

# Thailand Banks

## 4Q25E net profit to contract both y-y and q-q

- We expect the seven Thai banks under our coverage to deliver an aggregate net profit of THB47.7b in 4Q25, declining 8.4% y-y and 23.2% q-q.
- The contraction should be driven by NIM compression, higher operating expenses from seasonality, and lower expected investment gains.
- Maintain NEUTRAL for the sector on the back of 6% dividend yield.

### Expect sector net profit of THB47.7b in 4Q25

We expect the seven Thai banks under our coverage to deliver an aggregate net profit of THB47.7b in 4Q25, declining 8.4% y-y and 23.2% q-q. The sharp q-q contraction should be primarily driven by NIM compression, higher operating expenses from seasonality, and weaker non-interest income, notably from lower expected investment gains. Meanwhile, the more moderate y-y decline would stem from NIM contraction, partially mitigated by improved operating cost y-y. Based on our 4Q25 forecasts, we expect all banks to report lower net profits on both a y-y and q-q basis. The large q-q decline should hinge on the level of investment gains (both mark-to-market and realized gains) booked in 3Q25.

### Small loan growth q-q and continued NIM contraction

We expect the seven Thai banks under our coverage to deliver 0.6% q-q loan growth in 4Q25, while loans should remain down 2.5% y-y, reflecting ongoing balance-sheet deleveraging. Meanwhile, we forecast Thai banks' 4Q25 NIM to contract by 7bp q-q and 43bp y-y to 3.07%, following cumulative policy rate cuts since Oct-24, which have reduced the policy rate from 2.50% to 1.25% in mid-Dec 2025. We expect large banks to face greater margin pressure, given their higher exposure to floating-rate loans across corporate, SME, and mortgage portfolios. Following the Aug-25 25bp policy rate cut, banks reduced prime lending rates by a full 25bp, implying 100% pass-through, while prime fixed deposit rates were cut by only 5–10bp. As a result, the full-quarter negative impact is now captured in 4Q25E. In contrast, after the Dec-25 25bp policy rate cut, banks have reduced prime lending rates by only c10bp, implying a 40% transmission rate. The earnings impact from this cut should be more visible in 1Q26.

### Sector NPL ratio to edge lower, led by BBL

We expect the sector's combined NPL ratio to edge down to 3.70% in 4Q25 from 3.75% in 3Q25. The improvement should be primarily driven by BBL, where we expect a lower NPL ratio q-q following the bank's ongoing restructuring of troubled loans since 2Q25. We expect these restructured exposures to resume repayment, supporting headline asset quality. For the rest of the sector, we anticipate the modest q-q improvement in NPL ratios, reflecting a broadly stable but fragile operating environment.

### Maintain NEUTRAL for the sector on the back of 6% dividend yield.

The key upside risks for the sector lie in lower-than-expected operating expenses and benign credit costs, underpinned by the sector's high NPL coverage ratio of around 200%, which provides meaningful downside protection. Against this backdrop, we remain selective, maintaining a NEUTRAL stance on the sector on the back of 6% dividend yield.



**Nathapol Pongsukcharoenkul**

Fundamental Investment Analyst on Securities; License no. 049193  
nathapol.p@fssia.com, +66 2646 9974

**Peemapon Nunthakunatip**

Research Assistant

## 4Q25E net profit to contract both y-y and q-q

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Based on our 4Q25 forecasts, we expect all banks in our coverage to report lower net profits on both a y-y and q-q basis. The large q-q decline should hinge on the level of investment gains (both mark-to-market and realized gains) booked in 3Q25. In particular, BBL and KTB recorded exceptional investment gains in 3Q25, which we expect to normalize in 4Q25, resulting in a more pronounced earnings pullback.

### Exhibit 1: 4Q25 earnings forecasts for Thai banks under coverage

Net profit	4Q24	1Q25	2Q25	3Q25	4Q25E	----- Change -----		12M25E	of 25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(%)
BBL	10,404	12,618	11,840	13,789	9,853	(5.3)	(28.5)	48,100	101.2
KBANK	10,768	13,791	12,488	13,007	9,861	(8.4)	(24.2)	49,148	103.1
SCB	11,707	12,502	12,786	12,056	9,900	(15.4)	(17.9)	47,244	103.8
KTB	10,990	11,714	11,122	14,620	10,416	(5.2)	(28.8)	47,872	102.8
TTB	5,112	5,096	5,004	5,299	4,860	(4.9)	(8.3)	20,260	97.6
TISCO	1,706	1,643	1,644	1,730	1,636	(4.1)	(5.4)	6,653	100.4
KKP	1,406	1,062	1,409	1,670	1,215	(13.6)	(27.3)	5,355	98.8
<b>SECTOR</b>	<b>52,093</b>	<b>58,426</b>	<b>56,293</b>	<b>62,172</b>	<b>47,741</b>	<b>(8.4)</b>	<b>(23.2)</b>	<b>224,632</b>	<b>102.1</b>

Sources: Company data, FSSIA estimates

### Exhibit 2: Marked-to-market gain and realized gain among Thai banks – exceptional high in 3Q25

Marked-to-market gain	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	Average
BBL	1,445	3,372	768	(41)	(82)	2,419	3,643	2,986	1,957	2,217	5,472	2,196
KBANK	3,671	3,525	797	4,130	3,212	3,191	3,639	3,159	4,150	3,573	3,963	3,365
SCB	2,353	3,717	2,325	432	2,717	1,923	1,982	2,283	3,402	3,956	4,258	2,668
KTB	1,899	1,221	914	1,145	1,661	1,528	1,821	(307)	2,064	2,636	4,561	1,740
TTB	474	422	378	392	457	388	473	451	601	702	584	484
TISCO	18	65	(44)	(68)	45	219	41	9	67	107	364	75
KKP	151	296	32	(38)	336	267	45	499	48	247	663	231
<b>SECTOR</b>	<b>10,011</b>	<b>12,619</b>	<b>5,170</b>	<b>5,951</b>	<b>8,347</b>	<b>9,933</b>	<b>11,644</b>	<b>9,081</b>	<b>12,290</b>	<b>13,438</b>	<b>19,865</b>	<b>10,759</b>

Realized gain	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	Average
BBL	30	(98)	(57)	(357)	182	(145)	721	133	2,897	3,348	3,750	946
KBANK	(152)	(212)	230	(453)	(58)	(12)	69	46	210	319	713	64
SCB	74	12	(15)	(3)	68	(33)	(590)	290	93	910	553	124
KTB	259	(64)	4	(4)	237	3	377	273	1,676	1,690	1,866	574
TTB	(11)	50	13	0	47	69	48	80	47	11	0	32
TISCO	2	2	1	0	1	1	1	1	1	2	1	1
KKP	1	(12)	(1)	0	30	(7)	0	0	0	0	0	1
<b>SECTOR</b>	<b>202</b>	<b>(322)</b>	<b>175</b>	<b>(817)</b>	<b>507</b>	<b>(125)</b>	<b>626</b>	<b>823</b>	<b>4,925</b>	<b>6,281</b>	<b>6,883</b>	<b>1,742</b>

Sources: Company data, FSSIA estimates

## Loans edge up q-q but remain in contraction y-y

We expect the seven Thai banks under our coverage to deliver 0.6% q-q loan growth in 4Q25, while loans should remain down 2.5% y-y, reflecting ongoing balance-sheet deleveraging. Incremental loan growth should be driven mainly by corporate and government-related segments, which carry lower credit risk and are benefiting from cheaper funding costs amid the interest-rate downcycle. We expect the new loan disbursements in 4Q25 to be working-capital related, rather than project financing capex. Continued loan repayments, particularly in the retail and SME books, should remain a structural headwind to overall loan balances, in our view.

Meanwhile, we expect banks to stay highly selective in expanding credit to retail and SME borrowers, given weak purchasing power, an uneven recovery in sales and the broader economy, and elevated household leverage, which continues to cap risk appetite.

## Continued NIM contraction in 4Q25E

We forecast Thai banks' 4Q25 NIM to contract by 7bp q-q and 43bp y-y to 3.07%, following cumulative policy rate cuts since Oct-24, which have reduced the policy rate from 2.50% to 1.25% by mid-Dec 2025.

We expect large banks to face greater margin pressure, given their higher exposure to floating-rate loans across corporate, SME, and mortgage portfolios. In addition, the 'You Fight We Help' (YFWH) forbearance program, accounting for ~2% of sector loans, should further weigh on asset yields, in our view.

Following the Aug-25 25bp policy rate cut, banks reduced prime lending rates by a full 25bp, implying 100% pass-through, while prime fixed deposit rates were cut by only 5–10bp. As a result, the full-quarter negative impact is now captured in 4Q25E.

In contrast, after the Dec-25 25bp policy rate cut, banks have reduced prime lending rates by only c10bp, implying a 40% transmission rate. The earnings impact from this cut should be more visible in 1Q26, although banks should retain some flexibility to mitigate margin pressure through deposit repricing and funding mix optimization.

Looking ahead, we expect one additional policy rate cut by 2Q26, bringing the policy rate down to 1.0%, as we expect the Bank of Thailand and the Monetary Policy Committee seek to support economic activity amid a subdued growth outlook and persistently low inflation. While this should provide macro support, it reinforces our view that NIM pressure remains a structural earnings constraint for the sector into 2026.

## Sector NPL ratio to edge lower, led by BBL

We expect the sector's combined NPL ratio to edge down to 3.70% in 4Q25 from 3.75% in 3Q25. The improvement should be primarily driven by BBL, where we expect a lower NPL ratio q-q following the bank's ongoing restructuring of troubled loans since 2Q25. We expect these restructured exposures to resume repayment, supporting headline asset quality. For the rest of the sector, we anticipate the modest q-q improvement in NPL ratios, reflecting a broadly stable but fragile operating environment.

Given the subdued macro backdrop, with expected GDP growth of below 2% in 2026E and heightened political uncertainty surrounding the 1Q26 general election, we remain cautious on the overall asset-quality outlook and see downside risk to current NPL levels among Thai banks. That said, the projected 4Q25 NPL ratio remains below the three-year peak of 4.0%, reached during the post-Covid recovery phase.

We forecast 4Q25 credit costs at 138bp, down 9bp q-q and 2bp y-y for the banking sector, driven mainly by KBANK and KTB following their substantial NPL clean-up exercises last year. This suggests a normalization in provisioning intensity rather than a material improvement in underlying credit demand, we see.

Meanwhile, we expect the sector NPL coverage ratio to remain at around 200% in 4Q25, among the highest levels seen over the past 15 years. This elevated buffer should continue to provide downside protection against macro and political uncertainties, reinforcing balance-sheet resilience across the Thai banking sector, in our view.

## Exhibit 3: Aggregate banks – 4Q25E preview

Year-end 31 Dec	4Q24	1Q25	2Q25	3Q25	4Q25E	Change		12M25E	of 25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(%)
Net interest income	153,899	147,217	144,045	140,258	134,909	(12.3)	(3.8)	566,429	99.1
Non-interest income	51,072	58,010	60,162	71,173	59,535	16.6	(16.4)	248,879	102.7
Operating income	204,971	205,227	204,206	211,431	194,444	(5.1)	(8.0)	815,308	100.2
Operating expenses	96,134	87,090	88,316	88,700	92,059	(4.2)	3.8	356,165	98.9
Pre-provisioning operating profit (PPOP)	108,837	118,137	115,890	122,731	102,385	(5.9)	(16.6)	459,143	101.2
Provisioning expenses	42,333	42,748	44,967	43,665	40,776	(3.7)	(6.6)	172,156	98.2
Pre-tax profit	66,503	75,389	70,923	79,066	61,609	(7.4)	(22.1)	286,987	103.0
Income tax	12,412	14,290	11,572	14,064	11,165	(10.1)	(20.6)	51,092	100.3
Minority interests	1,998	2,673	3,057	2,829	2,704	35.3	(4.4)	11,263	150.5
<b>Net profit</b>	<b>52,093</b>	<b>58,426</b>	<b>56,293</b>	<b>62,172</b>	<b>47,741</b>	<b>(8.4)</b>	<b>(23.2)</b>	<b>224,632</b>	<b>102.1</b>
<b>Key ratios</b>	<b>4Q24</b>	<b>1Q25</b>	<b>2Q25</b>	<b>3Q25</b>	<b>4Q25</b>	<b>Change</b>			
<b>Asset quality ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(y-y %)</b>	<b>(q-q %)</b>		
Gross NPLs (THB m)	431,459	443,551	447,541	440,040	437,221	1.3	(0.6)		
NPL ratio (%)	3.56	3.68	3.73	3.75	3.70				
Coverage ratio (%)	194.80	191.63	192.64	199.23	200.04				
Credit cost (%)	1.41	1.42	1.50	1.47	1.38				
<b>Profitability ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>				
Average yield (%)	4.87	4.59	4.47	4.34	4.26				
Cost of funds (%)	1.65	1.55	1.51	1.46	1.41				
NIM (%)	3.50	3.31	3.23	3.13	3.07				
Non-interest income/total income (%)	24.92	28.27	29.46	33.66	30.62				
Cost-to-income ratio	46.90	42.44	43.25	41.95	47.34				
<b>Loan momentum</b>	<b>4Q24</b>	<b>1Q25</b>	<b>2Q25</b>	<b>3Q25</b>	<b>4Q25</b>	<b>(y-y %)</b>	<b>(q-q %)</b>		
Gross loans (THB t)	12.12	12.05	12.01	11.74	11.82	(2.5)	0.6		

Sources: Company data, FSSIA estimates

## Outlook remains challenging; maintain selective stance

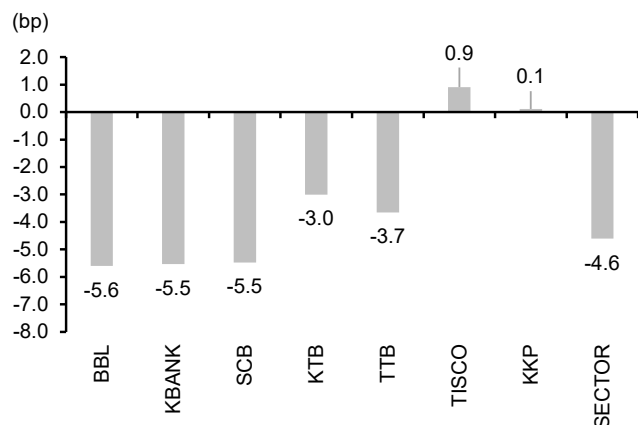
Going forward, we see a challenging operating backdrop for Thai banks, driven by elevated concerns over asset quality, muted loan growth momentum, and potentially higher credit costs associated with ongoing NPL write-offs. At the same time, sector NIM is likely to compress further over the next 12 months, in our view, reflecting a more accommodative monetary policy stance aimed at supporting a fragile economic recovery.

The key upside risks for the sector lie in lower-than-expected operating expenses and benign credit costs, underpinned by the sector's high NPL coverage ratio of around 200%, which provides meaningful downside protection. Against this backdrop, we remain selective, maintaining a NEUTRAL stance on the sector.

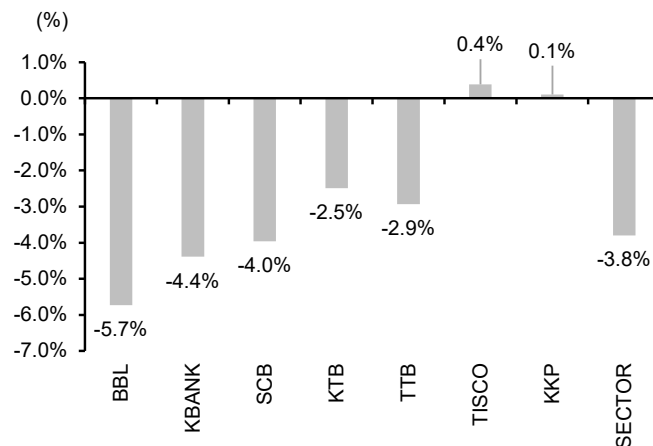
For 2026E, we now forecast aggregate net profit for Thai banks to decline by 5% y-y, primarily driven by NIM contraction of 13bp y-y, following a steeper 28bp y-y contraction in 2025, as well as a high base of investment gains.

We expect loan growth of around 2% in 2026E, with downside risk from potential delays in loan disbursement amid economic softness and political uncertainty during the year. With balance-sheet growth likely to remain subdued, we expect banks to continue prioritizing shareholder returns, translating into attractive dividend yields of around 6% in 2025-26 vs SET dividend yield c4%.

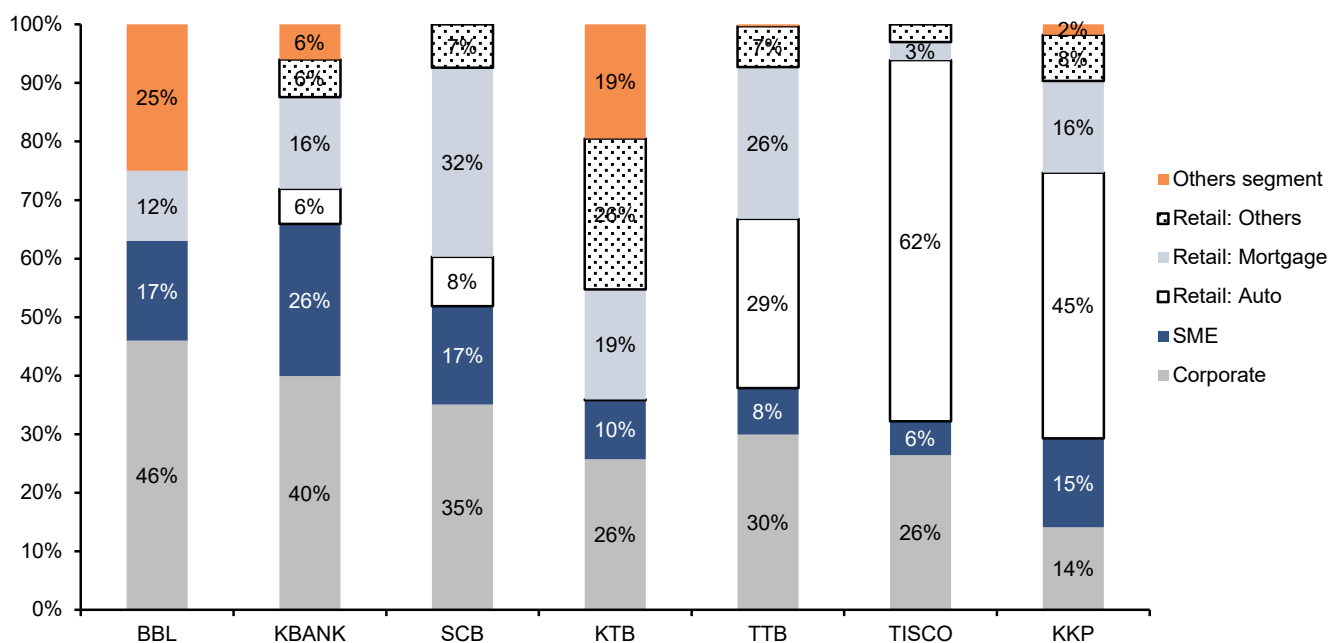
Within the sector, our top picks remain KBANK and KTB, supported by relatively resilient asset quality, scope for further cost optimization, and compelling dividend yields.

**Exhibit 4: Impact on NIM from 25bp policy interest rate cut**

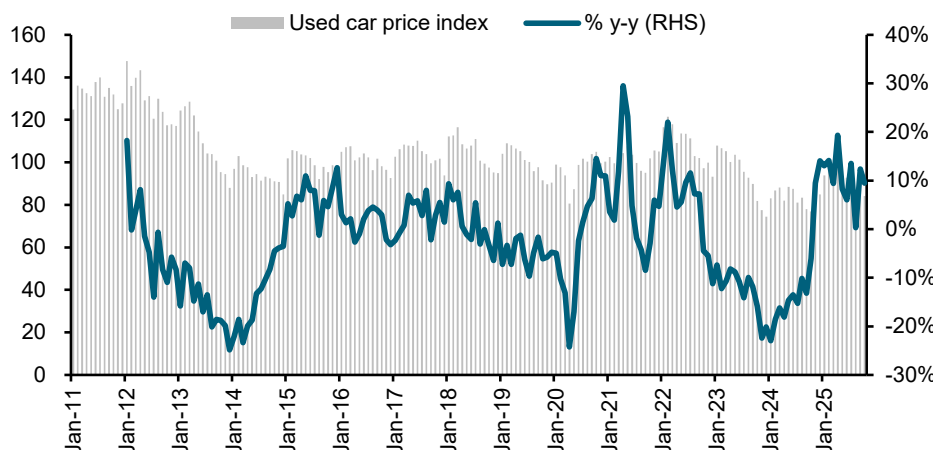
Sources: Bank's company data, FSSIA estimates

**Exhibit 5: Impact on net profit from 25bp policy interest rate cut**

Sources: Bank's company data, FSSIA estimates

**Exhibit 6: Thai banks' loan breakdown**

Sources: Banks' company data, FSSIA compilation

**Exhibit 7: Used car price index – remains solid with 9% y-y growth**

Sources: Bank of Thailand, Union Auction, FSSIA compilation

**Exhibit 8: Gross loans – quarterly**

Loans	4Q24	1Q25	2Q25	3Q25	4Q25E	y-y %	q-q %
	(THB t)	(THB t)	(THB t)	(THB t)	(THB t)		
BBL	2.693	2.721	2.713	2.607	2.586	(4.0)	(0.8)
KBANK	2.484	2.433	2.434	2.416	2.422	(2.5)	0.2
SCB	2.403	2.425	2.394	2.353	2.355	(2.0)	0.1
KTB	2.699	2.663	2.673	2.592	2.685	(0.5)	3.6
TTB	1.241	1.211	1.206	1.198	1.191	(4.0)	(0.5)
TISCO	0.232	0.231	0.236	0.230	0.233	0.5	1.3
KKP	0.368	0.363	0.358	0.346	0.345	(6.3)	(0.3)
SECTOR	12.120	12.047	12.013	11.742	11.817	(2.5)	0.6

Sources: Banks' company data, FSSIA estimates

**Exhibit 9: Loan-to-deposit ratio (LDR) – quarterly**

LDR (%)	4Q24	1Q25	2Q25	3Q25	4Q25E	ppt, y-y	ppt, q-q
BBL	85.0	84.4	84.9	82.1	80.0	(5.00)	(2.14)
KBANK	91.4	89.4	89.5	88.0	86.9	(4.46)	(1.12)
SCB	97.2	98.1	97.1	94.3	96.7	(0.49)	2.40
KTB	98.8	96.8	96.9	93.7	93.6	(5.18)	(0.06)
TTB	93.4	93.3	93.5	94.3	93.4	0.00	(0.90)
TISCO	112.4	112.0	112.3	111.2	113.0	0.56	1.81
KKP	102.4	101.5	100.2	98.7	99.9	(2.45)	1.26
SECTOR	93.3	92.4	92.4	90.3	89.9	(3.46)	(0.40)

Sources: Banks' company data, FSSIA estimates

**Exhibit 10: Net interest margin (NIM) – quarterly**

NIM (%)	4Q24	1Q25	2Q25	3Q25	4Q25E	ppt, y-y	ppt, q-q
BBL	3.11	2.85	2.81	2.75	2.65	(0.46)	(0.10)
KBANK	3.54	3.47	3.38	3.29	3.22	(0.32)	(0.07)
SCB	4.04	3.82	3.73	3.57	3.51	(0.53)	(0.06)
KTB	3.35	3.10	2.97	2.83	2.78	(0.57)	(0.06)
TTB	3.29	3.18	3.10	3.03	3.00	(0.29)	(0.04)
TISCO	4.96	4.82	4.80	4.95	4.98	0.01	0.02
KKP	4.17	4.06	3.95	3.95	3.94	(0.24)	(0.01)
SECTOR	3.50	3.31	3.23	3.13	3.07	(0.43)	(0.07)

Sources: Banks' company data, FSSIA estimates

**Exhibit 11: Cost-to-income ratio – quarterly**

Cost-to-income (%)	4Q24	1Q25	2Q25	3Q25	4Q25E	ppt, y-y	ppt, q-q
BBL	53.05	45.45	45.23	43.42	50.55	(2.50)	7.13
KBANK	45.77	40.84	42.81	42.57	47.96	2.19	5.39
SCB	42.67	39.86	40.16	40.24	44.36	1.69	4.13
KTB	44.76	40.44	42.25	37.70	44.33	(0.43)	6.64
TTB	43.75	42.88	44.39	45.38	46.88	3.13	1.50
TISCO	48.93	47.90	45.68	43.37	47.49	(1.44)	4.12
KKP	60.47	59.04	55.81	55.61	60.49	0.02	4.88
SECTOR	46.90	42.44	43.25	41.95	47.34	0.44	5.39

Sources: Banks' company data, FSSIA estimates

**Exhibit 12: Credit cost – quarterly**

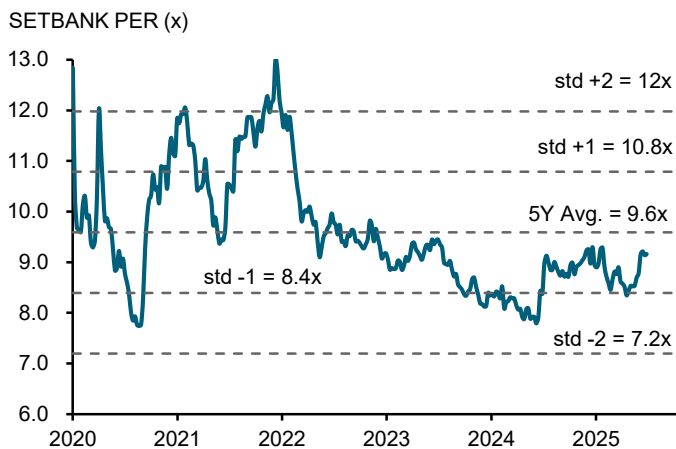
Credit cost (%)	4Q24	1Q25	2Q25	3Q25	4Q25E	ppt, y-y	ppt, q-q
BBL	1.15	1.34	1.58	1.47	1.30	0.15	(0.17)
KBANK	1.99	1.60	1.65	1.68	1.59	(0.40)	(0.09)
SCB	1.62	1.59	1.68	1.82	1.73	0.11	(0.09)
KTB	1.02	1.23	1.24	1.09	1.09	0.07	(0.00)
TTB	1.50	1.49	1.42	1.32	1.30	(0.21)	(0.03)
TISCO	0.57	0.67	0.96	1.43	0.90	0.33	(0.53)
KKP	0.99	1.21	1.08	1.03	1.08	0.09	0.04
SECTOR	1.41	1.42	1.50	1.47	1.38	(0.02)	(0.09)

Sources: Banks' company data, FSSIA estimates

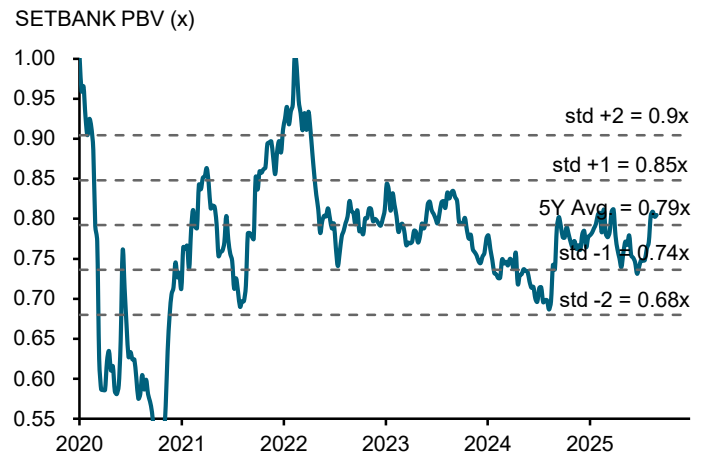
**Exhibit 13: NPL ratio – quarterly**

NPL ratio (%)	4Q24	1Q25	2Q25	3Q25	4Q25E	ppt, y-y	ppt, q-q
BBL	3.19	3.59	3.89	3.97	3.85	0.66	(0.12)
KBANK	3.74	3.75	3.74	3.76	3.74	(0.01)	(0.02)
SCB	4.06	4.06	4.02	4.05	4.08	0.02	0.03
KTB	3.52	3.57	3.54	3.52	3.44	(0.08)	(0.07)
TTB	3.14	3.26	3.25	3.27	3.25	0.11	(0.03)
TISCO	2.35	2.42	2.41	2.31	2.29	(0.06)	(0.02)
KKP	4.21	4.37	4.33	4.32	4.27	0.05	(0.05)
SECTOR	3.56	3.68	3.73	3.75	3.70	0.14	(0.05)

Sources: Banks' company data, FSSIA estimates

**Exhibit 14: SETBANK – one-year prospective P/E band**

Sources: Bloomberg, FSSIA estimates

**Exhibit 15: SETBANK – one-year prospective P/BV band**

Sources: Bloomberg, FSSIA estimates



## Exhibit 16: Peer regional banks comparison, as of 23 December 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
Thailand													
Bangkok Bank	BBL TB	167.00	177.00	6	10,248	6.7	7.6	0.5	0.5	8.3	7.0	5.1	5.1
Kasikornbank	KBANK TB	192.50	190.00	(1)	14,579	9.6	9.6	0.8	0.7	8.3	7.9	5.2	5.2
Krung Thai Bank	KTB TB	28.50	29.00	2	12,805	8.6	8.9	0.9	0.8	10.2	9.3	5.7	5.5
SCB X	SCB TB	136.00	134.00	(1)	14,721	10.1	10.6	0.9	0.9	9.2	8.6	7.9	7.6
TMBThanachart Bank	TTB TB	2.00	2.05	2	6,100	8.8	8.9	0.8	0.8	9.0	8.7	6.8	6.8
Kiatnakin Bank	KKP TB	65.75	63.00	(4)	1,716	10.3	10.6	0.9	0.8	8.5	7.9	5.8	5.7
Tisco Financial Group	TISCO TB	109.50	103.00	(6)	2,819	13.2	12.8	2.0	2.0	15.3	15.6	7.1	7.1
Thailand weighted average					62,988	9.1	9.5	0.8	0.8	9.3	8.6	6.2	6.0
Hong Kong													
Industrial & Comm Bank of China	1398 HK	6.16	n/a	n/a	371,746	5.6	5.5	0.5	0.5	9.3	8.9	5.6	5.6
China Construction Bank	939 HK	7.61	n/a	n/a	261,648	5.3	5.2	0.5	0.5	10.0	9.5	5.7	5.8
HSBC Holdings	5 HK	122.30	n/a	n/a	273,815	11.1	10.5	1.6	1.5	12.7	14.2	4.5	4.8
Bank of China	3988 HK	4.43	n/a	n/a	240,156	5.6	5.5	0.5	0.4	8.9	8.4	5.6	5.8
Hong Kong average					1,147,364	6.8	6.6	0.8	0.7	10.2	10.2	5.3	5.5
China													
Industrial & Comm Bank of China	601398 CH	7.92	n/a	n/a	371,802	7.9	7.8	0.7	0.7	9.3	8.9	3.9	4.0
Agricultural Bank of China	601288 CH	7.66	n/a	n/a	367,589	9.8	9.5	1.0	0.9	9.8	9.5	3.2	3.4
China Construction Bank	601939 CH	9.22	n/a	n/a	261,687	7.1	7.0	0.7	0.6	9.9	9.5	4.3	4.3
Bank of China	601988 CH	5.70	n/a	n/a	240,192	7.7	7.6	0.7	0.6	9.1	8.7	4.0	4.2
China average					1,241,270	8.2	8.1	0.8	0.7	9.5	9.1	3.8	3.9
South Korea													
KB Financial Group	105560 KS	125,800	n/a	n/a	32,329	8.0	7.4	0.8	0.7	10.1	10.1	2.9	3.4
Shinhan Financial Group	055550 KS	76,900	n/a	n/a	25,355	7.4	6.9	0.7	0.6	9.2	9.2	2.9	3.4
Hana Financial Group	086790 KS	93,100	n/a	n/a	17,635	6.5	6.1	0.6	0.6	9.5	9.4	3.9	4.3
Industrial Bank of Korea	024110 KS	21,200	n/a	n/a	11,380	6.2	6.1	0.5	0.5	8.2	7.9	5.3	5.5
South Korea average					86,699	7.3	6.8	0.7	0.6	9.5	9.4	3.4	3.9
Indonesia													
Bank Central Asia	BBCA IJ	8,025	n/a	n/a	59,051	17.1	15.9	3.5	3.2	21.1	21.0	3.9	4.2
Bank Rakyat Indonesia Persero	BBRI IJ	3,770	n/a	n/a	34,016	10.1	9.3	1.7	1.7	17.7	18.4	8.7	9.0
Bank Mandiri Persero	BMRI IJ	5,050	n/a	n/a	27,995	9.2	8.5	1.6	1.5	17.6	17.9	8.3	7.5
Bank Negara Indonesia Persero	BBNI IJ	4,290	n/a	n/a	9,573	7.9	7.1	1.0	0.9	12.3	12.8	8.2	8.4
Bank Syariah Indonesia	BRIS IJ	2,240	n/a	n/a	6,140	13.4	11.5	2.0	1.7	15.9	16.5	1.2	1.7
Indonesia average					136,775	12.9	11.9	2.4	2.3	18.7	18.9	6.2	6.2
Malaysia													
Malayan Banking	MAY MK	10.54	n/a	n/a	31,154	12.1	11.7	1.3	1.3	10.9	11.0	6.0	6.2
Public Bank	PBK MK	4.52	n/a	n/a	21,493	12.1	11.5	1.4	1.4	12.2	12.2	5.0	5.4
CIMB Group Holdings	CIMB MK	8.18	n/a	n/a	21,667	11.1	10.6	1.2	1.2	11.1	11.2	5.8	5.9
Hong Leong Bank	HLBK MK	22.24	n/a	n/a	11,841	10.5	10.2	1.2	1.1	11.4	11.2	3.4	4.2
RHB Bank	RHBBANK MK	7.74	n/a	n/a	8,275	10.2	9.9	1.0	0.9	9.9	9.8	5.9	6.1
Malaysia average					94,431	11.5	11.1	1.3	1.2	11.2	11.2	5.4	5.7
Singapore													
DBS Group Holdings	DBS SP	56.34	n/a	n/a	124,111	14.2	14.0	2.3	2.2	16.5	16.1	5.4	5.8
Oversea-Chinese Banking	OCBC SP	19.90	n/a	n/a	69,048	12.1	11.9	1.5	1.4	12.4	12.0	5.1	4.9
United Overseas Bank	UOB SP	34.99	n/a	n/a	44,980	12.5	10.2	1.2	1.1	9.8	11.3	5.3	5.0
Singapore average					238,140	13.2	12.7	1.8	1.8	14.0	14.0	5.3	5.4
Regional average (excl. Thailand)					2,944,678	9.6	9.1	1.2	1.1	11.8	11.8	5.0	5.2
Total average (incl. Thailand)					3,007,666	9.6	9.3	1.1	1.1	11.4	11.3	5.2	5.4

Sources: Bloomberg; FSSIA estimates



## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) 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 ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> 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.																			
<b>CG Score</b> 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%).																			
<b>AGM level</b> 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&amp;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.																			
<a href="#">Thai CAC</a> 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.																			
<a href="#">Morningstar Sustainabilitys</a>	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 &amp; 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+									
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0-10	10-20	20-30	30-40	40+																	
<a href="#">ESG Book</a>	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.																			
<a href="#">MSCI</a>	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><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<a href="#">Moody's ESG solutions</a>	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.																				
<a href="#">Refinitiv ESG rating</a>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	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.																				
<b>Bloomberg</b>	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

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

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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 167.00	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 192.50	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 65.75	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 28.50	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 136.00	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 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 109.50	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 are 1) aggressive loan growth; and 2) well-controlled asset quality.
TMBThanachart Bank	TTB TB	THB 2.00	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 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 23-Dec-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.