

KIATNAKIN PHATRA BANK

KKP TB

THAILAND / BANKING

HOLD

UNCHANGED

สินเชื่อกฎเกณฑ์เอื้ออำนวยแต่ Credit cost สูง

- KKP รายงานผลขาดทุนจากสินเชื่อกฎเกณฑ์ต่ำกว่าคาดใน 1Q25 อย่างไรก็ตามเราเชื่อว่าภาระต้นทุนของธนาคารยังจะยังเปราะบาง
- เราเห็นสัญญาณการอ่อนตัวของคุณภาพสินทรัพย์ซึ่งอาจทำให้ต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) เพิ่มขึ้นและกดดันความสามารถในการทำกำไรในปี 2025
- คงคำแนะนำที่ราคาเป้าหมายใหม่ที่ 50 บาท.

ผลขาดทุนจากรถยนต์ไม่รุนแรงแต่แนวโน้มไม่แน่นอน

ในด้านบวก KKP รายงานผลขาดทุนจากการขายรถยนต์ลดลงเหลือ 694 ลบ. ใน 1Q25 จากทั้งจำนวนขายและผลขาดทุนต่อหน่วยที่ลดลง เราคาดว่าผลขาดทุนต่อหน่วยที่ลดลงสอดคล้องกับการฟื้นตัวของราคารถมือสองใน 1Q25 ซึ่งเพิ่มขึ้น 12% y-y โดยได้ปัจจัยผลักดันจากความต้องการรถมือสองที่สูงขึ้นและอุปทานที่ทรงตัวหลังผู้ให้บริการสินเชื่อรถยนต์รายงานตัวเลขรถยี่สิบที่น้อยลง อย่างไรก็ตาม KKP ไม่ได้ให้แนวโน้มการฟื้นตัวที่แน่ชัดและคงคาดว่ายอดขายรถยนต์จะฟื้นตัวเป็นรูปตัว L ในปี 2025 เมื่อพิจารณาจากความไม่แน่นอนเกี่ยวกับสงครามการค้าของทวีปและประเด็นที่ว่าสงครามการค้าดังกล่าวจะกระทบแนวโน้มการเติบโตทางเศรษฐกิจของไทยและอำนาจในการจับจ่ายใช้สอยรวมในทางอ้อมอย่างไร เราเชื่อว่าภาระต้นทุนของราคารถยนต์มือสองจะยังเปราะบางในช่วงที่เหลือของปี 2025 ดังนั้นเราจึงคาดว่าผลขาดทุนจากรถยนต์จะสูงต่อเนื่องที่ 3.0-3.6 พัน ลบ. ต่อปีในช่วงปี 2025-27

สภาวะเศรษฐกิจมหภาคที่อ่อนแอเพิ่มความกังวลเกี่ยวกับ Credit cost

เราเห็นสัญญาณการเสื่อมของคุณภาพสินทรัพย์ในสินเชื่อกฎเกณฑ์อื่น ๆ ใน 1Q25 ประกอบด้วยสินเชื่อรายย่อย (เช่น สินเชื่อบุคคลและ mSMEs) และสินเชื่อผู้ประกอบการอสังหาริมทรัพย์ ความท้าทายจากสภาวะเศรษฐกิจที่เปราะบาง อัตราส่วนหนี้ครัวเรือนต่อ GDP ที่สูงถึง 88.4% และอำนาจในการซื้อที่อ่อนแอยังคงอยู่ซึ่งเราคาดว่าอาจทำให้หนี้ต่อคุณภาพในภาพรวมและ Credit cost สูงขึ้น นอกจากนี้เรายังเชื่อว่าปัจจัยเศรษฐกิจมหภาคที่อ่อนแออาจกระตุ้นให้ KKP จัดสรร Management overlay เพิ่มเติมตามมาตรฐานบัญชี IFRS9 ดังนั้นปัจจุบันเราจึงคาดว่า Credit cost ปี 2025-27 อยู่ที่ 121-124bp ถ้า Credit cost สูงขึ้น 10bp จากสมมติฐานของเราในกรณีฐานการวิเคราะห์ความเป็นไปได้ของเราจะกระทบประมาณการกำไรสุทธิปี 2025 ของเรา 8.0% ในขณะที่ปัจจัยอื่นคงที่

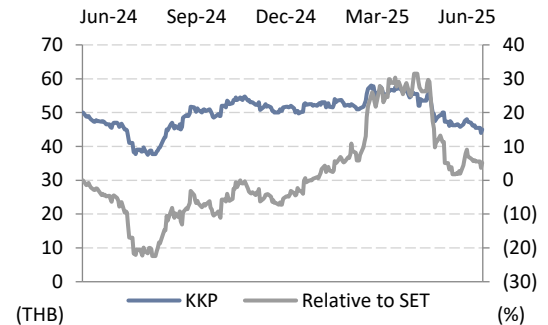
ปรับลดประมาณการลง 3-4% คงคำแนะนำที่ราคาเป้าหมายใหม่ที่ 50 บาท

เราปรับลดประมาณการกำไรปี 2025-27 ของเราลง 3-4% ส่วนมากจากสมมติฐาน Credit cost ที่สูงขึ้นเป็น 121-124bp จาก 106-110bp หลังแนวโน้มคุณภาพสินทรัพย์อ่อนแอลง หลังปรับประมาณการเราลดราคาเป้าหมายปี 2025 ของเราลงเหลือ 50 จาก 55.50 บาท (GGM) ราคาเป้าหมายใหม่ของเราที่ 50 ยังมีสมมติฐานจากค่า 0.65x 2025E P/BV (COE 10.0%, ROE 7.2%) เรายังคงคำแนะนำ KKP แม้ว่าแนวโน้มธุรกิจจะไม่สดใส เราคาดว่า Valuations ของ KKP ในปัจจุบันอยู่ในระดับที่ไม่แพงเมื่อพิจารณาจากค่า 0.6x P/BV และผลตอบแทนในรูปเงินปันผลที่คาดว่าจะสูงถึง 7.3% ในปี 2025

TARGET PRICE	THB50.00
CLOSE	THB45.00
UP/DOWNSIDE	+11.1%
PRIOR TP	THB55.50
CHANGE IN TP	-9.9%
TP vs CONSENSUS	-0.6%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Operating profit	6,258	5,849	6,293	7,117
Net profit	4,985	4,646	5,000	5,660
EPS (THB)	5.89	5.49	5.91	6.68
vs Consensus (%)	-	(4.8)	(7.7)	(1.0)
Recurring net profit	4,985	4,646	5,000	5,660
Core EPS (THB)	5.89	5.49	5.91	6.68
Chg. In EPS est. (%)	-	(3.2)	(4.0)	(3.4)
EPS growth (%)	(8.4)	(6.8)	7.6	13.2
Core P/E (x)	7.6	8.2	7.6	6.7
Dividend yield (%)	8.9	7.3	7.9	8.9
Price/book (x)	0.6	0.6	0.6	0.5
ROE (%)	8.1	7.3	7.6	8.3
ROA (%)	1.0	0.9	1.0	1.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.8)	(21.7)	(10.0)
Relative to country (%)	0.1	(17.2)	5.6
Mkt cap (USD m)	1,146		
3m avg. daily turnover (USD m)	5.2		
Free float (%)	93		
Major shareholder	Thai NVDR (8%)		
12m high/low (THB)	58.25/37.00		
Issued shares (m)	847		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 6 มิถุนายน 2025

Investment thesis

We maintain our HOLD rating for KKP because:

- We believe that KKP's net profit in 2025-26 will not fully recover because we expect the high loss from auto repossessions to persist.
- Although the recovery in the auto hire-purchase (HP) market should illustrate an L-shaped pattern, 2024 was a trough. Moreover, the crisis in the auto hire purchase market expanded, with unpredictable upside on the back of weak purchasing power and a high household debt-to-GDP ratio.
- KKP's asset quality remains uncertain on the back of a higher NPL ratio.
- Nonetheless, a high expected dividend yield of c7% would provide support, in our view.

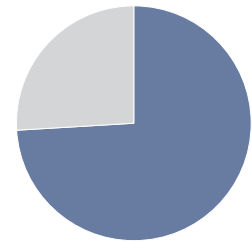
Company profile

KKP was created through the merger of a commercial banking business driven by Kiatnakin Bank and a capital market business led by Phatra Capital and Phatra Securities. The banking operations are mostly geared toward retail, with auto hire purchase lending as the major contribution.

kiatnakin.co.th

Principal activities (revenue, 2024)

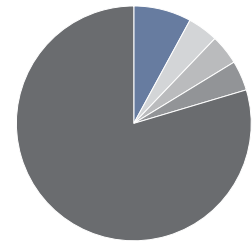
- Net interest income - 74.1 %
- Non-interest income - 25.9 %



Source: Kiatnakin Phatra Bank

Major shareholders

- Thai NVDR - 7.9 %
- Ms Thitinan Wattanavekin - 4.2 %
- Eastern Sugar and Cane - 4.1 %
- Ramkamhang Hospital - 4.1 %
- Others - 79.6 %



Source: Kiatnakin Phatra Bank

Catalysts

- A positive and sustained used car price index, which would lower losses on auto repossessions.
- Strong non-NII from the capital market business, including investment banking, private wealth management, asset management via KKPAM, and direct investment.
- Better-than-expected asset quality.

Risks to our call

Downside risks to our GGM-based target price include weakened asset quality, a high loss from auto repossessions, and lower fee income. By contrast, upside risks include better capital market conditions, higher used car prices, and strengthened asset quality.

Event calendar

Date	Event
Jul 2025	2Q25 results announcement and meeting

Key assumptions

Key assumptions (%)	2025E	2026E	2027E
Loan growth	1.00	3.00	3.20
NIM	4.26	4.25	4.25
Cost-to-income ratio	60.48	58.76	56.65
Credit cost	1.21	1.24	1.22
NPL ratio	4.40	4.40	4.30
ROE	7.27	7.57	8.28

Source: FSSIA estimates

Earnings sensitivity

		2025E		
Loan growth (%)	±1ppt	0.00	1.00	2.00
% change in net profit		(0.7)		0.7
NIM (%)	±5bp	4.21	4.26	4.31
% change in net profit		(4.8)		4.8
Cost-to-income ratio (%)	±1ppt	59.48	60.48	61.48
% change in net profit		5.6		(5.6)
Credit cost (bp)	±10bp	111	121	131
% change in net profit		8.0		(8.0)

Source: FSSIA estimates

Benign auto loans but high credit cost

We maintain our HOLD rating for KKP with a new lower GGM-based 2025 TP of THB50 (from THB55.50).

Despite a lower loss from auto repossessions in 1Q25 at THB964m, the overall 1Q25 performance was below our expectations, mainly due to a high credit cost (for NPL write-offs and recalculation from credit guarantee claims for SME loans) and NPL ratio. It has raised our concern over KKP's future asset quality and would pressure profitability due to a higher credit cost, we believe.

On the positive side, we see KKP's current valuations as undemanding on the back of a 0.6x P/BV and a high expected dividend yield of 7.3% for 2025. Our projected dividend yield of over 7% is supported by a 60% dividend payout ratio, based on a subdued loan growth projection of 1% y-y for 2025 and efficient capital management. We expect KKP's ROE to be around 7-8% for 2025-27.

We have decreased our 2025-27 earnings forecast by 3-4%, mainly due to a higher credit cost forecast of 121-124bp, up from 106-110bp following a weaker asset quality outlook, partially offset by a lower forecast for losses from auto repossessions at THB3.0-3.6b per year vs THB3.5-4.4b per year previously.

Following our earnings revision, we lower our GGM-based 2025 TP to THB50 (from THB55.50). Our new TP of THB50 is still based on 0.65x 2025E P/BV (COE of 10.0%, ROE of 7.2%).

Exhibit 1: KKP – GGM based 2025 TP

Target price calculation based on Gordon Growth Model (GGM)			
Sustainable ROE	7.2%	Cost of Equity (COE) calculation	
COE	10.0%	Risk-Free Rate	3.0%
Long-term growth (g)	2.0%	Equity Premium	7.0%
Derived P/BV multiple (x)	0.65	Equity Beta (x)	1.00
		COE	10.0%
Dec 2025E Book Value (THB)	76.7		
Derived target price (THB)	50.0		

Source: FSSIA estimates

Exhibit 2: KKP's target price sensitivity

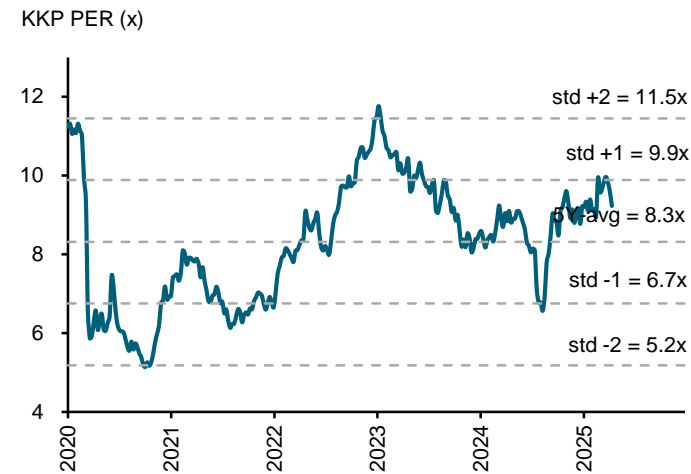
ROE	Growth rate assumption				
	1.0%	1.5%	2.0%	2.5%	3.0%
5.2%	35.8	33.4	30.7	27.6	24.1
6.2%	44.3	42.4	40.2	37.8	35.0
7.2%	52.8	51.4	50.0	48.0	46.0
8.2%	61.3	60.4	59.4	58.3	56.9
9.2%	69.8	69.4	69.0	68.5	67.9

Source: FSSIA estimates

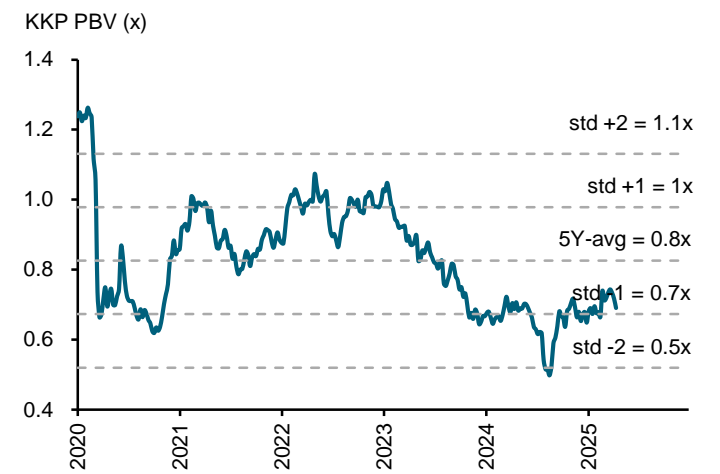
Exhibit 3: 2025-27 earnings revisions

	Revised forecast			Previous forecast			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Net Interest Income	18,884	19,199	19,775	18,853	19,217	19,805	0.2%	-0.1%	-0.1%
Non-Interest Income	7,196	7,382	7,573	7,324	7,514	7,709	-1.8%	-1.8%	-1.8%
PPOP	10,308	10,962	11,856	9,933	10,678	11,622	3.8%	2.7%	2.0%
Loan loss provisions	4,458	4,668	4,739	3,892	4,123	4,255	14.6%	13.2%	11.4%
Net Profit	4,646	5,000	5,660	4,799	5,210	5,860	-3.2%	-4.0%	-3.4%
Key ratios							(ppt)	(ppt)	(ppt)
NIM (%)	4.26	4.25	4.25	4.26	4.26	4.27	(0.00)	(0.01)	(0.01)
Cost to income (%)	60.48	58.76	56.65	62.05	60.05	57.76	(1.58)	(1.29)	(1.11)
ROA (%)	0.93	0.98	1.08	0.96	1.03	1.13	(0.03)	(0.05)	(0.05)
ROE (%)	7.27	7.57	8.28	7.51	7.88	8.55	(0.24)	(0.30)	(0.27)
Credit cost (%)	1.21	1.24	1.22	1.06	1.10	1.10	0.15	0.14	0.12
Loan growth (%)	1.00	3.00	3.20	1.00	3.00	3.20	0.00	0.00	(0.00)
Net profit growth (%)	-6.81	7.64	13.18	-3.73	8.55	12.48	(3.08)	(0.91)	0.70
Credit cost + Loss from auto repossessions (%)	2.18	2.18	2.18	2.25	2.13	2.10	(0.07)	0.05	0.08

Source: FSSIA estimates

Exhibit 4: KKP – one-year prospective P/E band

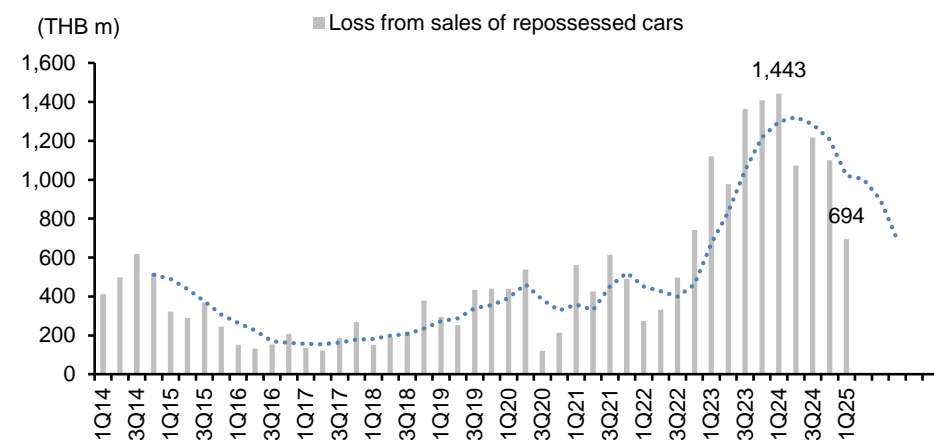
Sources: Bloomberg, FSSIA estimates

Exhibit 5: KKP – one-year prospective P/BV band

Sources: Bloomberg, FSSIA estimates

Benign loss from auto repossessions in 1Q25, but uncertain outlook

According to KKP's 1Q25 analyst meeting, management disclosed that the significant drop in its loss from auto repossessions to THB694m in 1Q25 is a result of the combination of lower units sold and a lower loss per unit. KKP's repossessed car inventory has dropped to c2,500 units at the end of 1Q25, the lowest in the past two years (vs its peak of c5,000 units). Note that the problem of KKP's auto hire-purchase (HP) loans mostly stems from new loan origination in 2022.

Exhibit 6: KKP's loss from auto sales dropped to THB694m in 1Q25

Sources: KKP, FSSIA compilation

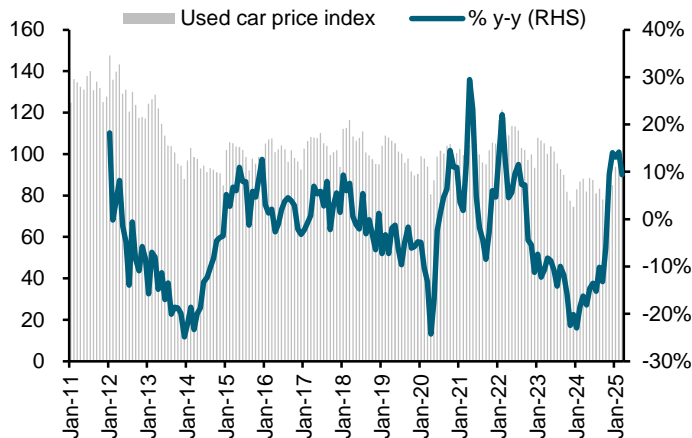
In addition, the loss per unit from auto sales improved to 44% from 50% last year on the back of improved demand for used cars. We see the lower auto loss per unit was in line with the recovery of used car prices in 1Q25, with a 12% y-y growth (see exhibit 7), driven by improving demand for used cars and stabilized supply following subsided auto repossessions among auto lenders (vs supply flood from heavy repossessions during 2023-24).

Nonetheless, at the 1Q25 analyst meeting, KKP did not provide a concrete recovery outlook and maintains an L-shape recovery of auto sales for 2025, given the uncertainty over Trump's trade war and how it could affect the Thai GDP growth outlook and overall purchasing power indirectly. We believe the recovery of used car prices remains fragile for the remainder of 2025.

Thus, we expect losses from auto repossessions to remain high at THB3.0-3.6b per year during 2025-27 (vs THB1.3-2.1 per year during 2019-22), reflecting ongoing uncertainties in the Thai auto hire-purchase market. On the positive side, our new loss forecast is lower than our initial expectation of THB3.5-4.4b per year.

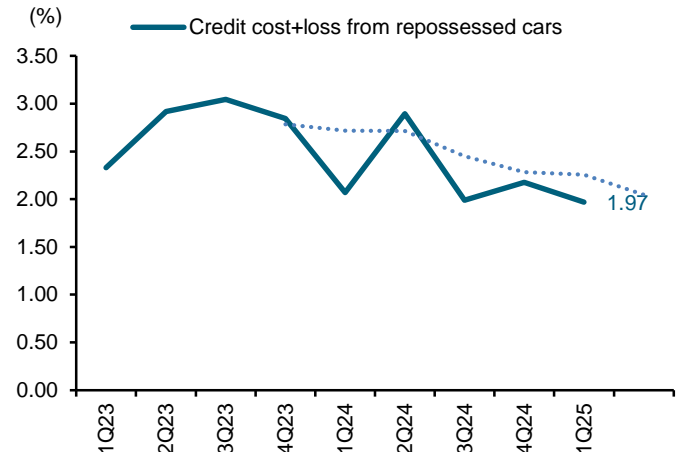
On the other hand, apart from macroeconomic factors, another downside risk to our auto loss forecast could be an unpredictable auto price war, especially from EV manufacturers, which could dampen overall used car prices.

Exhibit 7: Used car price index improved by 12% y-y for 1Q25



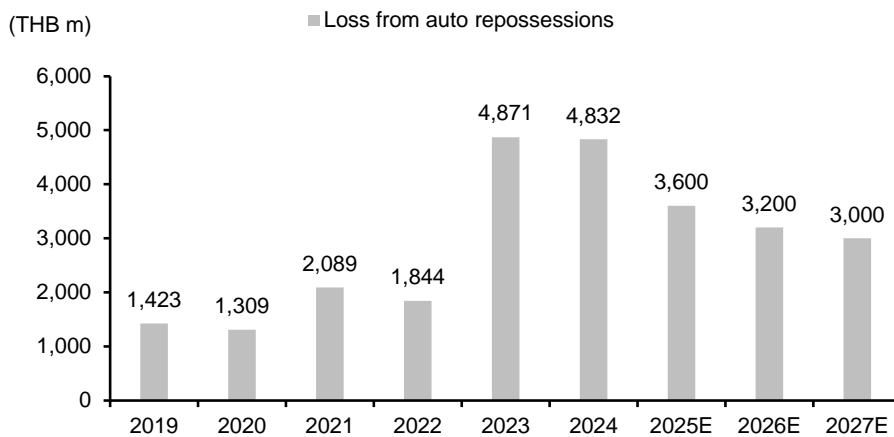
Sources: Bank of Thailand, Union Auction, FSSIA compilation

Exhibit 8: Benign trend of KKP's credit cost plus losses from auto sales since 3Q24



Sources: KKP, FSSIA compilation

Exhibit 9: Expect losses from auto repossessions to remain high at THB3.0-3.6b per year during 2025-27 vs peak of THB4.8-4.9b in 2023-24



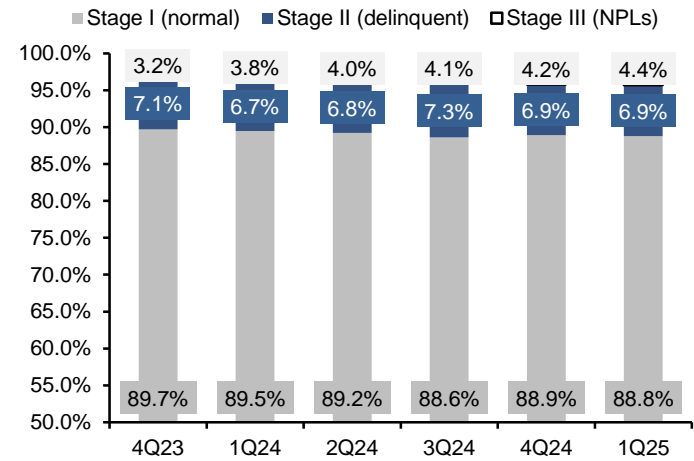
Sources: KKP, FSSIA estimates

For the 'You Fight We Help' debt relief program (YFWH), as of 1Q25, KKP disclosed that there were around THB4.8b of loans (equivalent to 1.3% of KKP's total loans) being restructured under this program. Most of them are auto HP loans with positive early indicators on the back of better repayment performance. Under YFWH, part of NIM will be sacrificed. However, the impact on net profit should be manageable, based on less than 2% of loan exposure, we believe.

Weak macroeconomic conditions raise asset quality and credit cost concerns

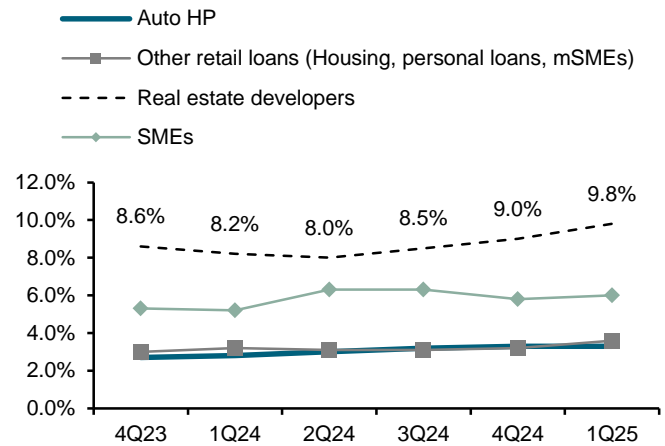
Nonetheless, apart from the benign auto hire-purchase business, we see signs of asset quality deterioration for KKP in other segments in 1Q25, including retail loans (such as personal loans and mSMEs) and real estate developers.

Exhibit 10: Higher NPL ratio q-q to 4.4% in 1Q25 with stable stage II loan portion



Sources: KKP, FSSIA compilation

Exhibit 11: Higher NPLs from real estates and SMEs with stable auto HP q-q

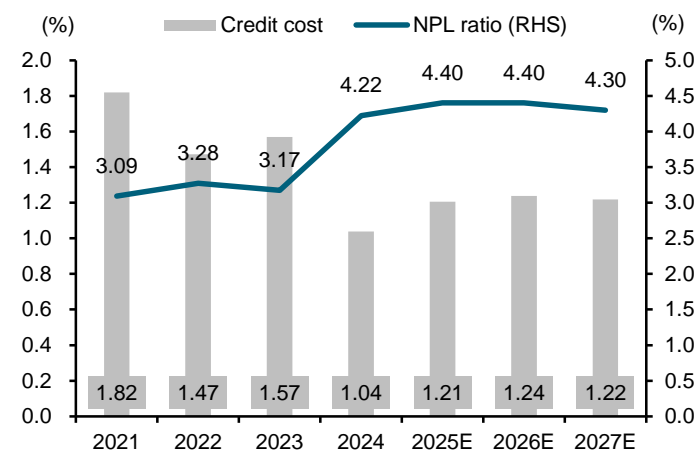


Sources: KKP, FSSIA compilation

Particularly for real estate developers, KKP disclosed that this loan segment had solid collateral of over 200% of the loan. So far, KKP has extended the repayment duration among these NPLs. In our view, the rising NPLs in 1Q25 were partly due to uncertain transfer fees and an unfavorable property market.

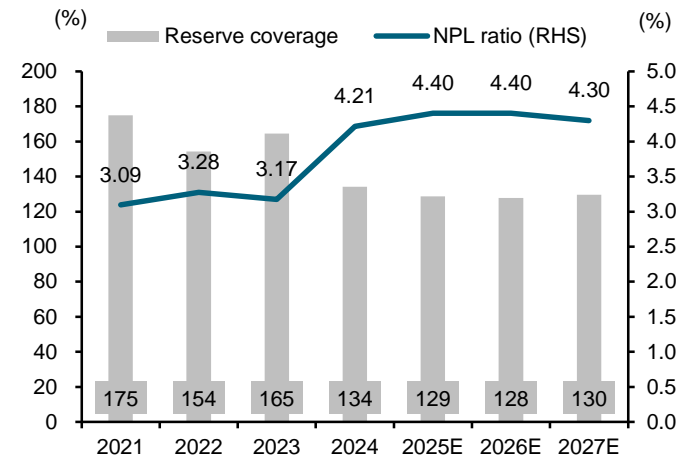
We expect the situation in this segment to ease somewhat in 2Q25 on the back of temporary reliefs for the property market. They include 1) a temporary relaxation of the loan-to-value (LTV) regulations to 100% (from 90% previously) for housing loan contracts from 1 May 2025 to 30 June 2026 and 2) a lower transfer fee of 0.01% of mortgage value (from 2%) for a collateral value of less than THB7m until 30 June 2026. This would support demand and transfer in the real estate sector, which exhibited no signs of recovery amid high unsold inventories in 1Q25, we believe.

Exhibit 12: With higher NPL trend, we now expect higher credit cost y-y to 121bp in 2025



Sources: KKP, FSSIA estimates

Exhibit 13: NPL coverage ratio would be around 130%



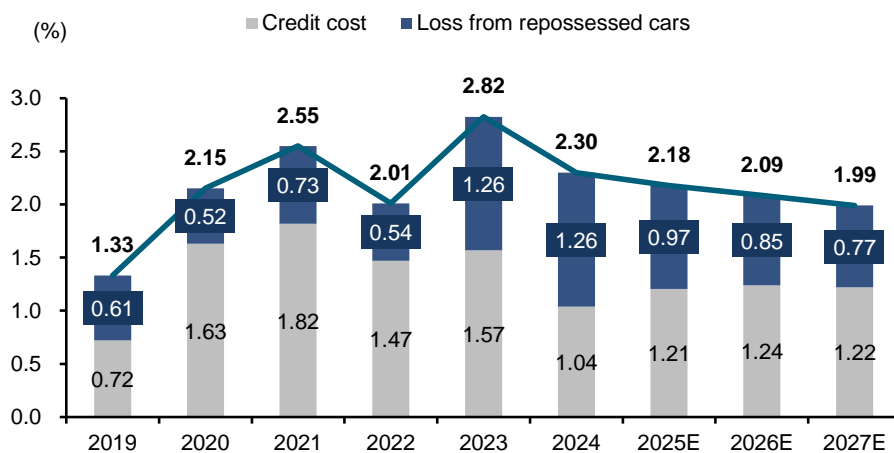
Sources: KKP, FSSIA estimates

However, the challenges from subdued economic conditions, a high household-to-GDP ratio of 88.4%, and weak purchasing power remain, probably resulting in a higher overall NPL and credit cost for KKP, in our view. In addition, we believe weaker macroeconomic factors may trigger KKP to set aside additional management overlay following the IFRS9 accounting standard.

As of 1Q25, KKP's NPL coverage ratio was at 131%, the lowest among Thai banks (vs the industry's average of 192%). We believe this would raise the risk for KKP to build up loan loss reserves as cushion for asset quality uncertainty.

Thus, we now expect KKP's credit cost at 121-124bp for 2025-27. In the case of a higher credit cost by 10bp from our base case, our sensitivity analysis suggests a negative impact of 8.0% on KKP's 2025E net profit, all else being equal.

Exhibit 14: We expect 25E credit cost + loss from auto sales at 2.18% vs KKP's target of 2.30%

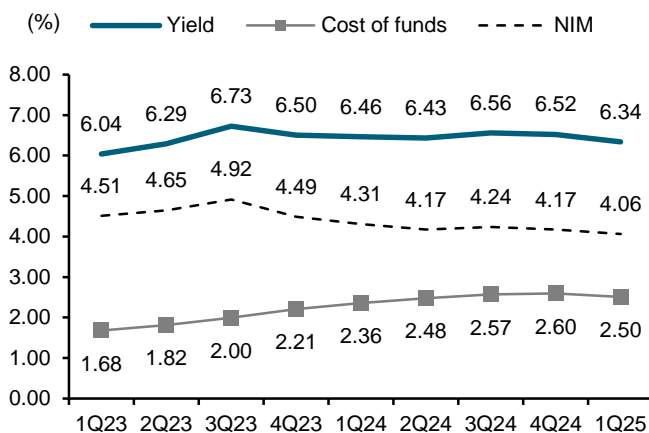


Sources: KKP, FSSIA estimates

Expect modest NIM gain even with lower funding costs

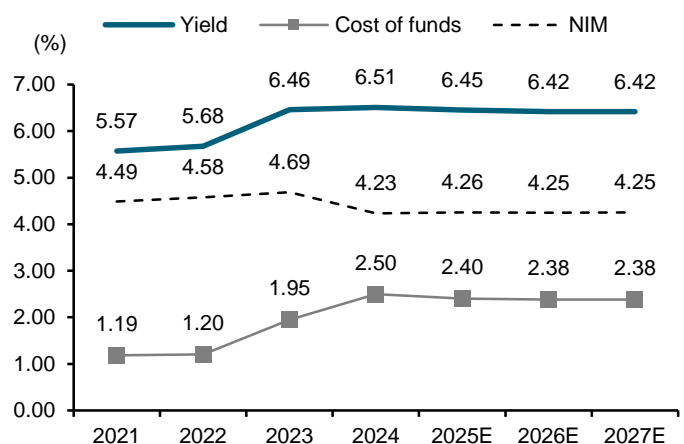
KKP's cost of funds peaked at 2.6% in 4Q24 and recorded a downtrend in 1Q25, with 10bp saving q-q to 2.4% due to a higher portion of CASA deposits to KKP's total funding at 32%, up from 27% in 1Q24 and a gradual repricing of fixed deposit portion (60% of KKP's funding) following three interest rate cuts since Oct 2024.

Exhibit 15: Quarterly NIM downtrend from lower yield despite lower cost of funds



Sources: KKP, FSSIA compilation

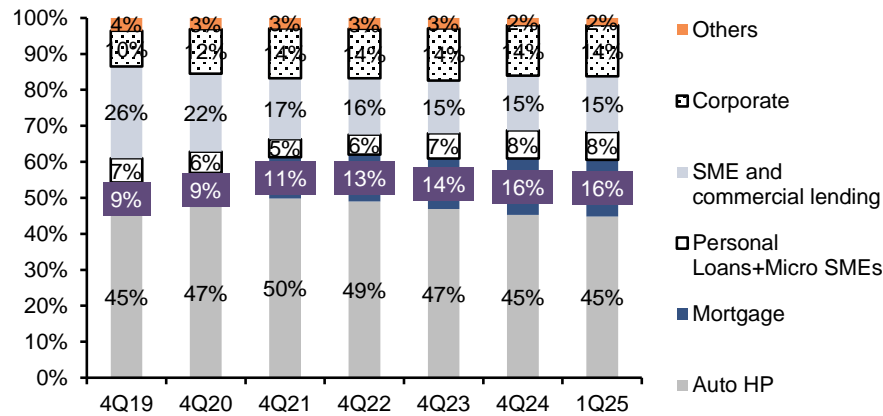
Exhibit 16: Annual yield, cost of funds, and NIM



Sources: KKP, FSSIA estimates

However, NIM remained on a downtrend in the last three quarters, despite benefits from a lower cost of funds due probably to a lower portion of auto HP loans (a fixed yield for the entire loan contract) and a higher portion of mortgage and corporate loans, both of which are quoted as floating rates. The latter hurt KKP's yield following interest rate cuts.

Exhibit 17: KKP's loan portfolio mix



Sources: KKP, FSSIA compilation

With our expectation of another policy interest rate cut in 2H25 to 1.50%, we believe this will impact KKP loan yield once more. Meanwhile, KKP would gradually reprice fixed deposits in tandem with its maturity profile (around 7% of its total funding per month), a longer trend in our view. Eventually, we expect KKP's NIM to increase marginally y-y to 4.26% in 2025.

Exhibit 18: Peer regional banks comparison, as of 5 June 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	142.00	194.00	37	8,339	5.7	5.4	0.5	0.4	8.3	8.3	6.3	6.7
Kasikornbank	KBANK TB	156.50	186.00	19	11,407	7.2	6.7	0.6	0.6	8.9	9.1	6.3	6.7
Krung Thai Bank	KTBB TB	21.90	25.80	18	9,416	7.1	6.6	0.7	0.6	9.5	9.6	6.9	7.4
SCB X	SCB TB	117.50	130.00	11	12,171	8.6	8.3	0.8	0.8	9.4	9.5	9.3	9.7
TMBThanachart Bank	TTB TB	1.94	2.05	6	5,714	8.6	8.6	0.8	0.7	9.0	8.7	7.0	7.0
Kiatnakin Bank	KKP TB	45.00	50.00	11	1,146	8.2	7.6	0.6	0.6	7.3	7.6	7.3	7.9
Tisco Financial Group	TISCO TB	97.75	95.00	(3)	2,408	12.0	11.6	1.8	1.8	15.1	15.5	7.9	7.9
Thailand weighted average						7.7	7.3	0.7	0.7	9.3	9.4	7.3	7.7
Hong Kong													
Industrial & Comm Bank of China	1398 HK	5.90	n/a	n/a	331,707	5.5	5.5	0.5	0.5	9.5	9.1	5.6	5.7
China Construction Bank	939 HK	7.30	n/a	n/a	235,392	5.1	5.0	0.5	0.5	9.9	9.5	5.9	6.0
HSBC Holdings	5 HK	93.05	n/a	n/a	207,475	8.9	8.5	1.2	1.1	13.1	13.4	5.7	5.9
Bank of China	3988 HK	4.61	n/a	n/a	208,454	5.6	5.5	0.5	0.5	9.1	8.7	5.6	5.7
Hong Kong average						6.3	6.1	0.7	0.6	10.4	10.2	5.7	5.8
China													
Industrial & Comm Bank of China	601398 CH	7.09	n/a	n/a	331,707	7.1	6.9	0.6	0.6	9.4	9.0	4.4	4.5
Agricultural Bank of China	601288 CH	5.57	n/a	n/a	268,988	7.1	6.9	0.7	0.7	10.0	9.6	4.3	4.5
China Construction Bank	601939 CH	9.00	n/a	n/a	235,392	6.8	6.8	0.7	0.6	10.0	9.6	4.4	4.5
Bank of China	601988 CH	5.47	n/a	n/a	208,454	7.2	7.1	0.6	0.6	9.0	8.6	4.4	4.4
China average						7.1	6.9	0.7	0.6	9.6	9.2	4.4	4.5
South Korea													
KB Financial Group	105560 KS	106,300	n/a	n/a	29,938	7.0	6.5	0.7	0.6	9.7	9.4	3.4	3.7
Shinhan Financial Group	055550 KS	59,200	n/a	n/a	21,672	5.9	5.5	0.5	0.5	8.8	8.7	3.9	4.2
Hana Financial Group	086790 KS	73,500	n/a	n/a	15,451	5.3	5.0	0.5	0.4	9.1	8.9	5.0	5.3
Industrial Bank of Korea	024110 KS	16,050	n/a	n/a	9,449	4.7	4.6	0.4	0.4	8.2	8.0	7.0	7.5
South Korea average						5.7	5.4	0.5	0.5	8.9	8.8	4.8	5.2
Indonesia													
Bank Central Asia	BBCA IJ	8,925	n/a	n/a	67,652	18.8	17.5	3.9	3.6	21.2	21.0	3.5	3.8
Bank Rakyat Indonesia Persero	BBRI IJ	4,100	n/a	n/a	38,209	10.6	9.6	1.9	1.8	18.1	19.3	8.2	8.7
Bank Mandiri Persero	BMRI IJ	5,075	n/a	n/a	29,125	8.5	7.9	1.6	1.5	19.0	19.2	7.8	7.8
Bank Negara Indonesia Persero	BBNI IJ	4,420	n/a	n/a	10,137	7.4	6.7	1.0	0.9	13.6	13.8	8.2	8.8
Bank Syariah Indonesia	BRIS IJ	2,570	n/a	n/a	7,290	14.3	12.1	2.3	2.0	17.1	17.7	1.2	1.6
Indonesia average						11.9	10.8	2.1	1.9	17.8	18.2	5.8	6.1
Malaysia													
Malayan Banking	MAY MK	9.70	n/a	n/a	27,682	11.2	10.8	1.2	1.2	10.9	10.9	6.6	6.8
Public Bank	PBK MK	4.28	n/a	n/a	19,646	11.3	10.8	1.4	1.3	12.5	12.4	5.4	5.7
CIMB Group Holdings	CIMB MK	6.87	n/a	n/a	17,363	9.2	8.7	1.0	0.9	11.1	11.2	6.2	6.6
Hong Leong Bank	HLBK MK	19.54	n/a	n/a	10,037	9.1	8.6	1.0	0.9	11.6	11.1	3.9	4.3
RHB Bank	RHBBANK MK	6.40	n/a	n/a	6,567	8.6	8.1	0.8	0.8	9.8	9.9	7.0	7.4
Malaysia average						9.9	9.4	1.1	1.0	11.2	11.1	5.8	6.1
Singapore													
DBS Group Holdings	DBS SP	45.02	n/a	n/a	99,403	11.7	11.4	1.9	1.8	16.1	15.9	6.8	7.1
Oversea-Chinese Banking	OCBC SP	16.23	n/a	n/a	56,959	10.1	9.9	1.2	1.1	12.2	12.0	6.0	5.8
United Overseas Bank	UOB SP	35.29	n/a	n/a	45,629	9.9	9.4	1.2	1.1	12.1	11.4	6.2	5.7
Singapore average						10.6	10.2	1.4	1.4	13.5	13.1	6.3	6.2
Regional average (excl. Thailand)						8.7	8.2	1.1	1.0	12.0	11.9	5.5	5.7
Total average (incl. Thailand)						8.6	8.1	1.0	1.0	11.5	11.5	5.9	6.1

Sources: Bloomberg; FSSIA estimates

Financial Statements

Kiatnakin Phatra Bank

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Interest Income	30,717	30,515	28,624	29,030	29,846
Interest expense	(8,424)	(10,667)	(9,740)	(9,832)	(10,071)
Net interest income	22,294	19,848	18,884	19,199	19,775
Net fees & commission	5,476	5,396	5,632	5,812	5,997
Foreign exchange trading income	441	1,147	1,147	1,147	1,147
Securities trading income	(12)	23	23	23	23
Dividend income	340	153	159	166	172
Other income	224	234	234	234	234
Non interest income	6,469	6,954	7,196	7,382	7,573
Total income	28,763	26,802	26,080	26,580	27,349
Staff costs	(7,144)	(7,287)	(7,433)	(7,582)	(7,733)
Other operating costs	(8,750)	(9,283)	(8,339)	(8,037)	(7,759)
Operating costs	(15,894)	(16,570)	(15,772)	(15,619)	(15,493)
Pre provision operating profit	12,869	10,232	10,308	10,962	11,856
Expected credit loss	(6,082)	(3,974)	(4,458)	(4,668)	(4,739)
Other provisions	-	-	-	-	-
Operating profit	6,787	6,258	5,849	6,293	7,117
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	-	-	-	-	-
Profit before tax	6,787	6,258	5,849	6,293	7,117
Tax	(1,331)	(1,256)	(1,170)	(1,259)	(1,423)
Profit after tax	5,456	5,003	4,680	5,034	5,694
Non-controlling interest	(13)	(18)	(34)	(34)	(34)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	5,443	4,985	4,646	5,000	5,660
Non recurring items & goodwill (net)	-	-	-	-	-
Recurring net profit	5,443	4,985	4,646	5,000	5,660
Per share (THB)					
Recurring EPS *	6.43	5.89	5.49	5.91	6.68
Reported EPS	6.43	5.89	5.49	5.91	6.68
DPS	3.00	4.00	3.29	3.54	4.01
Growth					
Net interest income (%)	16.8	(11.0)	(4.9)	1.7	3.0
Non interest income (%)	(23.5)	7.5	3.5	2.6	2.6
Pre provision operating profit (%)	(11.4)	(20.5)	0.7	6.3	8.2
Operating profit (%)	(28.5)	(7.8)	(6.5)	7.6	13.1
Reported net profit (%)	(28.4)	(8.4)	(6.8)	7.6	13.2
Recurring EPS (%)	(28.4)	(8.4)	(6.8)	7.6	13.2
Reported EPS (%)	(28.4)	(8.4)	(6.8)	7.6	13.2
Income Breakdown					
Net interest income (%)	77.5	74.1	72.4	72.2	72.3
Net fees & commission (%)	19.0	20.1	21.6	21.9	21.9
Foreign exchange trading income (%)	1.5	4.3	4.4	4.3	4.2
Securities trading income (%)	0.0	0.1	0.1	0.1	0.1
Dividend income (%)	1.2	0.6	0.6	0.6	0.6
Other income (%)	0.8	0.9	0.9	0.9	0.9
Operating performance					
Gross interest yield (%)	6.46	6.51	6.45	6.42	6.42
Cost of funds (%)	1.95	2.50	2.40	2.38	2.38
Net interest spread (%)	4.51	4.01	4.05	4.04	4.04
Net interest margin (%)	4.7	4.2	4.3	4.2	4.3
Cost/income(%)	55.3	61.8	60.5	58.8	56.6
Cost/assets(%)	3.0	3.2	3.1	3.1	3.0
Effective tax rate (%)	19.6	20.1	20.0	20.0	20.0
Dividend payout on recurring profit (%)	46.7	67.9	60.0	60.0	60.0
ROE (%)	9.2	8.1	7.3	7.6	8.3
ROE - COE (%)	(0.8)	(1.9)	(2.7)	(2.4)	(1.7)
ROA (%)	1.0	1.0	0.9	1.0	1.1
RORWA (%)	1.6	1.5	1.4	1.5	1.6

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Kiatnakin Phatra Bank; FSSIA estimates

Financial Statements

Kiatnakin Phatra Bank

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Gross customer loans	397,999	367,836	371,514	382,660	394,905
Allowance for expected credit loss	(20,668)	(20,607)	(21,053)	(21,520)	(21,994)
interest in suspense	7,495	7,713	8,731	8,992	9,280
Net customer loans	384,826	354,941	359,191	370,132	382,191
Bank loans	62,029	38,985	40,154	40,957	42,186
Government securities	-	-	-	-	-
Trading securities	16,035	23,893	23,893	23,893	23,893
Investment securities	36,262	34,540	34,540	34,540	34,540
Cash & equivalents	1,382	1,248	1,480	2,840	1,275
Other interesting assets	-	-	-	-	-
Tangible fixed assets	7,436	7,087	7,228	7,373	7,521
Associates	0	0	0	0	0
Goodwill	5,020	5,088	5,190	5,294	5,399
Other intangible assets	-	-	-	-	-
Other assets	32,337	32,643	32,783	32,927	33,073
Total assets	545,327	498,424	504,460	517,955	530,078
Customer deposits	358,903	359,306	362,899	373,786	385,747
Bank deposits	23,035	17,399	17,399	17,399	17,399
Other interest bearing liabilities	68,900	27,350	27,350	27,350	24,615
Non interest bearing liabilities	33,237	31,204	31,557	31,916	32,282
Hybrid Capital	-	-	-	-	-
Total liabilities	484,074	435,259	439,205	450,451	460,044
Share capital	8,468	8,468	8,468	8,468	8,468
Reserves	52,499	54,397	56,453	58,667	61,164
Total equity	60,967	62,864	64,920	67,135	69,632
Non-controlling interest	286	301	335	369	403
Total liabilities & equity	545,327	498,424	504,460	517,955	530,078
Supplementary items					
Risk weighted assets (RWA)	354,730	328,534	332,642	342,621	353,585
Average interest earning assets	475,659	468,825	443,784	452,183	464,894
Average interest bearing liabilities	431,915	427,446	405,852	413,092	423,148
CET 1 capital	47,655	48,323	49,806	51,403	53,210
Total capital	60,947	61,353	62,836	64,433	64,937
Gross non performing loans (NPL)	12,630	15,503	16,351	16,841	16,976
Per share (THB)					
Book value per share	72.00	74.24	76.67	79.28	82.23
Tangible book value per share	66.07	68.23	70.54	73.03	75.86
Growth					
Gross customer loans	5.4	(7.6)	1.0	3.0	3.2
Average interest earning assets	14.1	(1.4)	(5.3)	1.9	2.8
Total asset (%)	7.4	(8.6)	1.2	2.7	2.3
Risk weighted assets (%)	5.6	(7.4)	1.3	3.0	3.2
Customer deposits (%)	8.3	0.1	1.0	3.0	3.2
Leverage & capital measures					
Customer loan/deposits (%)	107.2	98.8	99.0	99.0	99.1
Equity/assets (%)	11.2	12.6	12.9	13.0	13.1
Tangible equity/assets (%)	10.3	11.6	11.8	11.9	12.1
RWA/assets (%)	65.0	65.9	65.9	66.1	66.7
CET 1 CAR (%)	13.4	14.7	15.0	15.0	15.0
Total CAR (%)	17.2	18.7	18.9	18.8	18.4
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	2.2	22.7	5.5	3.0	0.8
NPL/gross loans (%)	3.2	4.2	4.4	4.4	4.3
Allowance for ECL/gross loans (%)	5.2	5.6	5.7	5.6	5.6
Allowance for ECL/NPL (%)	163.6	132.9	128.8	127.8	129.6
Valuation					
Recurring P/E (x) *	7.0	7.6	8.2	7.6	6.7
Recurring P/E @ target price (x) *	7.8	8.5	9.1	8.5	7.5
Reported P/E (x)	7.0	7.6	8.2	7.6	6.7
Dividend yield (%)	6.7	8.9	7.3	7.9	8.9
Price/book (x)	0.6	0.6	0.6	0.6	0.5
Price/tangible book (x)	0.7	0.7	0.6	0.6	0.6
Price/tangible book @ target price (x)	0.8	0.7	0.7	0.7	0.7

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Kiatnakin Phatra Bank; FSSIA estimates

Kiatnakin Phatra Bank PCL (KKP TB)

FSSIA ESG rating


62.96 /100

Exhibit 19: FSSIA ESG score implication

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

Sources: FSSIA estimates

Exhibit 20: 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 21: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	—	2.86	2.18
BESG environmental pillar score	—	—	0.08	0.08
BESG social pillar score	—	—	3.95	2.45
BESG governance pillar score	—	—	5.02	4.76
ESG disclosure score	46.15	46.69	45.56	45.90
Environmental disclosure score	31.23	31.56	28.18	28.18
Social disclosure score	19.71	20.98	20.98	22.01
Governance disclosure score	87.36	87.36	87.36	87.36
Environmental				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	No	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	No	No	No
GHG scope 1	2	2	3	3
GHG scope 2 location-based	4	4	3	4
GHG Scope 3	—	—	—	—
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	18	16	16	19
Renewable energy use	—	—	—	—
Electricity used	8	8	5	7
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 22: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—
Total waste	—	—	—	—
Waste recycled	—	—	—	—
Waste sent to landfills	—	—	—	—
Environmental supply chain management	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes
Water consumption	74	66	38	51
Social				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	No	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No
Consumer data protection policy	No	No	No	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	61	61	62	63
Pct disabled in workforce	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	0	0	0
Total recordable incident rate - employees	—	—	—	—
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No
Number of employees – CSR	4,042	3,761	3,704	3,876
Employee turnover pct	10	10	11	13
Total hours spent by firm - employee training	73,784	71,497	48,597	60,117
Social supply chain management	Yes	Yes	Yes	Yes
Governance				
Board size	12	12	12	12
No. of independent directors (ID)	4	4	4	4
No. of women on board	2	3	3	3
No. of non-executive directors on board	7	8	8	8
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	11	14	11	13
Board meeting attendance pct	94	99	99	97
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	50	51	52	53
Age of the oldest director	71	72	73	70
No. of executives / company managers	42	40	40	45
No. of female executives	12	15	15	16
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	11	12	16	13
Audit meeting attendance %	100	100	94	98
Size of compensation committee	3	3	3	3
No. of ID on compensation committee	2	2	2	2
No. of compensation committee meetings	7	5	6	6
Compensation meeting attendance %	100	100	94	100
Size of nomination committee	3	3	3	3
No. of nomination committee meetings	7	5	6	6
Nomination meeting attendance %	100	100	94	100
Sustainability governance				
Verification type	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for 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 Sustainabilitys	The Sustainabilitys' 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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0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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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

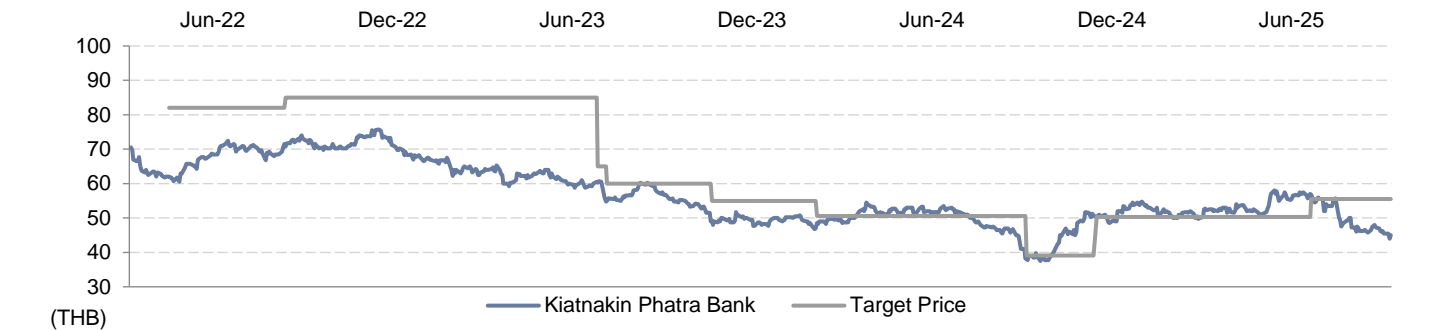
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Kiatnakin Phatra Bank (KKP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Jul-2022	BUY	82.00	25-Jul-2023	HOLD	60.00	23-Jul-2024	HOLD	39.10
19-Oct-2022	BUY	85.00	24-Oct-2023	HOLD	55.00	20-Sep-2024	HOLD	50.30
17-Jul-2023	HOLD	65.00	23-Jan-2024	HOLD	50.60	27-Mar-2025	HOLD	55.50

Nathapol Pongsukcharoenkul started covering this stock from 27-Mar-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Kiatnakin Phatra Bank	KKP TB	THB 45.00	HOLD	Downside risks to our GGM-based target price include weakened asset quality, high loss from auto repossessions and lower fee income. By contrast, upside risks include better capital market conditions, higher used car prices, and strengthened 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 05-Jun-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.