

21 JULY 2025

EQUITY RESEARCH - RESULTS FLASH

# KASIKORNBANK KBANK TB

THAILAND / BANKING



FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating



## BUY

UNCHANGED

## 2Q25 results at first glance

### 7% beat from non-NII with stable asset quality and 165bp credit cost

KBANK reported a 2Q25 net profit of THB12.5b, -3% y-y and -9% q-q. This was better than our estimate by 7% but in line with the Bloomberg consensus. The key surprises, in our view, came from high non-NII from marked-to-market gains and dividend income, as well as lower-than-expected OPEX, resulting in a cost-to-income ratio of only 42.8% in 2Q25 (FSSIA 44.0%).

Overall asset quality conditions were controllable and slightly better than expected on the back of an NPL ratio of 3.74% (roughly stable q-q and vs FSSIA's 3.8%). Meanwhile, credit cost in 2Q25 was at 165bp, which is slightly higher than KBANK's target of 140bp to 160bp and our forecast of 161bp. Our calculated NPL formation rate in 2Q25 slightly increased to 110bp from 67bp last quarter. We believe this level remains benign for KBANK. Thus, we view the higher credit cost for KBANK in 2Q25 as primarily driven by loan loss reserve buildup.

6M25 net profit contributed 52% of our full-year earnings forecast.

We maintain our top BUY for KBANK and TP of THB186, as we believe the bank has room to lower its credit cost y-y to 162bp in 2025 vs 189bp in 2024.

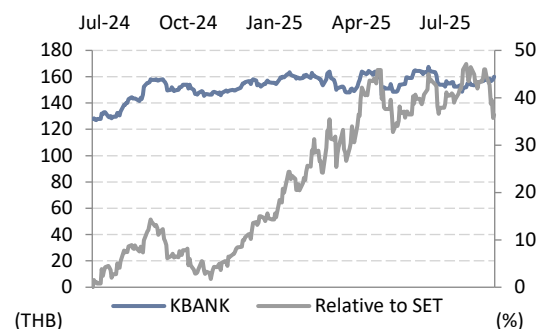
### Highlights

- **(0) Loan growth** was at -2.2% y-y, flat q-q and -2.0% YTD from most business segments following the broader subdued economic outlook.
- **(-) NIM was at 3.38%**, down by 10bp q-q, which was lower than our forecast of 3.41%. The pressure mainly came from asset yield (-13bp q-q) while funding costs decreased by 4bp q-q to 1.25%.
- **(+) Cost-to-income ratio** was at 42.8%, much lower than our expectation of 44.0%.
- **(0) Our calculated NPL formation rate** in 2Q25 slightly increased to 110bp from 67bp last quarter. We believe this level remains benign for KBANK. Thus, we view the higher credit cost for KBANK in 2Q25 as primarily driven by loan loss reserve buildup.
- **(+) The NPL coverage ratio** was at 153% in 1Q25; the highest level for KBANK in the last three years. This could provide a good cushion for uncertainties and higher NPLs in the future, we believe.
- From the analyst meeting, KBANK expects that its 2025 credit cost could be at 165bp; higher than the 140-160bp target. The increase in credit cost is mainly for management's overlay reserve against asset quality uncertainty (see details on Page 2).

TARGET PRICE THB186.00  
CLOSE THB160.00  
UP/DOWNSIDE +16.3%  
TP vs CONSENSUS +8.8%

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Operating profit	63,422	67,280	72,212	76,192
Net profit	48,598	51,580	55,449	58,550
EPS (THB)	20.51	21.77	23.40	24.71
vs Consensus (%)	-	6.1	10.5	11.2
Recurring net profit	48,598	51,580	55,449	58,550
Core EPS (THB)	20.51	21.77	23.40	24.71
EPS growth (%)	14.6	6.1	7.5	5.6
Core P/E (x)	7.8	7.3	6.8	6.5
Dividend yield (%)	5.8	6.1	6.6	7.0
Price/book (x)	0.7	0.6	0.6	0.6
ROE (%)	8.9	8.9	9.1	9.2
ROA (%)	1.2	1.2	1.3	1.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	6.0	9.4	27.4
Relative to country (%)	(3.9)	4.4	39.9
Mkt cap (USD m)	11,707		
3m avg. daily turnover (USD m)	70.4		
Free float (%)	80		
Major shareholder	Thai NVDR (16%)		
12m high/low (THB)	167.50/124.57		
Issued shares (m)	2,369		

Sources: Bloomberg consensus; FSSIA estimates



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## Key takeaways from KBANK's 2Q25 analyst meeting

- Despite good performance for both 1Q25 and 2Q25, KBANK does not view its results as a good leading indicator to predict its entire 2025 performance, as it is largely subject to uncertainties (e.g. Trump's trade war, negotiation outcome, local economic recovery, tourism performance, etc.).
- Kasikorn Research projects Thai GDP could face a technical recession in 4Q25 and 2025 GDP growth of 1.4%, with a policy rate of 1.5% by Dec-25. This would negatively impact the bank's NIM, credit cost, and loan growth trajectory.
- Thus, the overall tone from KBANK's meeting was more conservative (but not as extreme as TTB's), in our view.
- In the meeting, KBANK maintained all of its 2025 guidance but expects that most of the targets will be at the lower range, for example NIM target of 3.3-3.5%, net fee income growth in the mid- to high-single digits. Overall, these might be slightly below our 2025 forecast.
- Specifically, with stronger economic headwinds and the bearish projection from its research house, KBANK's CFO now guides that its credit cost may increase to 165bp +/- which is beyond the initial target range of 140-160bp and FSSIA's forecast of 162bp for 2025. The increase in credit cost is mainly for management's overlay reserve against asset quality uncertainty.
- Management's worst-case scenario for KBANK's credit cost would be 170bp for whole-year 2025. Nonetheless, this new guidance is still lower than the 2024 level of 190bp.
- For the higher proportion of debt restructuring (DR) q-q to 8.3% of total loans (+THB13b q-q) in 2Q25, KBANK stated that 60% of this q-q increase came from the You Fight We Help or YFWH forbearance program, and the remaining DRs are from the internal restructuring program. For YFWH, which account for less than 1% of KBANK's total loans, most of them under KBANK are mortgages with an impact of 3bp to KBANK's yield on loans in 2Q25.
- KBANK still hopes for ROE of 10%+ for 2026. However, with the uncertain situation, achieving such a target via accelerating net profit will be challenging, from management's perspective. Meanwhile, alternative choices include 1) a higher payout ratio in the case of lower EPS; 2) a special dividend like in 2024; and 3) the option of treasury stock if the SEC's regulations are more accommodating. We now project ROE up to 9% in 2026 with challenges.

## Exhibit 1: KBANK – 2Q25 results summary

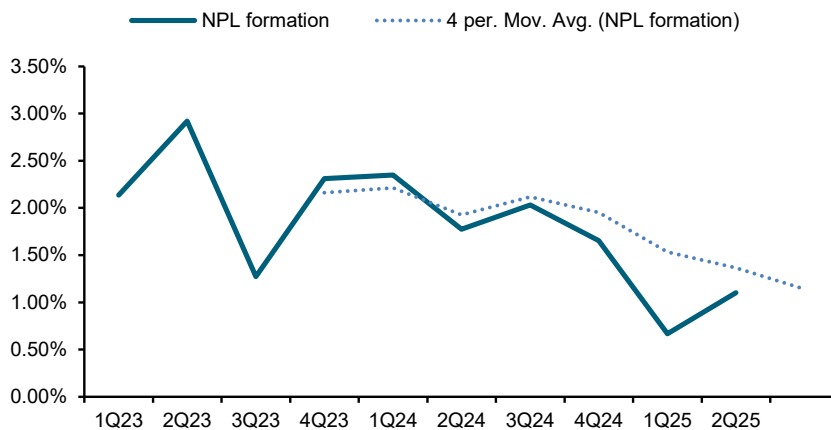
Profit and loss	2Q24	3Q24	4Q24	1Q25	2Q25	----- Change -----		6M25	% of
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	25E
Interest income	47,426	46,874	45,812	44,963	43,938	(7.35)	(2.28)	88,901	49.9
Interest expense	10,298	9,838	9,815	9,537	9,283	(9.86)	(2.67)	18,820	50.6
<b>Net interest income</b>	<b>37,128</b>	<b>37,036</b>	<b>35,998</b>	<b>35,425</b>	<b>34,655</b>	<b>(6.66)</b>	<b>(2.17)</b>	<b>70,081</b>	<b>49.7</b>
Non-interest income	13,360	11,644	12,709	13,677	13,944	4.37	1.95	27,622	51.0
Operating income	50,488	48,679	48,706	49,103	48,600	(3.74)	(1.02)	97,702	50.1
Operating expenses	21,159	21,501	22,295	20,052	20,804	(1.68)	3.75	40,855	46.5
<b>Pre-provisioning profits (PPOP)</b>	<b>29,329</b>	<b>27,179</b>	<b>26,411</b>	<b>29,051</b>	<b>27,796</b>	<b>(5.23)</b>	<b>(4.32)</b>	<b>56,847</b>	<b>53.0</b>
Provisioning expenses	11,672	11,652	12,242	9,818	10,050	(13.90)	2.36	19,868	48.7
Pre-tax profit	17,657	15,527	14,169	19,233	17,746	0.51	(7.73)	36,979	55.6
Income tax	3,377	3,203	2,753	3,977	3,482	3.12	(12.43)	7,459	57.2
<b>Reported net profit</b>	<b>12,896</b>	<b>11,965</b>	<b>10,768</b>	<b>13,791</b>	<b>12,488</b>	<b>(3.16)</b>	<b>(9.45)</b>	<b>26,280</b>	<b>51.6</b>

Sources: KBANK, FSSIA compilation

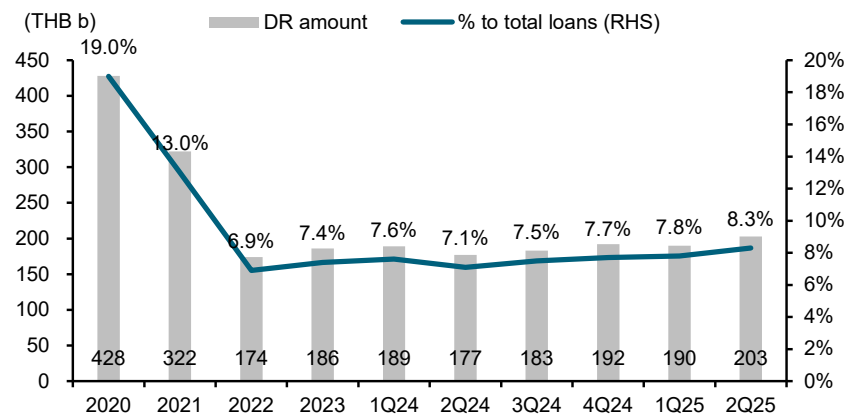
**Exhibit 2: KBANK – 2Q25 key drivers and ratios**

Key drivers and ratios % unless stated otherwise	2Q24 (%)	3Q24 (%)	4Q24 (%)	1Q25 (%)	2Q25 (%)	Change (y-y, ppt)	Change (q-q, ppt)
Gross loan growth (% q-q)	0.97	(2.17)	2.06	(2.03)	0.03		
Deposits growth (% q-q)	(1.41)	3.97	(1.86)	0.13	(0.08)		
Yield on receivables	4.73	4.66	4.51	4.41	4.28	(0.45)	(0.13)
Cost of funds	1.40	1.33	1.32	1.29	1.25	(0.15)	(0.04)
Net interest margin	3.70	3.68	3.54	3.47	3.38	(0.32)	(0.10)
Cost-to-income ratio	41.91	44.17	45.77	40.84	42.81	0.90	1.97
ROA	1.20	1.11	0.99	1.27	1.14	(0.06)	(0.12)
ROE	9.44	8.74	7.69	9.57	8.63	(0.81)	(0.94)
LDR	93.37	87.85	91.36	89.39	89.49	(3.88)	0.10
LDR+borrowing	90.96	85.82	89.15	87.20	87.36	(3.60)	0.16
CET 1	16.80	17.89	17.51	17.65	17.86	1.06	0.21
Total CAR	18.84	19.95	19.55	19.69	19.91	1.07	0.22
NPL ratio	3.72	3.82	3.74	3.75	3.74	0.02	(0.01)
NPL coverage	140.54	139.41	141.61	148.68	152.53	11.99	3.85
Credit cost	1.89	1.89	1.99	1.60	1.65	(0.23)	0.05
Non-interest income to total income	26.5	23.9	26.1	27.9	28.7	2.23	0.84
Tax rate	19.1	20.6	19.4	20.7	19.6	0.50	(1.05)

Sources: KBANK, FSSIA compilation

**Exhibit 3: KBANK's NPL formation trend**

Sources: KBANK, FSSIA compilation

**Exhibit 4: KBANK's loans in debt restructuring (DR)**

Sources: KBANK, FSSIA compilation

## Financial Statements

Kasikornbank

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

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

Sources: Kasikornbank; FSSIA estimates

## Financial Statements

Kasikornbank

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Gross customer loans	2,490,398	2,504,565	2,532,115	2,585,290	2,647,337
Allowance for expected credit loss	(133,876)	(131,706)	(138,058)	(144,280)	(150,523)
interest in suspense	14,970	17,328	17,472	17,838	18,267
<b>Net customer loans</b>	<b>2,371,492</b>	<b>2,390,187</b>	<b>2,411,529</b>	<b>2,458,848</b>	<b>2,515,080</b>
Bank loans	569,008	522,729	548,865	548,865	548,865
Government securities	-	-	-	-	-
Trading securities	48,295	61,530	61,530	61,530	61,530
Investment securities	963,305	1,018,887	1,018,887	1,018,887	1,018,887
Cash & equivalents	48,690	46,021	39,066	35,640	26,360
Other interesting assets	-	-	-	-	-
Tangible fixed assets	59,946	59,431	59,431	59,431	59,431
Associates	11,279	13,071	13,725	14,411	15,131
Goodwill	28,405	30,469	30,469	30,469	30,469
Other intangible assets	-	-	-	-	-
Other assets	172,962	174,045	177,329	180,809	184,498
<b>Total assets</b>	<b>4,283,557</b>	<b>4,325,287</b>	<b>4,370,103</b>	<b>4,418,535</b>	<b>4,470,281</b>
Customer deposits	2,699,562	2,718,675	2,718,675	2,718,675	2,718,675
Bank deposits	179,207	172,144	172,144	172,144	172,144
Other interest bearing liabilities	81,572	67,334	63,967	60,769	57,730
Non interest bearing liabilities	726,380	735,518	747,141	759,099	771,405
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>3,686,721</b>	<b>3,693,672</b>	<b>3,701,927</b>	<b>3,710,687</b>	<b>3,719,955</b>
Share capital	23,693	23,693	23,693	23,693	23,693
Reserves	508,591	539,659	568,028	598,525	630,727
<b>Total equity</b>	<b>532,285</b>	<b>563,352</b>	<b>591,721</b>	<b>622,218</b>	<b>654,421</b>
Non-controlling interest	64,551	68,263	76,455	85,630	95,905
<b>Total liabilities &amp; equity</b>	<b>4,283,556</b>	<b>4,325,287</b>	<b>4,370,103</b>	<b>4,418,535</b>	<b>4,470,281</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	2,613,978	2,647,883	2,676,960	2,733,177	2,798,773
Average interest earning assets	3,996,841	4,034,446	4,073,024	4,126,455	4,184,066
Average interest bearing liabilities	2,966,081	2,959,247	2,956,470	2,953,187	2,950,069
CET 1 capital	435,585	463,584	488,502	515,289	543,573
Total capital	489,298	517,753	539,962	564,176	590,017
Gross non performing loans (NPL)	94,241	93,009	96,052	97,712	99,649
<b>Per share (THB)</b>					
Book value per share	224.66	237.77	249.74	262.61	276.21
Tangible book value per share	212.67	224.91	236.88	249.75	263.35
<b>Growth</b>					
Gross customer loans	(0.2)	0.6	1.1	2.1	2.4
Average interest earning assets	1.9	0.9	1.0	1.3	1.4
Total asset (%)	0.9	1.0	1.0	1.1	1.2
Risk weighted assets (%)	0.6	1.3	1.1	2.1	2.4
Customer deposits (%)	(1.8)	0.7	-	-	-
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	87.8	87.9	88.7	90.4	92.5
Equity/assets (%)	12.4	13.0	13.5	14.1	14.6
Tangible equity/assets (%)	11.8	12.3	12.8	13.4	14.0
RWA/assets (%)	61.0	61.2	61.3	61.9	62.6
CET 1 CAR (%)	16.7	17.5	18.2	18.9	19.4
Total CAR (%)	18.7	19.6	20.2	20.6	21.1
<b>Asset Quality (FSSIA's calculation)</b>					
Change in NPL (%)	1.8	(1.3)	3.3	1.7	2.0
NPL/gross loans (%)	3.8	3.7	3.8	3.8	3.8
Allowance for ECL/gross loans (%)	5.4	5.3	5.5	5.6	5.7
Allowance for ECL/NPL (%)	142.1	141.6	143.7	147.7	151.1
<b>Valuation</b>					
Recurring P/E (x) *	8.9	7.8	7.3	6.8	6.5
Recurring P/E @ target price (x) *	10.4	9.1	8.5	7.9	7.5
Reported P/E (x)	8.9	7.8	7.3	6.8	6.5
Dividend yield (%)	4.1	5.8	6.1	6.6	7.0
Price/book (x)	0.7	0.7	0.6	0.6	0.6
Price/tangible book (x)	0.8	0.7	0.7	0.6	0.6
Price/tangible book @ target price (x)	0.9	0.8	0.8	0.7	0.7

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

Sources: Kasikornbank; FSSIA estimates

# Kasikornbank PCL (KBANK TB)

## FSSIA ESG rating



### Exhibit 5: FSSIA ESG score implication

**84.17 /100**

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

Sources: FSSIA estimates

### Exhibit 6: 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	59.11
SCB	62.57	Y	Y	Y	5.00	4.00	--	High	--	A	--	--	86.00	3.43	--
KKP	62.96	--	Y	Y	5.00	5.00	Certified	Medium	52.81	BBB	--	77.56	26.00	2.18	45.90
TISCO	61.17	--	Y	Y	5.00	5.00	Certified	Medium	61.41	--	--	66.13	29.00	3.57	44.21
TTB	63.69	--	Y	Y	5.00	5.00	Certified	Medium	53.98	--	36.00	56.17	71.00	3.20	52.96

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 7: 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>1.71</b>	<b>1.80</b>	<b>2.61</b>	<b>2.67</b>	<b>2.67</b>	<b>2.88</b>	<b>3.89</b>	<b>4.05</b>
BESG environmental pillar score	0.08	0.08	0.08	0.18	0.18	0.24	2.93	3.43
BESG social pillar score	1.37	1.63	3.44	3.44	3.49	3.89	3.95	4.03
BESG governance pillar score	4.90	4.74	4.83	4.91	4.81	4.88	4.86	4.74
<b>ESG disclosure score</b>	<b>53.57</b>	<b>53.91</b>	<b>59.49</b>	<b>57.60</b>	<b>57.60</b>	<b>58.20</b>	<b>58.20</b>	<b>59.77</b>
Environmental disclosure score	29.54	29.54	33.55	37.48	37.48	40.86	40.86	40.86
Social disclosure score	34.89	35.91	48.67	39.06	39.06	37.48	37.48	42.20
Governance disclosure score	96.12	96.12	96.12	96.12	96.12	96.12	96.12	96.12
<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	Yes	Yes	Yes	Yes	Yes	Yes
GHG scope 1	9	18	25	21	21	19	16	11
GHG scope 2 location-based	91	82	80	87	83	79	74	70
GHG Scope 3	0	0	0	1	1	1	1	1
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	221	140	240	237	229	213	187	189
Renewable energy use	—	—	11	11	7	10	8	27
Electricity used	—	—	—	—	—	—	—	—
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

## Exhibit 8: ESG score by Bloomberg (cont.)

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

Sources: Bloomberg; FSSIA's compilation



## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <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+									
NEGL	Low	Medium	High	Severe																	
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

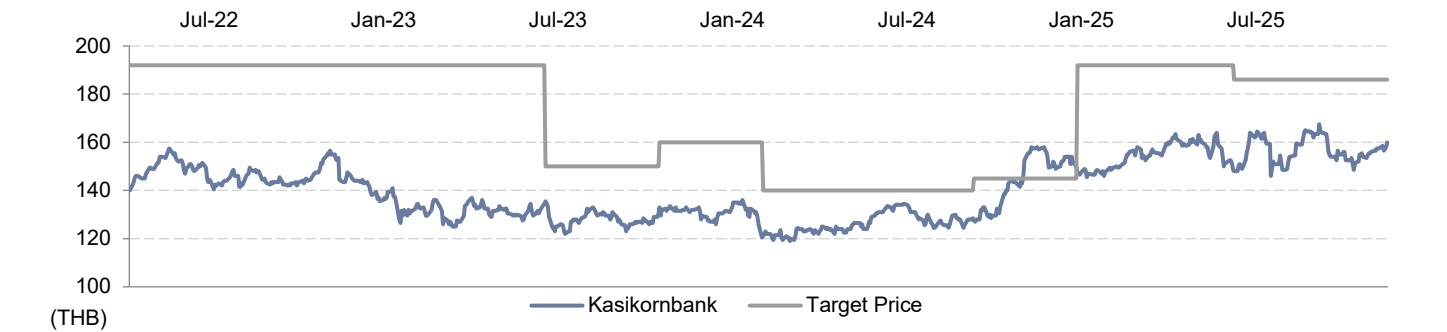
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Kasikornbank (KBANK TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Jul-2022	BUY	192.00	22-Jan-2024	HOLD	140.00	06-Mar-2025	BUY	186.00
17-Jul-2023	BUY	150.00	23-Jul-2024	BUY	145.00			
24-Oct-2023	BUY	160.00	21-Oct-2024	BUY	192.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Kasikornbank	KBANK TB	THB 160.00	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 18-Jul-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.