

21 JULY 2020

THAILAND / BANKS

# TMB BANK TMB TB

## HOLD

UNCHANGED

TARGET PRICE	THB1.09
CLOSE	THB1.04
UP/DOWNSIDE	+4.8%
TP vs CONSENSUS	-2.3%

## แนวโน้ม 2H20 อ่อนแอ

กำไรสุทธิ 2Q20 ลดลงจากรายรับที่อ่อนแอ

TMB รายงานกำไรสุทธิ 2Q20 ที่ 3.10 พัน ลบ. ต่ำกว่าตลาดคาด 8% กำไรสุทธิดังกล่าวเพิ่มขึ้นถึง 62% y-y จากการรวมกับ Thanachart Bank (TBANK, not listed) แต่ลดลง 26% q-q จากปัจจัยดังต่อไปนี้ (1) การลดลงของรายได้ดอกเบี้ยสุทธิตามการลดลงของปริมาณสินเชื่อและส่วนต่างดอกเบี้ย; และ (2) การลดลงของรายได้ค่าธรรมเนียมตามการหดตัวของธุรกิจกองทุนรวม นายหน้าขายประกัน และรายได้ค่าธรรมเนียมที่เกี่ยวข้องกับธุรกรรมของธนาคาร

### เป้าหมายทางการเงินใหม่

เรามองว่าเป้าหมายทางการเงินใหม่ในปี 2020 ของ TMB (ดู Exhibit 3) แสดงถึงปัจจัยกดดันทั้งรายได้และค่าใช้จ่ายในการตั้งสำรอง กล่าวคือ TMB คาดว่าส่วนต่างดอกเบี้ยจะลดลงเหลือ 2.8-2.9% (เทียบกับ 3.0% ก่อนหน้า) จากสภาพคล่องส่วนเกิน การปรับลดอัตราดอกเบี้ยนโยบาย และ Effective Interest Rate ที่ลดลงสำหรับลูกค้าภายใต้มาตรการบรรเทาหนี้ นอกจากนี้ TMB ยังคาดอีกว่าสัดส่วนรายได้ที่ไม่ใช่ดอกเบี้ยต่อสินทรัพย์รวมจะลดลงเหลือ 0.80-0.95% (จาก 0.95-1.10%) ตามการลดลงของรายได้ค่าธรรมเนียมจากมาตรการปิดเมืองในด้านค่าใช้จ่ายในการตั้งสำรอง TMB คาดว่า Credit Cost จะเพิ่มขึ้นเป็น 160-170 bps (จาก 125-130 bps) ซึ่งหมายความว่า Credit Cost ใน 2H20 จะเพิ่มในระดับสูง h-h จากสมมติฐาน 2020 NPL Ratio ที่ <3% (เทียบกับ <2.8% ก่อนหน้า) ผู้บริหารฯ กล่าวว่า NPL จะเริ่มปรับขึ้นในระดับปานกลางใน 4Q20 และพุ่งสูงใน 1Q21 หลังมาตรการบรรเทาหนี้สิ้นสุดลง ในปัจจุบันสินเชื่อภายใต้มาตรการบรรเทาหนี้คิดเป็นประมาณ 40% ของสินเชื่อรวมหรือ 553 พัน ลบ. จากตัวเลขดังกล่าวเกือบ 40% เป็นสินเชื่อเช่าซื้อ (ดู Exhibit 2)

### คาดการณ์กำไรสุทธิ 2H20 จะลดลง h-h

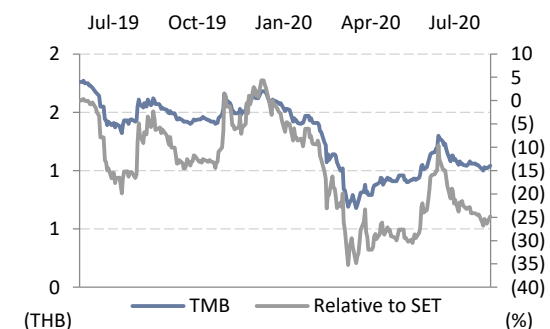
จากเป้าหมายทางการเงินใหม่ของธนาคารฯ เราคาดว่ากำไรสุทธิใน 2H20 จะลดลง h-h จาก (1) รายได้ดอกเบี้ยสุทธิและรายได้ที่ไม่ใช่ดอกเบี้ยตกต่ำต่อเนื่อง; และ (2) ECL ที่เพิ่มสูงขึ้น

### คงแนะนำถือที่ราคาเป้าหมาย 1.09 บาท

เราคงแนะนำถือ TMB ที่ราคาเป้าหมาย 1.09 บาท เรามองว่า valuation ในปัจจุบันสะท้อนราคาที่เหมาะสมของ TMB เนื่องจากหุ้นขาดปัจจัยบวกในระยะสั้นจนกว่าประโยชน์จากการควบรวมธุรกิจกับ TBANK จะเริ่มเห็นผลในอีก 2 ปีข้างหน้า

## KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Operating profit	8,486	13,617	14,892	16,332
Net profit	7,223	11,154	12,199	13,381
EPS (THB)	0.15	0.12	0.13	0.14
vs Consensus (%)	-	7.1	4.0	(9.1)
Core net profit	7,223	11,154	12,199	13,381
Core EPS (THB)	0.15	0.12	0.13	0.14
EPS growth (%)	(15.8)	(22.1)	9.4	9.7
Core P/E (x)	7.0	9.0	8.2	7.5
Dividend yield (%)	3.8	2.2	3.7	4.0
Price/book (x)	0.3	0.5	0.5	0.4
ROE (%)	4.9	5.6	5.8	6.1
ROA (%)	0.5	0.6	0.6	0.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.5)	10.6	(40.3)
Relative to country (%)	(4.6)	3.2	(23.7)
Mkt cap (USD m)	3,151		
3m avg. daily turnover (USD m)	11.9		
Free float (%)	39		
Major shareholder	ING Bank N.V. (23%)		
12m high/low (THB)	1.75/0.60		
Issued shares (m)	43,852		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 21 กรกฎาคม 2020

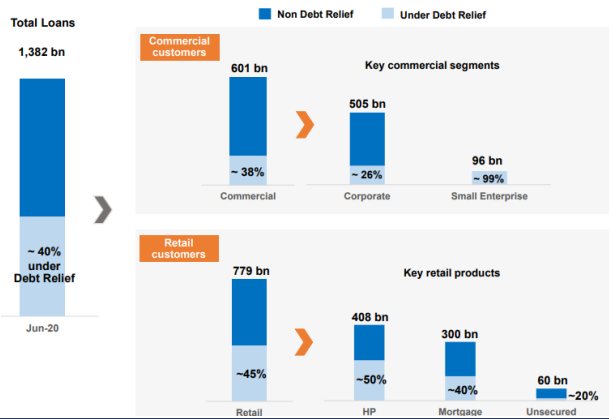
## Exhibit 1: TMB – summary of 2Q20 results

Year end Dec 31	2Q19	1Q20	----- 2Q20 -----			1H20	Change	% of	2020E	Comments
	(THBm)	(THBm)	(THBm)	y-y%	q-q%	(THBm)	(y-y%)	20E	(THBm)	
Net interest income	6,345	14,014	13,045	105.6	(6.9)	27,059	115.1	50	54,630	Dropped q-q from 1) a decline in loan volume; and 2) a NIM contraction
Non-interest income*	2,542	4,182	3,523	38.6	(15.8)	7,705	59.8	45	17,272	Declined q-q mainly from fee income
<b>Operating income*</b>	<b>8,887</b>	<b>18,196</b>	<b>16,569</b>	<b>86.4</b>	<b>(8.9)</b>	<b>34,764</b>	<b>99.8</b>	<b>48</b>	<b>71,903</b>	
Operating expenses	4,210	8,331	7,776	84.7	(6.7)	16,107	80.0	47	34,052	Dropped q-q from lower marketing expenses
<b>PPOP before tax*</b>	<b>4,677</b>	<b>9,865</b>	<b>8,792</b>	<b>88.0</b>	<b>(10.9)</b>	<b>18,657</b>	<b>120.6</b>	<b>49</b>	<b>37,851</b>	
<b>Provision</b>	<b>2,490</b>	<b>4,760</b>	<b>4,972</b>	<b>99.7</b>	<b>4.5</b>	<b>9,732</b>	<b>124.8</b>	<b>41</b>	<b>23,877</b>	
Tax	275	940	724	163.8	(23.0)	1,665	162.0	62	2,697	
Minority interest	0	1	1			2		1	124	
<b>Normalised profit</b>	<b>1,913</b>	<b>4,164</b>	<b>3,095</b>	<b>61.8</b>	<b>(25.7)</b>	<b>7,259</b>	<b>107.9</b>	<b>65</b>	<b>11,154</b>	
Extraordinary items	0	0	0			0			0	
<b>Net profit</b>	<b>1,913</b>	<b>4,164</b>	<b>3,095</b>	<b>61.8</b>	<b>(25.7)</b>	<b>7,259</b>	<b>107.9</b>	<b>65</b>	<b>11,154</b>	Lower than Bloomberg consensus by 8%
EPS (THB)	0.04	0.04	0.03	(26.4)	(25.7)	0.08	(5.4)	65	0.12	
<b>Asset quality ratio</b>										
Gross NPLs	21,423	44,183	38,805	81.1	(12.2)				50,957	Decreased q-q from NPL sales and write-offs
Gross NPLs/loans (%)	2.74	2.76	2.34						3.23	
Loan loss reserve/NPLs	140	106	114						110	
Credit cost (bps)	146	136	143						175	
<b>Profitability ratio</b>										
Cost to income ratio	47.4	45.8	46.9						47.4	
Average yield (%)	4.2	4.3	3.9						4.2	
Cost of funds (%)	1.5	1.4	1.2						1.4	
Net interest margin (NIM)	2.89	3.10	2.86						3.02	
Non-interest inc/total income	28.6	23.0	21.3						24.0	
<b>Liquidity ratio</b>										
Loan to deposit ratio	104.8	100.4	95.8						93.3	
<b>Capital adequacy ratio</b>										
CAR	21.4	18.8	18.5						18.8	
CET 1/risk assets	14.3	13.5	14.6						14.7	
Tier - I/risk assets	7.1	4.3	4.9						4.1	
<b>Loan growth</b>										
Year to date %	(0.9)	0.8	(0.7)							
y-y %	4.0	104.2	103.3						(4.0)	
q-q %	(1.1)	0.8	(1.5)							

\* Excluding share of profits from associates

Sources: TMB; FSSIA estimates

## Exhibit 2: Debt relief profile



Source: TMB

## Exhibit 3: TMB's new 2020E financial guidance

2020E (%)	2020E		
	Previous	New	FSSIA estimates
Loan growth (% y-y)	≤ flat	≤ flat	(4.0)
NIM	3.0	2.8-2.9	3.02
Non-NII/total assets	0.95 - 1.10	0.80-0.95	0.66
Cost to income ratio	48 - 50	48 - 50	47.4
reported NPL ratio	< 2.8	< 3.0	3.2
Credit cost (bps)	125 - 130	160 - 170	175

Sources: TMB; FSSIA estimates

## Financial Statements

## TMB Bank

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Interest Income	35,128	39,838	76,256	76,457	80,831
Interest expense	(10,632)	(12,973)	(21,625)	(22,091)	(25,928)
Net interest income	24,497	26,865	54,630	54,365	54,903
Net fees & commission	9,338	8,098	11,978	12,577	13,206
Foreign exchange trading income	1,529	1,528	0	0	0
Securities trading income	129	1,956	3,782	3,861	3,947
Dividend income	0	0	0	0	0
Other income	652	1,050	1,155	1,270	1,398
Non interest income	11,648	12,632	16,916	17,708	18,550
Total income	36,144	39,497	71,546	72,074	73,453
Staff costs	(8,198)	(9,629)	(16,369)	(17,187)	(17,823)
Other operating costs	(9,276)	(11,046)	(17,683)	(18,801)	(19,649)
Operating costs	(17,475)	(20,674)	(34,052)	(35,988)	(37,472)
Pre provision operating profit	18,669	18,823	37,494	36,085	35,981
Provision for bad and doubtful debt	(9,100)	(10,337)	(23,877)	(21,193)	(19,649)
Other provisions	-	-	-	-	-
Operating profit	9,569	8,486	13,617	14,892	16,332
Recurring non operating income	64	324	357	393	432
Associates	64	324	357	393	432
Goodwill amortization	-	-	-	-	-
Non recurring items	3,867	0	0	0	0
Profit before tax	13,500	8,810	13,974	15,284	16,764
Tax	(1,899)	(1,588)	(2,697)	(2,950)	(3,235)
Profit after tax	11,601	7,223	11,277	12,334	13,529
Minority interests	0	0	(124)	(135)	(148)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	11,601	7,223	11,154	12,199	13,381
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	7,734	7,223	11,154	12,199	13,381
<b>Per share (THB)</b>					
Recurring EPS *	0.18	0.15	0.12	0.13	0.14
Reported EPS	0.26	0.15	0.12	0.13	0.14
DPS	0.07	0.04	0.02	0.04	0.04
<b>Growth</b>					
Net interest income (%)	(1.0)	9.7	103.3	(0.5)	1.0
Non interest income (%)	(8.3)	8.4	33.9	4.7	4.8
Pre provision operating profit (%)	(5.0)	0.8	99.2	(3.8)	(0.3)
Operating profit (%)	(10.8)	(11.3)	60.5	9.4	9.7
Reported net profit (%)	33.5	(37.7)	54.4	9.4	9.7
Recurring EPS (%)	(11.0)	(15.8)	(22.1)	9.4	9.7
Reported EPS (%)	33.5	(43.9)	(22.1)	9.4	9.7
<b>Income Breakdown</b>					
Net interest income (%)	67.8	68.0	76.4	75.4	74.7
Net fees & commission (%)	25.8	20.5	16.7	17.5	18.0
Foreign exchange trading income (%)	4.2	3.9	-	-	-
Securities trading income (%)	0.4	5.0	5.3	5.4	5.4
Dividend income (%)	-	-	-	-	-
Other income (%)	1.8	2.7	1.6	1.8	1.9
<b>Operating performance</b>					

Gross interest yield (%)	4.16	2.99	4.22	4.15	4.28
Cost of funds (%)	0.66	0.78	1.28	1.27	1.44
Net interest spread (%)	3.50	2.21	2.94	2.88	2.84
Net interest margin (%)	2.9	2.0	3.0	2.9	2.9
Cost/income(%)	48.3	52.3	47.6	49.9	51.0
Cost/assets(%)	2.0	1.5	1.8	1.9	1.9
Effective tax rate (%)	0.1	0.2	0.2	0.2	0.2
Dividend payout on recurring profit (%)	39.7	26.5	20.0	30.0	30.0
ROE (%)	8.2	4.9	5.6	5.8	6.1
ROE - COE (%)	8.2	4.9	5.6	5.8	6.1
ROA (%)	0.9	0.5	0.6	0.6	0.7
RORWA (%)	1.2	0.8	0.9	1.0	1.0

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: TMB Bank; FSSIA estimates

## Financial Statements

### TMB Bank

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Gross customer loans	685,707	1,392,225	1,336,536	1,363,267	1,404,165
Total provisions	(32,975)	(45,477)	(55,989)	(77,182)	(79,981)
interest in suspense	1,308	1,883	3,742	3,817	3,932
<b>Net customer loans</b>	<b>654,040</b>	<b>1,348,630</b>	<b>1,284,290</b>	<b>1,289,902</b>	<b>1,328,116</b>
Bank loans	113,522	236,311	286,428	299,522	299,406
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	73,477	166,265	198,759	204,478	210,377
Cash & equivalents	15,234	23,853	26,005	44,726	44,265
Other interesting assets	-	-	-	-	-
Tangible fixed assets	14,490	28,452	28,362	28,347	28,400
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	20,950	54,679	55,296	56,603	57,925
<b>Total assets</b>	<b>891,713</b>	<b>1,858,190</b>	<b>1,879,139</b>	<b>1,923,578</b>	<b>1,968,489</b>
Customer deposits	649,568	1,398,112	1,432,953	1,461,612	1,490,844
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	102,895	198,844	171,988	175,427	178,936
Non interest bearing liabilities	40,471	66,423	68,416	70,469	72,583
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>792,934</b>	<b>1,663,379</b>	<b>1,673,356</b>	<b>1,707,508</b>	<b>1,742,362</b>
Share capital	41,659	91,541	91,541	91,541	91,541
Reserves	57,120	103,235	114,205	124,491	134,545
<b>Total equity</b>	<b>98,779</b>	<b>194,777</b>	<b>205,746</b>	<b>216,032</b>	<b>226,086</b>
Minority interests	0	35	37	38	40
<b>Total liabilities &amp; equity</b>	<b>891,713</b>	<b>1,858,190</b>	<b>1,879,139</b>	<b>1,923,578</b>	<b>1,968,489</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	637,628	1,216,836	1,270,077	1,295,478	1,334,343
Average interest earning assets	844,959	1,333,754	1,808,262	1,844,495	1,890,607
Average interest bearing liabilities	1,620,990	1,653,409	1,694,827	1,745,671	1,798,041
Tier 1 capital	86,301	165,793	186,586	196,032	205,162
Total capital	110,396	218,440	239,233	248,679	257,809
Gross non performing loans (NPL)	21,720	37,746	50,957	73,888	70,193
<b>Per share (THB)</b>					
Book value per share	2.25	4.01	2.14	2.24	2.35
Tangible book value per share	2.25	4.01	2.14	2.24	2.35
<b>Growth</b>					
Gross customer loans	6.6	103.0	(4.0)	2.0	3.0
Average interest earning assets	6.5	57.8	35.6	2.0	2.5
Total asset (%)	5.7	108.4	1.1	2.4	2.3
Risk weighted assets (%)	4.7	90.8	4.4	2.0	3.0
Customer deposits (%)	6.2	115.2	2.5	2.0	2.0
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	100.7	96.5	89.6	88.3	89.1
Equity/assets (%)	11.1	10.5	10.9	11.2	11.5
Tangible equity/assets (%)	11.1	10.5	10.9	11.2	11.5
RWA/assets (%)	71.5	65.5	67.6	67.3	67.8
Tier 1 CAR (%)	13.5	13.6	14.7	15.1	15.4
Total CAR (%)	17.3	18.0	18.8	19.2	19.3
<b>Asset Quality</b>					
Change in NPL (%)	24.0	73.8	35.0	45.0	(5.0)
NPL/gross loans (%)	3.2	2.7	3.8	5.4	5.0
Total provisions/gross loans (%)	4.8	3.3	4.2	5.5	5.7
Total provisions/NPL (%)	151.8	120.5	109.9	104.5	113.9
<b>Valuation</b>					
Recurring P/E (x) *	5.9	7.0	9.0	8.2	7.5
Recurring P/E @ target price (x) *	6.2	7.3	9.4	8.6	7.8
Reported P/E (x)	3.9	7.0	9.0	8.2	7.5
Dividend yield (%)	39.7	26.5	20.0	30.0	30.0
Price/book (x)	0.5	0.3	0.5	0.5	0.4
Price/tangible book (x)	0.5	0.3	0.5	0.5	0.4
Price/tangible book @ target price (x)	0.5	0.3	0.5	0.5	0.5

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: TMB Bank; FSSIA estimates

## Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GGP	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					
VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANA
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENDEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KGI	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PNR	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMP	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIIK	XO	YUASA	ZEN	ZMICO						
GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MG	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						
Score Range	Number of Logo					Description				
90-100						Excellent				
80-89						Very Good				
70-79						Good				
60-69						Satisfactory				
50-59						Pass				
Less than 50	No logo given					-				

**Disclaimer:**

The disclosure of the survey results 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 evaluation 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 results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator

CERTIFIED										
ADVANC	AIE	AKP	AMANAHA	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIIK
DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

**Disclaimer:**

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by ThaiPat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. ThaiPat Institute 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 ThaiPat Institute that is 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, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd

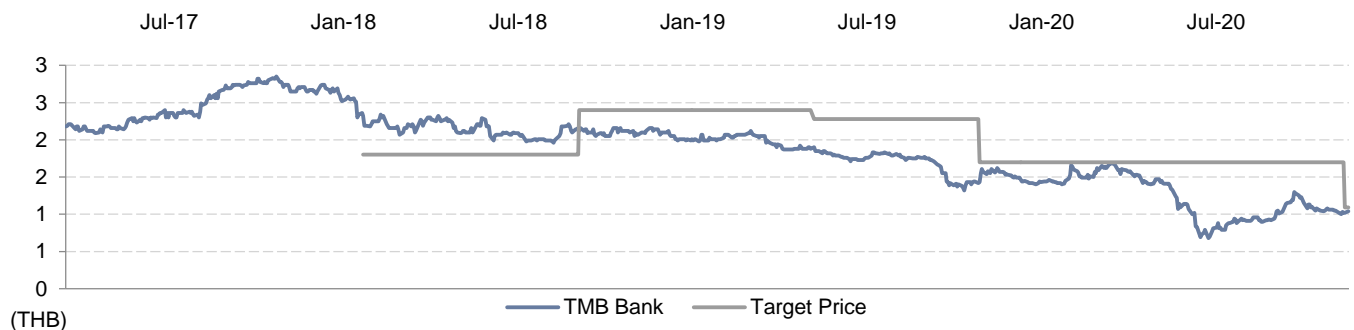
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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### History of change in investment rating and/or target price

#### TMB Bank (TMB TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Apr-2018	REDUCE	1.80	22-Apr-2019	HOLD	2.28	02-Apr-2020	HOLD	1.70
04-Oct-2018	HOLD	2.40	10-Sep-2019	HOLD	1.70	16-Jul-2020	HOLD	1.09

Yuvanart Suwanumphai started covering this stock from 16-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
TMB Bank	TMB TB	THB 1.04	HOLD	Upside risks to our GGM-based target price are M&A completions and long-term synergy to be earned. The downside risk is the impact from a prolonged weak macro outlook on loan growth and asset quality.

Source: FSSIA estimates

### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited

All share prices are as at market close on 20 July 2020 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

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

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

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

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

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

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



## Industry Recommendations

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

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

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

## Country (Strategy) Recommendations

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

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

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