans (11.9%) were down 2.5%. Real estate and construction sector loans (8.4%) grew 8.6%. Deposits rose 0.8% YTD. Therefore, the loan-to-deposit ratio was 84.9%.
- NIM** declined by 8bps QoQ to 2.81% in 2Q25. The average yield on earning assets fell by 12bps QoQ to 4.35%, while the average cost of funds fell by 5bps QoQ to 1.84%.
- Non-interest income.** Net fee income fell by 11.3% YoY and 20% QoQ to Bt6.1bn. Total non-interest income grew by 22.2% YoY and was down 7.5% QoQ at Bt12.7bn (due mainly to a gain on investments) during 2Q25.
- Cost-to-income ratio** came in at 45.2% in 2Q25. In absolute terms, operating expenses rose by 4.6% YoY but fell 3.2% QoQ to Bt20.1bn.
- Total CAR** came in at 22.0%, with Tier-1 capital at 17.5%.
- Downgrade to HOLD.** We have decided to cut our earnings estimates by 1%/4%/6% over 2025-27F, respectively, to reflect slower economic growth with declining net interest income and rising credit costs. We downgrade our call from BUY to HOLD on BBL with a revised price target of Bt155.0 (from Bt167), based on a 0.5x end-2025F book value. The stock trades at a 6.4x P/E multiple for 2025F with an annual dividend yield of 5.7%. The downside risk to our earnings forecasts stems from global economic uncertainty and reciprocal tariffs from the US, which could impact the export sectors.

Investment summary

FY Dec 31	2022	2023	2024	2025F	2026F	2027F
Net profit (Btm)	29,306	41,636	45,211	43,380	44,148	45,369
Change (%)	10.6	42.1	8.6	-4.1	1.8	2.8
PPOP (Btm)	69,876	85,712	91,405	91,059	91,107	93,531
Change (%)	3.9	22.7	6.6	-0.4	0.1	2.7
EPS (Bt)	15.35	21.81	23.69	22.73	23.13	23.77
Change (%)	10.6	42.1	8.6	-4.1	1.8	2.8
P/E (x)	9.4	6.6	6.1	6.4	6.2	6.1
DPS (Bt)	4.50	7.00	8.50	8.18	8.33	8.56
Yield (%)	3.1	4.8	5.9	5.7	5.8	5.9
BVPS (Bt)	264.74	277.12	290.77	302.25	317.20	332.64
P/BV (x)	0.5	0.5	0.5	0.5	0.5	0.4
ROAA (%)	0.7	0.9	1.0	1.0	1.0	1.0
ROAE (%)	5.9	8.1	8.3	7.7	7.5	7.3

Source: Company and IVG estimates

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Results

Btm	2Q25	2Q24	% YoY	1Q25	% QoQ	1H25	1H24	% YoY
Net interest income	31,706	33,134	-4.3	31,908	-0.6	63,614	66,556	-4.4
Non-interest income								
Fee income	6,078	6,850	-11.3	7,592	-20.0	13,670	13,776	-0.8
Others	6,638	3,554	86.8	6,153	7.9	12,791	4,888	161.7
Total	12,716	10,404	22.2	13,745	-7.5	26,461	18,664	41.8
Operating expense	20,094	19,208	4.6	20,752	-3.2	40,845	38,826	5.2
PPOP	24,328	24,330	0.0	24,902	-2.3	49,230	46,394	6.1
ECL	10,740	10,425	3.0	9,067	18.4	19,808	19,007	4.2
Pre-tax profits	13,587	13,904	-2.3	15,835	-14.2	29,422	27,387	7.4
Tax	1,672	1,993	-16.1	3,132	-46.6	4,804	4,842	-0.8
Net profit	11,840	11,807	0.3	12,618	-6.2	24,458	22,330	9.5
EPS (Bt)	6.20	6.19	0.3	6.61	-6.2	12.81	11.70	9.5

Source: Company and IVG estimates

Key ratios

(%)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Net loan growth, YTD	2.4	1.8	-1.2	0.8	1.0	0.7
Net loan growth, YoY	3.6	0.8	-3.1	0.8	-0.6	-0.3
NIM	3.06	3.03	3.05	3.09	2.89	2.81
Fee income, YoY	-2.7	4.2	2.4	3.6	9.6	-11.3
Non-int income, YoY	-19.1	-5.0	47.6	53.8	66.4	22.2
Cost to income	47.1	44.1	47.7	53.0	45.5	45.2
Loan-to-deposit	85.6	85.4	84.8	85.0	84.4	84.9
Credit cost (bps)	126.9	152.9	122.4	114.5	134.0	158.1
NPL	3.00	3.20	3.40	2.70	3.00	3.20
LLR/NPL	291.7	282.5	266.6	334.3	300.3	283.6
Tier I	16.3	16.1	17.4	17.0	16.5	17.5
Total CAR	19.7	19.5	20.8	20.4	21.0	22.0

Source: Company and IVG estimates

Quarterly performance

Btm	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Net interest income	33,422	33,134	33,367	33,977	31,908	31,706
Non-interest income						
Fee income	6,927	6,850	6,935	7,012	7,592	6,078
Others	1,333	3,554	5,525	3,775	6,153	6,638
Total	8,260	10,404	12,460	10,787	13,745	12,716
Operating expense	19,618	19,208	21,839	23,740	20,752	20,094
PPOP	22,064	24,330	23,987	21,024	24,902	24,328
Provisions	8,582	10,425	8,197	7,634	9,067	10,740
Pre-tax profits	13,483	13,904	15,790	13,390	15,835	13,587
Tax	2,849	1,993	3,208	2,896	3,132	1,672
Net profit	10,524	11,807	12,476	10,404	12,618	11,840
EPS (Bt)	5.51	6.19	6.54	5.45	6.61	6.20

Source: Company and IVG estimates

Key ratios

(%)	2021	2022	2023	2024
Net loan growth, YTD	8.6	3.1	-0.4	0.8
Net loan growth, YoY	8.6	3.1	-0.4	-1.6
NIM	2.10	2.42	3.02	3.06
Fee income, YoY	18.2	-5.8	-1.0	1.8
Non-int income, YoY	25.7	-30.0	-0.1	14.4
Cost to income	50.0	49.7	48.8	48.0
Loan-to-deposit	82.0	83.5	83.9	85.0
Credit cost (bps)	131.9	121.7	126.0	129.4
NPL	3.20	3.10	2.70	2.70
LLR/NPL	225.8	260.8	314.7	334.3
Tier I	16.0	15.7	16.1	17.0
Total CAR	19.6	19.1	19.6	20.4

Source: Company and IVG estimates

BBL

E: Environmental

- Doing business in a responsible way that helps support sustainable activities, increases financial literacy and financial inclusion, strengthens communities, and protects the environment

S: Social

- Creating a safe, fair, and supportive working environment where personnel can continuously develop their skills and fulfill their personal and professional aspirations

G: Governance

- Managing risks to safeguard customers' financial health, protect the bank's business, and ensure resilience amid crises and challenges.
- Placing customers at the center of decisions, providing them with innovative, seamless, and secure services, and building and maintaining strong customer relationships
- Cultivating good governance, complying with laws and regulations, and encouraging suppliers to adhere to good business conduct, while respecting human rights and opposing any form of corruption.

Comment

BBL has been awarded a SET ESG rating of AA, 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.



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