

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	46924.7	0.5	1.4	1.3	10.3
S&P 500	6735.4	0.0	1.4	1.1	14.5
FTSE 100	9427.0	0.2	(0.3)	2.3	15.3
AS30	9390.1	0.7	2.0	3.2	11.5
CSI 300	4607.9	1.5	1.5	1.9	17.1
FSSTI	4381.1	1.2	(0.2)	1.9	15.7
HSCEI	9302.7	0.8	2.5	(0.7)	27.6
HSI	26027.6	0.7	2.3	(1.9)	29.7
JCI	8238.1	1.8	2.1	2.5	16.4
KLCI	1616.8	0.6	0.1	0.8	(1.6)
KOSPI	3823.8	0.2	7.4	10.2	59.4
Nikkei 225	49316.1	0.3	5.3	8.4	23.6
SET	1290.7	0.5	1.9	0.6	(7.8)
TWSE	27752.4	0.2	3.6	7.2	20.5
BDI	2094	1.1	3.6	(4.9)	110.0
CPO (RM/mt)	4424	0.3	(1.8)	0.1	(10.1)
Brent Crude (US\$/bbl)	61	0.5	(1.7)	(8.0)	(17.8)

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Asian Gems Conference 2025	Singapore	21 Oct	22 Oct
Virtual Meeting with Chagee Holdings Ltd (CHA:US)	Hong Kong	27 Oct	27 Oct
Virtual Meeting with CapitaLand Ascott Trust (CLAS SP)	Singapore	29 Oct	29 Oct
Corporate Roadshow with Parkway Life Reit (PREIT SP)	Taipei	18 Nov	18 Nov

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Sep. Customs Trade Balance (Export-Import)	Thailand	18-26 Oct
Sep. Capacity Utilization ISIC	Thailand	26-30 Oct
Oct. CPI	Thailand	5 Nov
Oct. Consumer Confidence	Thailand	7-13 Nov

Please click on the page number to move to the relevant pages

Top Stories

Company Results | Bangkok Bank (BBL TB/HOLD/Bt155.50/Target: Bt170.00)

Page 3

BBL posted a 3Q25 net profit of Bt13.8b, +11% yoy and +17% qoq. The results beat our and consensus expectations by 40% and 27% respectively. The loan portfolio contracted 3.2% in 9M25. Meanwhile, an investment gain boosted the bottom line, beating expectations in 3Q25. We should see the NPL reduction pattern continuing in 4Q25, in line with the guidance. Maintain HOLD with a higher target price of Bt170.00.

Company Results | Kasikorn Bank (KBANK TB/BUY/Bt173.00/Target: Bt200.00)

Page 6

KBANK posted a 3Q25 net profit of Bt13b (+9% yoy, +4% qoq). The actual results beat our estimates by 28% and were higher than consensus forecasts by 16%. Management will prioritise quality by lending selectively. KBANK has set aside adequate provisions to cushion against future uncertainties. Maintain BUY with a higher target price of Bt200.00. KBANK is our top banking pick.

Company Results | Krung Thai Bank (KTB TB/BUY/Bt25.75/Target: Bt32.00)

Page 9

KTB reported a 3Q25 net profit of Bt14.6b, up 32% yoy and 32% qoq. The results beat our estimate by 11% but are in line with consensus expectations. A mark-to-market gain on FVPL partly from the equity exposure to large corporates boosted KTB's earnings. Credit cost and NPL ratio decreased qoq in 3Q25. We are positive on KTB's asset quality outlook. Maintain BUY with a higher target price of Bt32.00.

Company Results | SCB X (SCB TB/HOLD/Bt134.00/Target: Bt144.00)

Page 12

SCB reported a 3Q25 net profit of Bt12.1b (+10% yoy, -6% qoq). The results beat our and consensus estimates by 22% and 11%, respectively. Investment and trading income was one of the key factors boosting net profit and resulting in a beat against forecasts. SCB continued adding special provisions to cushion against future uncertainties. Maintain HOLD. Target price: Bt144.00.

What's Inside

Company Results | TMBThanachart Bank (TTB TB/HOLD/Bt1.86/Target: Bt2.04)

Page 15

TTB posted 3Q25 net profit of Bt5.3b (+1% yoy, +6% qoq). The results beat our and consensus forecasts by 9%. The remaining tax benefit is Bt6.9b. The CEO has expressed concern about hire-purchase loans, especially for new cars. TTB will roll out a share buyback programme early next year. Maintain HOLD. Target price: Bt2.04.

Company Update | IRPC (IRPC TB/HOLD/Bt1.09/Target: Bt1.20)

Page 18

While we expect 3Q25 to mark a turning point for IRPC with positive earnings and stronger GIM, we think its valuation limits near-term upside. Core recovery momentum and asset monetisation progress remain the key triggers heading into 2026. Downgrade to HOLD with a target price of Bt1.20.

Company Update | The Erawan Group (ERW TB/HOLD/Bt2.54/Target: Bt2.70)

Page 21

ERW's 3Q25 performance is expected to be weak due to continued pressure on room rates amid sluggish Chinese tourist arrivals (-34% yoy), prompting hotels to compete on price to maintain occupancy. RevPar in 3Q25 is projected to fall 10% yoy, leading to a net profit of Bt53m (-57.6% yoy). Despite this, Hop Inn remains a key driver with steady growth. The Grand Hyatt renovation was postponed to 2Q26, easing near-term earnings pressure. Maintain HOLD with a Bt2.70 target price.

Bangkok Bank (BBL TB)

3Q25: Results Beat; Investment Gain Boosts Bottom Line

Highlights

- BBL reported a net profit of Bt13.8b in 3Q25, up 11% yoy and 17% qoq.
- An investment gain boosted the bottom line, beating expectations in 3Q25.
- Maintain HOLD with a higher target price of Bt170.00 (previous: Bt158.00).

Analysis

- 3Q25: Results beat estimates.** Bangkok Bank (BBL) posted a 3Q25 net profit of Bt13.8b, +11% yoy and +17% qoq. The results beat our and consensus expectations by 40% and 27%, respectively. The bank's net interest income declined 8% yoy and 3% qoq. BBL's pre-provision operating profit rose 12% yoy and 11% qoq in 3Q25.
- Loan portfolio contracted qoq in 3Q25.** BBL reported outstanding loans of around Bt2.63t in 3Q25, down 4% qoq. The loan portfolio contracted 3.2% ytd. BBL guides corporate loans to continue growing in 3Q25 and flat loan growth for 2025. However, we forecast a 4.2% yoy loan contraction in 2025.
- Investment gain boosted bottom line □ beating 3Q25 forecasts.** BBL reported a non-interest income of Bt16.9b in 3Q25 (+36% yoy, +33% qoq). There was a gain on financial instruments measured at fair value through profit or loss (FVPL) of Bt5.47b in 3Q25 (2Q25: Bt2.2b, 1Q25: Bt1.96b). Meanwhile, there was also an investment gain of Bt3.75b in 3Q25 (2Q25: Bt3.35b, 1Q25: Bt2.9b). Based on a channel check with BBL, the gain from FVPL came from equity investments, both domestic and overseas, that have been marked to market (unrealised). Meanwhile, the investment gain in 3Q25 came from realised gains on debt securities measured at fair value through other comprehensive income.
- A qoq reduction in credit cost.** The bank set aside provision expenses of Bt9.7b in 3Q25, down 9% qoq. This resulted in credit costs decreasing 12bp qoq to 145bp. Meanwhile, the loan-loss coverage ratio rose from 284% in 2Q25 to 294% in 3Q25. BBL reported an NPL ratio of 3.3% in 3Q25. It indicated that the NPL amount dropped qoq due to debt restructuring and repayments from the manufacturing and banking and finance sectors. We should see the NPL reduction continuing in 4Q25, in line with the guidance.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net Interest Income	130,860	133,900	122,328	111,762	112,276
Non-Interest Income	36,642	41,928	52,561	34,352	32,904
Net profit	41,636	45,211	48,695	46,284	48,833
Net profit (adj.)	41,636	45,211	48,695	46,284	48,833
EPS (Bt)	21.8	23.7	25.5	24.2	25.6
PE (x)	7.1	6.6	6.1	6.4	6.1
P/B (x)	0.6	0.5	0.5	0.5	0.5
Dividend yield (%)	4.5	5.5	5.7	5.5	5.8
Net Int margin (%)	3.0	3.0	2.8	2.6	2.6
Cost/income ratio (%)	48.8	48.0	46.6	47.9	47.6
Loan loss cover (%)	314.7	334.3	295.0	288.0	285.0
Consensus net profit	-	-	44,250	43,077	44,270
UOBKH/Consensus (x)	-	-	1.10	1.07	1.10

Source: Bangkok Bank, Bloomberg, UOB Kay Hian

HOLD (Maintained)

Share Price	Bt155.50
Target Price	Bt170.00
Upside	9.3%

Analyst(s)

Thanawat Thangchadakorn
thanawat@uobkayhian.co.th
+662 090 3360

Stock Data

GICS Sector	Financials
Bloomberg ticker	BBL TB
Shares issued (m)	1,908.8
Market cap (Btm)	296,825.1
Market cap (US\$m)	9,047.9
3-mth avg daily t'over (US\$m)	33.9

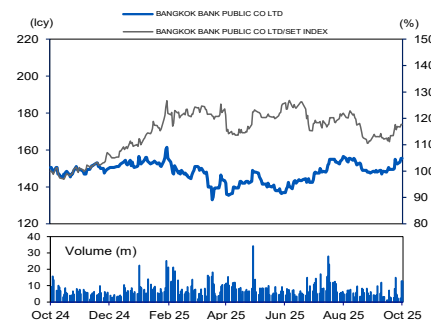
Price Performance (%)

52-week high/low			Bt161.50/Bt131.00	
1mth	3mth	6mth	1yr	YTD
5.4	9.1	8.0	1.0	3.0

Major Shareholders

	%
Thai NVDR	23.24
City Realty	4.77
The Social Security Office	4.30

Price Chart



Source: Bloomberg

Company Description

The third's largest commercial bank in Thailand in terms of market capitalisation. The bank has a strong focus on corporate lending, which accounts for 41% of its loan book.

3Q25 Results

Year to 31 Dec (Btm)	3Q25	2Q25	3Q24	qoq chg (%)	yoy chg (%)
Total gross loans	2,627,918	2,733,380	2,660,778	(3.9)	(1.2)
Net interest income	30,750	31,706	33,367	(3.0)	(7.8)
Non-interest income	16,913	12,716	12,460	33.0	35.7
Loan loss provision	(9,742)	(10,740)	(8,197)	(9.3)	18.8
Non-Interest Expenses	(20,697)	(20,094)	(21,839)	3.0	(5.2)
Pre-provision operating profit	26,966	24,328	23,987	10.8	12.4
Net income	13,789	11,840	12,476	16.5	10.5
EPS (Bt)	7.22	6.20	6.54	16.5	10.5
Ratio (%)					
NPL Ratio	3.3	3.2	3.4		
Loan loss coverage ratio (%)	294	284	267		
Net interest margin (NIM %)	2.72	2.81	3.05		
Credit cost (bp)	145	157	122		
Cost to income (%)	43	45	48		
CET1 ratio (%)	19.6	18.2	18.4		

Source: BBL, UOB Kay Hian

Valuation/Recommendation

- **Maintain HOLD with a higher target price of Bt170.00 (previous: Bt158.00)** using the Gordon Growth Model (cost of equity: 11%, long-term growth: 2.0%). We rolled over the target price to 2026. This implies 0.52x 2026F P/B, which is +0.5SD to its historical five-year mean.

Earnings Revision/Risk

- We revise BBL's 2025-27 earnings forecasts upward by 11.1%, 5.5%, and 6.4% respectively, to reflect the higher-than-expected 3Q25 earnings.

Share Price Catalyst

- Upgrade in dividend payout.

Environment Social Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AA

Environmental

- Responsible business practices support sustainable activities and environmental protection.
- Raises employee awareness on resource and energy conservation and implements effective environmental and resource management systems to reduce carbon footprint, working towards becoming a green organisation.

Social

- Creates a safe, fair, and supportive working environment where employees can continuously develop their skills and fulfil their personal and professional aspirations.

Governance

- Promotes conducting its business in accordance with the principles of good corporate governance, which form the foundation for sound performance results, a strong and stable financial position, and sustainable growth.

2025 Financial Targets

	9M25 Actual	2025 Target	2024 Actual
Loan growth	-3.2% ytd	3-4%	+1%
NPL ratio	3.3%	~ 3%	2.7%
NIM	2.81%	2.8-2.9%	3.06%
Net fee income	-1.1% yoy	Low single digit	+1.8%
Cost to income	44.7%	High-40s%	48.0%
Credit Costs	1.45%	0.9-1.0%	1.29%

Source: BBL, UOB Kay Hian

Credit Cost (bp)



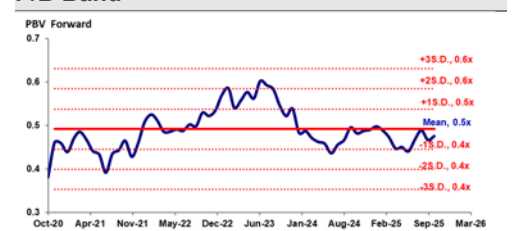
Source: BBL, UOB Kay Hian

PE Band



Source: BBL, UOB Kay Hian

P/B Band



Source: BBL, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Interest Income	208,029	189,257	165,594	165,871
Interest Expense	(74,129)	(66,928)	(53,832)	(53,595)
Net Interest Income	133,900	122,328	111,762	112,276
Fees & Commissions	27,724	25,370	18,467	16,825
Other Income	14,205	27,191	15,885	16,079
Non-Interest Income	41,928	52,561	34,352	32,904
Total Income	175,828	174,890	146,114	145,180
Staff Costs	(35,896)	(35,776)	(30,424)	(29,912)
Other Operating Expense	(48,527)	(45,706)	(39,579)	(39,258)
Pre-Provision Profit	91,405	93,408	76,111	76,010
Loan Loss Provision	(34,838)	(33,438)	(17,085)	(13,733)
Pretax profit	56,567	59,971	59,026	62,277
Tax	(10,946)	(10,933)	(12,395)	(13,078)
Minorities	(411)	(342)	(346)	(365)
Net profit (adj.)	45,211	48,695	46,284	48,833

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Cash With Central Bank	47,364	109,812	52,196	53,184
Govt Treasury Bills & Securities	989,975	903,831	934,573	948,621
Interbank Loans	752,269	731,370	731,002	743,106
Customer Loans	2,428,321	2,303,223	2,331,697	2,393,936
Investment Securities	105,577	104,350	105,584	107,791
Derivative Receivables	87,266	80,257	81,043	82,828
Associates & JVs	1,011	980	980	980
Fixed assets (incl. prop.)	66,015	77,587	76,184	76,118
Other assets	73,581	68,728	69,163	69,902
Total Assets	4,551,379	4,380,138	4,382,423	4,476,467
Interbank Deposits	346,936	319,532	317,373	322,642
Customer Deposits	3,169,654	3,069,425	3,091,128	3,152,654
Derivative Payables	64,702	61,083	61,463	62,677
Debt equivalents	220,910	149,967	102,703	93,938
Other Liabilities	192,305	183,327	183,806	186,387
Total Liabilities	3,994,506	3,783,333	3,756,472	3,818,297
Shareholders' equity	555,039	595,019	624,128	656,309
Minority interest	1,834	1,786	1,823	1,860
Total liabilities & equity	4,551,379	4,380,138	4,382,423	4,476,467

Operating Ratios

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Capital Adequacy				
Tier-1 CAR	18.7	19.6	20.4	21.1
Total CAR	22.3	24.6	27.0	29.8
Total assets/equity (x)	8.2	7.4	7.0	6.8
Tangible assets/tangible common	8.6	7.6	7.3	7.0
Asset Quality				
NPL ratio	2.7	3.3	3.1	3.0
Loan loss coverage	334.3	295.0	288.0	285.0
Loan loss reserve/gross loans	10.6	11.4	10.7	10.0
Increase in NPLs	(4.1)	17.6	(4.3)	(3.6)
Liquidity				
Loan/deposit ratio	76.6	75.0	75.4	75.9
Liquid assets/short-term liabilities	50.8	51.4	50.3	50.1
Liquid assets/total assets	39.3	39.8	39.2	39.0

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Growth				
Net interest income, yoy chg	2.3	(8.6)	(8.6)	0.5
Fees & commissions, yoy chg	1.8	(8.5)	(27.2)	(8.9)
Pre-provision profit, yoy chg	6.6	2.2	(18.5)	(0.1)
Net profit, yoy chg	8.6	7.7	(5.0)	5.5
Net profit (adj.), yoy chg	8.6	7.7	(5.0)	5.5
Customer loans, yoy chg	0.1	(5.2)	1.2	2.7
Customer deposits, yoy chg	(0.5)	(3.2)	0.7	2.0
Profitability				
Net interest margin	3.0	2.8	2.6	2.6
Cost/income ratio	48.0	46.6	47.9	47.6
Adjusted ROA	1.0	1.1	1.1	1.1
Reported ROE	8.3	8.5	7.6	7.6
Adjusted ROE	8.3	8.5	7.6	7.6
Valuation				
P/BV (x)	0.5	0.5	0.5	0.5
P/NTA (x)	56.3	52.0	49.5	47.0
Adjusted P/E (x)	6.6	6.1	6.4	6.1
Dividend Yield	5.5	5.7	5.5	5.8
Payout ratio	35.9	34.8	35.2	35.3

Kasikorn Bank (KBANK TB)

3Q25: Results Beat; Reiterate Softer 2025 Target Guidance

Highlights

- KBANK reported a net profit of Bt13b in 3Q25, up 9% yoy and 4% qoq.
- The bank has set aside adequate provisions to cushion against future uncertainties.
- Maintain BUY with a higher target price of Bt200.00 (previous: Bt192.00).

Analysis

3Q25 Results					
Year to 31 Dec (Btm)	3Q25	2Q25	3Q24	qoq chg (%)	yoy chg (%)
Total gross loans	2,415,594	2,452,458	2,451,094	(1.5)	(1.4)
Net interest income	34,158	34,655	37,036	(1.4)	(7.8)
Non-interest income	15,087	13,944	11,644	8.2	29.6
Loan loss provision	(10,179)	(10,050)	(11,652)	1.3	(12.6)
Non-Interest Expenses	(20,965)	(20,804)	(21,501)	0.8	(2.5)
Pre-provision operating profit	28,280	27,796	27,179	1.7	4.1
Net income	13,007	12,488	11,965	4.2	8.7
EPS (Bt)	5.35	5.27	5.05	1.4	5.9
Ratio (%)					
NPL Ratio	3.19	3.18	3.2		
Loan loss coverage ratio (%)	166	163	151		
Reported NIM %	3.24	3.31	3.61		
Credit cost (bp)	168	165	189		
Cost to income (%)	42.6	42.8	44.2		
CET1 ratio (%)	17.8	16.8	16.9		

Source: KBANK, UOB Kay Hian

- 3Q25 results beat expectations.** Kasikorn Bank (KBANK) posted a 3Q25 net profit of Bt13b (+9% yoy, +4% qoq). The actual results beat our estimates by 28% and were higher than consensus forecasts by 16%. KBANK's pre-provision operating profit grew 4% yoy and 2% qoq in 3Q25. The gain on financial instruments measured at fair value through profit or loss was reported at Bt3.96b in 3Q25 (2Q25: Bt3.6b, 1Q25: Bt4.2b) and was the key item that boosted non-interest income and net profit.
- Neutral tone at analyst meeting.** Management will prioritise quality by selectively lending. The bank will focus on cost management and productivity improvement. The NPL inflow decline aligned with NPL outflow. KBANK has set aside adequate provisions to cushion against future uncertainties.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net Interest Income	148,444	149,029	137,977	128,805	125,221
Non-Interest Income	44,210	48,937	55,674	48,035	48,320
Net profit	42,405	48,872	50,361	50,960	53,203
Net profit (adj.)	42,405	48,872	50,361	50,960	53,203
EPS (Bt)	17.9	20.6	20.7	20.9	21.9
PE (x)	9.7	8.4	8.4	8.3	7.9
P/B (x)	0.8	0.7	0.7	0.7	0.7
Dividend yield (%)	3.8	6.9	6.5	7.0	7.3
Net Int margin (%)	3.7	3.7	3.4	3.1	3.0
Cost/income ratio (%)	44.1	43.6	42.9	43.6	43.4
Loan loss cover (%)	152.2	153.3	165.4	159.6	157.5
Consensus net profit	-	-	47,825	46,904	52,378
UOBKH/Consensus (x)	-	-	1.05	1.09	1.02

Source: Kasikorn Bank, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt173.00
Target Price	Bt200.00
Upside	15.6%

Analyst(s)

Thanawat Thangchadakorn

thanawat@uobkayhian.co.th

+662 090 3360

Stock Data

GICS Sector	Financials
Bloomberg ticker	KBANK TB
Shares issued (m)	2,369.3
Market cap (Btm)	409,893.7
Market cap (US\$m)	12,563.8
3-mth avg daily t'over (US\$m)	56.4

Price Performance (%)

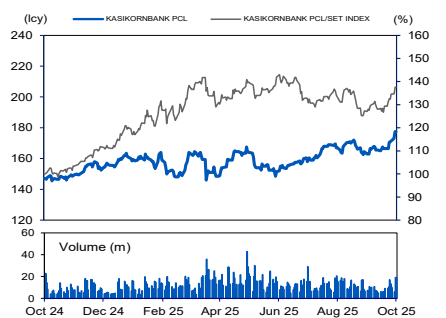
52-week high/low Bt173.50/Bt145.00

1mth	3mth	6mth	1yr	YTD
5.2	8.1	16.5	14.2	11.3

Major Shareholders

	%
Thai NVDR	13.70
State Street Europe Limited	8.17
South-East Asia UK (Type C) Nominees Limited	5.06

Price Chart



Source: Bloomberg

Company Description

KBANK is the fourth largest commercial bank in Thailand with a 14% share of the credit market. The bank focuses on SME lending which accounts for 34% of its loan book.

- **Reiterates softer 2025 target guidance.** Management reiterates its softer target guidance, including: a) NIM: expected to be slightly below 3.3% (vs target of 3.3-3.5%); b) loan growth: projected to contract yoy (vs target of flat growth); c) credit cost: estimated at 165bp in the normal case, but not exceeding 170bp (vs target of 140-160bp); and d) cost-to-income ratio: expected to be in the mid-40s level (vs target of low-to-mid-40s).
- **Continues the debt restructuring programme.** The exposure from the "You Fight We Help" programme is 1% of the total loan portfolio. Normally, debt restructuring requires a consistent repayment period of 3-6 months before the loan can be upgraded to a higher stage.
- **Considering capital management but no plans yet.** For capital management, the bank is considering various aspects to enhance shareholders returns. Apart from increasing the dividend policy to 50%, there are still no updates on capital management. KBANK will announce its 2026 targets in Jan 26.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt200.00 (previous: Bt192.00),** based on the Gordon Growth Model (cost of equity: 11%, long-term growth: 2%). We rolled over the target price to 2026. This implies 0.78x 2026F P/B, which is +2SD to its five-year mean.

Earnings Revision/Risk

- We fine-tune KBANK's 2025-27 earnings forecasts by +7.5%, +5.4%, and +4.6% respectively, to reflect the higher-than-expected earnings in 3Q25.

Share Price Catalyst

- Sooner-than-expected normalisation in credit costs.
- Capital management such as share buyback programme or special dividend.

Environment Social Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AAA

Environmental

- Committing to net zero emissions in its operations by 2030.
- Committing to reducing greenhouse gas emissions in the bank's portfolio.
- Being the leader in innovative "Green Finance" in Thailand.

Social

- Safeguarding customer data security and privacy.
- Respect for human rights and diversity.

Governance

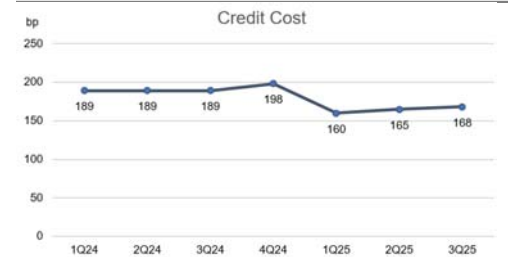
- Ensuring the business operates under good corporate governance practices.

2025 Financial Targets

	9M25 Actual	2025 Target	2024 Actual
NIM	3.31%	3.3-3.5%	3.64%
Loan Growth	-2.74% ytd	Flat	+0.57%
Net fee income	4.23% yoy	Mid to High-Single Digit	6.73%
Cost to income	42.07%	Low to Mid-40s	44.09%
Credit cost	164b	140-160 bps	189bp

Source: KBANK, UOB Kay Hian

Credit Cost (bp)



Source: KBANK, UOB Kay Hian

PE Band



Source: KBANK, UOB Kay Hian

P/B Band



Source: KBANK, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Interest Income	189,093	174,396	161,086	161,485
Interest Expense	(40,064)	(36,419)	(32,281)	(36,264)
Net Interest Income	149,029	137,977	128,805	125,221
Fees & Commissions	33,319	34,005	31,228	31,012
Other Income	15,618	21,669	16,807	17,308
Non-Interest Income	48,937	55,674	48,035	48,320
Total Income	197,967	193,650	176,840	173,542
Staff Costs	(42,219)	(41,478)	(37,510)	(36,991)
Other Operating Expense	(44,178)	(41,599)	(39,553)	(38,362)
Pre-Provision Profit	111,570	110,573	99,776	98,189
Loan Loss Provision	(47,251)	(40,113)	(28,999)	(24,296)
Pretax profit	64,319	70,460	70,777	73,893
Tax	(12,583)	(14,138)	(14,155)	(14,779)
Minorities	(2,864)	(5,961)	(5,662)	(5,911)
Net profit (adj.)	48,872	50,361	50,960	53,203

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Cash With Central Bank	46,021	48,422	363,047	388,975
Govt Treasury Bills & Securities	1,060,620	1,111,284	1,126,801	1,111,300
Interbank Loans	522,729	529,171	542,625	550,475
Customer Loans	2,368,649	2,278,101	2,316,841	2,349,797
Investment Securities	61,088	57,664	57,306	57,667
Derivative Receivables	53,117	47,560	47,950	48,516
Associates & JVs	13,071	14,204	14,204	14,204
Fixed assets (incl. prop.)	114,151	116,510	117,104	117,015
Other assets	101,507	102,468	104,064	104,973
Total Assets	4,340,954	4,305,385	4,689,943	4,742,921
Interbank Deposits	172,144	178,744	183,490	186,069
Customer Deposits	2,718,675	2,689,291	2,740,865	2,776,343
Derivative Payables	41,341	35,340	35,247	35,583
Debt equivalents	622,656	582,075	892,595	889,512
Other Liabilities	140,476	136,769	137,907	139,135
Total Liabilities	3,695,292	3,622,219	3,990,104	4,026,642
Shareholders' equity	568,726	597,057	620,510	644,044
Minority interest	76,937	86,108	79,329	72,234
Total liabilities & equity	4,340,954	4,305,384	4,689,942	4,742,921

Operating Ratios

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Capital Adequacy				
Tier-1 CAR	17.5	17.8	18.4	19.1
Total CAR	19.6	19.9	20.5	21.2
Total assets/equity (x)	7.6	7.2	7.6	7.4
Tangible assets/tangible common	8.0	7.6	7.9	7.7
Asset Quality				
NPL ratio	3.2	3.2	3.2	3.1
Loan loss coverage	153.3	165.4	159.6	157.5
Loan loss reserve/gross loans	5.3	5.9	5.6	5.4
Increase in NPLs	(0.8)	(0.6)	0.0	(1.6)
Liquidity				
Loan/deposit ratio	87.1	84.7	84.5	84.6
Liquid assets/short-term liabilities	55.8	58.3	68.8	68.5
Liquid assets/total assets	37.5	39.2	43.3	43.2

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Growth				
Net interest income, yoy chg	0.4	(7.4)	(6.6)	(2.8)
Fees & commissions, yoy chg	6.9	2.1	(8.2)	(0.7)
Pre-provision profit, yoy chg	3.6	(0.9)	(9.8)	(1.6)
Net profit, yoy chg	15.3	3.0	1.2	4.4
Net profit (adj.), yoy chg	15.3	3.0	1.2	4.4
Customer loans, yoy chg	(0.1)	(3.8)	1.7	1.4
Customer deposits, yoy chg	0.7	(1.1)	1.9	1.3
Profitability				
Net interest margin	3.7	3.4	3.1	3.0
Cost/income ratio	43.6	42.9	43.6	43.4
Adjusted ROA	1.1	1.2	1.1	1.1
Reported ROE	8.9	8.6	8.4	8.4
Adjusted ROE	8.9	8.6	8.4	8.4
Valuation				
P/BV (x)	0.7	0.7	0.7	0.7
P/NTA (x)	76.2	74.4	71.4	68.7
Adjusted P/E (x)	8.4	8.4	8.3	7.9
Dividend Yield	6.9	6.5	7.0	7.3
Payout ratio	58.2	54.2	57.9	58.1

Krung Thai Bank (KTB TB)

3Q25: Results In Line With Consensus; Mark-To-Market Gain On Large Corporates' Equity Buoy The Earnings

Highlights

- KTB reported a net profit of Bt14.6b in 3Q25, up 32% yoy and 32% qoq.
- Mark-to-market gain on large corporate's equity boosted earnings.
- Maintain BUY with a higher target price of Bt32.00 (previous: Bt30.00).

Analysis

- **3Q25 results in line with market expectations.** Krung Thai Bank (KTB) reported a 3Q25 net profit of Bt14.6b, +32% yoy and +32% qoq. The results beat our estimate by 11% but are in line with consensus expectations. KTB's pre-provision operating profit increased 13% yoy and 14% qoq.
- **Loan portfolio contracted qoq in 3Q25.** KTB reported outstanding loans of around Bt2.6t in 3Q25, down 3% qoq. The loan portfolio contracted by 4% ytd.
- **NII weakened yoy and qoq.** KTB reported a net interest income (NII) of Bt25.9b in 3Q25 (-13% yoy, -4% qoq). Meanwhile, NIM contracted from 2.91% in 2Q25 to 2.74% in 3Q25, pressured by the lower lending rate environment.
- **Investment gain resulted in non-II and bottom line rising yoy and qoq.** KTB reported a non-interest income (non-II) of Bt16.7b in 3Q25 (+56% yoy, +26% qoq). There was a gain on financial instruments measured at fair value through profit or loss (FVPL) of Bt4.6b in 3Q25 (2Q25: Bt2.6b, 1Q25: Bt2.1b). Meanwhile, there was also an investment gain of Bt1.87b in 3Q25 (2Q25: Bt1.7b, 1Q25: Bt1.7b). Based on our check with KTB, the bank's mark-to-market gain on FVPL was partly from the equity exposure in the large corporate. Meanwhile, the investment gain in 3Q25 came from the realised gain on the debt securities measured at fair value through other comprehensive income (FVOCI). KTB revealed that the wealth business also boosted non-II in 3Q25.
- **Credit cost and NPL ratio dropped qoq.** NPL ratio decreased from 2.94% in 2Q25 to 2.88% in 3Q25. The bank set aside provision expenses of Bt7.2b in 3Q25 (-13% yoy, -13% qoq). As a result, credit cost declined 14bp qoq to 108bp in 3Q25 (2Q25: 122bp, 3Q24: 129bp). We reckon the lower-than-expected provisioning in 3Q25 was due to a reversal of provisioning as a large corporate client has resumed regular debt repayment.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net Interest Income	113,419	119,115	103,512	93,030	96,476
Non-Interest Income	36,046	41,100	53,306	42,806	44,078
Net profit	36,616	44,968	49,428	46,093	48,173
Net profit (adj.)	36,616	44,968	49,428	46,093	48,173
EPS (Bt)	2.6	3.2	3.5	3.3	3.4
PE (x)	9.8	8.0	7.3	7.8	7.5
P/B (x)	0.9	0.8	0.8	0.7	0.7
Dividend yield (%)	3.4	6.0	6.9	6.6	6.9
Net Int margin (%)	3.2	3.3	2.9	2.6	2.6
Cost/income ratio (%)	41.6	42.9	40.9	41.4	41.5
Loan loss cover (%)	181.2	188.6	203.0	196.8	192.7
Consensus net profit	-	-	45,229	43,419	45,712
UOBKH/Consensus (x)	-	-	1.09	1.06	1.05

Source: KTB, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt25.75
Target Price	Bt32.00
Upside	24.3%

Analyst(s)

Thanawat Thangchadakorn
thanawat@uobkayhian.co.th
+662 090 3360

Stock Data

GICS Sector	Financials
Bloomberg ticker	KTB TB
Shares issued (m)	13,976.1
Market cap (Btm)	359,883.6
Market cap (US\$m)	10,954.0
3-mth avg daily t'over (US\$m)	37.8

Price Performance (%)

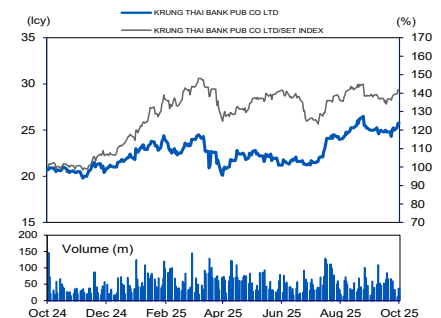
52-week high/low Bt26.50/Bt19.70

1mth	3mth	6mth	1yr	YTD
2.0	20.3	20.9	19.8	22.6

Major Shareholders

	%
FIDF (MOF)	55.07
Thai NVDR	10.20
Vayupak No.1 Fund	4.53

Price Chart



Source: Bloomberg

Company Description

One of the largest commercial banks with roughly 15% share of the credit market. The bank has a strong focus on corporate lending, which accounts for 31% of its loan book.

- **Share buyback programme still expected to happen.** KTB has modified a share buyback regulation during its shareholder meeting in mid-25. We expect to see a share buyback programme happening in 2025 or early-26 as the P/B valuation is under book with a P/B in the range of 0.6-0.7x at the current price.

3Q25 Results

Year to 31 Dec (Btm)	3Q25	2Q25	3Q24	qoq chg (%)	yoy chg (%)
Total gross loans	2,614,944	2,696,261	2,586,864	(3.0)	1.1
Net interest income	25,871	26,897	29,885	(3.8)	(13.4)
Non-interest income	16,655	13,274	10,672	25.5	56.1
Loan loss provision	(7,202)	(8,239)	(8,312)	(12.6)	(13.4)
Non-Interest Expenses	(16,031)	(16,974)	(17,193)	(5.6)	(6.8)
Pre-provision operating profit	26,496	23,197	23,363	14.2	13.4
Net income	14,620	11,122	11,107	31.5	31.6
EPS (Bt)	1.05	0.80	0.79	31.5	31.6
Ratio (%)					
NPL Ratio	2.88	2.94	3.14		
Loan loss coverage ratio (%)	207	194	184		
Net interest margin (NIM %)	2.74	2.91	3.35		
Credit cost (bp)	108	122	129		
Cost to income (%)	38	42	42		
CET1 ratio %	18.8	18.3	18.0		

Source: KTB, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt32.00 (previous: Bt30.00).** We use the Gordon Growth Model (cost of equity: 11%, long-term growth: 2%). We roll over the target price to 2026. This implies 0.9x 2026F P/B.

Earnings Revision/Risk

- We fine-tune KTB's 2025-27 earnings forecasts by +3.4%, +2.0%, and +5.6% respectively, to reflect the brighter asset quality outlook.

Share Price Catalyst

- Upgrade in dividend payout.
- A share buyback programme being initiated.

Environment Social Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AAA

Environmental

- The bank set a long-term target to reduce GHG emissions by 30% by 2030 for operations within the bank, compared with the base year 2022.
- In 2024, the emissions reduction target was set at 3%. The reduction plan aims to reduce GHG emissions by 1,700 tonnes of carbon dioxide equivalent.

Social

- Human rights. No criteria or conditions of employment discrimination are specified but KTB aims to provide equal opportunities for employment.
- Community involvement. The bank believes that a robust economic foundation is key to a thriving community.

Governance

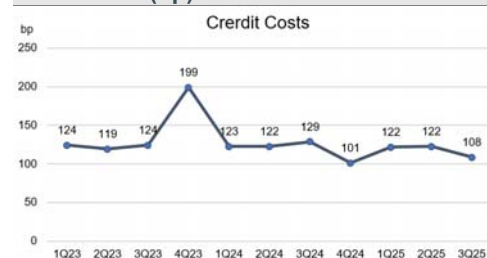
- The bank places great importance on conducting its business.

2025 Financial Targets

	9M25 Actual	2025 Target	2024 Actual
Loan Growth	-4.0%	Flat	+5%
NIM	2.91%	2.9-3.2%	3.29%
Cost to income	40.1%	Low to Mid-40s	43.2%
NPL ratio	2.88%	<3.25%	2.99%
Credit cost (bp)	118b	105-125bp	117bp
Coverage ratio	206.6%	>170%	188.6%

Source: KTB, UOB Kay Hian

Credit Cost (bp)



Source: KTB, UOB Kay Hian

PE Band



Source: KTB, UOB Kay Hian

P/B Band



Source: KTB, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Interest Income	165,105	145,543	128,065	129,514
Interest Expense	(45,990)	(42,032)	(35,035)	(33,038)
Net Interest Income	119,115	103,512	93,030	96,476
Fees & Commissions	22,282	21,711	19,296	19,536
Other Income	18,818	31,595	23,510	24,542
Non-Interest Income	41,100	53,306	42,806	44,078
Total Income	160,215	156,817	135,836	140,554
Staff Costs	(27,061)	(26,319)	(23,104)	(23,770)
Other Operating Expense	(41,717)	(37,754)	(33,115)	(34,533)
Pre-Provision Profit	91,437	92,744	79,618	82,251
Loan Loss Provision	(31,070)	(26,902)	(18,716)	(18,600)
Pretax profit	60,368	65,842	60,902	63,650
Tax	(11,576)	(12,657)	(11,571)	(12,094)
Minorities	(3,823)	(3,757)	(3,237)	(3,384)
Net profit (adj.)	44,968	49,428	46,093	48,173

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Cash With Central Bank	56,889	52,655	53,473	54,216
Govt Treasury Bills & Securities	351,085	352,650	364,578	371,651
Interbank Loans	534,775	596,682	626,064	638,940
Customer Loans	2,549,075	2,453,440	2,504,239	2,552,804
Investment Securities	51,342	62,844	67,294	69,021
Derivative Receivables	66,061	71,065	74,247	76,376
Associates & JVs	16,151	22,637	22,637	22,637
Fixed assets (incl. prop.)	57,360	54,554	56,676	57,647
Other assets	57,730	61,611	63,499	64,324
Total Assets	3,740,468	3,728,138	3,832,706	3,907,617
Interbank Deposits	255,872	260,863	268,992	273,602
Customer Deposits	2,731,344	2,704,129	2,763,153	2,805,497
Derivative Payables	56,205	64,888	67,225	68,555
Debt equivalents	137,580	103,988	113,375	112,142
Other Liabilities	98,795	98,320	100,974	102,561
Total Liabilities	3,279,797	3,232,190	3,313,719	3,362,355
Shareholders' equity	440,122	473,969	495,349	519,648
Minority interest	20,549	22,579	24,239	26,214
Total liabilities & equity	3,740,468	3,728,739	3,833,307	3,908,217

Operating Ratios

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Capital Adequacy				
Tier-1 CAR	18.8	19.9	20.4	21.1
Total CAR	20.8	22.0	22.4	23.1
Total assets/equity (x)	8.5	7.9	7.7	7.5
Tangible assets/tangible common	8.9	8.2	8.1	7.8
Asset Quality				
NPL ratio	3.0	2.9	2.8	2.6
Loan loss coverage	188.6	203.0	196.8	192.7
Loan loss reserve/gross loans	6.4	6.8	6.3	5.8
Increase in NPLs	(4.2)	(4.3)	(2.6)	(4.8)
Liquidity				
Loan/deposit ratio	93.3	90.7	90.6	91.0
Liquid assets/short-term liabilities	31.5	33.7	34.4	34.5
Liquid assets/total assets	25.2	26.9	27.2	27.2

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Growth				
Net interest income, yoy chg	5.0	(13.1)	(10.1)	3.7
Fees & commissions, yoy chg	6.8	(2.6)	(11.1)	1.2
Pre-provision profit, yoy chg	4.7	1.4	(14.2)	3.3
Net profit, yoy chg	22.8	9.9	(6.7)	4.5
Net profit (adj.), yoy chg	22.8	9.9	(6.7)	4.5
Customer loans, yoy chg	5.1	(3.8)	2.1	1.9
Customer deposits, yoy chg	3.2	(1.0)	2.2	1.5
Profitability				
Net interest margin	3.3	2.9	2.6	2.6
Cost/income ratio	42.9	40.9	41.4	41.5
Adjusted ROA	1.2	1.3	1.2	1.2
Reported ROE	10.7	10.8	9.5	9.5
Adjusted ROE	10.7	10.8	9.5	9.5
Valuation				
P/BV (x)	0.8	0.8	0.7	0.7
P/NTA (x)	86.3	80.0	76.3	72.6
Adjusted P/E (x)	8.0	7.3	7.8	7.5
Dividend Yield	6.0	6.9	6.6	6.9
Payout ratio	48.0	50.0	51.8	51.9

SCB X (SCB TB)

3Q25: Results Beat; An Impressive Investment Gain To Boost Bottom Line

Highlights

- SCB reported a net profit of Bt12.1b in 3Q25, up 10% yoy but down 6% qoq.
- Continued adding special provisions to cushion against future uncertainties.
- Maintain HOLD with a higher target price of Bt144.00 (previous: Bt134.00).

Analysis

- **3Q25 results beat estimates.** SCB X (SCB) reported a 3Q25 net profit of Bt12.1b (+10% yoy, -6% qoq). The results beat our and consensus estimates by 22% and 11%, respectively. Pre-provision operating profit rose 10% yoy but fell 6% qoq in 3Q25.
- **Forecasts policy rate at 1.0% in 1Q26.** SCB Economic Intelligence Center (SCB EIC) forecasts the 2025 GDP at 1.8%. SCB EIC expects a policy rate cut to 1.25% in Dec 25, then further to 1.00% in 1Q26.
- **Neutral tone at analyst meeting.** We attended SCB's analyst meeting, and the tone was neutral. Management maintains a prudent approach on its lending policy. The loan portfolio quality was quite stable. There was an uplift in special mention loans (stage 2) and a drop in NPLs, mostly from the "You Fight We Help" measure, which helped improve loan stage upgrading.
- **Cautious on Gen2 business loan.** SCB mentioned that it has slowed down the loan portfolio of CardX (credit card business) until it sees good prospects, after which it will resume selective growth. It has also adopted a cautious lending approach for AutoX (car loan business) while waiting for better conditions.
- **Impressive investment gain to boost bottom line.** Investment and trading income was Bt3.33b (+664% yoy, +3% qoq). This item is one of the key factors boosting net profit and resulting in a beat against forecasts.
- **Continued addition of special provisions to cushion against uncertainties.** SCB set aside provision expenses of Bt10.8b in 3Q25, +7% qoq. For provisioning, there was a management overlay of Bt1.4b in 3Q25. Overall, credit cost rose 14bp qoq to 182bp. NPL ratio fell slightly from 3.31% to 3.30% in 3Q25. The loan loss coverage ratio increased from 159% to 162% in 3Q25.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net Interest Income	124,682	129,424	119,367	112,187	113,581
Non-Interest Income	46,421	42,950	48,698	40,978	41,849
Net profit	43,521	43,943	47,761	46,406	49,471
Net profit (adj.)	43,521	43,943	47,761	46,406	49,471
EPS (Bt)	12.9	13.1	14.2	13.8	14.7
PE (x)	10.4	10.3	9.4	9.7	9.1
P/B (x)	0.9	0.9	0.9	0.9	0.9
Dividend yield (%)	7.7	7.8	8.5	8.3	8.8
Net Int margin (%)	3.8	4.0	3.7	3.5	3.5
Cost/income ratio (%)	42.0	42.3	40.2	39.5	38.4
Loan loss cover (%)	159.9	158.0	162.5	159.4	155.2
Consensus net profit	-	-	45,599	45,121	48,559
UOBKH/Consensus (x)	-	-	1.05	1.03	1.02

Source: SCB X, Bloomberg, UOB Kay Hian

HOLD (Maintained)

Share Price	Bt134.00
Target Price	Bt144.00
Upside	7.5%

Analyst(s)

Thanawat Thangchadakorn
thanawat@uobkayhian.co.th
+662 090 3360

Stock Data

GICS Sector	Financials
Bloomberg ticker	SCB TB
Shares issued (m)	3,367.1
Market cap (Btm)	451,192.5
Market cap (US\$m)	13,782.8
3-mth avg daily t'over (US\$m)	32.8

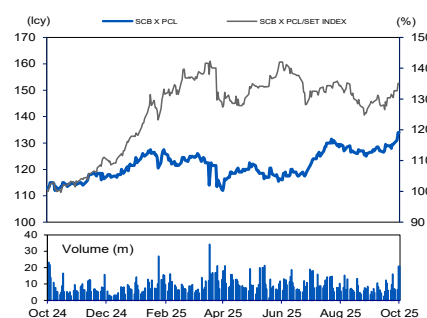
Price Performance (%)

52-week high/low			Bt134.00/Bt109.00	
1mth	3mth	6mth	1yr	YTD
6.3	10.7	16.5	21.8	14.0

Major Shareholders

	%
His Majesty King Maha Vajiralongkorn	23.58
Vayupak Fund 1	23.32
Thai NVDR	6.18

Price Chart



Source: Bloomberg

Company Description

One of the largest commercial banks with roughly 15% share of Thailand's credit market. The bank has a strong focus on retail lending, which accounts for 46% of its loan book.

3Q25 Results

Year to 31 Dec (Btm)	3Q25	2Q25	3Q24	qoq chg (%)	yoy chg (%)
Total gross loans	2,380,417	2,428,521	2,464,051	(2.0)	(3.4)
Net interest income	29,413	30,404	32,635	(3.3)	(9.9)
Non-interest income	14,268	13,247	9,661	7.7	47.7
Loan loss provision	(10,823)	(10,112)	(10,967)	7.0	(1.3)
Non-Interest Expenses	(17,575)	(17,530)	(17,606)	0.3	(0.2)
Pre-provision operating profit	26,106	26,120	24,689	(0.1)	5.7
Net income	12,056	12,786	10,941	(5.7)	10.2
EPS (Bt)	3.58	3.80	3.25	(5.7)	10.2
Ratio (%)					
NPL Ratio	3.30	3.31	3.4		
Loan loss coverage ratio (%)	162	159	164		
Net interest margin (NIM %)	3.44	3.59	3.91		
Reported Credit cost (bp)	182	168	180		
Cost to income (%)	40.2	40	42		
CET1 ratio %	17.7	17.8	17.3		

Source: SCB, UOB Kay Hian

Valuation/Recommendation

- **Maintain HOLD with a higher target price of Bt144.00 (previous: Bt134.00)**, based on the Gordon Growth Model (cost of equity: 11%, long-term growth: 2%). We rolled over the target price to 2026. This implies 1.0x 2026F P/B, +2SD to its last five years' mean.

Earnings Revision/Risk

- We revise SCB's 2025-27 earnings forecasts upward by 6.8%, 6.1%, and 5.9% respectively, to reflect the higher-than-expected 3Q25 earnings.

Share Price Catalyst

- A capital management announcement.

Environment Social Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AA

Environmental

- **Low-carbon buildings.** To enhance energy efficiency, adopt eco-friendly air conditioners, and opt for highly efficient machinery and equipment.
- **Electric vehicles.** 100% adoption of electric vehicles by 2028.

Social

- **Social wellbeing.** SCB continues the initiative "Access to Water", which is fundamental to every walk of life and agriculture.

Governance

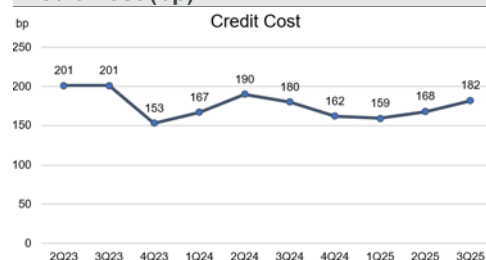
- Established a sustainability governance structure at the group level, with the aim of integrating sustainability principles and practices.

2025 Financial Targets

	9M25 Actual	2025 Target	2024 Actual
Loan growth	-2.1% ytd	1-3%	-1%
NIM	3.55%	3.6-3.8%	3.85%
Net fee income growth	2.3%	2-4%	-5.6%
Cost to income	40.1%	42-44%	*41.7%/42.3%
Credit cost (bp)	171bp	150-170bp	176bp

Source: SCB, UOB Kay Hian

Credit Cost (bp)



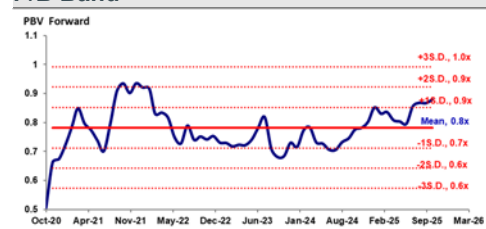
Source: SCB, UOB Kay Hian

PE Band



Source: SCB, UOB Kay Hian

P/B Band



Source: SCB, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Interest Income	169,320	156,244	144,050	147,094
Interest Expense	(39,896)	(36,876)	(31,863)	(33,513)
Net Interest Income	129,424	119,367	112,187	113,581
Fees & Commissions	31,144	29,403	28,234	28,830
Other Income	11,806	19,295	12,744	13,019
Non-Interest Income	42,950	48,698	40,978	41,849
Total Income	172,373	168,065	153,165	155,430
Staff Costs	(35,494)	(35,186)	(30,784)	(31,462)
Other Operating Expense	(37,483)	(32,389)	(29,783)	(28,227)
Pre-Provision Profit	99,397	100,490	92,598	95,740
Loan Loss Provision	(42,594)	(39,654)	(33,638)	(32,949)
Pretax profit	56,803	60,836	58,960	62,792
Tax	(12,224)	(12,259)	(11,792)	(12,558)
Minorities	(636)	(817)	(762)	(762)
Net profit (adj.)	43,943	47,761	46,406	49,471

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Cash With Central Bank	43,801	70,498	45,716	47,255
Govt Treasury Bills & Securities	314,837	352,121	350,730	352,714
Interbank Loans	553,169	487,892	492,407	530,843
Customer Loans	2,280,603	2,200,832	2,265,312	2,352,770
Investment Securities	114,352	124,170	129,008	133,569
Derivative Receivables	47,497	44,334	45,406	46,941
Associates & JVs	1,842	1,811	1,811	1,811
Fixed assets (incl. prop.)	73,432	72,066	73,582	75,873
Other assets	57,006	59,827	61,411	62,693
Total Assets	3,486,539	3,413,552	3,465,385	3,604,470
Interbank Deposits	229,839	239,198	251,856	261,911
Customer Deposits	2,473,626	2,399,442	2,469,058	2,554,893
Derivative Payables	46,281	42,252	43,178	44,643
Debt equivalents	115,972	119,135	80,017	106,698
Other Liabilities	125,985	110,693	110,986	113,667
Total Liabilities	2,991,702	2,910,721	2,955,095	3,081,813
Shareholders' equity	488,636	496,579	504,038	516,404
Minority interest	6,201	6,253	6,253	6,253
Total liabilities & equity	3,486,539	3,413,552	3,465,385	3,604,470

Operating Ratios

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Capital Adequacy				
Tier-1 CAR	17.4	18.9	18.9	18.6
Total CAR	18.5	20.1	20.0	19.7
Total assets/equity (x)	7.1	6.9	6.9	7.0
Tangible assets/tangible common	7.4	7.1	7.1	7.2
Asset Quality				
NPL ratio	3.4	3.3	3.2	3.0
Loan loss coverage	158.0	162.5	159.4	155.2
Loan loss reserve/gross loans	6.1	6.2	5.9	5.4
Increase in NPLs	0.8	(3.8)	(1.3)	(2.0)
Liquidity				
Loan/deposit ratio	92.2	91.7	91.7	92.1
Liquid assets/short-term liabilities	33.6	34.4	32.5	32.9
Liquid assets/total assets	26.2	26.7	25.6	25.8

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Growth				
Net interest income, yoy chg	3.8	(7.8)	(6.0)	1.2
Fees & commissions, yoy chg	(4.8)	(5.6)	(4.0)	2.1
Pre-provision profit, yoy chg	0.1	1.1	(7.9)	3.4
Net profit, yoy chg	1.0	8.7	(2.8)	6.6
Net profit (adj.), yoy chg	1.0	8.7	(2.8)	6.6
Customer loans, yoy chg	(0.9)	(3.5)	2.9	3.9
Customer deposits, yoy chg	1.3	(3.0)	2.9	3.5
Profitability				
Net interest margin	4.0	3.7	3.5	3.5
Cost/income ratio	42.3	40.2	39.5	38.4
Adjusted ROA	1.3	1.4	1.3	1.4
Reported ROE	9.1	9.7	9.3	9.7
Adjusted ROE	9.1	9.7	9.3	9.7
Valuation				
P/BV (x)	0.9	0.9	0.9	0.9
P/NTA (x)	96.5	95.0	93.6	91.2
Adjusted P/E (x)	10.3	9.4	9.7	9.1
Dividend Yield	7.8	8.5	8.3	8.8
Payout ratio	80.0	80.1	80.6	80.4

TMBThanachart Bank (TTB TB)

3Q25: Results Beat; To Roll Out New Share Buyback Programme In Early-26

Highlights

- TTB reported a net profit of Bt5.3b in 3Q25, up 1% yoy and 6% qoq.
- To roll out new share buyback programme in early-26.
- Maintain HOLD with a higher target price of Bt2.04 (previously: Bt1.98).

Analysis

- 3Q25 results beat.** TMBThanachart Bank (TTB) posted 3Q25 net profit of Bt5.3b (+1% yoy, +6% qoq). The results beat our and consensus forecasts by 9%. The remaining tax benefit is Bt6.9b. TTB's pre-provision operating profit declined 11% yoy and 2% qoq in 3Q25.
- Neutral tone at analyst meeting.** TTB's CEO has expressed concern about hire-purchase loans, especially for new cars. Various headwinds include: a) a decline in new-car sales, b) a price war in the car industry, c) the used-car price index tumbling, and d) a gloomy economic outlook.
- Less investment gain fluctuation by reporting in OCI.** TTB believes that the sharp decline in bond yield that has resulted in many banks seeing impressive gains might not last long and continue in 4Q25. Meanwhile, we have not observed a spectacular figure of gain on financial instrument measured at fair value through profit or loss from TTB because the bank reported investment activity mostly in Other Comprehensive Income (OCI).
- A qoq reduction in credit cost with special provisioning.** TTB set provision expenses of Bt3.98b in 3Q25 (-17% yoy, -7% qoq), equivalent to a credit cost of 131bp (-12bp qoq). Normal provision amounted to Bt3.56b, equivalent to a credit cost of 118bp, while the special provision (or management overlay) was Bt420m.
- To roll out new share buyback programme in early-26.** TTB's CEO revealed that the bank will roll out a share buyback programme in early-26. In 2025, TTB repurchased shares amounting of Bt5.1b (77% of the first-year budget of Bt7b). We expect the remainder of the first-year budget to be added to the second-year budget of Bt7b. In addition, the bank will focus on capital management while the loan portfolio growth remains challenging.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net Interest Income	57,207	56,452	50,798	50,206	53,028
Non-Interest Income	13,768	12,961	14,319	13,381	13,753
Net profit	18,622	21,072	20,280	21,161	21,060
Net profit (adj.)	18,622	21,072	20,280	21,161	21,060
EPS (Bt)	0.2	0.2	0.2	0.2	0.2
PE (x)	9.6	8.5	8.8	8.4	8.4
P/B (x)	0.8	0.8	0.7	0.7	0.7
Dividend yield (%)	5.7	7.1	7.1	7.4	7.4
Net Int margin (%)	3.2	3.2	3.1	3.1	3.2
Cost/income ratio (%)	43.8	42.5	43.9	41.7	41.0
Loan loss cover (%)	155.0	151.0	149.7	150.0	148.0
Consensus net profit	-	-	20,056	20,578	20,207
UOBKH/Consensus (x)	-	-	1.01	1.03	1.04

Source: TTB, Bloomberg, UOB Kay Hian

HOLD (Maintained)

Share Price	Bt1.86
Target Price	Bt2.04
Upside	9.7%

Analyst(s)

Thanawat Thangchadakorn
thanawat@uobkayhian.co.th
+662 090 3360

Stock Data

GICS Sector	Financials
Bloomberg ticker	TTB TB
Shares issued (m)	94,883.2
Market cap (Btm)	175,533.8
Market cap (US\$m)	5,359.0
3-mth avg daily t'over (US\$m)	18.0

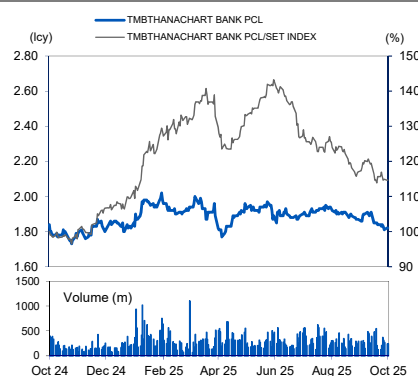
Price Performance (%)

52-week high/low				Bt2.02/Bt1.72
1mth	3mth	6mth	1yr	YTD
(1.1)	(2.6)	(2.1)	1.1	(0.5)

Major Shareholders

	%
Thanachart Capital	24.37
ING BANK N.V.	22.74
Ministry of Finance (MOF)	11.65

Price Chart



Source: Bloomberg

Company Description

The sixth largest bank in Thailand with roughly 10% of the credit market. The bank's strong focus is on retail lending, which accounts for 56% of loan book.

- **Reiterates ample provisioning for future uncertainties.** TTB's CEO stated that the bank has prudently set provisioning, including management overlay or special provisioning. TTB believes that the current provisioning should be adequate for the future uncertainties.

3Q25 Results

Year to 31 Dec (Btm)	3Q25	2Q25	3Q24	qoq chg (%)	yoy chg (%)
Total gross loans	1,205,800	1,213,750	1,261,299	(0.7)	(4.4)
Net interest income	12,405	12,742	14,061	(2.6)	(11.8)
Non-interest income	3,908	3,639	3,176	7.4	23.1
Loan loss provision	(3,980)	(4,294)	(4,764)	(7.3)	(16.5)
Non-Interest Expenses	(7,403)	(7,271)	(7,256)	1.8	2.0
Pre-provision operating profit	8,910	9,110	9,981	(2.2)	(10.7)
Net income	5,299	5,004	5,271	5.9	0.5
EPS (Bt)	0.06	0.05	0.05	7.3	1.1
Ratio (%)					
NPL Ratio	2.81	2.73	2.7		
Loan loss coverage ratio (%)	151	149	149		
Reported NIM %	2.97	3.07	3.26		
Reported Credit cost (bp)	131	143	149		
Cost to income (%)	45	44	42		
CET1 ratio %	17.9	17.8	16.8		

Source: TTB, UOB Kay Hian

Valuation/Recommendation

- **Maintain HOLD with a target price of Bt2.04 (previous target price: Bt1.98)** using the Gordon Growth Model (cost of equity: 11%, long-term growth: 2.0%). We roll over the target price to 2026. This implies 0.8x 2026F P/B, which is +2SD to its historical five-year mean.

Earnings Revision/Risk

- We fine-tune TTB's 2025-27 earnings forecasts by +2.5%, +1.8%, and +0.2% respectively, to reflect the robust asset quality outlook.

Share Price Catalyst

- Upgrade in dividend payout ratio.

Environment Social Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AA

Environmental

- **Climate finance.** Reducing GHG emissions in its operations and empowering clients to transition to a net-zero economy.
- **Environmental management.** The bank has introduced an initiatives and environmental savings programmes to promote environmental awareness.

Social

- **Financial literacy and inclusion.** To educate people to increase their capability to manage their finances and achieve financial wellbeing.
- **Human rights.** The bank has conducted a risk assessment to identify human rights risks and mitigate the impacts.

Governance

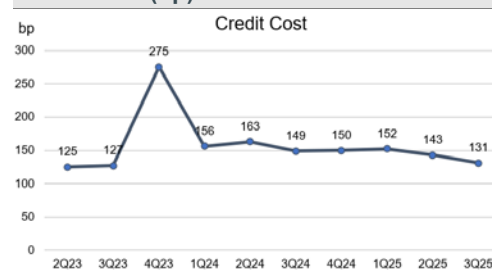
- **Cybersecurity and data privacy.** To ensure the stability and security of systems and operations, and to mitigate cybersecurity risks that could result in financial and reputational losses.

2025 Financial Targets

	9M25 Actual	2025 Target	2024 Actual
Loan growth	-3.5% ytd	0-2%	-6.5% ytd
Deposit growth	-4.4% ytd	In line with loan growth	-4.2%
NIM	3.07%	3.1-3.25%	3.26%
Non-NII growth	+12.9% yoy	Single digit	-6%
Cost to income	44.3%	Low 40s	43%
NPL ratio	2.81%	<=2.9%	2.59%
Credit cost	112/142bp	125-135bp	135/154 bp

Source: TTB, UOB Kay Hian

Credit Cost (bp)



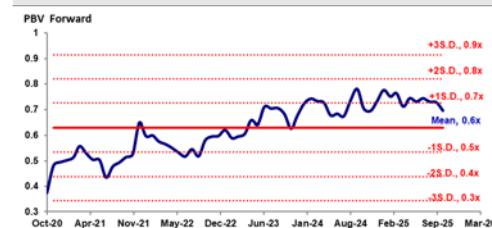
Source: TTB, UOB Kay Hian

PE Band



Source: TTB, UOB Kay Hian

P/B Band



Source: TTB, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Interest Income	82,783	72,191	67,873	68,691
Interest Expense	(26,331)	(21,393)	(17,667)	(15,663)
Net Interest Income	56,452	50,798	50,206	53,028
Fees & Commissions	9,373	9,547	8,985	9,281
Other Income	3,587	4,772	4,396	4,473
Non-Interest Income	12,961	14,319	13,381	13,753
Total Income	69,412	65,117	63,587	66,781
Staff Costs	(15,589)	(15,281)	(14,395)	(14,926)
Other Operating Expense	(13,944)	(13,334)	(12,120)	(12,450)
Pre-Provision Profit	39,880	36,502	37,072	39,405
Loan Loss Provision	(19,852)	(16,999)	(15,912)	(18,346)
Pretax profit	20,028	19,503	21,161	21,060
Tax	1,045	777	0	0
Minorities	(0)	0	0	0
Net profit (adj.)	21,072	20,280	21,161	21,060

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Cash With Central Bank	14,809	18,150	18,322	18,512
Govt Treasury Bills & Securities	156,350	166,141	161,411	162,328
Interbank Loans	288,562	255,336	250,081	250,798
Customer Loans	1,190,289	1,151,508	1,166,493	1,180,415
Investment Securities	10,381	17,797	18,793	19,005
Derivative Receivables	8,663	7,125	6,983	7,112
Associates & JVs	8,584	8,645	8,645	8,645
Fixed assets (incl. prop.)	30,627	30,483	30,546	31,146
Other assets	40,258	40,895	41,392	41,622
Total Assets	1,748,523	1,696,080	1,702,667	1,719,582
Interbank Deposits	90,184	93,520	96,085	97,435
Customer Deposits	1,328,594	1,283,685	1,294,297	1,307,277
Derivative Payables	7,156	6,373	6,165	6,199
Debt equivalents	31,694	15,228	(1,824)	(7,851)
Other Liabilities	53,082	57,291	58,379	59,064
Total Liabilities	1,510,710	1,456,098	1,453,101	1,462,124
Shareholders' equity	237,812	239,982	249,566	257,458
Minority interest	0	0	0	0
Total liabilities & equity	1,748,523	1,696,080	1,702,667	1,719,582

OPERATING RATIOS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Capital Adequacy				
Tier-1 CAR	16.8	17.6	18.4	18.9
Total CAR	19.2	20.1	20.9	21.4
Total assets/equity (x)	7.4	7.1	6.8	6.7
Tangible assets/tangible common	8.1	7.8	7.5	7.3
Asset Quality				
NPL ratio	2.6	2.7	2.6	2.5
Loan loss coverage	151.0	149.7	150.0	148.0
Loan loss reserve/gross loans	4.7	4.8	4.5	4.4
Increase in NPLs	(5.0)	0.3	(6.2)	(1.0)
Liquidity				
Loan/deposit ratio	89.6	89.7	90.1	90.3
Liquid assets/short-term liabilities	32.3	31.8	30.8	30.7
Liquid assets/total assets	26.3	25.9	25.2	25.1

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Growth				
Net interest income, yoy chg	(1.3)	(10.0)	(1.2)	5.6
Fees & commissions, yoy chg	(9.5)	1.8	(5.9)	3.3
Pre-provision profit, yoy chg	(0.0)	(8.5)	1.6	6.3
Net profit, yoy chg	13.2	(3.8)	4.3	(0.5)
Net profit (adj.), yoy chg	13.2	(3.8)	4.3	(0.5)
Customer loans, yoy chg	(6.5)	(3.3)	1.3	1.2
Customer deposits, yoy chg	(4.2)	(3.4)	0.8	1.0
Profitability				
Net interest margin	3.2	3.1	3.1	3.2
Cost/income ratio	42.5	43.9	41.7	41.0
Adjusted ROA	1.2	1.2	1.2	1.2
Reported ROE	9.1	8.5	8.6	8.3
Adjusted ROE	9.1	8.5	8.6	8.3
Valuation				
P/BV (x)	0.8	0.7	0.7	0.7
P/NTA (x)	83.9	82.7	79.1	76.5
Adjusted P/E (x)	8.5	8.8	8.4	8.4
Dividend Yield	7.1	7.1	7.4	7.4
Payout ratio	59.8	62.1	62.3	62.7

IRPC (IRPC TB)

Better Profit Expected In 3Q25

Highlights

- We expect IRPC to report a net profit of Bt380m in 3Q25 due to the higher GIM outlook and inventory gains
- However, we downgrade IRPC to HOLD (from BUY) as the company's valuation is fair, and the near-term positive news has already been priced in
- Downgrade to HOLD with a target price of Bt1.20.

Analysis

- **3Q25 earnings expected to turn positive.** Unlike PTT Global Chemical (PTTGC) which is expected to report a core loss, we forecast IRPC to post a net profit of Bt380m (reversing from a net loss of Bt4.9b in 3Q24 and Bt2.1b in 2Q25), supported by inventory gain of US\$1.00/bbl (net NRV plus hedging) and forex gain of Bt90m. Core loss is expected to narrow to Bt90m, improving from Bt1.4b in 3Q24 and Bt113m in 2Q25. 9M25 cumulative loss is estimated at around Bt3.0b.

3Q25 PREVIEW

	3Q25F	3Q24	2Q25	yoy	qoq	9M25F	9M24	yoy
	(Btm)	(Btm)	(Btm)	%Chg	%Chg	(Btm)	(Btm)	%Chg
Revenue	70,125	79,732	68,617	(12)	2.2	211,600	240,710	(12)
Core EBITDA	2,530	157	2,242	1,511	13	5,736	2,587	122
Inventory gain/(loss)	613	(5,000)	(2,503)	(112)	(124)	(1,264)	(1,228)	3
Fx gain/(loss)	90	182	29	(51)	210	120	27	344
Net income	380	(4,880)	(2,132)	(108)	(118)	(2,958)	(4,068)	(27)
EPS	0.02	(0.24)	(0.10)	(108)	(118)	(0.1)	(0.20)	(27)
Core profit	(90)	(1,424)	(113)	(94)	(20)	(1,942)	(3,243)	(40)

Source: IRPC, UOB Kay Hian

- **Stronger GIM at US\$8.80/bbl with steady run rate at 94%.** We estimate 3Q25 market gross integrated margin (market GIM) at US\$8.80/bbl (vs US\$8.40/bbl in 2Q25), driven by higher middle distillate spreads and stronger seasonal demand ahead of winter and the year-end travel peak. Petrochemical margins remain weak, pressured by a 2% qoq decline in HDPE prices and an 8% drop in HDPE spreads.

Key Financials

Year to 31 Dec (Bt m)	2023	2024	2025F	2026F	2027F
Net turnover	319,047.1	314,833.2	330,699.4	329,415.0	335,340.3
EBITDA	6,804.9	3,964.7	8,205.8	11,733.3	15,793.7
Operating profit	(1,861.4)	(5,175.0)	(874.2)	2,683.3	6,743.7
Net profit (rep./act.)	(2,923.2)	(5,193.0)	(3,129.2)	211.7	3,421.0
Net profit (adj.)	(1,538.2)	(3,915.0)	(1,829.2)	211.7	3,421.0
EPS	(0.1)	(0.2)	(0.1)	0.0	0.2
PE	(14.5)	(5.7)	(12.2)	105.2	6.5
P/B	0.3	0.3	0.4	0.4	0.4
EV/EBITDA	12.8	21.2	10.2	7.3	5.4
Dividend yield	2.8	3.7	2.8	3.7	4.6
Net margin	(0.9)	(1.6)	(1.0)	0.1	1.0
Net debt/(cash) to equity	85.4	88.4	97.0	105.1	104.7
Interest cover	3.3	1.6	3.2	4.4	5.8
ROE	(3.6)	(6.6)	(4.2)	0.3	4.7
Consensus net profit	n.a	n.a	(2,913.9)	(461.6)	786.3

HOLD(Downgraded)

Share Price	Bt1.09
Target Price	Bt1.20
Upside	10.09%

Analyst(s)

Arsit Pamarant

arsit@uobkayhian.co.th

(66 2) 090-3354

Stock Data

GICS Sector	Petrochemical
Bloomberg ticker	IRPC TB
Shares issued (m)	20,434.4
Market cap (Btm)	23,499.6
Market cap (US\$m)	720.7
3-mth avg daily t'over (US\$m)	2.4

Price Performance (%)

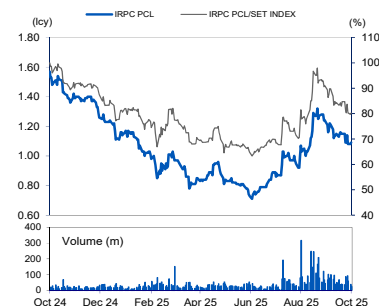
52-week high/low Bt1.58/Bt0.71

1mth	3mth	6mth	1yr	YTD
(9.4)	42.0	42.0	(30.3)	(6.5)

Major Shareholders

PTT	45.05
Siam management holding	3.00
Thai NVDR	2.68

Price Chart



Source: Bloomberg

Company Description

IRPC is one of Southeast Asia's integrated petrochemical companies. The company operates a refinery and petrochemical complex in Rayong with capacity of 215kbb

UOBKH/Consensus (x)	n.a	n.a	0.6	(0.5)	4.4
---------------------	-----	-----	-----	-------	-----

Source: China Construction Bank, Bloomberg, UOB Kay Hian

- **Positive outlook for 4Q25.** Unlike PTTGC which is expected to report a core loss, we expect IRPC's performance to turn to a core profit in 4Q25, supported by a sharp rebound in diesel crack (diesel accounts for ~50% of output), up US\$4.00/bbl qoq to US\$22.00/bbl. We forecast GIM to rise to US\$10.80/bbl, implying a higher breakeven level. Additional upside could come from asset monetisation progress during 4Q25-1Q26.

Valuation/Recommendation

- **Downgrade to HOLD with a target price of Bt1.20**, based on 0.4x 2025F P/B, which is 2SD below the five-year mean of regional peers. Although we still like IRPC for its core profit turnaround in 4Q25 on strong margin expansion, we think its share price has largely priced in the positive news. Hence, we downgrade IRPC to HOLD from BUY as the company's current valuation is fair. Note that IRPC's share price has increased by 53% over the past four months. Within the sector, we prefer PTT Oil and Retail (OR TB/Target: Bt20.00), SCG Packaging (SCGP TB/Target: Bt26.00) and Indorama Ventures (IVL TB/Target: Bt27.00).

Earnings Revision/Risk

- We maintain our 2025 net loss forecast of Bt3.1b but have revised down core loss to Bt1.9b (from the previously expected loss of Bt2.1b), in line with management guidance.

Share Price Catalyst

- 4 Nov 25: 3Q25 results announcement
- 4Q25: Seasonal demand in diesel and fuel oil products

Environment Social Governance (ESG) Updates

- **CG Report: 5**
- **SET ESG Rating: AA**

Environmental

- Aims to reduce GHG emissions. IRPC aims to reduce GHG emissions by 20% by 2030.

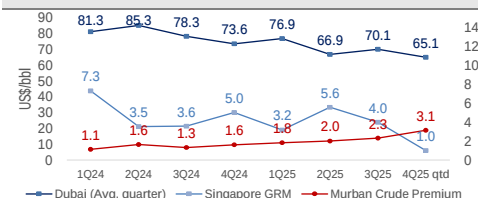
Social

- IRPC has implemented CSR strategies, requiring investments in CSR projects to amount to 3% of the average net profit over the past three years. The company remains committed to driving sustainable development and improving the wellbeing of communities surrounding the IRPC Industrial Zone.
- To this end, IRPC has undertaken CSR initiatives across three focus areas: community development, education, and social development.

Governance

- Good governance. The Board of Directors aims to foster a high-performance organisation, underpinned by strong corporate governance and operational excellence, with the goal of maximising value for shareholders and all stakeholders.

Dubai SG GRM And Crude Premium



Source: UOB Kay Hian

Key Statistics

	3Q25F US\$/bbl	3Q24 US\$/bbl	2Q25 US\$/bbl
GIM	8.80	5.72	8.41
Inventory	0.80	(7.83)	(4.03)
Hedging gains/(losses)+LCM	0.20	0.00	0.78
Acc GIM	9.80	(2.11)	5.16

Source: Bloomberg

Profit & Loss

Year to 31 Dec (Bt)	2024	2025F	2026F	2027F
Net turnover	314,833	330,699	329,415	335,340
EBITDA	3,965	8,206	11,733	15,794
Deprec. & amort.	9,140	9,080	9,050	9,050
EBIT	(5,175)	(874)	2,683	6,744
Total other non-operating income	0	0	0	1
Associate contributions	982	340	250	250
Net interest income/(expense)	(2,510)	(2,580)	(2,650)	(2,700)
Pre-tax profit	(6,703)	(3,114)	283	4,295
Tax	1,474	0	(57)	(859)
Minorities	36	(15)	(15)	(15)
Net profit	(5,193)	(3,129)	212	3,421
Net profit (adj.)	(3,915)	(1,829)	212	3,421

Cash Flow

Year to 31 Dec (Bt)	2024	2025F	2026F	2027F
Operating	8,019	10,786	7,442	9,717
Pre-tax profit	(6,703)	(3,114)	283	4,294
Tax	1,474	0	(57)	(859)
Deprec. & amort.	9,140	9,080	9,050	9,050
Associates	36	(15)	(15)	(15)
Working capital changes	5,378	3,438	(1,780)	(2,771)
Other operating cashflows	(1,306)	1,397	(40)	18
Investing	(4,212)	(6,591)	(5,250)	(5,500)
Capex (growth)	(4,567)	(5,000)	(5,000)	(5,000)
Investments	355	(1,591)	(250)	(500)
Others	0	0	0	0
Financing	(104)	(7,854)	(3,163)	(2,413)
Dividend payments	(568)	(3,678)	(3,678)	(3,678)
Proceeds from borrowings	716	(4,191)	500	1,250
Others/interest paid	(252)	15	15	15
Net cash inflow (outflow)	3,704	(3,659)	(972)	1,804
Beginning cash & cash equivalent	6,220	9,924	6,265	5,293
Ending cash & cash equivalent	9,924	6,265	5,293	7,097

Balance Sheet

Year to 31 Dec (Bt)	2024	2025F	2026F	2027F
Fixed assets	109,789	105,709	101,659	97,609
Other LT assets	17,766	18,000	18,350	19,002
Cash/ST investment	9,924	6,265	5,293	7,097
Other current assets	47,075	45,754	49,804	53,456
Total assets	184,555	175,728	175,107	177,165
ST debt	15,991	10,800	10,300	10,550
Other current liabilities	37,853	39,970	42,240	43,121
LT debt	55,752	56,752	57,752	58,752
Other LT liabilities	4,850	4,890	4,950	5,120
Shareholders' equity	69,966	63,158	59,692	59,434
Minority interest	143	158	173	188
Total liabilities & equity	184,555	175,728	175,107	177,165

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	1.3	2.5	3.6	4.7
Pre-tax margin	(2.1)	(0.9)	0.1	1.3
Net margin	(1.6)	(1.0)	0.1	1.0
ROA	(2.8)	(1.8)	0.1	1.9
ROE	(6.6)	(4.2)	0.3	4.7
Growth				
Turnover	12.2	17.9	17.4	19.5
EBITDA	(78.5)	(55.5)	(36.4)	(14.3)
Pre-tax profit	(175.2)	(134.9)	(96.8)	(51.8)
Net profit	(167.1)	(140.4)	(97.3)	(55.8)
EPS	(143.8)	(120.5)	(97.6)	(61.7)
Leverage				
Debt to total capital	102.3	106.7	113.7	116.2
Debt to equity	102.5	107.0	114.0	116.6
Net debt/(cash) to equity	88.4	97.0	105.1	104.7
Interest cover	1.6	3.2	4.4	5.8

The Erawan Group (ERW TB)

Drop In ADR Pricing Power In 3Q25

Highlights

- 3Q25 earnings are expected to contract substantially yoy due to the declining ADR and the one-time expense.
- The pressure on room pricing is concerning as the demand from Chinese tourists remains weak in 3Q25.
- Although there are slight positive signs in the high travel season, the pricing issue is expected to continue into 4Q25. We maintain HOLD with a target price of Bt2.70.

Analysis

3Q25 EARNINGS PREVIEW

Year to 31 Dec (Btm)	3Q24	2Q25	3Q25F	yoy (%)	qoq (%)
Total revenue	1,849	1,744	1,777	(3.9)	1.9
Gross profit	782	694	719	(8.0)	3.5
SG&A	490	466	489	(0.2)	4.9
Operating EBITDA	552	492	500	(9.5)	1.6
Core profit	124	63	71	(43.1)	12.3
Net profit	124	63	53	(57.6)	(16.2)
(%)	3Q24	2Q25	3Q25F	yoy (ppts)	qoq (ppts)
Gross margin	42.3	39.8	40.4	(1.8)	0.6
SG&A to sales	26.5	26.7	27.5	1.0	0.8
EBITDA margin	29.9	28.2	28.1	(1.8)	(0.1)
Recurring profit margin	6.7	3.6	4.0	(2.7)	0.4
Net profit margin	6.7	3.6	3.0	(3.8)	(0.6)

Source: ERW, UOB Kay Hian

- Weak earnings expected in 3Q25.** We expect The Erawan Group (ERW) to report a weak net profit of Bt53m (-57.6% yoy, -16.2% qoq) in 3Q25. Top-line should come in at Bt1.78b (-3.9% yoy, +1.9% qoq), with the contraction mainly due to a substantial yoy drop in ADR in all hotel segments caused by the decline in Chinese visitor numbers. As a result, the total hotel portfolio's RevPar should drop by 10% yoy in 3Q25. Meanwhile, Hop Inn is expected to show around 12% yoy growth in revenue from new openings and around 2% yoy RevPar growth. There is a one-time expense of around Bt18m for the repair of properties affected by the earthquake; this amount is being claimed from insurance. Interest expense should drop qoq due to the declining cost of debt. Tax expense is expected to increase yoy as ERW is having less tax benefits as compared with during the COVID-19 period. We expect EBITDA margin to drop substantially yoy.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	7,039.5	7,917.3	8,127.1	8,782.0	9,447.1
EBITDA	2,166.6	2,644.3	2,605.8	2,873.8	3,100.9
Operating profit	1,265.6	1,649.5	1,448.0	1,621.7	1,765.1
Net profit (rep./act.)	742.7	1,151.4	794.1	903.1	971.6
Net profit (adj.)	687.4	913.8	764.1	873.1	940.7
EPS (Bt)	0.1	0.2	0.2	0.2	0.2
PE (x)	17.0	13.6	16.3	14.2	13.2
P/B (x)	1.8	1.4	1.5	1.4	1.3
EV/EBITDA (x)	12.1	9.9	10.0	9.1	8.4
Dividend yield (%)	2.8	3.5	2.9	3.3	3.5
Net margin (%)	10.5	14.5	9.8	10.3	10.3
Net debt/(cash) to equity (%)	219.4	149.8	159.6	158.8	154.0
Interest cover (x)	3.7	3.8	4.6	5.2	5.8
ROE (%)	12.3	15.3	9.2	10.3	10.4
Consensus net profit (Btm)	-	-	837	925	992
UOBKH/Consensus (x)	-	-	0.91	0.94	0.95

Source: ERW, Bloomberg, UOB Kay Hian

3Q25 STATISTICS PREVIEW

HOLD (Maintained)

Share Price	Bt2.54
Target Price	Bt2.70
Upside	+6.3%

ANALYST(S)

Benjaphol Suthwanish

+662 659 8301

Benjaphol@uobkayhian.co.th

ASSISTANT ANALYST(S)

Nonpawit Vathanadachakul

Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	ERW TB
Shares issued (m):	4,886.9
Market cap (Btm):	12,412.8
Market cap (US\$m):	380.5
3-mth avg daily t'over (US\$m):	2.2

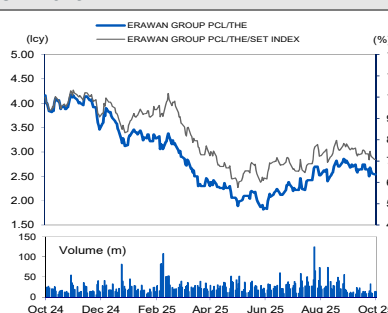
Price Performance (%)

52-week high/low	Bt4.24/Bt1.79
------------------	---------------

Major Shareholders

	%
Wattanavekin family	28.2
Vongkusolkrit family	28.4
FY25 NAV/Share (Bt)	1.74
FY25 Net Debt/ Share (Bt)	2.78

Price Chart



Source: Bloomberg

Company Description

The Erawan Group is a leading hotel investment company in Thailand. Its hotel portfolio ranges from luxury to mid-scale and economy across Thailand's major tourist destinations.

Occupancy (%)	3Q24	2Q25	3Q25F	yoy (ppts)	qoq (ppts)
Average excl budget hotel	79%	72%	76%	(2.7)	4.1
Average incl budget	77%	76%	76%	(1.0)	(0.4)
ARR (Bt/night)				yoy (%)	qoq (%)
Average excl budget	3,145	3,012	2,925	(7.0)	(2.9)
Average incl budget	1,823	1,660	1,659	(9.0)	(0.1)
RevPar (Bt/night)				yoy (%)	qoq (%)
Average excl budget	2,499	2,173	2,231	(10.7)	2.7
Average incl budget	1,405	1,268	1,261	(10.3)	(0.6)

Source: ERW, UOB Kay Hian

- **Room pricing remains under pressure.** We expect the declining trend of room rate (ADR) to persist in 3Q25 and continue into 4Q25. This issue stems mainly from the weakened Chinese arrivals, which may have prompted some hotels to start a price war to maintain a decent occupancy rate. Moreover, hotel operators, including ERW, prefer to fill up the occupancy of their hotels with a lower ADR instead of leaving the hotels vacant on a high ADR.
- The latest Chinese arrival numbers remain at a sluggish level of -34% yoy. Traffic during Golden Week was decent with the arrival pace at -18% yoy, which is the best since the decline in Chinese arrivals started. According to ERW, their hotel RevPar rose slightly yoy during the Golden Week. The booking rates in Nov and Dec 25 are better than those of 2Q-3Q25 but remain pressured by the reduced pricing power. ERW targets an occupancy rate of 80-85% in Nov and Dec 25. If the pricing power issue persists into 4Q25, we believe that there could be a downward earnings revision by consensus to the same level as our estimates.
- **Grand Hyatt renovation postponed to 2Q26.** ERW has deferred the planned renovation of the Grand Hyatt from 3Q25 to 2Q26 due to delays in the design process. This allows the hotel to fully capture the high travel season in 4Q25 and 1Q26. We consider this postponement as a positive development, as it removes short-term earnings pressure and supports ERW's performance during the upcoming peak period.

Valuation/Recommendation

- **Maintain HOLD with a target price of Bt2.70.** Our valuation is based on an EV/EBITDA multiplier of 10x, around its five-year mean of pre-COVID-19 historical trading levels. Even though ERW's postponement of the Grand Hyatt renovation to 2Q26 will be more positive to its 2H25 earnings, we are still concerned about the issue of ERW losing its room rate pricing power

Environment Social Governance (ESG) Updates

Environmental

- **Prioritising effective and balanced use of resources** as well as taking into account the reduction of greenhouse gas generation, including management of ecosystems and biodiversity.

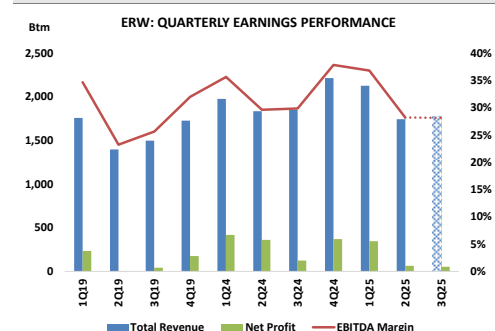
Social

- **Respecting human rights** based on the principles of international criteria, equality, fairness, and non-discrimination.
- **Focusing on enhancing quality of life and potential of employees** by promoting a volunteering spirit to cultivate social and environmental responsibility.

Governance

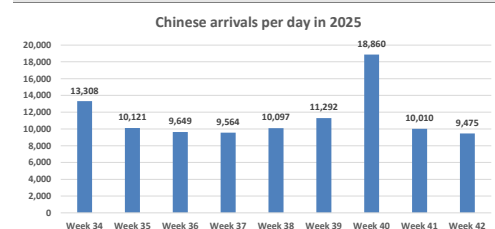
- **Board gender diversity.** Male to female ratio of 3:1.
- **Board balance and composition.** Four board members are independent directors, amounting to 33% of the board members.

QUARTERLY PERFORMANCE



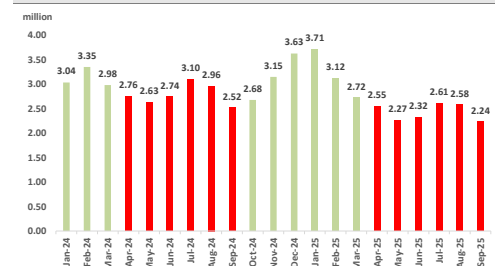
Source: ERW, UOB Kay Hian

2025 CHINESE ARRIVAL PACE



Source: Ministry of Tourism and Sports, UOB Kay Hian

TOTAL INTERNATIONAL ARRIVALS



Source: Ministry of Tourism and Sports, UOB Kay Hian

ERW'S 2025 GUIDANCE

2025 ERAWAN Guidance			Key Operating Strategies
	Previous	Current	
Group	6-8%	3-5%	Expand Footprint
Luxury to Economy	3-5%	0%	Diversify Portfolio
Budget	23%	20%	Optimize Pricing
			Enhance Costs Efficiency

Current Industry Forces	
Tailwinds	Headwinds
- Growth potential of India and Middle East - Stronger Euro against THB to support market growth	- International and regional geopolitical uncertainties - Tariffs impact on Economic growth prospect

Source: ERW, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	7,917	8,127	8,782	9,447
EBITDA	2,644	2,606	2,874	3,101
Deprec. & amort.	995	1,158	1,252	1,336
EBIT	1,650	1,448	1,622	1,765
Total other non-operating income	0	0	0	0
Associate contributions	238	30	30	31
Net interest income/(expense)	(695)	(562)	(550)	(539)
Pre-tax profit	1,192	916	1,101	1,257
Tax	(9)	(89)	(161)	(245)
Minorities	(32)	(33)	(38)	(40)
Net profit	1,151	794	903	972
Net profit (adj.)	914	764	873	941

Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	3,017	2,046	2,150	2,403
Pre-tax profit	1,192	916	1,101	1,257
Tax	(9)	(89)	(161)	(245)
Deprec. & amort.	995	1,158	1,252	1,336
Associates	(238)	(30)	(30)	(31)
Working capital changes	(7)	7	(16)	(1)
Non-cash items	32	(75)	(26)	56
Other operating cashflows	1,052	159	30	31
Investing	(3,431)	(2,035)	(2,596)	(2,433)
Capex (growth)	(3,230)	(1,923)	(2,400)	(2,448)
Investment	0	12	24	37
Others	(202)	(125)	(221)	(21)
Financing	681	1,665	(602)	(651)
Dividend payments	(316)	(440)	(357)	(406)
Proceeds from borrowings	(443)	2,094	(245)	(244)
Others/interest paid	1,441	11	0	0
Net cash inflow (outflow)	266	1,676	(1,048)	(680)
Beginning cash & cash equivalent	1,217	1,483	3,159	2,110
Ending cash & cash equivalent	1,483	3,159	2,110	1,430

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	23,658	23,158	24,306	25,418
Other LT assets	408	471	495	540
Cash/ST investment	1,612	3,159	2,110	1,430
Other current assets	567	702	700	767
Total assets	26,246	27,489	27,612	28,155
ST debt	1,752	790	790	790
Other current liabilities	1,229	1,295	1,252	1,373
LT debt	12,909	15,965	15,720	15,475
Other LT liabilities	865	815	642	703
Shareholders' equity	8,712	8,521	9,066	9,632
Minority interest	780	104	141	182
Total liabilities & equity	26,246	27,490	27,612	28,155

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	33.4	32.1	32.7	32.8
Pre-tax margin	15.1	11.3	12.5	13.3
Net margin	14.5	9.8	10.3	10.3
ROA	4.6	3.0	3.3	3.5
ROE	15.3	9.2	10.3	10.4
Growth				
Turnover	12.5	2.6	8.1	7.6
EBITDA	22.0	(1.5)	10.3	7.9
Pre-tax profit	60.3	(23.2)	20.3	14.2
Net profit	55.0	(31.0)	13.7	7.6
Net profit (adj.)	32.9	(16.4)	14.3	7.7
EPS	25.3	(16.5)	14.3	7.7
Leverage				
Debt to total capital	60.7	66.0	64.2	62.4
Debt to equity	168.3	196.6	182.1	168.9
Net debt/(cash) to equity	149.8	159.6	158.8	154.0
Interest cover (x)	3.8	4.6	5.2	5.8

Disclosures/Disclaimers

This report is prepared by UOB Kay Hian Securities (Thailand) Public Company Limited ("UOBKHST"), which is a licensed corporation providing Securities Brokerage, Securities Dealing, Underwriting, Derivative Agent and Financial Advisory in Thailand.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

This report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKHST. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKHST may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKHST and its connected persons (as defined in Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 and the Securities and Exchange Act of Thailand) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by UOBKHST to be reliable. However, UOBKHST makes no representation as to the accuracy or completeness of such sources or the Information and UOBKHST accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKHST and its associate may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKHST and its connected persons are subject to change without notice. UOBKHST reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKHST, its associates and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) UOBKHST, its associate and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; (3) the officers, employees and representatives of UOBKHST may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business"); and (4) UOBKHST may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report is prepared by UOBKHST, a company authorized, as noted above, to engage in securities and derivative activities in Thailand. UOBKHST is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKHST (whether directly or through its US registered broker dealer affiliate named below) to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All US persons that receive this document by way of distribution from or which they regard as being from UOBKHST by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc ("UOBKHUS"), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKHST.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account

Analyst Certification/Regulation AC

Each research analyst of UOBKHST who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKHST or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including UOBKHST's total revenues, a portion of which are generated from UOBKHST's business of dealing in securities.

Reports are distributed in the respective countries or jurisdictions by the respective entities and are subject to the additional restrictions listed in the following table.

General	This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation.
Hong Kong	This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Indonesia	This report is distributed in Indonesia by PT UOB Kay Hian Sekuritas ("PT UOBKH"), which is regulated by Financial Services Authority of Indonesia ("OJK"). Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report.
Malaysia	Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOB Kay Hian (M) Sdn. Bhd. ("UOBKHM") (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia.
Singapore	This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore. Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Thailand	This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand.
United Kingdom	This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients.
United States of America ('U.S.')	This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly.