

Thailand Banks

3Q25E net profit to decline from loan and NIM contraction

- We expect the seven Thai banks under our coverage to post an aggregate net profit of THB53.4b in 3Q25, down 2.5% y-y and 5.2% q-q.
- The decrease should mainly come from NIM contraction, a decline in loans, and lower non-interest income—particularly from lower expected investment gains.
- Selective on Thai banks with a NEUTRAL call. KBANK and KTB are our top picks.

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We expect the seven Thai banks under our coverage to post an aggregate net profit of THB53.4b in 3Q25, down 2.5% y-y and 5.2% q-q. The q-q decrease should mainly come from NIM contraction, a 0.5% q-q drop in loans, and weaker non-interest income, especially lower expected investment gains. Meanwhile, the slight y-y decrease would also be driven by NIM contraction, partly offset by improved credit costs y-y. Based on our 3Q25 forecast, we expect all banks to report lower net profits q-q across the group, except for KTB, which may book potential marked-to-market gains from THAI's shares (after trading resumes on the SET) through its profit and loss statement. Meanwhile, we expect a y-y improvement from SCB and KKP, mainly on the back of lower credit costs y-y and a smaller loss from auto repossessions, respectively.

Continued NIM contraction q-q in 3Q25E

We forecast Thai banks' 3Q25 NIM to decline by 8bp q-q and 40bp y-y to 3.14%, following four policy rate cuts since Oct-24, from 2.50% to 1.50%. Large banks should face greater pressure due to their higher share of floating-rate loans, including corporate loans, SME facilities, and retail mortgages. In addition, the 'You Fight We Help' (YFWH) forbearance program—accounting for c2% of sector loans—should further weigh on yields. In Aug-25, following a 25bp policy rate cut, banks have reduced their prime lending rates by 25bp, implying a full pass-through or 100% transmission rate. On the other hand, prime fixed deposit rates were reduced by only 5–10bp. We therefore expect 3Q25 NIM to contract by 8bp q-q, reflecting a half-quarter impact, with the full-quarter effect becoming more visible in 4Q25E.

Large banks to post lower credit cost y-y

We expect the combined NPL ratio to edge up slightly to 3.78% in 3Q25 from 3.73% in 2Q25, indicating mild deterioration in asset quality amid Thailand's subdued economic outlook and continued loan contraction. Meanwhile, we forecast a 3Q25 credit cost of 142bp, down 8bp q-q and 7bp y-y, driven by KBANK and KTB after their significant NPL clean-ups last year. We also expect the sector NPL coverage ratio to remain c190% in 3Q25, one of the highest levels in the past 15 years.

Maintain NEUTRAL; KBANK and KTB are our top picks

We remain selective on Thai banks with a NEUTRAL call for the sector. For 2025, we now expect flat net profit growth y-y, with NIM contraction offset by lower OPEX and higher realized investment gains. With subdued balance sheet growth, we expect Thai banks to deliver a dividend yield of c7% in 2025. Our top picks are KBANK and KTB, supported by resilient asset quality, scope for loan expansion and attractive dividend yields.



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Based on our 3Q25 forecast, we expect all banks to report lower net profits q-q across the group, except for KTB, which may book potential marked-to-market gains from THAI's shares (after trading resumes on the SET) through its profit and loss statement. Meanwhile, we expect a y-y improvement from SCB and KKP, mainly on the back of lower credit costs y-y and a smaller loss from auto repossessions, respectively.

Among the seven banks under our coverage, we expect KTB to deliver strong 3Q25 performance, with net profit growth of 14% y-y, driven by a lower credit cost of 117bp (vs. 130bp last year) and potential marked-to-market gains from THAI's shares.

Exhibit 1: 3Q25 earnings forecasts for Thai banks under coverage

Net profit	3Q24	4Q24	1Q25	2Q25	3Q25E	Change		9M25E	of 25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(%)
BBL	12,476	10,404	12,618	11,840	10,695	(14.3)	(9.7)	35,153	80.2
KBANK	11,965	10,768	13,791	12,488	11,035	(7.8)	(11.6)	37,314	78.3
SCB	10,941	11,707	12,502	12,786	11,077	1.2	(13.4)	36,365	79.9
KTB	11,107	10,990	11,714	11,122	12,693	14.3	14.1	35,528	76.3
TTB	5,230	5,112	5,096	5,004	4,958	(5.2)	(0.9)	15,059	72.5
TISCO	1,713	1,706	1,643	1,644	1,589	(7.3)	(3.3)	4,876	75.6
KKP	1,305	1,406	1,062	1,409	1,312	0.6	(6.9)	3,784	75.8
SECTOR	54,738	52,093	58,426	56,293	53,359	(2.5)	(5.2)	168,079	77.9

Sources: Company data, FSSIA estimates

Still muted loan growth

We expect the seven Thai banks to post flat loan growth q-q but a 0.5% contraction y-y. Loan demand should be primarily driven by the corporate segment, which has lower default risk and is benefiting from a shift toward cheaper funding costs amid the ongoing interest-rate downcycle. Nonetheless, continued loan repayments will remain a headwind for loan balances. Meanwhile, we expect banks to remain highly selective in expanding credit to retail and SME borrowers, given weak purchasing power, an uncertain recovery in sales and the broader economy, and elevated household debt burdens.

Continued NIM contraction q-q in 3Q25E

We forecast Thai banks' 3Q25 NIM to decline by 8bp q-q and 40bp y-y to 3.14%, following four policy rate cuts since Oct-24, from 2.50% to 1.50%. We expect large banks should face greater pressure due to their higher share of floating-rate loans, including corporate loans, SME facilities, and retail mortgages. In addition, the 'You Fight We Help' (YFWH) forbearance program—accounting for c2% of sector loans—should further weigh on yields, in our view.

In Aug-25, following a 25bp policy rate cut, banks have reduced their prime lending rates by 25bp, implying a full pass-through or 100% transmission rate. On the other hand, prime fixed deposit rates were reduced by only 5–10bp. We therefore expect 3Q25 NIM to contract by 8bp q-q, reflecting a half-quarter impact, with the full-quarter effect becoming more visible in 4Q25E.

On a y-y basis, since the first policy rate cut in Oct-24, the Thai policy rate has been reduced by 100bp to 1.5%. Over the same period, banks have lowered their prime lending rates by 55–65bp y-y, implying an overall transmission rate of ~60% so far in this cycle.

Looking ahead, we expect two more policy rate cuts by 2Q26, bringing the policy rate down to 1.0% to help stimulate the economy amid a subdued outlook and persistently low inflation.

Exhibit 2: Change in prime lending rates since Oct-24 to present

Unit: %	MLR			MRR		
	Oct-24	Sep-25	Change	Oct-24	Sep-25	Change
BBL	7.10	6.50	(0.60)	7.30	6.65	(0.65)
KBANK	7.27	6.72	(0.55)	7.30	6.78	(0.52)
SCB	7.05	6.50	(0.55)	7.30	6.78	(0.52)
KTB	7.05	6.50	(0.55)	7.57	7.05	(0.53)
TTB	7.73	7.15	(0.57)	7.83	7.31	(0.53)
TISCO	8.10	7.55	(0.55)	8.15	7.60	(0.55)
KKP	8.18	7.65	(0.53)	8.20	7.60	(0.60)
Policy Interest Rate	2.50	1.50	(1.00)			

Sources: Company data, FSSIA compilation

Large banks to post lower credit cost y-y

We expect the combined NPL ratio to edge up slightly to 3.78% in 3Q25 from 3.73% in 2Q25, indicating mild deterioration in asset quality amid Thailand's subdued economic outlook and continued loan contraction. Nevertheless, this level remains below the three-year peak of 4.0%, which marked the post-Covid-19 recovery period.

Meanwhile, we forecast a 3Q25 credit cost of 142bp, down 8bp q-q and 7bp y-y, driven by KBANK and KTB after their significant NPL clean-ups last year. We also expect the sector NPL coverage ratio to remain c190% in 3Q25, one of the highest levels in the past 15 years. This elevated coverage ratio should provide a solid buffer for Thai banks against ongoing uncertainties, in our view.

Exhibit 3: Aggregate banks – 3Q25E preview

Year-end 31 Dec	3Q24	4Q24	1Q25	2Q25	3Q25E	Change		9M25E	of 25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(%)
Net interest income	155,307	153,899	147,217	144,045	139,078	(10.4)	(3.4)	430,340	75.1
Non-interest income	50,668	51,072	58,010	60,162	59,483	17.4	(1.1)	177,654	75.6
Operating income	205,975	204,971	205,227	204,206	198,561	(3.6)	(2.8)	607,994	75.3
Operating expenses	92,052	96,134	87,090	88,316	87,329	(5.1)	(1.1)	262,735	72.9
Pre-provisioning operating profit (PPOP)	113,923	108,837	118,137	115,890	111,232	(2.4)	(4.0)	345,259	77.2
Provisioning expenses	44,933	42,333	42,748	44,967	42,527	(5.4)	(5.4)	130,242	74.7
Pre-tax profit	68,990	66,503	75,389	70,923	68,705	(0.4)	(3.1)	215,017	78.7
Income tax	12,636	12,412	14,290	11,572	12,573	(0.5)	8.6	38,436	77.1
Minority interests	1,616	1,998	2,673	3,057	2,772	71.5	(9.3)	8,502	114.2
Net profit	54,738	52,093	58,426	56,293	53,359	(2.5)	(5.2)	168,079	77.9
Key ratios	3Q24	4Q24	1Q25	2Q25	3Q25E	Change			
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(y-y %)	(q-q %)		
Gross NPLs (THB m)	451,126	431,459	443,551	447,541	451,410	0.1	0.9		
NPL ratio (%)	3.78	3.56	3.68	3.73	3.78				
Coverage ratio (%)	184.63	194.80	191.63	192.64	189.55				
Credit cost (%)	1.49	1.41	1.42	1.50	1.42				
Profitability ratio	(%)	(%)	(%)	(%)	(%)				
Average yield (%)	4.95	4.87	4.59	4.47	4.37				
Cost of funds (%)	1.69	1.65	1.55	1.51	1.48				
NIM (%)	3.54	3.50	3.31	3.23	3.14				
Non-interest income/total income (%)	24.60	24.92	28.27	29.46	29.96				
Cost-to-income ratio	44.69	46.90	42.44	43.25	43.98				
Loan momentum	3Q24	4Q24	1Q25	2Q25	3Q25E	(y-y%)	(q-q%)		
Gross loans (THB t)	11.93	12.12	12.05	12.01	11.95	0.2	(0.5)		

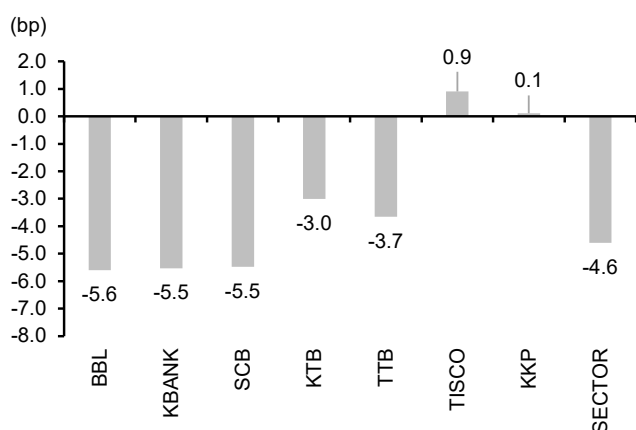
Sources: Company data, FSSIA estimates

Going forward, we expect a challenging outlook for Thai banks due to heightened concerns over asset quality, loan growth momentum, and higher credit costs from NPL write-offs. On the other hand, with the new government coalition led by Prime Minister Anutin Charnvirakul, we expect the government's priority to be stimulating domestic consumption through quick-win measures. We believe such measures could partially mitigate asset quality risks by boosting liquidity to the overall economy.

Meanwhile, aggregate NIM is likely to contract further over the next 12 months, in our view, reflecting a more accommodative monetary policy stance aimed at supporting economic recovery.

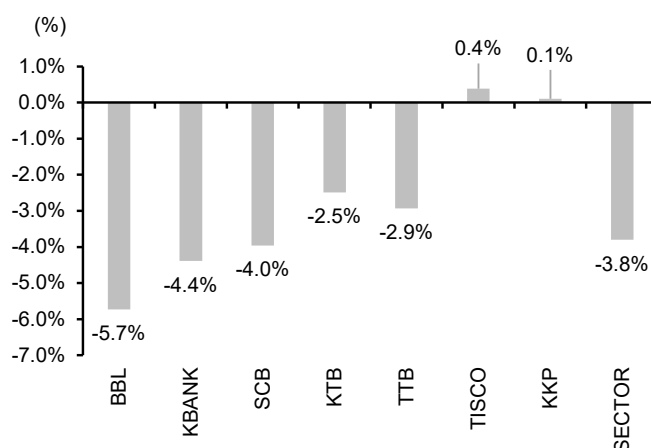
The major upside risks for Thai banks, in our view, are lower-than-expected OPEX and lower-than-expected credit costs, given the high NPL coverage ratio of c190%. We remain selective on Thai banks with a NEUTRAL call for the sector. For 2025, we now expect flat net profit growth y-y, with NIM contraction offset by lower OPEX and higher realized investment gains. With subdued balance sheet growth, we expect Thai banks to deliver a dividend yield of c7% in 2025. Our top picks are KBANK and KTB, supported by resilient asset quality, scope for loan expansion in 2025, and attractive dividend yields.

Exhibit 4: Impact on NIM from 25bp policy interest rate cut



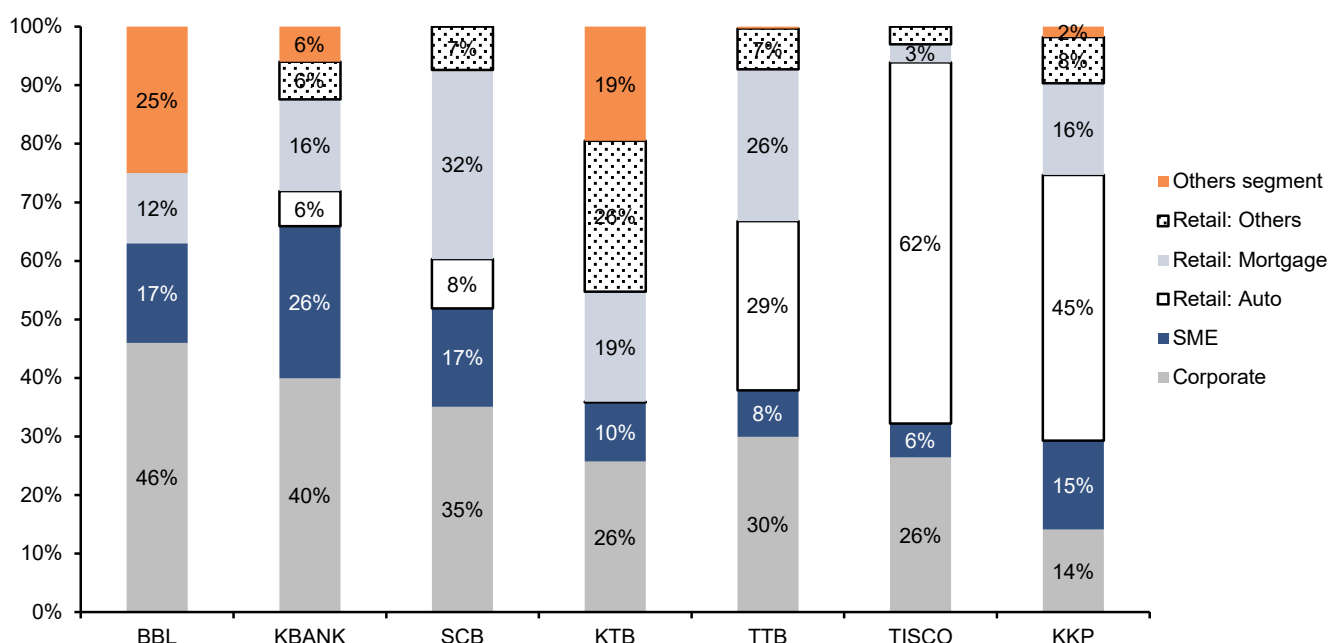
Sources: Bank's company data, FSSIA estimates

Exhibit 5: Impact on net profit from 25bp policy interest rate cut

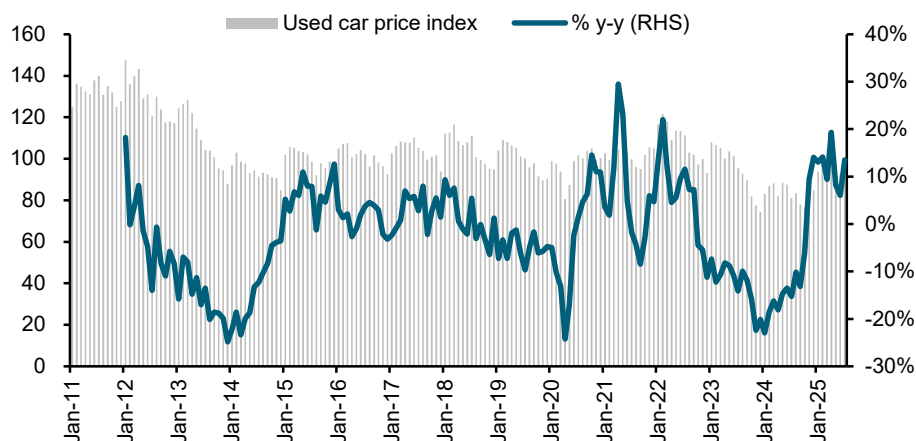


Sources: Bank's company data, FSSIA estimates

Exhibit 6: Thai banks' loan breakdown



Sources: Banks' company data, FSSIA compilation

Exhibit 7: Used car price index – remains solid with 13% y-y growth

Sources: Bank of Thailand, Union Auction, FSSIA compilation

Exhibit 8: Gross loans – quarterly

Loans	3Q24 (THB t)	4Q24 (THB t)	1Q25 (THB t)	2Q25 (THB t)	3Q25E (THB t)	y-y %	q-q %
BBL	2.639	2.693	2.721	2.713	2.672	1.3	(1.5)
KBANK	2.434	2.484	2.433	2.434	2.422	(0.5)	(0.5)
SCB	2.434	2.403	2.425	2.394	2.403	(1.3)	0.4
KTB	2.565	2.699	2.663	2.673	2.672	4.2	(0.0)
TTB	1.253	1.241	1.211	1.206	1.191	(4.9)	(1.2)
TISCO	0.230	0.232	0.231	0.236	0.236	2.5	0.1
KKP	0.373	0.368	0.363	0.358	0.355	(4.8)	(0.8)
SECTOR	11.927	12.120	12.047	12.013	11.950	0.2	(0.5)

Sources: Banks' company data, FSSIA estimates

Exhibit 9: Loan-to-deposit ratio (LDR) – quarterly

LDR (%)	3Q24	4Q24	1Q25	2Q25	3Q25E	ppt, y-y	ppt, q-q
BBL	84.8	85.0	84.4	84.9	83.5	(1.39)	(1.43)
KBANK	87.9	91.4	89.4	89.5	89.1	1.22	(0.42)
SCB	100.1	97.2	98.1	97.1	97.9	(2.14)	0.83
KTB	97.0	98.8	96.8	96.9	94.5	(2.48)	(2.44)
TTB	96.6	93.4	93.3	93.5	93.4	(3.25)	(0.13)
TISCO	112.3	112.4	112.0	112.3	112.4	0.12	0.15
KKP	108.3	102.4	101.5	100.2	100.8	(7.46)	0.65
SECTOR	93.2	93.3	92.4	92.4	91.7	(1.51)	(0.79)

Sources: Banks' company data, FSSIA estimates

Exhibit 10: Net interest margin (NIM) – quarterly

NIM (%)	3Q24	4Q24	1Q25	2Q25	3Q25E	ppt, y-y	ppt, q-q
BBL	3.06	3.11	2.85	2.81	2.72	(0.34)	(0.08)
KBANK	3.68	3.54	3.47	3.38	3.28	(0.40)	(0.10)
SCB	4.08	4.04	3.82	3.73	3.66	(0.42)	(0.07)
KTB	3.41	3.35	3.10	2.97	2.86	(0.55)	(0.11)
TTB	3.30	3.29	3.18	3.10	3.04	(0.26)	(0.06)
TISCO	4.94	4.96	4.82	4.80	4.79	(0.15)	(0.00)
KKP	4.24	4.17	4.06	3.95	3.91	(0.33)	(0.05)
SECTOR	3.54	3.50	3.31	3.23	3.14	(0.40)	(0.08)

Sources: Banks' company data, FSSIA estimates

Exhibit 11: Cost-to-income ratio – quarterly

Cost-to-income (%)	3Q24	4Q24	1Q25	2Q25	3Q25E	ppt, y-y	ppt, q-q
BBL	47.66	53.05	45.45	45.23	47.52	(0.13)	2.29
KBANK	44.17	45.77	40.84	42.81	44.15	(0.02)	1.34
SCB	41.63	42.67	39.86	40.16	41.60	(0.03)	1.44
KTB	42.39	44.76	40.44	42.25	40.20	(2.20)	(2.06)
TTB	42.35	43.75	42.88	44.39	44.34	1.99	(0.05)
TISCO	47.88	48.93	47.90	45.68	45.85	(2.03)	0.17
KKP	65.49	60.47	59.04	55.81	57.13	(8.36)	1.32
SECTOR	44.69	46.90	42.44	43.25	43.98	(0.71)	0.73

Sources: Banks' company data, FSSIA estimates

Exhibit 12: Credit cost – quarterly

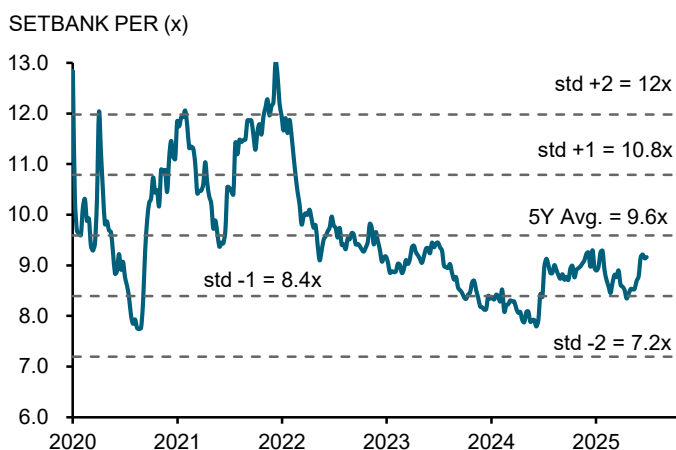
Credit cost (%)	3Q24	4Q24	1Q25	2Q25	3Q25E	ppt, y-y	ppt, q-q
BBL	1.22	1.15	1.34	1.58	1.36	0.13	(0.23)
KBANK	1.89	1.99	1.60	1.65	1.62	(0.27)	(0.03)
SCB	1.80	1.62	1.59	1.68	1.68	(0.12)	0.01
KTB	1.30	1.02	1.23	1.24	1.17	(0.13)	(0.07)
TTB	1.49	1.50	1.49	1.42	1.36	(0.13)	(0.06)
TISCO	0.62	0.57	0.67	0.96	1.00	0.38	0.04
KKP	0.71	0.99	1.21	1.08	1.12	0.41	0.04
SECTOR	1.49	1.41	1.42	1.50	1.42	(0.07)	(0.08)

Sources: Banks' company data, FSSIA estimates

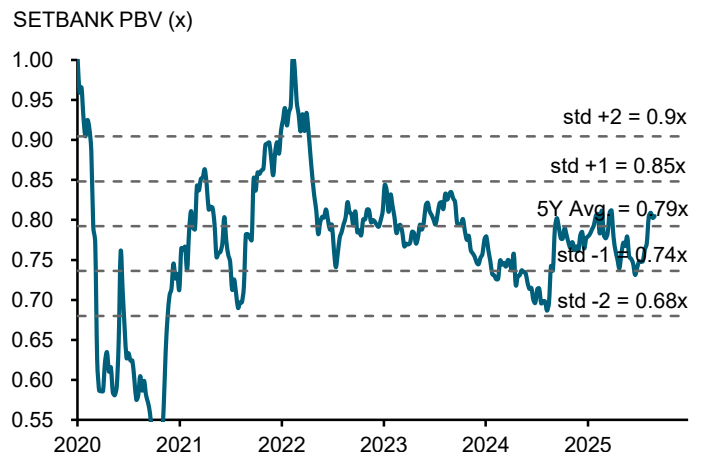
Exhibit 13: NPL ratio – quarterly

NPL ratio (%)	3Q24	4Q24	1Q25	2Q25	3Q25E	ppt, y-y	ppt, q-q
BBL	3.94	3.19	3.59	3.89	3.98	0.04	0.09
KBANK	3.82	3.74	3.75	3.74	3.76	(0.06)	0.02
SCB	3.89	4.06	4.06	4.02	4.05	0.17	0.04
KTB	3.83	3.52	3.57	3.54	3.59	(0.24)	0.05
TTB	3.21	3.14	3.26	3.25	3.29	0.08	0.04
TISCO	2.44	2.35	2.42	2.41	2.44	(0.00)	0.03
KKP	4.15	4.21	4.37	4.33	4.37	0.22	0.05
SECTOR	3.78	3.56	3.68	3.73	3.78	(0.00)	0.05

Sources: Banks' company data, FSSIA estimates

Exhibit 14: SETBANK – one-year prospective P/E band

Sources: Bloomberg, FSSIA estimates

Exhibit 15: SETBANK – one-year prospective P/BV band

Sources: Bloomberg, FSSIA estimates

Sources: Bloomberg, FSSIA estimates

Exhibit 16: Peer regional banks comparison, as of 16 September 2025

Company name	BBG code	Share price (LCY)	Target price (LCY)	Up side (%)	Market Cap. (USD m)	----- PE ----- 25E (x)	26E (x)	---- PBV ---- 25E (x)	26E (x)	----- ROE ----- 25E (%)	26E (%)	---- Div yld ---- 25E (x)	26E (x)
Thailand													
Bangkok Bank	BBL TB	148.00	175.00	18	8,912	6.5	6.1	0.5	0.5	7.6	7.7	5.5	5.9
Kasikornbank	KBANK TB	164.00	186.00	13	12,257	7.5	7.0	0.7	0.6	8.9	9.1	6.0	6.4
Krung Thai Bank	KTB TB	25.50	25.80	1	11,242	8.2	7.7	0.8	0.7	9.5	9.6	6.0	6.3
SCB X	SCB TB	125.50	130.00	4	13,330	9.2	8.8	0.8	0.8	9.4	9.5	8.7	9.1
TMBThanachart Bank	TTB TB	1.88	2.05	9	5,627	8.3	8.3	0.7	0.7	9.0	8.7	7.2	7.2
Kiatnakin Bank	KKP TB	59.00	50.00	(15)	1,531	10.8	10.0	0.8	0.7	7.3	7.6	5.6	6.0
Tisco Financial Group	TISCO TB	99.50	95.00	(5)	2,513	12.2	11.8	1.8	1.8	15.1	15.5	7.8	7.8
Thailand weighted average					55,412	8.3	7.9	0.8	0.7	9.2	9.3	6.8	7.1
Hong Kong													
Industrial & Comm Bank of China	1398 HK	5.95	n/a	n/a	348,344	5.5	5.4	0.5	0.5	9.3	8.9	5.7	5.8
China Construction Bank	939 HK	7.77	n/a	n/a	267,849	5.5	5.4	0.5	0.5	9.9	9.5	5.5	5.6
HSBC Holdings	5 HK	107.20	n/a	n/a	237,101	10.0	9.6	1.4	1.3	13.0	13.6	5.0	5.3
Bank of China	3988 HK	4.43	n/a	n/a	228,377	5.5	5.5	0.5	0.4	8.9	8.5	5.6	5.9
Hong Kong average					1,081,671	6.5	6.4	0.7	0.7	10.2	10.0	5.5	5.6
China													
Industrial & Comm Bank of China	601398 CH	7.45	n/a	n/a	348,128	7.4	7.3	0.7	0.6	9.3	8.9	4.2	4.2
Agricultural Bank of China	601288 CH	7.04	n/a	n/a	333,679	8.9	8.6	0.9	0.8	9.8	9.5	3.5	3.6
China Construction Bank	601939 CH	9.01	n/a	n/a	267,682	6.9	6.9	0.7	0.6	9.9	9.5	4.3	4.4
Bank of China	601988 CH	5.41	n/a	n/a	228,235	7.2	7.2	0.6	0.6	8.6	8.3	4.3	4.4
China average					1,177,724	7.7	7.6	0.7	0.7	9.5	9.1	4.1	4.1
South Korea													
KB Financial Group	105560 KS	117,800	n/a	n/a	32,496	7.6	7.1	0.7	0.7	9.9	9.8	3.1	3.5
Shinhan Financial Group	055550 KS	70,900	n/a	n/a	24,428	6.8	6.3	0.6	0.6	9.1	8.9	3.3	3.6
Hana Financial Group	086790 KS	90,800	n/a	n/a	18,516	6.3	5.9	0.6	0.5	9.4	9.2	4.1	4.4
Industrial Bank of Korea	024110 KS	19,870	n/a	n/a	11,424	5.9	5.7	0.5	0.4	8.2	8.0	5.7	6.0
South Korea average					86,864	6.8	6.4	0.6	0.6	9.3	9.2	3.7	4.1
Indonesia													
Bank Central Asia	BBCA IJ	7,925	n/a	n/a	58,794	16.6	15.4	3.4	3.1	21.1	20.9	4.0	4.2
Bank Rakyat Indonesia Persero	BBRI IJ	4,130	n/a	n/a	38,243	11.0	10.0	1.9	1.8	17.8	18.9	8.0	8.4
Bank Mandiri Persero	BMRI IJ	4,480	n/a	n/a	25,428	7.7	7.2	1.4	1.3	18.7	18.7	9.1	8.9
Bank Negara Indonesia Persero	BBNI IJ	4,370	n/a	n/a	9,934	7.7	7.0	1.0	0.9	12.9	13.3	8.0	8.4
Bank Syariah Indonesia	BRIS IJ	2,640	n/a	n/a	7,310	14.8	12.6	2.3	2.0	16.3	16.8	1.0	1.3
Indonesia average					139,709	12.7	11.7	2.4	2.2	18.9	19.2	6.2	6.4
Malaysia													
Malayan Banking	MAY MK	9.87	n/a	n/a	28,296	11.5	11.2	1.2	1.2	10.8	10.8	6.4	6.6
Public Bank	PBK MK	4.25	n/a	n/a	19,708	11.5	10.9	1.4	1.3	12.3	12.2	5.3	5.6
CIMB Group Holdings	CIMB MK	7.37	n/a	n/a	19,174	10.1	9.7	1.1	1.1	11.1	11.1	5.8	6.0
Hong Leong Bank	HLBK MK	20.08	n/a	n/a	10,361	9.5	9.1	1.1	1.0	11.4	11.2	3.8	4.9
RHB Bank	RHBBANK MK	6.55	n/a	n/a	6,773	9.0	8.5	0.8	0.8	9.5	9.7	6.8	7.2
Malaysia average					84,312	10.7	10.3	1.2	1.1	11.2	11.2	5.7	6.1
Singapore													
DBS Group Holdings	DBS SP	51.53	n/a	n/a	114,433	13.2	12.8	2.1	2.1	16.3	16.1	5.9	6.2
Oversea-Chinese Banking	OCBC SP	16.80	n/a	n/a	58,936	10.5	10.2	1.2	1.2	12.1	11.9	5.8	5.6
United Overseas Bank	UOB SP	35.12	n/a	n/a	45,342	10.3	9.7	1.2	1.1	11.6	11.7	5.9	5.4
Singapore average					218,711	11.9	11.5	1.7	1.6	14.2	14.0	5.9	5.9
Regional average (excl. Thailand)					2,788,992	9.1	8.6	1.1	1.1	11.9	11.8	5.2	5.4
Total average (incl. Thailand)					2,844,404	9.1	8.6	1.1	1.0	11.4	11.4	5.5	5.8

Sources: Bloomberg; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for SETESG inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
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ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Nathapol Pongsukcharoenkul FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Bank	BBL TB	THB 148.00	BUY	Downside risks are 1) prolonged economic sluggishness affecting loan growth and asset quality and 2) an impact of new regulations from the Bank of Thailand.
Kasikornbank	KBANK TB	THB 164.00	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.
Krung Thai Bank	KTB TB	THB 25.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.
SCB X	SCB TB	THB 125.50	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. Upside risks comprise 1) the faster-than-expected recovery of EA operations and financial stability; and 2) a reduction in Thai household debt.
TMBThanachart Bank	TTB TB	THB 1.88	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. Upside risks include 1) resumption of loan growth, especially retail loans (mortgage, auto, unsecured loans); 2) benign asset quality with lower credit cost; and 3) better-than-expected OPEX control.
Kiatnakin Phatra Bank	KKP TB	THB 59.00	HOLD	Downside risks to our GGM-based target price include weakened asset quality, high loss from auto reposessions and lower fee income. By contrast, upside risks include better capital market conditions, higher used car prices, and strengthened asset quality.
Tisco Financial	TISCO TB	THB 99.50	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. Upside risks are 1) aggressive loan growth; and 2) well-controlled asset quality.

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 16-Sep-2025 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.