

13 AUGUST 2020

THAILAND / DIVERSIFIED FINANCIALS

THANACHART CAPITAL TCAP TB

HOLD

UNCHANGED

TARGET PRICE	THB36.00
CLOSE	THB33.75
UP/DOWNSIDE	+6.7%
TP vs CONSENSUS	-16.4%

ผลประกอบการอ่อนแอแต่ผลตอบแทนสูง

ผลประกอบการอ่อนแอใน 2Q20

TCAP รายงานกำไรสุทธิ 2Q20 ที่ 1.03 พัน ลบ. (-46% y-y, -76% q-q) กำไรลดลง q-q โดยมาจาก (1) กำไรพิเศษที่ลดลง เนื่องจากบริษัทบันทึกกำไร 2.9 พัน ลบ. จากการขายการลงทุนใน Ajinomoto (Thailand) Co., Ltd. ในไตรมาสก่อน; (2) กำไรสุทธิของ Ratchthani Leasing (THANI TB, BUY) ที่ลดลงจากการหดตัวของรายได้ดอกเบี้ยสุทธิ; และ (3) ส่วนแบ่งกำไรจากบริษัทรวมลดลงเนื่องจาก COVID-19 อย่างไรก็ดี บริษัทลูกสองแห่ง กล่าวคือ Thanachart Securities (TNS) และ Thanachart Insurance (TNI) รายงานผลประกอบการที่ดี โดยมีอัตราการเติบโตของกำไรสุทธิที่ 15% q-q และ 60% q-q ตามลำดับ ผลประกอบการของ TNS ได้ปรับจูนผลกีดกันหลักจากการเพิ่มของค่าธรรมเนียมหน้าจากการซื้อขายหลักทรัพย์ ในขณะที่ TNI ได้ประโยชน์จากการลดลงของการเรียกร้องสินไหมทดแทนจากการประกันภัยรถยนต์ ตามการลดลงของอุบัติเหตุทางรถยนต์ในช่วงปิดเมือง

ผลประกอบการในระยะสั้นถึงกลางยังไม่โดดเด่น

เราคาดว่า Core EPS ของ TCAP จะลดลงถึง 38% y-y ใน 2020 และฟื้นตัวในระดับปานกลางที่ 9% y-y ใน 2021 หลังการควบรวมกิจการระหว่าง Thanachart Bank (TBANK, not listed) และ TMB Bank (TMB TB, HOLD) TCAP จะกลายเป็นบริษัทแม่ ซึ่งยังไม่มีการจัดโครงสร้างกำไรให้สูงขึ้น ดังนั้นแนวโน้มของบริษัทฯ จึงขึ้นอยู่กับกำไรจากธนาการที่เกิดจากการควบรวม (53% ของกำไร) เป็นสำคัญ เราคาดว่าธนาการที่เกิดหลังการควบรวมจะรายงาน Core EPS ลดลงอย่างเห็นได้ชัดถึง 22% y-y ใน 2020 และเพิ่มขึ้นในระดับปานกลางใน 2021 ที่ 9% y-y โดยมีแรงกดดันจาก (1) ต้นทุนการดำเนินงานที่เพิ่มขึ้นจากการควบรวมกิจการของ TBANK; และ (2) สำรองที่เพิ่มขึ้นจากคุณภาพสินทรัพย์ที่อ่อนแอลงจากผลกระทบของ COVID-19

คงการจ่ายเงินปันผลระหว่างกาลและรายปีในระดับที่น่าพอใจ

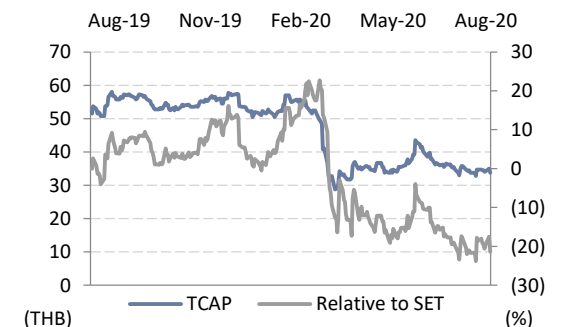
เราเชื่อว่า TCAP จะสามารถรักษาการจ่ายเงินปันผลใน 2020 ในระดับที่ใกล้เคียงกับปีที่แล้วที่ 3 บาทต่อหุ้นต่อปี คิดเป็นอัตราผลตอบแทนจากเงินปันผลต่อปีที่ 8-9% โดยมีปัจจัยหนุนจาก (1) TCAP มีเงินสดในมือสูงถึง 15 พัน ลบ.; และ (2) เงินปันผลรับในระดับสูงจากบริษัทลูกและบริษัทรวม 1.7 พัน ลบ. ในกรณีฐานและ 1.0 พัน ลบ. ในกรณีเลวร้าย (ดู Ex.3)

คงคำแนะนำถือที่ราคาเป้าหมาย 36 บาท (GGM)

เราคงคำแนะนำถือ TCAP ที่ราคาเป้าหมาย 36 บาท แม้ว่าในระยะสั้นจะยังไม่มีการจ่ายบวกที่สนับสนุนผลประกอบการที่ชัดเจน ต้องรอจนถึงเวลาที่ประโยชน์จากการควบรวมกิจการระหว่าง TBANK และ TMB เริ่มเห็นผล แต่เราคาด TCAP จะให้ผลตอบแทนจากเงินปันผลในระดับสูงและน่าพอใจที่ 8-9% ต่อปี

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Operating profit	4,399	2,665	2,873	3,279
Net profit	10,807	7,319	4,863	5,445
EPS (THB)	9.44	6.98	4.64	5.19
vs Consensus (%)	-	11.7	0.5	5.2
Core net profit	7,807	4,464	4,863	5,445
Core EPS (THB)	6.82	4.26	4.64	5.19
EPS growth (%)	1.3	(37.6)	8.9	12.0
Core P/E (x)	4.9	7.9	7.3	6.5
Dividend yield (%)	7.8	8.9	8.9	8.9
Price/book (x)	0.6	0.5	0.5	0.5
ROE (%)	11.9	6.8	7.4	8.0
ROA (%)	2.3	2.8	2.9	3.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.9)	0.0	(34.6)
Relative to country (%)	(1.9)	(3.7)	(19.3)
Mkt cap (USD m)	1,139		
3m avg. daily turnover (USD m)	9.5		
Free float (%)	43		
Major shareholder	Thai NVDR (12%)		
12m high/low (THB)	57.00/28.50		
Issued shares (m)	1,206		

Sources: Bloomberg consensus; FSSIA estimates



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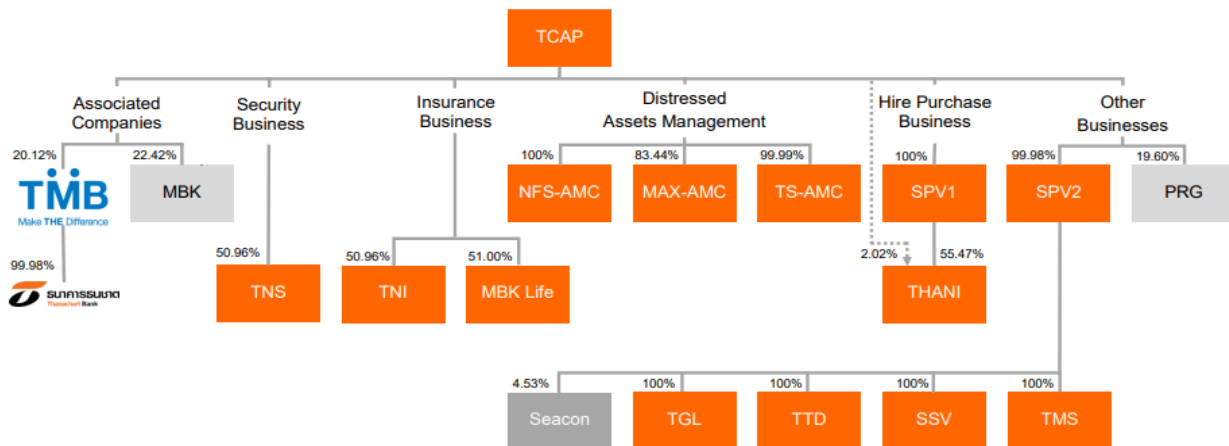
บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 13 สิงหาคม 2020

Exhibit 1: TCAP – 2Q/1H20 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	693	731	608	(12)	(17)	1,339	(3)	47	2,854	Lower from a drop in THANI loans
Non-interest income	1,155	1,900	2,040	77	7	3,940	59	57	6,899	
Operating income	1,847	2,631	2,648	43	1	5,279	37	54	9,753	
Operating expenses	840	734	704	(16)	(4)	1,439	(11)	42	3,454	Declined from good operating cost control
PPOP before tax*	1,007	1,897	1,943	93	2	3,840	71	61	6,299	
Expected credit loss	168	157	217	29	38	373	na	53	706	The increase was to support the risks that may arise from COVID-19
Tax	140	(6)	376	169	na	370	(28)	34	1,079	
Minority interest	1,907	286	322	(83)	12	608	(85)	1,229	49	
Normalised profit	1,899	1,460	1,029	(46)	(30)	2,490	(36)	56	4,464	
Extraordinary items	-	2,855	-		(100)	2,855		100	2,855	
Net profit	1,899	4,316	1,029	(46)	(76)	5,345	37	73	7,319	
EPS (THB)	1.66	3.87	0.98	(41)	(75)	4.85	42	69	6.98	
Asset quality ratio										
Gross NPLs (THB m)	20,299	3,747	3,866	(81)	3					
Gross NPLs/loans (%)	2.40	6.71	7.09							
Loan loss reserve/NPLs (%)	114	91	90							
Credit cost (bp)	9	112	157							
Profitability ratio										
Cost to income ratio (%)	45.49	27.91	26.60	45.49	27.91					
Average yield (%)	0.42	3.09	2.88	0.42	3.09					
Cost of funds (%)	0.18	2.83	3.07	0.18	2.83					
Net interest margin (NIM) (%)	0.27	1.99	1.70	0.27	1.99					
Non-interest inc/total income (%)	63	72	77	63	72					
Loan growth										
Year-to-date %	2	(1)	(3)							
y-y %	6	(93)	(93)							
q-q %	1	(1)	(2)							

* Excluding share of profits from associates;
Sources: TCAP; FSSIA estimates

Exhibit 2: Thanachart Group’s shareholding structure as of 30 June 2020



Remark : TCAP = Thanachart Capital PCL, NFS-AMC = NFS Asset Management Col. Ltd., MAX-AMC = MAX Asset management Col. Ltd., MBK = MBK PCL, PRG = Patum Rice Mill and Granary PCL, TNS = Thanachart Security PCL, TNI = Thanachart Insurance PCL, TS-AMC = TS Asset management Col. Ltd., SPV 1&2 = Thanachart Special Purpose Vehicle 1 & 2, THANI = Ratchthani Leasing PCL, TGL = Thanachart Group leasing Col. Ltd., TTD = Thanachart Training & Development Company Limited, SSV = Security Scib Services Col. Ltd., TMS = Thanachart Management and Service Col. Ltd.

Source: TCAP

Exhibit 3: TCAP’s ability to pay dividends in 2020

Cash outflow (THB b)		Cash inflow assumptions - conservative case (THB b)	
Dividend per share (THB/share)	3.00	Expected dividend from Thanachart Securities (TNS)	0.3
No. of shares (millions)	1,049	Expected dividend from Thanachart Insurance (TNI)	0.4
Total cash outflow	3.1	Expected dividend from THANI	0.4
Cash inflow assumptions - base case (THB b)		Expected dividend from TMB	-
Expected dividend from Thanachart Securities (TNS)	0.3	Total cash inflow	1.0
Expected dividend from Thanachart Insurance (TNI)	0.4		
Expected dividend from THANI	0.5	Free cash flow from the sale of TBANK and Ajinomoto – TCAP still has no new investment projects (THB m)	15
Expected dividend from TMB	0.4		
Total cash inflow	1.7		

Source: FSSIA estimates

Financial Statements

Thanachart Capital

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Interest Income	4,074	4,339	4,548	4,636	5,131
Interest expense	(1,515)	(1,599)	(1,694)	(1,806)	(1,997)
Net interest income	2,559	2,740	2,854	2,829	3,135
Net fees & commission	1,440	1,203	1,269	1,333	1,399
Foreign exchange trading income	41	146	0	0	0
Securities trading income	423	514	154	169	186
Dividend income	261	181	200	220	242
Other income	2,838	2,453	2,348	2,463	2,588
Non interest income	5,003	4,496	3,971	4,185	4,415
Total income	7,562	7,236	6,825	7,014	7,549
Staff costs	(1,793)	(1,895)	(1,990)	(2,064)	(2,140)
Other operating costs	(1,226)	(1,257)	(1,464)	(1,517)	(1,573)
Operating costs	(3,019)	(3,153)	(3,454)	(3,581)	(3,713)
Pre provision operating profit	4,543	4,083	3,371	3,433	3,836
Provision for bad and doubtful debt	(302)	316	(706)	(560)	(557)
Other provisions	-	-	-	-	-
Operating profit	4,241	4,399	2,665	2,873	3,279
Recurring non operating income	12,492	10,727	2,928	3,221	3,543
Associates	543	367	2,928	3,221	3,543
Goodwill amortization	-	-	-	-	-
Non recurring items	0	3,000	2,855	0	0
Profit before tax	16,733	18,127	8,448	6,093	6,822
Tax	(927)	(1,367)	(1,079)	(1,176)	(1,317)
Profit after tax	15,806	16,760	7,369	4,917	5,505
Minority interests	(7,967)	(5,953)	(49)	(54)	(60)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	7,839	10,807	7,319	4,863	5,445
Non recurring items & goodwill (net)	-	-	(2,855)	0	0
Recurring net profit	7,839	7,807	4,464	4,863	5,445
Per share (THB)					
Recurring EPS *	6.73	6.82	4.26	4.64	5.19
Reported EPS	6.73	9.44	6.98	4.64	5.19
DPS	2.28	2.65	3.00	3.00	3.00
Growth					
Net interest income (%)	(91.2)	7.1	4.2	(0.9)	10.8
Non interest income (%)	(61.7)	(10.1)	(11.7)	5.4	5.5
Pre provision operating profit (%)	(78.8)	(10.1)	(17.4)	1.8	11.7
Operating profit (%)	(72.0)	3.7	(39.4)	7.8	14.2
Reported net profit (%)	12.0	37.9	(32.3)	(33.6)	12.0
Recurring EPS (%)	12.0	1.3	(37.6)	8.9	12.0
Reported EPS (%)	12.0	40.3	(26.1)	(33.6)	12.0
Income Breakdown					
Net interest income (%)	33.8	37.9	41.8	40.3	41.5
Net fees & commission (%)	19.0	16.6	18.6	19.0	18.5
Foreign exchange trading income (%)	0.5	2.0	-	-	-
Securities trading income (%)	5.6	7.1	2.3	2.4	2.5
Dividend income (%)	3.5	2.5	2.9	3.1	3.2
Other income (%)	37.5	33.9	34.4	35.1	34.3
Operating performance					
Gross interest yield (%)	0.40	0.74	2.99	2.91	3.02
Cost of funds (%)	2.17	2.08	2.01	1.90	1.83
Net interest spread (%)	(1.77)	(1.34)	0.98	1.01	1.19
Net interest margin (%)	0.3	0.5	1.9	1.8	1.8
Cost/income(%)	39.9	43.6	50.6	51.1	49.2
Cost/assets(%)	0.3	0.5	2.1	2.1	2.0
Effective tax rate (%)	5.5	7.5	12.8	19.3	19.3
Dividend payout on recurring profit (%)	33.9	38.8	70.5	64.7	57.8
ROE (%)	12.3	11.9	6.8	7.4	8.0
ROE - COE (%)	1.5	1.1	(4.0)	(3.4)	(2.8)
ROA (%)	1.5	2.3	2.8	2.9	3.0
RORWA (%)	2.0	3.5	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Thanachart Capital; FSSIA estimates

Financial Statements

Thanachart Capital

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Gross customer loans	754,613	56,266	52,327	57,560	66,194
Total provisions	(24,145)	(3,118)	(3,823)	(4,384)	(4,941)
interest in suspense	657	11	147	161	185
Net customer loans	731,125	53,159	48,650	53,337	61,438
Bank loans	99,117	7,404	4,071	4,283	1,487
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	173,464	86,972	97,256	102,567	108,238
Cash & equivalents	11,022	3	3,138	1,919	1,150
Other interesting assets	-	-	-	-	-
Tangible fixed assets	12,865	3,429	3,519	3,202	2,923
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	33,336	9,959	10,333	10,905	11,560
Total assets	1,060,929	160,926	166,968	176,214	186,796
Customer deposits	751,917	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	128,099	60,440	66,484	73,132	80,446
Non interest bearing liabilities	42,995	26,428	27,221	28,037	28,878
Hybrid Capital	-	-	-	-	-
Total liabilities	923,011	86,868	93,705	101,170	109,324
Share capital	11,651	11,651	11,651	11,651	11,651
Reserves	54,084	54,182	53,474	55,058	57,216
Total equity	65,735	65,833	65,126	66,709	68,867
Minority interests	72,183	8,226	8,137	8,335	8,605
Total liabilities & equity	1,060,929	160,927	166,968	176,214	186,796
Supplementary items					
Risk weighted assets (RWA)	786,429	0	0	0	0
Average interest earning assets	1,008,702	588,918	152,148	159,032	170,164
Average interest bearing liabilities	69,808	76,789	84,468	95,127	109,396
Tier 1 capital	101,968	0	1,164	4,108	6,116
Total capital	122,447	0	1,164	4,108	6,116
Gross non performing loans (NPL)	20,172	2,826	3,052	3,296	3,461
Per share (THB)					
Book value per share	56.43	57.50	62.09	63.60	65.66
Tangible book value per share	56.43	57.50	62.09	63.60	65.66
Growth					
Gross customer loans	5.9	(92.5)	(7.0)	10.0	15.0
Average interest earning assets	5.0	(41.6)	(74.2)	4.5	7.0
Total asset (%)	3.5	(84.8)	3.8	5.5	6.0
Risk weighted assets (%)	3.9	(100.0)	-	-	-
Customer deposits (%)	5.0	(100.0)	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	97.2	-	-	-	-
Equity/assets (%)	6.2	40.9	39.0	37.9	36.9
Tangible equity/assets (%)	6.2	40.9	39.0	37.9	36.9
RWA/assets (%)	74.1	-	-	-	-
Tier 1 CAR (%)	13.0	-	-	-	-
Total CAR (%)	15.6	-	-	-	-
Asset Quality					
Change in NPL (%)	6.8	(86.0)	8.0	8.0	5.0
NPL/gross loans (%)	2.7	5.0	5.8	5.7	5.2
Total provisions/gross loans (%)	3.2	5.5	7.3	6.6	7.5
Total provisions/NPL (%)	119.7	110.3	125.3	133.0	142.8
Valuation					
Recurring P/E (x) *	5.0	4.9	7.9	7.3	6.5
Recurring P/E @ target price (x) *	5.4	5.3	8.5	7.8	6.9
Reported P/E (x)	5.0	3.6	4.8	7.3	6.5
Dividend yield (%)	33.9	38.8	70.5	64.7	57.8
Price/book (x)	0.6	0.6	0.5	0.5	0.5
Price/tangible book (x)	0.6	0.6	0.5	0.5	0.5
Price/tangible book @ target price (x)	0.6	0.6	0.6	0.6	0.5

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Thanachart Capital; 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	PM	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	MGT	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

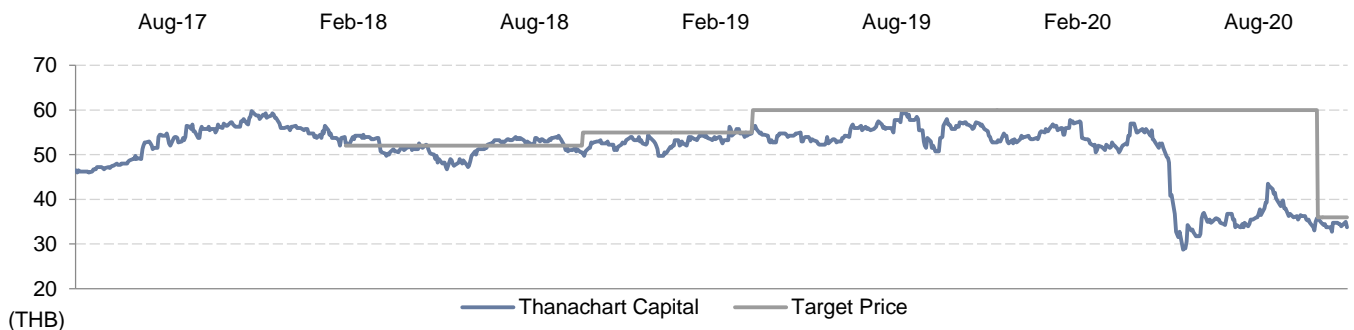
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Thanachart Capital (TCAP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Apr-2018	HOLD	52.00	19-Mar-2019	HOLD	60.00	16-Jul-2020	HOLD	36.00
24-Oct-2018	HOLD	55.00	02-Apr-2020	HOLD	60.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Ratchthani Leasing (THANI TB)



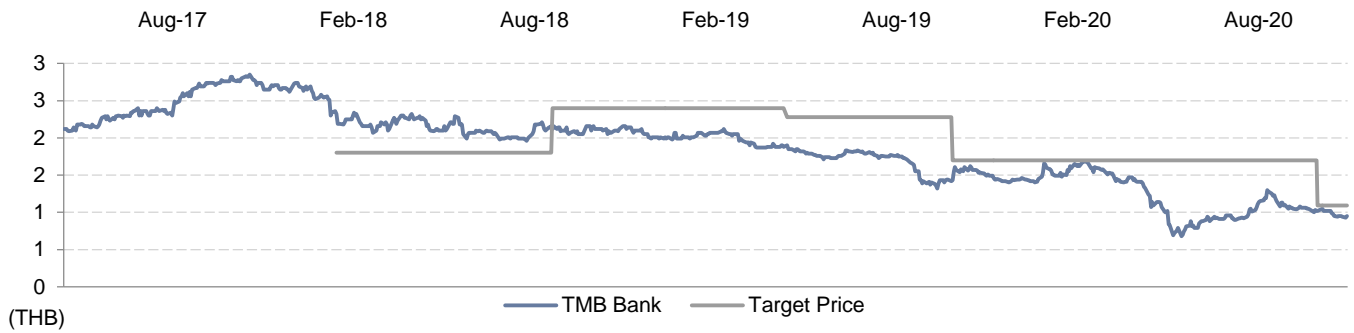
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Jul-2020	BUY	4.56	-	-	-	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

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
Thanachart Capital	TCAP TB	THB 33.75	HOLD	Upside risks to our GGM-based target price are M&A completions and long-term synergy gained, leading to a higher contribution to its earnings. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality, which could lead to higher provisions for both TMB and THANI.
Ratchthani Leasing	THANI TB	THB 4.10	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) changes in financial regulations from the Bank of Thailand.
TMB Bank	TMB TB	THB 0.95	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 11-Aug-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

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

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

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

Country (Strategy) Recommendations

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

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

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