

# Kasikornbank

Kasikornbank  
Public Company Limited

# KBANK

Bloomberg KBANK.TB  
Reuters KBANK.BK



## 2Q24: Beat on lower-than-expected ECL

Beating on ECLs, KBANK's 2Q24 results showed stable credit cost, easing NPL inflow, sluggish loan growth, falling NIM, better non-NII and rising cost to income ratio. We expect 2H24F earnings to fall HoH on seasonality (higher opex and credit cost) and YoY. We maintain Neutral with a hike in TP to Bt145 from Bt140.

**2Q24: Beat on ECL.** 2Q24 net profit was Bt12.65bn (-6% QoQ, +15% YoY), above INVX by 15% and consensus forecasts by 5% on lower-than-expected ECL.

**Easing NPL inflow with stable credit cost.** NPLs inched down 1% QoQ. If write-offs and sale of NPLs are added back, NPLs would rise 12% QoQ vs. 15% QoQ in 1Q24, suggesting an ease in NPL inflow. Write-offs & NPL sales fell 19% QoQ. KBANK plans to cut write-offs & NPL sales by 30% in 2024 to Bt65bn (Bt31bn in 1H24). Credit cost was stable QoQ (-20 bps YoY) at 1.89%, lower than expected but in line with its full-year guidance of 1.75-1.95%. At the analyst meeting, KBANK says that it has a very small loan exposure to EA and already set aside full provisions. We conservatively maintain our 2024F credit cost at 1.95% (-13 bps). LLR coverage inched up to 141% from 139% at 1Q23. It continues to expect a return to normalized credit cost of 1.4-1.6% in 2025 (vs. INVX forecast of 1.7%).

**Sluggish loan growth** at 1% QoQ, +1.6% YoY, -0.1% YTD. KBANK expects 2024 loan growth to be at the low end of its guidance of 3-5%. YTD, a 4% growth in corporate loans was offset by a contraction in SME, credit card and personal loans.

**NIM narrowed** 9 bps QoQ to 3.67%. Worse than expected, yield on earning assets fell 7 bps QoQ, of which 2 bps came from lower investment yield from MTL and 5 bps from lower loan yield (increasing focus on low-yield loans, pricing strategy on retail loans such as housing loans to retain customers, an interest cut for vulnerable customers). Cost of funds rose 4 bps QoQ due to deposit repricing and bonds issued abroad. KBANK expects 2024 NIM to be flattish at 3.66% (vs. 3.73% for 1H24), suggesting a further NIM squeeze in 2H24.

**Good non-NII growth** at 11% QoQ (+10% YoY) due to better net insurance income. Net fee income fell 3% QoQ (card business and commercial fees) but rose 5% YoY (fund management and commercial fees).

**Rise in cost to income ratio** of 57 bps QoQ (+217 bps YoY) to 43.59%. Opex rose 6% QoQ (+5% YoY). Cost to income ratio is expected to rise on seasonality in 2H24. KBANK maintains its 2024 cost to income target in the low to mid 40% (vs. INVX forecast of 44.9%) with continued cost management and productivity improvement.

**2H24F outlook.** 1H24 earnings accounted for 60% of our 2024F. We expect 2H24F earnings to be seasonally lower HoH (higher opex and credit cost) and YoY (lower NIM and higher opex).

**Maintain Neutral with TP hike** to Bt145 (based on 0.58x 2025F PBV) as we roll over our valuation base to 2025.

**Key risks:** 1) Asset quality risk from an uneven economic recovery, 2) NIM risk from interest rate cuts, 3) downside risk to loan growth from weak loan demand and 4) ESG risk on market conduct and cyber security.

### Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Net profit	(Bt mn)	35,769	42,405	43,557	48,977	53,844
EPS	(Bt)	15.10	17.90	18.38	20.67	22.73
BVPS	(Bt)	212.41	224.66	236.54	250.71	266.44
DPS	(Bt)	4.00	6.50	6.50	7.00	8.00
P/E	(x)	8.48	7.15	6.96	6.19	5.63
EPS growth	(%)	(6.00)	18.55	2.72	12.44	9.94
P/BV	(x)	0.60	0.57	0.54	0.51	0.48
ROE	(%)	7.30	8.19	7.97	8.48	8.79
Dividend yield	(%)	3.13	5.08	5.08	5.47	6.25

Source: InnovestX Research

## Tactical: NEUTRAL

(3-month)

### Stock data

Last close (Jul 19) (Bt)	128.00
Target price (Bt)	145.00
Mkt cap (Btbn)	303.27
Mkt cap (US\$mn)	8,352

Risk rating	L
Mkt cap (%) SET	1.86
Sector % SET	10.45
Shares issued (mn)	2,369
Par value (Bt)	10.00
12-m high / low (Bt)	136 / 118.5
Avg. daily 6m (US\$mn)	36.53
Foreign limit / actual (%)	49 / 43
Free float (%)	81.4
Dividend policy (%)	NA

### Share performance

(%)	1M	3M	12M
Absolute	2.8	3.2	(4.1)
Relative to SET	1.3	4.4	10.7

Source: SET, InnovestX Research

### 2023 Sustainability/ 2022 ESG Score

SET ESG Ratings	AAA
-----------------	-----

### ESG Bloomberg Rank in the sector

ESG Score Rank	2/12
Environmental Score Rank	3/12
Social Score Rank	3/12
Governance Score Rank	1/12

### ESG comment

With a SET ESG rating of AAA, KBANK's ESG score is above the sector average on all fronts.

Source: Bloomberg Finance L.P.

### Analyst

#### Kittima Sattayapan, CFA

Fundamental Investment  
Analyst on Securities  
(66-2) 949-1003  
kittima.sattayapan@scb.co.th

### Our view on ESG

With a SET ESG rating of AAA, KBANK's ESG score is above the sector average on all fronts. We view that KBANK provides concrete targets on environmental issues with a committed timeline as well as actual engagement in social contribution. We view KBANK's management and governance as satisfactory, with a decent board of directors.

### ESG Disclosure Score

<b>Bloomberg ESG Score</b>	<b>61.39 (2022)</b>
Rank in Sector	2/12

<b>CG Rating</b>	<b>DJSI</b>	<b>SETESG</b>	<b>SET ESG Ratings</b>	
KBANK	5	Yes	Yes	AAA

Source: Thai Institute of Directors (IOD), SET

### Environmental Issue (E)

- By 2025, KBANK is committed for reduction Greenhouse gas emission by 21%. By 2030, it is committed to achieve of Net Zero emission from its operations, allocate of at least Bt100-200bn in sustainable financing and investment, and reduce of lending for coal-fired power plants and coal to zero. It will contribute to the global effort to transition to net zero emissions by 2050 and will align with the Paris Agreement goals.
- Outputs of environmental operations: 1) Reduction of GHG emissions: 12.74% (Baseline year: 2020); 2) Formulation of glidepaths and/or sector strategies for two industry, namely cement industry and aluminum industry; 3) Sustainable financing and investment: Bt47bn

### Governance Issue (G)

- As of December 31, 2023, the Bank's Board of Directors had 18 members. The board comprises of 6 independent directors (33%), 7 non-executive directors (39%) and 5 executive directors (28%) with 8 female members (44%).
- KBANK was awarded AAA level under the SET ESG Ratings 2023 (previously known as Thailand Sustainability Investment (THSI)) by the Stock Exchange of Thailand.

### Social Issue (S)

- Social projects: Three projects promoting employment generation and supporting SMEs, franchise business groups and retail shops in communities, which have extended loans to 2,797 retail customers. One project supporting access to essential services, which has extended loans to 300 customers.
- Outputs of social contributions: 1) Financial literacy for the underprivileged: 53,886 persons per year; 2) Cyber literacy campaigns for 28.20 million persons; 3) Human rights risk assessment in all business activities: 100%.

### ESG Disclosure Score

	2021	2022
<b>ESG Disclosure Score</b>	<b>58.68</b>	<b>61.39</b>
<b>Environment</b>	<b>42.28</b>	<b>45.73</b>
GHG Scope 1	15.83	11.23
GHG Scope 2 Location-Based	74.34	70.17
GHG Scope 3	810.43	8,217.61
Total Energy Consumption	186.56	161.52
Total Waste	5.50	4.92
Water Consumption	282.59	158.33
<b>Social</b>	<b>37.48</b>	<b>42.20</b>
Community Spending	285.00	416.82
Number of Customer Complaints	—	—
Pct Women in Management	30.38	35.96
Pct Women in Workforce	70.03	70.42
Number of Employees - CSR	19,029	18,648
Employee Turnover Pct	6.77	8.49
Total Hours Spent by Firm - Employee Training	712,474	753,600
<b>Governance</b>	<b>96.12</b>	<b>96.12</b>
Size of the Board	18	18
Number of Executives / Company Managers	14	16
Number of Non Executive Directors on Board	13	13
Number of Female Executives	5	6
Number of Women on Board	7	8
Number of Independent Directors	9	6

Source: Bloomberg Finance L.P.

### Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance. To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg.

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Interest & dividend income	(Btmn)	130,178	127,592	135,415	151,333	183,608	192,543	197,034	203,290
Interest expense	(Btmn)	27,490	18,570	16,024	18,334	35,164	41,282	42,009	42,743
<b>Net interest income</b>	(Btmn)	<b>102,688</b>	<b>109,022</b>	<b>119,390</b>	<b>132,998</b>	<b>148,444</b>	<b>151,261</b>	<b>155,025</b>	<b>160,547</b>
Non-interest income	(Btmn)	57,759	46,063	44,653	40,145	44,245	41,354	40,751	42,172
Non-interest expenses	(Btmn)	72,729	69,997	71,044	74,753	84,968	86,425	87,623	89,212
Pre-provision profit	(Btmn)	87,718	85,088	92,999	98,390	107,721	106,190	108,153	113,507
Provision	(Btmn)	34,012	43,548	40,332	51,919	51,840	49,291	44,479	43,751
Pre-tax profit	(Btmn)	53,706	41,540	52,667	46,470	55,880	56,899	63,674	69,757
Tax	(Btmn)	10,309	7,656	9,729	8,633	10,778	11,380	12,735	13,951
Equities & minority interest	(Btmn)	4,670	4,397	4,886	2,068	2,697	1,962	1,962	1,962
<b>Core net profit</b>	(Btmn)	<b>38,727</b>	<b>29,487</b>	<b>38,053</b>	<b>35,769</b>	<b>42,405</b>	<b>43,557</b>	<b>48,977</b>	<b>53,844</b>
Extra item	(Btmn)	0	0	0	0	0	0	0	0
<b>Net profit</b>	(Btmn)	<b>38,727</b>	<b>29,487</b>	<b>38,053</b>	<b>35,769</b>	<b>42,405</b>	<b>43,557</b>	<b>48,977</b>	<b>53,844</b>
<b>EPS</b>	(Bt)	16.18	12.45	16.06	15.10	17.90	18.38	20.67	22.73
<b>DPS</b>	(Bt)	5.00	2.50	3.25	4.00	6.50	6.50	7.00	8.00

### Balance Sheet

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Cash	(Btmn)	61,385	61,962	59,972	57,115	48,690	50,679	52,864	55,623
Interbank assets	(Btmn)	385,940	417,420	420,494	502,536	569,008	590,346	605,105	623,258
Investments	(Btmn)	776,700	824,456	1,097,872	1,029,441	1,022,880	1,022,880	1,022,880	1,022,880
<b>Gross loans</b>	(Btmn)	<b>2,001,956</b>	<b>2,244,821</b>	<b>2,421,813</b>	<b>2,495,077</b>	<b>2,490,398</b>	<b>2,565,110</b>	<b>2,667,714</b>	<b>2,801,100</b>
Accrued interest receivable	(Btmn)	2,830	11,272	16,599	16,226	14,970	14,970	14,970	14,970
Loan loss reserve	(Btmn)	124,879	134,393	144,772	133,529	133,876	145,471	159,698	181,870
<b>Net loans</b>	(Btmn)	<b>1,879,907</b>	<b>2,121,700</b>	<b>2,293,640</b>	<b>2,377,774</b>	<b>2,371,492</b>	<b>2,434,609</b>	<b>2,522,986</b>	<b>2,634,200</b>
<b>Total assets</b>	(Btmn)	<b>3,293,889</b>	<b>3,658,798</b>	<b>4,103,399</b>	<b>4,246,369</b>	<b>4,283,556</b>	<b>4,370,001</b>	<b>4,475,321</b>	<b>4,607,448</b>
Deposits	(Btmn)	2,072,049	2,344,998	2,598,630	2,748,685	2,699,562	2,756,253	2,826,399	2,919,671
Interbank liabilities	(Btmn)	81,628	87,797	186,449	155,240	179,207	179,207	179,207	179,207
Borrowings	(Btmn)	81,824	69,390	103,886	67,897	81,572	81,572	81,572	81,572
<b>Total liabilities</b>	(Btmn)	<b>2,840,174</b>	<b>3,167,512</b>	<b>3,566,724</b>	<b>3,679,289</b>	<b>3,686,721</b>	<b>3,743,412</b>	<b>3,813,559</b>	<b>3,906,830</b>
Minority interest	(Btmn)	47,357	51,616	59,961	63,810	64,551	66,148	67,745	69,342
Paid-up capital	(Btmn)	23,933	23,693	23,693	23,693	23,693	23,693	23,693	23,693
<b>Total Equities</b>	(Btmn)	<b>406,358</b>	<b>439,670</b>	<b>476,714</b>	<b>503,270</b>	<b>532,285</b>	<b>560,441</b>	<b>594,018</b>	<b>631,276</b>
<b>BVPS</b>	(Bt)	<b>169.79</b>	<b>185.57</b>	<b>201.20</b>	<b>212.41</b>	<b>224.66</b>	<b>236.54</b>	<b>250.71</b>	<b>266.44</b>

### Key Assumptions and Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
<b>Growth</b>									
YoY loan growth	(%)	4.59	12.13	7.88	3.03	(0.19)	3.00	4.00	5.00
YoY non-NII growth	(%)	1.52	(20.25)	(3.06)	(10.10)	10.21	(6.54)	(1.46)	3.49
<b>Profitability</b>									
Yield on earn'g assets	(%)	4.20	3.84	3.65	3.80	4.53	4.66	4.65	4.65
Cost on int-bear'g liab	(%)	1.24	0.78	0.59	0.63	1.19	1.38	1.38	1.36
Spread	(%)	2.96	3.05	3.05	3.17	3.34	3.28	3.27	3.29
Net interest margin	(%)	3.31	3.28	3.22	3.34	3.66	3.66	3.66	3.67
ROE	(%)	9.90	6.97	8.30	7.30	8.19	7.97	8.48	8.79
ROA	(%)	1.20	0.85	0.98	0.86	0.99	1.01	1.11	1.19
<b>Asset Quality</b>									
NPLs/Total Loans	(%)	4.20	4.50	4.30	3.71	3.78	3.93	4.04	4.12
LLR/NPLs	(%)	148.60	133.05	139.16	144.30	142.06	144.26	148.01	157.53
Provision expense/Total loans	(%)	1.74	2.05	1.73	2.11	2.08	1.95	1.70	1.60
<b>Liquidity</b>									
Loans/Deposits & borrowings	(%)	92.95	92.98	89.61	88.59	89.55	90.39	91.74	93.33
<b>Efficiency</b>									
Cost to income ratio	(%)	47.84	45.52	43.52	43.14	43.96	44.87	44.76	44.01
<b>Capital Fund</b>									
Capital adequacy ratio	(%)	19.62	18.80	18.77	18.81	19.40	19.71	20.15	20.56
Tier-1	(%)	16.19	16.13	16.49	16.84	17.44	17.83	18.33	18.81
Tier-2	(%)	3.43	2.67	2.28	1.97	1.96	1.87	1.82	1.75

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Interest & dividend income	(Btmn)	37,620	41,421	42,441	45,215	47,236	48,716	48,641	47,766
Interest expense	(Btmn)	4,532	5,274	7,566	8,514	9,217	9,867	10,113	10,298
<b>Net interest income</b>	(Btmn)	<b>33,088</b>	<b>36,148</b>	<b>34,875</b>	<b>36,701</b>	<b>38,019</b>	<b>38,849</b>	<b>38,528</b>	<b>37,468</b>
Non-interest income	(Btmn)	8,687	13,197	11,699	11,551	8,991	12,004	11,427	12,734
Non-interest expenses	(Btmn)	18,251	21,042	19,793	20,847	19,821	24,508	20,713	21,888
Earnings before tax & provision	(Btmn)	23,524	28,303	26,781	27,405	27,190	26,345	29,242	28,314
Provision	(Btmn)	9,948	22,784	12,692	12,784	12,793	13,572	11,684	11,672
Pre-tax profit	(Btmn)	13,576	5,519	14,089	14,622	14,396	12,773	17,558	16,642
Tax	(Btmn)	2,546	933	2,562	2,760	2,838	2,617	3,403	3,224
Equities & minority interest	(Btmn)	456	1,396	786	867	276	768	670	764
<b>Core net profit</b>	(Btmn)	<b>10,574</b>	<b>3,191</b>	<b>10,741</b>	<b>10,994</b>	<b>11,282</b>	<b>9,388</b>	<b>13,486</b>	<b>12,653</b>
Extra item	(Btmn)	0	0	0	0	0	0	0	0
<b>Net profit</b>	(Btmn)	<b>10,574</b>	<b>3,191</b>	<b>10,741</b>	<b>10,994</b>	<b>11,282</b>	<b>9,388</b>	<b>13,486</b>	<b>12,653</b>
<b>EPS</b>	(Bt)	<b>4.46</b>	<b>1.35</b>	<b>4.53</b>	<b>4.64</b>	<b>4.76</b>	<b>3.96</b>	<b>5.69</b>	<b>5.34</b>

### Balance Sheet

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Cash	(Btmn)	51,113	57,115	47,525	45,874	41,676	48,690	35,709	30,265
Interbank assets	(Btmn)	442,500	502,536	506,125	548,845	556,949	569,008	568,695	506,392
Investments	(Btmn)	1,048,729	1,029,441	1,057,400	1,054,475	1,037,024	1,022,880	1,083,614	1,056,615
<b>Gross loans</b>	(Btmn)	<b>2,464,277</b>	<b>2,495,077</b>	<b>2,465,031</b>	<b>2,449,289</b>	<b>2,438,026</b>	<b>2,490,398</b>	<b>2,463,771</b>	<b>2,487,593</b>
Accrued interest receivable	(Btmn)	15,969	16,226	15,695	15,961	13,982	14,970	16,189	17,235
Loan loss reserve	(Btmn)	121,164	133,529	128,091	128,160	129,765	133,876	130,058	129,923
<b>Net loans</b>	(Btmn)	<b>2,359,082</b>	<b>2,377,774</b>	<b>2,352,635</b>	<b>2,337,090</b>	<b>2,322,243</b>	<b>2,371,492</b>	<b>2,349,902</b>	<b>2,374,905</b>
<b>Total assets</b>	(Btmn)	<b>4,229,795</b>	<b>4,246,369</b>	<b>4,238,084</b>	<b>4,268,100</b>	<b>4,266,004</b>	<b>4,283,557</b>	<b>4,318,809</b>	<b>4,247,540</b>
Deposits	(Btmn)	2,659,896	2,748,685	2,713,372	2,709,500	2,680,655	2,699,562	2,702,266	2,664,259
Interbank liabilities	(Btmn)	203,755	155,240	165,259	166,502	175,594	179,207	198,718	182,558
Borrowings	(Btmn)	68,661	67,897	88,715	98,684	89,698	81,572	79,059	70,632
<b>Total liabilities</b>	(Btmn)	<b>3,672,187</b>	<b>3,679,289</b>	<b>3,661,550</b>	<b>3,687,141</b>	<b>3,676,666</b>	<b>3,686,721</b>	<b>3,703,156</b>	<b>3,636,283</b>
Minority interest	(Btmn)	57,361	63,810	64,113	64,606	64,177	64,551	67,433	66,787
Paid-up capital	(Btmn)	23,693	23,693	23,693	23,693	23,693	23,693	23,693	23,693
<b>Total Equities</b>	(Btmn)	<b>500,248</b>	<b>503,270</b>	<b>512,421</b>	<b>516,353</b>	<b>525,160</b>	<b>532,285</b>	<b>548,220</b>	<b>544,471</b>
<b>BVPS</b>	(Bt)	<b>211.13</b>	<b>212.41</b>	<b>216.27</b>	<b>217.93</b>	<b>221.65</b>	<b>224.66</b>	<b>231.38</b>	<b>229.80</b>

### Financial Ratios

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
<b>Growth</b>									
YoY loan growth	(%)	0.83	3.03	0.28	(1.61)	(1.07)	(0.19)	(0.05)	1.56
YoY non-NII growth	(%)	(7.27)	9.63	31.25	23.59	3.50	(9.04)	(2.33)	10.24
<b>Profitability</b>									
Yield on earn'g assets	(%)	3.79	4.15	4.21	4.48	4.67	4.80	4.75	4.68
Cost on int-bear'g liab	(%)	0.62	0.71	1.02	1.15	1.25	1.34	1.36	1.40
Spread	(%)	3.17	3.44	3.20	3.33	3.43	3.47	3.38	3.28
Net interest margin	(%)	3.33	3.62	3.46	3.63	3.76	3.83	3.76	3.67
ROE	(%)	8.55	2.54	8.46	8.55	8.67	7.10	0.00	0.00
ROA	(%)	1.00	0.30	1.01	1.03	1.06	0.88	0.00	0.00
<b>Asset Quality</b>									
NPLs/Total Loans	(%)	3.56	3.71	3.56	3.79	3.67	3.78	3.79	3.72
LLR/NPLs	(%)	138.19	144.30	146.16	138.01	145.06	142.06	139.44	140.54
Provision expense/Total loans	(%)	1.61	3.68	2.05	2.08	2.09	2.20	1.89	1.89
<b>Liquidity</b>									
Loans/Deposits & borrowings	(%)	90.31	88.59	87.97	87.22	88.00	89.55	88.58	90.96
<b>Efficiency</b>									
Cost to income ratio	(%)	43.67	42.68	42.36	43.01	42.37	47.77	41.41	43.59
<b>Capital Fund</b>									
Capital adequacy ratio	(%)	18.22	18.02	18.90	18.18	19.02	19.40	19.37	19.42
Tier-1	(%)	16.14	15.96	16.92	16.12	16.95	17.44	17.42	17.46
Tier-2	(%)	2.08	2.06	1.98	2.06	2.07	1.96	1.95	1.96

**Figure 1: Quarterly results**

P & L (Bt mn)	2Q23	1Q24	2Q24	%YoY ch	%QoQ ch	1H23	1H24	%YoY ch	% full year
Interest income	45,215	48,641	47,766	6	(2)	87,656	96,407	10	50
Interest expense	8,514	10,113	10,298	21	2	16,080	20,411	27	49
Net interest income	36,701	38,528	37,468	2	(3)	71,576	75,996	6	50
Non-interest income	11,551	11,427	12,734	10	11	23,250	24,161	4	58
Operating expenses	20,847	20,713	21,888	5	6	40,640	42,601	5	49
Pre-provision profit	27,405	29,242	28,314	3	(3)	54,186	57,556	6	54
Provision	12,784	11,684	11,672	(9)	(0)	25,476	23,357	(8)	47
Pre-tax profit	14,622	17,558	16,642	14	(5)	28,710	34,200	19	60
Income tax	2,760	3,403	3,224	17	(5)	5,322	6,627	25	58
MI and equity	(867)	(670)	(764)	12	(14)	(1,653)	(1,434)	13	NA
Net profit	10,994	13,486	12,653	15	(6)	21,735	26,139	20	60
EPS (Bt)	4.64	5.69	5.34	15	(6)	9.17	11.03	20	60
B/S (Bt mn)	2Q23	1Q24	2Q24	%YoY ch	%QoQ ch	1H23	1H24	%YoY ch	% full year
Gross loans	2,449,289	2,463,771	2,487,593	2	1	2,449,289	2,487,593	2	NM
Deposits	2,709,500	2,702,266	2,664,259	(2)	(1)	2,709,500	2,664,259	(2)	NM
BVPS (Bt)	217.93	231.38	229.80	5	(1)	217.93	229.80	5	NM
Ratios (%)	2Q23	1Q24	2Q24	%YoY ch*	%QoQ ch*	1H23	1H24	YoY ch*	% full year
Yield on earn. asset	4.48	4.75	4.68	0.20	(0.07)	4.34	4.72	0.38	NM
Cost of funds	1.15	1.36	1.40	0.25	0.04	1.08	1.38	0.30	NM
Net interest margin	3.63	3.76	3.67	0.04	(0.09)	3.55	3.72	0.18	NM
Cost to income	43.01	41.41	43.59	0.57	2.17	42.69	42.50	(0.19)	NM
Credit cost	2.08	1.89	1.89	(0.20)	(0.00)	2.06	1.88	(0.18)	NM
NPLs/total loans	3.79	3.79	3.72	(0.08)	(0.07)	3.79	3.72	(0.08)	NM
LLR/NPLs	138.01	139.44	140.54	2.53	1.10	138.01	140.54	2.53	NM

Source: KBANK and InnovestX Research

Note: \* Percentage points

**Figure 2: Valuation summary** (price as of Jul 19, 2024)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)		
					23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F
BAY	Neutral	24.80	29.0	20.5	5.5	5.6	5.1	7	(1)	9	0.5	0.5	0.4	9	9	9	3.6	3.6	3.9
BBL	Outperform	132.50	180.0	41.9	6.1	5.8	5.3	42	5	11	0.5	0.5	0.4	8	8	8	5.3	6.0	6.4
KBANK	Neutral	128.00	145.0	18.4	7.2	7.0	6.2	19	3	12	0.6	0.5	0.5	8	8	8	5.1	5.1	5.5
KKP	Neutral	41.00	38.0	(1.8)	6.4	9.0	8.2	(28)	(29)	10	0.6	0.6	0.5	9	6	7	7.3	5.6	6.1
KTB	Outperform	17.10	22.0	34.6	6.5	5.9	5.5	9	11	7	0.6	0.5	0.5	9	10	10	5.1	6.0	6.4
SCB	No rec	101.50			7.9	7.6	6.8	16	3	12	0.7	0.7	0.7	9	9	10	10.2	10.5	11.8
TCAP	Neutral	46.00	55.0	26.6	7.3	7.1	6.9	38	3	3	0.8	0.7	0.6	10	9	9	7.0	7.1	7.3
TISCO	Neutral	93.75	103.0	17.4	10.3	11.3	12.5	1	(9)	(9)	1.8	1.7	1.7	17	15	14	8.2	7.5	6.8
TTB	Neutral	1.76	1.9	12.5	9.3	8.1	7.5	30	14	7	0.8	0.7	0.7	8	9	9	6.0	7.4	8.0
<b>Average</b>					<b>7.4</b>	<b>7.5</b>	<b>7.1</b>	<b>15</b>	<b>(0)</b>	<b>8</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>6.4</b>	<b>6.5</b>	<b>6.9</b>

Source: InnovestX Research

**Disclaimer**

The information in this report has been obtained from sources believed to be reliable. However, its accuracy or completeness is not guaranteed. Any opinions expressed herein reflect our judgment at this date and are subject to change without notice. This report is for information only. It is not to be construed as an offer, or solicitation of an offer to sell or buy any securities. We accept no liability for any loss arising from the use of this document. We or our associates may have an interest in the companies mentioned therein.

InnovestX Securities Company Limited (“INVX”) is wholly owned by SCB X Public Company Limited (“SCBX”) and The Siam Commercial Bank Public Company Limited (“SCB”) is majority-owned by SCBX. Any information related to SCB is for sector comparison purpose.

This document is prepared by InnovestX Securities Company Limited (“INVX”) which is wholly owned by SCB X Public Company Limited (“SCBX”). The Siam Commercial Bank Public Company Limited, which is majority-owned by SCBX, acts as financial advisor of the LH Hotel Leasehold Real Estate Investment Trust. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the “Information”) is provided as general information purposes only and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. INVX and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and INVX cannot guarantee the accuracy, completeness and/or correctness of the Information.

INVX reserves the right to modify the Information from time to time without notice and in its sole discretion. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

Futures and Options trading carry a high level of risk with the potential for substantial losses, and are not suitable for all persons. Before deciding to trade Futures and Options, you should carefully consider your financial position, investment objectives, level of experience, and risk appetite if Futures and Options trading are appropriate. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Futures and Options trading, and you are advised to rely on your own judgment while making investment decision and/or should seek advice from professional investment advisor if you have any doubts.

This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

© Copyright 2022 InnovestX Securities Co., Ltd. All right reserved.



**CG Rating 2023 Companies with CG Rating**

**Companies with Excellent CG Scoring**

7UP, AAV, ABM, ACE, ACG, ADB, ADD, ADVANC, AEONTS, AF, AGE, AH, AHC, AIRA, AIT, AJ, AKP, AKR, ALLA, ALT, AMA, AMARIN, AMATA, AMATAV, ANAN, AOT, AP, APCO, APCS, ARIP, ARROW, ASEFA, ASK, ASP, ASW, ATP30, AUCTION, AWC, AYUD, B, BA, BAFS, BAM, BANPU, BAY, BBGI, BBIK, BBL, BC, BCH, BCP, BCPG, BDMS, BEC, BEM, BEYOND, BGC, BGRIM, BH, BIZ, BJC, BJCHI, BKI, BLA, BOL, BPP, BRI, BROOK, BRR, BTS, BTW, BWG, BYD, CBG, CENTEL, CFRESH, CHASE, CHEWA, CHG, CHOW, CIMBT, CIVIL, CK, CKP, CM, CNT, COLOR, COM7, COTTO, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CRD, CSC, CSS, CV, DCC, DDD, DELTA, DEMCO, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ERW, ETC, ETE, FE, FLOYD, FN, FPI, FPT, FSX, FVC, GBX, GC, GCAP, GENCO, GFPT, GGC, GLAND, GLOBAL, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HPT, HTC, ICC, ICHI, ICN, III, ILINK, ILM, IMH, IND, INET, INTUCH, IP, IRC, IRPC, ITC, ITEL, IVL, JAS, JTS, KBANK, KCC, KCE, KEX, KKP, KSL, KTB, KTC, KTMS, KUMWEL, KUN, LALIN, LANNA, LH, LHFG, LIT, LOXLEY, LPN, LRH, LST, M, MAJOR, MALEE, MATCH, MBK, MC, M-CHAI, MCOT, MEGA, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NC, NCH, NCL, NDR, NER, NKI, NOBLE, NRF, NTV, NVD, NWR, NYT, OCC, OISHI<sup>1</sup>, ONEE, OR, ORI, OSP, OTO, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PJW, PLANB, PLAT, PLUS, PM, POLY, PORT, PPP, PPS, PR9, PRG, PRINC, PRM, PRTR, PSH, PSL, PT, PTC, PTT, PTTEP, PTTGC, Q-CON, QH, QTC, RATCH, RBF, RPH, RS, RT, S, S&J, SA, SABINA, SAK, SAMART, SAMTEL, SAPPE, SAT, SBNEXT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SDC, SEAFCO, SEAOL, SECURE, SELIC, SENA, SENX, SFP<sup>2</sup>, SFT, SGC, SGF, SGP, SHR, SICT, SIRI, SIS, SITHAI, SJWD, SKR, SM, SMP, SMT, SNC, SNPP, SNP, SO, SPALI, SPC, SPCG, SPI, SPRC, SR, SSC, SSF, SSSC, STA, STC, STEC, STGT, STI, SUC, SUN, SUSCO, SUTHA, SVI, SVT, SYMC, SYNEX, SYNTEC, TACC, TAE, TCAP, TCMC, TEAMG, TEGH, TFG, TFMAMA, TGE, TGH, THANA, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPH, TISCO, TK, TKN, TKS, TKT, TLI, TM, TMC, TMD, TMT, TNDT, TNITY, TNL, TNR, TOA, TOG, TOP, TPBI, TPCS, TPIPL, TPIPP, TPS, TQM, TQR, TRT, TRUE, TRV, TSC, TSTE, TSTH, TTA, TTB, TTCL, TTW, TURTLE, TVDH, TVH, TVO, TVT, TWPC, UAC, UBE, UBIS, UKEM, UP, UPF, UPOIC, UV, VCOM, VGI, VIBHA, VIH, VL, WACOAL, WGE, WHA, WHAUP, WICE, WINMED, WINNER, XPG, YUASA, ZEN

**Companies with Very Good CG Scoring**

2S, A5, AAI, AIE, ALUCON, AMR, APURE, ARIN, AS, ASIA, ASIAN, ASIMAR, ASN, AURA, BR, BSBM, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESSO, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCKH, JDF, JKN, JMART, JUBILE, K, KCAR, KGI, KIAT, KISS, KK, KTIS, KWC, KWM, LDC, LEO, LHK, MACO, METCO, MICRO, MK, MVP, NCAP, NOVA, NTSC, PACO, PIN, PQS, PREB, PRI, PRIME, PROEN, PROS, PROUD, PSTC, PTECH, PYLON, RCL, SALEE, SANKO, SCI, SCN, SE, SE-ED, SFLEX, SINGER, SKN, SONIC, SORKON, SPVI, SSP, SST, STANLY, STP, SUPER, SVOA, SWC, TCC, TEKA, TFM, TMILL, TNP, TPLAS, TPOLY, TRC, TRU, TRUBB, TSE, VRANDA, WAVE, WFX, WIJK, WIN, WP, XO

**Companies with Good CG Scoring**

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRCP, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MBAX, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGC, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RUH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SCP, SIAM, SKE, SKY, SMART, SMD, SMIT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC<sup>3</sup>, TEAM, TFI, TIGER, TITLE, TKC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

**Corporate Governance Report**

The material contained in this publication is for general information only and is not intended as advice on any of the matters discussed herein. Readers and others should perform their own independent analysis as to the accuracy or completeness or legality of such information. The Thai Institute of Directors, its officers, the authors and editor make no representation or warranty as to the accuracy, completeness or legality of any of the information contained herein. By accepting this document, each recipient agrees that the Thai Institute of Directors Association, its officers, the authors and editor shall not have any liability for any information contained in, or for any omission from, this publication.

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. InnovestX Securities Company Limited does not conform nor certify the accuracy of such survey result.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition (Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2022 to 31 October 2023) is publicized.

<sup>1</sup>OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

<sup>2</sup>SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

<sup>3</sup>TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

**Anti-corruption Progress Indicator**

**Certified (ได้ผ่านการรับรอง)**

2S, AAI, ADVANC, AE, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBGI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BLA, BPP, BRR, BSBM, BTC, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CSC, DCC, DELTA, DEMCO, DIMET, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERW, ESTAR, ETC, ETE, FNS, FPI, FPT, FSMART, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HTC, ICC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITEL, IVL, JAS, JKN, JR, JTS, KASET, KBANK, KBS, KCAR, KCCAMC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHFG, LHK, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OGC, OR, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RML, RS, RWI, S&J, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SGC, SGP, SIRI, SITHAI, SKR, SMIT, SMK, SMP, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SYMC, SYNTEC, TAE, TAKUNI, TASCOC, TCAP, TCMC, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TRT, TRU, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UOBKH, UV, VCOM, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIJK, XO, YUASA, ZEN, ZIGA

**Declared (ประกาศเจตนา)**

ACE, ADB, ALT, AMC, ASW, BLAND, BTG, BYD, CAZ, CBG, CV, DEXON, DMT, EKH, FSX, GLOBAL, GREEN, ICN, IHL, ITC, J, JMART, JMT, LEO, LH, MENA, MITSIB, MODERN, NER, NEX, OSP, PEER, PLUS, POLY, PQS, PRIME, PROEN, PRTR, RBF, RT, SA, SANKO, SCB, SENX, SFLEX, SIS, SKE, SM, SVOA, TBN, TEGH, TIPH, TKN, TPAC, TPLAS, TQM, TRUE, W, WPH, XPG

**N/A**

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, ADVICE, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALL, ALLA, ALPHAX, ALUCON, AMARC, AMARIN, AMR, ANAN, ANI, AOT, APCO, APEX, APO, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCTION, AURA, B52, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BKGI, BKIH, BLC, BLESS, BLISS, BM, BOL, BPS, BR, BRI, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CFARM, CGD, CH, CHAO, CHARAN, CHASE, CHAYO, CHG, CHIC, CHO, CI, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOCO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CREDIT, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DITTO, DOD, DPAINT, DTCENT, DTICI, DV8, EASON, ECL, EE, EFORL, EMC, ETL, EURO, EVER, F&D, FANCY, FE, FLOYD, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HEALTH, HFT, HL, HPT, HTECH, HUMAN, HYDRO, I2, IFEC, IIG, IMH, IND, INGRS, INSET, IP, IRC, IRCP, IT, ITD, ITNS, ITTHI, JAK, JCK, JCKH, JCT, JDF, JPARK, JSP, JUBILE, K, KAMART, KC, KCC, KCG, KCM, KDH, KEX, KIAT, KISS, KJL, KK, KKC, KLINIQ, KOTOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LDC, LEE, LIT, LOXLEY, LPH, LST, LTS, MAGURO, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, MEGA, METCO, MGC, MGI, MGT, MICRO, MIDA, MJD, MK, ML, MORE, MOSHI, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NDR, NEO, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACO, PAF, PANEL, PCC, PEACE, PERM, PF, PHG, PICO, PIN, PJW, PLE, PLT, PMTA, POLAR, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRI, PRIN, PRO, PROUD, PSG, PSP, PTC, PTL, QTGC, RAM, RCL, READY, RICHY, RUH, ROCK, ROCTEC, ROH, ROJNA, RP, RPC, RPH, RSP, S, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWAD, SAWANG, SBNEXT, SCAP, SCGD, SCI, SCL, SCP, SDC, SE, SEAFCO, SECURE, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SINGER, SINO, SISB, SJWD, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNPP, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPREME, SPVI, SQ, SR, SRS, SSC, STANLY, STARK, STC, STEC, STECH, STHAI, STI, STP, STPI, STX, SUC, SUN, SUPER, SUTHA, SVR, SVT, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TERA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THUMI, TIGER, TITLE, TK, TKC, TLI, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPP, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTT, TTW, TURTLE, TVH, TVT, TWP, TWZ, TYCN, UAC, UBA, UMI, UMS, UNIQU, UP, UPF, UPOIC, UREKA, UTP, UVAN, VARO, VIBHA, VL, VNG, VPO, VRANDA, WARRIX, WAVE, WELL, WFX, WGE, WIN, WINDOW, WINMED, WINNER, WORK, WORLD, WP, YGG, YONG, ZAA

**Explanations**

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 1, 2023) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.