

**HOLD** (From: BUY)  
Change in Recommendation

**TP: Bt 65.00**  
Upside : 8.3%

(From: Bt 80.00)  
**24 AUGUST 2023**

Small Cap Research

## Kiatnakin Phatra Bank (KKP TB)

### ปรับลดคำแนะนำเป็น “ถือ”

เราคิดว่าจะใช้เวลายาวนาน 2-3 ไตรมาสนับจากนี้เพื่อให้ KKP คลี่คลาย ปัญหาคุณภาพสินทรัพย์ ซึ่งทำให้เราปรับลดกำไรของธนาคารลงโดยเฉลี่ย 17% ในช่วงสามปี เพื่อสะท้อนถึงผลขาดทุนจากการขายที่สูงขึ้น ด้วยมี upside เพียง 8% จากราคาเป้าหมายใหม่ของเราที่ลดลงเป็น 65 บาท เราจึงปรับลดคำแนะนำ KKP เป็น “ถือ”



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#### ปรับลดกำไรและราคาเป้าหมายลงเหลือ 65 บาท

เนื่องจาก NPL ที่สูงขึ้น การตั้งสำรองและผลขาดทุนของสินทรัพย์ยืดยาวขึ้นของ KKP จึงสูงกว่าที่คาดไว้ เราปรับเพิ่มค่าใช้จ่ายขึ้น 30/29/14% ในปี 2023-25F ซึ่งส่งผลให้เราปรับลดกำไรลง 23%, 21% และ 8% ตามลำดับ แม้เราจะปรับมาใช้อัตรา 2024F แต่ด้วยผลกระทบของการปรับลดกำไรและราคาเป้าหมายของเราจึงลดลง 19% เป็น 65 บาท จากเดิม 80 บาท

#### อยู่ในกระบวนการแก้ไขคุณภาพสินทรัพย์อย่างต่อเนื่อง

KKP สังเกตเห็นสัญญาณการถดถอยของสินเชื่อเช่าซื้อรถยนต์ และดำเนินเกณฑ์พิจารณาสินเชื่อที่เข้มงวดขึ้นตั้งแต่ช่วงครึ่งหลังของปี 2022 การเปลี่ยนกลยุทธ์นี้ส่งผลให้การเติบโตของสินเชื่อชะลอตัวลง โดยเปลี่ยนจาก 7% q-q ใน 3Q22 เป็น 3.8% ใน 4Q22 และทรงตัวที่ 3% ทั้งในไตรมาสที่ 1 และ 2 ของปี 2023 ซึ่งทำให้ธนาคารสามารถเพิ่มคุณภาพโดยรวมของสินเชื่อที่ขายออกไปในช่วงเวลานี้ KKP ยังคงได้รับผลกระทบจากคุณภาพสินเชื่อที่ตกต่ำตั้งแต่ปี 2022 KKP เชื่อว่าปัจจุบันธนาคารกำลังเข้าสู่ช่วงสุดท้ายของปัญหาคุณภาพสินทรัพย์ สำหรับ NPLs ยังคงคาดว่าจะยังคงเพิ่มขึ้นในช่วง 2 ไตรมาสข้างหน้า โดยค่อยๆ ทรงตัวในช่วงครึ่งแรกของปี 2024F และจากนั้นจะกลับสู่ระดับก่อนปี 2022 ในช่วงครึ่งหลังของปีเดียวกัน

#### กำไรจากตลาดทุนค่อนข้างแข็งแกร่ง

ท่ามกลางภาวะการซื้อขายและแนวโน้มของตลาดหุ้นที่ซบเซา KKP ยังคงมีกำไรที่แข็งแกร่งที่ 309 และ 413 ลบ. ใน 1Q-2Q23 จากการดำเนินการในตลาดทุน มูลค่าการซื้อขายเฉลี่ยต่อวันในตลาดหุ้นไทยลดลง 35% เมื่อเทียบกับช่วงเดียวกันของปี 2022 แม้เผชิญกับค่าธรรมเนียมหน้าซื้อขายหลักทรัพย์ที่ลดลง แต่ KKP ยังคงรักษาสัดส่วนแบ่งตลาดไว้ได้ที่ 18% การลดลงนี้ถูกชดเชยด้วยผลการดำเนินงานที่แข็งแกร่งของกิจกรรมการซื้อขายหุ้นและตราสารอนุพันธ์ ซึ่งใช้ประโยชน์จากความผันผวนที่เพิ่มขึ้นของตลาด ด้วยแหล่งที่มาของรายได้จากตลาดหุ้นที่หลากหลาย KKP จึงสามารถยืนหยัดได้ท่ามกลางตลาดซาลง และเราคาดว่าจะโดดเด่นกว่าคู่แข่งเมื่อสภาวะตลาดดีขึ้น

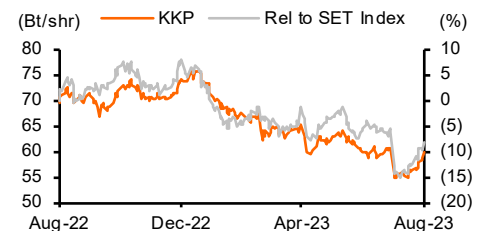
#### ปรับลดคำแนะนำเป็น “ถือ”

ราคาหุ้น KKP ลงมาอยู่ระดับต่ำสุดในช่วง YTD ที่ 54.25 บาท และฟื้นตัวขึ้น 11% ภายในหนึ่งเดือน แม้มองว่าผลกำไรของธนาคารแตะจุดต่ำสุดแล้วใน 2Q23 แต่จะต้องใช้เวลาเพิ่มอีกสองถึงสามไตรมาสเพื่อระบุและแก้ไขข้อกังวลด้านคุณภาพสินทรัพย์อย่างมีประสิทธิภาพ เราคาดว่ากำไรเติบโตของกำไรของธนาคารจะมีแนวโน้มลดลงใน 1Q24 ในขณะที่ความอ่อนไหวต่อผลตอบแทนปันผลของธนาคารที่ 4-5% นั้นสอดคล้องกับบรรทัดฐานของอุตสาหกรรม ด้วย upside เพียง 8% จากราคาเป้าหมายใหม่ของเราที่ถูกปรับลดลง 19% เพื่อสะท้อนถึงคุณภาพสินทรัพย์ที่ลดลงและการตั้งสำรองที่สูงขึ้น เราจึงปรับลดคำแนะนำเป็น “ถือ” จาก “ซื้อ”

#### COMPANY VALUATION

| Y/E Dec (Bt m)       | 2022A  | 2023F  | 2024F  | 2025F  |
|----------------------|--------|--------|--------|--------|
| Pre Provision Profit | 14,526 | 14,643 | 15,380 | 16,789 |
| Net profit           | 7,602  | 6,383  | 7,371  | 9,009  |
| Consensus NP         | —      | 7,611  | 8,276  | 8,915  |
| Diff frm cons (%)    | —      | (16.1) | (10.9) | 1.0    |
| Norm profit          | 7,602  | 6,383  | 7,371  | 9,009  |
| Prev. Norm profit    | —      | 8,322  | 9,330  | 9,784  |
| Chg frm prev (%)     | —      | (23.3) | (21.0) | (7.9)  |
| Norm EPS (Bt)        | 9.0    | 7.5    | 8.7    | 10.6   |
| Norm EPS grw (%)     | 20.3   | (16.0) | 15.5   | 22.2   |
| Norm PE (x)          | 6.7    | 8.0    | 6.9    | 5.6    |
| P/BV (x)             | 0.9    | 0.8    | 0.8    | 0.7    |
| Div yield (%)        | 5.4    | 4.3    | 5.0    | 7.1    |
| ROE (%)              | 14.0   | 10.7   | 11.5   | 12.9   |
| ROA (%)              | 1.6    | 1.2    | 1.3    | 1.5    |

#### PRICE PERFORMANCE



#### COMPANY INFORMATION

|                              |                 |
|------------------------------|-----------------|
| Price: as of 23-Aug-23 (Bt)  | 60.00           |
| Market Cap (US\$ m)          | 1,449           |
| Listed Shares (m shares)     | 846.8           |
| Free Float (%)               | 92.6            |
| Avg. Daily Turnover (US\$ m) | 8.5             |
| 12M Price H/L (Bt)           | 75.75/54.75     |
| Sector                       | BANK            |
| Major Shareholder            | Thai NVDR 7.94% |

Sources: Bloomberg, Company data, Thanachart estimates

#### ESG Summary Report ..... P31

กรุณาอ่านรายงานฉบับสมบูรณ์  
ในรายงานฉบับภาษาอังกฤษ

รายงานฉบับนี้จัดทำโดยบริษัทหลักทรัพย์ธนาชาต จำกัด (มหาชน) โดยจัดทำขึ้นบนพื้นฐานของแหล่งข้อมูลที่ดีที่สุดที่ได้รับมาและพิจารณาแล้วว่าน่าเชื่อถือ ทั้งนี้วัตถุประสงค์เพื่อให้บริการเผยแพร่ข้อมูลแก่นักลงทุนและใช้เป็นข้อมูลประกอบการตัดสินใจซื้อขายหลักทรัพย์ แต่ไม่ได้มีเจตนาชี้แนะหรือชักชวนให้ซื้อหรือขายหรือประกันราคาหลักทรัพย์แต่อย่างใด ทั้งนี้รายงานและความเห็นในเอกสารฉบับนี้อาจมีการเปลี่ยนแปลงแก้ไขได้ หากข้อมูลที่ได้รับมาเปลี่ยนแปลงไป การนำข้อมูลไปปรากฏอยู่ในเอกสารฉบับนี้ ไม่ว่าทั้งหมดหรือบางส่วนไม่ทำซ้ำ ดัดแปลง แก้ไข หรือนำออกเผยแพร่แก่สาธารณชน จะต้องได้รับความยินยอมจากบริษัทก่อน

## Ex 1: Earnings Revisions

|                                           | 2019 | 2020  | 2021  | 2022  | 2023F   | 2024F   | 2025F  |
|-------------------------------------------|------|-------|-------|-------|---------|---------|--------|
| <b>Net profits (Bt bn)</b>                |      |       |       |       |         |         |        |
| - New                                     | 5.99 | 5.12  | 6.32  | 7.60  | 6.38    | 7.37    | 9.01   |
| - Old                                     |      |       |       |       | 8.32    | 9.33    | 9.78   |
| - Change (%)                              |      |       |       |       | (23.31) | (21.00) | (7.92) |
| <b>Loan growth (%)</b>                    |      |       |       |       |         |         |        |
| - New                                     | 4.06 | 11.65 | 15.91 | 21.68 | 11.16   | 8.92    | 6.88   |
| - Old                                     |      |       |       |       | 12.68   | 9.70    | 7.52   |
| - Change (ppt)                            |      |       |       |       | (1.52)  | (0.78)  | (0.64) |
| <b>NIM (%)</b>                            |      |       |       |       |         |         |        |
| - New                                     | 3.99 | 4.35  | 3.93  | 4.04  | 4.07    | 3.97    | 4.02   |
| - Old                                     |      |       |       |       | 3.92    | 3.93    | 3.90   |
| - Change (ppt)                            |      |       |       |       | 0.15    | 0.04    | 0.12   |
| <b>Non-NII (Bt bn)</b>                    |      |       |       |       |         |         |        |
| - New                                     | 6.85 | 6.55  | 8.55  | 8.46  | 7.54    | 7.80    | 8.11   |
| - Old                                     |      |       |       |       | 8.70    | 8.62    | 8.98   |
| - Change (%)                              |      |       |       |       | (13.31) | (9.46)  | (9.73) |
| <b>Provisions (Bt bn)</b>                 |      |       |       |       |         |         |        |
| - New                                     | 1.68 | 4.09  | 5.20  | 5.04  | 6.64    | 6.14    | 5.50   |
| - Old                                     |      |       |       |       | 5.64    | 5.44    | 5.50   |
| - Change (%)                              |      |       |       |       | 17.73   | 12.87   | (0.00) |
| <b>Loss from repossessed cars (Bt bn)</b> |      |       |       |       |         |         |        |
| - New                                     | 1.42 | 1.31  | 2.09  | 1.84  | 4.04    | 3.89    | 3.44   |
| - Old                                     |      |       |       |       | 2.55    | 2.31    | 2.33   |
| - Change (%)                              |      |       |       |       | 58.66   | 68.31   | 47.27  |
| <b>All-in credit costs (%)</b>            |      |       |       |       |         |         |        |
| - New                                     | 1.31 | 2.04  | 2.38  | 1.84  | 2.57    | 2.22    | 1.85   |
| - Old                                     |      |       |       |       | 1.95    | 1.68    | 1.58   |
| - Change (ppt)                            |      |       |       |       | 0.63    | 0.54    | 0.27   |
| <b>NPLs (Bt bn)</b>                       |      |       |       |       |         |         |        |
| - New                                     | 9.56 | 8.26  | 10.64 | 13.95 | 17.00   | 18.10   | 18.29  |
| - Old                                     |      |       |       |       | 16.80   | 18.00   | 18.77  |
| - Change (%)                              |      |       |       |       | 1.21    | 0.59    | (2.57) |

Sources: Company data, Thanachart estimates

Ex 2: 12-month DDM-based TP Calculation Using A Base Year Of 2024F

| (Bt m)                    | 2024F  | 2025F | 2026F | 2027F | 2028F | 2029F | 2030F | 2031F | 2032F | 2033F | Terminal Value |
|---------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|
| Dividend of common shares | 2,371  | 3,072 | 3,867 | 4,329 | 4,675 | 5,005 | 5,390 | 5,810 | 6,266 | 7,243 | 7,243          |
| Dividend payment          | 2,371  | 3,072 | 3,867 | 4,329 | 4,675 | 5,005 | 5,390 | 5,810 | 6,266 | 7,243 | 86,912         |
| PV of dividend            | 2,377  | 2,492 | 2,826 | 2,851 | 2,773 | 2,674 | 2,594 | 2,431 | 2,350 | 2,436 | 29,238         |
| Risk-free rate (%)        | 2.5    |       |       |       |       |       |       |       |       |       |                |
| Market risk premium (%)   | 8.0    |       |       |       |       |       |       |       |       |       |                |
| Beta                      | 1.0    |       |       |       |       |       |       |       |       |       |                |
| WACC (%)                  | 10.5   |       |       |       |       |       |       |       |       |       |                |
| Cost of equity            | 10.5   |       |       |       |       |       |       |       |       |       |                |
| Terminal growth (%)       | 2.0    |       |       |       |       |       |       |       |       |       |                |
| Equity value              | 55,044 |       |       |       |       |       |       |       |       |       |                |
| No. of shares (m shares)  | 847    |       |       |       |       |       |       |       |       |       |                |
| Equity value / share (Bt) | 65.0   |       |       |       |       |       |       |       |       |       |                |

Source: Thanachart estimates

กรุณาอ่านรายงานฉบับสมบูรณ์ ในรายงานฉบับภาษาอังกฤษ

COMPANY DESCRIPTION

บมจ.ธนาคารเกียรตินาคินให้บริการด้านการเงินครอบคลุมทั้งด้านเงินฝากและสินเชื่อ เน้นการให้บริการสินเชื่อเช่าซื้อรถยนต์ บริการสินเชื่อพัฒนาโครงการที่อยู่อาศัย บริการสินเชื่อธุรกิจ และบริการอื่นๆ รวมถึงการให้บริการด้านการเป็นนายหน้าซื้อขายหลักทรัพย์และที่ปรึกษาด้านการลงทุน

Source: Thanachart

THANACHART'S SWOT ANALYSIS

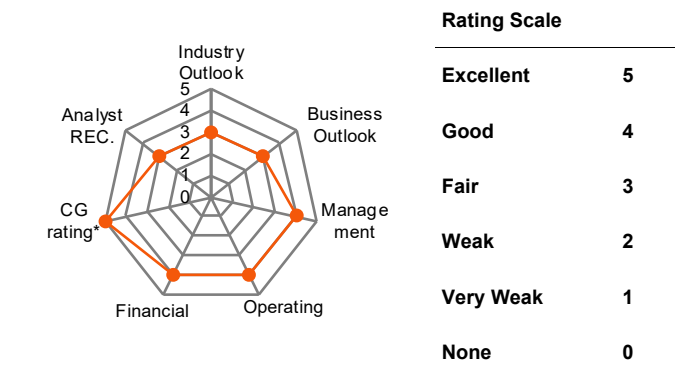
S — Strength

- มีสินเชื่อเช่าซื้อรถมาก โดยเฉพาะในต่างจังหวัด
- มีความชำนาญในตลาดเช่าซื้อรถยนต์ โดยเฉพาะในต่างจังหวัด
- Tier I เพียงพอ

O — Opportunity

- การขยายตัวของรายได้ค่าธรรมเนียม
- M&A

COMPANY RATING



Source: Thanachart; \*CG Rating

W — Weakness

- มีสาขาจำนวนน้อย
- มีฐานเงินฝากที่ยังไม่แข็งแกร่ง
- การปล่อยสินเชื่อกระจุกตัว

T — Threat

- วิกฤตเศรษฐกิจโลก
- มาตรฐานการบัญชีใหม่

CONSENSUS COMPARISON

|                       | Consensus | Thanachart | Diff    |
|-----------------------|-----------|------------|---------|
| Target price (Bt)     | 64.41     | 65.00      | 1%      |
| Net profit 23F (Bt m) | 7,611     | 6,383      | -16%    |
| Net profit 24F (Bt m) | 8,276     | 7,371      | -11%    |
| Consensus REC         | BUY: 7    | HOLD: 10   | SELL: 2 |

HOW ARE WE DIFFERENT FROM THE STREET?

- เรารวมขาดทุนจากการยึดคืน และตั้งสำรองที่สูงขึ้นของ KKP ก่อนตลาด
- ดังนั้นประมาณการกำไรของเราจึงต่ำกว่าของตลาด

RISKS TO OUR INVESTMENT CASE

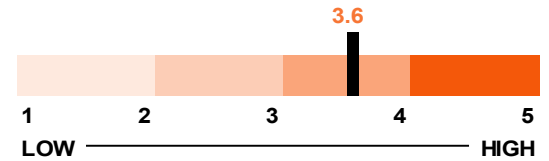
- แนวโน้มเศรษฐกิจชะลอตัวที่มีผลกระทบต่อคุณภาพสินทรัพย์มากกว่าคาด จะเป็นความเสี่ยงต่อสมมติฐาน credit cost ของเรา
- ผลการดำเนินงานของธุรกิจตลาดทุนที่อ่อนแอลงเป็นอีกความเสี่ยงต่อประมาณการของเรา
- Upside ต่อคำแนะนำ "ถือ" ของเราคือหาก KKP สามารถจำกัด NPL และกันสำรองได้ดีกว่าที่เราคาดไว้

Sources: Bloomberg consensus, Thanachart estimates

Source: Thanachart

KKP เป็นธนาคารขนาดเล็ก ซึ่งให้ความสำคัญกับปัจจัยด้านสิ่งแวดล้อม สังคม และธรรมาภิบาล (ESG) เพื่อขับเคลื่อนการเปลี่ยนแปลงทางสังคม และสิ่งแวดล้อมอย่างยั่งยืน เรากำหนดคะแนน ESG สำหรับ KKP ที่ 3.6

Thanachart ESG Rating



|     | SETTHSI<br>Index | THSI<br>Index | DJSI<br>Index | MSCI<br>(CCC-AAA) | ESG Book<br>(0-100) | Refinitiv<br>(0-100) | S&P<br>Global<br>(0-100) | Moody's<br>(0-100) | CG Rating<br>(0-5) |
|-----|------------------|---------------|---------------|-------------------|---------------------|----------------------|--------------------------|--------------------|--------------------|
| KKP | YES              | YES           | -             | BBB               | 53.26               | 78                   | 26.00                    | -                  | 5.0                |

Sources: SETTRADE, SETTHSI Index, Thailand Sustainability Investment (THSI), The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)

Note: Please see third party on "term of use" in the following back page.

| Factors                                                                                                                                                                                                                                                                 | Our Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ด้านสิ่งแวดล้อม (ENVIRONMENTAL)</b> <ul style="list-style-type: none"> <li>นโยบายและแนวทางปฏิบัติด้านสิ่งแวดล้อม</li> <li>การบริหารจัดการพลังงาน/ไฟฟ้า</li> <li>การบริหารจัดการก๊าซเรือนกระจก</li> <li>การบริหารจัดการน้ำ</li> <li>การบริหารจัดการของเสีย</li> </ul> | <ul style="list-style-type: none"> <li>KKP ได้ปรับปรุงอาคารสำนักงานใหญ่ตามมาตรฐาน LEED (Leadership in Energy &amp; Environmental Design) ซึ่งเกี่ยวข้องกับการเปลี่ยนมาใช้หลอด LED เพื่อประหยัดพลังงาน กระจกเป็นมิตรกับสิ่งแวดล้อมที่ดูดซับความร้อนจากแสงแดดแต่ยอมให้แสงส่องผ่าน และระบบปรับอากาศที่หมุนเวียนอากาศบริสุทธิ์ให้เย็นสม่ำเสมอ</li> <li>เนื่องจากมีการใช้เชื้อเพลิงมากขึ้น เนื่องจากพนักงานกลับมาทำงานที่บ้าน การปล่อยก๊าซคาร์บอนไดออกไซด์ของ KKP จึงเพิ่มขึ้น 5.6% สำหรับ scope 1 และ 32.44% สำหรับ scope 2 ในปี 2022 ปริมาณการใช้ไฟฟ้าก็เพิ่มขึ้น 36.1% ในปี 2022 ด้วย</li> <li>ธนาคารให้สินเชื่อสำหรับโครงการที่เป็นมิตรต่อสิ่งแวดล้อมจำนวน 2.7 พันลบ.</li> </ul>                                                                                                                               |
| <b>ด้านสังคม (SOCIAL)</b> <ul style="list-style-type: none"> <li>การปฏิบัติตามหลักสิทธิมนุษยชน</li> <li>การดูแลพนักงาน</li> <li>สุขอนามัยและความปลอดภัย</li> <li>ความปลอดภัยและคุณภาพของผลิตภัณฑ์</li> <li>การมีส่วนร่วมพัฒนาชุมชน และสังคม</li> </ul>                  | <ul style="list-style-type: none"> <li>KKP เคารพสิทธิมนุษยชนตามหลักการชี้แนะขององค์การสหประชาชาติว่าด้วยธุรกิจและสิทธิมนุษยชน และปฏิบัติตามกฎหมายสิทธิมนุษยชน</li> <li>KKP มุ่งมั่นที่จะยกระดับหลักการเป็นธนาคารที่มีความรับผิดชอบต่อสังคมด้วยการจัดฝึกอบรมความรู้ทางการเงินให้กับลูกค้า พนักงาน และชุมชน เพื่อให้พวกเขาสามารถบริหารจัดการเงินและหนี้ได้อย่างเหมาะสม สร้างวินัยในการออม และพัฒนาทักษะการลงทุน ซึ่งเป็นกุญแจสำคัญในการบรรลุความมั่นคงทางการเงินในระยะยาว และคุณภาพชีวิตที่ดีขึ้น</li> <li>บริจาคเงิน 13 ลบ. สำหรับกิจกรรมช่วยเหลือสังคม โดยมีพนักงานอาสาสมัคร 206 คน รวมเวลาอาสาสมัคร 1,720 ชั่วโมง</li> </ul>                                                                                                                                                                                 |
| <b>ด้านบรรษัทภิบาลและเศรษฐกิจ (GOVERNANCE &amp; SUSTAINABILITY)</b> <ul style="list-style-type: none"> <li>โครงสร้างของคณะกรรมการบริษัท</li> <li>จริยธรรมและความโปร่งใส</li> <li>ความยั่งยืนของธุรกิจ</li> <li>การบริหารความเสี่ยง</li> <li>นวัตกรรม</li> </ul>         | <ul style="list-style-type: none"> <li>คณะกรรมการธนาคารประกอบด้วยสมาชิกสิบสองคน โดยสามคนไม่ใช่ผู้บริหาร และกรรมการอิสระสี่คน</li> <li>คณะกรรมการบริษัททบทวนและแก้ไขนโยบายการกำกับดูแลกิจการเป็นประจำทุกปี และปรับปรุงแนวปฏิบัติในเรื่องต่างๆ อย่างต่อเนื่องเพื่อยกระดับการกำกับดูแลของกลุ่ม</li> <li>KKP ได้รับเลือกให้เป็นหนึ่งใน 170 บริษัทที่ได้รับการเสนอชื่อจากตลาดหลักทรัพย์แห่งประเทศไทย ให้อยู่ในรายชื่อ Thailand Sustainability Investment 2022 เป็นปีที่ 8 ติดต่อกัน นอกจากนี้ยังเป็นหนึ่งใน 100 บริษัทที่อยู่ในรายชื่อ ESG100 ประจำปี 2022 ซึ่งกำหนดโดย ESG Rating Unit ของสถาบันไทยพัฒน์ เป็นปีที่ 7 ติดต่อกัน</li> <li>บริษัท เคเคพี ไดม์ จำกัด (DIME) ก่อตั้งขึ้นโดยมีวัตถุประสงค์เพื่อให้บริการทางการเงินและการลงทุนดิจิทัล เพื่อให้ผู้บริโภคสามารถเข้าถึงโอกาสทางการเงินได้มากขึ้น</li> </ul> |

Sources: Company data, Thanachart

## INCOME STATEMENT

| FY ending Dec (Bt m)           | 2021A         | 2022A         | 2023F         | 2024F         | 2025F         |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Interest and Dividend Income   | 19,489        | 23,671        | 29,435        | 31,988        | 34,304        |
| Interest Expenses              | 3,788         | 4,589         | 7,858         | 9,435         | 10,021        |
| <b>Net Interest Income</b>     | <b>15,701</b> | <b>19,081</b> | <b>21,576</b> | <b>22,553</b> | <b>24,283</b> |
| % of total income              | 64.8%         | 69.3%         | 74.1%         | 74.3%         | 75.0%         |
| Gain on Investment             | (10)          | (4)           | 0             | 50            | 50            |
| Fee Income                     | 6,074         | 6,165         | 5,893         | 6,176         | 6,449         |
| Gain on Exchange               | 1,152         | 1,789         | 1,100         | 1,000         | 1,000         |
| Others                         | 1,329         | 507           | 550           | 578           | 606           |
| <b>Non-interest Income</b>     | <b>8,545</b>  | <b>8,457</b>  | <b>7,543</b>  | <b>7,803</b>  | <b>8,105</b>  |
| % of total income              | 35.2%         | 30.7%         | 25.9%         | 25.7%         | 25.0%         |
| <b>Total Income</b>            | <b>24,246</b> | <b>27,539</b> | <b>29,119</b> | <b>30,356</b> | <b>32,388</b> |
| Operating Expenses             | 11,248        | 13,013        | 14,476        | 14,976        | 15,599        |
| <b>Pre-provisioning Profit</b> | <b>12,998</b> | <b>14,526</b> | <b>14,643</b> | <b>15,380</b> | <b>16,789</b> |
| Provisions                     | 5,201         | 5,036         | 6,640         | 6,140         | 5,500         |
| <b>Pre-tax Profit</b>          | <b>7,797</b>  | <b>9,490</b>  | <b>8,003</b>  | <b>9,240</b>  | <b>11,289</b> |
| Income Tax                     | 1,442         | 1,873         | 1,601         | 1,848         | 2,258         |
| After Tax Profit               | 6,355         | 7,616         | 6,403         | 7,392         | 9,031         |
| Equity Income                  | 0             | 0             | 0             | 0             | 0             |
| Minority Interest              | (37)          | (14)          | (20)          | (21)          | (22)          |
| Extraordinary Items            | 0             | 0             | 0             | 0             | 0             |
| <b>NET PROFIT</b>              | <b>6,318</b>  | <b>7,602</b>  | <b>6,383</b>  | <b>7,371</b>  | <b>9,009</b>  |
| <b>Normalized Profit</b>       | <b>6,318</b>  | <b>7,602</b>  | <b>6,383</b>  | <b>7,371</b>  | <b>9,009</b>  |
| EPS (Bt)                       | 7.5           | 9.0           | 7.5           | 8.7           | 10.6          |
| Normalized EPS (Bt)            | 7.5           | 9.0           | 7.5           | 8.7           | 10.6          |

## BALANCE SHEET

| FY ending Dec (Bt m)            | 2021A          | 2022A          | 2023F          | 2024F          | 2025F          |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>ASSETS:</b>                  |                |                |                |                |                |
| <b>Liquid Items</b>             | <b>56,480</b>  | <b>46,733</b>  | <b>55,000</b>  | <b>47,000</b>  | <b>51,000</b>  |
| cash & cash equivalents         | 1,242          | 1,000          | 1,000          | 1,000          | 1,000          |
| interbank & money market        | 55,238         | 45,732         | 54,000         | 46,000         | 50,000         |
| Securities under resale agreeme | 0              | 0              | 0              | 0              | 0              |
| Investments                     | 16,840         | 31,848         | 28,663         | 30,096         | 31,601         |
| <b>Net loans</b>                | <b>299,148</b> | <b>364,871</b> | <b>402,608</b> | <b>438,657</b> | <b>466,179</b> |
| Gross and accrued interest      | 315,653        | 383,839        | 425,104        | 464,128        | 494,250        |
| Provisions for doubtful         | 16,505         | 18,969         | 22,496         | 25,471         | 28,071         |
| Fixed assets - net              | 7,483          | 13,200         | 13,553         | 14,077         | 14,786         |
| Other assets                    | 56,172         | 50,986         | 52,092         | 55,192         | 58,292         |
| <b>Total assets</b>             | <b>436,123</b> | <b>507,637</b> | <b>551,917</b> | <b>585,023</b> | <b>621,858</b> |
| <b>LIABILITIES:</b>             |                |                |                |                |                |
| <b>Liquid Items</b>             | <b>305,715</b> | <b>351,979</b> | <b>364,234</b> | <b>391,717</b> | <b>421,381</b> |
| Deposit                         | 288,382        | 331,464        | 340,534        | 367,777        | 397,199        |
| Interbank & money market        | 16,664         | 20,175         | 23,000         | 23,230         | 23,462         |
| Liability payable on demand     | 669            | 340            | 700            | 710            | 720            |
| Borrow ings                     | 43,805         | 61,354         | 85,645         | 85,248         | 85,459         |
| Other liabilities               | 35,441         | 36,192         | 40,000         | 41,000         | 42,000         |
| <b>Total liabilities</b>        | <b>384,961</b> | <b>449,526</b> | <b>489,880</b> | <b>517,965</b> | <b>548,841</b> |
| Minority interest               | 116            | 288            | 308            | 329            | 351            |
| <b>Shareholders' equity</b>     | <b>51,046</b>  | <b>57,824</b>  | <b>61,729</b>  | <b>66,729</b>  | <b>72,666</b>  |
| Preferred capital               | -              | -              | -              | -              | -              |
| Paid-in capital                 | 8,468          | 8,468          | 8,468          | 8,468          | 8,468          |
| Share premium                   | 9,356          | 9,356          | 9,356          | 9,356          | 9,356          |
| Surplus/ Others                 | (286)          | 2,010          | 2,010          | 2,010          | 2,010          |
| Retained earnings               | 33,508         | 37,990         | 41,896         | 46,896         | 52,833         |
| <b>Liabilities &amp; equity</b> | <b>436,123</b> | <b>507,637</b> | <b>551,917</b> | <b>585,023</b> | <b>621,858</b> |

Sources: Company data, Thanachart estimates

Hit by higher provisions  
and repossession losses

Loan growth has slowed  
down but it's still higher  
than the industry's

## VALUATION

| FY ending Dec                       | 2021A | 2022A | 2023F | 2024F | 2025F |
|-------------------------------------|-------|-------|-------|-------|-------|
| Normalized PE (x)                   | 8.0   | 6.7   | 8.0   | 6.9   | 5.6   |
| Normalized PE - at target price (x) | 8.7   | 7.2   | 8.6   | 7.5   | 6.1   |
| PE (x)                              | 8.0   | 6.7   | 8.0   | 6.9   | 5.6   |
| PE - at target price (x)            | 8.7   | 7.2   | 8.6   | 7.5   | 6.1   |
| P/PPP (x)                           | 3.9   | 3.5   | 3.5   | 3.3   | 3.0   |
| P/PPP - at target price (x)         | 4.2   | 3.8   | 3.8   | 3.6   | 3.3   |
| P/BV (x)                            | 1.0   | 0.9   | 0.8   | 0.8   | 0.7   |
| P/BV - at target price (x)          | 1.1   | 1.0   | 0.9   | 0.8   | 0.8   |
| Dividend yield (%)                  | 4.9   | 5.4   | 4.3   | 5.0   | 7.1   |
| Market cap / net loans (x)          | 0.2   | 0.1   | 0.1   | 0.1   | 0.1   |
| Market cap / deposit (x)            | 0.2   | 0.2   | 0.1   | 0.1   | 0.1   |
| <b>(Bt)</b>                         |       |       |       |       |       |
| Normalized EPS                      | 7.5   | 9.0   | 7.5   | 8.7   | 10.6  |
| EPS                                 | 7.5   | 9.0   | 7.5   | 8.7   | 10.6  |
| DPS                                 | 3.0   | 3.3   | 2.6   | 3.0   | 4.3   |
| PPP/Share                           | 15.4  | 17.2  | 17.3  | 18.2  | 19.8  |
| BV/Share                            | 60.3  | 68.3  | 72.9  | 78.8  | 85.8  |

A recent rebound looks to price in an expectation of KKP's profits has reached bottom in 2Q23

## FINANCIAL RATIOS

| FY ending Dec                       | 2021A | 2022A | 2023F  | 2024F | 2025F |
|-------------------------------------|-------|-------|--------|-------|-------|
| <b>Growth Rate (%)</b>              |       |       |        |       |       |
| Net interest income (NII)           | 7.0   | 21.5  | 13.1   | 4.5   | 7.7   |
| Non-interest income (Non-II)        | 30.4  | (1.0) | (10.8) | 3.5   | 3.9   |
| Operating expenses                  | 5.6   | 15.7  | 11.2   | 3.5   | 4.2   |
| Pre-provisioning profit (PPP)       | 22.8  | 11.8  | 0.8    | 5.0   | 9.2   |
| Net profit                          | 23.3  | 20.3  | (16.0) | 15.5  | 22.2  |
| Normalized profit growth            | 23.3  | 20.3  | (16.0) | 15.5  | 22.2  |
| EPS                                 | 23.3  | 20.3  | (16.0) | 15.5  | 22.2  |
| Normalized EPS                      | 23.3  | 20.3  | (16.0) | 15.5  | 22.2  |
| Dividend payout ratio               | 39.5  | 36.2  | 34.5   | 34.5  | 40.0  |
| Loan - gross                        | 15.9  | 21.7  | 11.2   | 8.9   | 6.9   |
| Loan - net                          | 15.6  | 22.0  | 10.3   | 9.0   | 6.3   |
| Deposit                             | 14.7  | 14.9  | 2.7    | 8.0   | 8.0   |
| NPLs                                | 28.9  | 31.1  | 21.9   | 6.5   | 1.0   |
| Total assets                        | 20.0  | 16.4  | 8.7    | 6.0   | 6.3   |
| Total equity                        | 9.7   | 13.3  | 6.8    | 8.1   | 8.9   |
| <b>Operating Ratios (%)</b>         |       |       |        |       |       |
| Net interest margin (NIM)           | 3.9   | 4.0   | 4.1    | 4.0   | 4.0   |
| Net interest spread                 | 5.5   | 5.7   | 5.6    | 5.4   | 5.3   |
| Yield on earnings assets            | 5.4   | 5.6   | 6.1    | 6.1   | 6.1   |
| Avg cost of fund                    | 1.2   | 1.2   | 1.8    | 2.0   | 2.0   |
| NII / operating income              | 64.8  | 69.3  | 74.1   | 74.3  | 75.0  |
| Non-II / operating income           | 35.2  | 30.7  | 25.9   | 25.7  | 25.0  |
| Fee income / operating income       | 25.1  | 22.4  | 20.2   | 20.3  | 19.9  |
| Normalized net margin               | 26.1  | 27.6  | 21.9   | 24.3  | 27.8  |
| Cost-to-income                      | 46.4  | 47.3  | 49.7   | 49.3  | 48.2  |
| Credit cost - provision exp / loans | 1.7   | 1.3   | 1.6    | 1.4   | 1.1   |
| PPP / total assets                  | 3.3   | 3.1   | 2.8    | 2.7   | 2.8   |
| PPP / total equity                  | 26.6  | 26.7  | 24.5   | 23.9  | 24.1  |
| ROA                                 | 1.6   | 1.6   | 1.2    | 1.3   | 1.5   |
| ROE                                 | 13.0  | 14.0  | 10.7   | 11.5  | 12.9  |

Easing NIM pressure from 2024F

Sources: Company data, Thanachart estimates

## FINANCIAL RATIOS

| FY ending Dec                          | 2021A  | 2022A  | 2023F  | 2024F  | 2025F  |
|----------------------------------------|--------|--------|--------|--------|--------|
| <b>Liquidity and Quality Ratio (%)</b> |        |        |        |        |        |
| Loan-to-deposit                        | 106.4  | 112.7  | 121.9  | 122.9  | 121.7  |
| Loan-to-deposit & S-T borrow ing       | 106.4  | 112.7  | 121.7  | 122.9  | 121.5  |
| Net loan / assets                      | 68.6   | 71.9   | 72.9   | 75.0   | 75.0   |
| Net loan / equity                      | 586.0  | 631.0  | 652.2  | 657.4  | 641.5  |
| Investment / assets                    | 3.9    | 6.3    | 5.2    | 5.1    | 5.1    |
| Deposit / liabilities                  | 74.9   | 73.7   | 69.5   | 71.0   | 72.4   |
| Liabilities / equity                   | 754.1  | 777.4  | 793.6  | 776.2  | 755.3  |
| Net interbank lender (Bt m)            | 38,574 | 25,557 | 31,000 | 22,770 | 26,538 |
| Tier 1 CAR                             | 13.6   | 13.3   | 13.0   | 13.4   | 13.9   |
| Tier 2 CAR                             | 3.7    | 3.3    | 3.0    | 2.8    | 2.7    |
| Total CAR                              | 17.4   | 16.6   | 16.0   | 16.2   | 16.5   |
| NPLs (Bt m)                            | 10,638 | 13,947 | 17,004 | 18,101 | 18,287 |
| NPLs / Total loans (NPL Ratio)         | 3.4    | 3.6    | 4.0    | 3.9    | 3.7    |
| Loan-Loss-Coverage                     | 155.2  | 136.0  | 132.3  | 140.7  | 153.5  |

Sources: Company data, Thanachart estimates

*Two to three more  
quarters to resolve poor  
asset quality issues*

## ESG Information - Third Party Terms

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ESG Scores by Third Party data from www.SETTRADE.com

1. MSCI (CCC- AAA)
2. ESG Book (0-100)
3. Refinitiv (0-100)
4. S&P Global (0-100)
5. Moody's ESG Solutions (0-100)

### SET THSI Index (SETTHSI)

Nowadays, long-term investment tends to be more focused on sustainable companies. The financial statement performance and the consideration in environmental, social and governance (ESG) perspective are keys aspects for analysis.

SET has created a Thailand Sustainability Investment (THSI) list since 2015 for using as an alternative investment in the high performance ESG stocks for investors while, supporting the sustainable Thai companies. SET defines the sustainable companies as the companies that embrace risk management, supply chain management and innovations together with responsibility for environmental, social and governance aspects

As a result, SET has created the SETTHSI for the purpose of indicating the price of these sustainable companies that pass the market capital size and liquidity criteria.

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ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We identify five categories of ESG risk severity that could impact a company's enterprise value

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