

# KRUNG THAI BANK KTB TB

## THAILAND / BANKING

# BUY

UNCHANGED

## Key takeaways from analyst meeting

ในที่ประชุมนักวิเคราะห์ของ KTB วันนี้ ผู้เข้าร่วมประชุมแสดงความสนใจไปที่แนวโน้มในช่วง 2H23 หลังธนาคารฯ คงเป้าหมายทางธุรกิจในปี 2023

TARGET PRICE	THB23.10
CLOSE	THB19.10
UP/DOWNSIDE	+20.9%
TP vs CONSENSUS	+2.0%

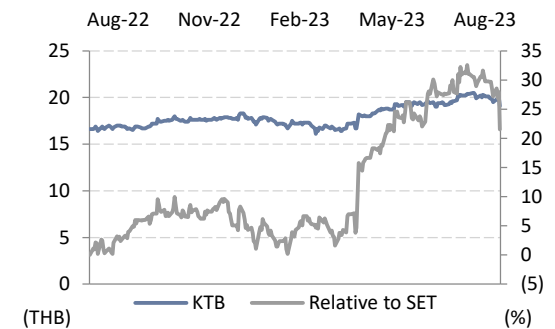
### Highlights

- (-) แนวโน้มเศรษฐกิจในปี 2023: KTB คาดว่าอย่างดี GDP ในปี 2023 จะโต 3% y-y (จากที่เคยคาดไว้ที่ 3.4% y-y ก่อนหน้า) เนื่องจากผู้บริหารเห็นการชะลอตัวในด้านอุปทานดั้ง จะเห็นได้จากการส่งออกและการใช้จ่ายภาครัฐซึ่งยังเชื่องช้าอยู่มาก ในขณะที่อุปสงค์โตดีจากการบริโภคในภาคเอกชนและการท่องเที่ยว KTB คาดว่าอัตราดอกเบี้ยนโยบายมีแนวโน้มที่จะสิ้นสุดที่ 2.5%
- (+) แนวโน้มธุรกิจในช่วง 2H23: ธุรกิจยังมีแนวโน้มขยายตัวในแง่ของรายได้ดอกเบี้ยสุทธิ (NII) และส่วนต่างดอกเบี้ย (NIM) สอดคล้องกับอัตราดอกเบี้ยในตลาด แม้ว่าต้นทุนในการระดมเงินฝาก (Cost of funds) มีแนวโน้มปรับขึ้นจากการเร่งระดมเงินฝากเป็นจำนวนมากเป็นการล่วงหน้าเพื่อเตรียมพร้อมสำหรับการปล่อยสินเชื่อในช่วง 2H23 และการแข่งขันด้านราคาที่สูงขึ้นสำหรับบัญชีเงินฝากสะสมทรัพย์ขนาดใหญ่ (Corporate saving deposits) เป้า NIM ในปี 2023 ยังคงเดิม (ที่มากกว่า 2.8%)  
ในขณะที่สินเชื่อ (หลังหักสินเชื่อภาครัฐ) ชะลอตัวอย่างมีนัยสำคัญในช่วง 1H23 (+1.5% y-y - ถ้าวรวมสินเชื่อภาครัฐจะอยู่ที่ -2.2% y-y) จากการจ่ายคืนของสินเชื่อของบริษัท KTB คาดว่าสินเชื่อจะเร่งตัวขึ้นในช่วง 2H23 เนื่องจากความต้องการสินเชื่อเริ่มปรากฏให้เห็น ณ. สิ้น 2Q23 KTB เน้นย้ำเกี่ยวกับการบรรลุเป้าการเติบโตของสินเชื่อในปี 2023 ที่ 3-5% y-y พร้อมความเป็นไปได้ที่สินเชื่อจะโตในช่วงต่ำของเป้า
- (0) คุณภาพสินทรัพย์ ไม่ใช่ประเด็นหลักของธนาคารฯ เหมือนเช่นธนาคารขนาดใหญ่อื่น ๆ (Kasikornbank (KBANK TB, BUY) และ SCB X (SCB TB, BUY)) เว้นแต่สินเชื่อโครงการขนาดใหญ่ที่ให้แก่ ANANDA Group (ANANDA TB) สำหรับโครงการ Aston Asoke แม้ว่า KTB จะไม่ได้ให้ตัวเลขสินเชื่อ ธนาคารฯ ย้ำว่าสินเชื่อทั้งหมดมีหลักทรัพย์ค้ำประกันเต็มจำนวนด้วยโครงการคอนโดและ Service apartment ในส่วนของผู้พักอาศัยในโครงการ Aston Asoke ปริมาณหนี้มีเพียงเล็กน้อย ธนาคารฯ ยืนยันว่าหนี้ส่วนมากยังมีการชำระเป็นปกติ อย่างไรก็ตามก็ธนาคารฯ ยังมีความจำเป็นต้องตั้งสำรองเพิ่มเติมใน 3Q23 แต่ไม่คาดว่าจะกระทบประมาณการสำรองหนี้ (credit cost) ในการปล่อยสินเชื่อในปี 2023 (ที่ประมาณ 120bp)
- (0) ผลกระทบที่อาจเกิดขึ้นของแอป "เป๋าตัง" จากแนวโน้มการเปิดกระเป๋าตังดิจิทัลตามนโยบายของพรรคเพื่อไทยยังไม่สามารถประเมินได้ในขณะนี้ ธนาคารฯ ยืนยันว่าส่วนแบ่งรายได้ค่าธรรมเนียมจาก "เป๋าตัง" ยังมีน้อย อย่างไรก็ตามก็ธนาคารฯ ได้เพิ่มตัวเลขการใช้แอปดังกล่าวโดยเพิ่มคุณลักษณะและสินค้าใหม่อย่างต่อเนื่อง

เราคงประมาณการปี 2023-25 และคำแนะนำซื้อที่ราคาเป้าหมายปี 2023 ที่ 23.1 บาท (GGM) เทียบเท่ากับ P/BV ที่ 0.81x ปัจจุบัน KTB มี Upside อยู่ 21% และคาดว่าจะให้ผลตอบแทนในรูปแบบเงินปันผลในระดับที่น่าสนใจในปี 2023-25 ที่ 4%

### KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Operating profit	46,283	51,374	54,029	56,533
Net profit	33,698	37,796	39,929	41,941
EPS (THB)	2.41	2.70	2.86	3.00
vs Consensus (%)	-	(3.4)	(2.4)	0.7
Recurring net profit	33,698	37,796	39,929	41,941
Core EPS (THB)	2.41	2.70	2.86	3.00
EPS growth (%)	56.1	12.2	5.6	5.0
Core P/E (x)	7.9	7.1	6.7	6.4
Dividend yield (%)	3.6	4.1	4.3	4.6
Price/book (x)	0.7	0.7	0.6	0.6
ROE (%)	9.2	9.7	9.6	9.4
ROA (%)	1.0	1.1	1.2	1.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.4)	(0.5)	15.8
Relative to country (%)	(7.5)	(1.9)	21.3
Mkt cap (USD m)	7,634		
3m avg. daily turnover (USD m)	27.6		
Free float (%)	45		
Major shareholder	FIDF (55%)		
12m high/low (THB)	20.50/16.00		
Issued shares (m)	13,976		

Sources: Bloomberg consensus; FSSIA estimates



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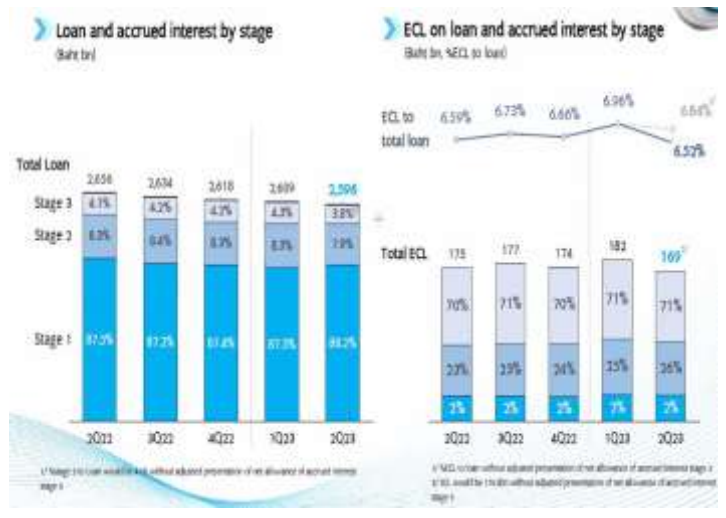
บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 25 สิงหาคม 2023

Exhibit 1: 2023 business targets

	1H23 Actual	2023 Targets
Loan Growth (%YoY) <i>Loan ex Gov</i>	1.5%	3%-5%
Net Interest Margin (%)	3.10%	>2.80%
Fee Income Growth (%YoY)	0.6%	Low Single Digit
Cost to Income Ratio (%)	39.0%	< Mid 40s
NPL (%)	3.11%	< 3.50%
Coverage Ratio (%)	177.4%	Around 170% +/-

Source: KTB presentation

Exhibit 2: Quarterly loans and ECL by stage



Source: KTB presentation

## Financial Statements

Krung Thai Bank

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Interest Income	104,832	113,475	143,521	151,245	158,565
Interest expense	(21,460)	(23,070)	(37,246)	(40,619)	(43,628)
Net interest income	83,372	90,405	106,274	110,626	114,937
Net fees & commission	20,022	20,316	20,715	21,026	21,341
Foreign exchange trading income	3,467	5,233	5,000	6,000	6,000
Securities trading income	711	239	220	220	220
Dividend income	379	352	385	424	466
Other income	7,835	8,847	10,176	11,130	12,177
Non interest income	32,414	34,986	36,496	38,800	40,204
Total income	115,786	125,391	142,770	149,426	155,142
Staff costs	(27,311)	(25,763)	(28,340)	(29,190)	(30,065)
Other operating costs	(25,420)	(29,007)	(30,322)	(32,652)	(33,982)
Operating costs	(52,731)	(54,771)	(58,661)	(61,842)	(64,048)
Pre provision operating profit	63,055	70,620	84,109	87,584	91,094
Expected credit loss	(32,524)	(24,338)	(32,735)	(33,555)	(34,561)
Other provisions	-	-	-	-	-
Operating profit	30,531	46,283	51,374	54,029	56,533
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	30,531	46,283	51,374	54,029	56,533
Tax	(5,975)	(9,077)	(10,069)	(10,590)	(11,080)
Profit after tax	24,556	37,206	41,305	43,440	45,452
Non-controlling interest	(2,968)	(3,508)	(3,509)	(3,510)	(3,511)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	21,588	33,698	37,796	39,929	41,941
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	21,588	33,698	37,796	39,929	41,941
<b>Per share (THB)</b>					
Recurring EPS *	1.54	2.41	2.70	2.86	3.00
Reported EPS	1.54	2.41	2.70	2.86	3.00
DPS	0.42	0.68	0.78	0.83	0.87
<b>Growth</b>					
Net interest income (%)	(5.6)	8.4	17.6	4.1	3.9
Non interest income (%)	(4.4)	7.9	4.3	6.3	3.6
Pre provision operating profit (%)	(8.3)	12.0	19.1	4.1	4.0
Operating profit (%)	27.9	51.6	11.0	5.2	4.6
Reported net profit (%)	29.0	56.1	12.2	5.6	5.0
Recurring EPS (%)	29.0	56.1	12.2	5.6	5.0
Reported EPS (%)	29.0	56.1	12.2	5.6	5.0
<b>Income Breakdown</b>					
Net interest income (%)	72.0	72.1	74.4	74.0	74.1
Net fees & commission (%)	17.3	16.2	14.5	14.1	13.8
Foreign exchange trading income (%)	3.0	4.2	3.5	4.0	3.9
Securities trading income (%)	0.6	0.2	0.2	0.1	0.1
Dividend income (%)	0.3	0.3	0.3	0.3	0.3
Other income (%)	6.8	7.1	7.1	7.4	7.8
<b>Operating performance</b>					
Gross interest yield (%)	3.16	3.28	4.15	4.29	4.35
Cost of funds (%)	0.73	0.76	1.23	1.33	1.39
Net interest spread (%)	2.43	2.52	2.92	2.96	2.96
Net interest margin (%)	2.5	2.6	3.1	3.1	3.2
Cost/income(%)	45.5	43.7	41.1	41.4	41.3
Cost/assets(%)	1.5	1.5	1.6	1.7	1.7
Effective tax rate (%)	19.6	19.6	19.6	19.6	19.6
Dividend payout on recurring profit (%)	27.1	28.3	29.0	29.0	29.0
ROE (%)	6.1	9.2	9.7	9.6	9.4
ROE - COE (%)	(3.8)	(0.8)	(0.2)	(0.3)	(0.5)
ROA (%)	0.7	1.0	1.1	1.2	1.2
RORWA (%)	1.2	1.8	1.9	2.0	2.0

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Krung Thai Bank; FSSIA estimates

## Financial Statements

Krung Thai Bank

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Gross customer loans	2,628,963	2,592,838	2,644,695	2,724,036	2,805,757
Allowance for expected credit loss	(173,322)	(174,379)	(185,114)	(193,668)	(204,229)
interest in suspense	20,579	25,373	26,976	27,785	28,619
<b>Net customer loans</b>	<b>2,476,220</b>	<b>2,443,832</b>	<b>2,486,557</b>	<b>2,558,153</b>	<b>2,630,146</b>
Bank loans	469,216	550,941	583,997	601,517	619,562
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	382,055	322,942	264,204	283,246	310,891
Cash & equivalents	63,544	61,591	68,059	69,908	65,477
Other interesting assets	-	-	-	-	-
Tangible fixed assets	70,745	72,029	73,374	74,750	76,160
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	94,963	141,075	148,497	157,816	167,900
<b>Total assets</b>	<b>3,556,745</b>	<b>3,592,410</b>	<b>3,624,688</b>	<b>3,745,389</b>	<b>3,870,137</b>
Customer deposits	2,614,747	2,590,236	2,642,041	2,721,302	2,802,941
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	434,372	433,289	381,043	388,716	396,544
Non interest bearing liabilities	133,514	176,321	185,137	188,840	192,617
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>3,182,633</b>	<b>3,199,847</b>	<b>3,208,222</b>	<b>3,298,858</b>	<b>3,392,102</b>
Share capital	72,005	72,005	72,005	72,005	72,005
Reserves	288,048	304,291	327,381	356,591	387,199
<b>Total equity</b>	<b>360,053</b>	<b>376,296</b>	<b>399,386</b>	<b>428,596</b>	<b>459,204</b>
Non-controlling interest	14,059	16,267	17,081	17,935	18,831
<b>Total liabilities &amp; equity</b>	<b>3,556,744</b>	<b>3,592,410</b>	<b>3,624,688</b>	<b>3,745,389</b>	<b>3,870,137</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	2,065,348	2,131,788	2,169,544	2,242,043	2,320,842
Average interest earning assets	3,320,300	3,456,331	3,460,467	3,523,490	3,643,074
Average interest bearing liabilities	2,934,632	3,031,708	3,018,211	3,061,305	3,149,347
CET 1 capital	328,180	335,601	357,192	385,783	415,808
Total capital	395,476	401,825	423,899	453,229	484,014
Gross non performing loans (NPL)	106,809	101,096	101,821	103,513	106,619
<b>Per share (THB)</b>					
Book value per share	25.76	26.92	28.57	30.66	32.85
Tangible book value per share	25.76	26.92	28.57	30.66	32.85
<b>Growth</b>					
Gross customer loans	12.7	(1.4)	2.0	3.0	3.0
Average interest earning assets	9.5	4.1	0.1	1.8	3.4
Total asset (%)	6.9	1.0	0.9	3.3	3.3
Risk weighted assets (%)	3.3	3.2	1.8	3.3	3.5
Customer deposits (%)	6.2	(0.9)	2.0	3.0	3.0
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	94.7	94.3	94.1	94.0	93.8
Equity/assets (%)	10.1	10.5	11.0	11.4	11.9
Tangible equity/assets (%)	10.1	10.5	11.0	11.4	11.9
RWA/assets (%)	58.1	59.3	59.9	59.9	60.0
CET 1 CAR (%)	15.9	15.7	16.5	17.2	17.9
Total CAR (%)	19.1	18.8	19.5	20.2	20.9
<b>Asset Quality (FSSIA's calculation)</b>					
Change in NPL (%)	(0.3)	(5.3)	0.7	1.7	3.0
NPL/gross loans (%)	4.1	3.9	3.9	3.8	3.8
Allowance for ECL/gross loans (%)	6.6	6.7	7.0	7.1	7.3
Allowance for ECL/NPL (%)	162.3	172.5	181.8	187.1	191.6
<b>Valuation</b>					
Recurring P/E (x) *	12.4	7.9	7.1	6.7	6.4
Recurring P/E @ target price (x) *	15.0	9.6	8.5	8.1	7.7
Reported P/E (x)	12.4	7.9	7.1	6.7	6.4
Dividend yield (%)	2.2	3.6	4.1	4.3	4.6
Price/book (x)	0.7	0.7	0.7	0.6	0.6
Price/tangible book (x)	0.7	0.7	0.7	0.6	0.6
Price/tangible book @ target price (x)	0.9	0.9	0.8	0.8	0.7

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Krung Thai Bank; FSSIA estimates

## Public disclosures related to sustainable development evaluation of Thai listed companies

**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**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) "**Sustainability Investment List (THSI)**" by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

### CG Score by the Thai Institute of Directors Association (Thai IOD)<sup>1</sup>

The **CG Score** indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the [Thai IOD website](#) in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The **five underlying categories and weighting** used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

### Corporate Governance Report Disclaimer

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of companies listed on the Stock Exchange of Thailand and the Market of Alternative Investment disclosed to the public and able to be accessed by a general public investor at [Thai IOD website](#). The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the data appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. **FSSIA** does not confirm nor certify the accuracy of such survey result.

### AGM Checklist by the Thai Investors Association (TIA)<sup>2</sup>

The "**AGM Checklist**" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The **Checklist** contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of 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.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

### CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC)<sup>3</sup>

A **CAC certified member** is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member **start with** by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the **CAC Council** for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

### Sustainability Investment (THSI)<sup>4</sup> by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (**THSI**) quantifies responsibility in **Environmental**, and **Social** issues, by managing business with transparency in **Governance**. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >150 by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: **Economic** (CG, risk management, customer relation management, supply chain management, and innovation); **Environmental** (environmental management, eco-efficiency, and climate risk); **Social** (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices<sup>5</sup> (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the **THSI list**, the SET further developed a sustainability **SETTHSI Index** in June 2018 from selected THSI companies whose 1) market capitalisation > 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.

Sources: [SEC](#); [Thai IOD](#); [Thai CAC](#); [SET](#); FSSIA's compilation

#### Disclaimer:

<sup>1</sup> Thai Institute of Directors Association ([Thai IOD](#)) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

<sup>2</sup> Thai Investors Association ([TIA](#)) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

<sup>3</sup> Thai Private Sector Collective Action against Corruption ([CAC](#)) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

<sup>4</sup> Sustainability Investment List ([THSI](#)), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

<sup>5</sup> Dow Jones Sustainability Indices – [Wikipedia](#) – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

**GENERAL DISCLAIMER**

**ANALYST(S) CERTIFICATION**

Usanee Liurut, CISA FSS International Investment Advisory Securities Co., Ltd

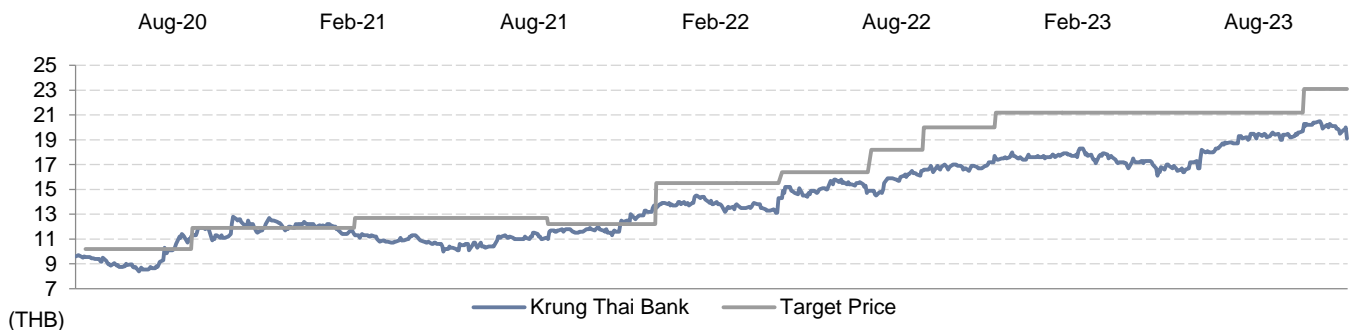
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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**History of change in investment rating and/or target price**

**Krung Thai Bank (KTB TB)**



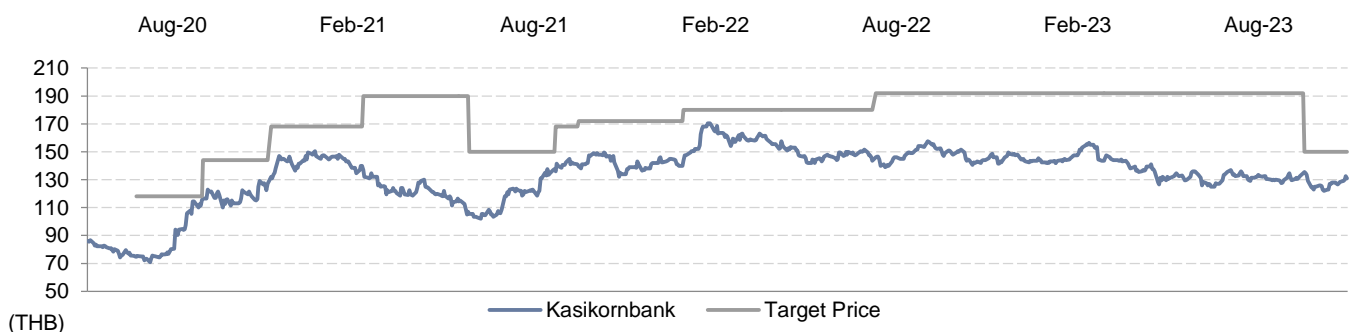
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Sep-2020	HOLD	10.20	06-Jan-2022	BUY	15.50	25-Oct-2022	BUY	21.20
03-Dec-2020	HOLD	11.90	22-Apr-2022	BUY	16.40	17-Jul-2023	BUY	23.10
22-Apr-2021	HOLD	12.70	08-Jul-2022	BUY	18.20			
05-Oct-2021	HOLD	12.20	24-Aug-2022	BUY	20.00			

Usanee Liurut, CISA started covering this stock from 17-Jul-2023

Price and TP are in local currency

Source: FSSIA estimates

**Kasikornbank (KBANK TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Oct-2020	BUY	118.00	22-Jul-2021	BUY	150.00	08-Jul-2022	BUY	192.00
03-Dec-2020	BUY	144.00	05-Oct-2021	BUY	168.00	17-Jul-2023	BUY	150.00
29-Jan-2021	BUY	168.00	25-Oct-2021	BUY	172.00			
21-Apr-2021	BUY	190.00	24-Jan-2022	BUY	180.00			

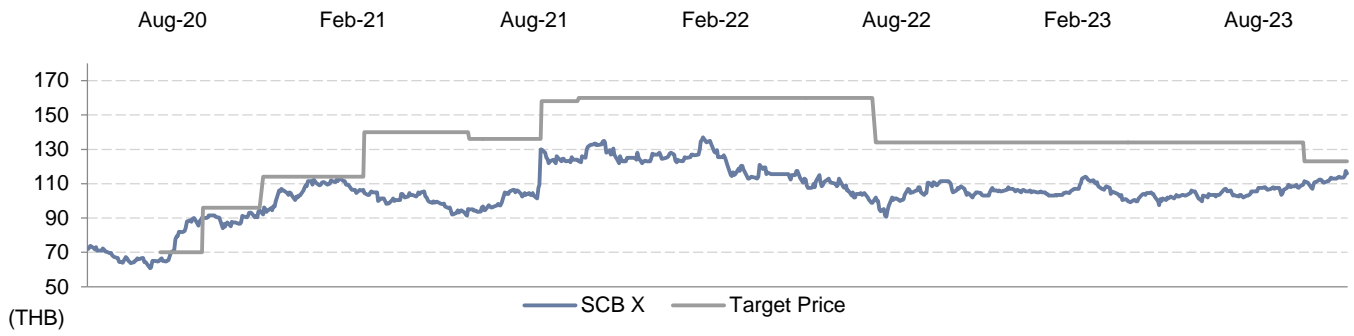
Usanee Liurut, CISA started covering this stock from 17-Jul-2023

Price and TP are in local currency

Source: FSSIA estimates



**SCB X (SCB TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Oct-2020	HOLD	70.00	22-Apr-2021	BUY	140.00	25-Oct-2021	BUY	160.00
03-Dec-2020	HOLD	96.00	22-Jul-2021	BUY	136.00	08-Jul-2022	BUY	134.00
22-Jan-2021	BUY	114.00	23-Sep-2021	BUY	158.00	17-Jul-2023	BUY	123.00

Usanee Liurut, CISA started covering this stock from 17-Jul-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Krung Thai Bank	KTB TB	THB 19.10	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.
Kasikornbank	KBANK TB	THB 131.00	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 116.00	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.

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 Finasia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 24-Aug-2023 unless otherwise stated.

**RECOMMENDATION STRUCTURE**

**Stock ratings**

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