

12 MARCH 2025

EQUITY RESEARCH - TRANSFER OF COVERAGE

# KRUNG THAI BANK KTB TB

THAILAND / BANKING

FINANSIA

FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating



BUY

UNCHANGED

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%

## ROE to stay high and close to 10%

- Positive drivers for KTB in 2025-27E are 1) loan expansion; 2) higher non-NII; and 3) room to lower credit cost to 113-115bp.
- Raising dividend payout ratio to 49% helps ROE close to 10%.
- Maintain BUY rating with a new TP of THB26.50.

### Positive momentum remains

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.

### Improving asset quality allows for a lower credit cost to 115bp

Our calculated NPL formation rate for KTB at 80bp in 4Q24 suggests a downtrend in the last four quarters. Another positive sign for KTB's asset quality, in our view, is a continued lower proportion of loans under stage II to 7.1% of total loans in 4Q24 vs 8.5% in 1Q22. The NPL ratio also declined to 3.5% from 4.0% over the same period. With improving signs in the past three years and a large loan proportion with near-zero probability of default (i.e. government-related at 20% of total loans), we expect lower credit costs to 113-115bp in 2025-27 vs 118bp in 2024.

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

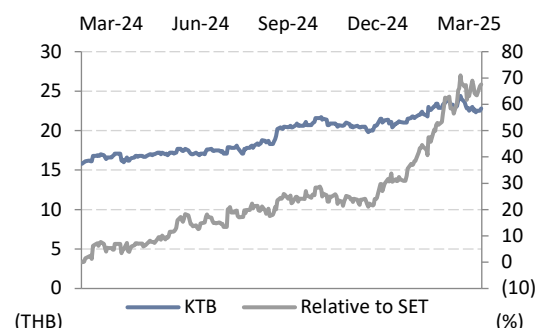
With the significant increase in KTB's dividend payout ratio to 49% in 2024 from 33% previously, we see this positive move as sufficient for KTB's capital management, and it should drive its ROE close to 10% in 2025-27E. Note that KTB is the only major Thai bank in the top five (BBL, KBANK, SCB, KTB and TTB) that generated ROE at 10% or two-digit ROE in 2024. 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.

### Raising forecast by 14-18%; maintain BUY with a TP of THB26.50

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 is driven by better asset quality conditions and large proportion of government loans (20% of total loans with near-zero credit cost). After our earnings revision and higher ROE forecast close to 10%, 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%) and maintain our BUY rating for KTB. With this report, we transfer coverage of KTB to Nathapol Pongsukcharoenkul.

### 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)

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

Source: Krung Thai Bank

### Major shareholders

Shareholder	Percentage
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>		

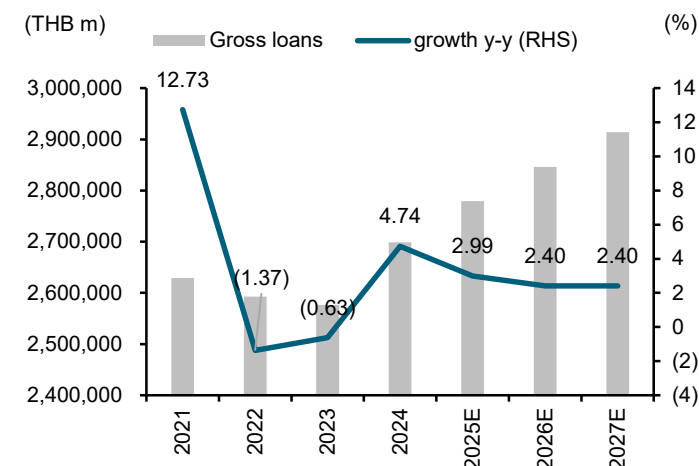
Source: FSSIA estimates

## 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

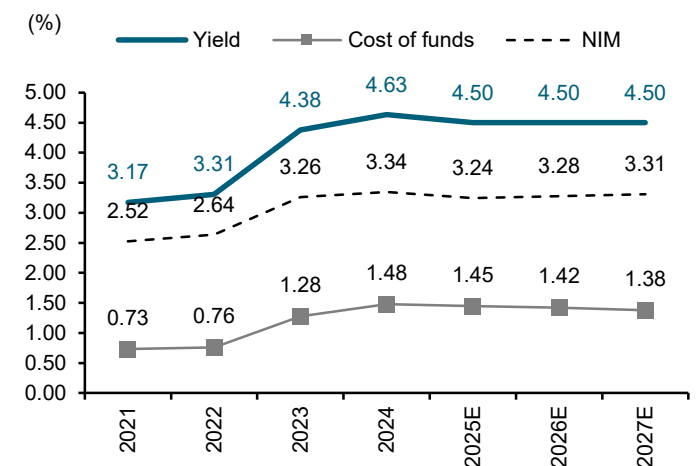
Source: FSSIA estimates

## 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.

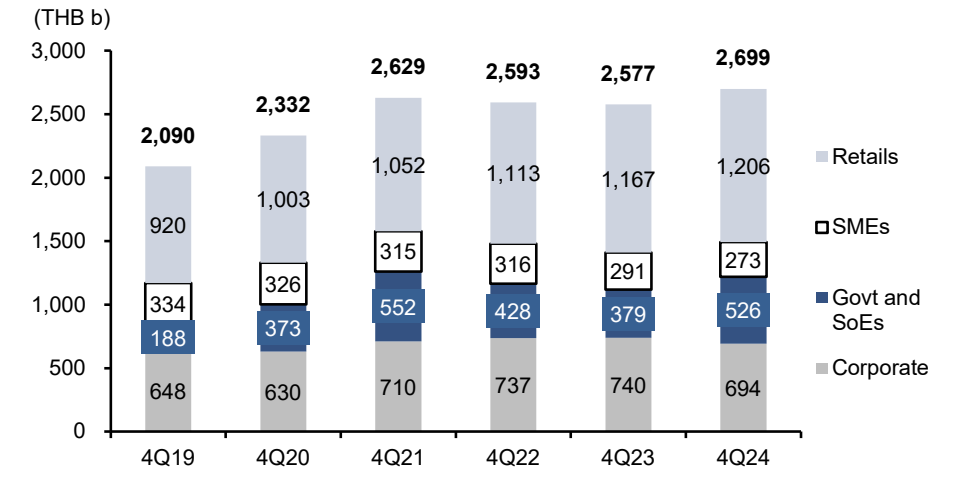
The Bank of Thailand (BOT) projects that public investment growth will accelerate to 5.1% in 2025 from 2.9% y-y in 2024. In addition, the BOT also projects 1.5% growth for public consumption in 2025. The crucial role of the public sector to boost GDP growth should benefit KTB as one of the financing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

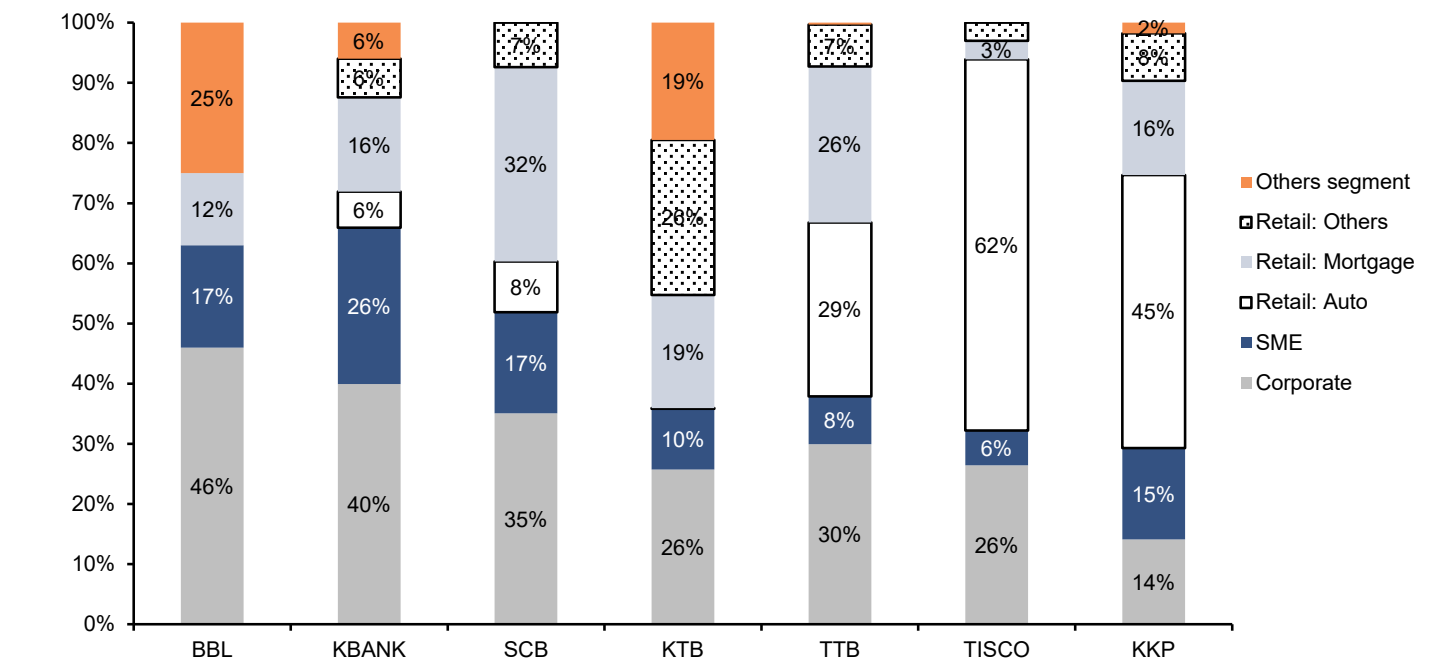
With loan segments related to the government at both the organizational and public employee levels with low credit cost characteristics, this differentiates KTB from other listed banks in Thailand and should allow KTB to manage lower credit costs eventually, in our view.

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



Sources: KTB, FSSIA's compilation

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

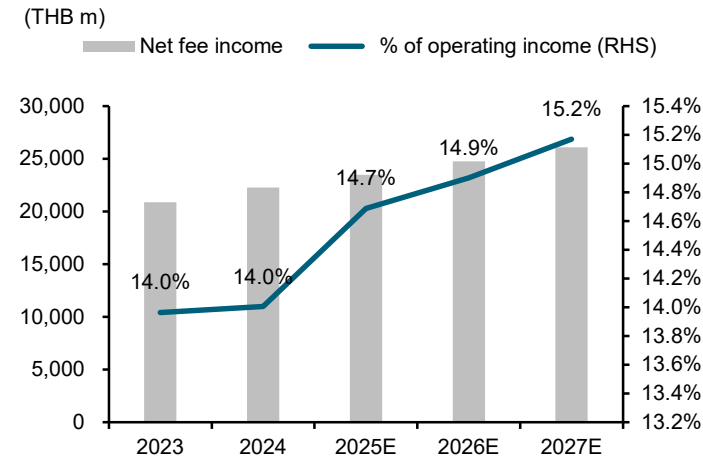


Sources: Banks' company data, FSSIA compilation

## 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

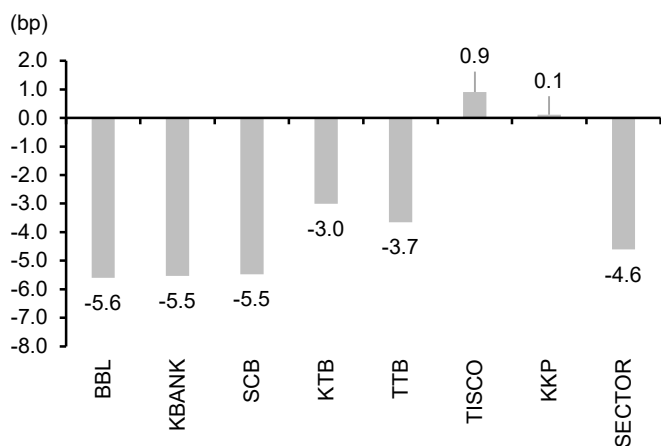
Going forward, with 40m downloads vs the Thai population of around 68m people, we are positive on Paotang's potential over the long term, given its large customer coverage, large database for data analytics and strong user engagement. According to research by KTB Compass, the informal economy in Thailand 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.

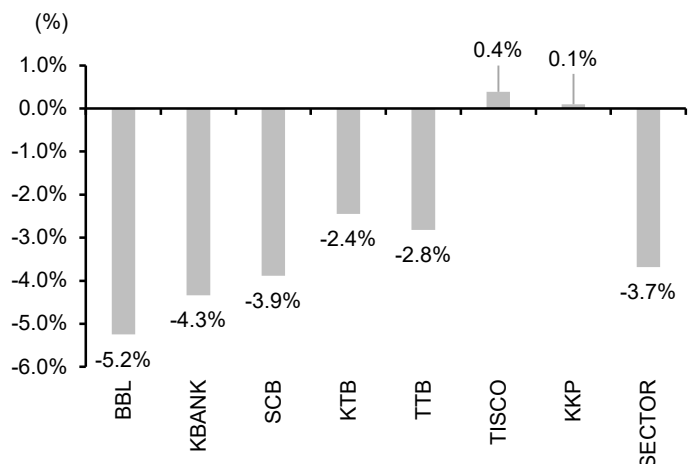
In the case that there is a further policy rate cut by 25bp from our base case, our sensitivity analysis suggests that the negative impact on KTB's NIM would be around 3.0bp with a net profit impact of 2.4% for 2025E, all else being equal.

**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**



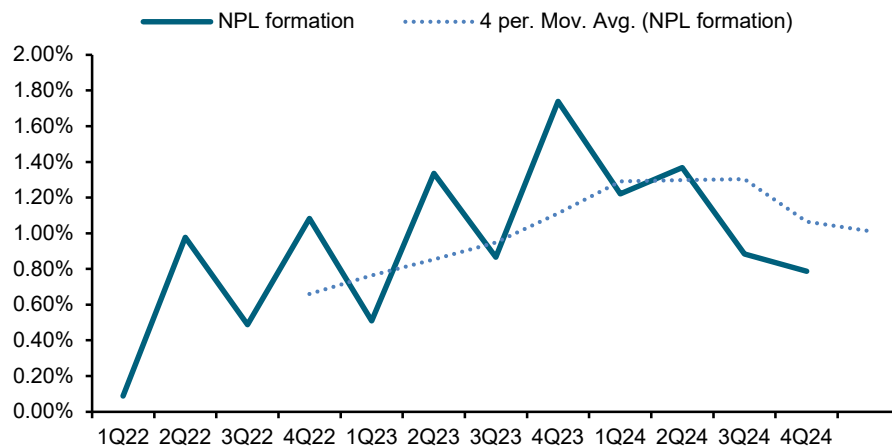
Sources: Banks' company data, FSSIA estimates

## 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)

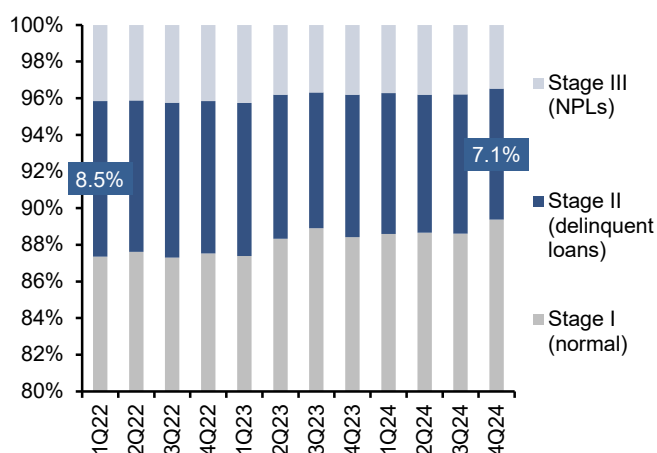


Sources: KTB, FSSIA's compilation

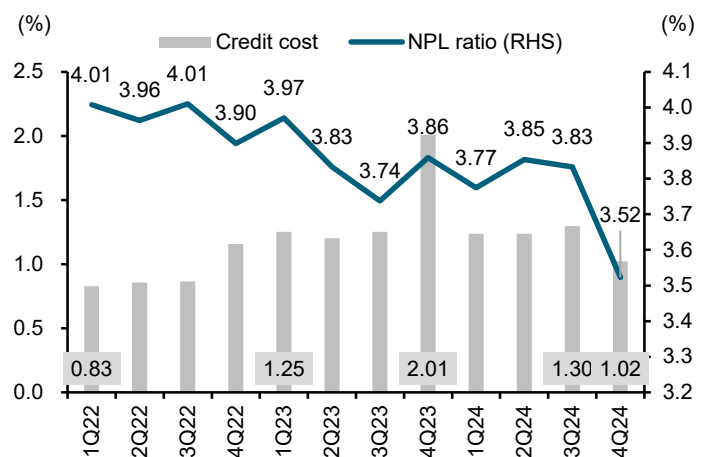
Another positive sign for KTB's asset quality, in our view, is a continued lower proportion of loans under stage II (delinquent loans) to 7.1% of total loans in 4Q24 vs 8.5% in 1Q22. This trend is also in accordance with a lower NPL ratio to 3.5% in 4Q24 vs 4.0% in 1Q22.

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

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



Sources: KTB, FSSIA compilation



Sources: KTB, FSSIA compilation

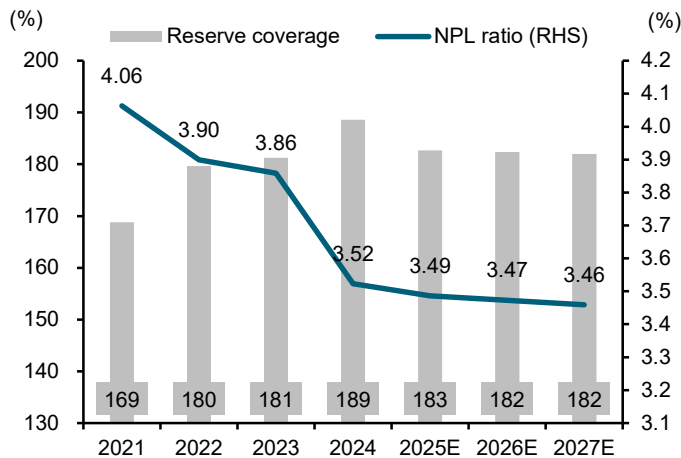
With a lower proportion of stage II and NPLs in the past three years, we believe the uncertainty of KTB's asset quality with a high credit cost (120-140bp) should be significantly lower. Hence, we expect that KTB has room to lower credit costs to 113-115bp in 2025-27 vs 118bp in 2024 and 143bp in 2023.

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.



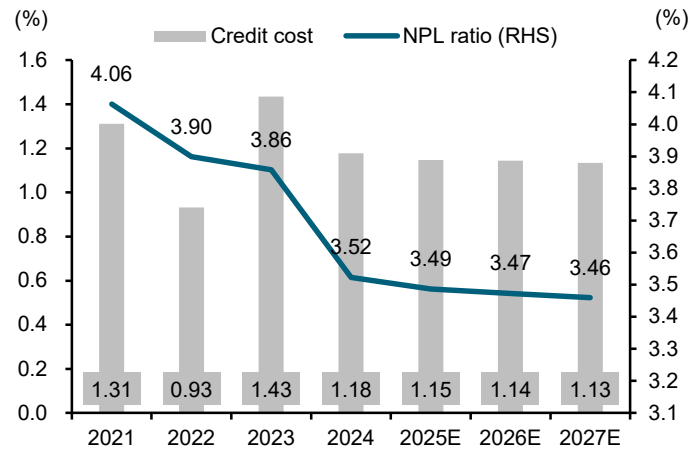
Thus, this ample reserve and controllable asset quality should support our credit cost forecast for KTB at 113-115bp in 2025-27. Sensitivity-wise, every 10bp decrease in KTB's credit cost would translate into higher 2025E net profit by 6.2%, all else being equal.

**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**

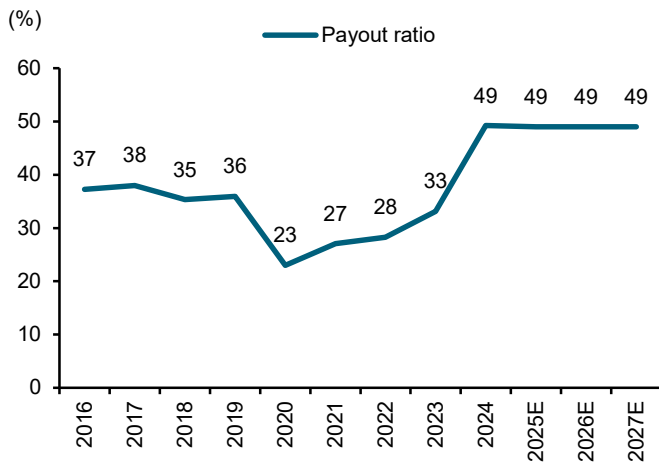
2024A	Dividend payout ratio	Dividend yield	XD Date	ROE	CET1	CAR ratio	Comments
BBL	36%	5.7%	23-Apr-25	8.3%	17.0%	20.4%	*** Need further actions, in our view.
KBANK	46%	6.2%	17-Apr-25	8.9%	17.5%	19.6%	Raised payout from 36%, No treasury stock
SCB	80%	8.4%	16-Apr-25	9.1%	17.8%	18.9%	High payout already
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



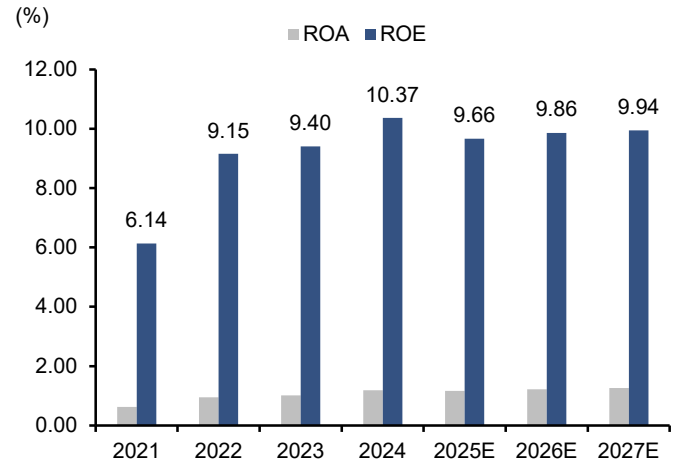
We now expect KTB's ROE to be around 9.7-9.9% in 2025-27 on the back of our conservative forecast on non-NII and credit cost at c115bp. The ROE level close to 10% remains the highest among the top five Thai banks. Meanwhile, we forecast a dividend payout ratio of 49% for 2025-27. In the case that KTB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

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



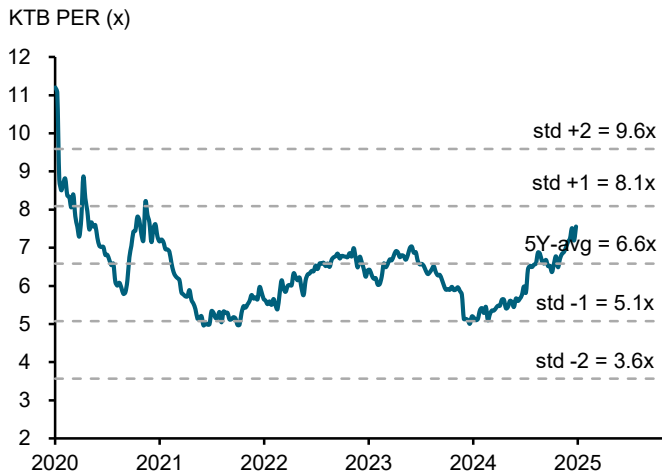
Sources: KTB, FSSIA estimates

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



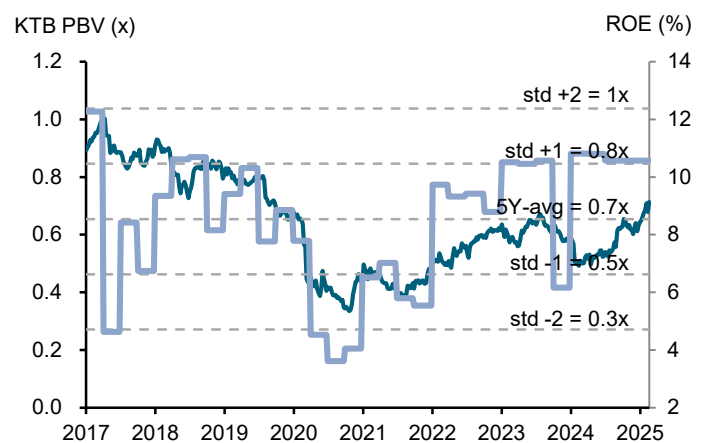
Sources: KTB, FSSIA estimates

**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 ----- 25E (x)	26E (x)	---- PBV ---- 25E (x)	26E (x)	----- ROE ----- 25E (%)	26E (%)	---- Div yld ---- 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 ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BBL	62.08	--	Y	Y	5.00	5.00	Certified	Medium	54.70	--	29.00	58.68	67.00	2.19	60.06
KBANK	84.17	Y	Y	Y	5.00	5.00	Certified	Medium	62.19	AA	46.00	73.83	83.00	4.05	59.77
KTB	63.10	--	Y	Y	5.00	5.00	Certified	Medium	53.59	BBB	34.00	64.64	64.00	2.12	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 ( <a href="#">DJSI</a> ) 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 ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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. <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.																			
<b>CG Score</b> 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%).																			
<b>AGM level</b> 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.																			
<a href="#">Thai CAC</a> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
<a href="#">Morningstar Sustainalytics</a>	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+									
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0-10	10-20	20-30	30-40	40+																	
<a href="#">ESG Book</a>	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.																			
<a href="#">MSCI</a>	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><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<a href="#">Moody's ESG solutions</a>	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.																				
<a href="#">Refinitiv ESG rating</a>	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>																				
<a href="#">S&amp;P Global</a>	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.																				
<b>Bloomberg</b>	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

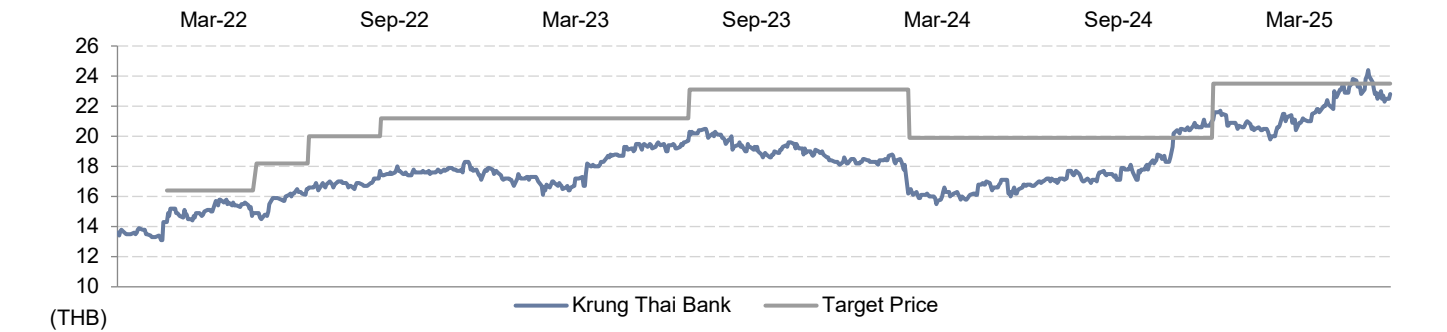
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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