

# SNAPSHOT

## BANK

## NEUTRAL

Loans, interest rate, dividend

### Flash Points

Thailand's benchmark interest rate was cut from the peak of 2.5% to 1.5% now. The Monetary Policy Committee (MPC) preserved the policy space at the latest meeting, so the interest rate should not be below 1% in 2026. The interest rate is now close to 1%. A general election is expected in 2026. The government is focusing on economic restructuring. Asset quality of leasing loans is improving. The government is solving household debt problems by setting up asset management companies (AMCs). Thus, loans are expected to grow in line with GDP growth in 2026.

### Impact Insight

Statistically, loans tended to grow when the interest rate was low. In 2022, the interest rate was 0.5-1.25% while loans grew 2.6%yoy. In 2023, the interest rate was raised to 2.5%, while loans grew only 0.5%yoy. In 1H25, the economy was not favorable, so loans fell 1%yoy.

While fixed deposits are repriced in line with the interest rate, fixed-rate loans (e.g. leasing, high-yield) are more likely to grow and show wider loan spreads.

Leasing NPL is decreasing (improving), so TISCO and KKP should be advantageous in 2026. TISCO's NPL and coverage ratio are more favorable than KKP.

Government and private investment projects boost loans of big-cap banks, especially KTB (government loans), BBL, KBANK, and SCB. However, their NIM may fall. SCB has a smaller proportion of its loans subject to floating lending rates than peers, so it should be advantageous.

### Execution

Big-cap banks may show lower NIM due to interest rate cut. In the past one month, SETBANK dropped 1%, underperforming SET Index (+3) and already reflecting risk. Dividend yields are still high while the interest rate is low. Banking stocks are expected to rebound in dividend payment season. We favor bank stocks with ROE and dividend yields higher than peers, e.g. SCB, TISCO, and KTB (buy on weakness).

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Pasakorn Wangvivatchareon  
Fundamental Investment Analyst on Securities  
License No.: 093372

### Key Financial Forecast

10/9/2025			2025F - 2026F (TISCO)										SET ESG Ratings
	Rec.	Close (B)	FV (B)	Upside	Div Yield	Total Return	EPS (B)	PER (X)	PBV (X)	Earning Yield	ROE		
BAY	-	23.70	27.00	13.9%	3.6%	17.5%	4.1	5.7	0.42	17.4%	8%	AAA	
BBL	Outperform	149.50	170.00	13.7%	5.7%	19.4%	23.7	6.3	0.49	15.9%	8%	AAA	
KBANK	Neutral	166.50	165.00	-0.9%	6.3%	5.4%	20.7	8.0	0.69	12.4%	9%	AAA	
KKP	Neutral	61.00	51.00	-16.4%	6.6%	-9.8%	5.3	11.5	0.80	8.7%	7%	AA	
KTB	Outperform	24.80	25.25	1.8%	6.3%	8.2%	3.2	7.7	0.75	12.9%	10%	AAA	
SCB	Outperform	129.00	133.00	3.1%	8.2%	11.3%	13.3	9.7	0.87	10.3%	9%	AA	
TISCO	Outperform	103.50	105.00	1.4%	7.5%	8.9%	8.3	12.5	1.87	8.0%	15%	AAA	
TTB	Neutral	1.85	2.04	10.1%	7.0%	17.2%	0.2	9.2	0.74	10.9%	8%	AAA	

Source: ASPS Research

### BANK Stock Returns (Oct 9, 2025)

Return	1-Day	1-Week	1-Month	3-Month	6-Month	1-Year	YTD
SET	0.7%	2.0%	2.8%	18.3%	15.9%	-10.5%	-6.2%
SETBANK	-0.3%	0.6%	-0.7%	7.8%	6.1%	6.3%	5.8%
BAY	0.9%	1.7%	0.0%	8.7%	10.2%	-9.7%	-3.3%
BBL	-0.7%	0.7%	-0.3%	4.2%	7.6%	-3.2%	-1.0%
KBANK	-0.6%	0.6%	-1.2%	5.7%	11.2%	10.9%	8.7%
KKP	-0.4%	4.3%	3.0%	31.9%	13.0%	24.5%	16.2%
KTB	-0.8%	0.0%	-3.7%	14.8%	9.3%	17.5%	18.1%
SCB	-0.4%	1.6%	1.2%	9.8%	5.3%	17.3%	9.8%
TISCO	1.0%	2.0%	4.0%	5.3%	5.6%	7.0%	5.1%
TTB	0.0%	-2.6%	-2.1%	-1.6%	-3.1%	-1.1%	-0.5%

Source: ASPS Research

#### Warning

Investments involve risks. Please carefully review the product details, conditions of returns, and risks before making any investment decisions.