

Company Update

Monday, September 15, 2025



I V Global Securities Public Company Limited

SCB X Pcl (SCB)

Rating: BUY

Fair price: Bt135.0

Close price: 127.0

Company Information

Ticker:	SCB TB
Sector:	Financials
Shares outstanding (m):	3,367.11
Market capitalization (Btm):	427,622.63
Trading vol/day (Btm):	1,157.05
Free float (%):	76.41
Beta:	0.53

Major Shareholders

His Majesty King Maha Vajiralongkorn	
Bodindradebayavarangkun	23.58%
Vayupak Fund I	23.32%
Thai NVDR	6.11%

Consensus Bloomberg

2025F EPS (Bt):	13.36
Target price (Bt):	130.2

Price Performance

52 Wk high/low:	133.0 / 108.5
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	1M	3M	1Y	YTD
Absolute (%)	-2.3	7.2	12.4	8.1
Relative (%)	-5.1	-7.4	21.4	15.7



Rating	CGR	Thai CAC	SET ESG
SCB		Certified	AA

Analyst

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Planning a major corporate restructuring

- **Event:** SCB Bank plans a major overhaul of its internal corporate banking organization to strengthen its banking business with large corporate and SME customers, as well as emphasize wealth management for retail clients. The bank plans to reduce the size of the organization, streamline operating costs, and accelerate business execution by utilizing IT technologies. SCB already achieved a double-digit ROE (10.4% in 1H25) while the next target is to further reduce the cost-to-income ratio to a near 30% level (from 40% today).
- The key action plan and targets in 2025 include the following:
 - a) Expanding wealth management fees through goal-driven advisory, enhancing relationship manager productivity, and extending wealth management service (1.2m customers as of May 25) to SME owners. Wealth management fees rose 10% YoY to Bt4.5bn (22% of total fee & other income) in 1H25, versus a -1% YoY decline in total fee income.
 - b) Maintaining robust credit portfolio quality by prioritizing high-quality corporate loans in strategic industries, optimizing its retail loan portfolio through sustaining mortgage leadership with top developers, and stabilizing auto loans. Housing loans accounted for 32.5% of the total loan portfolio, up 0.3% YTD (vs a total portfolio of -0.4%). Corporate loans (36% of total) also grew 2.3% YTD, while SME lending (16.6%) declined 1.3% YTD. Meanwhile, loans under other subsidiaries (i.e., credit card, auto, and others, 7% of the total) fell 6.1% YTD.
 - c) Strengthening core capabilities to position SCB as an AI First Bank. building a robust data foundation, advancing process automation, and modernizing core banking.
- By leveraging group data and AI capabilities, the bank can reduce its cost-to-income ratio by reducing the number of branches and headcounts. In terms of cost breakdown (Bt34.7bn in total in 1H25), staff costs are the major operating expense item, accounting for 52.4% of total costs (amounting to Bt18.2bn in 1H25), while the premises and equipment expenses accounted for 11.5% (or Bt4bn). The bank intends to reduce the number of branches from 650 today to 500 over the next few years. Therefore, we estimate the headcount could be reduced by c.20% along with branch numbers from 10,000-plus today. The AI technology will replace human jobs while increasing efficiencies, boosting digital banking adoption by another 20%.
- **Maintain BUY.** We raise our earnings estimates by 4% and 2% for 2025-6F, respectively. We prefer to maintain our BUY rating with a revised price target of Bt135.0 (from Bt127.7), based on 0.9x 2025F book value. The stock is trading at 9.4x our 2025F earnings and offers a solid dividend yield of 8.5% 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	45,635	45,670	47,389
Change (%)	5.5	15.9	1.0	3.9	0.1	3.8
PPOP (Btm)	84,547	99,323	99,397	99,246	98,813	102,228
Change (%)	-2.6	17.5	0.1	-0.2	-0.4	3.5
EPS (Bt)	11.15	12.93	13.05	13.55	13.56	14.07
Change (%)	6.4	15.9	1.0	3.9	0.1	3.8
P/E (x)	11.4	9.8	9.7	9.4	9.4	9.0
DPS (Bt)	6.69	10.34	10.44	10.84	10.85	11.26
Yield (%)	5.3	8.1	8.2	8.5	8.5	8.9
BVPS (Bt)	136.98	141.99	145.12	143.44	146.06	149.18
P/BV (x)	0.9	0.9	0.9	0.9	0.9	0.9
ROAA (%)	1.1	1.3	1.3	1.3	1.4	1.4
ROAE (%)	8.3	9.3	9.1	9.4	9.4	9.5

Source: Company and IVG estimates

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Results

Btm	2Q25	2Q24	% YoY	1Q25	% QoQ	1H25	1H24	% YoY
Net interest income	30,404	32,576	(6.7)	31,047	(2.1)	61,451	64,337	(4.5)
Non-interest income								
Fee income	7,410	7,529	(1.6)	7,627	(2.9)	15,037	15,426	(2.5)
Others	5,837	3,148	85.4	4,322	35.0	10,159	6,485	56.6
Total	13,247	10,678	24.1	11,949	10.9	25,196	21,912	15.0
Non-interest expense	17,530	18,568	(5.6)	17,140	2.3	34,670	36,668	(5.4)
PPOP	26,120	24,685	5.8	25,857	1.0	51,977	49,580	4.8
ECL	10,112	11,626	(13.0)	9,570	5.7	19,682	21,828	(9.8)
Net income	12,786	10,014	27.7	12,502	2.3	25,288	21,295	18.7
EPS (Bt)	3.80	2.97	27.7	3.71	2.3	7.51	6.32	18.7

Source: Company and IVG estimates

Key ratios

%	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Loan growth, YTD	0.9	0.5	0.3	(1.0)	0.9	(0.4)
Loan growth, YoY	2.1	0.6	(0.9)	(1.0)	(1.0)	(1.8)
NIM*	3.83	3.90	3.91	3.88	3.67	3.59
Fee income, YoY	(11.4)	(11.5)	(4.9)	11.4	(3.4)	(1.6)
Non-interest income, YoY	(6.0)	(21.1)	(18.2)	24.6	6.4	24.1
Cost to income	42.1	42.9	41.6	42.7	39.9	40.2
Loan-to-deposit	101.6	99.2	100.1	97.2	98.1	97.1
Credit cost (bps)	167.4	190.3	180.1	162.0	158.6	167.9
NPL	3.52	3.34	3.38	3.37	3.45	3.31
LLR/NPL	160.6	161.7	163.9	158.0	156.1	158.7
Tier I	17.4	17.6	17.9	17.8	17.7	17.9
Total CAR	18.6	18.8	19.0	18.9	18.8	19.0

Source: Company and IVG estimates; * adjusted

Quarterly performance

Btm	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Net-interest income	31,761	32,576	32,635	32,452	31,047	30,404
Non-interest income						
Fee income	7,897	7,529	7,738	7,980	7,627	7,410
Others	3,337	3,148	1,923	3,398	4,322	5,837
Total	11,234	10,678	9,661	11,377	11,949	13,247
Non-interest expense	18,100	18,568	17,606	18,702	17,140	17,530
PPOP	24,895	24,685	24,689	25,127	25,857	26,120
Provisions	10,201	11,626	10,967	9,799	9,570	10,112
Net profit	11,281	10,014	10,941	11,707	12,502	12,786
EPS (Bt)	3.35	2.97	3.25	3.48	3.71	3.80

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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