

Company Update

Tuesday, April 22, 2025



I V Global Securities Public Company Limited

SCB X Pcl (SCB)

Rating: BUY

Fair price: Bt127.7

Close price: 112.5

Company Information

Ticker:	SCB TB
Sector:	Financials
Shares outstanding (m):	3,367.11
Market capitalization (Btm):	378,799.57
Trading vol/day (Btm):	1,130.52
Free float (%):	76.41
Beta:	0.64

Major Shareholders

His Majesty King Maha Vajiralongkorn	
Bodindradebayavarangkun	23.58%
Vayupak Fund I	23.32%
Thai NVDR	6.34%

Consensus Bloomberg

2025F EPS (Bt):	13.39
Target price (Bt):	125.96

Price Performance

52 Wk high/low:	128.0 / 100.0
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	1M	3M	1Y	YTD
Absolute (%)	-10.0	-8.2	9.2	-4.3
Relative (%)	-5.6	7.9	24.0	14.7



Rating	CGR	Thai CAC	SET ESG
SCB		Certified	AA

Analyst

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1Q25 net profit rises YoY and QoQ

- SCB posted a 1Q25 net profit of Bt12.5bn (+10.8% YoY and +6.8% QoQ). 1Q25 earnings came in better than the Bloomberg consensus projection of Bt11.9bn. The improved operating performance was partly due to gains on investment portfolios at the bank and SCB 10X and declining operating expenses, offsetting a drop in net interest income. Pre-provision operating profit (PPOP) was up by 3.9% YoY and 2.9% QoQ at Bt25.86bn. Expected credit loss (ECL) declined 6.2% YoY and 2.3% QoQ to Bt9.6bn. 1Q25 net profit accounted for 26.7% of our full-year estimate.
- Net profit contribution was largely from Gen-1 (the core banking business) of Bt22bn. Meanwhile, Gen-2 (consumer and digital financial services) companies reported a net profit of Bt0.8bn, primarily due to lower ECL, lower opex, and higher net interest income. Gen-3 (platforms and digital assets) companies reported a net profit of B0.7bn, primarily driven by lower opex and higher fee income and investment income.
- Asset quality.** In absolute terms, gross NPLs rose 0.9% QoQ to Bt98.5bn. ECL declined YoY and QoQ to Bt9.6bn or 159bps of loans. The NPL ratio rose from 3.37% to 3.45% QoQ. The loan-loss-coverage ratio came in at 156% at end-1Q25, compared with 158% at end-2024.
- Loans** in 1Q25 rose by 0.9% YTD, with corporate loans up 4% YTD, SME loans declining 0.2%, and retail loans falling 0.4%. The CardX portfolio fell 7.7% to Bt92.3bn following a cautious stance on the credit environment. AutoX loans fell 1.5% to Bt51.9bn on a strong performance from both outlet and agency channels and effective marketing strategies. Loans from Gen 1 (banking service) accounted for 92.7% of the total loan portfolio, followed by Gen 2 (consumer and digital financial services) and others of 7.3%.
- NIM** fell by 21bps QoQ to 3.67% on falling loan yield on earnings assets of 30bps versus cost of funds, down 9bps.
- Non-interest income** was up 6.4% YoY and 5% QoQ to Bt11.9bn. Fee income and others rose 0.7% YoY and 0.8% QoQ to Bt10.25bn, with fee income from bancassurance and insurance up 34% QoQ but down 20% YoY. Wealth management fees and transactional fees fell QoQ but rose YoY.
- Cost-to-income ratio** came in low at 39.9% in 1Q25, declining 5.3% YoY and 8.4% QoQ at Bt17.1bn on cost control measures.
- Capital adequacy.** Total CAR was 18.8%, with Tier-1 capital at 17.7%.
- Maintain BUY.** We have cut our earnings estimates by 5.5% and 7.3% for 2025- 26F, respectively, to assume lower net interest income. We prefer to maintain our BUY rating with a new price target of Bt127.7 (from Bt134.2), based on 0.9x 2025F book value. The stock is trading at 8.6x our 2025F earnings and offers a solid dividend yield of 9.3% annually for 2025F. Potential downside risk depends on whether there is weaker-than-expected overall economic activity and uncertainty over global trade.

Investment summary

FY Dec 31	2022	2023	2024	2025F	2026F	2027F
Net profit (Btm)	37,546	43,521	43,943	44,230	45,247	48,125
Change (%)	5.5	15.9	1.0	0.7	2.3	6.4
PPOP (Btm)	84,547	99,323	99,397	97,401	99,438	103,179
Change (%)	-2.6	17.5	0.1	-2.0	2.1	3.8
EPS (Bt)	11.15	12.93	13.05	13.14	13.44	14.29
Change (%)	6.4	15.9	1.0	0.7	2.3	6.4
P/E (x)	10.1	8.7	8.6	8.6	8.4	7.9
DPS (Bt)	6.69	10.34	10.44	10.51	10.75	11.43
Yield (%)	5.9	9.2	9.3	9.3	9.6	10.2
BVPS (Bt)	136.98	141.99	145.12	147.75	150.58	154.02
P/BV (x)	0.8	0.8	0.8	0.8	0.7	0.7
ROAA (%)	1.1	1.3	1.3	1.3	1.3	1.4
ROAE (%)	8.3	9.3	9.1	9.0	9.0	9.4

Source: Company and IVG estimates

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Results

Btm	1Q25	1Q24	% YoY	4Q24	% QoQ	2024	2023	% YoY
Net interest income	31,047	31,761	(2.2)	32,452	(4.3)	129,424	124,682	3.8
Non-interest income								
Fee income	7,627	7,897	(3.4)	7,980	(4.4)	31,144	32,723	(4.8)
Others	4,322	3,337	29.5	3,398	27.2	11,806	13,697	(13.8)
Total	11,949	11,234	6.4	11,377	5.0	42,950	46,421	(7.5)
Non-interest expense	17,140	18,100	(5.3)	18,702	(8.4)	72,977	71,781	1.7
PPOP	25,857	24,895	3.9	25,127	2.9	99,397	99,323	0.1
ECL	9,570	10,201	(6.2)	9,799	(2.3)	42,594	43,600	(2.3)
Net income	12,502	11,281	10.8	11,707	6.8	43,943	43,521	1.0
EPS (Bt)	3.71	3.35	10.8	3.48	6.8	13.05	12.93	1.0

Source: Company and IVG estimates

Key ratios

%	1Q24	2Q24	3Q24	4Q24	1Q25
Loan growth, YTD	0.9	0.5	0.3	(1.0)	0.9
Loan growth, YoY	2.1	0.6	(0.9)	(1.0)	(1.0)
NIM*	3.83	3.90	3.91	3.88	3.67
Fee income, YoY	(11.4)	(11.5)	(4.9)	11.4	(3.4)
Non-interest income, YoY	(6.0)	(21.1)	(18.2)	24.6	6.4
Cost to income	42.1	42.9	41.6	42.7	39.9
Loan-to-deposit	101.6	99.2	100.1	97.2	98.1
Credit cost (bps)	167.4	190.3	180.1	162.0	158.6
NPL	3.52	3.34	3.38	3.37	3.45
LLR/NPL	160.6	161.7	163.9	158.0	156.1
Tier I	17.4	17.6	17.9	17.8	17.7
Total CAR	18.6	18.8	19.0	18.9	18.8

Source: Company and IVG estimates; * adjusted

Quarterly performance

Btm	1Q24	2Q24	3Q24	4Q24	1Q25
Net-interest income	31,761	32,576	32,635	32,452	31,047
Non-interest income					
Fee income	7,897	7,529	7,738	7,980	7,627
Others	3,337	3,148	1,923	3,398	4,322
Total	11,234	10,678	9,661	11,377	11,949
Non-interest expense	18,100	18,568	17,606	18,702	17,140
PPOP	24,895	24,685	24,689	25,127	25,857
Provisions	10,201	11,626	10,967	9,799	9,570
Net profit	11,281	10,014	10,941	11,707	12,502
EPS (Bt)	3.35	2.97	3.25	3.48	3.71

Source: Company and IVG estimates

Key ratios

%	2021	2022	2023	2024
Loan growth, YTD	2.1	3.3	2.1	(1.0)
Loan growth, YoY	2.1	3.3	2.1	(1.0)
NIM*	3.00	3.29	3.73	3.85
Fee income, YoY	9.9	(7.6)	(11.9)	(4.8)
Non-interest income, YoY	15.3	(15.6)	(0.3)	(7.5)
Cost to income	42.3	45.2	42.0	42.3
Loan-to-deposit	93.3	93.0	99.3	97.2
Credit cost (bps)	184.4	144.6	181.5	176.4
NPL	3.79	3.34	3.44	3.37
LLR/NPL	139.4	159.7	159.9	158.0
Tier I	17.6	17.7	17.6	17.8
Total CAR	18.7	18.9	18.8	18.9

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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