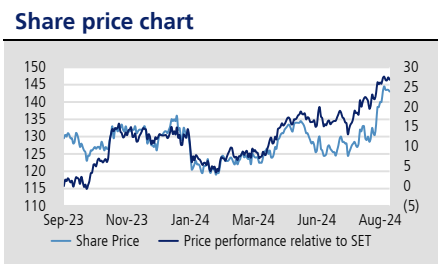


Neutral Maintained	
Price as of 30 Aug 2024	143.0
12M target price (Bt/shr)	152.0
Unchanged/Revised up(down)(%)	6.4
Upside/downside (%)	7.8

Key messages
 เราปรับเพิ่มประมาณการกำไรปี 2567F 6% แต่คงประมาณการปี 2568F เพื่อสะท้อนถึงการบันทึกกำไร MTM จากการลงทุนทั้งนี้ แนวโน้มใน 2H67 จะขึ้นอยู่กับแผนการขาย NPL ซึ่งต้องอาศัยความพยายามมากขึ้น ส่วนแนวโน้มในระยะยาวจะขึ้นอยู่กับการลด credit cost และ ความสามารถในการเพิ่มอัตราดอกเบี้ยเงินฝากสูงกว่า 36% ทั้งนี้เราใช้ PBV ที่ 0.6x ทำให้เราได้อัตราค่าเป้าหมายปี 2567F ใหม่ที่ 152 บาท (เพิ่มขึ้นจากเดิมที่ 141 บาท) ดังนั้น เราจึงยังคงคำแนะนำถือ KBANK

Trading data			
Mkt cap (Btmn/US\$m)	338,767/9,963		
Outstanding shares (mn)	2,369		
Foreign ownership (mn)	1055		
3M avg. daily trading (mn)	10.23		
52-week trading range (Bt)	119 – 144.5		
Performance (%)	3M	6M	12M
Absolute	9.2	15.8	9.6
Relative	8.1	16.5	26.3

Quarterly EPS				
	1Q	2Q	3Q	4Q
2022	4.76	4.51	4.42	1.33
2023	4.49	4.59	4.71	3.92
2024	5.64	5.29		



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Kasikornbank

(KBANK.BK/KBANK TB)*



ความเสี่ยงของNPL ใหม่มีต่ำกว่าธนาคารอื่น

Event

อัปเดตแนวโน้ม, ปรับสมมติฐานหลัก และ ปรับราคาเป้าหมายปี 2567F

Impact

การส่งสัญญาณบวกผ่านจ่ายเงินปันผล

การจ่ายเงินปันผลระหว่างกาลเพิ่มขึ้นอาจจะเป็นสัญญาณที่เริ่มจะดีสำหรับ KBANK ในการบริหารนโยบายเงินปันผล, การบริหารเงินทุนอย่างมีประสิทธิภาพเพื่อเพิ่ม ROE ซึ่งท้ายที่สุดจะส่งผลดีต่อมูลค่าหุ้นในระยะยาว ทั้งนี้ KBANK เพิ่มอัตราดอกเบี้ยเงินฝากสำหรับกำไรปี 2566 เป็น 36% จาก 25-26% ในช่วงหลายปีที่ผ่านมา และ พิจารณาจะเพิ่มอัตราดอกเบี้ยเงินฝากขึ้นอีกเมื่อมีฐานทุนเพียงพอสำหรับการลงทุนในอนาคต และ CET1 ยืนเหนือระดับ 13-15% แล้ว โดยมีการตั้งเป้าจะลด credit cost ลงเหลือ 140-160bps (จาก 189% ใน 1H67 และ จากเป้าหมายปี 175-195bps) หลังแผนล้างงบดุลเสร็จสิ้นปีนี้

แผนล้างงบดุลของ KBANK เป็นประเด็นท้าทายสำหรับแนวโน้ม 2H67F

KBANK กำหนดคชข. สำรอง (credit cost) ไว้สูงติดกันมาสามปีแล้ว (ปีละ 207bps ในปี 2565 และ 2566 และ 189bps ในปี 2567) เพื่อล้าง NPL จาก COVID และ NPL ตกค้าง (legacy NPL) รวมถึง write-off หนี้เสีย โดยในขณะที่ สินเชื่อ COVID ถูกบริหารจัดการภายใต้โครงการ CDR ซึ่งคิดเป็น 7.1% ของสินเชื่อรวม (ลดลงจาก 13% เมื่อมาตรการให้ความช่วยเหลือลูกค้าที่ถูกกระทบจาก COVID สิ้นสุดลงในปี 2564 นอกจากนี้ การขาย NPL ไปให้กับ AMC และ การตัดหนี้สูญ (write-off) หนี้เสียยังทำให้สินเชื่อ CDR ลดลงไปด้วย แต่การจะลดเพิ่มจากนี้ไปอาจจะไม่ง่ายแล้ว เพราะภาระทางการเงินที่เพิ่มขึ้นของ JV AMC และ แรงกดดันจากราคาขาย NPL ในตลาด เรามองว่า ณ ระดับนี้ KBANK จำเป็นต้องตั้ง JVAMC ใหม่ร่วมกับพันธมิตรหรือราย หรือไม่ก็ต้องจัดการเองเป็นการภายในด้วยการ write-off หนี้เสีย

ปรับเพิ่มประมาณการกำไรปี 2567F 6% แต่คงกำไรปี 2568F และ ปรับ TP-67F เป็น 152 บาท

เนื่องจากการบันทึกกำไร MTM จากการลงทุนทำให้กำไรสุทธิในงวด 1H67 สูงกว่าประมาณการ และมีสัญญาณว่ากำไรส่วนนี้จะยังคงเพิ่มขึ้นอีก เราจึงปรับเพิ่มประมาณการรายได้รายการนี้เป็น 1.1 หมื่นล้านบาทในปี 2567 และ ในปี 2568 นอกจากนี้ เรายังปรับเพิ่มสมมติฐานอัตราดอกเบี้ยโดยของรายได้ค่าธรรมเนียมปี 2567/2568 เป็น 4%/5%, ปรับเพิ่มส่วนแบ่งกำไรจากบริษัทในเครือเป็น 300 ล้านบาท/500 ล้านบาท (จากเดิม -Bt100 ล้านบาท/+500 ล้านบาท), ปรับลดสมมติฐานเบี้ยประกัน, และ ปรับลดสมมติฐาน NIM ปี 2568F ลง 10bps ทั้งนี้ หลังจากปรับสมมติฐานดังกล่าวแล้ว กำไรสุทธิในงวด 1H67 จะคิดเป็น 57% ของประมาณการกำไรเต็มปีของเรา ทั้งนี้ ในสมมติฐานของเราจะได้สมมติฐานว่ามีการ write-off หนี้เสียก่อนใหญ่ และ มีการกำหนด credit cost เพิ่มขึ้นใน 2H67F ในขณะที่ค่าตัวค่าไรจ่ายในการดำเนินงานจะสูงตามฤดูกาลใน 4Q67F และ ใช้สมมติฐานว่าอัตราดอกเบี้ยเงินฝากในปีนี้อยู่ในระดับเท่าเดิมที่ 36% ซึ่งเมื่อใช้ PBV ที่ 0.6x ทำให้เราได้อัตราค่าเป้าหมายปี 2567F ใหม่ที่ 152 บาท (เพิ่มขึ้นจากเดิมที่ 141 บาท) ดังนั้น เราจึงยังคงคำแนะนำถือ KBANK

Risks

NPLs และ credit cost เพิ่มขึ้น.

Key financials and valuations

	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Pre-pro. profit (Bt mn)	92,305	98,505	107,685	112,121	115,116	119,110
Pretax profit (Bt mn)	51,973	46,585	55,845	61,489	64,693	71,436
Net income (Bt mn)	38,053	35,770	42,405	45,691	47,905	52,913
EPS (Bt)	16.06	15.10	17.90	19.28	20.22	22.33
DPS	3.25	4.00	6.50	6.94	7.28	8.04
EPS Growth (%)	29.0	(6.0)	18.5	7.7	4.8	10.5
Dividend Yield (%)	2.0	2.8	5.4	4.9	5.1	5.6
P/E (x)	10.0	9.6	6.7	7.4	7.1	6.4
P/BV (x)	0.80	0.68	0.53	0.60	0.56	0.52
ROAA (%)	1.0	0.9	1.0	1.1	1.1	1.2
ROAE (%)	8.3	7.3	8.2	8.3	8.3	8.4

Source: Company data, KGI Securities Research

*The Company may be issuer of Derivative Warrants on these securities.

Figure 1: Key assumptions

	2021	2022	2023	2024F	2025F	2026F
Loan growth	8.1	3.0	(0.2)	3.6	5.0	6.0
Deposit growth	11.9	4.2	(1.3)	2.9	4.9	5.9
NII growth	9.5	11.4	11.6	1.9	(3.1)	3.7
Fee income growth	6.4	(0.6)	0.6	4.0	5.0	5.0
Non-NII Growth	(4.2)	(8.4)	9.8	7.3	13.2	0.7
Operating expense growth	1.5	5.2	13.7	1.9	(1.6)	2.1
Insurance premium - net	(1619)	(3229)	(5098)	(3018)	(1158)	307
LDR	93.8	91.4	92.8	88.5	88.6	88.8
LDR + borrowing	87.6	86.5	87.0	87.6	87.8	88.0
Asset yield	3.7	3.8	4.5	4.6	4.4	4.4
from MM	0.5	1.0	1.9	2.2	2.1	3.5
from Investment	2.5	2.3	2.7	2.8	2.6	3.8
from Loan	4.5	4.7	5.5	5.6	5.4	5.4
Cost of fund	0.6	0.6	1.2	1.4	1.4	1.4
Cost of deposit	0.4	0.4	0.7	0.9	0.9	1.1
Cost of borrowing	1.1	1.9	3.6	3.9	4.4	4.7
NIM	3.21	3.33	3.67	3.57	3.42	3.38
Gross NPL (Bt bn)	104,036	92,536	94,241	91,885	89,588	85,108
NPL ratio	4.27	3.68	3.76	3.54	3.29	2.95
NPL cov.	159	154	152	158	164	166
Credit cost (bps)	165	207	207	195	185	165
Cost/income	43.5	43.1	44.1	43.6	42.5	42.2
Effective tax rate	18.7	18.5	19.3	20.0	20.0	20.0
ROA	1.0	0.9	1.0	1.1	1.1	1.2
ROE	8.3	7.3	8.2	8.3	8.2	8.4

Source: KGI Securities Research

Figure 2: Revisions to key assumptions

	Previous		Revised	
	2024F	2025F	2024F	2025F
MTM gain (Bt mn)	8,000	8,000	11,000	11,000
Fee income growth	+2%	+2%	+4%	+5%
Insurance premium-net	-1026	833	-3,018	-1,158
NIM	3.6%	3.5%	3.6%	3.4%

Source: KGI Securities Research

Figure 3: KBANK's quarterly income statement

Bt mn	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Income Statement (Bt mn)														
NII	28,133	29,717	30,741	30,800	31,751	32,012	33,088	36,148	34,875	36,701	38,019	38,849	38,528	37,468
Non-NII	11,895	11,138	9,202	11,723	8,863	9,498	8,647	13,252	11,699	11,369	9,096	12,046	11,624	12,961
- Fair value gain/loss	1,812	1,202	(184)	2,709	686	(452)	144	4,674	3,671	3,525	797	4,130	3,212	3,176
- Gain on investment	116	330	286	85	(17)	(135)	(17)	38	(152)	(212)	230	(453)	(58)	(12)
- Insurance premium-net	(499)	(87)	(458)	(575)	(1887)	159	(1018)	(483)	(1423)	(1126)	(1364)	(1185)	(1722)	(535)
- Fee income, net	9,431	8,575	8,560	8,749	8,832	8,146	8,125	7,779	8,114	7,714	7,803	7,550	8,299	8,078
Total operating inc.	40,028	40,855	39,943	42,523	40,613	41,510	41,735	49,399	46,574	48,070	47,115	50,895	50,152	50,429
Total operating exp.	19,716	20,333	20,354	23,952	20,926	21,606	22,225	25,460	24,208	25,010	24,195	28,996	25,369	26,453
PPOP	20,312	20,522	19,589	18,571	19,688	19,904	19,510	23,940	22,366	23,060	22,920	21,899	24,782	23,976
PPOP-ex.FVTPL	18,500	19,320	19,773	15,862	19,001	20,356	19,366	19,265	18,695	19,535	22,123	17,769	21,570	20,800
Loan Loss Provision	8,650	10,807	11,296	9,580	9,336	9,852	9,948	22,784	12,692	12,784	12,793	13,572	11,684	11,672
Pre-tax profit	14,846	12,979	11,682	12,466	13,887	13,589	13,536	5,574	14,089	14,439	14,501	12,815	17,755	16,869
Income tax expense	3,035	2,548	2,026	2,120	2,700	2,454	2,546	932	2,562	2,760	2,838	2,617	3,403	3,224
Profit before MI	11,811	10,431	9,656	10,346	11,187	11,135	10,990	4,641	11,527	11,679	11,663	10,198	14,352	13,644
MI	1,184	1,537	1,025	445	(24.0)	341	416	1,450	786	685	381	810	867	991
Net profit	10,627	8,894	8,631	9,901	11,211	10,794	10,574	3,191	10,741	10,994	11,282	9,388	13,486	12,653
EPS (Bt)	4.44	3.72	3.61	4.14	4.68	4.51	4.42	1.33	4.49	4.59	4.71	3.92	5.64	5.29
Profitability (%)														
Yield on earnings assets	3.77	3.77	3.85	3.85	3.82	3.81	3.84	4.24	4.29	4.55	4.76	4.80	4.84	4.77
- Yield on MM	0.49	0.44	0.52	0.47	0.76	0.94	0.99	1.61	1.93	2.17	1.79	2.43	2.52	2.45
- Yield on investment	2.72	2.65	2.59	2.82	2.50	2.46	2.39	2.51	2.35	2.40	2.78	3.15	2.91	2.87
Cost of funds	0.61	0.60	0.62	0.62	0.61	0.62	0.63	0.72	1.03	1.15	1.25	1.33	1.36	1.40
Net interest margin	3.16	3.22	3.21	3.15	3.19	3.21	3.33	3.62	3.46	3.63	3.76	3.83	3.76	3.67
Cost-to-income ratio	41.3	41.8	42.5	48.2	42.8	43.5	43.7	42.6	42.5	43.4	42.1	48.2	41.3	43.4
Effective tax rate	20.4	19.6	17.3	17.0	19.4	18.1	18.8	16.7	18.2	19.1	19.6	20.4	19.2	19.1
LDR	96.4	96.6	97.2	93.8	94.0	93.8	93.2	91.4	91.4	91.0	91.5	92.8	91.8	94.0
LDR (including borrowings)	91.2	91.1	90.7	87.6	87.5	87.2	86.6	86.5	86.2	85.7	85.8	87.0	85.5	88.0
ROAA	1.2	1.0	0.9	1.0	1.1	1.1	1.0	0.3	1.0	1.0	1.1	0.9	1.3	1.2
ROAE	9.9	8.3	7.9	8.6	9.5	9.1	8.8	2.6	8.6	8.7	8.8	7.3	10.2	9.5
Asset quality														
NPLs (Bt mn)	102,316	106,920	105,930	104,036	106,481	109,972	87,682	92,536	87,640	92,864	89,459	94,241	93,273	92,447
% to loans	4.42	4.46	4.30	4.27	4.30	4.39	3.54	3.68	3.53	3.77	3.65	3.76	3.76	3.69
NPL coverage	147	146	148	159	155	146	148	154	157	147	155	152	150	152
Credit cost (bps)	149	180	184	157	151	157	160	363	205	207	209	217	188	186
Loan in CDR program (Bt bn)				322	n.a.	n.a.	n.a.	174	173	177	166	186	189	177
% of loan				13%	n.a.	n.a.	n.a.	6.9%	7.0%	7.2%	6.8%	7.4%	7.6%	7.1%
Bad debt write-off (Bt bn)	2.38	3.81	10.21	11.00	6.91	14.37	29.74	7.94	1.05	4.29	3.66	5.14	9.13	7.50
NPL sales (Bt bn)	-	-	-	-	-	30.00	25.00	17.00	35.50	15.00	23.00	4.80	7.90	6.30
NPA sell-off (Bt mn)	1.20	1.80	1.20	2.20	3.90	3.70	2.90	-	1.80	2.40	1.80	-	-	-
Asset quality														
Loan (Bt bn)														
Loan stage 1	2,004	2,074	2,155	2,130	2,163	2,205	2,205	2,230	2,211	2,192	2,186	2,228	2,205	2,229
Loan stage 2	206	214	196	202	205	190	187	188	181	179	179	185	183	185
Loan stage 3	105	110	109	106	108	110	88	93	89	94	87	92	92	91
Loan (Bt bn)	2,315	2,398	2,461	2,438	2,476	2,506	2,480	2,511	2,481	2,465	2,452	2,505	2,480	2,505
LLR														
Loan stage 1	44.20	43.54	49.42	47.46	48.88	46.63	42.69	46.61	46.18	46.58	47.68	45.55	41.85	41.79
Loan stage 2	52.42	53.83	49.58	51.06	52.26	46.29	40.87	46.05	43.26	40.56	40.36	43.88	43.49	44.38
Loan stage 3	43.06	48.54	47.52	46.25	47.19	47.97	37.60	40.84	38.65	41.03	41.72	44.51	44.26	43.76

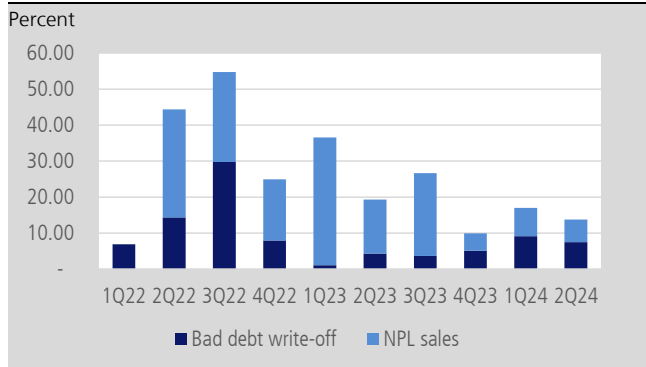
Source: Company data, KGI Securities Research

Figure 4: Company profile

KASIKORNBANK (KBANK) is a leading commercial bank in Thailand providing full financial services to corporate, SME, and retail customers. It conducts its businesses through a network of branches covering all parts of Thailand and certain major cities overseas. To align with digital banking technology, the bank transformed itself and launched digital banking services four years ago and is now the market leader in digital platform banking services.

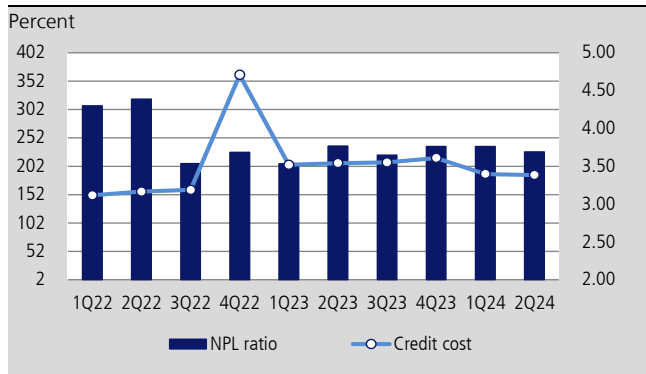
Source: Company data, KGI Securities Research

Figure 6: Bad debt resolution



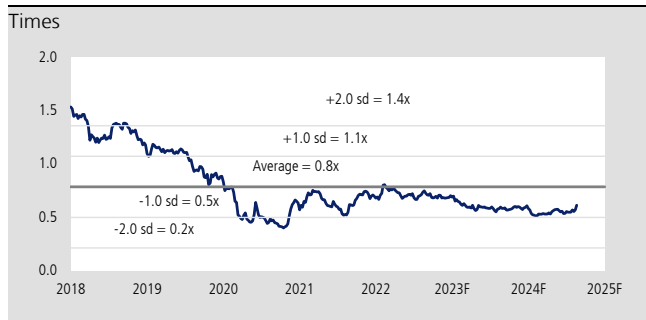
Source: Company data, KGI Securities Research

Figure 8: NPL ratio and credit cost



Source: Company data, KGI Securities Research

Figure 10: PBV



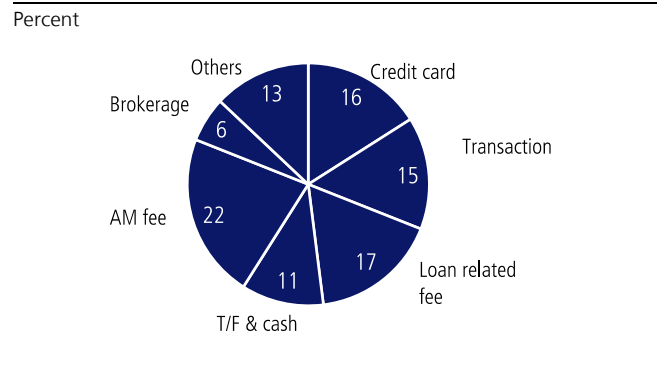
Source: Company data, KGI Securities Research

Figure 5: Financial targets

	2024F	1H24-actual	Remark
NIM	3.66%	3.73%	Likely above target
Loan growth	3-5%	-0.1% YTD	Likely below target
Net fee income growth	Mid-to-high single digit	3.50%	In-line
Cost to income ratio	Low-to-mid 40s	42.30%	In-line
Credit cost (bps)	175-195	188	In-line
NPL ratio	<3.25%	3.18%	In-line
ROE	n.a.	9.80%	
ROA	n.a.	1.23%	
Dividend policy	>25%		

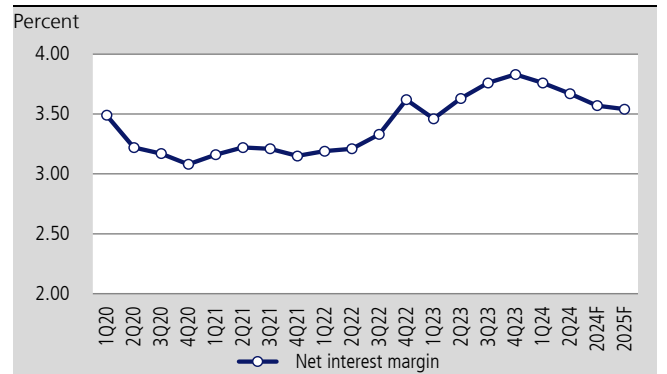
Source: Company data, KGI Securities Research

Figure 7: Fee income breakdown



Source: Company data, KGI Securities Research

Figure 9: NIM



Source: Company data, KGI Securities Research

Figure 11: PE



Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2022	2023	2024F	2025F	2026F
Total Assets	4,246,369	4,283,556	4,266,332	4,483,861	4,704,950
Cash	57,115	48,690	48,690	48,690	48,690
Interbank and MM Security:	502,536	569,008	578,169	624,422	649,399
Investments	973,358	963,305	1,023,938	1,033,668	1,074,494
Loans & Accrued Int - Net	2,377,774	2,371,492	2,460,652	2,587,679	2,747,986
Properties Foreclosed	51,007	54,753	56,395	58,087	59,830
PP&E	-	59,946	61,946	63,946	65,946
Others	284,579	216,363	36,542	67,369	58,606
Total Liabilities	3,634,482	3,777,989	3,777,989	3,972,652	4,117,597
Deposits	2,748,685	2,699,562	2,780,549	2,919,576	3,094,751
Interbank and MM Security:	155,240	179,207	182,791	186,447	190,176
Borrowings	67,897	81,572	82,388	83,212	84,044
Others	662,661	817,648	732,261	783,417	748,626
Shareholders' Equity	567,079	596,835	631,850	679,527	732,258
Common Stock	23,693	23,693	23,693	23,693	23,693
Capital Surplus	18,103	18,103	18,103	18,103	18,103
Retained Earnings	421,985	454,323	487,493	532,170	581,901
Supplementary					
Non-Performing Loans	92,536	94,241	91,885	89,588	85,108

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2022	2023	2024F	2025F	2026F
Interest income	151,333	183,608	192,087	190,575	198,912
Interest expense	18,334	35,164	40,797	43,910	46,848
Net Interest Income (NII)	132,998	148,444	151,291	146,665	152,065
Provisioning exp	51,919	51,840	50,632	50,423	47,674
NII after Provision	81,079	96,603	100,658	96,242	104,390
Non-Interest income, net	40,259	44,210	47,433	53,695	54,074
Fee Income, net	32,882	31,181	32,428	34,554	36,467
Investment income	(130.5)	(587.6)	(500.0)	500.0	500.0
Insurance premium-net	(3,228.5)	(5,098.4)	(3,018.3)	(1,158.5)	307.2
Others	10,736	18,715	18,523	19,800	16,800
Non-Interest expenses	74,753	84,968	86,602	85,244	87,028
PPOP	98,505	107,685	112,121	115,116	119,110
Profit before tax	46,585	55,845	61,489	64,693	71,436
Income Tax	8,632	10,778	12,298	12,939	14,287
Minority Interest	2,183	2,662	3,500	3,850	4,235
Net profit	35,770	42,405	45,691	47,905	52,913
EPS (Bt)	15.10	17.90	19.28	20.22	22.33

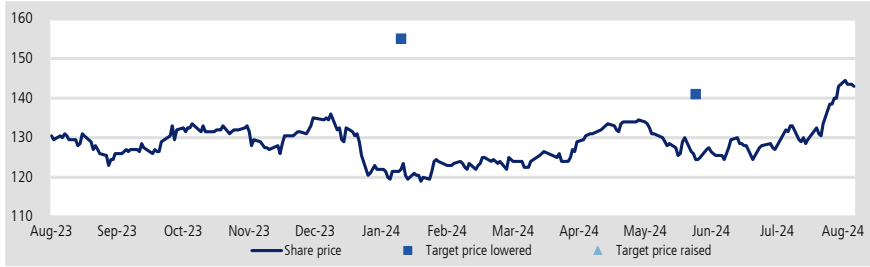
Source: KGI Securities Research

Key ratios

Year to 31 Dec	2022	2023	2024F	2025F	2026F
Growth (YoY %)					
Loans and Accrued Interests	3.0	(0.2)	3.6	5.0	6.0
Deposits	4.2	(1.3)	2.9	4.9	5.9
Total Assets	3.5	0.9	(0.4)	5.1	4.9
Total Equity	5.7	5.2	5.9	7.5	7.8
Growth (YoY %)					
Net Interest Income	11.4	11.6	1.9	0.4	3.7
Loan Loss Provision	28.7	(0.2)	(2.3)	(0.4)	(5.5)
Non-Interest Income	(8.4)	9.8	7.3	12.9	0.3
Fee Income, net	(6.9)	(5.2)	4.0	5.6	5.6
Total Revenue (NII + Non-NII)	6.1	11.2	3.2	3.4	2.8
Net Profit	(6.00)	18.55	9.26	11.92	9.75
EPS	(6.00)	18.55	9.26	11.92	9.75
PPOP	6.72	9.32	4.86	6.32	3.37
Profitability (%)					
Yield on Int.- earnings Assets	4.2	4.2	4.2	4.2	4.2
Cost of Funds	1.2	1.2	1.2	1.2	1.2
Net Interest Margin	3.33	3.67	3.57	3.54	3.50
Fee Income/Total Oper.Rev.	28.0	28.0	28.0	28.0	28.0
Cost/OP Income Ratio	43.15	44.10	43.18	41.59	41.29
ROAA	0.9	1.0	1.1	1.2	1.2
ROAE	7.3	8.2	8.5	8.8	9.0
Capital Adequacy (%)					
Tier 1 Ratio	16.8	17.4	18.2	18.7	19.3
CET1	15.9	16.5	17.2	17.8	18.3
Tier 2 Ratio	2.3	2.3	2.3	2.3	3.3
Capital Adequacy Ratio	19.1	19.7	20.4	21.0	22.5
CAR	18.8	19.4	20.1	20.6	21.2
Equity/Asset Ratio	14.3	14.3	15.3	16.3	17.3
Asset Quality (%)					
NPLs Ratio	3.7	3.8	3.5	3.3	2.9
NPL Coverage Ratio	144	142	148	154	166
Loan Loss Reserve/Loans Ratio	5.32	5.34	5.23	5.06	4.89
Credit cost (bps)	207	207	195	185	165
Liquidity (%)					
Loans/Deposits Ratio	91.4	92.8	88.5	88.6	88.8
Loans/Deposits & Borrowings Ratio	86.5	87.0	87.6	87.8	88.0
Money market-net/Asset Ratio	11.8	13.3	13.6	14.0	13.8
Per Share Data (Bt)					
EPS (fully diluted)	15.1	17.9	19.6	21.9	24.0
DPS	4.0	6.5	7.0	7.9	8.6
BVPS	212.4	224.7	238.2	257.0	278.0

Source: KGI Securities Research

Kasikornbank - Recommendation & target price history



Date	Rating	Target	Price
19-Jun-24	Neutral	141.00	124.50
6-Feb-24	Outperform	155.00	122.00
4-Dec-23	Outperform	166.00	129.00

Source: KGI Securities Research

Company's ESG details

Environment

KBANK aims to empower every customer's life and business. It supports customers in the transition to a Net Zero Economy. The bank is committed to supporting Thailand and its clients in regional economies on their decarbonization journeys and will contribute to the global effort to transition to Net Zero Emission by 2050 and will align with the Paris Agreement goals.

Decarbonization Pathway to Net Zero:

- 2020 Base year: KBANK's Operations (Scope 1 and 2), KBANK's Financed Portfolio (Scope 3).
- 2025 Scope 1 and 2 greenhouse gas emissions from KBANK's operations reduced by 21%. Use of electric vehicles. Installation of solar panels at KBANK's office buildings and branches. Scope 3 (KBANK's Financed Portfolio). Formulation of the Sector Decarbonization Strategy. Development of products and services and preparation of a strategic plan to assist customers in the transition to Net Zero.
- 2030 Scope 1 and 2 Net Zero emissions from KBANK's operations. Carbon Removal Project Scope 3 (KBANK's Financed Portfolio). Allocation of at least Bt100 – 200bn in sustainable financing and investment. Reduction of lending for coal-fired power plants and coal to zero.
- 2050 Contribution to the global effort to transition to Net Zero emissions by 2050 and aligning with the Paris Agreement goals.
- 2065 Scope 3 (KBANK's Financed Portfolio) Net Zero in KBANK's financed portfolio in line with Thailand's aspirations, accelerating this journey where possible.

Social

In 2023, KBANK held training courses for various groups of customers, for example, retail clients, SMEs, startups and corporate customers, in order to enhance their skills in business management.

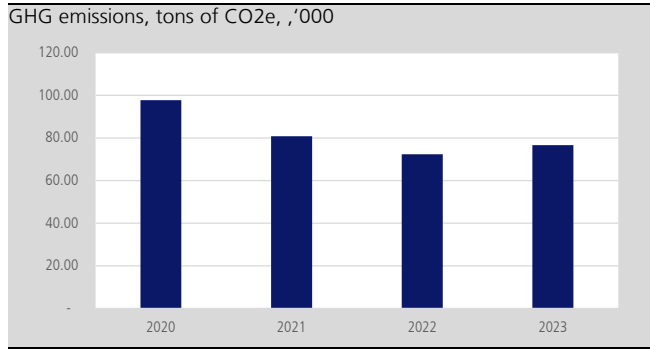
- 1.) High Value Customers (THE SIERRA), 2. Affluent Customers (THE WISDOM), 3. SMEs, 4. Merchants Online.
- 2.) Startups: Provision of knowledge on interesting technologies and trends, and soft skills that are useful for startups, provides e-Learning Program, collaboration with Amazon Web Services (Thailand) in providing startups with knowledge about team building and finding product, Collaboration with Wavemaker Impact to update trends and key players in sustainability in Southeast Asia; the outcome are:
 - 2.1 Number of Facebook Fanpage followers: 18,000
 - 2.2 Number of completed projects and projects in progress of tech startups for business expansion: 10
 - 2.3 Number of startups in the process of discussion for business expansion: 5
 - 2.4 Number of attendees of online knowledge sharing: More than 1,800
- 3.) Youth; AFTERKLASS project is an online platform to offer young people financial literacy for the first time in Thailand since 2014. The outcome are:
 - 3.1 Number of new members in the online system: 10,543 persons
 - 3.2 Number of youths participating in both online and in-person workshops: 1,433 persons
 - 3.4 Social media followers: - 51,001 Facebook followers - 9,430 LINE@ followers - 775 Twitter followers
 - 3.5 Media and PR value: Baht 19.81 million

Governance

KBANK maintains annual "Excellent" CG scoring From Thai Institute of Directors Association (IOD).

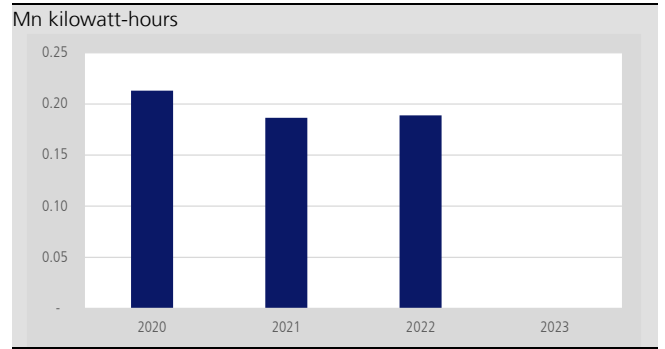
Source: Company data, KGI Securities Research

Total GHG emissions



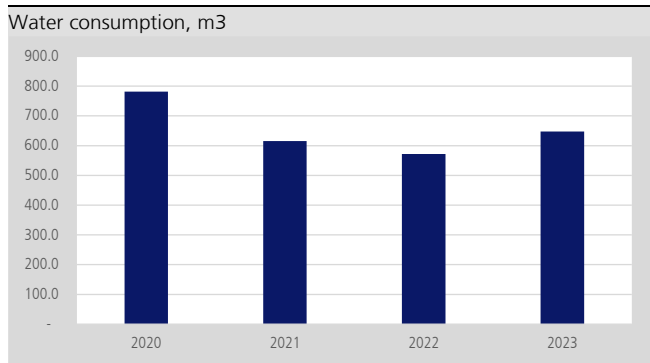
Source: KGI Securities Research

Total electricity consumption



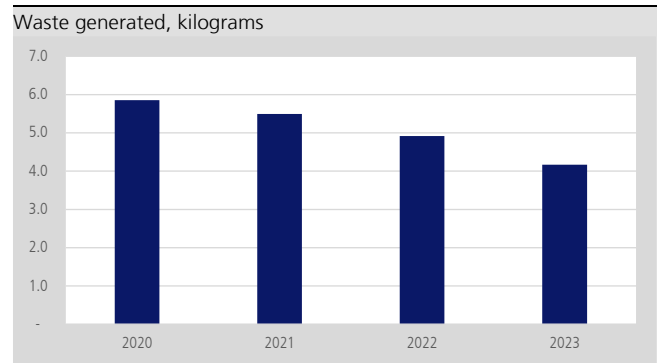
Source: KGI Securities Research

Figure 13: Total water consumption



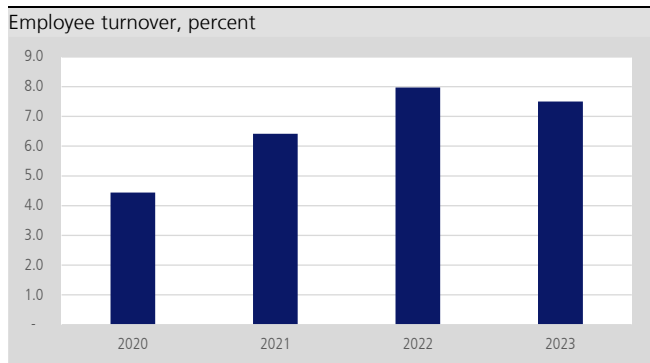
Source: Company data, SETSMART, KGI Securities Research

Figure 14: Total waste



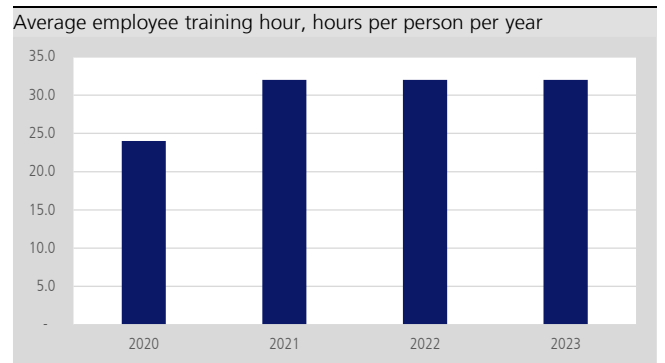
Source: Company data, SETSMART, KGI Securities Research

Employee turnover



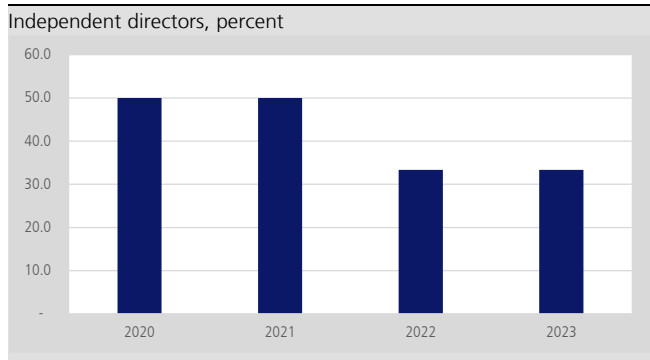
Source: Company data, SETSMART, KGI Securities Research

Average employee training hours



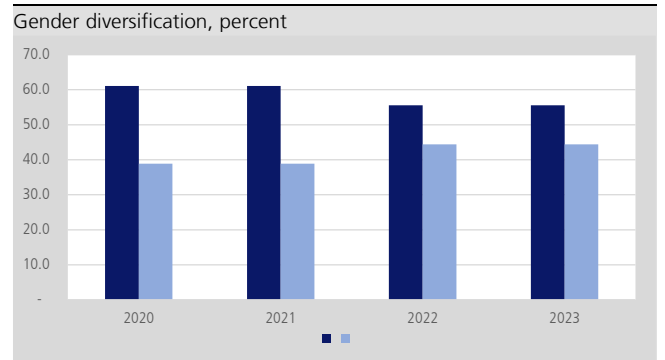
Source: Company data, SETSMART, KGI Securities Research

Proportion of independent directors



Source: Company data, SETSMART, KGI Securities Research

Gender diversification of directors



Source: Company data, SETSMART, KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	KTC	KRUNGTHAI CARD	AAA
AMATA	AMATA CORPORATION	AAA	LH	LAND AND HOUSES	A
AOT	AIRPORTS OF THAILAND	A	MAJOR	MAJOR CINEPLEX GROUP	AA
AP	AP (THAILAND)	AA	MEGA	MEGA LIFESCIENCES	A
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	MINT	MINOR INTERNATIONAL	AA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMEN	AA	MTC	MUANGTHAI CAPITAL	A
BANPU	BANPU	AAA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BBGI	BBGI	AA	ORI	ORIGIN PROPERTY	AA
BBL	BANGKOK BANK	AA	OSP	OSOTSPA	AA
BCH	BANGKOK CHAIN HOSPITAL	AA	PLANB	PLAN B MEDIA	AA
BCP	BANGCHAK CORPORATION	AAA	PSH	PRUKSA HOLDING	BBB
BCPG	BCPG	AA	PTT	PTT	AAA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
BGRIM	B.GRIMM POWER	AAA	RATCH	RATCH GROUP	AA
BPP	BANPU POWER	AAA	RBF	R&B FOOD SUPPLY	BBB
BTS	BTS GROUP HOLDINGS	AA	SAK	SAKSIAAM LEASING	A
CBG	CARABAO GROUP	A	SAPPE	SAPPE	BBB
CENTEL	CENTRAL PLAZA HOTEL	A	SAT	SOMBOON ADVANCE TECHNOLOGY	AA
CK	CH. KARNCHANG	A	SAWAD	SRISAWAD CORPORATION	BBB
CKP	CK POWER	AAA	SCB	SCB X	AA
COM7	COM7	A	SCC	THE SIAM CEMENT	AAA
CPALL	CP ALL	AAA	SCCC	SIAM CITY CEMENT	AA
CPAXT	CP AXTRA	AAA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	A
CPN	CENTRAL PATTANA	AA	SICT	SILICON CRAFT TECHNOLOGY	A
EGCO	ELECTRICITY GENERATING	AA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
ERW	THE ERWAN GROUP	A	SNC	SNC FORMER	A
GFPT	GFPT	BBB	SPALAI	SUPALAI	AA
GLOBAL	SIAM GLOBAL HOUSE	AA	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION	A
GPSC	GLOBAL POWER SYNERGY	AA	STGT	SRI TRANG GLOVES (THAILAND)	AAA
GULF	GULF ENERGY DEVELOPMENT	AA	TCAP	THANACHART CAPITAL	A
HANA	HANA MICROELECTRONICS	AA	TFG	THAIFOODS GROUP	A
HENG	HENG LEASING AND CAPITAL	A	THCOM	THAICOM	AAA
HMPRO	HOME PRODUCT CENTER	AA	TISCO	TISCO FINANCIAL GROUP	AAA
INTUCH	INTOUCH HOLDINGS	AA	TOP	THAI OIL	AAA
IRPC	IRPC	AA	TTB	TMBTHANACHART BANK	AA
IVL	INDORAMA VENTURES	AA	UBE	UBON BIO ETHANOL	A
KBANK	KASIKORNBANK	AAA	VGI	VGI	AA
KEX	KERRY EXPRESS (THAILAND)	BBB	WHA	WHA CORPORATION	AAA
KKP	KIATNAKIN PHATRA BANK	BBB	WHAUP	WHA UTILITIES AND POWER	AAA
KTB	KRUNG THAI BANK	AAA	ZEN	ZEN CORPORATION GROUP	AA

Source: www.setsustainability.com

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GFPT	GFPT	SAK	SAKSIAM LEASING
ADVANC	ADVANCED INFO SERVICE	GGC	GLOBAL GREEN CHEMICALS	SAPPE	SAPPE
AEONTS	AEON THANA SINSAP (THAILAND)	GLOBAL	SIAM GLOBAL HOUSE	SAT	SOMBOON ADVANCE TECHNOLOGY
AMA	AMA MARINE	GPSC	GLOBAL POWER SYNERGY	SCB	SCB X
AMATA	AMATA CORPORATION	GULF	GULF ENERGY DEVELOPMENT	SCC	THE SIAM CEMENT
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	SCCC	SIAM CITY CEMENT
AOT	AIRPORTS OF THAILAND	HENG	HENG LEASING AND CAPITAL	SCGP	SCG PACKAGING
AP	AP (THAILAND)	HMPRO	HOME PRODUCT CENTER	SEAFKO	SEAFKO
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	INTUCH	INTOUCH HOLDINGS	SFT	SHRINKFLEX (THAILAND)
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IRPC	IRPC	SHR	S HOTELS AND RESORTS
BANPU	BANPU	ITC	i-Tail Corporation	SICT	SILICON CRAFT TECHNOLOGY
BBGI	BBGI	IVL	INDORAMA VENTURES	SMPC	SAHAMITR PRESSURE CONTAINER
BBL	BANGKOK BANK	KBANK	KASIKORNBANK	SNC	SNC FORMER
BCH	BANGKOK CHAIN HOSPITAL	KCE	KCE ELECTRONICS	SNNP	SRINANAPORN MARKETING
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SPALI	SUPALAI
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPRC	STAR PETROLEUM REFINING
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BEC	BEC WORLD	KTC	KRUNGTHAI CARD	STGT	SRI TRANG GLOVES (THAILAND)
BEM	BANGKOK EXPRESSWAY AND METRO	LH	LAND AND HOUSES	SUN	SUNSWEEP
BGRIM	B.GRIMM POWER	LPN	L.P.N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	M	MK RESTAURANT GROUP	TACC	T.A.C. CONSUMER
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	TCAP	THANACHART CAPITAL
BTS	BTS GROUP HOLDINGS	MBK	MBK	TFG	THAIFOODS GROUP
CBG	CARABAO GROUP	MEGA	MEGA LIFESCIENCES	THCOM	THAICOM
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TIDLOR	NGERN TID LOR
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	TKN	TAOKAENOI FOOD & MARKETING
COM7	COM7	ORI	ORIGIN PROPERTY	TOP	THAI OIL
CPALL	CP ALL	OSP	OSOTSPA	TTB	TMBTHANACHART BANK
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	UBE	UBON BIO ETHANOL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	VGI	VGI
CPN	CENTRAL PATTANA	PTT	PTT	WHA	WHA CORPORATION
DELTA	DELTA ELECTRONICS (THAILAND)	PTTEP	PTT EXPLORATION AND PRODUCTION	WHAUP	WHA UTILITIES AND POWER
DOHOM	DOHOME	PTTGC	PTT GLOBAL CHEMICAL	ZEN	ZEN CORPORATION GROUP
EGCO	ELECTRICITY GENERATING	QH	QUALITY HOUSES		
ERW	THE ERAWAN GROUP	RATCH	RATCH GROUP		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BSRC	BANGCHAK SRIRACHA	JMART	JAYMART GROUP HOLDINGS	SINGER	SINGER THAILAND
BTG	BETAGRO	NTSC	Nutrition SC	TNP	THANAPIRIYA
EKH	EKACHAI MEDICAL CARE	POS	Premier Quality Starch	XO	EXOTIC FOOD
HUMAN	HUMANICA	PYLON	PYLON		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	SAWAD	SRISAWAD CORPORATION	SPA	SIAM WELLNESS GROUP
JMT	JMT NETWORK SERVICES	SMD	SAINTMED		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	PJW	PANJAWATTANA PLASTIC	TGE	THACHANG GREEN ENERGY
CHG	CHULARAT HOSPITAL	PLT	Pilatus Marine	TPCH	TPC POWER HOLDING
LPH	LADPRAO GENERAL HOSPITAL	PTG	PTG ENERGY	TU	THAI UNION GROUP
MENA	MENA TRANSPORT	SFLEX	STARFLEX		
NETBAY	NETBAY	SISB	SISB		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFSCO	SEAFSCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BPCG	BPCG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

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