

Thailand Banks

No negative surprise for 4Q24 results

- ธนาคาร 7 แห่งที่เราทำการศึกษารายงานกำไรสุทธิ 4Q24 รวม 51.3 พัน ลบ. (+20% y-y, -6% q-q) โดยไม่พลาดเป้าในทางลบ
- ในภาพรวมคุณภาพสินทรัพย์ปรับตัวดีขึ้นจากสัดส่วนหนี้ด้อยคุณภาพที่ลดลง q-q ของ BBL และ KTB เป็นหลัก ในขณะที่ต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) รวมอยู่ในระดับที่เอื้ออำนวยที่ 141bp ใน 4Q24
- คงให้น้ำหนักเท่ากับตลาดโดยยังคงแนะนำซื้อ BBL และเลือกหุ้นดังกล่าวเป็นหุ้นเด่น

กำไรสุทธิ 4Q24 ที่ 51.3 พัน ลบ. สูงกว่าที่เราและตลาดคาด

ธนาคาร 7 แห่งที่เราทำการศึกษารายงานกำไรสุทธิ 4Q24 รวม 51.3 พัน ลบ. (+20% y-y, -6% q-q) สูงกว่าที่เราคาด 13% และตลาดคาด 8% ใน 4Q24 ไม่มีธนาคารใดที่พลาดเป้าในทางลบเลยโดยทั้งหมดรายงานผลประกอบการตามคาดหรือดีกว่าคาด นอกจากนี้ยังมีตัวเลขที่ดีกว่าคาดหลายรายการประกอบด้วยค่าใช้จ่ายในการดำเนินงานและ Credit cost ที่ต่ำกว่าคาด ในขณะที่ SCB และ KKP รายงานกำไร 4Q24 ดีกว่าคาดมากที่สุดจากค่าใช้จ่ายในการดำเนินงานและ Credit cost (สำหรับ SCB) ที่ดีกว่าคาดรวมถึงกำไรจากการปรับมูลค่าให้เป็นราคาตลาดที่อยู่ในระดับสูง (สำหรับ KKP) ในขณะที่ BBL และ KTB รายงานหนี้ด้อยคุณภาพลดลง q-q เป็นจำนวนมาก เราเชื่อว่าตัวเลขที่ลดลงดังกล่าวเกิดจากแผนฟื้นฟูของ Thai Airways ที่กำลังดำเนินอยู่ในปัจจุบันหลังประสบความสำเร็จในการแปลงหนี้สินเป็นทุนซึ่งทำให้นี้ดังกล่าวปรับระดับดีขึ้นเป็นขั้นที่ 2 (หนี้ผิดนัดชำระ 1-3 เดือน) จากขั้นที่ 3 (หนี้ด้อยคุณภาพ) ในปี 2024 ธนาคารทั้ง 7 แห่งรายงานกำไรสุทธิรวม 214.5 พัน ลบ. สูงขึ้น 10% y-y นำโดย KBANK KTB และ TTB

หนี้ด้อยคุณภาพลดลงเป็นจำนวนมากและ Credit cost ที่เอื้ออำนวย

หนี้ด้อยคุณภาพที่ลดลงเป็นจำนวนมากของ BBL และ KTB ได้ทำให้สัดส่วนหนี้ด้อยคุณภาพออกมาอยู่ที่ 3.55% ใน 4Q24 ลดลงจาก 3.8% ใน 3Q24 ในขณะที่ Credit cost อยู่ที่ 141bp ซึ่งดีกว่าที่เราคาดไว้ที่ 149bp และสัดส่วนสำรองต่อหนี้ด้อยคุณภาพอยู่ที่ 195% อย่างไรก็ตามมีความกังวลเกี่ยวกับคุณภาพสินทรัพย์สำหรับ KBANK และ SCB อยู่บ้างจากสินเชื่อขั้นที่ 2 ที่เพิ่มขึ้นและการก่อตัวของหนี้ด้อยคุณภาพที่เกิดขึ้นอย่างต่อเนื่อง แม้เราจะมองว่าตัวเลขไม่ได้สูงมากแต่ยังต้องจับตาดูอย่างใกล้ชิด ธนาคารบางแห่งมีการพูดคุยถึงมาตรการแก้ไขหนี้ครัวเรือน ‘คุณสู้ เราช่วย’ ของธนาคารแห่งประเทศไทย (BOT) ว่าอาจมีผู้สมัครเข้าร่วมโครงการไม่เกิน 10% ของสินเชื่อรวม อย่างไรก็ตามตัวเลขลูกค้าที่เข้าเกณฑ์อาจต่ำกว่านั้นหลังคัดกรองอย่างละเอียด จากข้อมูลของ BOT ในเดือน ก.พ. 2025 ตัวเลขที่ได้รับการอนุมัติอยู่ที่เพียง 38% ของใบสมัครทั้งหมด ทั้งนี้เราเชื่อว่าธนาคารส่วนมากจะสามารถจัดการกับผลกระทบเชิงลบได้

คงให้น้ำหนักเท่ากับตลาดโดยเลือก BBL เป็นหุ้นเด่น

เราคงให้น้ำหนักกลุ่มธนาคารเท่ากับตลาดเนื่องจากเราคาดว่ากำไรสุทธิจะโตเพียง 4% y-y ในปี 2025 อย่างไรก็ตาม ผลตอบแทนในรูปเงินปันผลอาจสูงขึ้นโดยส่วนมากน่าจะเพิ่มขึ้นเป็น 5.2-5.7% ทั้งนี้เราเลือก BBL (TP 184 บาท) เป็นหุ้นเด่นเนื่องจากธนาคารฯ น่าจะได้รับประโยชน์สูงสุดจากรอบการลงทุนใหม่



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No negative surprise for 4Q24 results

Seven Thai banks under our coverage reported an aggregate 4Q24 net profit of THB51.3b (+20% y-y, -6% q-q). This was higher than our estimate by 13% and Bloomberg's consensus by 8%.

In 4Q24, none of the seven banks reported a negative surprise; all were either in line or above estimates. Moreover, there were various positive surprises, including lower-than-expected OPEX and credit costs.

SCB and KKP delivered the largest positive surprises in 4Q24 from lower-than-expected OPEX and credit cost (for SCB) and a high marked-to-market gain (for KKP).

Meanwhile, BBL and KTB reported a large reduction in NPLs q-q in 4Q24. We believe this came from the ongoing Thai airways rehabilitation plan with a successful debt to equity conversion which was upgraded to loan stage II (delinquent loans) from stage III (NPLs).

For full-year 2024, the seven banks reported an aggregate net profit of THB214.5b, up 10% y-y, led by KBANK, KTB and TTB.

Key highlights for seven banks

(0) Loan growth: Loan growth in 4Q24 was flat y-y and 1.8% q-q, in line with our forecast. The growth was driven by corporate and government-related segments and particular retail loans (credit cards, mortgages for quality customers).

(+) NIM: The aggregate NIM was at 3.51% in 4Q24, slightly better than our expectation from lower-than-expected funding costs among the big banks. Meanwhile, the yield reduction q-q following the rate cut in Oct-24 was in line with our expectation.

(+) Non-NII. We noticed many banks reported growth in fee income from brokerage, bancassurance, mutual funds and credit cards both y-y and q-q (seasonality). Nonetheless, the outlook of non-NII in 2025 is largely depend on ongoing capital market activities and purchasing power.

(+) Cost-to-income: Cost to income was at 47.5% vs our estimate of 49%. This reflects that Thai banks have maintained strong OPEX discipline.

At the operating level, Thai banks' PPOP was up 3% y-y but down 6% q-q (from OPEX seasonality), which was 5% above our estimate.

(+) Asset quality: With large NPL reductions at BBL and KTB, the NPL ratio for the sector was at 3.55% in 4Q24, down from 3.8% in 3Q24. The 4Q24 credit cost was at 141bp, which was better than our estimate of 149bp. The NPL coverage ratio was at 195%.

Nonetheless, there are some concerns about asset quality for KBANK and SCB due to a higher amount of loans under stage II and the continued NPL formation rate. This was not a big increase, in our view, but still needs close monitoring.

Some banks have discussed the household debt measure 'You Fight, We help' program from the BOT with a potential application level of up to 10% of total loans. Nonetheless, the number of real eligible customers could be much lower than that after detailed screening. According to the data from the BOT in February 2025, the approval rate is only 38% of total applications. We believe most banks will be able to manage the negative impacts.

Exhibit 1: Aggregate banks – 4Q24 results summary

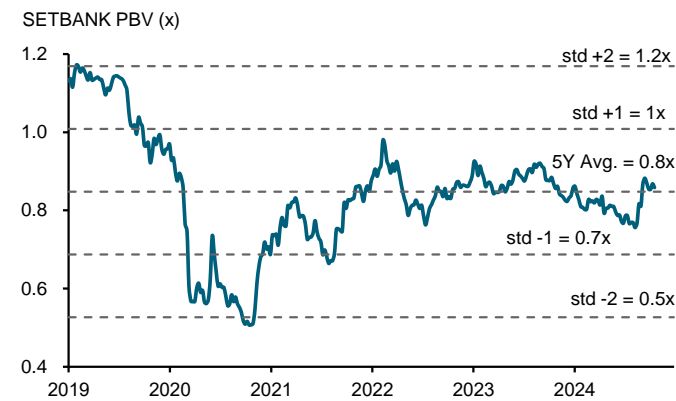
Year end 31 Dec	3Q23 (THB m)	4Q23 (THB m)	1Q24 (THB m)	2Q24 (THB m)	3Q24 (THB m)	4Q24 (THB m)	Change		2024	Change
							(y-y%)	(q-q%)	(THB m)	(y-y %)
Net interest income	157,561	161,928	156,317	155,814	155,307	154,246	(4.70)	(0.70)	621,684	1.8
Non-interest income	44,609	43,468	48,419	49,717	50,668	50,188	15.50	(0.90)	198,976	5.4
Total operating income	202,170	205,396	204,737	205,531	205,975	204,434	(0.50)	(0.70)	820,659	2.6
Total operating expenses	88,639	100,663	90,311	89,473	92,052	97,010	(3.60)	5.40	368,830	3.3
PPOP before tax	113,532	104,733	114,426	116,058	113,923	107,424	2.60	(5.70)	451,830	2.2
Expected credit loss	48,343	54,382	44,501	49,186	44,933	42,333	(22.20)	(5.80)	180,954	(7.2)
Income tax	13,233	5,775	13,018	11,157	12,636	12,231	111.80	(3.20)	49,042	9.6
Non-controlling interest	1,490	1,901	1,965	2,170	1,616	1,556	(18.2)	(3.8)	7,202	3.8
Net profit	50,467	42,674	54,942	53,544	54,738	51,303	20.2	(6.3)	214,525	9.8
Key ratios	3Q23	4Q23	1Q24	2Q24	3Q24	3Q24	Change		2024	
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(%)	(y-y%)	(q-q%)	(%)	
Gross NPLs (THB m)	437,890	435,326	441,392	446,727	451,126	431,459	(0.9)	(4.4)	431,459	
NPL ratio (%)	3.58	3.59	3.61	3.68	3.78	3.55			3.55	
Coverage ratio (%)	188.38	191.50	187.73	186.65	184.63	194.80			194.80	
Credit cost (%)	1.59	1.79	1.46	1.62	1.49	1.41			1.41	
Profitability ratio	(%)	(%)	(%)	(%)	(%)	(%)				
Cost-to-income ratio	43.84	49.01	44.11	43.53	44.69	47.45				
Average yield (%)	4.80	4.99	4.89	4.92	4.95	4.88				
Cost of funds (%)	1.46	1.59	1.63	1.66	1.69	1.65				
NIM (%)	3.58	3.66	3.53	3.53	3.54	3.51				
Non-interest income /total income (%)	22.07	21.16	23.65	24.19	24.60	24.55				
Loan momentum							(y-y%)	(q-q%)		
Gross loans (THB t)	12.24	12.13	12.21	12.13	11.93	12.14	0.1	1.8		

Sources: Company data; FSSIA compilation

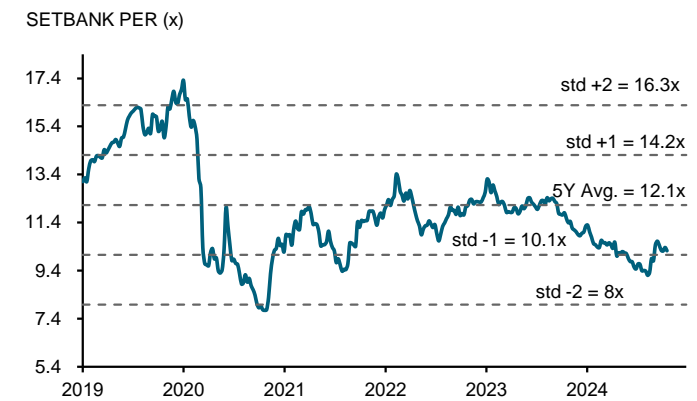
Exhibit 2: 4Q24 net profit by banks

	3Q23 (THB m)	4Q23 (THB m)	1Q24 (THB m)	2Q24 (THB m)	3Q24 (THB m)	4Q24 (THB m)	Change		Comments
							(y-y %)	(q-q %)	
BBL	11,350	8,863	10,524	11,807	12,476	10,404	17.4	(16.6)	Positive surprises were a lower-than-expected funding cost, credit cost, strong non-NII and a large contraction of NPL q-q.
KBANK	11,282	9,388	13,486	12,653	11,965	10,494	11.8	(12.3)	The results were better than our estimates from high non-NII, especially the bancassurance business. Overall asset quality was controllable with an NPL ratio of 3.71% and credit cost of 198bp.
SCB	9,663	10,995	11,281	10,016	10,941	11,707	6.5	7.0	Positive surprises were low OPEX and credit cost. However, there was a higher NPL ratio from corporate loans, SMEs and mortgages with a higher NPL formation rate.
KTB	10,282	6,111	11,078	11,195	11,107	10,475	71.4	(5.7)	Key surprises were a lower-than-expected credit cost and a sharp drop in NPLs. This was due to the positive progress of Thai Airways' rehabilitation plan.
TTB	4,735	4,866	5,334	5,355	5,230	5,112	5.0	(2.3)	The positive surprises were lower-than-expected funding costs and OPEX and strong non-NII. TTB recorded a negative tax rate of 3% in 4Q24 from the tax shield benefit.
TISCO	1,874	1,782	1,733	1,749	1,713	1,706	(4.3)	(0.4)	In line with our estimates and consensus. Credit cost was low at 57bp but this was offset by a high cost-to-income ratio at 48.9%.
KKP	1,281	670	1,506	769	1,305	1,406	109.8	7.7	Excluding the high marked-to-market asset gain of THB484m in 4Q24, net profit would be in line with our expectation. Losses from auto reposessions were at THB1.1b.
SECTOR	50,467	42,674	54,942	53,544	54,738	51,303	20.2	-6.3	

Sources: Company data; FSSIA compilation

Exhibit 3: SETBANK – one-year prospective P/BV band

Sources: Bloomberg; FSSIA estimates

Exhibit 4: SETBANK – one-year prospective PER band

Sources: Bloomberg; FSSIA estimates

(+) BBL 4Q24 first glance – big NPL reduction

BBL reported a 4Q24 net profit of THB10.4b (+17% y-y, -17% q-q), 14% above our estimate and 3% above the Bloomberg consensus. The positive surprises, in our view, were a lower-than-expected funding cost, credit cost, and strong non-NII.

Another surprise for BBL was the large contraction of the NPL ratio to 3.19% from 3.94% in 3Q24. There was a THB18b reduction of NPLs q-q in 4Q24 vs the normal reduction of cTHB9b from 3Q to 4Q. BBL disclosed that the reduction was due to continued repayments and successful restructuring progress for many NPL accounts from various industries (not specific). We believe part of the NPL reduction was likely from Thai Airways following the rehabilitation plan and ITD, which relapsed last year. These will be upgraded to loans under stage II.

(+) KBANK 4Q24 first glance – beat from life insurance

KBANK reported a 4Q24 net profit of THB10.5b (+12% y-y, -12% q-q). This was better than our estimate and the Bloomberg consensus by 6%, mainly from higher-than-expected non-NII, especially underwriting profit with a combined ratio of 104% (vs our expectation of 110%).

Overall asset quality was controllable with an NPL ratio of 3.71% from 3.82% in 3Q24. Meanwhile, the credit cost in 4Q24 was at 198bp and 191bp for FY2024. We see some challenges for KBANK in 2025 compared to management's target of 140 to 160bp.

The overall NPL formation rate was stable from our tracking at 165bp in 4Q24.

Nonetheless, we have concerns about the higher proportion of stage II loans from 7.4% in 4Q23 to 8.6% in 4Q24. The higher proportion could further fall into NPLs. Note that KBANK has two JV AMCs to manage (JK with JMT and Arun with BAM).

For full-year 2024, net profit was at THB48.6b (+15% y-y), mainly from a lower credit cost to 191bp from 208bp in 2023.

(-) SCB 4Q24 first glance – beat from OPEX and credit cost but rising NPL formation rate

SCB reported a 4Q24 net profit of THB11.7b (+7% y-y, q-q). This was higher than our estimate and the Bloomberg consensus by 24% and 18%, respectively, mainly due to lower-than-expected OPEX and credit cost at 162bp in 4Q24.

(-) Nonetheless, we are not positive about SCB's asset quality despite the low credit cost. This is because the NPL ratio increased to 4.06% from 3.89% in 3Q24 from corporate loans, SMEs and mortgages, while credit card NPLs declined q-q.

In addition, the NPL formation rate was quite high at 225bp from our calculation, with the tendency to increase.

(+) KTB 4Q24 first glance – lower-than-expected NPLs

(+) KTB reported a 4Q24 net profit of THB10.5b (+71% y-y, -6% q-q), 9% above FSSIA'S forecast and in line with the Bloomberg consensus. The key surprise was a lower-than-expected credit cost at 102bp vs our estimate of 127bp.

We believe the benign credit cost for KTB was from a large reduction in the NPL ratio to 3.5% from 3.8% in 3Q24, implying a THB3.3b NPL reduction. KTB disclosed that such an NPL reduction reflects the process of rehabilitation and successful debt-to-equity conversion, which is the Thai Airways account.

Loan growth was at 4.7% y-y and 5.2% q-q, the highest level among seven Thai banks under our coverage. The key drivers were the government-related segment (now at 19.5% of KTB's total loans) with 39% growth y-y and 25% q-q and mortgages at +5% y-y.

(+) TTB 4Q24 first glance – beat from non-NII and OPEX

TTB reported a 4Q24 net profit of THB5.11b (+5% y-y, -2% q-q), 3% above the Bloomberg consensus and 13% above our preview.

The positive surprises, in our view, included a lower-than-expected funding cost, better-than-expected non-NII and benign OPEX in 4Q24. The positive surprises were partially offset by a high credit cost at 150bp.

For 4Q24, TTB recorded a negative tax rate of 3%, and the remaining tax shield is at THB10.6b (applicable until 2028E).

Full-year 2024 net profit for TTB was at THB21.03b, +13% y-y, mainly from the tax shield benefit.

(0) TISCO 4Q24 first glance – in line from low credit cost

TISCO reported a 4Q24 net profit of THB1.71b, down 4% y-y and 0.4% q-q. This was in line with FSSIA's and Bloomberg's consensus estimates. Credit cost was low at only 57bp, while cost to income remained high at 48.9%.

Asset quality remained controllable with an NPL ratio of 2.35% and a stabilized NPL formation rate.

For full-year 2024, net profit was at THB6.9b, down 5.5% y-y mainly from a higher cost of funds.

Credit cost was 57bp, lower than our estimate of 70bp. This is in accordance with lower LLR from THB8.9b to THB8.5b q-q, implying a continued reserve release. Nonetheless, the NPL coverage was down to 155%. We believe the room to release reserves for TISCO is now very limited.

(0) KKP 4Q24 first glance – in line after excluding high MTM gain; loss from auto sales at THB1.1b

KKP reported a 4Q24 net profit of THB1.4b, double y-y and +8% q-q, higher than our and the Bloomberg consensus estimates by 38% mainly due to a high gain from marked-to-market (MTM) assets at THB484m in the quarter. Excluding this gain, net profit would be in line with our estimate.

The NPL ratio slightly increased q-q to 4.22% from 4.15% in 3Q24 due to a lower loan base. We saw a higher NPL amount from the auto HP business mainly. The NPL coverage ratio was at 134%.

Meanwhile, KKP's loss from auto repossession was at THB1.1b, which was in line with our expectation. Note that the peak was at THB1.44b per quarter.

For full-year 2024, net profit was at THB4.99b, down 8% y-y from a lower NIM mainly.

We foresee limited positive surprises going forward as it largely depends on a lower loss from auto repossession from more than THB1b per quarter. Meanwhile, used car prices still dropped 10% y-y.

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 Sustainability	The Sustainability's 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+									
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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) **THSI**. 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

Nathapol Pongsukcharoenkul FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Bank	BBL TB	THB 147.50	BUY	Upside risks to our GGM-based TP are 1) accelerated loan growth owing to economic recovery and 2) a positive development of asset quality, which should bode well for its credit costs; 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 152.50	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
SCB X	SCB TB	THB 121.50	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.
Krung Thai Bank	KTB TB	THB 22.50	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.
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.
Tisco Financial	TISCO TB	THB 97.75	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.
Kiatnakin Phatra Bank	KKP TB	THB 56.50	HOLD	Downside risks to our GGM-based target price include weakened asset quality and lower fee income. By contrast, upside risks include better capital market conditions, higher used car prices, and strengthened asset quality. Upside risks comprise 1) lower credit cost from better asset quality; and 2) improved market price of used cars and lower loss on sales of NPAs

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 04-Mar-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.