6 MARCH 2025

EQUITY RESEARCH - TRANSFER OF COVERAGE

KASIKORNBANK KBANK TB

THAILAND / BANKING

FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating ★★★★★

BUY

UNCHANGED

TARGET PRICE	THB186.00
CLOSE	THB151.50
UP/DOWNSIDE	+22.8%
PRIOR TP	THB192.00
CHANGE IN TP	-3.1%
TP vs CONSENSUS	+7.4%

Good profit growth from lower credit cost

- We expect KBANK to post net profit growth of 6.1% y-y in 2025, which is the highest level among Thai banks under our coverage.
- This is supported by lower credit cost y-y to 168bp in 2025E from 189-211bp in 2022-24 after active balance sheet cleanup strategy.
- Maintain top BUY rating with a new TP of THB186.

Expect credit cost at 168bp in 2025

We expect KBANK to post net profit growth of 6.1% y-y in 2025, which is the highest level among Thai banks under our coverage (industry growth of 4.5%). This would be supported by a lower credit cost y-y to 168bp in 2025E from 189-211bp in 2022-24 after the active balance sheet cleanup strategy. Note that our credit cost forecast of 168bp in 2025 is conservative compared to KBANK's credit cost target of 140-160bp. Sensitivity-wise, every 10bp decrease in KBANK's credit cost would translate into higher 2025E net profit by 4.9%, all else being equal.

Credit cost to lower y-y after active NPL outflow

After the 'Active Balance Sheet Cleanup' for KBANK during 2022-24, we expect KBANK's NPL ratio and credit cost to be more benign in 2025-27 to 159-168bp from 189-211bp in 2022-24. Since 2022, JK Asset Management Company or JK AMC has played a major role to absorb NPL sales from KBANK, totaling THB131b, THB92.5b and THB52.3b for 2022/23/24, respectively. We believe the results of KBANK's active balance sheet cleanup during 2022-24 are a gradually lower trend of NPL formation in the past eight quarters and a lower NPL ratio, especially in the SME segment.

Raising dividend payout ratio to 46% is supportive

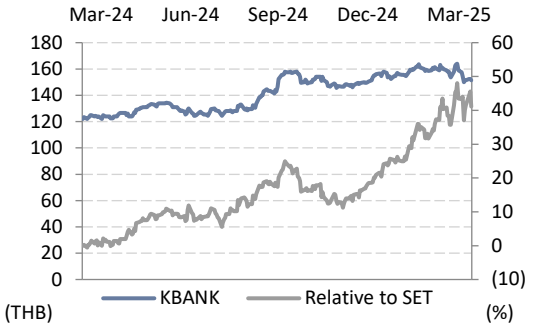
We see the higher dividend payout ratio to 46% in 2024 (from 36% in 2023) as a supportive factor for KBANK's capital management, DPS, and ROE generation. Moreover, we believe the 46% dividend payout ratio for KBANK could be sustained for 2025-27, thanks to the high CET1 and CAR ratios compared to peers. KBANK set its CET1 target of 13% to 15% for both consolidated vs 17.3% at the consolidated level currently. The current CET1 level for KBANK is sufficient with a margin of uncertainty, we believe.

Fine-tuned forecast; maintain top BUY with new TP of THB186

We have fine-tuned our 2025-26 forecast on the back of lower NIM and mute loan growth forecasts, offset by higher non-NII (asset management) and lower credit costs. After our earnings revisions, we trim our GGM-based 2025 TP to THB186 (from THB192 previously), which implies 0.74x 2025E P/BV (COE of 10.0%, ROE of 8.2%). With an undemanding valuation at only 0.6x 2025E P/BV vs our ROE projection of around 9% by 2026 (vs KBANK's double-digit ROE target in 2026), we believe KBANK provides an attractive share price upside to investors. With this report, we transfer coverage of KBANK to Nathapol Pongsukcharoenkul.

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Operating profit	63,422	67,280	72,212	76,192
Net profit	48,598	51,580	55,449	58,550
EPS (THB)	20.51	21.77	23.40	24.71
vs Consensus (%)	-	8.4	9.4	8.4
Recurring net profit	48,598	51,580	55,449	58,550
Core EPS (THB)	20.51	21.77	23.40	24.71
Chg. In EPS est. (%)	-	2.2	0.0	-
EPS growth (%)	14.6	6.1	7.5	5.6
Core P/E (x)	7.4	7.0	6.5	6.1
Dividend yield (%)	6.1	6.5	7.0	7.3
Price/book (x)	0.6	0.6	0.6	0.5
ROE (%)	8.9	8.9	9.1	9.2
ROA (%)	1.2	1.2	1.3	1.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.6)	(2.3)	22.7
Relative to country (%)	0.6	17.5	38.2

Mkt cap (USD m)	10,665
3m avg. daily turnover (USD m)	48.0
Free float (%)	80
Major shareholder	Thai NVDR (16%)
12m high/low (THB)	164.50/121.50
Issued shares (m)	2,369

Sources: Bloomberg consensus; FSSIA estimates

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Investment thesis

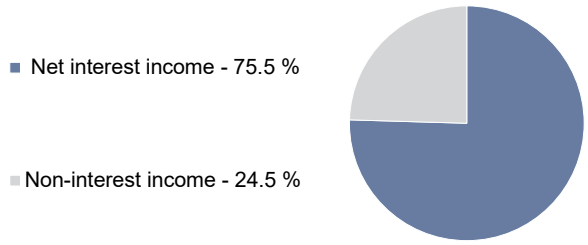
- We expect KBANK to post net profit growth of 6.1% y-y in 2025, which is the highest level among Thai banks under our coverage (industry growth of 4.5%). This would be supported by a lower credit cost y-y to 168bp in 2025E from 189-211bp in 2022-24 after the active balance sheet cleanup strategy. Note that our credit cost forecast of 168bp in 2025 is conservative compared to KBANK's credit cost target of 140-160bp.
- We forecast KBANK's dividend payout ratio to be 46% for 2025-26, which is in line with the 2024 level and higher than 26-36% in 2022-23. The higher dividend payout ratio for KBANK is a positive factor, in our view, as it reflects more efficient capital management with more benefit to shareholders in terms of higher dividends as well as ROE generation.

Company profile

Established on 8 June 1945, Kasikornbank was listed on the Stock Exchange of Thailand in 1976. Key focuses for Kasikornbank are SME loans and retail loans (mortgage, credit card, personal loans)

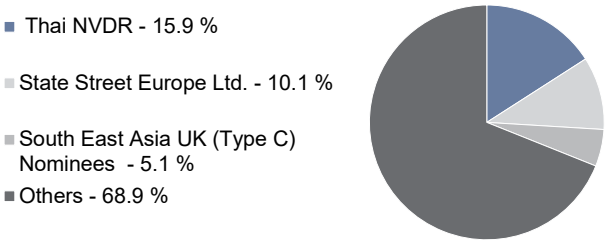
www.kasikornbank.com

Principal activities (revenue, 2024)



Source: Kasikornbank

Major shareholders



Source: Kasikornbank

Catalysts

- Higher loan demand for SME and retail loans.
- Lower-than-expected impact from interest rate cuts.
- A lower credit cost from asset quality improvement.
- A better-than-expected non-NII from asset management and bancassurance business

Risks to our call

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.

Event calendar

Date	Event
Apr 2025	1Q25 results announcement

Key assumptions

Key assumptions (%)	2025E	2026E	2027E
Loan growth	1.10	2.10	2.40
NIM	3.58	3.60	3.63
Cost-to-income ratio	44.48	43.73	43.01
Credit cost	1.68	1.62	1.59
NPL ratio	3.79	3.78	3.76
ROE	8.93	9.14	9.17

Source: FSSIA estimates

Earnings sensitivity

		2025E		
Loan growth (%)	**±1ppt**	0.10	**1.10**	2.10
% change in net profit		*(0.6)*		*0.6*
NIM (%)	**±5bp**	3.53	**3.58**	3.63
% change in net profit		*(3.9)*		*3.9*
Cost-to-income ratio (%)	**±1ppt**	43.48	**44.48**	45.48
% change in net profit		*3.8*		*(3.8)*
Credit cost (bp)	**±10bp**	158	**168**	178
% change in net profit		*4.9*		*(4.9)*

Source: FSSIA estimates

Good profit growth from lower credit cost

Maintain top BUY rating with a new TP of 186

We expect KBANK to post net profit growth of 6.1% y-y in 2025, which is the highest level among Thai banks under our coverage (industry growth of 4.5%). This would be supported by a lower credit cost y-y to 168bp in 2025E from 189-211bp in 2022-24 after the active balance sheet cleanup strategy. Note that our credit cost forecast of 168bp in 2025 is conservative compared to KBANK's credit cost target of 140-160bp. Sensitivity-wise, every 10bp decrease in KBANK's credit cost would translate into higher 2025E net profit by 4.9%, all else being equal.

We have fine-tuned our 2025-26 forecast on the back of a lower NIM forecast, as we assume one policy interest rate cut to 2.0% in 2025, and a lower loan growth forecast to 1-2% (from 3% previously) to reflect the conservative new lending for KBANK, especially to SMEs and the retail segment, which are the major segments for KBANK.

On the other hand, we have raised our non-NII forecast in order to reflect 1) an improvement in KBANK's asset management fees after being a strategic partner with J.P. Morgan Asset Management since 2024; and 2) the gradual improvement of life insurance underwriting profit via Muang Thai Life Insurance (MTL) thanks to optimizing product strategy.

After our earnings revisions, we trim our GGM-based 2025 TP to THB186 (from THB192 previously), which implies 0.74x 2025E P/BV (COE of 10.0%, ROE of 8.2%).

With an undemanding valuation at only 0.6x 2025E P/BV vs our ROE projection of around 9% by 2026 (vs KBANK's double-digit ROE target in 2026), we believe KBANK provides an attractive share price upside to investors.

We forecast KBANK's dividend payout ratio to be 46% for 2025-26, which is in line with the 2024 level and higher than 26-36% in 2022-23. The higher dividend payout ratio for KBANK is a positive factor, in our view, as it reflects more efficient capital management with more benefit to shareholders in terms of higher dividends as well as ROE generation.

We maintain our top BUY rating for KBANK with a new GGM-based 2025 TP of THB186.

Exhibit 1: 2025-26 earnings revisions

	--- Revised forecast ----		--- Previous forecast ---		-------- *Change* ----------	
	2025E (THB m)	2026E (THB m)	2025E (THB m)	2026E (THB m)	*2025E (%)*	*2026E (%)*
Net Interest Income	145,916	148,576	156,853	161,587	*-7.0%*	*-8.1%*
Non-Interest Income	51,530	53,485	49,411	50,075	*4.3%*	*6.8%*
PPOP	109,627	113,691	113,293	115,680	*-3.2%*	*-1.7%*
Loan loss provisions	42,347	41,479	46,637	42,699	*-9.2%*	*-2.9%*
Net profit	**51,580**	**55,449**	**51,555**	**56,655**	***0.0%***	***-2.1%***
Key ratios					***(ppt)***	***(ppt)***
NIM (%)	3.58	3.60	3.70	3.70	*(0.12)*	*(0.10)*
Cost to income (%)	44.48	43.73	45.10	45.30	*(0.62)*	*(1.57)*
ROA (%)	1.19	1.26	1.20	1.30	*(0.01)*	*(0.04)*
ROE (%)	8.93	9.14	9.00	9.50	*(0.07)*	*(0.36)*
Credit cost (%)	1.68	1.62	1.80	1.60	*(0.12)*	*0.02*
Loan growth (%)	1.10	2.10	3.00	3.00	*(1.90)*	*(0.90)*
Net profit growth (%)	6.14	7.50	9.60	9.90	*(3.46)*	*(2.40)*

Source: FSSIA estimates

Exhibit 2: KBANK – GGM based 2025 TP

Target price calculation based on Gordon Growth Model (GGM)			
Sustainable ROE	8.2%	**Cost of Equity (COE) calculation**	
COE	10.0%	Risk-Free Rate	3.0%
Long-term growth (g)	3.0%	Market Risk Premium	7.0%
Derived P/BV multiple (x)	0.74	Equity Beta (x)	1.00
		COE	10.0%
Dec 2025E BV per share (THB)	250		
Derived Target Price (THB)	**186**		

Source: FSSIA estimates

Exhibit 3: KBANK's target price sensitivity

	Growth rate assumption				
ROE	1.0%	2.0%	3.0%	4.0%	5.0%
6.2%	144	131	114	92	60
7.2%	172	162	150	133	110
8.2%	200	194	186	175	160
9.2%	228	225	221	216	210
10.2%	255	256	257	258	260

Source: FSSIA estimates

Exhibit 4: K-Strategy of 3+1 (Credit, Fee, Sales model + New revenue creation) with efficient capital management for ROE of 10% by 2026E

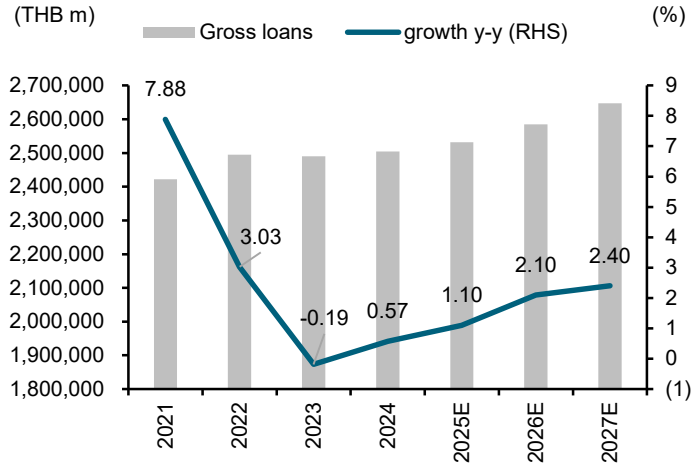
Source: KBANK

Exhibit 5: 2025: KBANK's key targets vs FSSIA's estimates

Consolidated	2024A	2025E KBANK's targets	2025E FSSIA	Comments
NIM	3.70%	3.3-3.5%	3.58%	Based on one policy interest rate cut in 2025E.
Loan growth	0.57%	flat	1.10%	Focus on quality and secured loans.
Net fee income growth	6.73%	Mid to high-single digit	6.7%	Driven by wealth management and asset management business. We expect gradual improvement in bancassurance business after peak of high underwriting expenses.
Cost-to-income	44.09%	Low to mid-40s	44.48%	
Credit cost	1.89%	1.4-1.6%	1.68%	Major improvement after active balance sheet cleanup since 2022 (with credit cost 1.9-2.1% p.a. in that time).
NPL ratio (Exclude interbank loans)	3.71%	Up to 3.8%	3.79%	

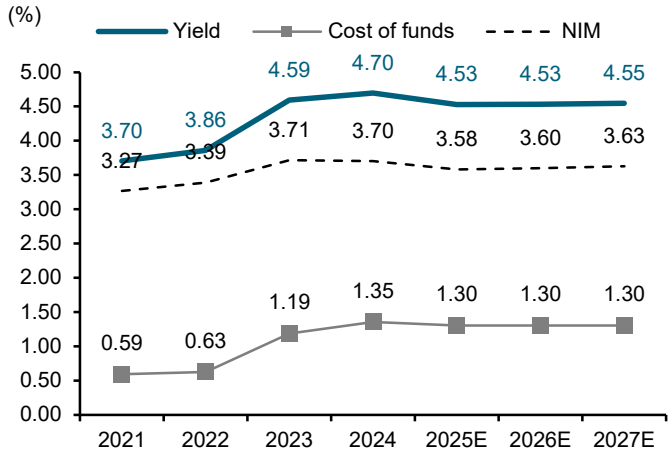
Sources: KBANK, FSSIA estimates

Exhibit 6: KBANK's loan growth



Sources: KBANK, FSSIA estimates

Exhibit 7: Yield, cost of funds and NIM



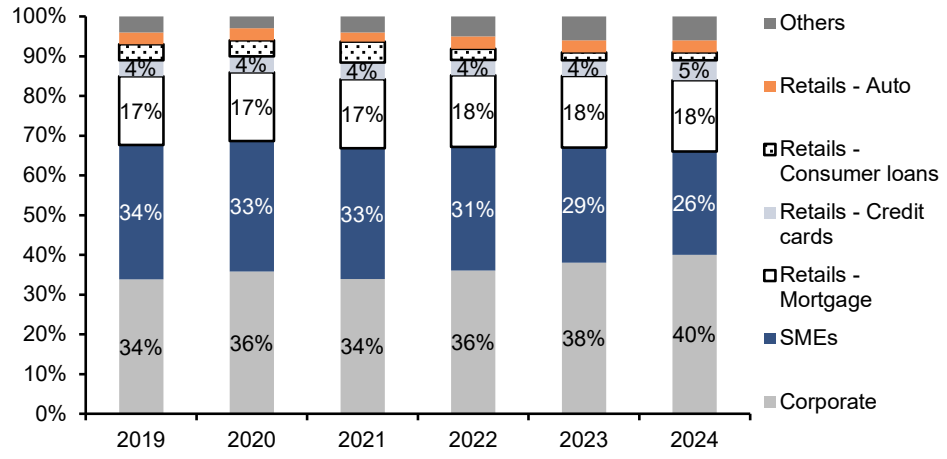
Sources: KBANK, FSSIA estimates

Minor loan growth from prudent new underwriting

We project KBANK's loan growth at 1.1% in 2025 vs KBANK's target of flat loan growth. Our conservative forecast is supported by the high proportion of SME loans (26% of total loans) and retail loans (34% of total loans), for which the bank remains prudent and tight in providing new lending. This is in line with KBANK's focus of growing quality loans in recovering sectors (such as tourism, commerce, etc.), secured loans (mortgage) and selective regional expansion in order to strengthen credit quality further.

The evidence of KBANK's prudent new lending, in our view, is the lower SME loan proportion to 26% of total loans in 2024 vs 34% in 2019.

Exhibit 8: KBANK's loan segmentation



Sources: KBANK, FSSIA's compilation

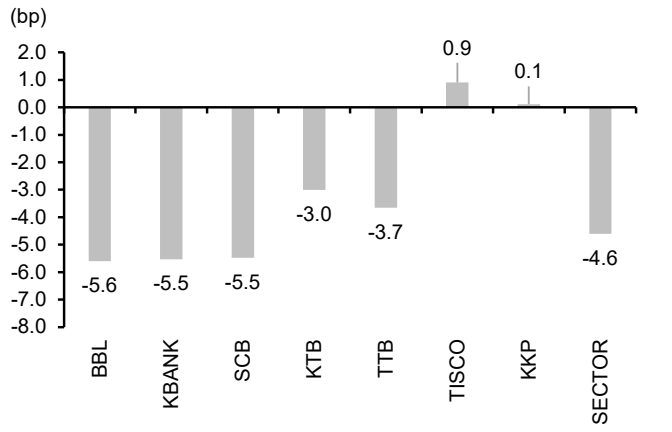
One policy rate cut to 2.0% has been factored in

Our KBANK earnings forecast is based on one policy rate cut (-25bp) in 2025E to 2.0%. As the major part of KBANK's loans are corporate loans, SME loans and mortgage loans, which are normally quoted as the floating rate, we have factored in the negative impact from one rate cut into our forecast already. We expect KBANK's NIM to decline to 3.58% in 2025 vs 3.70% in 2024.

We see the high proportion of CASA deposits at 80% as the major support for KBANK's NIM management.

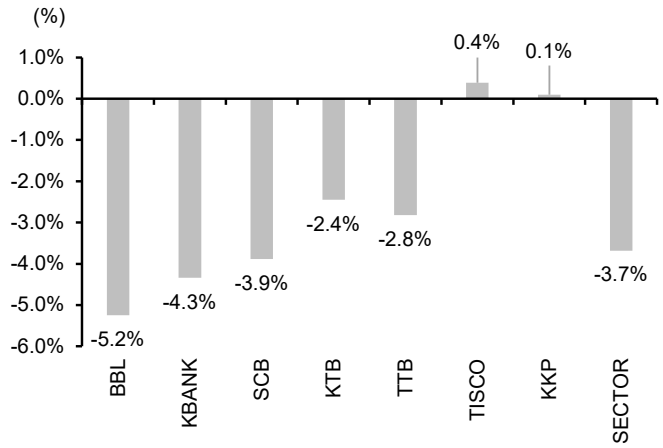
In the case of a further policy interest rate cut by 25bp from our base case, our sensitivity analysis suggests that the negative impact on KBANK's NIM would be around 5.5bp, with a net profit impact of 4.3% for 2025E, all else being equal.

Exhibit 9: Impact on NIM from 25bp policy interest rate cut



Sources: Bank's company data, FSSIA estimates

Exhibit 10: Impact on 2025E net profit from 25bp policy interest rate cut



Sources: Bank's company data, FSSIA estimates

Credit cost to decline y-y after active NPL outflow

After the 'Active Balance Sheet Cleanup' for KBANK during 2022-24, we expect KBANK's NPL ratio and credit cost to be more benign in 2025-27 to 159-168bp from 189-211bp in 2022-24.

Since 2022, JK Asset Management Company or JK AMC has played a major role to absorb NPL sales from KBANK, totaling THB131b, THB92.5b and THB52.3b for 2022/23/24, respectively. Note that JK AMC is the JV between KBANK and JMT Network Services. The combined NPL sales to JK AMC were around THB180.4b or equivalent to 7% of KBANK's total loans. With the high NPL sales to JK AMC as well as NPL write-offs due to the Covid-19 impact on loans, especially SME and retail loans, these pushed KBANK's credit cost to 189-211bp during 2022-24 for the active balance sheet cleanup.

KBANK saw that the NPL recovery process via JK AMC was better and quicker than KBANK's internal process. We believe this is because the specialty of distressed management by JMT focuses on debt collection and litigation only.

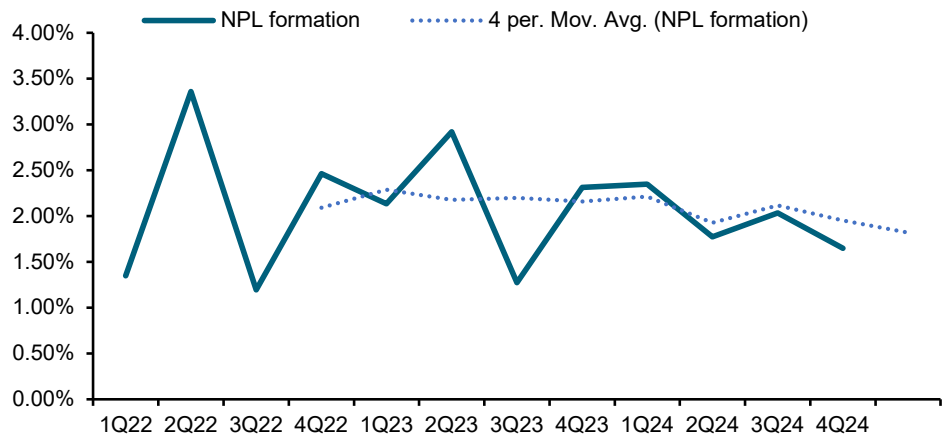
Exhibit 11: KBANK's balance sheet cleanup 2019-24 – the peak of NPL outflow was in 2022-23

KBANK balance sheet cleanup	2019	2020	2021	2022	2023	2024	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
NPL ratio (%)	3.68	4.50	4.30	3.71	3.78	3.71	3.56	3.79	3.67	3.78	3.79	3.72	3.82	3.71
Credit cost (bp)	174	205	173	211	208	189	205	208	209	220	189	189	189	198
NPL write-off (THB b)	26.4	21.5	27.4	59.0	14.1	22.3	1.0	4.3	3.7	5.1	9.1	7.5	3.2	2.5
NPL sales (THB b)*	7.1	6.8	0.0	72.0	78.4	30.0	35.6	15.0	23.0	4.8	7.9	6.3	4.9	10.9
Total NPL outflow (THB b)	33.5	28.3	27.4	131.0	92.5	52.3	36.6	19.3	26.7	9.9	17.0	13.8	8.1	13.4
Mostly to JK AMC since 2022														

Sources: KBANK, FSSIA compilation

We believe the results of KBANK's active balance sheet cleanup during 2022-24 are 1) a stable and gradually lower trend of NPL formation in the past eight quarters; 2) a lower NPL ratio, especially in the SME segment; and 3) lower quarterly NPL sales from around THB20-30b per quarter in 2023 to THB10-15b per quarter in 2024.

Exhibit 12: Benign trend of NPL formation rate



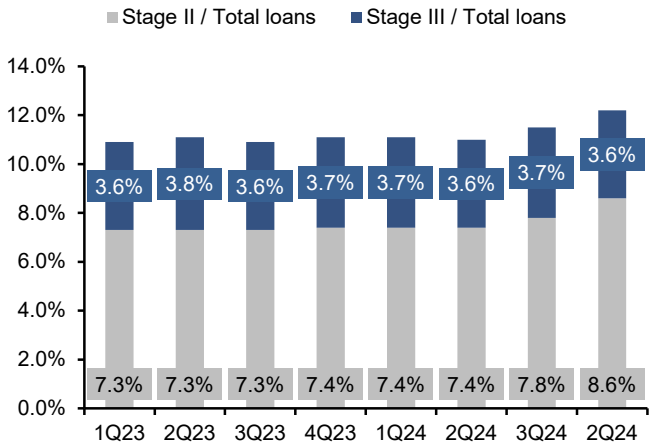
Sources: KBANK, FSSIA's compilation

Exhibit 13: KBANK's NPL ratio by segment

NPL ratio by segment	2017	2018	2019	2020	2021	2022	2023	2024
Corporate	< 2%	< 2%	< 2%	< 2%	< 2%	< 2%	< 2%	< 2%
SMEs	c.5%	c.5%	c.6%	< 7%	< 7%	< 7%	< 7%	< 6%
Retail	c.4%	c.4%	c.4%	< 5%	< 5%	< 5%	< 5%	< 5%

Source: KBANK

Exhibit 14: Loans under stage II (delinquent) and stage III (non-performing loans, NPLs)



Sources: KBANK, FSSIA compilation

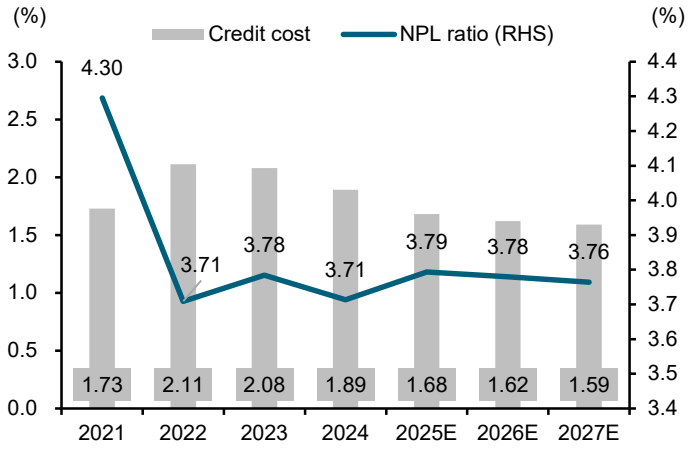
Nonetheless, the concern about KBANK's asset quality remains, in our view, after KBANK reported a higher proportion of loans under stage II (delinquent loans) q-q to 8.6% of total loans in 4Q24. KBANK disclosed that the higher proportion was mainly due to relapsed debt restructuring that faced more difficulties. Note that KBANK disclosed that debt restructuring (DR) is now at 7.6% of total loans. We expect that some DRs are classified under loan stage II already.

KBANK has guided that the NPL outflow in 2025 will be within the same range as 2024 or around THB50b +/-. This outflow level of THB50b per year is much lower than THB92-131b in 2022-23, which was the highest level for NPL cleanup.

We believe our KBANK credit cost forecast of 168bp in 2025 vs KBANK's target of 140-160bp should include the potential impact from a higher proportion of stage II loans, an improvement in NPL inflow and outflow, and the impact from the new JV AMC called Arun AMC.

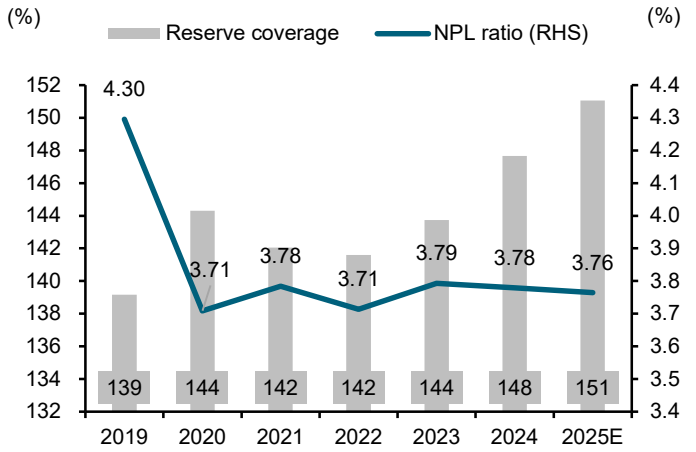
Meanwhile, we expect KBANK's NPL ratio to be around 3.7-3.8% in 2025-27, which is in line with the 2022-24 level and much lower compared to 4.3-4.5% in 2020-21 (impacted by Covid-19).

Exhibit 15: Benign credit cost to 168bp in 2025E after active NPL cleanup with high credit cost of 189-211bp in 2022-24



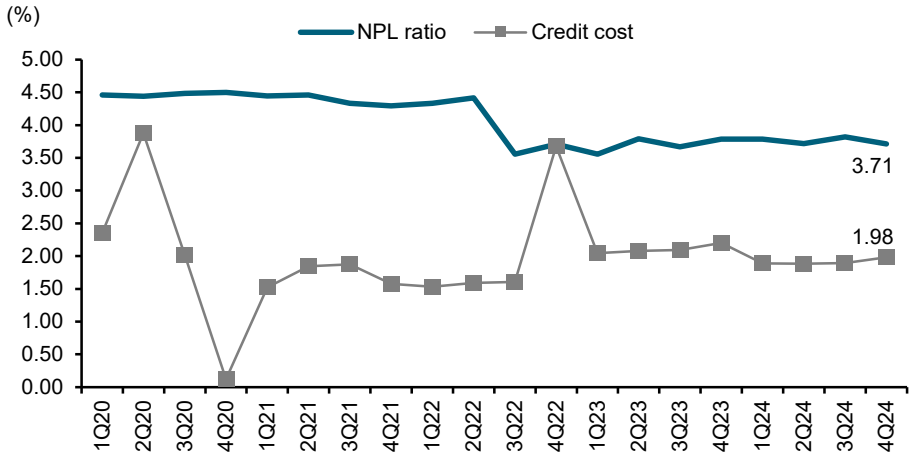
Sources: KBANK, FSSIA estimates

Exhibit 16: KBANK's NPL ratio should be around 3.7-3.8% in 2025-27E



Sources: KBANK, FSSIA estimates

Exhibit 17: KBANK's quarterly NPL ratio and credit cost



Sources: KBANK, FSSIA compilation

Arun AMC – expect slower recovery from long process of secured NPLs

For 2025, apart from JK AMC, KBANK has another JV AMC called 'Arun AMC', which is the JV between KBANK and Bangkok Commercial Asset Management or BAM (specializing in secured NPL management). By collateral, KBANK expects the largest portion for Arun AMC would be residential properties (from retail and some SME debtors), rather than commercial properties (commercial building, factories, vacant land, etc).

Arun AMC should be another arm for KBANK to manage NPLs. KBANK plans to sell NPLs totaling around THB60b over the next three years to Arun AMC. This target is lower than KBANK's NPL sales to JK AMC of THB72b and THB78.4b in 2022-23, respectively, which were the first and the second years of JK AMC's operations.

Nonetheless, with BAM's specialty of secured NPLs and NPAs (non-performing assets), we believe it is possible that the recovery by Arun AMC will take a longer time compared to JK AMC (specializing in unsecured NPLs) and could generate a loss for the first year of operation, in our view. There would be a greater profitability of the NPL's recovery once efficient collection has kicked off. Note that secured NPLs typically generate their first cash collection at around 12 months after NPL acquisition due to the long litigation process (vs 6 months' time lag for unsecured NPLs).

Raising dividend payout ratio to 46% is supportive

For its 2024 financial performance, KBANK has announced a dividend payout ratio of 46%, which is a positive surprise to our initial forecast of 40% and higher than the 2023 level of 36%.

Meanwhile, KBANK's CEO Ms. Kattiya Indaravijaya has guided in February 2025 that KBANK has no plan for treasury stock. In addition, KBANK set its long-term CET1 target of 13% to 15% for both consolidated and bank only level vs 17.3% at the consolidated level currently. KBANK will maintain a margin of uncertainty at another 1 to 2 ppt for the implementation of Basel IV (around 2028). The current CET1 level for KBANK is sufficient with a margin of uncertainty, we believe.

Accordingly, we see the higher dividend payout ratio to 46% in 2024 as a supportive factor for KBANK's capital management, DPS, and ROE generation. Moreover, we believe the 46% dividend payout ratio for KBANK could be sustained for 2025-27, thanks to the high CET1 and CAR ratios compared to peers.

Exhibit 18: Banks' 2024 dividend payout ratio comparison – positive move from KBANK

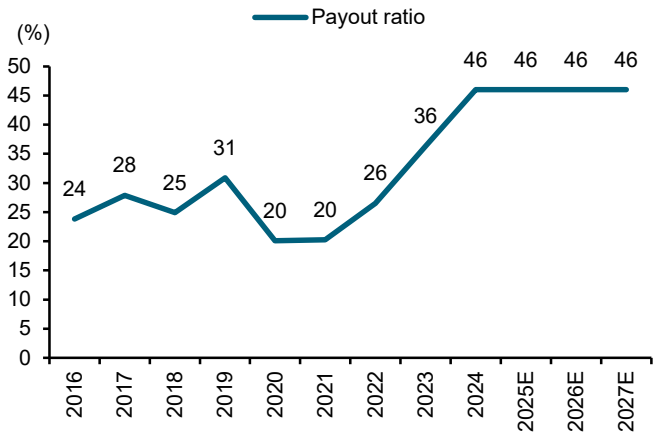
2024A	Dividend payout ratio	Dividend yield	XD Date	ROE	CET1	CAR ratio	Comments
BBL	36%	5.7%	23-Apr-25	8.3%	17.0%	20.4%	*** *Need further actions, in our view.*
KBANK	46%	6.2%	17-Apr-25	8.9%	17.5%	19.6%	Raised payout from 36%, No treasury stock
SCB	80%	8.4%	16-Apr-25	9.1%	17.8%	18.9%	High payout already
KTB	49%	6.7%	16-Apr-25	10.4%	18.8%	20.8%	Raised payout ratio from 33%, positive surprise
TTB	60%	6.8%	25-Apr-25	9.0%	16.9%	19.3%	Treasury stock during 2025-27E
TISCO	90%	7.8%	25-Apr-25	16.1%	17.0%	18.6%	High payout already
KKP	68%	7.1%	2-May-25	8.1%	13.1%	16.6%	Raised payout ratio for capital optimization, positive surprise

Sources: Banks' company data, FSSIA's compilation

KBANK set its ROE target at 10%+ by 2026 from improving credit cost after the major balance sheet cleanup in the last three years, fee income growth (from private wealth, asset management, and payments), and a sustainable payout ratio.

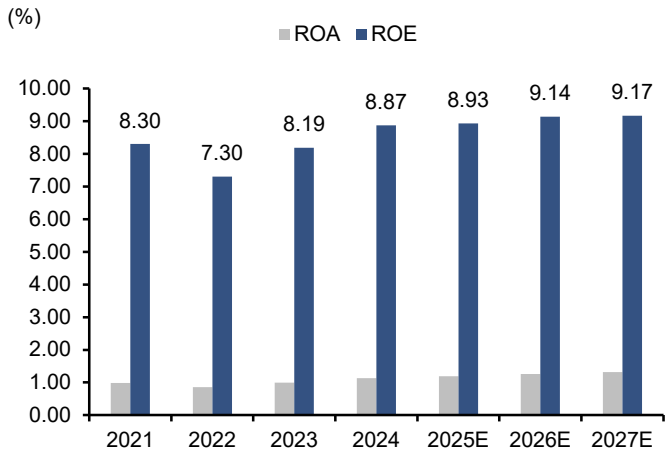
We now expect KBANK's ROE to be around 9.2% in 2026 on the back of conservative growth in non-NII. Meanwhile, we forecast a dividend payout ratio of 46% for 2025-27. In the case that KBANK increases its dividend payout ratio further to 60%, we expect ROE to increase by 30bp.

Exhibit 19: Expect 46% dividend payout ratio for KBANK



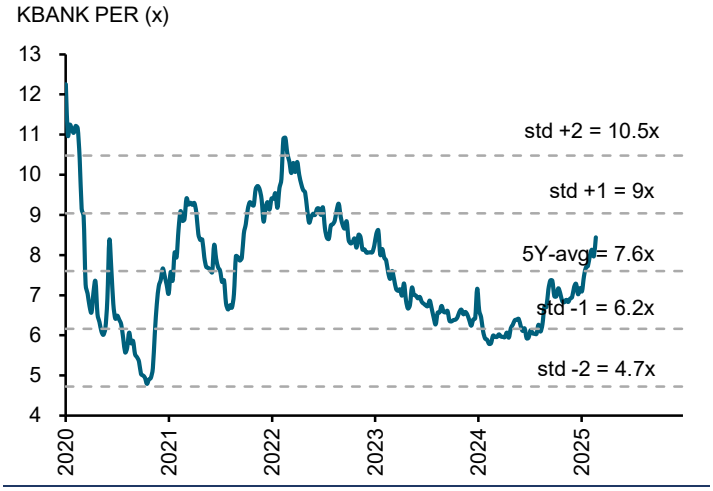
Sources: KBANK, FSSIA estimates

Exhibit 20: ROA and ROE



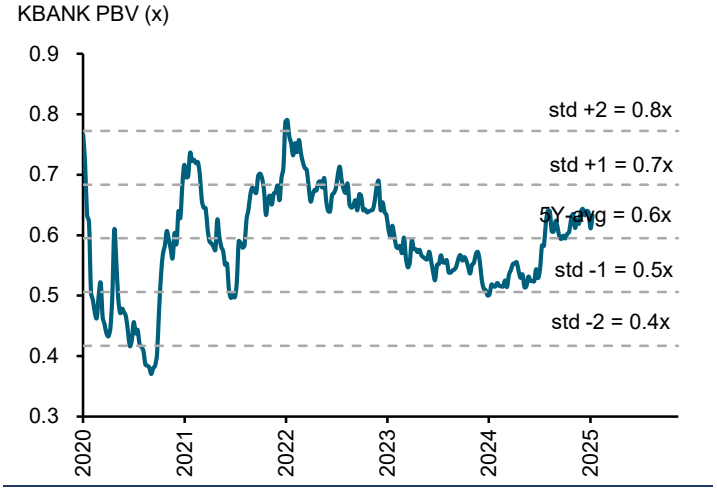
Sources: KBANK, FSSIA estimates

Exhibit 21: KBANK – one-year prospective P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 22: KBANK – one-year prospective P/BV band



Sources: Bloomberg, FSSIA estimates

Exhibit 23: Peer regional banks comparison, as of 5 March 2025

Company name	BBG code	Share price (LCY)	Target price (LCY)	Up side (%)	Market Cap. (USD m)	------ PE ------- 25E (x)	26E (x)	---- PBV ----- 25E (x)	26E (x)	----- ROE ------ 25E (%)	26E (%)	---- Div yld ---- 25E (x)	26E (x)
Thailand													
Bangkok Bank	BBL TB	148.50	194.00	*31*	8,422	6.0	5.6	0.5	0.5	8.3	8.3	6.0	6.4
Kasikornbank	KBANK TB	151.50	186.00	*23*	10,665	7.0	6.5	0.6	0.6	8.9	9.1	6.5	7.0
Krung Thai Bank	KTB TB	22.70	23.50	*4*	9,426	8.2	6.6	0.7	0.5	8.8	8.6	4.0	4.2
SCB X	SCB TB	122.00	112.00	*(8)*	12,205	9.6	9.1	0.8	0.8	8.8	9.0	8.4	8.7
TMBThanachart Bank	TTB TB	1.93	2.52	*31*	5,571	8.1	7.3	0.7	0.7	9.4	10.0	7.4	8.2
Kiatnakin Bank	KKP TB	57.50	50.30	*(13)*	1,414	10.0	9.0	0.7	0.7	7.5	7.9	4.8	5.3
Tisco Financial Group	TISCO TB	97.75	98.00	*0*	2,326	11.4	11.1	1.8	1.7	15.6	15.9	7.9	8.2
Thailand weighted average					**7,147**	**8.6**	**7.9**	**0.8**	**0.8**	**9.6**	**9.8**	**6.4**	**6.9**
Hong Kong													
Industrial & Comm Bank of China	1398 HK	5.62	n/a	*n/a*	317,511	5.3	5.2	0.5	0.4	9.3	8.9	5.9	6.1
China Construction Bank	939 HK	6.78	n/a	*n/a*	221,988	4.7	4.5	0.5	0.4	10.1	9.8	6.4	6.6
HSBC Holdings	5 HK	91.90	n/a	*n/a*	205,338	8.9	8.4	1.1	1.1	12.9	12.9	5.7	6.0
Bank of China	3988 HK	4.53	n/a	*n/a*	207,417	5.6	5.3	0.5	0.5	9.0	8.8	5.8	5.8
Hong Kong average					**238,064**	**6.1**	**5.8**	**0.6**	**0.6**	**10.3**	**10.1**	**6.0**	**6.1**
China													
Industrial & Comm Bank of China	601398 CH	6.87	n/a	*n/a*	317,975	6.8	6.6	0.6	0.6	9.3	9.0	4.5	4.7
Agricultural Bank of China	601288 CH	5.16	n/a	*n/a*	244,259	6.5	6.2	0.6	0.6	9.8	9.6	4.8	5.0
China Construction Bank	601939 CH	8.64	n/a	*n/a*	222,312	6.4	6.1	0.6	0.6	10.0	9.6	4.8	4.9
Bank of China	601988 CH	5.47	n/a	*n/a*	207,720	7.2	6.9	0.6	0.6	9.0	8.7	4.5	4.6
China average					**248,067**	**6.7**	**6.5**	**0.6**	**0.6**	**9.5**	**9.2**	**4.6**	**4.8**
South Korea													
KB Financial Group	105560 KS	76,600	n/a	*n/a*	21,467	5.3	5.0	0.5	0.5	9.5	9.3	4.3	4.6
Shinhan Finanicial Group	055550 KS	44,650	n/a	*n/a*	16,119	4.6	4.3	0.4	0.4	8.9	8.8	5.0	5.4
Hana Financial Group	086790 KS	57,800	n/a	*n/a*	11,831	4.3	4.0	0.4	0.4	9.2	9.0	6.2	6.7
Industrial Bank of Korea	024110 KS	15,340	n/a	*n/a*	8,496	4.5	4.4	0.4	0.4	8.3	8.2	7.2	7.7
South Korea average					**14,478**	**4.7**	**4.4**	**0.4**	**0.4**	**9.0**	**8.8**	**5.7**	**6.1**
Indonesia													
Bank Central Asia	BBCA IJ	9,000	n/a	*n/a*	68,865	19.1	17.7	3.9	3.6	21.4	21.2	3.4	3.7
Bank Rakyat Indonesia Persero	BBRI IJ	3,840	n/a	*n/a*	36,843	10.0	9.0	1.8	1.7	18.6	19.8	8.5	9.0
Bank Mandiri Persero	BMRI IJ	4,860	n/a	*n/a*	28,304	7.9	7.3	1.5	1.4	19.7	19.7	7.5	8.1
Bank Negara Indonesia Persero	BBNI IJ	4,460	n/a	*n/a*	10,624	7.4	6.7	1.0	0.9	14.1	14.4	7.2	8.5
Bank Syariah Indonesia	BRIS IJ	2,570	n/a	*n/a*	7,391	14.6	12.3	2.3	2.0	16.9	17.4	1.1	1.7
Indonesia average					**30,405**	**11.8**	**10.6**	**2.1**	**1.9**	**18.1**	**18.5**	**5.6**	**6.2**
Malaysia													
Malayan Banking	MAY MK	10.58	n/a	*n/a*	28,765	12.0	11.5	1.3	1.3	11.0	11.1	6.1	6.3
Public Bank	PBK MK	4.63	n/a	*n/a*	20,243	12.0	11.4	1.5	1.4	12.6	12.6	4.9	5.2
CIMB Group Holdings	CIMB MK	7.80	n/a	*n/a*	18,291	10.1	9.5	1.1	1.0	11.3	11.3	5.8	6.1
Hong Leong Bank	HLBK MK	21.30	n/a	*n/a*	10,325	9.8	9.1	1.1	1.0	11.5	11.6	3.6	4.0
RHB Bank	RHBBANK MK	6.94	n/a	*n/a*	6,810	9.2	8.8	0.9	0.8	9.8	9.8	6.3	6.5
Malaysia average					**16,887**	**10.6**	**10.1**	**1.2**	**1.1**	**11.3**	**11.3**	**5.4**	**5.6**
Singapore													
DBS Group Holdings	DBS SP	45.62	n/a	*n/a*	98,804	11.8	11.5	1.9	1.8	16.3	16.2	6.6	6.6
Oversea-Chinese Banking	OCBC SP	17.17	n/a	*n/a*	58,173	10.3	10.0	1.3	1.2	12.8	12.5	5.6	5.6
United Overseas Bank	UOB SP	38.16	n/a	*n/a*	48,501	10.1	9.6	1.3	1.2	13.1	13.1	5.6	5.3
Singapore average					**68,493**	**10.7**	**10.4**	**1.5**	**1.4**	**14.1**	**14.0**	**5.9**	**5.8**
Regional average (excl. Thailand)					**97,775**	**8.6**	**8.1**	**1.1**	**1.0**	**12.2**	**12.1**	**5.5**	**5.8**
Total average (incl. Thailand)					**77,950**	**8.6**	**8.0**	**1.0**	**1.0**	**11.6**	**11.6**	**5.7**	**6.0**

Sources: Bloomberg; FSSIA estimates

Financial Statements

Kasikornbank

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Interest Income	183,608	189,440	184,453	187,027	190,253
Interest expense	(35,164)	(40,064)	(38,537)	(38,451)	(38,451)
Net interest income	148,444	149,376	145,916	148,576	151,802
Net fees & commission	31,181	33,279	35,509	36,766	37,501
Foreign exchange trading income	12,123	13,206	13,206	13,206	13,206
Securities trading income	(588)	45	100	100	100
Dividend income	3,569	3,526	3,526	3,526	3,526
Other income	(2,076)	(1,487)	(810)	(113)	606
Non interest income	44,210	48,569	51,530	53,485	54,939
Total income	192,654	197,946	197,446	202,061	206,741
Staff costs	(40,437)	(42,720)	(43,147)	(43,579)	(44,014)
Other operating costs	(44,531)	(44,553)	(44,671)	(44,791)	(44,912)
Operating costs	(84,968)	(87,273)	(87,819)	(88,369)	(88,926)
Pre provision operating profit	107,685	110,673	109,627	113,691	117,815
Expected credit loss	(51,840)	(47,251)	(42,347)	(41,479)	(41,623)
Other provisions	-	-	-	-	-
Operating profit	55,845	63,422	67,280	72,212	76,192
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	-	-	-	-	-
Profit before tax	55,845	63,422	67,280	72,212	76,192
Tax	(10,778)	(12,402)	(13,187)	(14,154)	(14,934)
Profit after tax	45,067	51,020	54,093	58,058	61,258
Non-controlling interest	(2,662)	(2,421)	(2,513)	(2,609)	(2,708)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	42,405	48,598	51,580	55,449	58,550
Non recurring items & goodwill (net)	-	-	-	-	-
Recurring net profit	42,405	48,598	51,580	55,449	58,550
Per share (THB)					
Recurring EPS *	17.90	20.51	21.77	23.40	24.71
Reported EPS	17.90	20.51	21.77	23.40	24.71
DPS	6.50	9.23	9.80	10.53	11.12
Growth					
Net interest income (%)	11.6	0.6	(2.3)	1.8	2.2
Non interest income (%)	9.8	9.9	6.1	3.8	2.7
Pre provision operating profit (%)	9.3	2.8	(0.9)	3.7	3.6
Operating profit (%)	19.9	13.6	6.1	7.3	5.5
Reported net profit (%)	18.6	14.6	6.1	7.5	5.6
Recurring EPS (%)	18.6	14.6	6.1	7.5	5.6
Reported EPS (%)	18.6	14.6	6.1	7.5	5.6
Income Breakdown					
Net interest income (%)	77.1	75.5	73.9	73.5	73.4
Net fees & commission (%)	16.2	16.8	18.0	18.2	18.1
Foreign exchange trading income (%)	6.3	6.7	6.7	6.5	6.4
Securities trading income (%)	(0.3)	0.0	0.1	0.0	0.0
Dividend income (%)	1.9	1.8	1.8	1.7	1.7
Other income (%)	(1.1)	(0.8)	(0.4)	(0.1)	0.3
Operating performance					
Gross interest yield (%)	4.59	4.70	4.53	4.53	4.55
Cost of funds (%)	1.19	1.35	1.30	1.30	1.30
Net interest spread (%)	3.40	3.35	3.23	3.23	3.25
Net interest margin (%)	3.7	3.7	3.6	3.6	3.6
Cost/income(%)	44.1	44.1	44.5	43.7	43.0
Cost/assets(%)	2.0	2.0	2.0	2.0	2.0
Effective tax rate (%)	19.3	19.6	19.6	19.6	19.6
Dividend payout on recurring profit (%)	36.3	45.0	45.0	45.0	45.0
ROE (%)	8.2	8.9	8.9	9.1	9.2
ROE - COE (%)	(1.8)	(1.1)	(1.1)	(0.9)	(0.8)
ROA (%)	1.1	1.2	1.2	1.3	1.4
RORWA (%)	1.7	1.9	2.0	2.1	2.2

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Kasikornbank; FSSIA estimates

Financial Statements

Kasikornbank

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Gross customer loans	2,490,398	2,504,565	2,532,115	2,585,290	2,647,337
Allowance for expected credit loss	(133,876)	(131,706)	(138,058)	(144,280)	(150,523)
interest in suspense	14,970	17,328	17,472	17,838	18,267
Net customer loans	**2,371,492**	**2,390,187**	**2,411,529**	**2,458,848**	**2,515,080**
Bank loans	569,008	522,729	548,865	548,865	548,865
Government securities	-	-	-	-	-
Trading securities	48,295	61,530	61,530	61,530	61,530
Investment securities	963,305	1,018,887	1,018,887	1,018,887	1,018,887
Cash & equivalents	48,690	46,021	39,066	35,640	26,360
Other interesting assets	-	-	-	-	-
Tangible fixed assets	59,946	59,431	59,431	59,431	59,431
Associates	11,279	13,071	13,725	14,411	15,131
Goodwill	28,405	30,469	30,469	30,469	30,469
Other intangible assets	-	-	-	-	-
Other assets	172,962	174,045	177,329	180,809	184,498
Total assets	**4,283,557**	**4,325,287**	**4,370,103**	**4,418,535**	**4,470,281**
Customer deposits	2,699,562	2,718,675	2,718,675	2,718,675	2,718,675
Bank deposits	179,207	172,144	172,144	172,144	172,144
Other interest bearing liabilities	81,572	67,334	63,967	60,769	57,730
Non interest bearing liabilities	726,380	735,518	747,141	759,099	771,405
Hybrid Capital	-	-	-	-	-
Total liabilities	**3,686,721**	**3,693,672**	**3,701,927**	**3,710,687**	**3,719,955**
Share capital	23,693	23,693	23,693	23,693	23,693
Reserves	508,591	539,659	568,028	598,525	630,727
Total equity	**532,285**	**563,352**	**591,721**	**622,218**	**654,421**
Non-controlling interest	64,551	68,263	76,455	85,630	95,905
Total liabilities & equity	**4,283,556**	**4,325,287**	**4,370,103**	**4,418,535**	**4,470,281**
Supplementary items					
Risk weighted assets (RWA)	2,613,978	2,647,883	2,676,960	2,733,177	2,798,773
Average interest earning assets	3,996,841	4,034,446	4,073,024	4,126,455	4,184,066
Average interest bearing liabilities	2,966,081	2,959,247	2,956,470	2,953,187	2,950,069
CET 1 capital	435,585	463,584	488,502	515,289	543,573
Total capital	489,298	517,753	539,962	564,176	590,017
Gross non performing loans (NPL)	94,241	93,009	96,052	97,712	99,649
Per share (THB)					
Book value per share	224.66	237.77	249.74	262.61	276.21
Tangible book value per share	212.67	224.91	236.88	249.75	263.35
Growth					
Gross customer loans	(0.2)	0.6	1.1	2.1	2.4
Average interest earning assets	1.9	0.9	1.0	1.3	1.4
Total asset (%)	0.9	1.0	1.0	1.1	1.2
Risk weighted assets (%)	0.6	1.3	1.1	2.1	2.4
Customer deposits (%)	(1.8)	0.7	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	87.8	87.9	88.7	90.4	92.5
Equity/assets (%)	12.4	13.0	13.5	14.1	14.6
Tangible equity/assets (%)	11.8	12.3	12.8	13.4	14.0
RWA/assets (%)	61.0	61.2	61.3	61.9	62.6
CET 1 CAR (%)	16.7	17.5	18.2	18.9	19.4
Total CAR (%)	18.7	19.6	20.2	20.6	21.1
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	1.8	(1.3)	3.3	1.7	2.0
NPL/gross loans (%)	3.8	3.7	3.8	3.8	3.8
Allowance for ECL/gross loans (%)	5.4	5.3	5.5	5.6	5.7
Allowance for ECL/NPL (%)	142.1	141.6	143.7	147.7	151.1

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	8.5	7.4	7.0	6.5	6.1
Recurring P/E @ target price (x) *	10.4	9.1	8.5	7.9	7.5
Reported P/E (x)	8.5	7.4	7.0	6.5	6.1
Dividend yield (%)	4.3	6.1	6.5	7.0	7.3
Price/book (x)	0.7	0.6	0.6	0.6	0.5
Price/tangible book (x)	0.7	0.7	0.6	0.6	0.6
Price/tangible book @ target price (x)	0.9	0.8	0.8	0.7	0.7
* Pre-exceptional, pre-goodwill and fully diluted					

Sources: Kasikornbank; FSSIA estimates

Kasikornbank PCL (KBANK TB)

FSSIA ESG rating

★★★★★

84.17 /100

Exhibit 24: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	**Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.**
★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 25: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings						Bloomberg	
	ESG score	DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BBL	62.08	--	Y	Y	5.00	5.00	Certified	Medium	54.70	--	29.00	58.68	67.00	2.19	60.06
KBANK	84.17	Y	Y	Y	5.00	5.00	Certified	Medium	62.19	AA	46.00	73.83	83.00	4.05	59.77
KTB	63.10	--	Y	Y	5.00	5.00	Certified	Medium	53.59	BBB	34.00	64.64	64.00	2.12	59.11
SCB	62.57	Y	Y	Y	5.00	4.00	--	High	--	A	--	--	86.00	3.43	--
KKP	62.96	--	Y	Y	5.00	5.00	Certified	Medium	52.81	BBB	--	77.56	26.00	2.18	45.90
TISCO	61.17	--	Y	Y	5.00	5.00	Certified	Medium	61.41	--	--	66.13	29.00	3.57	44.21
TTB	63.69	--	Y	Y	5.00	5.00	Certified	Medium	53.98	--	36.00	56.17	71.00	3.20	52.96

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 26: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	**1.71**	**1.80**	**2.61**	**2.67**	**2.67**	**2.88**	**3.89**	**4.05**
BESG environmental pillar score	0.08	0.08	0.08	0.18	0.18	0.24	2.93	3.43
BESG social pillar score	1.37	1.63	3.44	3.44	3.49	3.89	3.95	4.03
BESG governance pillar score	4.90	4.74	4.83	4.91	4.81	4.88	4.86	4.74
ESG disclosure score	**53.57**	**53.91**	**59.49**	**57.60**	**57.60**	**58.20**	**58.20**	**59.77**
Environmental disclosure score	29.54	29.54	33.55	37.48	37.48	40.86	40.86	40.86
Social disclosure score	34.89	35.91	48.67	39.06	39.06	37.48	37.48	42.20
Governance disclosure score	96.12	96.12	96.12	96.12	96.12	96.12	96.12	96.12
Environmental								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	Yes	Yes	Yes	Yes	Yes	Yes
GHG scope 1	9	18	25	21	21	19	16	11
GHG scope 2 location-based	91	82	80	87	83	79	74	70
GHG Scope 3	0	0	0	1	1	1	1	1
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	221	140	240	237	229	213	187	189
Renewable energy use	—	—	11	11	7	10	8	27
Electricity used	—	—	—	—	—	—	—	—
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 27: ESG score by Bloomberg *(cont.)*

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	0	0	1	1	2	0
Total waste	9	6	6	8	7	6	5	5
Waste recycled	—	—	—	1	2	2	3	2
Waste sent to landfills	—	—	—	7	5	4	3	3
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	270	283	158
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pct women in workforce	66	68	68	69	69	70	70	70
Pct disabled in workforce	—	—	0	0	0	0	0	0
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	0	0	0	0	0	0
Total recordable incident rate - employees	0	0	0	0	0	0	0	0
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	21,484	21,029	20,839	20,646	20,407	19,819	19,029	18,648
Employee turnover pct	17	17	10	8	6	3	7	8
Total hours spent by firm - employee training	1,359,210	1,186,240	1,094,590	881,469	928,607	847,516	712,474	753,600
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	**17**	**17**	**16**	**17**	**18**	**18**	**18**	**18**
No. of independent directors (ID)	**10**	**10**	**9**	**9**	**10**	**9**	**9**	**6**
No. of women on board	5	6	6	6	7	7	7	8
No. of non-executive directors on board	14	13	12	12	12	13	13	13
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	12	12	12	12	12	15	13	12
Board meeting attendance pct	98	95	95	95	97	97	97	96
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	45	46	47	48	40	41	42	43
Age of the oldest director	71	72	72	70	71	72	68	68
No. of executives / company managers	**16**	**15**	**17**	**18**	**19**	**15**	**14**	**16**
No. of female executives	5	3	4	4	5	5	5	6
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**
No. of ID on audit committee	4	4	4	4	4	4	4	4
Audit committee meetings	12	12	12	12	12	12	12	12
Audit meeting attendance %	90	100	96	90	98	98	100	98
Size of compensation committee	**4**	**4**	**3**	**3**	**3**	**3**	**5**	**3**
No. of ID on compensation committee	3	3	2	2	2	2	3	2
No. of compensation committee meetings	9	9	10	8	9	10	11	10
Compensation meeting attendance %	94	86	95	96	100	100	100	100
Size of nomination committee	**4**	**3**	**3**	**4**	**4**	**5**	**5**	**6**
No. of nomination committee meetings	9	6	4	4	5	4	4	6
Nomination meeting attendance %	94	94	94	100	90	95	100	93
Sustainability governance								
Verification type	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

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%). (*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.)*	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. *(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.)*	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 Sustainalytics	The Sustainalytics' 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. *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.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. NEGL: 0-10 / Low: 10-20 / Medium: 20-30 / High: 30-40 / Severe: 40+
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. **AAA** 8.571-10.000 **AA** 7.143-8.570 **A** 5.714-7.142 **BBB** 4.286-5.713 **BB** 2.857-4.285 **B** 1.429-2.856 **CCC** 0.000-1.428 **Leader:** leading its industry in managing the most significant ESG risks and opportunities **Average:** a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers **Laggard:** lagging its industry based on its high exposure and failure to manage significant ESG risks	
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. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
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

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Nathapol Pongsukcharoenkul 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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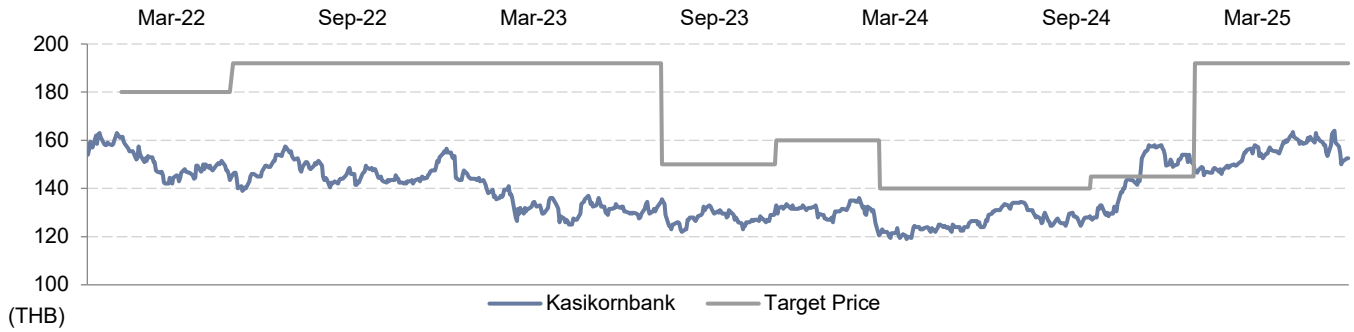
History of change in investment rating and/or target price

Kasikornbank (KBANK TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Apr-2022	BUY	180.00	24-Oct-2023	BUY	160.00	21-Oct-2024	BUY	192.00
08-Jul-2022	BUY	192.00	22-Jan-2024	HOLD	140.00			
17-Jul-2023	BUY	150.00	23-Jul-2024	BUY	145.00			

Nathapol Pongsukcharoenkul started covering this stock from 06-Mar-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Kasikornbank	KBANK TB	THB 151.50	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.

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 05-Mar-2025 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.