

## Lowest valuation, upside for NIM and DPS

BBL carries the only Buy rating in the sector with TP of Bt180, as we see catalysts from: 1) the sector's cheapest valuation, 2) easing credit cost with upside from THAI, 3) potential for the highest loan growth, 4) upside to NIM and 5) upside to dividend.

- Easing credit cost ahead.** BBL's higher-than-expected credit cost of 1.37% in 9M24 (vs. the original guidance of 0.9-1%) was mainly due to smoothing earnings out to offer stronger-than-expected topline rather than a material deterioration in asset quality. There is a chance it may be able to declassify the Bt11.9bn loans to THAI as NPLs in 2025, as THAI is in the process of exiting its rehabilitation plan. Taking the THAI loans out of NPLs would slash BBL's NPLs by 12%, bringing NPL ratio down by 45 bps and lifting LLR coverage to 301% from 267% at 3Q24. We expect credit cost to ease 15 bps QoQ to 1.07% in 4Q24 and 18 bps to 1.1% in 2025 from 1.28% in 2024.
- Pick-up in loan growth in 4Q24 and 2025.** BBL expects international loans and large corporate loans to lead to a pickup in loan growth in 4Q24. The loan contraction in 3Q24 was due to high repayments (as per schedule), higher prepayments and a delay in international loan drawdown in Vietnam. BBL is seeing a substantial rise in international loan deals in the pipeline. Corporate loans, its primary focus, appear to be the only segment with growth potential amidst tightening credit policy. It is also best-positioned to gain from rising FDI in ASEAN. We forecast loan growth at 1% (vs. sector average of -2%) in 2024 and 3% (vs. sector average of 1%) in 2025.
- Upside to NIM.** Unlike other large banks that cut lending interest rates by 12.5-25 bps with no change in deposit rates (effective November 1), BBL cut both lending rates (20 bps for MLR and MOR and 5 bps for MRR) and deposit rates (10 bps on savings deposit rates and 20 bps on time deposit rates). We calculate that the interest cuts will slice 7 bps from its NIM, less than the 12.5 bps hit for other large banks. BBL expects 2024 NIM to be ~3%, higher than our forecast of 2.92%. BBL expects no further cut in the policy rate this year and a further cut, if any, of no more than 25 bps later next year. Assuming policy rate cuts of 50 bps in 4Q24 and 50 bps in 2025, we maintain our NIM forecast at 2.92% (-3 bps) in 2024 and 2.79% (-13 bps) in 2025.
- Upside on dividend payout.** BBL may raise dividend payout to 40% vs. our forecast of 34% in 2024 as its capital adequacy ratio returned to its preferred level pre-Permata acquisition of 20.8% (17.4% tier-1) in 3Q24.
- Cheapest valuation.** BBL is trading at the lowest PE (PBV/ROE) of 6.2x for 2025 (vs. sector average of 8x) and PBV at 0.48x (vs. sector average of 0.8x). There is 22% upside to our TP of Bt180 based on 0.58x PBV (6% sustainable ROE, 9.7% cost of equity and 1% L-T growth).

**Key risks:** 1) Asset quality risk from a global economic slowdown, 2) NIM risk from interest rate cuts, 3) slower-than-expected loan growth from sluggish loan demand and 4) ESG risk from market conducts.

### Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Net profit	(Bt mn)	29,306	41,636	44,515	45,631	47,656
EPS	(Bt)	15.35	21.81	23.32	23.90	24.97
BVPS	(Bt)	264.74	277.12	293.44	309.34	325.31
DPS	(Bt)	4.50	7.00	8.00	9.00	9.50
PE	(x)	9.64	6.79	6.35	6.19	5.93
EPS growth	(%)	10.56	42.07	6.92	2.51	4.44
PBV	(x)	0.56	0.53	0.50	0.48	0.45
ROE	(%)	5.87	8.05	8.17	7.93	7.87
Dividend yield	(%)	3.04	4.73	5.41	6.08	6.42

Source: InnovestX Research

## Tactical: OUTPERFORM (3-month)

### Stock data

Last close (Oct 25) (Bt)	148.00
Target price (Bt)	180.00
Mkt cap (Btbn)	282.51

12-m high / low (Bt)	163.5 / 129
Avg. daily 6m (US\$m)	36.75
Foreign limit / actual (%)	30 / 26
Free float (%)	98.5
Outstanding Short Position (%)	0.47

### Share price performance

(%)	1M	3M	12M
Absolute	(3.9)	8.8	(6.3)
Relative to SET	(4.4)	(2.8)	(12.2)

### INVX core earnings vs consensus

Earnings vs consensus	2024F	2025F
Consensus (Bt mn)	43,883	44,968
INVX vs Consensus (%)	1.4	1.5

Earnings momentum	YoY	QoQ
INVX 4Q24 core earnings	Up	Down

### 2023 Sustainability/2022 ESG Score

SET ESG Ratings	AA
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### Bloomberg ESG Score and Rank in the sector

ESG Score and Rank	2.22	10/12
Environmental Score and Rank	0.08	7/12
Social Score and Rank	2.81	9/12
Governance Score and Rank	4.22	8/12

Source: SET, InnovestX Research, Bloomberg Finance L.P.

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### Value proposition

BBL is the 6th largest bank in Southeast Asia and the largest bank in Thailand by assets. Its loan breakdown shows 43% large corporate, 25% international, 14% medium-sized SMEs, 6% small SMEs and 12% retail loans. Its deposit mix consists of: 62% current & savings deposits and 38% term deposits. It is currently one of the largest regional banks in Southeast Asia providing comprehensive financial services with an extensive network of international branches in 14 countries — Cambodia, China, Hong Kong, Indonesia, Japan, Laos, Malaysia, Myanmar, the Philippines, Singapore, Taiwan, the United Kingdom, the United States and Vietnam.

### Business outlook

We expect 4Q24 earnings to be lower QoQ (narrower NIM and seasonally higher opex) but higher YoY (lower ECL). We expect 2025F earnings to rise 3%, with 3% loan growth, a 13 bps narrowing in NIM, a 15 bps reduction in credit cost, a 3% rise in non-NII and a rise in cost to income ratio.

Bullish views	Bearish views
1. Expect an ease in credit cost in 4Q24 and 2025.	1. Expect a narrowed NIM in 4Q24 and 2025.
2. Expect outperforming loan growth as BBL is best positioned to benefit from business relocations into ASEAN.	

### Key catalysts

Factor	Event	Impact	Comment
Rising asset quality risk	Global economic slowdown and geopolitical risk	Negative	High LLR coverage to cope with uncertainties
NIM downside risk	Policy rate cuts	Negative	Factoring in a policy rate cut of 50 bps in 4Q24 and 50 bps in 2025.

### Sensitivity analysis

Factor	Earnings impact	TP impact
1ppt change in loan growth	1.1%	Bt0.1/sh.
5 bps change in NIM	5.3%	Bt0.5/sh.
10 bps change in credit cost	6.7%	Bt1/sh.

## Our view on ESG

We view that BBL provides concrete targets on environmental and social issues with a committed timeline and actual performance relative to its targets. We view BBL's management and governance as satisfactory, with a decent board of directors.

## ESG Ratings and Indices

### Bloomberg ESG Financial Materiality Score 2.22 (2022)

Rank in Sector 10/12

### Environmental Issue (E)

- BBL conducts business to environmentally support Thailand's targets for achieving carbon neutrality by 2050 and net zero by 2065.
- BBL established the goal of managing Greenhouse Gas Emissions (scope 1 and 2) to be consistent with the Paris Agreement goal.
- In 2023, BBL supported the effort towards Bangkok Goals on Bio-Circular-Green (BCG) Economy which was endorsed at the 2022 APEC Summit in Thailand by announcing the goal of zero waste to landfill at the Rama 3 building by 2025.
- It has consistently reported Greenhouse Gas Emissions (Scope 1 and 2), Energy Consumption and Water Consumption.

### Governance Issue (G)

- As of December 31, 2023, its Board of Directors consisted of: Seven independent directors (35% of the total number of directors), One non-executive director (5% of the total number of directors and Twelve executive directors (60% percent of the total number of directors).
- BBL was selected as a member of The Sustainability Yearbook 2023 published by S&P Global and was selected as a listed company in the Sustainable Stocks list of Thailand Sustainability Investment (THSI) 2023, as well as being selected as a member of the SET THSI index 2023 by the SET. The Bank received an ESG rating of AA from the 2023 sustainability assessment by the SET.
- The Thai Institute of Directors (IOD) published the Bank's corporate governance assessment results in the 2023 Corporate Governance Survey of Listed Companies in which the Bank received a score of 107 percent. In addition, the Bank received a score of 94.5 out of 100 ("Excellent") in the quality assessment of the 2023 Annual Ordinary Meeting of Shareholders by the IOD.

## Disclaimer

Bloomberg ESG Scores rate companies on their level of management of financially material industry-specific ESG issues. Bloomberg offers four financially material scores, for overall ESG, as well as Environmental, Social, and Governance. Values range from 0 to 10; 10 is best. To review the fully transparent methodology, see ESG Financial Materiality Score Model in Bloomberg.

### CG Rating DJSI SETESG SET ESG Ratings

BBL 5 No Yes AA

Source: Thai Institute of Directors and SET

### Social Issue (S)

- Its initiatives on Sustainability Management for the Social Dimension included: 1) Financial Inclusion and Financial Literacy, 2) Responsibility Towards Customers, 3) Employee Support and Development, 4) Human Rights and 5) Value Creation for Communities and Society.
- it had an average training hours per employee of 37.21 with 1.66 absentee rate.
- Customer Satisfaction Score for branch services was 94.71 in 2022.
- Volunteer hours were 44,302 with investment for community and society of Bt124.48mn.

## ESG Financial Materiality Score and Disclosure

	2022	2023
<b>ESG Financial Materiality Score</b>	<b>2.22</b>	—
<b>Environment Financial Materiality Score</b>	<b>0.08</b>	—
GHG Scope 1 ('000 metric tonnes)	21.77	20.85
GHG Scope 2 Location-Based ('000 metric tonnes)	60.63	59.28
GHG Scope 3 ('000 metric tonnes)	1.51	1.94
Total Energy Consumption ('000 megawatt hours)	163.61	152.84
Total Waste ('000 metric tonnes)	3.82	2.89
Water Consumption ('000 cubic meters)	100.31	97.51
<b>Social Financial Materiality Score</b>	<b>2.81</b>	—
Community Spending (millions)	194	—
Number of Customer Complaints	192	245
Women in Workforce (%)	66	67
Number of Employees - CSR (persons)	19,091	18,705
Employee Turnover (%)	13	10
Employee Training (hours)	710,376	705,927
<b>Governance Financial Materiality Score</b>	<b>4.22</b>	—
Board Size (persons)	18	20
Number of Executives / Company Managers (persons)	60	61
Number of Non Executive Directors on Board	7	8
Number of Female Executives (persons)	24	21
Number of Women on Board (persons)	1	2
Number of Independent Directors (persons)	6	7

Source: Bloomberg Finance L.P.

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Interest & dividend income	(Btmn)	112,565	112,524	114,313	139,088	194,365	206,060	192,030	188,456
Interest expense	(Btmn)	41,494	35,477	32,156	36,865	63,504	74,061	64,303	61,050
<b>Net interest income</b>	<b>(Btmn)</b>	<b>71,071</b>	<b>77,046</b>	<b>82,156</b>	<b>102,223</b>	<b>130,860</b>	<b>131,999</b>	<b>127,727</b>	<b>127,406</b>
Non-interest income	(Btmn)	62,582	41,696	52,176	36,482	36,440	41,929	43,097	44,272
Non-interest expenses	(Btmn)	54,963	65,974	67,266	69,019	81,775	83,641	83,384	83,623
Pre-provision profit	(Btmn)	78,690	52,769	67,066	69,687	85,525	90,287	87,441	88,055
Provision	(Btmn)	32,351	31,196	34,134	32,647	33,667	34,372	30,131	28,213
Pre-tax profit	(Btmn)	46,339	21,573	32,932	37,040	51,859	55,915	57,310	59,841
Tax	(Btmn)	10,219	4,014	6,189	7,484	9,993	11,183	11,462	11,968
Equities & minority interest	(Btmn)	304	379	236	250	230	217	217	217
<b>Core net profit</b>	<b>(Btmn)</b>	<b>35,816</b>	<b>17,181</b>	<b>26,507</b>	<b>29,306</b>	<b>41,636</b>	<b>44,515</b>	<b>45,631</b>	<b>47,656</b>
Extra item	(Btmn)	0	0	0	0	0	0	0	0
<b>Net profit</b>	<b>(Btmn)</b>	<b>35,816</b>	<b>17,181</b>	<b>26,507</b>	<b>29,306</b>	<b>41,636</b>	<b>44,515</b>	<b>45,631</b>	<b>47,656</b>
<b>EPS</b>	<b>(Bt)</b>	<b>18.76</b>	<b>9.00</b>	<b>13.89</b>	<b>15.35</b>	<b>21.81</b>	<b>23.32</b>	<b>23.90</b>	<b>24.97</b>
DPS	(Bt)	7.00	2.50	3.50	4.50	7.00	8.00	9.00	9.50

### Balance Sheet

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Cash	(Btmn)	58,090	73,886	62,552	52,433	45,518	46,521	47,291	48,635
Interbank assets	(Btmn)	472,349	519,036	801,212	766,074	757,120	749,548	749,548	778,031
Investments	(Btmn)	649,434	817,330	889,306	926,608	1,062,668	1,130,842	1,130,842	1,130,842
<b>Gross loans</b>	<b>(Btmn)</b>	<b>2,061,309</b>	<b>2,368,238</b>	<b>2,588,339</b>	<b>2,682,691</b>	<b>2,671,964</b>	<b>2,698,684</b>	<b>2,779,644</b>	<b>2,863,033</b>
Accrued interest receivable	(Btmn)	4,013	6,431	7,489	10,138	12,363	12,363	12,363	12,363
Loan loss reserve	(Btmn)	174,276	185,567	219,801	243,474	258,666	284,443	309,201	331,774
<b>Net loans</b>	<b>(Btmn)</b>	<b>1,891,046</b>	<b>2,189,102</b>	<b>2,376,027</b>	<b>2,449,355</b>	<b>2,425,661</b>	<b>2,426,604</b>	<b>2,482,806</b>	<b>2,543,623</b>
<b>Total assets</b>	<b>(Btmn)</b>	<b>3,216,743</b>	<b>3,822,960</b>	<b>4,333,281</b>	<b>4,421,752</b>	<b>4,514,484</b>	<b>4,577,033</b>	<b>4,634,005</b>	<b>4,724,648</b>
Deposits	(Btmn)	2,370,792	2,810,863	3,156,940	3,210,896	3,184,283	3,225,679	3,252,291	3,312,458
Interbank liabilities	(Btmn)	134,346	219,149	288,709	262,522	334,219	334,219	334,219	334,219
Borrowings	(Btmn)	144,681	136,177	183,239	188,302	212,505	202,505	202,505	202,505
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>2,788,627</b>	<b>3,372,713</b>	<b>3,838,688</b>	<b>3,914,610</b>	<b>3,983,654</b>	<b>4,015,050</b>	<b>4,041,662</b>	<b>4,101,829</b>
Minority interest	(Btmn)	365	1,233	1,865	1,796	1,855	1,855	1,855	1,855
Paid-up capital	(Btmn)	19,088	19,088	19,088	19,088	19,088	19,088	19,088	19,088
<b>Total Equities</b>	<b>(Btmn)</b>	<b>427,751</b>	<b>449,014</b>	<b>492,727</b>	<b>505,346</b>	<b>528,975</b>	<b>560,128</b>	<b>590,488</b>	<b>620,964</b>
<b>BVPS</b>	<b>(Bt)</b>	<b>224.09</b>	<b>235.23</b>	<b>258.13</b>	<b>264.74</b>	<b>277.12</b>	<b>293.44</b>	<b>309.34</b>	<b>325.31</b>

### Key Assumptions and Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
<b>Growth</b>									
YoY loan growth	(%)	(1.05)	14.89	9.29	3.65	(0.40)	1.00	3.00	3.00
YoY non-NII growth	(%)	25.30	(33.37)	25.13	(30.08)	(0.12)	15.06	2.79	2.73
<b>Profitability</b>									
Yield on earning assets	(%)	3.59	3.27	2.86	3.21	4.38	4.54	4.16	4.00
Cost on int-bearing liabilities	(%)	1.59	1.22	0.95	1.01	1.72	1.98	1.70	1.60
Spread	(%)	2.00	2.05	1.92	2.20	2.67	2.57	2.45	2.40
Net interest margin	(%)	2.27	2.24	2.06	2.36	2.95	2.91	2.76	2.70
ROE	(%)	8.52	3.92	5.63	5.87	8.05	8.17	7.93	7.87
ROA	(%)	1.13	0.49	0.65	0.67	0.93	0.98	0.99	1.02
<b>Asset Quality</b>									
NPLs/Total Loans	(%)	3.84	4.41	3.91	3.62	3.22	3.98	4.06	4.14
LLR/NPLs	(%)	220.19	177.74	217.40	250.52	300.93	264.74	274.08	280.08
Provision expense/Total loans	(%)	1.56	1.41	1.38	1.24	1.26	1.28	1.10	1.00
<b>Liquidity</b>									
Loans/Deposits & borrowings	(%)	81.95	80.36	77.49	78.92	78.66	78.72	80.46	81.45
<b>Efficiency</b>									
Cost to income ratio	(%)	41.12	55.56	50.07	49.76	48.88	48.09	48.81	48.71
<b>Capital Fund</b>									
Capital adequacy ratio	(%)	20.03	18.30	19.57	19.13	19.57	19.96	20.49	20.94
Tier-1	(%)	17.01	15.76	15.98	15.67	16.14	16.54	17.12	17.63
Tier-2	(%)	3.02	2.54	3.60	3.46	3.44	3.42	3.37	3.30

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Interest & dividend income	(Btmn)	41,408	44,170	47,273	50,284	52,637	51,672	51,645	52,312
Interest expense	(Btmn)	10,954	14,093	15,785	16,154	17,473	18,250	18,511	18,945
<b>Net interest income</b>	<b>(Btmn)</b>	<b>30,454</b>	<b>30,078</b>	<b>31,487</b>	<b>34,130</b>	<b>35,165</b>	<b>33,422</b>	<b>33,134</b>	<b>33,367</b>
Non-interest income	(Btmn)	6,382	10,158	10,906	8,398	6,977	8,208	10,367	12,391
Non-interest expenses	(Btmn)	19,071	18,850	20,111	19,208	23,607	19,618	19,208	21,839
Earnings before tax & provision	(Btmn)	17,765	21,386	22,283	23,320	18,536	22,012	24,293	23,919
Provision	(Btmn)	7,914	8,474	8,880	8,969	7,343	8,582	10,425	8,197
Pre-tax profit	(Btmn)	9,850	12,912	13,403	14,351	11,192	13,431	13,868	15,722
Tax	(Btmn)	2,257	2,728	2,047	2,938	2,281	2,849	1,993	3,208
Equities & minority interest	(Btmn)	24	55	63	64	48	57	68	38
<b>Core net profit</b>	<b>(Btmn)</b>	<b>7,569</b>	<b>10,129</b>	<b>11,294</b>	<b>11,350</b>	<b>8,863</b>	<b>10,524</b>	<b>11,807</b>	<b>12,476</b>
Extra item	(Btmn)	0	0	0	0	0	0	0	0
<b>Net profit</b>	<b>(Btmn)</b>	<b>7,569</b>	<b>10,129</b>	<b>11,294</b>	<b>11,350</b>	<b>8,863</b>	<b>10,524</b>	<b>11,807</b>	<b>12,476</b>
<b>EPS</b>	<b>(Bt)</b>	<b>3.97</b>	<b>5.31</b>	<b>5.92</b>	<b>5.95</b>	<b>4.64</b>	<b>5.51</b>	<b>6.19</b>	<b>6.54</b>

### Balance Sheet

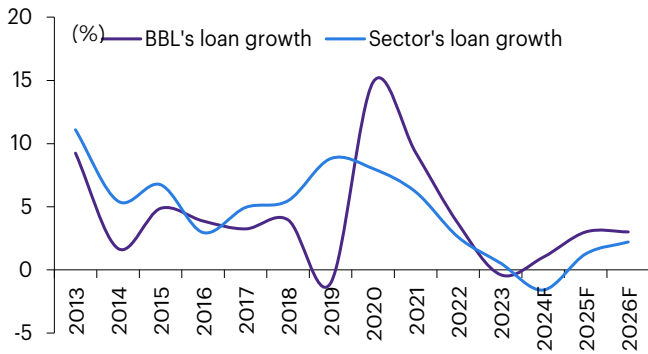
FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Cash	(Btmn)	52,433	46,651	42,763	40,004	45,518	41,562	38,682	41,846
Interbank assets	(Btmn)	766,074	811,274	749,158	694,436	757,120	647,181	671,135	629,788
Investments	(Btmn)	926,608	986,207	1,003,301	1,056,479	1,062,668	1,130,842	1,103,161	1,155,438
<b>Gross loans</b>	<b>(Btmn)</b>	<b>2,682,691</b>	<b>2,640,090</b>	<b>2,698,304</b>	<b>2,723,751</b>	<b>2,671,964</b>	<b>2,736,427</b>	<b>2,719,989</b>	<b>2,638,697</b>
Accrued interest receivable	(Btmn)	10,138	11,347	11,341	12,620	12,363	13,364	9,764	12,363
Loan loss reserve	(Btmn)	243,474	250,361	257,146	257,331	258,666	262,084	266,980	277,291
<b>Net loans</b>	<b>(Btmn)</b>	<b>2,449,355</b>	<b>2,401,076</b>	<b>2,452,499</b>	<b>2,479,040</b>	<b>2,425,661</b>	<b>2,487,707</b>	<b>2,462,773</b>	<b>2,373,769</b>
<b>Total assets</b>	<b>(Btmn)</b>	<b>4,421,752</b>	<b>4,461,137</b>	<b>4,485,625</b>	<b>4,559,185</b>	<b>4,514,484</b>	<b>4,556,914</b>	<b>4,530,171</b>	<b>4,475,155</b>
Deposits	(Btmn)	3,210,896	3,205,989	3,200,155	3,163,297	3,184,283	3,198,332	3,184,856	3,109,982
Interbank liabilities	(Btmn)	262,522	317,865	309,199	323,105	334,219	328,084	316,210	329,140
Borrowings	(Btmn)	188,302	185,745	192,632	243,371	212,505	202,620	204,574	207,014
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>3,914,610</b>	<b>3,943,986</b>	<b>3,963,103</b>	<b>4,029,234</b>	<b>3,983,654</b>	<b>3,999,337</b>	<b>3,982,953</b>	<b>3,924,560</b>
Minority interest	(Btmn)	1,796	1,943	1,908	1,834	1,855	2,011	1,886	1,771
Paid-up capital	(Btmn)	19,088	19,088	19,088	19,088	19,088	19,088	19,088	19,088
<b>Total Equities</b>	<b>(Btmn)</b>	<b>505,346</b>	<b>515,209</b>	<b>520,613</b>	<b>528,117</b>	<b>528,975</b>	<b>555,567</b>	<b>545,332</b>	<b>548,824</b>
<b>BVPS</b>	<b>(Bt)</b>	<b>264.74</b>	<b>269.91</b>	<b>272.74</b>	<b>276.67</b>	<b>277.12</b>	<b>291.05</b>	<b>285.69</b>	<b>287.52</b>

### Financial Ratios

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
<b>Growth</b>									
YoY loan growth	(%)	3.65	2.03	1.71	(2.61)	(0.40)	3.65	0.80	(3.12)
YoY non-NII growth	(%)	(53.29)	9.08	2.65	(17.37)	9.33	(19.20)	(4.94)	47.55
<b>Profitability</b>									
Yield on earning assets	(%)	3.80	4.01	4.25	4.51	4.70	4.59	4.59	4.69
Cost on int-bearing liabilities	(%)	1.21	1.53	1.70	1.74	1.87	1.96	1.99	2.06
Spread	(%)	2.59	2.48	2.55	2.77	2.82	2.63	2.59	2.63
Net interest margin	(%)	2.79	2.73	2.83	3.06	3.14	2.97	2.94	2.99
ROE	(%)	5.96	7.94	8.72	8.66	6.71	7.76	8.58	9.12
ROA	(%)	0.68	0.91	1.01	1.00	0.79	0.92	1.04	1.12
<b>Asset Quality</b>									
NPLs/Total Loans	(%)	3.62	3.73	3.46	3.48	3.22	3.43	3.64	3.94
LLR/NPLs	(%)	250.52	254.54	275.66	271.21	300.93	278.96	269.30	266.64
Provision expense/Total loans	(%)	1.16	1.27	1.33	1.32	1.09	1.27	1.53	1.22
<b>Liquidity</b>									
Loans/Deposits & borrowings	(%)	78.92	77.84	79.53	79.95	78.66	80.46	80.25	79.55
<b>Efficiency</b>									
Cost to income ratio	(%)	51.77	46.85	47.44	45.16	56.02	47.12	44.16	47.73
<b>Capital Fund</b>									
Capital adequacy ratio	(%)	19.13	19.20	19.10	19.60	19.57	19.71	19.50	20.80
Tier-1	(%)	15.67	15.70	15.70	16.20	16.14	16.33	16.10	17.40
Tier-2	(%)	3.46	3.50	3.40	3.40	3.44	3.38	3.40	3.40

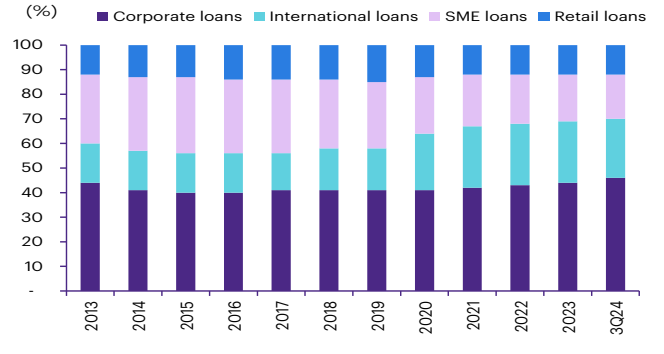
**Appendix**

**Figure 1: Loan growth**



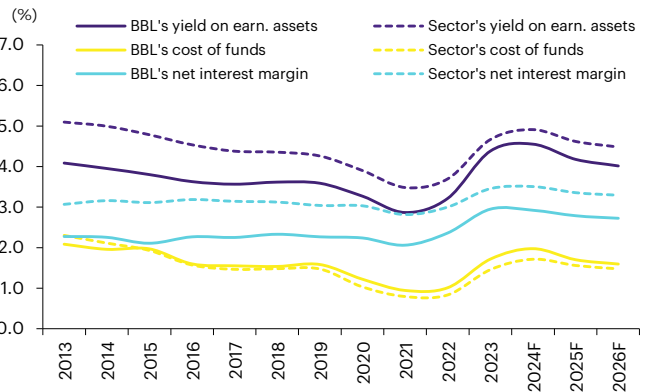
Source: Banks and InnovestX Research

**Figure 2: Loan breakdown**



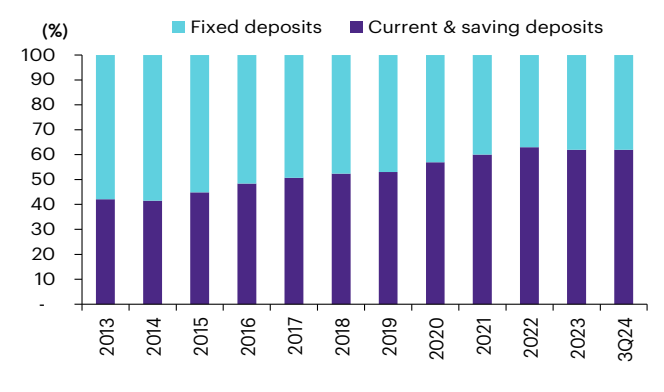
Source: Banks and InnovestX Research

**Figure 3: NIM, yield on earning assets, cost of funds**



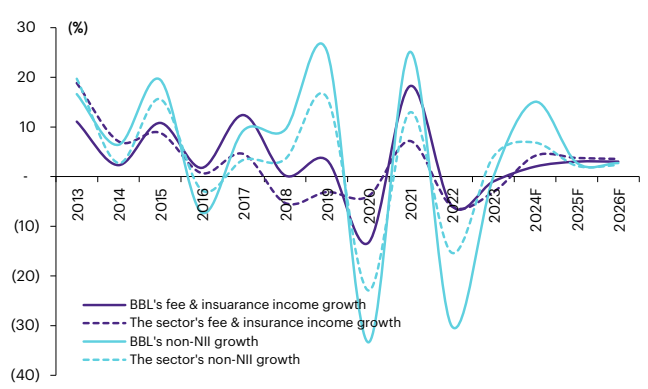
Source: Banks and InnovestX Research

**Figure 4: Deposit mix**



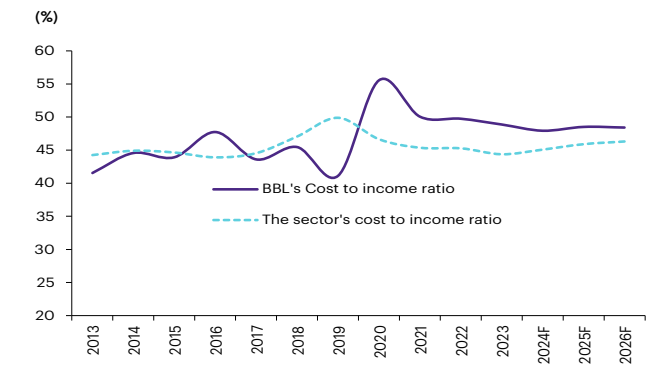
Source: Banks and InnovestX Research

**Figure 5: Non-NII and fee income growth**



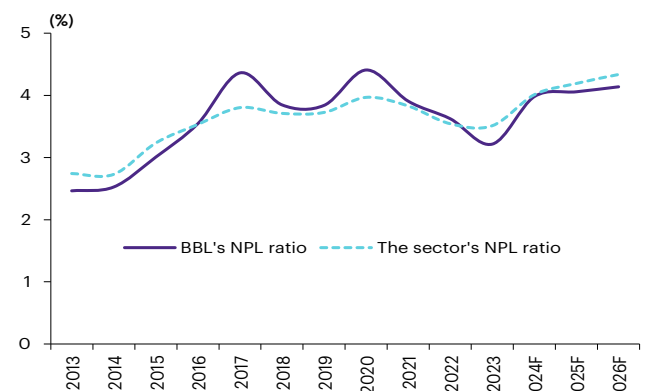
Source: Banks and InnovestX Research

**Figure 6: Cost to income ratio**



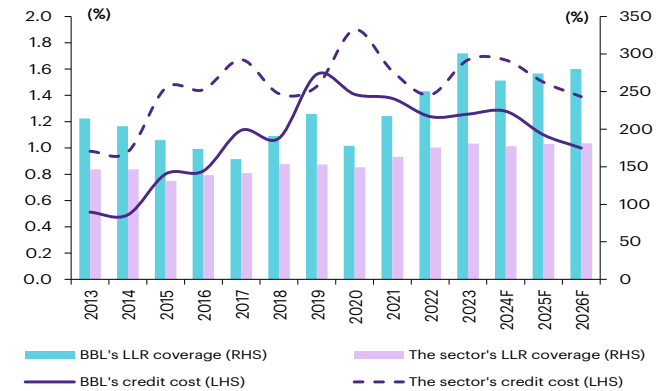
Source: Banks and InnovestX Research

**Figure 7: NPL ratio**



Source: Banks and InnovestX Research

**Figure 8: LLR coverage**



Source: Banks and InnovestX Research



**Figure 9: Valuation summary** (price as of Oct 25, 2024)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)		
					23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F
BAY	Neutral	24.90	29.0	19.9	5.6	5.9	5.8	7	(6)	1	0.5	0.5	0.4	9	8	8	3.6	3.4	3.4
BBL	Outperform	148.00	180.0	27.0	6.8	6.3	6.2	42	7	3	0.6	0.5	0.5	8	8	8	4.7	5.4	6.1
KBANK	Neutral	147.50	160.0	13.6	8.2	7.4	7.2	19	12	2	0.7	0.6	0.6	8	9	8	4.4	5.1	5.4
KKP	Neutral	53.75	47.0	(6.9)	8.4	9.9	9.4	(28)	(16)	6	0.8	0.7	0.7	9	7	8	5.6	5.7	5.8
KTB	Neutral	20.90	22.0	10.3	8.0	7.0	7.0	9	14	1	0.8	0.7	0.6	9	10	9	4.2	5.0	5.0
SCB	No rec	115.00			8.9	9.1	8.9	16	(2)	2	0.8	0.8	0.8	9	9	9	9.0	8.8	9.0
TCAP	Neutral	51.75	52.0	6.9	8.2	7.6	7.2	38	7	6	0.9	0.7	0.7	10	10	10	6.2	6.4	6.6
TISCO	Neutral	97.00	103.0	14.1	10.6	11.3	12.5	1	(5)	(10)	1.8	1.8	1.8	17	16	14	7.9	7.9	7.9
TTB	Neutral	1.78	1.9	14.0	9.4	8.3	8.3	30	13	0	0.8	0.7	0.7	8	9	9	5.9	7.3	7.3
<b>Average</b>					<b>8.2</b>	<b>8.1</b>	<b>8.0</b>	<b>15</b>	<b>3</b>	<b>1</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>5.7</b>	<b>6.1</b>	<b>6.3</b>

Source: InnovestX Research

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**CG Rating 2023 Companies with CG Rating**

**Companies with Excellent CG Scoring**

7UP, AAV, ABM, ACE, ACG, ADB, ADD, ADVANC, AEONTS, AF, AGE, AH, AHC, AIRA, AIT, AJ, AKP, AKR, ALLA, ALT, AMA, AMARIN, AMATA, AMATAV, ANAN, AOT, AP, APCO, APCS, ARIP, ARROW, ASEFA, ASK, ASP, ASW, ATP30, AUCTION, AWC, AYUD, B, BA, BAFS, BAM, BANPU, BAY, BBGI, BBIK, BBL, BC, BCH, BCP, BCPG, BDMS, BEC, BEM, BEYOND, BGC, BGRIM, BH, BIZ, BJC, BJCHI, BKI, BLA, BOL, BPP, BRI, BROOK, BRR, BTS, BTW, BWG, BYD, CBG, CENTEL, CFRESH, CHASE, CHEWA, CHG, CHOW, CIMBT, CIVIL, CK, CKP, CM, CNT, COLOR, COM7, COTTO, CPALL, CPAXTT, CPF, CPI, CPL, CPN, CPW, CRC, CRD, CSC, CSS, CV, DCC, DDD, DELTA, DEMCO, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ERW, ETC, ETE, FE, FLOYD, FN, FPI, FPT, FSX, FVC, GBX, GC, GCAP, GENCO, GFPT, GGC, GLAND, GLOBAL, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HPT, HTC, ICC, ICHI, ICN, III, ILINK, ILM, IMH, IND, INET, INTUCH, IP, IRC, IRPC, ITC, ITEL, IVL, JAS, JTS, KBANK, KCC, KCE, KEX, KKP, KSL, KTB, KTC, KTMS, KUMWEL, KUN, LALIN, LANNA, LH, LHFG, LIT, LOXLEY, LPN, LRH, LST, M, MAJOR, MALEE, MATCH, MBK, MC, M-CHAI, MCOT, MEGA, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NC, NCH, NCL, NDR, NER, NKI, NOBLE, NRF, NTV, NVD, NWR, OCC, OISHI<sup>1</sup>, ONEE, OR, ORI, OSP, OTO, PAF, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PJW, PLANB, PLAT, PLUS, PM, POLY, PORT, PPP, PPS, PR9, PRG, PRINC, PRM, PRTR, PSH, PSL, PT, PTC, PTT, PTTEP, PTTGC, Q-CON, QH, QTC, RATCH, RBF, RPH, RS, RT, S, S&J, SA, SABINA, SAK, SAMART, SAMTEL, SAPPE, SAT, SBNEXT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SDC, SEAFCO, SEAOL, SECURE, SELIC, SENA, SENX, SFP<sup>2</sup>, SFT, SGC, SGF, SGP, SHR, SICT, SIRI, SIS, SITHAI, SJWD, SKR, SM, SMP, SMT, SNC, SNNP, SNP, SO, SPALI, SPC, SPCG, SPI, SPRC, SR, SSC, SSF, SSSC, STA, STC, STEC, STGT, STI, SUC, SUN, SUSCO, SUTHA, SVI, SVT, SYMC, SYNEX, SYNTEC, TACC, TAE, TCAP, TCMC, TEAMG, TEGH, TFG, TFMAMA, TGE, TGH, THANA, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPH, TISCO, TK, TKN, TKS, TKT, TLI, TM, TMC, TMD, TMT, TNDT, TNITY, TNL, TNR, TOA, TOG, TOP, TPBI, TPCS, TPIPL, TPIPP, TPS, TQM, TQR, TRT, TRUE, TRV, TSC, TSTE, TSTH, TTA, TTB, TTCL, TTW, TURTLE, TVDH, TVH, TVO, TVT, TWPC, UAC, UBE, UBIS, UKEM, UP, UPF, UPOIC, UV, VCOM, VGI, VIBHA, VIH, VL, WACOAL, WGE, WHA, WHAUP, WICE, WINMED, WINNER, XPG, YUASA, ZEN

**Companies with Very Good CG Scoring**

2S, A5, AAI, AIE, ALUCON, AMR, APURE, ARIN, AS, ASIA, ASIAN, ASIMAR, ASN, AURA, BR, BSBM, BSRC, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCKH, JDF, JKN, JMART, JUBILE, K, KCAR, KGI, KIAT, KISS, KK, KTIS, KWC, KWM, LDC, LEO, LHK, MACO, METCO, MICRO, MK, MVP, NCAP, NOVA, NTSC, PACO, PIN, PQS, PREB, PRI, PRIME, PROEN, PROS, PROUD, PSTC, PTECH, PYLON, RCL, SALEE, SANKO, SCI, SCN, SE, SE-ED, SFLEX, SINGER, SKN, SONIC, SORKON, SPVI, SSP, SST, STANLY, STP, SUPER, SVOA, SWC, TCC, TEKA, TFM, TMILL, TNP, TPLAS, TPOLY, TRC, TRU, TRUBB, TSE, VRANDA, WAVE, WFX, WIJK, WIN, WP, XO

**Companies with Good CG Scoring**

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRCP, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MBAX, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGC, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RJH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SCP, SIAM, SKE, SKY, SMART, SMD, SMIT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC<sup>3</sup>, TEAM, TFI, TIGER, TITLE, TKC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

**Corporate Governance Report**

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To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition (Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2022 to 31 October 2023) is publicized.

<sup>1</sup>OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

<sup>2</sup>SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

<sup>3</sup>TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

**Anti-corruption Progress Indicator**

**Certified (ได้สัมฤทธิ์ผล)**

2S, AAI, ADB, ADVANC, AE, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, ASW, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBGI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BLA, BPP, BRI, BRR, BSBM, BTC, BTG, BTS, BWG, CBG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CI, CIG, CIMBT, CM, CMC, COM7, CPALL, CPF, CPI, CPL, CPN, CPW, CRC, CREDIT, CSC, DCC, DELTA, DEMCO, DIMET, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERC, ETC, ETE, FNS, FPI, FPT, FSMART, FSX, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GLOBAL, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HEALTH, HENG, HMPRO, HTC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITEL, IVL, JAS, JR, JTS, KASET, KBANK, KCAR, KCC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHFG, LHK, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, MEGA, MENA, META, MFC, MFEC, MILL, MINT, MODERN, MONO, MOONG, MSC, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OGC, OR, ORI, OSP, PAF, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTGC, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RBF, RML, RS, RWI, S&J, SA, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SENX, SFLEX, SGC, SGP, SIRI, SITHAI, SKR, SM, SMT, SMP, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SVOA, SVT, SYMC, SYNTEC, TAE, TAKUNI, TASCO, TCAP, TCMC, TEGH, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TIPH, TISCO, TKN, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TPLAS, TRT, TRU, TRUE, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TURTLE, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UPF, UV, VCOM, VGI, VIBHA, VIH, WACOAL, WHA, WHAUP, WICE, WIJK, XO, YUASA, ZEN, ZIGA

**Declared (ประกาศเจตนา)**

ACE, ADVICE, ALT, AMARIN, AMC, ANI, APCO, B52, BLAND, BPS, BYD, CAZ, CHASE, CHG, CV, DEXON, DITTO, ECL, EKH, EVER, FLOYD, GREEN, HL, HUMAN, ICN, IHL, IP, ITC, JDF, JMART, K, KJL, LDC, LH, LIT, MITSIB, MJD, MOSHI, NER, NEX, PLE, PLUS, POLY, PQS, PRI, PRIME, PROEN, PROUD, PRTR, PTC, RT, S, SANKO, SAWAD, SCAP, SCGD, SFT, SHR, SINGER, SINO, SIS, SJWD, SKE, SNNP, SOLAR, SONIC, SUPER, TBN, TMI, TPAC, TPP, TQM, UREKA, VNG, WELL, WIN, WPH, XPG

**N/A**

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALLA, ALPHAX, ALUCON, AMARC, AMR, ANAN, AOT, APO, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCTION, AURA, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BKGI, BKIH, BLC, BLESS, BLISS, BM, BOL, BR, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CFARM, CGD, CH, CHAO, CHARAN, CHAYO, CHIC, CHO, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOCO, COLOR, COMAN, CPANEL, CPAXT, CPH, CPR, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DOD, DPAINT, DTCENT, DTCI, DV8, EASON, EE, EFORL, EMC, ESTAR, ETL, EURO, F&D, FANCY, FE, FM, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HFT, HPT, HTECH, HYDRO, I2, IIG, IMH, IND, INGRS, INSET, IRC, IRCP, IT, ITD, ITNS, ITTHI, J, JAK, JCK, JCKH, JCT, JKN, JMT, JPARK, JSP, JUBILE, KAMART, KBS, KC, KCG, KCM, KDH, KEX, KIAT, KISS, KK, KKC, KLINIQ, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LEE, LEO, LOXLEY, LPH, LST, LTS, MAGURO, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, MEDEZE, METCO, MGC, MGI, MGT, MICRO, MIDA, MK, ML, MORE, MST, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NCP, NDR, NEO, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, OKJ, ONEE, ORN, PACO, PAF, PANEL, PCC, PCE, PEACE, PEER, PERM, PF, PHG, PICO, PIN, PJW, PLT, PMC, PMTA, POLAR, PORT, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PRO, PSG, PSP, PTL, QTCG, RAM, RCL, READY, RICHY, RJH, ROCK, ROCTEC, ROH, ROJNA, RP, RPC, RPH, RSP, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWANG, SBNEXT, SCI, SCL, SCP, SDC, SE, SEAFCO, SECURE, SEI, SGF, SHANG, SIAM, SICT, SIMAT, SISB, SK, SKN, SKY, SLP, SMART, SMD, SMK, SMT, SO, SPA, SPCG, SPG, SPREME, SPVI, SQ, SR, SRS, SSC, STANLY, STC, STEC, STECH, STHAI, STI, STP, STPI, STX, SUC, SUN, SUTHA, SVR, SWC, SYNEX, TACC, TAN, TAPAC, TATG, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TERA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMUJ, TIGER, TITLE, TK, TKC, TLI, TM, TMAN, TMC, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTW, TVH, TVT, TWP, TYCN, UAC, UBA, UMI, UMS, UMS, UOBUK, H, UP, UPOIC, UPV, UVAN, VARO, VL, VPO, VRANDA, W, WARRIX, WAVE, WFX, WGE, WINDOW, WINMED, WINNER, WORK, WP, YGG, YONG, ZAA

**Explanations**

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 30, 2024) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.