

Thailand Banks

3Q25 results – High non-NII leads higher credit cost for buffer

- The seven Thai banks reported a better-than-expected aggregate 3Q25 net profit from non-NII (investment gains and fee) with allocation for additional credit cost.
- We see 49% correlation between FVTPL (fair value through profit and loss) and FVTPL asset levels for Thai banking sector. BBL, KTB have the most improvement.
- Maintain NEUTRAL call; KBANK and KTB are our top picks.

All banks delivered positive surprises in 3Q25 from fees and gains

The seven Thai banks under our coverage reported an aggregate 3Q25 net profit of THB62.2b, up 11.7% y-y and 10.4% q-q, beat FSSIA's forecast by 17% and Bloomberg consensus by 14%. All banks delivered positive surprises, primarily driven by higher non-NII from: Core banking fees (asset management, private wealth management, bancassurance); Realized investment gains (mainly from bond portfolios); and Mark-to-market gains (mainly from equities and bond investments). We note that part of these gains was allocated as management overlays to strengthen loan loss reserves and build larger buffers against potential asset quality headwinds in 2026E. This highlights banks' cautious stance on credit risk despite the earnings beat, in our view. 3Q25 credit cost for the sector was at 147bp.

Stabilized NPL ratio but high buffer for macro uncertainties

The sector NPL ratio was 3.75% in 3Q25 (vs 3.73% in 2Q25 and 3.68% in 1Q25), suggesting stabilized asset quality q-q. The NPL formation rate continued to decline, partly reflecting the positive impact of the "You Fight, We Help" (YFWH) debt restructuring program. NPL coverage ratio increased to 199%, improving both y-y and q-q, representing a strong cushion against macro uncertainty. We expect 4Q25 to show slightly better loan growth driven by seasonality, but this will likely be offset by higher operating expenses from seasonality.

Our observation on mark-to-market gains

Based on our compilation, we see a positive correlation between FVTPL (fair value through profit and loss) or mark-to-market gains and FVTPL asset levels across major Thai banks. The correlation at the sector level is c49%. The obvious recovery trend has started from 4Q24 onward. As FVTPL assets increased steadily, corresponding gains also rebounded across the sector, signaling a strong mark-to-market uplift amid improving market valuations. We believe the increase in FVTPL assets is mainly due to conservative new lending among banks. With limited room to expand loan but high liquidity in banks' balance sheet, we see banks decided to allocate the money more to these FVTPL assets in order to gain the additional return. We see BBL and KTB have the most improvement.

Maintain NEUTRAL call; KBANK and KTB are our top picks

We maintain our NEUTRAL stance on the Thai banking sector. We expect sector ROE will be capped at 8.2–9.0% in 2025–27 amid weaker operating outlook. However, we expect a dividend yield of 6–7% in 2025–27. Our top picks are KBANK and KTB, given their balance of strong fundamentals and high yields. Meanwhile, SCB and TISCO should deliver the highest yields at above 7.5%, albeit with a higher risk of elevated credit costs, in our view.



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3Q25 results – High non-NII leads higher credit cost for buffer

Earnings beat driven by strong non-NII

The seven Thai banks under our coverage reported an aggregate 3Q25 net profit of THB62.2b, up 11.7% y-y and 10.4% q-q, exceeding FSSIA's forecast by 17% and Bloomberg consensus by 14%. All banks delivered positive surprises, primarily driven by higher non-NII from: Core banking fees (asset management, private wealth management, bancassurance); Realized investment gains (mainly from bond portfolios); and Mark-to-market gains (mainly from equities and bond investments).

We note that part of these gains was allocated as additional management overlays to strengthen loan loss reserves and build larger buffers against potential asset quality headwinds in 2026E. This highlights banks' cautious stance on credit risk despite the earnings beat, in our view.

In our view, KBANK, KTB, and KKP stood out with strong 3Q25 performance, driven by improving asset quality and resilient fee income. Meanwhile, BBL and SCB continued to face asset quality challenges, particularly in corporate and Gen2 retail segments, respectively.

Subdued loan growth

3Q25 Loan growth for the sector was -1.6% y-y and -2.3% q-q, below our forecast, as all banks posted negative sequential growth. This reflects a conservative lending stance amid weak loan demand and lingering macro uncertainty. For 4Q25, we expect loan to expand from corporate loans for working capital and consumer loans (mortgage, credit card, personal loan etc.) for year-end spending seasons. With 9M25 YTD loan growth of -3.1%, we believe the possible loan growth in 4Q25 q-q could lower and close the gap to flat loan growth y-y for Dec-25 for the best scenario.

NIM in line but headwinds remain

The sector NIM stood at 3.13%, down 9bp q-q, in line with our expectations. The contraction was due to: 1) Lower asset yields (-14bp q-q, -60bp y-y), following policy rate cuts; and 2) slightly lower funding costs (-5bp q-q to 1.46%), which only partially offset yield compression.

We expect continued NIM pressure in 4Q25–1H26, reflecting the lagging impact of policy rate cuts and higher proportion of low-yield mortgage, corporate and government loan segments.

Credit costs higher from precautionary overlays

Sector credit cost for 3Q25 was 147bp, above our expectation of 142bp, as banks utilized stronger non-NII to build management overlays. We see this as prudent risk management rather than a sign of worsening credit conditions.

The sector NPL ratio was 3.75% in 3Q25 (vs 3.73% in 2Q25 and 3.68% in 1Q25), suggesting stabilized asset quality q-q. The NPL formation rate continued to decline, partly reflecting the positive impact of the "You Fight, We Help" (YFWH) debt restructuring program. Note that, as of 3Q25, Thai banks reported loan under YFWH forbearance program around 2-4% of total loans. Mostly are mortgage and auto loans with positive debt service performance. NPL coverage ratio increased to 199%, improving both y-y and q-q, representing a strong cushion against macro uncertainty.

Outlook: Resilient earnings but muted growth

We expect 4Q25 to show slightly better loan growth driven by seasonality, but this will likely be offset by higher operating expenses from seasonality. The key headwinds for Thai banks remain including 1) further monetary easing, which could pressure NIMs; and 2) potentially higher credit costs if asset quality weakens in 2026E.

Exhibit 1: 3Q25 net profit of Thai banks under coverage

Net profit	3Q24	4Q24	1Q25	2Q25	3Q25	Change		9M25E	of 25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(%)
BBL	12,476	10,404	12,618	11,840	13,789	10.5	16.5	38,247	80.5
KBANK	12,295	10,768	13,791	12,488	13,007	5.8	4.2	39,287	82.4
SCB	10,941	11,707	12,502	12,786	12,056	10.2	(5.7)	37,344	82.1
KTB	11,690	10,990	11,714	11,122	14,620	25.1	31.5	37,456	80.4
TTB	5,230	5,112	5,096	5,004	5,299	1.3	5.9	15,399	74.2
TISCO	1,713	1,706	1,643	1,644	1,730	1.0	5.3	5,017	75.7
KKP	1,305	1,406	1,062	1,409	1,670	28.0	18.5	4,141	76.4
SECTOR	55,650	52,093	58,426	56,293	62,172	11.7	10.4	176,892	80.4

Sources: Company data, FSSIA compilation

Exhibit 2: 3Q25 results quick comments

Comments	
BBL	30% beat from high gain and fee income with higher NPL ratio. The NPL ratio has increased to 3.97% in 3Q25 vs 3.89% in 2Q25.
KBANK	18% beat from non-NII with stable asset quality and 168bp credit cost. Asset quality were in line with our expectation on the back of an NPL ratio of 3.76%
SCB	9% beat due to 1) low OPEX; 2) high non-NII (bond, equity and investment at SCB10X); and 3) strong fee income. NPL ratio was at 4.05%.
KTB	15% beat from low credit cost, opex and strong non-NII. Asset quality conditions were slightly better than our expectations, with an NPL ratio of 3.52% (-3bp q-q)
TTB	7% beat from non-NII (from mark-to-market gain), rebate from the forbearance program and tax benefit with a negative tax rate of 7.4%. NPL ratio at 3.27%.
TISCO	9% above our estimate from non-NII but offset by high credit cost at 143bp for management overlay.
KKP	27% positive surprise by solid core banking fees, high mark-to-market gain, low credit cost at 103bp. NPL ratio was at 4.32%.

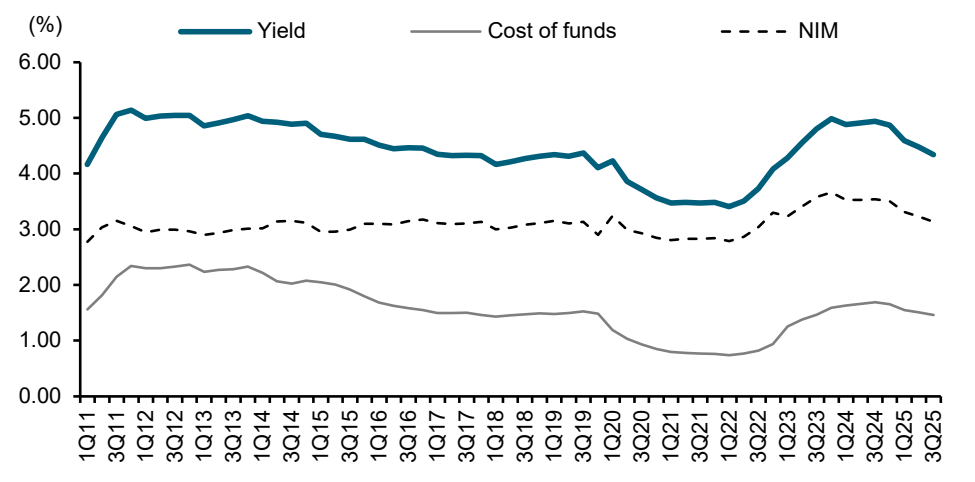
Sources: Company data, FSSIA compilation

Exhibit 3: Aggregate banks – 3Q25 review summary

Year end 31 Dec	3Q24	4Q24	1Q25	2Q25	3Q25	----- Change -----		9M25E	of 25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(%)
Net interest income	154,964	153,899	147,217	144,045	140,258	(9.5)	(2.6)	431,520	75.5
Non-interest income	51,925	51,072	58,010	60,162	71,173	37.1	18.3	189,344	78.2
Operating income	206,889	204,971	205,227	204,206	211,431	2.2	3.5	620,864	76.3
Operating expenses	91,297	96,134	87,090	88,316	88,700	(2.8)	0.4	264,106	73.4
Pre-provisioning operating profit (PPOP)	115,592	108,837	118,137	115,890	122,731	6.2	5.9	356,758	78.6
Provisioning expenses	44,933	42,333	42,748	44,967	43,665	(2.8)	(2.9)	131,380	75.0
Pre-tax profit	70,659	66,503	75,389	70,923	79,066	11.9	11.5	225,378	80.9
Income tax	12,860	12,412	14,290	11,572	14,064	9.4	21.5	39,927	78.4
Minority interests	2,149	1,998	2,673	3,057	2,829	31.7	(7.4)	8,559	114.4
Net profit	55,650	52,093	58,426	56,293	62,172	11.7	10.4	176,892	80.4
Key ratios	3Q24	4Q24	1Q25	2Q25	3Q25	----- Change -----			
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(y-y %)	(q-q %)		
Gross NPLs (THB m)	451,126	431,459	443,551	447,541	440,040	(2.5)	(1.7)		
NPL ratio (%)	3.78	3.56	3.68	3.73	3.75				
Coverage ratio (%)	184.63	194.80	191.63	192.64	199.23				
Credit cost (%)	1.49	1.41	1.42	1.50	1.47				
Profitability ratio	(%)	(%)	(%)	(%)	(%)				
Average yield (%)	4.94	4.87	4.59	4.47	4.34				
Cost of funds (%)	1.69	1.65	1.55	1.51	1.46				
NIM (%)	3.54	3.50	3.31	3.23	3.13				
Non-interest income/total income (%)	25.10	24.92	28.27	29.46	33.66				
Cost-to-income ratio (%)	44.13	46.90	42.44	43.25	41.95				
Loan momentum	3Q24	4Q24	1Q25	2Q25	3Q25	(y-y%)	(q-q%)		
Gross loans (THB t)	11.93	12.12	12.05	12.01	11.74	(1.6)	(2.3)		

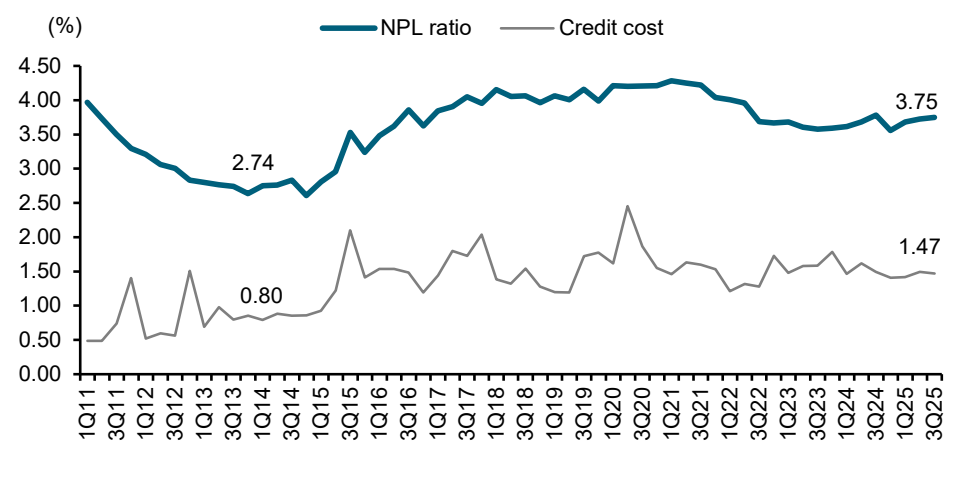
Sources: Company data, FSSIA compilation

Exhibit 4: Sector Yield, cost of funds and NIM



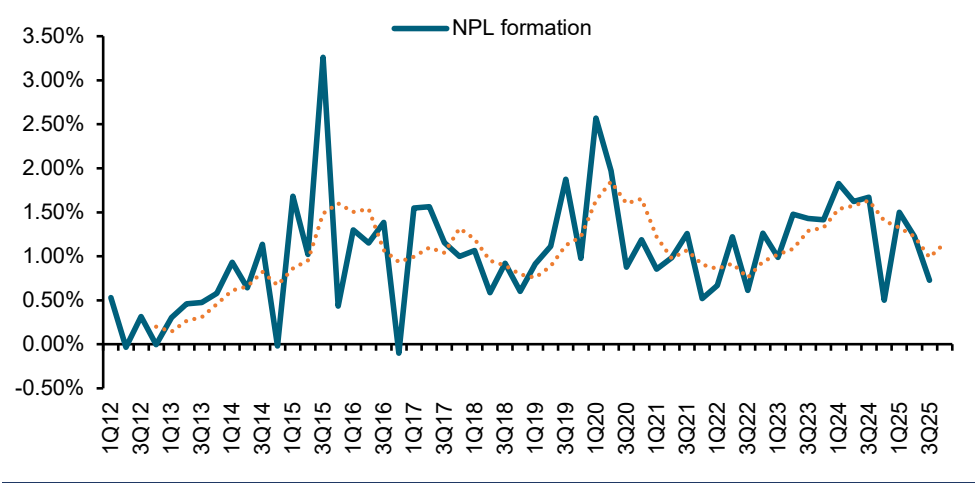
Sources: Company data, FSSIA compilation

Exhibit 5: NPL ratio and credit cost

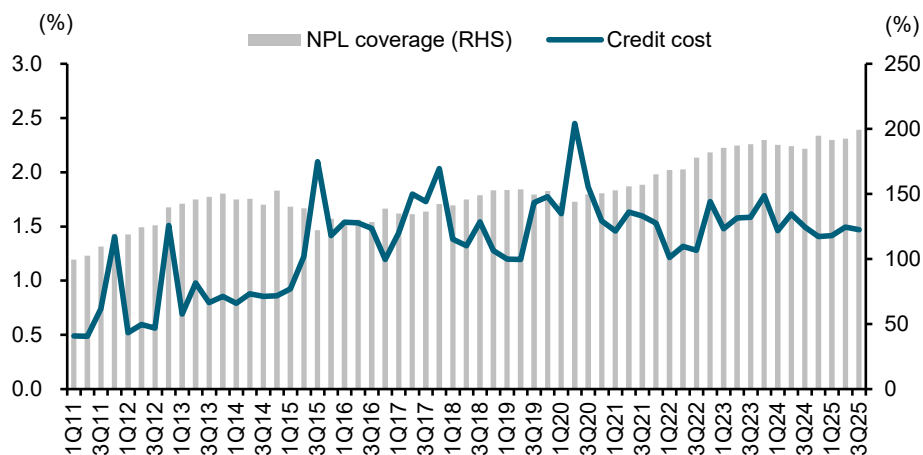


Sources: Company data, FSSIA compilation

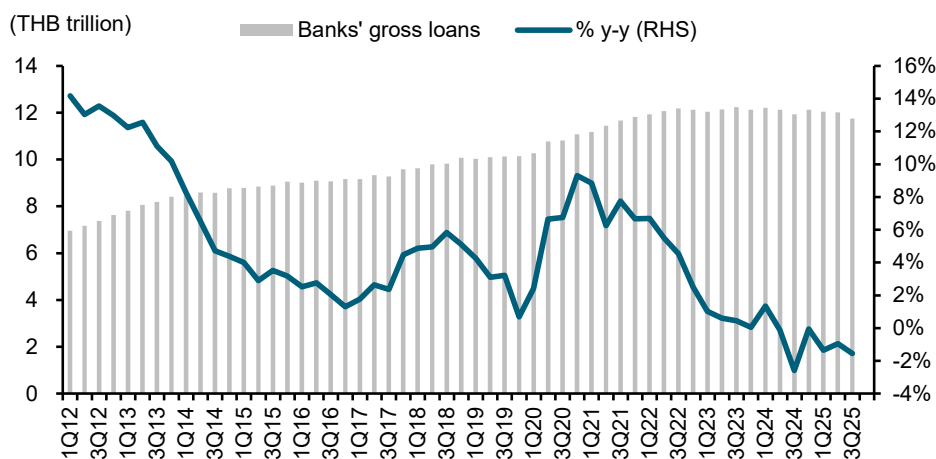
Exhibit 6: NPL formation rate



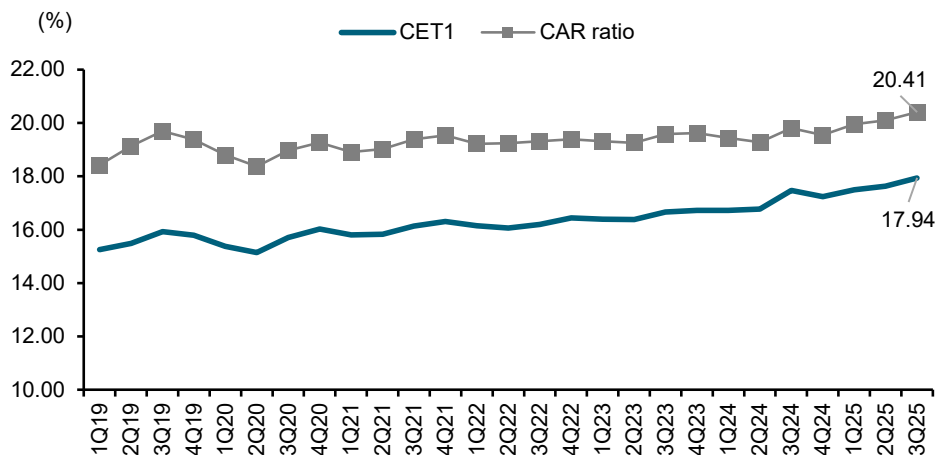
Sources: Company data, FSSIA compilation

Exhibit 7: NPL coverage ratio and credit cost

Sources: Company data, FSSIA compilation

Exhibit 8: Sector loan growth – still contraction y-y

Sources: Company data, FSSIA compilation

Exhibit 9: CET1 and CAR ratio – keep higher capital base from continued profit flow but limited room to expand gross loan

Sources: Company data, FSSIA compilation

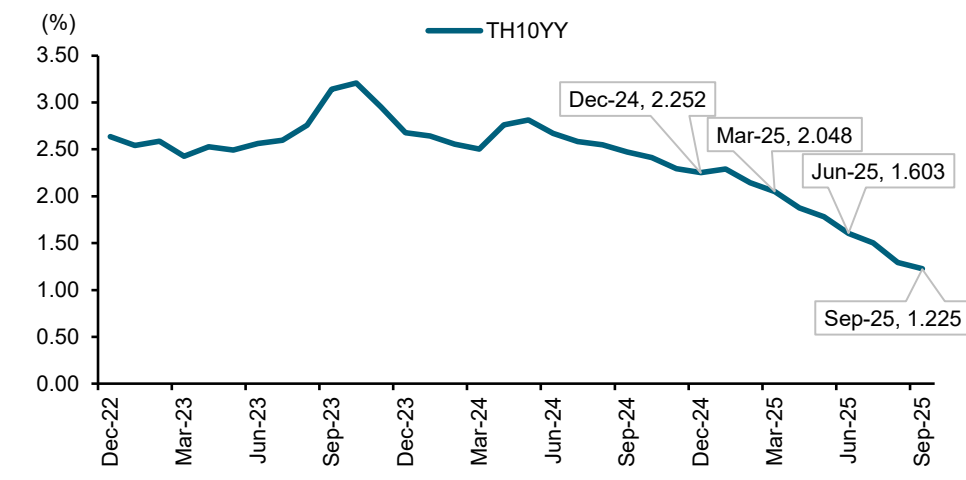
Our observation on mark-to-market gains

Based on our compilation using BBL, KBANK, SCB, KTB, TTB and Sector data since 1Q23 until present, we see these charts illustrate a positive correlation between FVTPL (fair value through profit and loss) or mark-to-market gains and FVTPL asset levels across major Thai banks. The correlation at the sector level is c49%.

The obvious recovery trend has started from 4Q24 onward. As FVTPL assets increased steadily, corresponding gains also rebounded across the sector, signaling a strong mark-to-market uplift amid improving market valuations. We believe the increase in FVTPL assets is mainly due to conservative new lending among banks. With limited room to expand loan but high liquidity in banks' balance sheet, we see banks decided to allocate the money more to these FVTPL assets in order to gain the additional return.

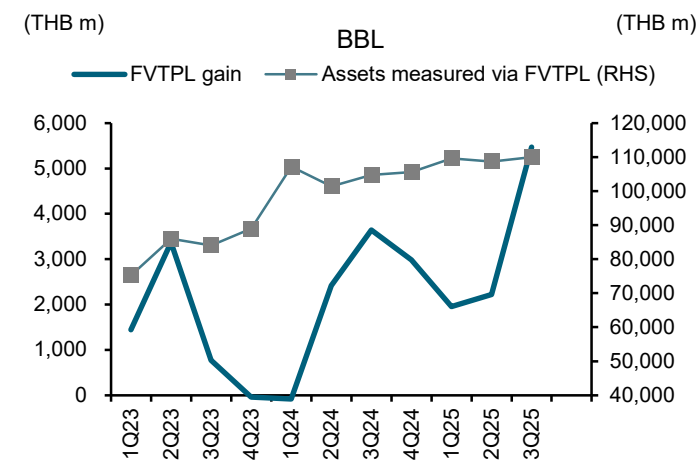
We see BBL and KTB have the most improvement, where rising FVTPL asset bases coincided with sharp profit gains in 2Q–3Q25, reflecting proactive asset allocation toward higher-duration instruments during the yield downcycle i.e. bond instrument. We see the high gain in 2Q and 3Q25 are largely supported by sharp drop in Thai 10-year bond-yield (TH10YY) by -45bp q-q for 2Q25 and -38bp q-q for 3Q25.

Exhibit 10: Thai 10-year bond yield (TH10YY) – sharp drop q-q during 2Q and 3Q25



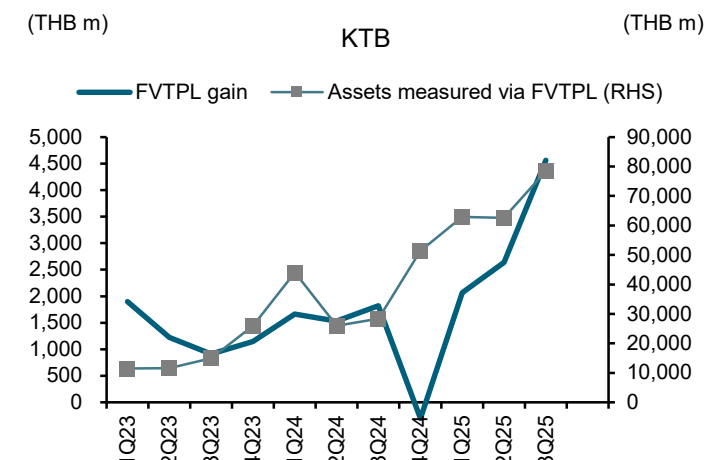
Sources: Bloomberg, FSSIA compilation

Exhibit 11: BBL: Correlation between gain and asset at 37%



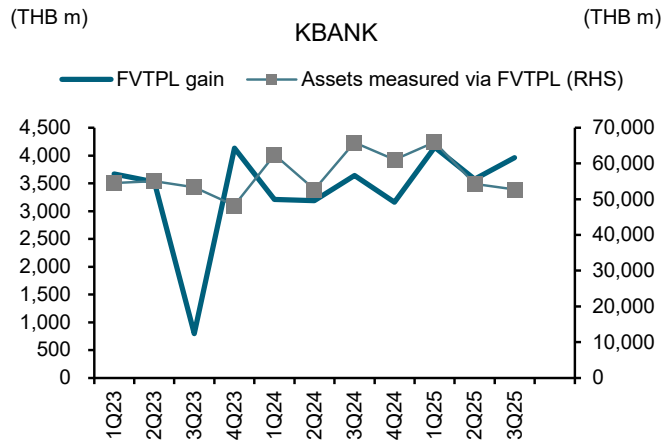
Sources: BBL, FSSIA compilation

Exhibit 12: KTB (55% correlation)

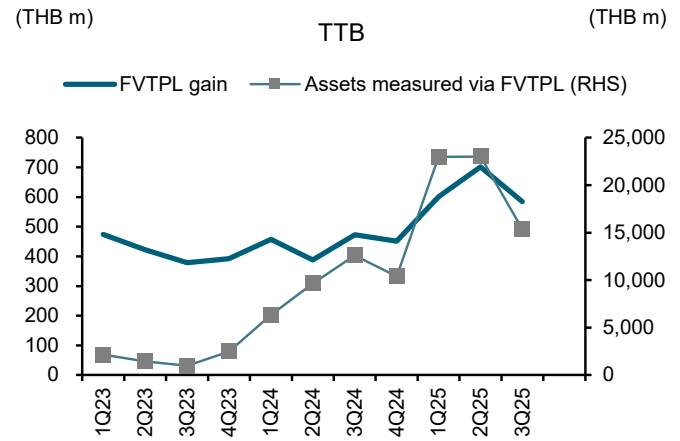


Sources: KTB, FSSIA compilation

Conversely, TTB and KBANK displayed relatively stable FVTPL asset holdings but exhibited intermittent spikes in FVTPL gains, implying selective trading activity and a more defensive investment stance, we believe.

Exhibit 13: KBANK (13% correlation)

Sources: KBANK, FSSIA compilation

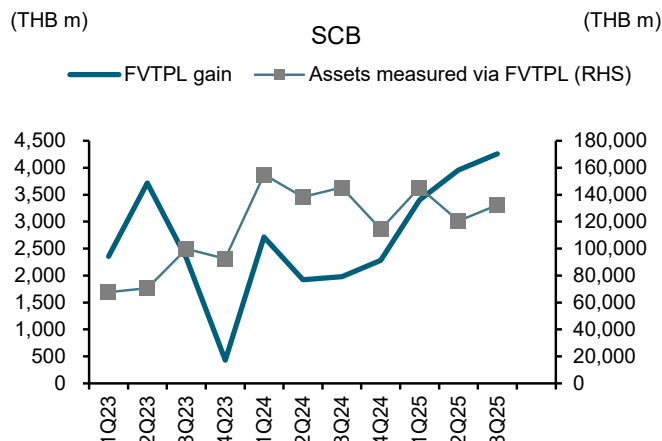
Exhibit 14: TTB (86% correlation)

Sources: TTB, FSSIA compilation

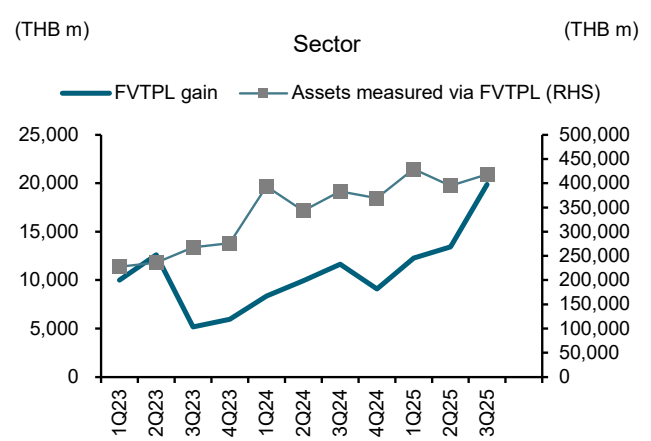
At the aggregate level, banking sector FVTPL assets expanded to roughly THB450b by 3Q25, while cumulative FVTPL or mark-to-market gains surged more than threefold from their trough in 3Q23 i.e. from THB5b to THB20b per quarter. We see this trend underscores how the revaluation of investment portfolios has become a key non-NII earnings driver for Thai banks, compensating for softer loan growth and narrowing NIMs during the current rate easing phase.

The broad alignment between FVTPL asset growth and income performance suggests that banks have strategically extended portfolio duration and shifted allocations toward government and high-grade corporate bonds to capture valuation gains. Moreover, the sector's gradual portfolio buildup since 1Q24 highlights stronger treasury management discipline amid lower reinvestment yields. That said, the volatility dispersion among banks remains notable. We see SCB and KTB appear more leveraged to market yield fluctuations, with higher sensitivity translating into stronger FVTPL upside during valuation recovery periods. In contrast, BBL and KBANK show delayed responses, reflecting more conservative fair value exposure and limited mark-to-market flexibility.

Looking ahead, we expect FVTPL-related income to remain a meaningful earnings buffer in 2026 as interest rates decline further, though sustainability will hinge on market stability, magnitude of bond yield drop q-q and banks' ability to manage duration and liquidity risks effectively. Overall, we see the sector's improving FVTPL profile supports near-term profitability but introduces greater exposure to banks' share price valuation risk as well. We have reflected the high mark-to-market gain into our ROE forecast in 2025 with 9% ROE. The key upside risk, in our view, is the accumulation of FVTPL assets (following limited room to expand loan) that could lead higher mark-to-market gain further.

Exhibit 15: SCB (13% correlation)

Sources: SCB, FSSIA compilation

Exhibit 16: Banking sector (49% correlation)

Sources: Banks' company data, FSSIA compilation

Exhibit 17: Gross loans – quarterly

Loans	3Q24 (THB t)	4Q24 (THB t)	1Q25 (THB t)	2Q25 (THB t)	3Q25 (THB t)	% y-y	% q-q
BBL	2.639	2.693	2.721	2.713	2.607	(1.2)	(3.9)
KBANK	2.434	2.484	2.433	2.434	2.416	(0.7)	(0.8)
SCB	2.434	2.403	2.425	2.394	2.353	(3.3)	(1.7)
KTB	2.565	2.699	2.663	2.673	2.592	1.1	(3.0)
TTB	1.253	1.241	1.211	1.206	1.198	(4.4)	(0.7)
TISCO	0.230	0.232	0.231	0.236	0.230	0.2	(2.2)
KKP	0.373	0.368	0.363	0.358	0.346	(7.2)	(3.4)
SECTOR	11.927	12.120	12.047	12.013	11.742	(1.6)	(2.3)

Sources: Banks' company data, FSSIA estimates

Exhibit 18: Pre-provisioning operating profits (PPOP) – quarterly

PPOP	3Q24 (THB m)	4Q24 (THB m)	1Q25 (THB m)	2Q25 (THB m)	3Q25 (THB m)	% y-y	% q-q
BBL	23,987	21,024	24,902	24,328	26,966	12.4	10.8
KBANK	28,266	26,411	29,051	27,796	28,280	0.1	1.7
SCB	24,689	25,127	25,857	26,120	26,106	5.7	(0.1)
KTB	23,946	21,493	23,995	23,197	26,496	10.6	14.2
TTB	9,930	9,637	9,456	9,110	8,910	(10.3)	(2.2)
TISCO	2,495	2,451	2,438	2,604	2,986	19.7	14.7
KKP	2,279	2,693	2,438	2,735	2,987	31.1	9.2
SECTOR	115,592	108,837	118,137	115,890	122,731	6.2	5.9

Sources: Banks' company data, FSSIA estimates

Exhibit 19: Loan-to-deposit ratio (LDR) – quarterly

LDR (%)	3Q24	4Q24	1Q25	2Q25	3Q25	ppt, y-y	ppt, q-q
BBL	84.8	85.0	84.4	84.9	82.1	(2.73)	(2.77)
KBANK	87.9	91.4	89.4	89.5	88.0	0.17	(1.47)
SCB	100.1	97.2	98.1	97.1	94.3	(5.82)	(2.85)
KTB	97.0	98.8	96.8	96.9	93.7	(3.31)	(3.26)
TTB	96.6	93.4	93.3	93.5	94.3	(2.34)	0.77
TISCO	112.3	112.4	112.0	112.3	111.2	(1.12)	(1.09)
KKP	108.3	102.4	101.5	100.2	98.7	(9.60)	(1.50)
SECTOR	93.2	93.3	92.4	92.4	90.3	(2.91)	(2.20)

Sources: Banks' company data, FSSIA estimates

Exhibit 20: Net interest margin (NIM) – quarterly

NIM (%)	3Q24	4Q24	1Q25	2Q25	3Q25	ppt, y-y	ppt, q-q
BBL	3.06	3.11	2.85	2.81	2.75	(0.31)	(0.06)
KBANK	3.65	3.54	3.47	3.38	3.29	(0.35)	(0.08)
SCB	4.08	4.04	3.82	3.73	3.57	(0.51)	(0.16)
KTB	3.41	3.35	3.10	2.97	2.83	(0.57)	(0.13)
TTB	3.30	3.29	3.18	3.10	3.03	(0.27)	(0.07)
TISCO	4.94	4.96	4.82	4.80	4.95	0.01	0.16
KKP	4.24	4.17	4.06	3.95	3.95	(0.29)	(0.00)
SECTOR	3.54	3.50	3.31	3.23	3.13	(0.40)	(0.09)

Sources: Banks' company data, FSSIA estimates

Exhibit 21: Cost-to-income ratio – quarterly

Cost-to-income (%)	3Q24	4Q24	1Q25	2Q25	3Q25	ppt, y-y	ppt, q-q
BBL	47.66	53.05	45.45	45.23	43.42	(4.23)	(1.81)
KBANK	42.33	45.77	40.84	42.81	42.57	0.25	(0.23)
SCB	41.63	42.67	39.86	40.16	40.24	(1.39)	0.08
KTB	41.79	44.76	40.44	42.25	37.70	(4.10)	(4.56)
TTB	42.35	43.75	42.88	44.39	45.38	3.03	0.99
TISCO	47.88	48.93	47.90	45.68	43.37	(4.51)	(2.32)
KKP	65.49	60.47	59.04	55.81	55.61	(9.88)	(0.20)
SECTOR	44.13	46.90	42.44	43.25	41.95	(2.18)	(1.30)

Sources: Banks' company data, FSSIA estimates

Exhibit 22: Credit cost – quarterly

Credit cost (%)	3Q24	4Q24	1Q25	2Q25	3Q25	ppt, y-y	ppt, q-q
BBL	1.22	1.15	1.34	1.58	1.47	0.24	(0.12)
KBANK	1.89	1.99	1.60	1.65	1.68	(0.21)	0.03
SCB	1.80	1.62	1.59	1.68	1.82	0.02	0.15
KTB	1.30	1.02	1.23	1.24	1.09	(0.20)	(0.14)
TTB	1.49	1.50	1.49	1.42	1.32	(0.17)	(0.10)
TISCO	0.62	0.57	0.67	0.96	1.43	0.81	0.47
KKP	0.71	0.99	1.21	1.08	1.03	0.32	(0.05)
SECTOR	1.49	1.41	1.42	1.50	1.47	(0.02)	(0.02)

Sources: Banks' company data, FSSIA estimates

Exhibit 23: NPL ratio – quarterly

NPL ratio (%)	3Q24	4Q24	1Q25	2Q25	3Q25	ppt, y-y	ppt, q-q
BBL	3.94	3.19	3.59	3.89	3.97	0.03	0.08
KBANK	3.82	3.74	3.75	3.74	3.76	(0.06)	0.02
SCB	3.89	4.06	4.06	4.02	4.05	0.16	0.03
KTB	3.83	3.52	3.57	3.54	3.52	(0.32)	(0.03)
TTB	3.21	3.14	3.26	3.25	3.27	0.06	0.03
TISCO	2.44	2.35	2.42	2.41	2.31	(0.13)	(0.09)
KKP	4.15	4.21	4.37	4.33	4.32	0.17	(0.01)
SECTOR	3.78	3.56	3.68	3.73	3.75	(0.03)	0.02

Sources: Banks' company data, FSSIA estimates

Exhibit 24: NPL coverage – quarterly

NPL coverage (%)	3Q24	4Q24	1Q25	2Q25	3Q25	ppt, y-y	ppt, q-q
BBL	266.6	334.3	300.3	283.6	294.2	27.57	10.61
KBANK	139.4	141.6	148.7	152.5	155.8	16.40	3.28
SCB	163.9	158.0	156.1	158.7	161.7	(2.24)	2.94
KTB	184.1	188.6	187.7	194.1	206.6	22.52	12.48
TTB	149.3	151.4	149.6	149.5	151.0	1.63	1.49
TISCO	159.1	155.3	153.8	154.8	171.2	12.05	16.38
KKP	136.1	134.2	131.0	132.6	136.6	0.55	3.98
SECTOR	184.6	194.8	191.6	192.6	199.2	14.60	6.59

Sources: Banks' company data, FSSIA estimates

Exhibit 25: CET1 ratio – quarterly

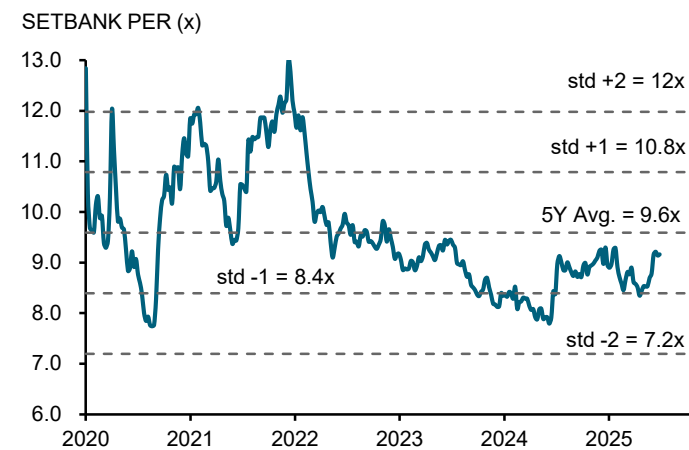
CET1 ratio (%)	3Q24	4Q24	1Q25	2Q25	3Q25	ppt, y-y	ppt, q-q
BBL	17.40	17.00	16.50	17.50	18.00	0.60	0.50
KBANK	17.89	17.51	17.65	17.86	18.84	0.95	0.98
SCB	17.90	17.80	17.70	17.90	17.80	(0.10)	(0.10)
KTB	18.95	18.82	19.12	19.28	19.78	0.83	0.50
TTB	17.30	16.90	18.20	17.80	17.90	0.60	0.10
TISCO	18.90	18.70	18.90	18.60	18.80	(0.10)	0.20
KKP	14.00	13.98	14.41	14.48	14.48	0.48	0.00
SECTOR	17.48	17.24	17.50	17.63	17.94	0.47	0.31

Sources: Banks' company data, FSSIA estimates

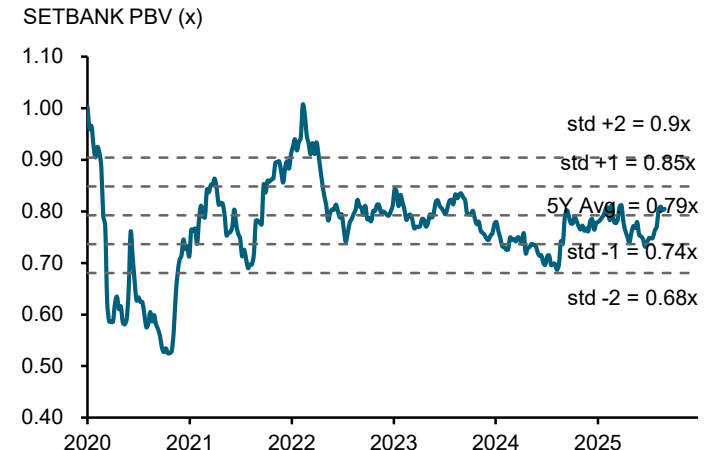
Exhibit 26: CAR ratio – quarterly

CAR ratio (%)	3Q24	4Q24	1Q25	2Q25	3Q25	ppt, y-y	ppt, q-q
BBL	20.80	20.40	21.00	22.00	22.60	1.80	0.60
KBANK	19.95	19.55	19.69	19.91	20.90	0.95	0.99
SCB	19.00	18.90	18.80	19.00	18.90	(0.10)	(0.10)
KTB	20.97	20.83	21.14	21.28	21.78	0.81	0.50
TTB	19.70	19.30	20.50	20.00	19.90	0.20	(0.10)
TISCO	20.90	20.50	20.70	20.60	20.90	0.00	0.30
KKP	17.34	17.34	17.84	17.90	17.90	0.56	0.00
SECTOR	19.81	19.55	19.95	20.10	20.41	0.60	0.31

Sources: Banks' company data, FSSIA estimates

Exhibit 27: SETBANK – one-year prospective P/E band

Sources: Bloomberg, FSSIA estimates

Exhibit 28: SETBANK – one-year prospective P/BV band

Sources: Bloomberg, FSSIA estimates

Exhibit 29: Peer regional banks comparison, as of 21 November 2025

Company name	BBG	Share	Target	Up	Market	----- PE -----		---- PBV ----		----- ROE -----		---- Div yld ----	
	code	price	price	side	Cap.	25E	26E	25E	26E	25E	26E	25E	26E
						(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(x)	(x)
Thailand													
Bangkok Bank	BBL TB	158.50	177.00	12	9,307	6.4	7.2	0.5	0.5	8.3	7.0	5.4	5.4
Kasikornbank	KBANK TB	186.50	190.00	2	13,593	9.3	9.3	0.8	0.7	8.3	7.9	5.4	5.4
Krung Thai Bank	KTB TB	27.50	29.00	5	11,823	8.3	8.6	0.8	0.8	10.2	9.3	5.9	5.7
SCB X	SCB TB	130.50	134.00	3	13,517	9.7	10.2	0.9	0.9	9.2	8.6	8.3	7.9
TMBThanachart Bank	TTB TB	1.92	2.05	7	5,604	8.5	8.5	0.8	0.7	9.0	8.7	7.1	7.1
Kiatnakin Bank	KKP TB	64.00	63.00	(2)	1,598	10.0	10.3	0.8	0.8	8.5	7.9	6.0	5.8
Tisco Financial Group	TISCO TB	107.00	103.00	(4)	2,636	12.9	12.5	2.0	1.9	15.3	15.6	7.2	7.2
Thailand weighted average					58,078	8.8	9.1	0.8	0.8	9.3	8.6	6.4	6.3
Hong Kong													
Industrial & Comm Bank of China	1398 HK	6.40	n/a	n/a	384,864	5.9	5.9	0.5	0.5	9.3	8.8	5.3	5.3
China Construction Bank	939 HK	8.09	n/a	n/a	281,037	5.8	5.7	0.6	0.5	10.0	9.5	5.3	5.3
HSBC Holdings	5 HK	105.10	n/a	n/a	236,054	9.7	9.1	1.4	1.3	12.7	14.3	5.2	5.5
Bank of China	3988 HK	4.66	n/a	n/a	260,324	5.9	5.9	0.5	0.5	9.0	8.4	5.2	5.4
Hong Kong average					1,162,278	6.7	6.5	0.7	0.7	10.1	10.0	5.2	5.4
China													
Industrial & Comm Bank of China	601398 CH	8.25	n/a	n/a	385,114	8.3	8.1	0.8	0.7	9.3	8.9	3.8	3.8
Agricultural Bank of China	601288 CH	8.05	n/a	n/a	385,227	10.3	10.0	1.0	0.9	9.9	9.6	3.0	3.2
China Construction Bank	601939 CH	9.79	n/a	n/a	281,220	7.5	7.5	0.7	0.7	9.9	9.4	4.0	4.0
Bank of China	601988 CH	6.29	n/a	n/a	260,493	8.4	8.3	0.8	0.7	8.9	8.5	3.6	3.8
China average					1,312,054	8.7	8.6	0.8	0.8	9.5	9.1	3.6	3.7
South Korea													
KB Financial Group	105560 KS	120,400	n/a	n/a	31,838	7.8	7.3	0.8	0.7	10.1	10.1	3.0	3.4
Shinhan Financial Group	055550 KS	76,500	n/a	n/a	25,677	7.5	7.0	0.7	0.6	9.2	9.2	2.9	3.4
Hana Financial Group	086790 KS	90,500	n/a	n/a	17,361	6.3	5.9	0.6	0.6	9.5	9.4	4.0	4.4
Industrial Bank of Korea	024110 KS	20,150	n/a	n/a	11,011	6.0	5.9	0.5	0.5	8.1	7.9	5.5	5.8
South Korea average					85,888	7.2	6.7	0.7	0.6	9.5	9.4	3.5	3.9
Indonesia													
Bank Central Asia	BBCA IJ	8,400	n/a	n/a	61,756	17.9	16.6	3.6	3.3	21.1	21.0	3.7	4.0
Bank Rakyat Indonesia Persero	BBRI IJ	3,960	n/a	n/a	36,081	10.7	9.7	1.9	1.8	17.4	18.7	8.2	8.6
Bank Mandiri Persero	BMRI IJ	4,950	n/a	n/a	27,635	9.1	8.4	1.6	1.5	17.5	17.8	8.4	8.1
Bank Negara Indonesia Persero	BBNI IJ	4,390	n/a	n/a	9,772	8.0	7.2	1.0	0.9	12.3	12.9	7.8	8.0
Bank Syariah Indonesia	BRIS IJ	2,420	n/a	n/a	6,650	14.2	12.2	2.2	1.9	15.9	16.3	1.1	1.4
Indonesia average					141,893	13.5	12.4	2.5	2.3	18.6	19.0	5.9	6.1
Malaysia													
Malayan Banking	MAY MK	9.94	n/a	n/a	29,024	11.6	11.3	1.2	1.2	10.9	10.9	6.3	6.5
Public Bank	PBK MK	4.28	n/a	n/a	20,066	11.6	11.0	1.4	1.3	12.2	12.1	5.3	5.8
CIMB Group Holdings	CIMB MK	7.46	n/a	n/a	19,525	10.2	9.8	1.1	1.1	11.1	11.1	5.8	6.0
Hong Leong Bank	HLBK MK	21.00	n/a	n/a	11,021	9.9	9.6	1.1	1.0	11.4	11.2	3.6	4.7
RHB Bank	RHBBANK MK	6.92	n/a	n/a	7,284	9.4	9.0	0.9	0.9	9.7	9.7	6.5	6.7
Malaysia average					86,920	10.9	10.5	1.2	1.1	11.2	11.2	5.6	6.0
Singapore													
DBS Group Holdings	DBS SP	53.67	n/a	n/a	116,008	13.5	13.3	2.2	2.1	16.5	16.2	5.7	6.1
Oversea-Chinese Banking	OCBC SP	18.07	n/a	n/a	62,194	11.1	10.9	1.3	1.3	12.3	11.9	5.5	5.4
United Overseas Bank	UOB SP	33.85	n/a	n/a	42,797	11.5	9.8	1.2	1.1	10.0	11.3	5.7	5.2
Singapore average					220,999	12.5	12.0	1.7	1.7	14.1	14.0	5.7	5.7
Regional average (excl. Thailand)					3,010,033	9.5	9.0	1.2	1.1	11.8	11.8	5.0	5.2
Total average (incl. Thailand)					3,068,111	9.5	9.1	1.1	1.1	11.3	11.3	5.3	5.5

Sources: Bloomberg; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for SETESG inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainabilitys	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) "**SETESG**". The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

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The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Bank	BBL TB	THB 158.50	BUY	Downside risks are 1) prolonged economic sluggishness affecting loan growth and asset quality and 2) an impact of new regulations from the Bank of Thailand.
Kasikornbank	KBANK TB	THB 186.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. Upside risks comprise 1) ? lower credit cost from better asset quality; and 2) the better ongoing cost control efficiency
Kiatnakin Phatra Bank	KKP TB	THB 64.00	HOLD	Downside risks to our GGM-based target price include weakened asset quality, high loss from auto repossessions and lower fee income. By contrast, upside risks include better capital market conditions, higher used car prices, and strengthened asset quality.
Krung Thai Bank	KTB TB	THB 27.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.
SCB X	SCB TB	THB 130.50	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. Upside risks comprise 1) the faster-than-expected recovery of EAs operation and financial stability and 2) the reduction in Thailand's household debts.
Tisco Financial	TISCO TB	THB 107.00	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. Upside risks are 1) aggressive loan growth; and 2) well-controlled asset quality.
TMBThanachart Bank	TTB TB	THB 1.92	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. Upside risks include 1) resumption of loan growth, especially retail loans (mortgage, auto, unsecured loans); 2) benign asset quality with lower credit cost; and 3) better-than-expected OPEX control.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 21-Nov-2025 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.