

KASIKORNBANK

Bracing for a slow 2Q26F

15 July 2026

Company Overview

KASIKORNBANK PCL (KBANK) provides commercial banking services including personal and commercial banking, international trade, as well as investment banking services, to its customers throughout Thailand. The bank has overseas branches in Los Angeles, Hong Kong, Cayman Islands and Shenzhen, and representative offices in Shanghai, Beijing and Kunmin. Although it has a diversified loan book, its strength is in SME loans which support margins.

Investment Overview

Leading position in the digital banking space. We believe KBANK's competitive strength in digital banking and continuous investments in IT systems should underpin its No. 1 position in the digital banking space, as well as its leading position in the banking industry, in the long run. Such a strong position in the digital banking arena should help the bank generate fee income while improving operating efficiency.

Credit cost to decline in FY26F, but the normalisation process may be prolonged. KBANK initially aimed to reduce its credit cost to a normalised range of 140-160bps in FY25. However, due to increasing global macro uncertainties, this normalisation process was delayed. We believe that, with the bank's improved portfolio quality and tighter loan underwriting policy, its credit cost will continue to decline in FY26F. Nonetheless, the credit cost normalisation process may be further prolonged amid rising geopolitical uncertainties due to Middle East tensions.

Trading at a low valuation, while offering a decent yield. While we expect KBANK's earnings to contract by 1.5% y/y in FY26F, we expect its lower credit cost trajectory to continue. Meanwhile, we expect the counter to offer a decent dividend yield of 6.7%, while trading at an undemanding valuation of 0.88x FY26F P/BV.

Maintain BUY with a higher TP of THB238. With an improving economic outlook, the market assigns a higher P/BV multiple to the banking sector. With that, we assign a higher P/BV multiple to KBANK and derive a higher TP of THB238 (vs. THB205 previously). Our TP is based on 1.0x FY26F P/BV, i.e., 0.5SD above KBANK's long-term average P/BV. We maintain our BUY call on KBANK, supported by its attractive dividend yield, ability to generate non-NII, and manageable asset quality.

Risks

Slow economic recovery. If the economy takes too long to recover, there could be downside risks to KBANK's loan and earnings growth, as well as its asset quality.

Regulatory risks. KBANK's businesses are under the Bank of Thailand's (BOT) supervision and thus subject to changes in BOT's regulations.

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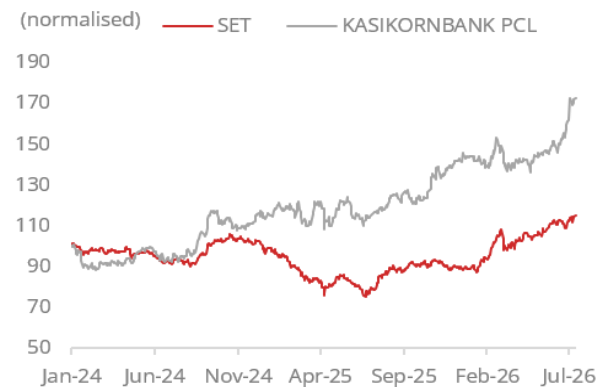
Key Financial Data

Bloomberg Ticker	KBANK TB
Sector	Financial
Share Price (THB)	231.00
DBS Rating	BUY
12-mth Target Price (THB)	238.00
Market Cap (USD bn)	16.21
Volume (mn shares)	21.63
Free float (%)	61.7
Dividend yield (%)	7.9
Fwd. P/E (x)	8.5
P/Book (x)	0.7
ROE (%)	8.6

Closing Price as of 14 Jul 2026

Source: Twelve Data, DBSVTH, Visible Alpha

Indexed Share price vs Composite Index Performance



Source: Twelve Data

Financial Summary (THB mn)

FY Dec	FY2023(A)	FY2024(A)	FY2025(A)	FY2026(F)	FY2027(F)
Net Interest Income	148,444	148,004	137,152	126,343	128,285
% y/y	11.6	(0.3)	(7.3)	(7.9)	1.5
Non-Interest Income	44,245	49,258	56,826	58,912	58,982
% y/y	10.2	11.3	15.4	3.7	0.1
Operating Income	192,689	197,263	193,978	185,255	187,267
% y/y	11.3	2.4	(1.7)	(4.5)	1.1
Pre-provision Profit	107,721	113,012	109,129	105,369	105,450
% y/y	9.5	4.9	(3.4)	(3.4)	0.1
Pre-tax Profit	55,845	66,743	69,640	68,364	67,585
% y/y	19.9	19.5	4.3	(1.8)	(1.1)
Net Profit	42,405	49,604	49,565	48,760	48,059
% y/y	18.6	17.0	(0.1)	(1.6)	(1.4)
Spread (%)	3.6	3.4	3.1	2.8	2.8
Net Interest Margin (%)	3.8	3.8	3.4	3.0	3.0
Cost-to-Income Ratio (%)	44.1	42.5	43.6	42.9	43.5
ROAE (%)	8.2	9.0	8.6	8.5	8.7
ROA (%)	1.1	1.2	1.3	1.2	1.2

Source: Company, DBSVTH

Valuation Metrics

FY Dec	FY2023(A)	FY2024(A)	FY2025(A)	FY2026(F)	FY2027(F)
PE (x)	9.8	8.4	8.4	8.5	8.6
P/B (x)	0.8	0.7	0.7	0.7	0.8
Dividend Yield (%)	3.7	6.8	7.9	8.0	8.0

Source: Company, DBSVTH

Credit & Cashflow Metrics

FY Dec	FY2023(A)	FY2024(A)	FY2025(A)	FY2026(F)	FY2027(F)
Loan-to-Deposit Ratio (%)	87.8	87.1	82.5	80.5	80.5
Net Loans / Total Assets (%)	55.4	54.6	51.6	51.9	52.8
Investment / Total Assets (%)	22.5	24.4	27.4	28.6	27.9
Cust. Dep./Int. Bear. Liab. (%)	90.2	91.0	90.3	90.8	91.1
Interbank Dep / Int. Bear. (%)	6.0	5.8	6.6	6.2	6.0
NPL / Total Gross Loans (%)	3.2	3.2	3.2	3.3	3.3
NPL / Total Assets (%)	2.2	2.1	2.1	1.7	1.7
Loan Loss Reserve Coverage (%)	142.1	141.6	152.9	156.2	147.5
Total CAR (%)	19.4	20.2	20.4	20.8	21.0
Tier-1 CAR (%)	17.4	18.3	18.4	18.8	19.0

Source: Company, DBSVTH

Target Price & Ratings History - Kasikornbank PCL (KBANK_TB_Equity)



Date of Report	Closing Price	12-mth Target Price	Rating
21 Jul'25	160.0	175.0	HOLD
21 Oct'25	173.0	209.0	BUY
22 Jan'26	189.0	205.0	BUY
23 Jun'26	210.0	238.0	BUY

Source: DBSVTH

Analysts: Thaninee SATIRAREUNGCHAI, CFA

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STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

*Share price appreciation + dividends

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