

## ROE น่าจะทรงตัวในระดับสูงใกล้ 10%

- บัญชีบวกของ KTB ในปี 2025-27 น่าจะอยู่ที่ 1) การขยายตัวของสินเชื่อ; 2) รายได้ที่ไม่ใช่ดอกเบี้ยสุทธิ (Non-NII) ที่สูงขึ้น; และ 3) โอกาสที่ต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) จะลดลงเหลือ 113-115bp
- อัตราการจ่ายเงินปันผลที่เพิ่มเป็น 49% ช่วยให้ได้ผลตอบแทนต่อส่วนผู้ถือหุ้น (ROE) ใกล้ 10%
- คงค่านำซื้อหลังปรับราคาเป้าหมายขึ้นเป็น 26.50 บาท

## แนวโน้มยังเป็นบวก

เราคาดว่า KTB จะรักษาแนวโน้มเชิงบวกไว้ได้ในช่วงปี 2025-27 โดยมีปัจจัยหนุนจาก 1) สินเชื่อที่ขยายตัวต่อเนื่องที่ 2-3% จากสินเชื่อภาครัฐและรัฐวิสาหกิจและสินเชื่อรายย่อย (ส่วนมากจากบริการสาธารณะ); 2) โอกาสที่ Non-NII อาทิเช่น รายได้จากธุรกิจ Bancassurance กองทุนรวมและบริการดิจิทัลจะเพิ่มสูงขึ้น; และ 3) คุณภาพสินทรัพย์ที่เอื้ออำนวยพร้อมโอกาสที่ Credit cost จะลดลงเหลือ 113-115bp

## คุณภาพสินทรัพย์ที่ดีขึ้นเปิดโอกาสให้ Credit cost ลดลงเหลือ 115bp

เราคำนวณว่าอัตราการก่อตัวของหนี้ต่อคุณภาพของ KTB อยู่ที่ 80bp ใน 4Q24 ซึ่งแสดงถึงแนวโน้มขาลงในช่วง 4 ไตรมาสที่ผ่านมา นอกจากนี้เราเห็นว่าคุณภาพสินทรัพย์ยังมีอีกปัจจัยบวกอยู่ที่สัดส่วนหนี้ชั้นที่ 2 ที่ลดลงอย่างต่อเนื่องมาอยู่ที่ 7.1% ของสินเชื่อรวมใน 4Q24 เทียบกับ 8.5% ใน 1Q22 ทั้งนี้สัดส่วนหนี้ต่อคุณภาพลดลงมาอยู่ที่ 3.5% จาก 4.0% ในช่วงดังกล่าว จากสัญญาณที่ปรับตัวดีขึ้นใน 3 ปีที่ผ่านมาและสัดส่วนหนี้จำนวนมากที่มีโอกาสผิบนัดชำระใกล้เคียงศูนย์ (สินเชื่อที่เกี่ยวข้องกับภาครัฐคิดเป็น 20% ของสินเชื่อรวม) เราคาดว่า Credit cost จะลดลงเหลือ 113-115bp ในปี 2025-27 เทียบกับ 118bp ในปี 2024

## อัตราการจ่ายเงินปันผลที่เพิ่มเป็น 49% ช่วยให้ได้ ROE ใกล้ 10%

จากอัตราการจ่ายเงินปันผลที่เพิ่มอย่างมีนัยสำคัญเป็น 49% ในปี 2024 จาก 33% ก่อนหน้า เรามองการเปลี่ยนแปลงเชิงบวกดังกล่าวว่าเพียงพอสำหรับการบริหารเงินทุนของ KTB และน่าจะช่วยผลักดัน ROE ให้เข้าใกล้ 10% ในปี 2025-27E ทั้งนี้ KTB เป็นหนึ่งใน 5 ธนาคารไทยขนาดใหญ่ (BBL, KBANK, SCB, KTB และ TTB) ที่มี ROE ที่ 10% หรือ ROE ในอัตราสูงหลักในปี 2024 จากตัวเลข CET1 ของ KTB ที่ 18.8% และ CAR ที่ 20.8% ในปี 2024 (สูงที่สุดในกลุ่ม) เราเชื่อว่า KTB จะคงอัตราการจ่ายเงินปันผลที่ 49% ในปี 2025-27

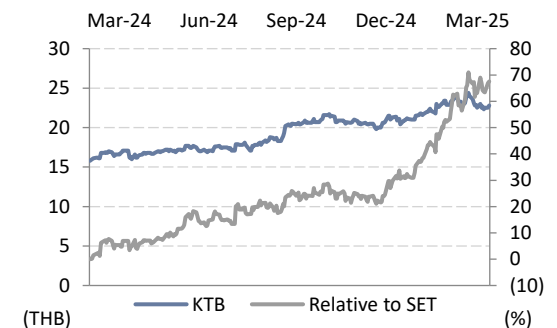
## ปรับเพิ่มประมาณการขึ้น 14-18% คงค่านำซื้อที่ราคาเป้าหมาย 26.50 บาท

เราปรับเพิ่มประมาณการกำไรสุทธิปี 2025-26 ของเราขึ้น 14-18% ส่วนมากจากคาดการณ์ Credit cost ที่ลดลงเหลือประมาณ 115bp จาก 130-135bp ก่อนหน้านี้ และ Non-NII ที่สูงขึ้น Credit cost ที่ลดลงเกิดจากคุณภาพสินทรัพย์ที่ดีขึ้นและสัดส่วนสินเชื่อภาครัฐที่มีอยู่ในระดับสูง (20% ของสินเชื่อรวมมี Credit cost ใกล้ศูนย์) หลังการปรับประมาณการกำไรและสมมติฐาน ROE ที่สูงขึ้นมาใกล้ 10% เราปรับเพิ่มราคาเป้าหมายปี 2025 ของเราเป็น 26.50 (จาก 23.50 บาทก่อนหน้านี้) เทียบเท่า 0.80x 2025E P/BV (COE 10.0%, ROE 8.6%) และคงค่านำซื้อ KTB บทวิเคราะห์ฉบับนี้ปัจจุบันจัดทำโดยคุณณฐพล พงษ์สุขเจริญกุล.

|                 |          |
|-----------------|----------|
| TARGET PRICE    | THB26.50 |
| CLOSE           | THB22.80 |
| UP/DOWNSIDE     | +16.2%   |
| PRIOR TP        | THB23.50 |
| CHANGE IN TP    | +12.8%   |
| TP vs CONSENSUS | +4.7%    |

## KEY STOCK DATA

| YE Dec (THB m)       | 2024   | 2025E  | 2026E  | 2027E  |
|----------------------|--------|--------|--------|--------|
| Operating profit     | 59,255 | 59,437 | 63,867 | 67,776 |
| Net profit           | 43,856 | 43,983 | 47,262 | 50,154 |
| EPS (THB)            | 3.14   | 3.15   | 3.38   | 3.59   |
| vs Consensus (%)     | -      | (3.0)  | (0.6)  | (0.8)  |
| Recurring net profit | 43,856 | 43,983 | 47,262 | 50,154 |
| Core EPS (THB)       | 3.14   | 3.15   | 3.38   | 3.59   |
| Chg. In EPS est. (%) | -      | 13.4   | (1.7)  | -      |
| EPS growth (%)       | 19.8   | 0.3    | 7.5    | 6.1    |
| Core P/E (x)         | 7.3    | 7.2    | 6.7    | 6.4    |
| Dividend yield (%)   | 6.8    | 6.8    | 7.3    | 7.7    |
| Price/book (x)       | 0.7    | 0.7    | 0.6    | 0.6    |
| ROE (%)              | 10.4   | 9.7    | 9.9    | 9.9    |
| ROA (%)              | 1.3    | 1.3    | 1.3    | 1.4    |



| Share price performance        | 1 Month     | 3 Month | 12 Month |
|--------------------------------|-------------|---------|----------|
| Absolute (%)                   | (2.1)       | 8.6     | 44.3     |
| Relative to country (%)        | 5.8         | 31.9    | 67.7     |
| Mkt cap (USD m)                | 9,427       |         |          |
| 3m avg. daily turnover (USD m) | 33.9        |         |          |
| Free float (%)                 | 45          |         |          |
| Major shareholder              | FIDF (55%)  |         |          |
| 12m high/low (THB)             | 24.70/15.70 |         |          |
| Issued shares (m)              | 13,976      |         |          |

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

We expect KTB to maintain positive momentum in 2025-27 supported by:

- Continued loan expansion at 2-3%, driven by government and state-owned enterprises (SOEs) and retail loan segments (mainly from public services).
- Room to expand non-interest income (non-NII) like bancassurance, mutual funds and digital services.
- Benign asset quality conditions with room to lower credit costs to 113-115bp from 120-130bp.
- A higher dividend payout ratio to 49% from 33% previously. Accordingly, we raise our ROE forecast for KTB to 9.7-9.9% for 2025-26, which is the highest level among the top five large Thai banks.

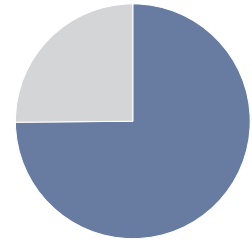
## Company profile

Krung Thai Bank began operations in 1966 and in 1989 was the first privatized state enterprise to be listed on the SET. Key focuses for KTB are retail loans (mortgage, personal loans, credit cards) and government-related segment.

[www.ktb.co.th](http://www.ktb.co.th)

## Principal activities (revenue, 2024)

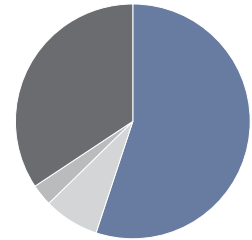
- Net interest income - 74.9 %
- Non-interest income - 25.1 %



Source: Krung Thai Bank

## Major shareholders

- FIDF - 55.1 %
- Thai NVDR - 7.6 %
- EGAT Saving and Credit Cooperative Limited - 3.0 %
- Others - 34.3 %



Source: Krung Thai Bank

## Catalysts

- Higher loan demand for retail, corporate and government-related loans.
- Lower-than-expected impact from interest rate cuts.
- A better-than-expected non-NII from bancassurance and digital engagement.
- Benign asset quality with low credit cost.

## 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                     |
|------------|---------------------------|
| April 2025 | 1Q25 results announcement |

## Key assumptions

| Key assumptions (%)  | 2025E | 2026E | 2027E |
|----------------------|-------|-------|-------|
| Loan growth          | 2.99  | 2.40  | 2.40  |
| NIM                  | 3.24  | 3.28  | 3.31  |
| Cost-to-income ratio | 43.18 | 42.18 | 41.58 |
| Credit cost          | 1.15  | 1.14  | 1.13  |
| NPL ratio            | 3.49  | 3.47  | 3.46  |
| ROE                  | 9.66  | 9.86  | 9.94  |

Source: FSSIA estimates

## Earnings sensitivity

|                          |       | 2025E |       |       |
|--------------------------|-------|-------|-------|-------|
| Loan growth (%)          | ±1ppt | 1.99  | 2.99  | 3.99  |
| % change in net profit   |       | (0.7) |       | 0.7   |
| NIM (%)                  | ±5bp  | 3.19  | 3.24  | 3.29  |
| % change in net profit   |       | (4.1) |       | 4.1   |
| Cost-to-income ratio (%) | ±1ppt | 42.18 | 43.18 | 44.18 |
| % change in net profit   |       | 3.6   |       | (3.6) |
| Credit cost (bp)         | ±10bp | 105   | 115   | 125   |
| % change in net profit   |       | 6.2   |       | (6.2) |

Source: FSSIA estimates

## ROE to stay high and close to 10%

### Maintain BUY rating with a new TP of THB26.50

We expect KTB to maintain positive momentum in 2025-27, supported by 1) continued loan expansion at 2-3%, driven by government and state-owned enterprises (SOEs) and retail loan segments (mainly from public services); 2) room to expand non-interest income (non-NII) like bancassurance, mutual funds and digital services; and 3) benign asset quality conditions with room to lower credit costs to 113-115bp. Sensitivity-wise, every 10bp decrease in KTB's credit cost would translate into a higher 2025E net profit by 6.2%, all else being equal.

We increase our 2025-26 net profit forecast by 14-18%, mainly from a lower credit cost forecast to c115bp from 130-135bp previously and higher non-NII. The lower credit cost forecast, in our view, is supported by a lower NPL ratio in 4Q24 after the successful rehabilitation of Thai Airways. This loan account was upgraded to stage II (underperforming loans) from stage III (NPLs) previously. Another support for KTB's asset quality, in our view, is its large proportion of government and SOE loans (20% of total loans), which have a near-zero probability of default and credit costs.

In addition, after its 2024 dividend announcement, KTB raised its dividend payout ratio to 49% from 33% previously. This is a positive direction for KTB's ROE trajectory and share price in 2025-26, we believe. Accordingly, we raise our ROE forecast for KTB to 9.7-9.9% for 2025-26 vs 8.6-8.8% previously.

After our earnings revision and higher ROE forecast for KTB, we raise our GGM-based 2025 TP to THB26.50 (from THB23.50 previously), which implies 0.80x 2025E P/BV (COE of 10.0%, ROE of 8.6%).

With an undemanding valuation of 0.7x 2025E P/BV vs our ROE projection of close to 10% by 2025-26, which is the highest level among the top five large Thai banks, we believe KTB still has attractive upside for investors, with a high valuation gap.

We maintain our BUY rating for KTB with a new GGM-based 2025 TP of THB26.50.

### Exhibit 1: 2025-26 earnings revisions

|                       | --- Revised forecast --- |               | --- Previous forecast --- |               | ----- Change ----- |              |
|-----------------------|--------------------------|---------------|---------------------------|---------------|--------------------|--------------|
|                       | 2025E                    | 2026E         | 2025E                     | 2026E         | 2025E              | 2026E        |
|                       | (THB m)                  | (THB m)       | (THB m)                   | (THB m)       | (%)                | (%)          |
| Net Interest Income   | 118,268                  | 122,761       | 118,688                   | 120,093       | -0.4%              | 2.2%         |
| Non-Interest Income   | 41,615                   | 43,321        | 39,038                    | 40,422        | 6.6%               | 7.2%         |
| PPOP                  | 90,853                   | 96,034        | 88,309                    | 89,274        | 2.9%               | 7.6%         |
| Loan loss provisions  | 31,416                   | 32,167        | 35,306                    | 34,339        | -11.0%             | -6.3%        |
| <b>Net profit</b>     | <b>43,983</b>            | <b>47,262</b> | <b>38,760</b>             | <b>40,236</b> | <b>13.5%</b>       | <b>17.5%</b> |
| <b>Key ratios</b>     |                          |               |                           |               | <b>(ppt)</b>       | <b>(ppt)</b> |
| NIM (%)               | 3.24                     | 3.28          | 3.30                      | 3.30          | (0.06)             | (0.02)       |
| Cost to income (%)    | 43.18                    | 42.18         | 44.00                     | 44.40         | (0.82)             | (2.22)       |
| ROA (%)               | 1.16                     | 1.22          | 1.10                      | 1.10          | 0.06               | 0.12         |
| ROE (%)               | 9.66                     | 9.86          | 8.80                      | 8.60          | 0.86               | 1.26         |
| Credit cost (%)       | 1.15                     | 1.14          | 1.35                      | 1.30          | (0.20)             | (0.16)       |
| Loan growth (%)       | 2.99                     | 2.40          | 1.00                      | 1.00          | 1.99               | 1.40         |
| Net profit growth (%) | 0.29                     | 7.45          | 3.00                      | 3.80          | (2.71)             | 3.65         |

Source: FSSIA estimates

## Exhibit 2: KTB – GGM based 2025 TP

| Target price calculation based on Gordon Growth Model (GGM) |              |   |       |
|---|--------------|---|-------|
| Sustainable ROE   | 8.6%         | <b>Cost of Equity (COE) calculation</b> |       |
| COE   | 10.0%        | Risk-Free Rate                          | 3.0%  |
| Long-term growth (g)  | 3.0%         | Market Risk Premium                     | 7.0%  |
| Derived P/BV multiple (x)                                   | 0.80         | Equity Beta (x)                         | 1.00  |
|   |              | COE                                     | 10.0% |
| Dec 2025E BV per share (THB)                                | 33.39        |   |       |
| <b>Derived target price (THB)</b>                           | <b>26.50</b> |   |       |

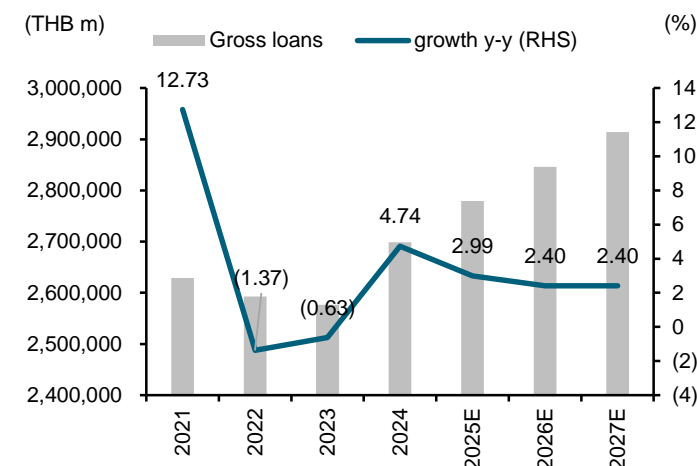
Source: FSSIA estimates

## Exhibit 3: KTB's target price sensitivity

| ROE          | Growth rate assumption |      |      |      |      |
|--------------|------------------------|------|------|------|------|
|              | 1.0%                   | 2.0% | 3.0% | 4.0% | 5.0% |
| <b>6.6%</b>  | 20.8                   | 19.2 | 17.2 | 14.5 | 10.7 |
| <b>7.6%</b>  | 24.5                   | 23.4 | 21.9 | 20.0 | 17.4 |
| <b>8.6%</b>  | 28.2                   | 27.5 | 26.5 | 25.6 | 24.0 |
| <b>9.6%</b>  | 31.9                   | 31.7 | 31.5 | 31.2 | 30.7 |
| <b>10.6%</b> | 35.6                   | 35.9 | 36.2 | 36.7 | 37.4 |

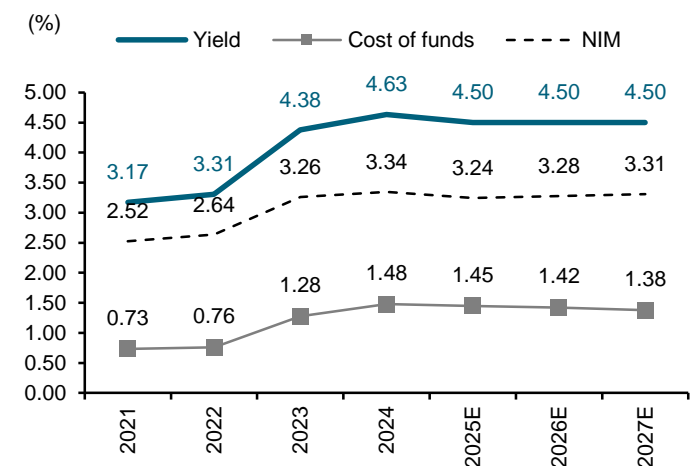
Source: FSSIA estimates

## Exhibit 4: KTB's loan growth



Sources: KTB, FSSIA estimates

## Exhibit 5: Yield, cost of funds and NIM



Sources: KTB, FSSIA estimates

## Government and public service-related to drive loan growth

We estimate KTB's loan growth to be around 2-3% for 2025-27, which is higher than the industry's projected growth of 1.9%. We foresee the key drivers for KTB's loan growth as coming from 1) the government-related and state-owned enterprise or SOE segment, which contributed 20% of KTB's 4Q24 loans; 2) retail loans, especially mortgage and payroll loan accounts for government employees; and 3) private corporate loans.

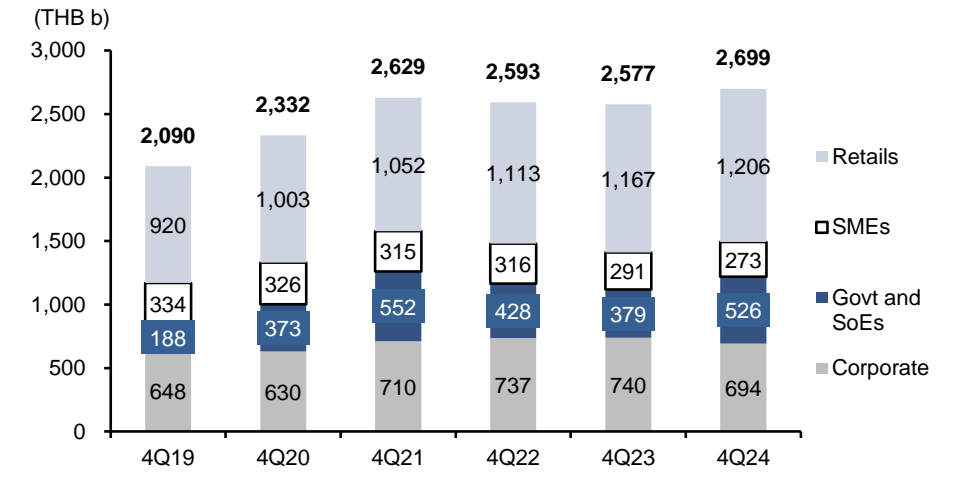
The Bank of Thailand (BOT) projects that public investment growth will accelerate to 5.1% in 2025 from 2.9% y-y in 2024. In addition, the BOT also projects 1.5% growth for public consumption in 2025. The crucial role of the public sector to boost GDP growth should benefit KTB as one of the financing sources for government and SOEs, we expect.

From KTB's perspective, the loan disbursement to the government and SOE segment benefits the bank as a channel for liquidity management with high LDR of c99% in 2024 and 2025E. Moreover, KTB could generate interest income and loan yields from the government-related segment with a near-zero probability of default and credit cost, we believe.

For KTB's retail loans, the largest proportion comprises mortgages for general customers and personal loans, which are mostly for government employees under the direct payroll deduction scheme for debt repayment. This scheme is positive for KTB as it significantly reduces the probability of default due to direct reduction from payroll accounts. Thus, the credit cost from this part is also near-zero, we believe.

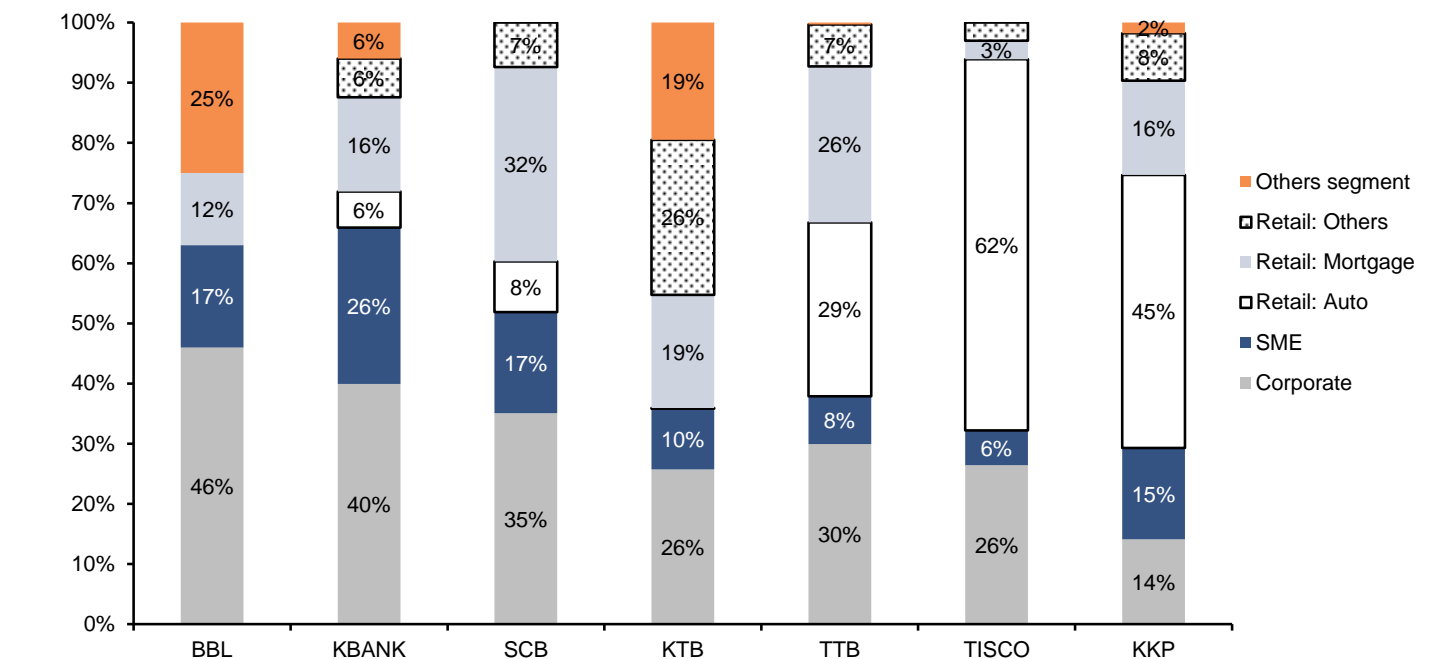
With loan segments related to the government at both the organizational and public employee levels with low credit cost characteristics, this differentiates KTB from other listed banks in Thailand and should allow KTB to manage lower credit costs eventually, in our view.

**Exhibit 6: KTB's loan segmentation – close relations with government**



Sources: KTB, FSSIA's compilation

**Exhibit 7: 2024 Thai banks' loan breakdown**

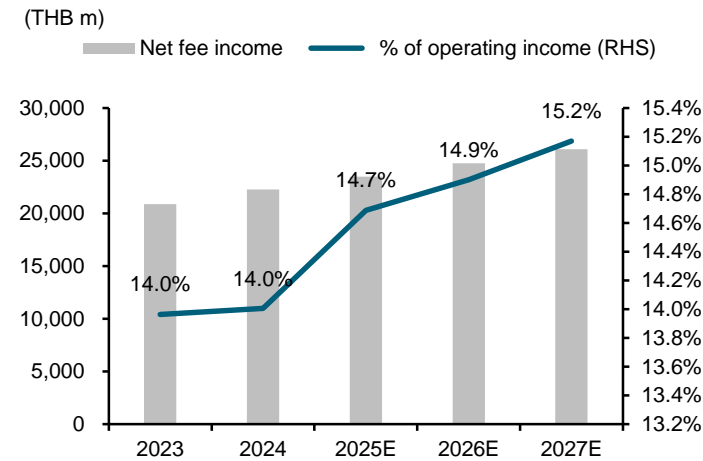


Sources: Banks' company data, FSSIA compilation

## Room to accelerate non-NII

We believe KTB has room to accelerate its fees and non-NII. In our view, key drivers are strong credit card spending, bancassurance income and contribution from KTB's digital engagement like the 'Paotang' e-wallet application. As of 4Q24, there were 40m downloads of Paotang, with an increase in the number of services available like online lottery, digital debenture offering, gold wallet offering, etc. With these growth drivers, we now expect KTB's net fee income to grow by 5% in 2025-26, with a larger contribution of c15% of operating income.

**Exhibit 8: Expect higher contribution from net fee income**



Sources: KTB, FSSIA estimates

**Exhibit 9: KTB's digital engagement to customers**



Source: KTB

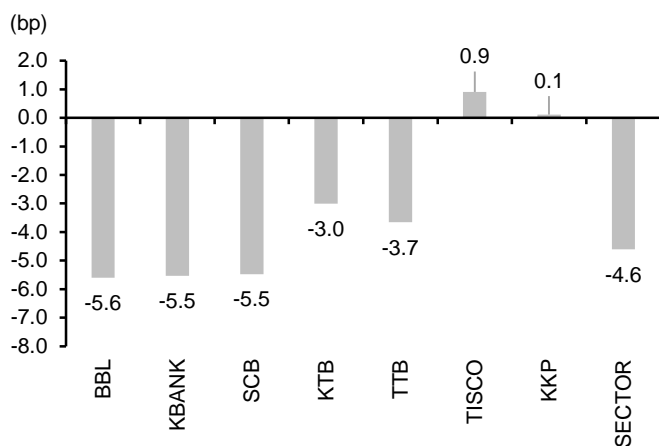
Going forward, with 40m downloads vs the Thai population of around 68m people, we are positive on Paotang's potential over the long term, given its large customer coverage, large database for data analytics and strong user engagement. According to research by KTB Compass, the informal economy in Thailand with no proper tax record and income statement contributes up to 51% of Thai GDP. In the future, the monetization of Paotang could be possible via potential digital lending in order to replace the unconventional economy and informal lending, which KTB raises as one of its major missions. This monetization of the Paotang application is an upside risk to our forecast, we believe.

### Manageable NIM from one interest rate cut in 2025E

Our KTB earnings forecast is based on one policy interest rate cut (-25bp) in 2025E to 2.0%. As the majority of KTB's loans are corporate loans, government-related and mortgages, which are normally quoted as the floating interest rate, we have factored in the negative impact from one rate cut into our forecast already. We expect KTB's NIM to decline to 3.24% in 2025 vs 3.34% in 2024.

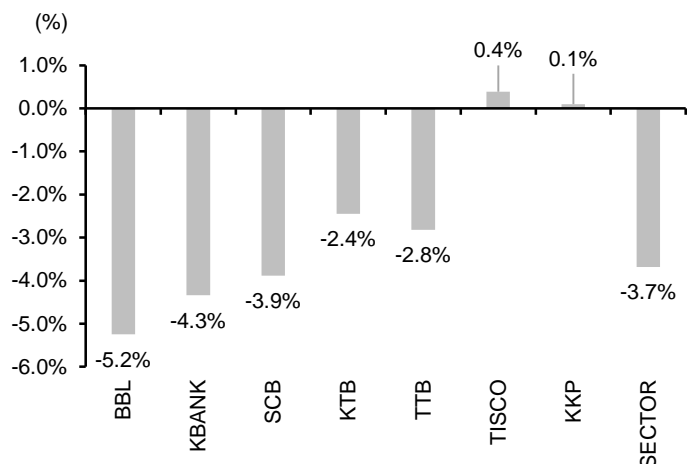
In the case that there is a further policy rate cut by 25bp from our base case, our sensitivity analysis suggests that the negative impact on KTB's NIM would be around 3.0bp with a net profit impact of 2.4% for 2025E, all else being equal.

**Exhibit 10: Impact on NIM from 25bp policy interest rate cut**



Sources: Banks' company data, FSSIA estimates

**Exhibit 11: Impact on 2025E net profit from 25bp policy interest rate cut**



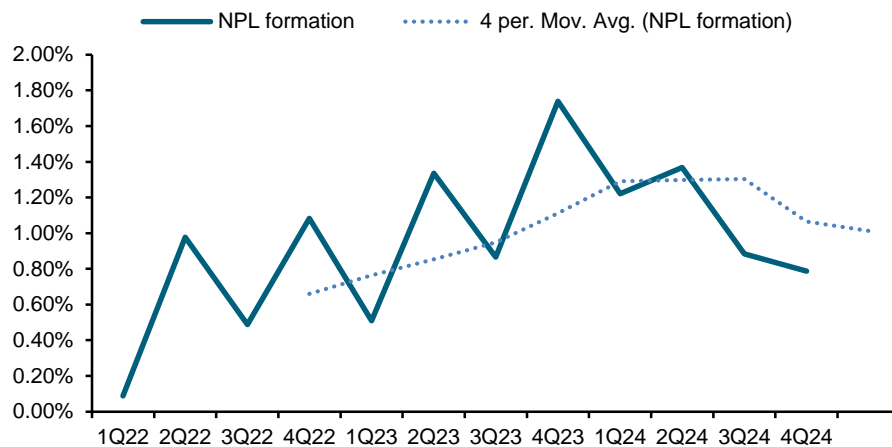
Sources: Banks' company data, FSSIA estimates

## Positive trend of asset quality and credit cost

In 4Q24, we believe the benign credit cost of 102bp 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 reflected the process of rehabilitation and successful debt-to-equity conversion, which is the Thai Airways account, we think. The NPL coverage ratio was at 188% in 4Q24, which is a new high level for KTB.

Our calculated NPL formation rate suggests a downtrend in the last four quarters. This should indicate an improving trend for KTB's asset quality with room to manage credit costs, we believe. KTB's latest NPL formation rate in 4Q24 was at 80bp.

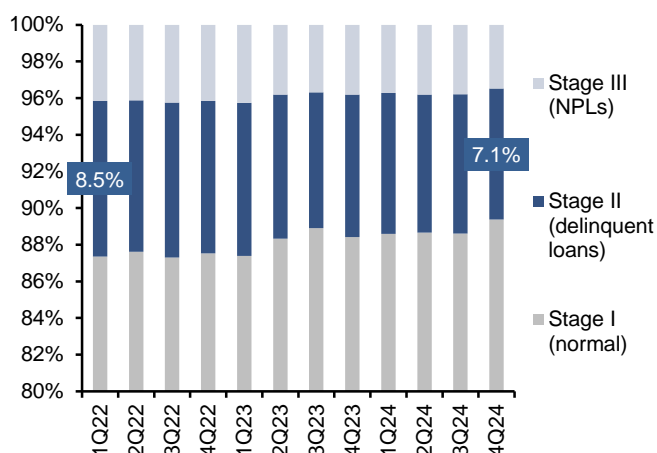
### Exhibit 12: KTB's NPL formation rate and trendline (4-period moving average)



Sources: KTB, FSSIA's compilation

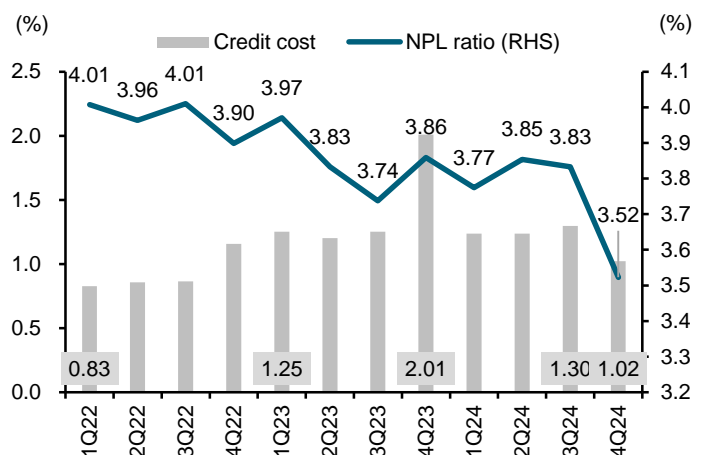
Another positive sign for KTB's asset quality, in our view, is a continued lower proportion of loans under stage II (delinquent loans) to 7.1% of total loans in 4Q24 vs 8.5% in 1Q22. This trend is also in accordance with a lower NPL ratio to 3.5% in 4Q24 vs 4.0% in 1Q22.

### Exhibit 13: Lower proportion of stage II loans (delinquent) ...



Sources: KTB, FSSIA compilation

### Exhibit 14: ... as well as a lower NPL ratio



Sources: KTB, FSSIA compilation

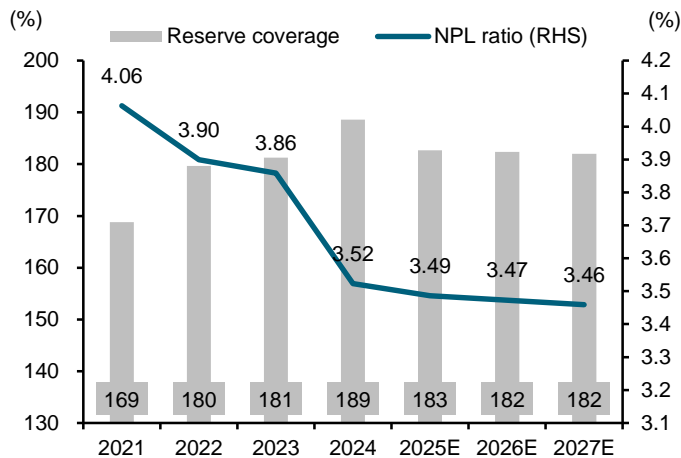
With a lower proportion of stage II and NPLs in the past three years, we believe the uncertainty of KTB's asset quality with a high credit cost (120-140bp) should be significantly lower. Hence, we expect that KTB has room to lower credit costs to 113-115bp in 2025-27 vs 118bp in 2024 and 143bp in 2023.

Another factor that should allow KTB to manage lower credit costs, in our view, is the high reserve coverage to NPLs at 189% in 2024, which is the highest level in KTB's history.



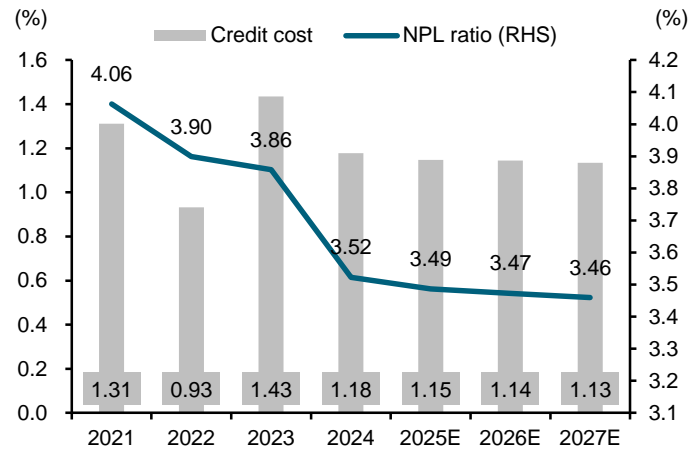
Thus, this ample reserve and controllable asset quality should support our credit cost forecast for KTB at 113-115bp in 2025-27. Sensitivity-wise, every 10bp decrease in KTB's credit cost would translate into higher 2025E net profit by 6.2%, all else being equal.

**Exhibit 15: High reserve coverage and lower NPL ratio ...**



Sources: KTB, FSSIA estimates

**Exhibit 16: ... allows KTB to lower credit costs to 113-115bp in 2025-27**



Sources: KTB, FSSIA estimates

### Raising dividend payout ratio to 49% helps KTB's ROE close to 10%

For its 2024 financial performance, KTB announced a dividend payout ratio of 49%, which was a positive surprise to our initial forecast of 35% and higher than the 2023 level of 33%.

With the significant increase in KTB's dividend payout ratio to 49% from 33%, we see this positive move as sufficient for KTB's capital management, and it should drive its ROE close to 10% in 2025-27E. Note that KTB is the only major Thai bank in the top five (BBL, KBANK, SCB, KTB and TTB) that generated ROE at 10% or two-digit ROE in 2024. The strong ROE generation from KTB in 4Q24 and full-year 2024 resulted in strong share price performance that outperformed the market benchmark by 22% in the past three months.

In addition, with KTB's CET1 of 18.8% and CAR of 20.8% in 2024, which is the highest level among peers, we believe the 49% dividend payout ratio for KTB could be sustained in 2025-27.

**Exhibit 17: 2024 Banks' dividend payout ratio comparison – positive surprise from KTB**

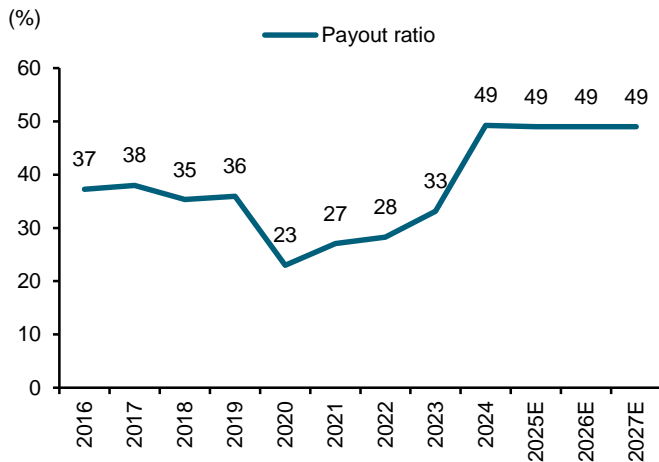
| 2024A | Dividend payout ratio | Dividend yield | XD Date   | ROE   | CET1  | CAR ratio | Comments  |
|-------|-----------------------|----------------|-----------|-------|-------|-----------|---|
| BBL   | 36%                   | 5.7%           | 23-Apr-25 | 8.3%  | 17.0% | 20.4%     | *** Need further 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 compilation



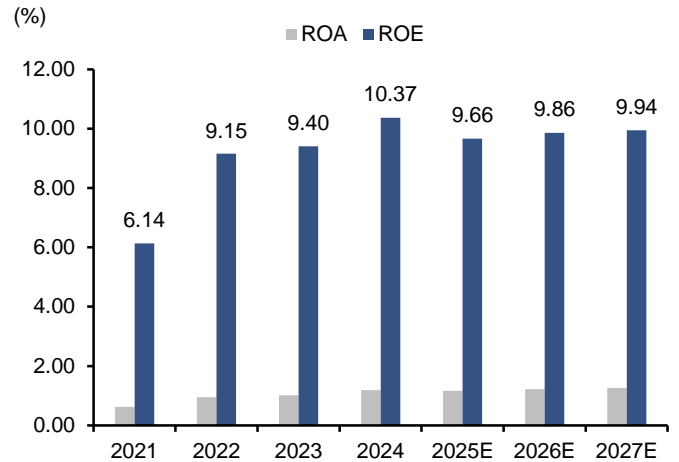
We now expect KTB's ROE to be around 9.7-9.9% in 2025-27 on the back of our conservative forecast on non-NII and credit cost at c115bp. The ROE level close to 10% remains the highest among the top five Thai banks. Meanwhile, we forecast a dividend payout ratio of 49% for 2025-27. In the case that KTB increases its dividend payout ratio further to 60%, we expect ROE to increase by 25bp.

**Exhibit 18: Expect 49% dividend payout ratio for KTB**



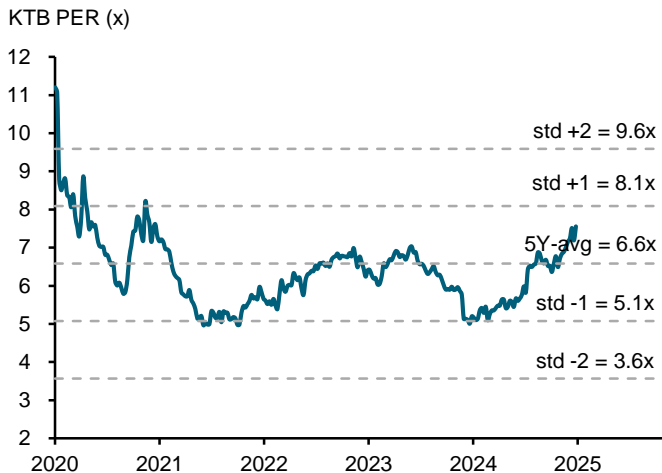
Sources: KTB, FSSIA estimates

**Exhibit 19: ROA and ROE – ROE to around 10% +/-**



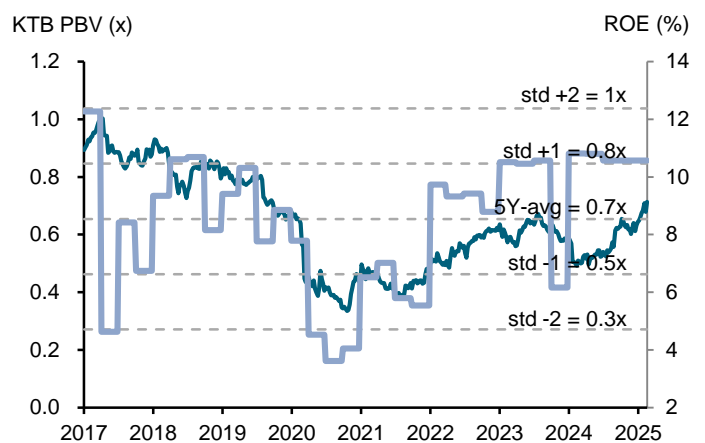
Sources: KTB, FSSIA estimates

**Exhibit 20: KTB – one-year prospective P/E band**



Sources: Bloomberg, FSSIA estimates

**Exhibit 21: KTB – one-year prospective P/BV band**



Sources: Bloomberg, FSSIA estimates

## Exhibit 22: Peer regional banks comparison, as of 11 March 2025

| Company name                      | BBG code   | Share price (LCY) | Target price (LCY) | Up side (%) | Market Cap. (USD m) | ----- PE -----<br>25E (x) | 26E (x) | ---- PBV ----<br>25E (x) | 26E (x) | ----- ROE -----<br>25E (%) | 26E (%) | ---- Div yld ----<br>25E (x) | 26E (x) |
|-----------------------------------|------------|-------------------|--------------------|-------------|---------------------|---------------------------|---------|--------------------------|---------|----------------------------|---------|------------------------------|---------|
| Thailand                          |            |                   |                    |             |                     |                           |         |                          |         |                            |         |                              |         |
| Bangkok Bank                      | BBL TB     | 147.50            | 194.00             | 32          | 8,330               | 5.9                       | 5.6     | 0.5                      | 0.5     | 8.3                        | 8.3     | 6.0                          | 6.4     |
| Kasikornbank                      | KBANK TB   | 150.50            | 186.00             | 24          | 10,549              | 6.9                       | 6.4     | 0.6                      | 0.6     | 8.9                        | 9.1     | 6.5                          | 7.0     |
| Krung Thai Bank                   | KTB TB     | 22.80             | 26.50              | 16          | 9,427               | 7.2                       | 6.7     | 0.7                      | 0.6     | 9.7                        | 9.9     | 6.8                          | 7.3     |
| SCB X                             | SCB TB     | 124.50            | 130.00             | 4           | 12,402              | 9.1                       | 8.8     | 0.8                      | 0.8     | 9.4                        | 9.5     | 8.8                          | 9.1     |
| TMBThanachart Bank                | TTB TB     | 1.91              | 2.52               | 32          | 5,489               | 8.0                       | 7.2     | 0.7                      | 0.7     | 9.4                        | 10.0    | 7.5                          | 8.3     |
| Kiatnakin Bank                    | KKP TB     | 55.50             | 50.30              | (9)         | 1,359               | 9.7                       | 8.7     | 0.7                      | 0.7     | 7.5                        | 7.9     | 5.0                          | 5.5     |
| Tisco Financial Group             | TISCO TB   | 97.25             | 98.00              | 1           | 2,304               | 11.4                      | 11.0    | 1.8                      | 1.7     | 15.6                       | 15.9    | 8.0                          | 8.2     |
| Thailand weighted average         |            |                   |                    |             | 7,123               | 8.3                       | 7.8     | 0.8                      | 0.8     | 9.8                        | 10.1    | 6.9                          | 7.4     |
| Hong Kong                         |            |                   |                    |             |                     |                           |         |                          |         |                            |         |                              |         |
| Industrial & Comm Bank of China   | 1398 HK    | 5.56              | n/a                | n/a         | 311,399             | 5.1                       | 5.0     | 0.5                      | 0.4     | 9.3                        | 8.9     | 6.1                          | 6.2     |
| China Construction Bank           | 939 HK     | 6.65              | n/a                | n/a         | 216,361             | 4.6                       | 4.4     | 0.4                      | 0.4     | 10.1                       | 9.8     | 6.6                          | 6.8     |
| HSBC Holdings                     | 5 HK       | 85.20             | n/a                | n/a         | 193,531             | 8.3                       | 7.8     | 1.1                      | 1.0     | 13.1                       | 13.2    | 6.1                          | 6.5     |
| Bank of China                     | 3988 HK    | 4.53              | n/a                | n/a         | 203,754             | 5.5                       | 5.3     | 0.5                      | 0.4     | 9.0                        | 8.8     | 5.9                          | 5.9     |
| Hong Kong average                 |            |                   |                    |             | 231,261             | 5.9                       | 5.6     | 0.6                      | 0.6     | 10.4                       | 10.2    | 6.2                          | 6.4     |
| China                             |            |                   |                    |             |                     |                           |         |                          |         |                            |         |                              |         |
| Industrial & Comm Bank of China   | 601398 CH  | 6.78              | n/a                | n/a         | 311,395             | 6.7                       | 6.5     | 0.6                      | 0.6     | 9.3                        | 9.0     | 4.6                          | 4.8     |
| Agricultural Bank of China        | 601288 CH  | 5.09              | n/a                | n/a         | 241,182             | 6.4                       | 6.2     | 0.6                      | 0.6     | 9.8                        | 9.6     | 4.9                          | 5.1     |
| China Construction Bank           | 601939 CH  | 8.49              | n/a                | n/a         | 216,358             | 6.3                       | 6.1     | 0.6                      | 0.6     | 10.0                       | 9.6     | 4.8                          | 5.0     |
| Bank of China                     | 601988 CH  | 5.39              | n/a                | n/a         | 203,751             | 7.1                       | 6.8     | 0.6                      | 0.6     | 9.0                        | 8.7     | 4.6                          | 4.7     |
| China average                     |            |                   |                    |             | 243,172             | 6.6                       | 6.4     | 0.6                      | 0.6     | 9.5                        | 9.2     | 4.7                          | 4.9     |
| South Korea                       |            |                   |                    |             |                     |                           |         |                          |         |                            |         |                              |         |
| KB Financial Group                | 105560 KS  | 77,400            | n/a                | n/a         | 20,841              | 5.2                       | 4.9     | 0.5                      | 0.4     | 9.5                        | 9.3     | 4.4                          | 4.7     |
| Shinhan Financial Group           | 055550 KS  | 45,000            | n/a                | n/a         | 15,609              | 4.5                       | 4.2     | 0.4                      | 0.4     | 8.9                        | 8.8     | 5.1                          | 5.6     |
| Hana Financial Group              | 086790 KS  | 58,800            | n/a                | n/a         | 11,841              | 4.3                       | 4.0     | 0.4                      | 0.4     | 9.2                        | 9.0     | 6.2                          | 6.6     |
| Industrial Bank of Korea          | 024110 KS  | 15,530            | n/a                | n/a         | 8,556               | 4.6                       | 4.4     | 0.4                      | 0.4     | 8.3                        | 8.2     | 7.1                          | 7.6     |
| South Korea average               |            |                   |                    |             | 14,212              | 4.6                       | 4.4     | 0.4                      | 0.4     | 9.0                        | 8.8     | 5.7                          | 6.1     |
| Indonesia                         |            |                   |                    |             |                     |                           |         |                          |         |                            |         |                              |         |
| Bank Central Asia                 | BBCA IJ    | 8,925             | n/a                | n/a         | 67,421              | 18.9                      | 17.6    | 3.9                      | 3.6     | 21.4                       | 21.1    | 3.5                          | 3.8     |
| Bank Rakyat Indonesia Persero     | BBRI IJ    | 3,790             | n/a                | n/a         | 35,458              | 9.7                       | 8.8     | 1.8                      | 1.7     | 18.6                       | 19.7    | 8.8                          | 9.2     |
| Bank Mandiri Persero              | BMRI IJ    | 4,740             | n/a                | n/a         | 27,338              | 7.8                       | 7.2     | 1.5                      | 1.3     | 19.7                       | 19.6    | 7.7                          | 8.2     |
| Bank Negara Indonesia Persero     | BBNI IJ    | 4,450             | n/a                | n/a         | 10,199              | 7.2                       | 6.6     | 1.0                      | 0.8     | 14.0                       | 14.3    | 7.4                          | 8.7     |
| Bank Syariah Indonesia            | BRIS IJ    | 2,510             | n/a                | n/a         | 7,036               | 14.0                      | 11.9    | 2.2                      | 1.9     | 16.9                       | 17.4    | 1.1                          | 1.7     |
| Indonesia average                 |            |                   |                    |             | 29,490              | 11.5                      | 10.4    | 2.1                      | 1.9     | 18.1                       | 18.4    | 5.7                          | 6.3     |
| Malaysia                          |            |                   |                    |             |                     |                           |         |                          |         |                            |         |                              |         |
| Malayan Banking                   | MAY MK     | 10.56             | n/a                | n/a         | 27,701              | 11.6                      | 11.1    | 1.3                      | 1.2     | 11.0                       | 11.1    | 6.3                          | 6.6     |
| Public Bank                       | PBK MK     | 4.52              | n/a                | n/a         | 19,041              | 11.3                      | 10.7    | 1.4                      | 1.3     | 12.7                       | 12.6    | 5.2                          | 5.5     |
| CIMB Group Holdings               | CIMB MK    | 7.26              | n/a                | n/a         | 17,038              | 9.4                       | 8.9     | 1.0                      | 1.0     | 11.3                       | 11.3    | 6.2                          | 6.6     |
| Hong Leong Bank                   | HLBK MK    | 20.42             | n/a                | n/a         | 9,786               | 9.3                       | 8.7     | 1.0                      | 1.0     | 11.5                       | 11.5    | 3.9                          | 4.3     |
| RHB Bank                          | RHBBANK MK | 6.86              | n/a                | n/a         | 6,685               | 8.9                       | 8.6     | 0.9                      | 0.8     | 10.0                       | 10.0    | 6.5                          | 6.8     |
| Malaysia average                  |            |                   |                    |             | 16,050              | 10.1                      | 9.6     | 1.1                      | 1.1     | 11.3                       | 11.3    | 5.6                          | 6.0     |
| Singapore                         |            |                   |                    |             |                     |                           |         |                          |         |                            |         |                              |         |
| DBS Group Holdings                | DBS SP     | 44.23             | n/a                | n/a         | 94,997              | 11.3                      | 11.0    | 1.8                      | 1.8     | 16.4                       | 16.3    | 6.9                          | 6.9     |
| Oversea-Chinese Banking           | OCBC SP    | 16.69             | n/a                | n/a         | 55,830              | 9.9                       | 9.6     | 1.2                      | 1.2     | 12.7                       | 12.5    | 5.9                          | 5.9     |
| United Overseas Bank              | UOB SP     | 37.35             | n/a                | n/a         | 46,516              | 9.7                       | 9.1     | 1.2                      | 1.2     | 13.1                       | 13.2    | 6.1                          | 5.7     |
| Singapore average                 |            |                   |                    |             | 65,781              | 10.3                      | 9.9     | 1.4                      | 1.4     | 14.0                       | 14.0    | 6.3                          | 6.2     |
| Regional average (excl. Thailand) |            |                   |                    |             | 95,185              | 8.3                       | 7.8     | 1.1                      | 1.0     | 12.2                       | 12.1    | 5.7                          | 6.0     |
| Total average (incl. Thailand)    |            |                   |                    |             | 75,921              | 8.3                       | 7.8     | 1.0                      | 1.0     | 11.7                       | 11.7    | 6.0                          | 6.3     |

Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Krung Thai Bank

| Profit and Loss (THB m) Year Ending Dec           | 2023     | 2024     | 2025E    | 2026E    | 2027E    |
|---|----------|----------|----------|----------|----------|
| Interest Income                                   | 152,369  | 165,105  | 164,037  | 168,601  | 172,310  |
| Interest expense                                  | (38,949) | (45,990) | (45,769) | (45,840) | (45,524) |
| Net interest income                               | 113,419  | 119,115  | 118,268  | 122,761  | 126,786  |
| Net fees & commission                             | 20,872   | 22,282   | 23,483   | 24,747   | 26,077   |
| Foreign exchange trading income                   | 5,178    | 4,703    | 4,938    | 5,185    | 5,444    |
| Securities trading income                         | 195      | 891      | 909      | 927      | 945      |
| Dividend income                                   | 319      | 384      | 396      | 408      | 420      |
| Other income                                      | 9,481    | 11,727   | 11,889   | 12,055   | 12,224   |
| Non interest income                               | 36,046   | 39,988   | 41,615   | 43,321   | 45,111   |
| Total income                                      | 149,465  | 159,102  | 159,883  | 166,083  | 171,897  |
| Staff costs                                       | (26,133) | (27,374) | (27,374) | (27,921) | (28,759) |
| Other operating costs                             | (36,024) | (41,404) | (41,656) | (42,128) | (42,717) |
| Operating costs                                   | (62,157) | (68,778) | (69,030) | (70,049) | (71,477) |
| Pre provision operating profit                    | 87,309   | 90,324   | 90,853   | 96,034   | 100,421  |
| Expected credit loss                              | (37,085) | (31,070) | (31,416) | (32,167) | (32,644) |
| Other provisions                                  | -        | -        | -        | -        | -        |
| Operating profit                                  | 50,223   | 59,255   | 59,437   | 63,867   | 67,776   |
| Recurring non operating income                    | 0        | 0        | 0        | 0        | -        |
| Associates  | -        | -        | -        | -        | -        |
| Goodwill amortization                             | -        | -        | -        | -        | -        |
| Non recurring items                               | -        | -        | -        | -        | -        |
| Profit before tax                                 | 50,223   | 59,255   | 59,437   | 63,867   | 67,776   |
| Tax   | (9,902)  | (11,576) | (11,887) | (12,773) | (13,555) |
| Profit after tax                                  | 40,321   | 47,679   | 47,550   | 51,094   | 54,221   |
| Non-controlling interest                          | (3,705)  | (3,823)  | (3,566)  | (3,832)  | (4,067)  |
| Preferred dividends                               | -        | -        | -        | -        | -        |
| Other items                                       | -        | -        | -        | -        | -        |
| Reported net profit                               | 36,616   | 43,856   | 43,983   | 47,262   | 50,154   |
| Non recurring items & goodwill (net)              | -        | -        | -        | -        | -        |
| Recurring net profit                              | 36,616   | 43,856   | 43,983   | 47,262   | 50,154   |
| <b>Per share (THB)</b>                            |          |          |          |          |          |
| Recurring EPS *                                   | 2.62     | 3.14     | 3.15     | 3.38     | 3.59     |
| Reported EPS                                      | 2.62     | 3.14     | 3.15     | 3.38     | 3.59     |
| DPS   | 0.87     | 1.55     | 1.54     | 1.66     | 1.76     |
| <b>Growth</b>                                     |          |          |          |          |          |
| Net interest income (%)                           | 25.5     | 5.0      | (0.7)    | 3.8      | 3.3      |
| Non interest income (%)                           | 3.0      | 10.9     | 4.1      | 4.1      | 4.1      |
| Pre provision operating profit (%)                | 23.6     | 3.5      | 0.6      | 5.7      | 4.6      |
| Operating profit (%)                              | 8.5      | 18.0     | 0.3      | 7.5      | 6.1      |
| Reported net profit (%)                           | 8.7      | 19.8     | 0.3      | 7.5      | 6.1      |
| Recurring EPS (%)                                 | 8.7      | 19.8     | 0.3      | 7.5      | 6.1      |
| Reported EPS (%)                                  | 8.7      | 19.8     | 0.3      | 7.5      | 6.1      |
| <b>Income Breakdown</b>                           |          |          |          |          |          |
| Net interest income (%)                           | 75.9     | 74.9     | 74.0     | 73.9     | 73.8     |
| Net fees & commission (%)                         | 14.0     | 14.0     | 14.7     | 14.9     | 15.2     |
| Foreign exchange trading income (%)               | 3.5      | 3.0      | 3.1      | 3.1      | 3.2      |
| Securities trading income (%)                     | 0.1      | 0.6      | 0.6      | 0.6      | 0.6      |
| Dividend income (%)                               | 0.2      | 0.2      | 0.2      | 0.2      | 0.2      |
| Other income (%)                                  | 6.3      | 7.4      | 7.4      | 7.3      | 7.1      |
| <b>Operating performance</b>                      |          |          |          |          |          |
| Gross interest yield (%)                          | 4.38     | 4.63     | 4.50     | 4.50     | 4.50     |
| Cost of funds (%)                                 | 1.28     | 1.48     | 1.45     | 1.42     | 1.38     |
| Net interest spread (%)                           | 3.10     | 3.15     | 3.05     | 3.08     | 3.12     |
| Net interest margin (%)                           | 3.3      | 3.3      | 3.2      | 3.3      | 3.3      |
| Cost/income(%)                                    | 41.6     | 43.2     | 43.2     | 42.2     | 41.6     |
| Cost/assets(%)                                    | 1.7      | 1.9      | 1.8      | 1.8      | 1.8      |
| Effective tax rate (%)                            | 19.7     | 19.5     | 20.0     | 20.0     | 20.0     |
| Dividend payout on recurring profit (%)           | 33.1     | 49.3     | 49.0     | 49.0     | 49.0     |
| ROE (%)   | 9.4      | 10.4     | 9.7      | 9.9      | 9.9      |
| ROE - COE (%)                                     | (0.6)    | 0.4      | (0.3)    | (0.1)    | (0.1)    |
| ROA (%)   | 1.1      | 1.3      | 1.3      | 1.3      | 1.4      |
| RORWA (%)   | 2.0      | 2.4      | 2.3      | 2.4      | 2.5      |
| * 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             | 2023             | 2024             | 2025E            | 2026E            | 2027E            |
|---|------------------|------------------|------------------|------------------|------------------|
| Gross customer loans                              | 2,576,516        | 2,698,611        | 2,779,401        | 2,846,106        | 2,914,413        |
| Allowance for expected credit loss                | (173,317)        | (173,879)        | (177,021)        | (180,237)        | (183,502)        |
| interest in suspense                              | 22,909           | 24,343           | 25,020           | 25,335           | 25,944           |
| <b>Net customer loans</b>                         | <b>2,426,108</b> | <b>2,549,075</b> | <b>2,627,400</b> | <b>2,691,205</b> | <b>2,756,855</b> |
| Bank loans  | 701,162          | 534,775          | 561,514          | 561,514          | 561,514          |
| Government securities                             | -                | -                | -                | -                | -                |
| Trading securities                                | -                | -                | -                | -                | -                |
| Investment securities                             | 263,708          | 351,085          | 365,129          | 379,734          | 394,923          |
| Cash & equivalents                                | 55,626           | 56,889           | 33,968           | 49,682           | 66,083           |
| Other interesting assets                          | -                | -                | -                | -                | -                |
| Tangible fixed assets                             | 31,064           | 29,237           | 29,822           | 30,419           | 31,027           |
| Associates  | 13,533           | 19,866           | 20,264           | 20,669           | 21,082           |
| Goodwill  | 23,226           | 22,918           | 22,918           | 22,918           | 22,918           |
| Other intangible assets                           | -                | -                | -                | -                | -                |
| Other assets                                      | 163,274          | 180,338          | 180,900          | 181,474          | 182,059          |
| <b>Total assets</b>                               | <b>3,677,700</b> | <b>3,744,184</b> | <b>3,841,914</b> | <b>3,937,614</b> | <b>4,036,461</b> |
| Customer deposits                                 | 2,646,872        | 2,731,344        | 2,802,359        | 2,869,616        | 2,938,487        |
| Bank deposits                                     | 282,696          | 255,872          | 258,431          | 261,015          | 263,625          |
| Other interest bearing liabilities                | 160,839          | 132,464          | 132,464          | 132,464          | 132,464          |
| Non interest bearing liabilities                  | 166,447          | 160,117          | 161,326          | 162,557          | 163,809          |
| Hybrid Capital                                    | -                | -                | -                | -                | -                |
| <b>Total liabilities</b>                          | <b>3,256,853</b> | <b>3,279,797</b> | <b>3,354,580</b> | <b>3,425,651</b> | <b>3,498,385</b> |
| Share capital                                     | 72,005           | 72,005           | 72,005           | 72,005           | 72,005           |
| Reserves  | 330,371          | 371,833          | 394,780          | 419,409          | 445,523          |
| <b>Total equity</b>                               | <b>402,376</b>   | <b>443,838</b>   | <b>466,785</b>   | <b>491,414</b>   | <b>517,528</b>   |
| Non-controlling interest                          | 18,470           | 20,549           | 20,549           | 20,549           | 20,549           |
| <b>Total liabilities &amp; equity</b>             | <b>3,677,700</b> | <b>3,744,184</b> | <b>3,841,914</b> | <b>3,937,614</b> | <b>4,036,461</b> |
| <b>Supplementary items</b>                        |                  |                  |                  |                  |                  |
| Risk weighted assets (RWA)                        | 2,037,273        | 2,008,361        | 2,068,572        | 2,118,008        | 2,168,840        |
| Average interest earning assets                   | 3,481,109        | 3,562,928        | 3,645,258        | 3,746,699        | 3,829,102        |
| Average interest bearing liabilities              | 3,054,457        | 3,105,044        | 3,156,467        | 3,228,175        | 3,298,835        |
| CET 1 capital                                     | 355,554          | 377,999          | 398,265          | 420,041          | 443,150          |
| Total capital                                     | 420,514          | 418,316          | 438,582          | 460,358          | 483,467          |
| Gross non performing loans (NPL)                  | 99,407           | 95,065           | 96,903           | 98,838           | 100,819          |
| <b>Per share (THB)</b>                            |                  |                  |                  |                  |                  |
| Book value per share                              | 28.79            | 31.76            | 33.40            | 35.16            | 37.03            |
| Tangible book value per share                     | 27.13            | 30.12            | 31.76            | 33.52            | 35.39            |
| <b>Growth</b>                                     |                  |                  |                  |                  |                  |
| Gross customer loans                              | (0.6)            | 4.7              | 3.0              | 2.4              | 2.4              |
| Average interest earning assets                   | 1.5              | 2.4              | 2.3              | 2.8              | 2.2              |
| Total asset (%)                                   | 2.4              | 1.8              | 2.6              | 2.5              | 2.5              |
| Risk weighted assets (%)                          | (0.7)            | (1.4)            | 3.0              | 2.4              | 2.4              |
| Customer deposits (%)                             | 2.2              | 3.2              | 2.6              | 2.4              | 2.4              |
| <b>Leverage &amp; capital measures</b>            |                  |                  |                  |                  |                  |
| Customer loan/deposits (%)                        | 91.7             | 93.3             | 93.8             | 93.8             | 93.8             |
| Equity/assets (%)                                 | 10.9             | 11.9             | 12.1             | 12.5             | 12.8             |
| Tangible equity/assets (%)                        | 10.3             | 11.2             | 11.6             | 11.9             | 12.3             |
| RWA/assets (%)                                    | 55.4             | 53.6             | 53.8             | 53.8             | 53.7             |
| CET 1 CAR (%)                                     | 17.5             | 18.8             | 19.3             | 19.8             | 20.4             |
| Total CAR (%)                                     | 20.6             | 20.8             | 21.2             | 21.7             | 22.3             |
| <b>Asset Quality (FSSIA's calculation)</b>        |                  |                  |                  |                  |                  |
| Change in NPL (%)                                 | (1.7)            | (4.4)            | 1.9              | 2.0              | 2.0              |
| NPL/gross loans (%)                               | 3.9              | 3.5              | 3.5              | 3.5              | 3.5              |
| Allowance for ECL/gross loans (%)                 | 6.7              | 6.4              | 6.4              | 6.3              | 6.3              |
| Allowance for ECL/NPL (%)                         | 174.4            | 182.9            | 182.7            | 182.4            | 182.0            |
| <b>Valuation</b>                                  |                  |                  |                  |                  |                  |
| Recurring P/E (x) *                               | 8.7              | 7.3              | 7.2              | 6.7              | 6.4              |
| Recurring P/E @ target price (x) *                | 10.1             | 8.4              | 8.4              | 7.8              | 7.4              |
| Reported P/E (x)                                  | 8.7              | 7.3              | 7.2              | 6.7              | 6.4              |
| Dividend yield (%)                                | 3.8              | 6.8              | 6.8              | 7.3              | 7.7              |
| Price/book (x)                                    | 0.8              | 0.7              | 0.7              | 0.6              | 0.6              |
| Price/tangible book (x)                           | 0.8              | 0.8              | 0.7              | 0.7              | 0.6              |
| Price/tangible book @ target price (x)            | 1.0              | 0.9              | 0.8              | 0.8              | 0.7              |
| * Pre-exceptional, pre-goodwill and fully diluted |                  |                  |                  |                  |                  |

Sources: Krung Thai Bank; FSSIA estimates

# Krung Thai Bank PCL (KTB TB)

## FSSIA ESG rating



**63.10 /100**

### Exhibit 23: 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  | <b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>   |
| ★★★    | >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 24: ESG – peer comparison

|          | FSSIA<br>ESG<br>score | DJSI | SET<br>ESG | Domestic ratings<br>SET ESG<br>Rating | CG<br>score | AGM<br>level | Thai CAC  | Morningstar<br>ESG risk | ESG<br>Book | Global ratings<br>MSCI | Moody's | Refinitiv | S&P<br>Global | Bloomberg<br>ESG<br>score | Disclosure<br>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                      | 61.33               |
| 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](https://www.settrade.com); FSSIA's compilation

### Exhibit 25: ESG score by Bloomberg

| FY ending Dec 31                                    | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      | FY 2020      | FY 2021      | FY 2022      |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>ESG financial materiality scores - ESG score</b> | <b>1.36</b>  | <b>1.75</b>  | <b>1.82</b>  | <b>1.72</b>  | <b>2.13</b>  | <b>2.07</b>  | <b>2.14</b>  | <b>2.12</b>  |
| BESG environmental pillar score                     | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         |
| BESG social pillar score                            | 1.18         | 1.88         | 1.95         | 1.92         | 2.63         | 2.65         | 2.72         | 2.63         |
| BESG governance pillar score                        | 3.69         | 4.06         | 4.28         | 3.83         | 4.34         | 4.03         | 4.18         | 4.28         |
| <b>ESG disclosure score</b>                         | <b>38.85</b> | <b>41.85</b> | <b>42.19</b> | <b>42.19</b> | <b>53.35</b> | <b>55.27</b> | <b>56.12</b> | <b>61.33</b> |
| Environmental disclosure score                      | 6.74         | 8.46         | 8.46         | 8.46         | 34.46        | 38.63        | 38.63        | 39.47        |
| Social disclosure score                             | 28.57        | 29.56        | 30.59        | 30.59        | 38.12        | 39.69        | 42.26        | 57.07        |
| Governance disclosure score                         | 81.10        | 87.36        | 87.36        | 87.36        | 87.36        | 87.36        | 87.36        | 87.36        |
| <b>Environmental</b>                                |              |              |              |              |              |              |              |              |
| 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           | No           | No           | No           | No           | No           | No           |
| GHG scope 1   | —            | —            | —            | —            | 14           | 14           | 12           | 15           |
| GHG scope 2 location-based                          | 7            | 135          | 128          | 60           | 53           | 50           | 45           | 42           |
| GHG Scope 3   | —            | —            | —            | —            | 26           | 28           | 27           | 43           |
| Carbon per unit of production                       | —            | —            | —            | —            | —            | —            | —            | —            |
| Biodiversity policy                                 | No           | No           | No           | No           | No           | No           | No           | Yes          |
| Energy efficiency policy                            | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          |
| Total energy consumption                            | —            | —            | —            | —            | 211          | 203          | 180          | 174          |
| Renewable energy use                                | —            | —            | —            | —            | 0            | 0            | 0            | 0            |
| Electricity used                                    | —            | 232          | 219          | 103          | 105          | 100          | 90           | 84           |
| Fuel used - natural gas                             | —            | —            | —            | —            | —            | —            | —            | —            |

Sources: Bloomberg; FSSIA's compilation

**Exhibit 26: 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                        | No        | No        | No        | No        | No        | Yes       | Yes       | Yes       |
| Hazardous waste                               | —         | —         | —         | —         | —         | 0         | 0         | 0         |
| Total waste                                   | —         | —         | —         | —         | 3         | 4         | 3         | 3         |
| Waste recycled                                | —         | —         | —         | —         | —         | —         | —         | —         |
| Waste sent to landfills                       | —         | —         | —         | —         | —         | —         | —         | —         |
| Environmental supply chain management         | No        | No        | No        | No        | Yes       | Yes       | Yes       | Yes       |
| Water policy                                  | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       |
| Water consumption                             | —         | —         | —         | —         | 170       | 147       | 121       | 119       |
| <b>Social</b>                                 |           |           |           |           |           |           |           |           |
| Human rights policy                           | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       |
| Policy against child labor                    | No        | No        | 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                       | No        | No        | No        | No        | No        | No        | No        | No        |
| Pct women in workforce                        | 69        | 69        | 69        | 70        | 70        | 70        | 70        | 71        |
| Pct disabled in workforce                     | —         | —         | —         | —         | —         | —         | —         | —         |
| 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                     | 24,057    | 23,611    | 22,417    | 21,606    | 21,133    | 20,262    | 18,937    | 17,157    |
| Employee turnover pct                         | —         | —         | —         | —         | 7         | 5         | 9         | 12        |
| Total hours spent by firm - employee training | 2,742,500 | 1,726,760 | 1,693,780 | 1,591,920 | 1,507,460 | 2,322,770 | 2,102,850 | 1,350,850 |
| Social supply chain management                | No        | No        | No        | No        | Yes       | Yes       | Yes       | Yes       |
| <b>Governance</b>                             |           |           |           |           |           |           |           |           |
| Board size                                    | 12        | 12        | 12        | 12        | 11        | 12        | 12        | 12        |
| No. of independent directors (ID)             | 4         | 6         | 6         | 6         | 5         | 6         | 6         | 6         |
| No. of women on board                         | 0         | 1         | 1         | 1         | 2         | 2         | 2         | 2         |
| No. of non-executive directors on board       | 9         | 11        | 11        | 11        | 10        | 8         | 8         | 11        |
| Company conducts board evaluations            | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       |
| No. of board meetings for the year            | 28        | 27        | 27        | 24        | 27        | 26        | 23        | 22        |
| Board meeting attendance pct                  | 93        | 96        | 92        | 84        | 94        | 97        | 100       | 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                  | 51        | 44        | 45        | 47        | 48        | 49        | 49        | 50        |
| Age of the oldest director                    | 61        | 62        | 63        | 64        | 64        | 65        | 66        | 67        |
| No. of executives / company managers          | 21        | 20        | 20        | 20        | 19        | 21        | 19        | 22        |
| No. of female executives                      | 7         | 4         | 5         | 4         | 3         | 3         | 3         | 3         |
| Executive share ownership guidelines          | No        | No        | No        | No        | No        | No        | No        | No        |
| Size of audit committee                       | 3         | 4         | 4         | 3         | 3         | 3         | 3         | 3         |
| No. of ID on audit committee                  | 3         | 4         | 4         | 3         | 3         | 3         | 3         | 3         |
| Audit committee meetings                      | 19        | 26        | 25        | 22        | 20        | 22        | 19        | 26        |
| Audit meeting attendance %                    | 91        | 96        | 95        | 95        | 98        | 100       | 98        | 98        |
| Size of compensation committee                | 4         | 3         | 3         | 3         | 2         | 3         | 3         | 3         |
| No. of ID on compensation committee           | 3         | 2         | 3         | 2         | 1         | 2         | 2         | 2         |
| No. of compensation committee meetings        | 20        | 19        | 17        | 17        | 21        | 20        | 15        | 15        |
| Compensation meeting attendance %             | 95        | 95        | 90        | 92        | 94        | 100       | 100       | 100       |
| Size of nomination committee                  | 4         | 3         | 3         | 3         | 2         | 3         | 3         | 3         |
| No. of nomination committee meetings          | 20        | 19        | 17        | 17        | 21        | 20        | 15        | 15        |
| Nomination meeting attendance %               | 95        | 95        | 90        | 92        | 94        | 100       | 100       | 100       |
| <b>Sustainability governance</b>              |           |           |           |           |           |           |           |           |
| Verification type                             | No        | No        | No        | No        | No        | No        | No        | No        |

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 <b>SETESG inclusion</b> , 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.<br><b>SETESG Index</b> 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&amp;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.<br><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 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. <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 &amp; 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+         |          |   |    |             |   |             |     |             |          |   |
| NEGL   | Low  | Medium  | High  | Severe       |         |   |        |             |       |             |       |             |          |   |    |             |   |             |     |             |          |   |
| 0-10   | 10-20  | 20-30   | 30-40   | 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. <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 |
| 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                                   |              |         |   |        |             |       |             |       |             |          |   |    |             |   |             |     |             |          |   |
| 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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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

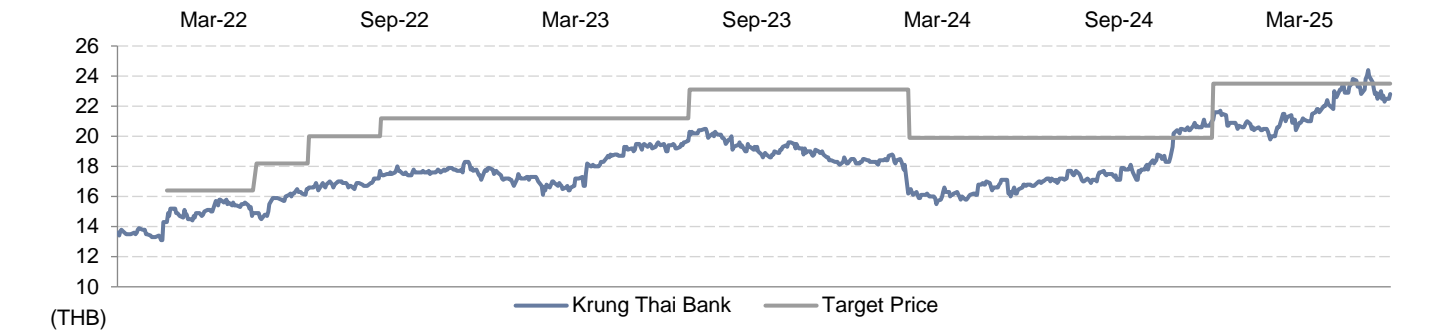
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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 |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 22-Apr-2022 | BUY    | 16.40        | 25-Oct-2022 | BUY    | 21.20        | 25-Mar-2024 | BUY    | 19.90        |
| 08-Jul-2022 | BUY    | 18.20        | 17-Jul-2023 | BUY    | 23.10        | 09-Oct-2024 | BUY    | 23.50        |
| 24-Aug-2022 | BUY    | 20.00        | 22-Jan-2024 | HOLD   | 19.90        |             |        |              |

Nathapol Pongsukcharoenkul started covering this stock from 12-Mar-2025

Price and TP are in local currency

Source: FSSIA estimates

| Company         | Ticker | Price     | Rating | Valuation & Risks  |
|-----------------|--------|-----------|--------|--|
| Krung Thai Bank | KTB TB | THB 22.80 | 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 11-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.