

3 DECEMBER 2020

THAILAND / BANKS

SIAM COMMERCIAL BANK SCB TB

HOLD

UNCHANGED

TARGET PRICE	THB96.00
CLOSE	THB89.00
UP/DOWNSIDE	+7.9%
PRIOR TP	THB70.00
CHANGE IN TP	+37.1%
TP vs CONSENSUS	+9.8%

การตั้งสำรองยังอยู่ในระดับสูง

แนวโน้มระยะสั้นไม่สดใส

SCB ไม่ได้เป็นหนึ่งในหุ้นที่เราชอบในกลุ่มธนาคารของเราในปัจจุบัน เนื่องจากเราคาดว่ากำไรจากการดำเนินงานของธนาคาร จะลดลงเล็กน้อยในปี 2021 แม้เราจะเชื่อว่าค่าใช้จ่ายในการดำเนินงานของธนาคาร อาจเพิ่มในระดับที่ลดลงหลังโครงการ Transformation สิ้นสุดลง และธนาคาร พยายามเร่งใช้ประโยชน์จากสาขาและพนักงานให้ได้สูงสุด แต่ผลประกอบการของธนาคาร มีแนวโน้มที่จะถูกกดดันโดยสำรองที่เพิ่มขึ้นจากการที่ธนาคาร ไม่ได้จัดสรรสำรองเชิงรุกให้พอเพียงสำหรับหนี้ที่ไม่ก่อให้เกิดรายได้ที่มีโอกาสเพิ่มสูงขึ้น

ขาดสำรองเชิงรุก

ก่อนการแพร่ระบาด COVID SCB มักปล่อยสินเชื่อเชิงรุกโดยเลือกความเสี่ยงและผลตอบแทนที่สูง เรามองว่านโยบายดังกล่าวทำให้ SCB มีความเสี่ยงด้านคุณภาพสินเชื่อบริษัทสูงกว่าคู่แข่งในปี 2021 นอกจากนี้ ธนาคาร ยังมีนโยบายแตกต่างจากธนาคารขนาดใหญ่อื่น ๆ โดยเลือกที่จะไม่จัดสรรสำรองเชิงรุกให้เพียงพอสำหรับ NPLs ที่อาจเพิ่มสูงขึ้น ทำให้เราคาดว่า SCB จะยังคงรายงานผลประกอบการที่อ่อนแอ โดยคาดว่ากำไรสุทธิจะลดลง 31% y-y และ 18% q-q ใน 4Q20 และลดลง 1% y-y ในปี 2021 จากการเพิ่มของสำรองเป็นหลัก เรากังวลเกี่ยวกับหนี้ที่ไม่ก่อให้เกิดรายได้ของธนาคาร เนื่องจาก 16% ของสินเชื่อรวมมีแนวโน้มต้องการความช่วยเหลือเพิ่มเติมหลังมาตรการบรรเทาหนี้สิ้นสุด นอกจากนี้ผลประกอบการของธนาคาร อาจถูกกดดันโดยการลดลงของส่วนต่างดอกเบี้ยตามมาตรการบรรเทาหนี้เพิ่มเติมที่ธนาคาร มีให้กับลูกค้า

ปรับลดสมมติฐานอัตราส่วนสำรองต่อสินเชื่อเฉลี่ยและต้นทุนการเงินปี 2022

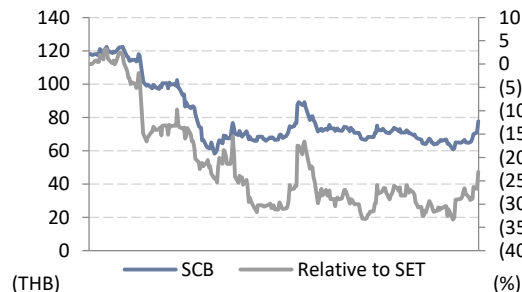
เราคาดว่าประเทศไทยและกลุ่มธนาคารในประเทศจะได้รับประโยชน์อย่างสูงจากการฉีดวัคซีน COVID เนื่องจาก GDP ของไทยพึ่งพาการท่องเที่ยวอย่างหนัก พิจารณาจากปัจจัยดังกล่าว เราปรับ 2 สมมติฐานสำคัญในประมาณการกำไรของเรา ประกอบด้วย: 1) เราปรับลดประมาณการอัตราส่วนสำรองต่อสินเชื่อเฉลี่ย (Credit Cost) ของเราในปี 2022 เหลือ 160 bps จาก 170 bps บนสมมติฐานที่ว่ามีการฉีดวัคซีน ซึ่งจะทำให้คุณภาพสินทรัพย์ดีขึ้นเล็กน้อย; และ 2) เราปรับลดประมาณการต้นทุนการเงินในปี 2022 เหลือ 1.07% จาก 1.09% เนื่องจากเราคาดว่า SCB จะสามารถบริหารต้นทุนการเงินได้ดีขึ้น ซึ่งทำให้เราปรับเพิ่มประมาณการกำไรจากการดำเนินงานในปี 2022 ของเราขึ้น 8%

คงคำแนะนำถือจากแนวโน้มที่อ่อนแอ

เราปรับเพิ่มราคาเป้าหมายของเราเป็น 96 บาท (GGM) เนื่องจากเราปรับลดสมมติฐานต้นทุนส่วนของผู้ถือหุ้น(cost of equity) ของเราเพื่อสะท้อนแนวโน้มการฟื้นตัวทางเศรษฐกิจที่ดีขึ้น ราคาเป้าหมายใหม่ของเราคือเป็น 2021E P/BV ที่ 0.78x ซึ่งเท่ากับ -1.5 STD ต่ำกว่าค่าเฉลี่ย 5 ปีย้อนหลัง เราเชื่อว่าโอกาสที่ราคาจะปรับขึ้นมีจำกัดเนื่องจากกำไรมีแนวโน้มอ่อนแอในระยะสั้น ดังนั้นเราจึงคงคำแนะนำถือ SCB

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Operating profit	44,394	31,993	32,157	39,364
Net profit	40,436	26,078	25,955	31,768
EPS (THB)	11.90	7.67	7.64	9.35
vs Consensus (%)	-	(1.3)	(6.9)	(0.2)
Core net profit	36,072	26,078	25,955	31,768
Core EPS (THB)	10.61	7.67	7.64	9.35
Chg. In EPS est. (%)	-	-	-	8.1
EPS growth (%)	(10.0)	(27.7)	(0.5)	22.4
Core P/E (x)	8.4	11.6	11.7	9.5
Dividend yield (%)	7.0	3.6	3.6	4.5
Price/book (x)	0.8	0.7	0.7	0.7
ROE (%)	9.2	6.4	6.2	7.4
ROA (%)	1.2	0.8	0.8	1.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	37.5	21.9	(25.3)
Relative to country (%)	16.5	13.1	(17.3)
Mkt cap (USD m)	9,992		
3m avg. daily turnover (USD m)	36.2		
Free float (%)	53		
Major shareholder	King Rama X (24%)		
12m high/low (THB)	122.07/58.00		
Issued shares (m)	3,399		

Sources: Bloomberg consensus; FSSIA estimates



Yuvanart Suwanumphai

yuvanart.suw@fssia.com

+66 2611 3554

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 3 ธันวาคม 2020

Investment thesis

In the long run, we still believe SCB will benefit from the completion of its SCB Transformation project. This should lead to a slower increase in its operating expenses and a higher interest margin from its expansion into high-yield lending. However, in the short to medium term, we believe SCB will continue to deliver weak performance in 4Q20-2021E, pressured by elevated provisions and a declining NIM.

We, therefore, maintain our Hold recommendation on SCB.

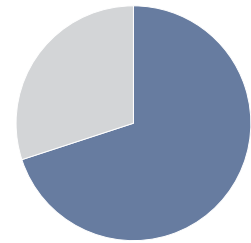
Company profile

SCB is Thailand's first commercial bank, established in 1906. It is ranked the largest in terms of total loans, the second largest for deposits and the fourth largest for total assets as of end-2019. It had a total of 958 branches and 9,372 ATMs, with 10.5m digital users at end-19.

www.scb.co.th

Principal activities (revenue, 2019)

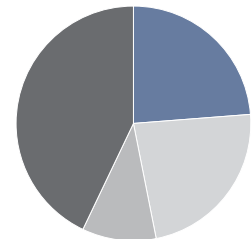
- Net interest income - 70.0 %
- Non-interest income - 30.0 %



Source: Siam Commercial Bank

Major shareholders

- King Rama X - 23.8 %
- Vayupak Fund - 23.1 %
- Thai NVDR - 10.2 %
- Others - 42.9 %



Source: Siam Commercial Bank

Catalysts

Potential share price catalysts for SCB include:

- Lower credit cost from fewer new NPLs;
- Faster utilisation of recently developed digital lending platforms;
- The return of foreign fund flows into the Thai stock market.

Risks to our call

Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a second wave of the COVID-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on its NIM. The upside risk is a better-than-expected ability to control operating expenses.

Event calendar

Date	Event
23 Dec 2020	MPC meeting
3 rd week of Jan 2021	Thai banks' 4Q20/2020 results announcements
15 Feb 2021	GDP 4Q20/2020 announcement

Key assumptions

	2020E	2021E	2022E
	(%)	(%)	(%)
Net profit (THB m)	26,078	25,955	31,768
Net profit growth	(35.5)	(0.5)	22.4
NIM	3.26	3.20	3.19
Loan growth	3.5	2.0	4.0
Fee growth	14.2	5.0	5.0
Non-NII growth*	9.4	(0.3)	4.6
Credit cost (bp)	210	200	160
Cost to income*	46.1	47.2	48.1

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		----- 2021E -----		
Loan growth (%)	±2ppt	0.00	2.00	4.00
% change in net profit		(1.6)	0.0	1.6
NIM (%)	±5bp	3.15	3.20	3.25
% change in net profit		(3.9)	0.0	3.9
Credit cost (bp)	±10bp	190	200	210
% change in net profit		3.0	0.0	(3.0)

Source: FSSIA estimates

Exhibit 1: SCB - Change of key assumptions

	New			Previous			Change		
	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Normalised profit (THB m)	26,078	25,955	31,768	26,078	25,955	29,383	-	-	8.1
Normalised profit growth	(27.7)	(0.5)	22.4	(35.5)	(0.5)	13.2	7.8	-	9.2
NIM	3.26	3.20	3.19	3.26	3.20	3.17	-	-	0.02
Loan growth	3.5	2.0	4.0	3.5	2.0	4.0	-	-	-
Fee growth	14.2	5.0	5.0	14.2	5.0	5.0	-	-	-
Non-NII growth*	9.4	(0.3)	4.6	9.4	(0.3)	4.6	-	-	-
Credit cost (bp)	210	200	160	210	200	170	-	-	(10.0)
Cost of funds	0.86	0.86	1.07	0.86	0.86	1.09	-	-	(0.03)
Cost to income*	46.1	47.2	48.1	46.1	47.2	48.4	-	-	(0.23)

*Including share of profits from associates

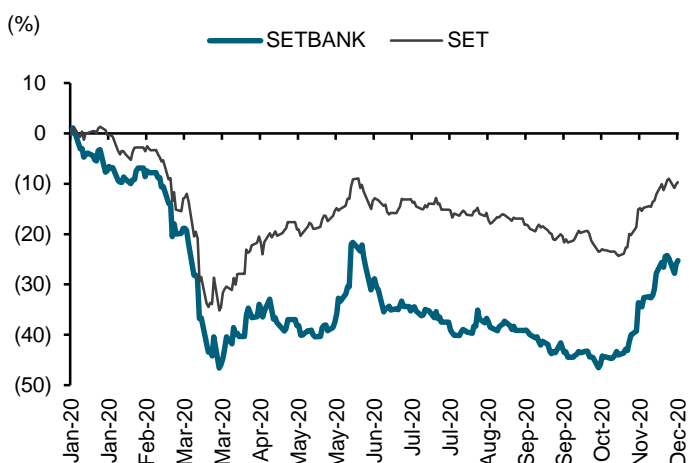
Sources: FSSIA estimates

Exhibit 2: SCB - GGM-derived target price

Target price	THB 96 (from THB70)
Recommendation	HOLD
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Cost to equity (%)	7.5 (from 8.4)
Terminal growth (%)	4.1 (from 3.7)
ROE target (%)	6.7 (from 6.4)
Risk to TP	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a second wave of the COVID-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on its NIM. The upside risk is a better-than-expected ability to control operating expenses

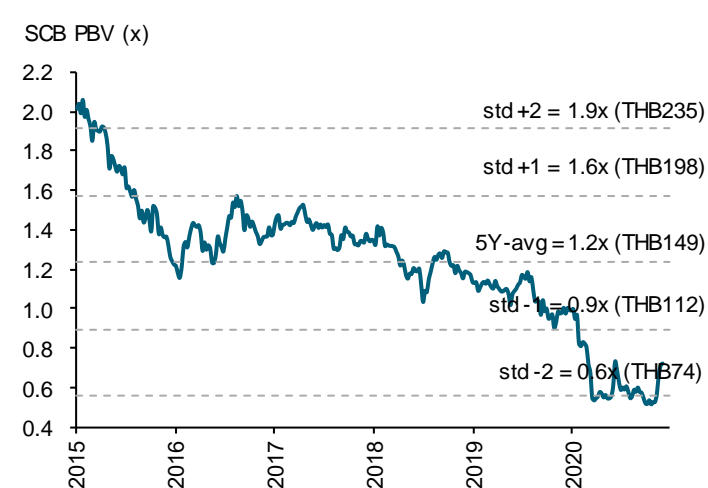
Source: FSSIA estimates

Exhibit 4: Index performance since end-2019



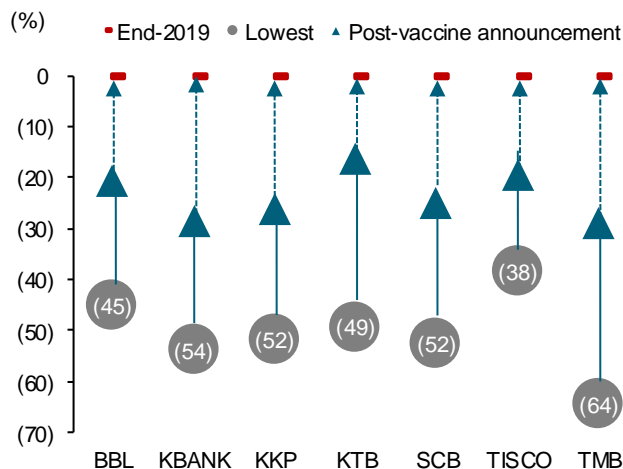
Sources: Bloomberg; FSSIA's compilation

Exhibit 3: SCB – one-year forward rolling P/BV



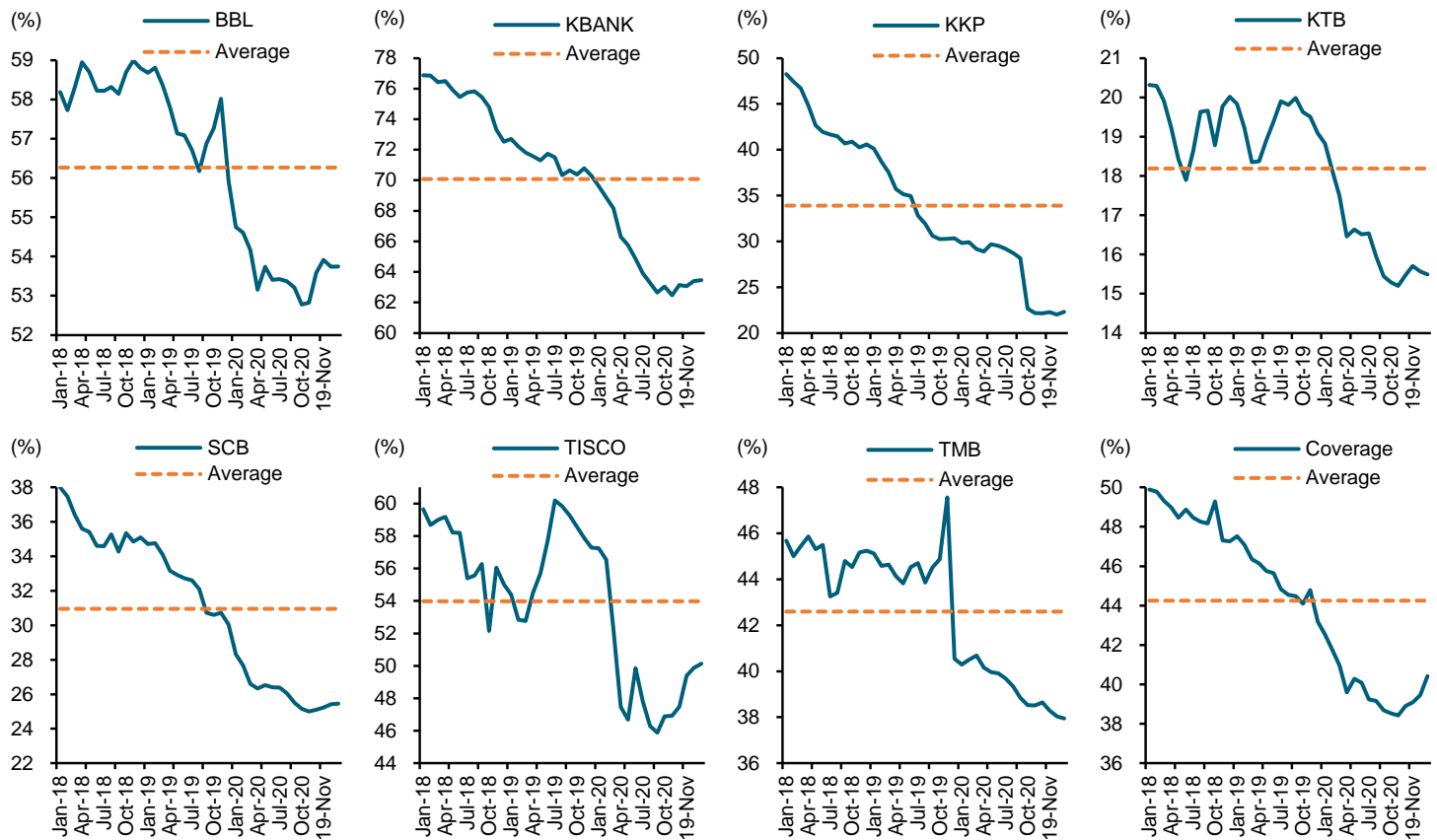
Sources: Bloomberg, FSSIA estimates

Exhibit 5: Share price performance post “vaccine announcement”



Sources: Bloomberg; FSSIA's compilation

Exhibit 6: Foreign holding of Thai banks under coverage



Sources: SET; FSSIA's compilation

Exhibit 7: Key valuations of Thai banks under coverage

	Rec	---Share price---			Up (down) side	Market Cap	EPS growth		--- PE ---		-- DivYld -		--- ROE ---		--- PBV --	
		Current	Target				21E	22E	21E	22E	21E	22E	21E	22E	21E	22E
		(THB)	(THB)	(%)			(%)	(%)	(%)	(x)	(x)	(%)	(%)	(%)	(%)	(x)
Bangkok Bank	BBL TB	BUY	123.50	156.00	26	7,795	15.5	19.4	10.1	8.4	4.0	4.9	5.2	6.0	0.5	0.5
Kasikornbank	KBANK TB	BUY	111.50	144.00	29	8,735	16.8	16.2	10.2	8.8	2.9	3.3	6.1	6.7	0.6	0.6
Kiatnakin Bank	KKP TB	BUY	48.75	60.00	23	1,365	10.8	12.3	7.3	6.5	7.7	8.7	11.9	12.7	0.8	0.8
Krung Thai Bank	KTB TB	HOLD	10.90	11.90	9	5,037	13.3	13.9	7.9	7.0	4.4	5.0	5.5	6.0	0.4	0.4
Siam Commercial Bank	SCB TB	HOLD	89.00	96.00	8	9,992	(0.5)	22.4	11.7	9.5	3.6	4.5	6.2	7.4	0.7	0.7
Tisco Financial	TISCO TB	BUY	81.75	102.00	25	2,164	5.5	13.2	10.3	9.1	9.2	9.2	15.6	16.7	1.5	1.5
TMB Bank	TMB TB	HOLD	1.11	1.21	9	3,538	11.5	24.8	9.4	7.5	3.2	4.0	5.4	6.5	0.5	0.5
Coverage						38,626	10.4	18.3	9.9	8.4	4.0	4.7	6.1	6.9	0.6	0.6

Share prices as of 2 Dec 2020

Source: FSSIA estimates

Financial Statements

Siam Commercial Bank

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Interest Income	129,127	135,025	117,950	120,279	124,594
Interest expense	(32,758)	(35,624)	(21,513)	(22,266)	(27,069)
Net interest income	96,369	99,401	96,436	98,013	97,525
Net fees & commission	28,456	29,670	33,895	35,589	37,369
Foreign exchange trading income	7,945	6,817	0	0	0
Securities trading income	2,930	5,383	10,800	9,755	10,008
Dividend income	1,211	627	314	345	380
Other income	1,266	145	1,622	811	892
Non interest income	41,808	42,642	46,631	46,501	48,649
Total income	138,177	142,043	143,067	144,513	146,174
Staff costs	(29,347)	(33,281)	(31,617)	(32,249)	(33,216)
Other operating costs	(35,292)	(37,257)	(34,291)	(35,914)	(37,175)
Operating costs	(64,639)	(70,538)	(65,908)	(68,163)	(70,391)
Pre provision operating profit	73,538	71,505	77,159	76,350	75,783
Provision for bad and doubtful debt	(24,023)	(27,111)	(45,166)	(44,193)	(36,418)
Other provisions	-	-	-	-	-
Operating profit	49,515	44,394	31,993	32,157	39,364
Recurring non operating income	47	31	34	37	41
Associates	47	31	34	37	41
Goodwill amortization	-	-	-	-	-
Non recurring items	0	4,364	0	0	0
Profit before tax	49,563	48,789	32,027	32,195	39,405
Tax	(9,468)	(8,538)	(6,117)	(6,214)	(7,605)
Profit after tax	40,095	40,250	25,910	25,981	31,800
Minority interests	(28)	185	168	(26)	(32)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	40,067	40,436	26,078	25,955	31,768
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	40,067	36,072	26,078	25,955	31,768
Per share (THB)					
Recurring EPS *	11.79	10.61	7.67	7.64	9.35
Reported EPS	11.79	11.90	7.67	7.64	9.35
DPS	5.50	6.25	3.20	3.20	4.00
Growth					
Net interest income (%)	4.4	3.1	(3.0)	1.6	(0.5)
Non interest income (%)	(4.8)	2.0	9.4	(0.3)	4.6
Pre provision operating profit (%)	(6.4)	(2.8)	7.9	(1.0)	(0.7)
Operating profit (%)	(7.5)	(10.3)	(27.9)	0.5	22.4
Reported net profit (%)	(7.1)	0.9	(35.5)	(0.5)	22.4
Recurring EPS (%)	(7.1)	(10.0)	(27.7)	(0.5)	22.4
Reported EPS (%)	(7.1)	0.9	(35.5)	(0.5)	22.4
Income Breakdown					
Net interest income (%)	69.7	70.0	67.4	67.8	66.7
Net fees & commission (%)	20.6	20.9	23.7	24.6	25.6
Foreign exchange trading income (%)	5.7	4.8	-	-	-
Securities trading income (%)	2.1	3.8	7.5	6.8	6.8
Dividend income (%)	0.9	0.4	0.2	0.2	0.3
Other income (%)	0.9	0.1	1.1	0.6	0.6
Operating performance					
Gross interest yield (%)	4.30	4.54	3.99	3.93	4.07
Cost of funds (%)	1.40	1.49	0.86	0.86	1.07
Net interest spread (%)	2.90	3.05	3.13	3.07	3.00
Net interest margin (%)	3.2	3.3	3.3	3.2	3.2
Cost/income(%)	46.8	49.7	46.1	47.2	48.2
Cost/assets(%)	2.1	2.3	2.1	2.2	2.3
Effective tax rate (%)	19.1	17.5	19.1	19.3	19.3
Dividend payout on recurring profit (%)	46.7	58.9	41.7	41.9	42.8
ROE (%)	10.8	9.2	6.4	6.2	7.4
ROE - COE (%)	0.0	(1.6)	(4.4)	(4.6)	(3.4)
ROA (%)	1.3	1.2	0.8	0.8	1.0
RORWA (%)	1.9	1.7	1.2	1.2	1.4

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Siam Commercial Bank; FSSIA estimates

Financial Statements

Siam Commercial Bank

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Gross customer loans	2,140,561	2,113,787	2,187,770	2,231,525	2,320,786
Total provisions	(103,273)	(114,272)	(133,186)	(170,684)	(183,895)
interest in suspense	3,334	2,946	6,126	6,248	6,498
Net customer loans	2,040,622	2,002,461	2,060,710	2,067,090	2,143,390
Bank loans	377,905	433,510	517,638	471,699	380,095
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	568,901	312,143	354,194	356,378	358,720
Cash & equivalents	47,117	47,615	34,791	35,512	22,966
Other interesting assets	-	-	-	-	-
Tangible fixed assets	56,656	57,418	53,715	50,281	47,093
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	96,139	110,599	159,003	156,893	155,382
Total assets	3,187,340	2,963,746	3,180,051	3,137,851	3,107,646
Customer deposits	2,159,631	2,159,425	2,345,914	2,298,996	2,253,016
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	264,034	235,592	288,605	282,833	277,176
Non interest bearing liabilities	382,692	167,882	134,306	134,306	134,306
Hybrid Capital	-	-	-	-	-
Total liabilities	2,806,357	2,562,900	2,768,825	2,716,135	2,664,498
Share capital	33,992	33,992	33,956	33,956	33,956
Reserves	346,035	366,366	376,768	387,247	408,652
Total equity	380,027	400,358	410,724	421,203	442,608
Minority interests	956	489	501	514	540
Total liabilities & equity	3,187,340	2,963,746	3,180,051	3,137,851	3,107,646
Supplementary items					
Risk weighted assets (RWA)	2,167,158	2,075,492	2,201,392	2,245,420	2,335,236
Average interest earning assets	3,004,768	2,973,403	2,959,521	3,059,601	3,059,601
Average interest bearing liabilities	2,344,644	2,396,471	2,499,650	2,589,917	2,538,119
Tier 1 capital	326,683	352,691	369,802	379,842	397,826
Total capital	370,485	375,206	392,317	402,357	420,341
Gross non performing loans (NPL)	70,389	85,212	106,515	143,795	138,043
Per share (THB)					
Book value per share	111.79	117.77	120.83	123.91	130.21
Tangible book value per share	111.79	117.77	120.83	123.91	130.21
Growth					
Gross customer loans	5.2	(1.3)	3.5	2.0	4.0
Average interest earning assets	5.3	(1.0)	(0.5)	3.4	-
Total asset (%)	5.4	(7.0)	7.3	(1.3)	(1.0)
Risk weighted assets (%)	5.4	(4.2)	6.1	2.0	4.0
Customer deposits (%)	3.2	0.0	8.6	(2.0)	(2.0)
Leverage & capital measures					
Customer loan/deposits (%)	94.5	92.7	87.8	89.9	95.1
Equity/assets (%)	11.9	13.5	12.9	13.4	14.2
Tangible equity/assets (%)	11.9	13.5	12.9	13.4	14.2
RWA/assets (%)	68.0	70.0	69.2	71.6	75.1
Tier 1 CAR (%)	15.1	17.0	16.8	16.9	17.0
Total CAR (%)	17.1	18.1	17.8	17.9	18.0
Asset Quality					
Change in NPL (%)	7.4	21.1	25.0	35.0	(4.0)
NPL/gross loans (%)	3.3	4.0	4.9	6.4	5.9
Total provisions/gross loans (%)	4.8	5.4	6.1	7.4	7.9
Total provisions/NPL (%)	146.7	134.1	125.0	118.7	133.2
Valuation					
Recurring P/E (x) *	7.6	8.4	11.6	11.7	9.5
Recurring P/E @ target price (x) *	8.1	9.0	12.5	12.6	10.3
Reported P/E (x)	7.6	7.5	11.6	11.7	9.5
Dividend yield (%)	6.2	7.0	3.6	3.6	4.5
Price/book (x)	0.8	0.8	0.7	0.7	0.7
Price/tangible book (x)	0.8	0.8	0.7	0.7	0.7
Price/tangible book @ target price (x)	0.9	0.8	0.8	0.8	0.7

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Siam Commercial 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	SEAOL	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	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 Suwanumchai 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.

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
Siam Commercial Bank	SCB TB	THB 89.00	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a second wave of the COVID-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on its NIM. The upside risk is a better-than-expected ability to control operating expenses.
Bangkok Bank	BBL TB	THB 123.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a second wave of the COVID-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.
Kasikornbank	KBANK TB	THB 111.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a second wave of the COVID-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.
Kiatnakin Bank	KKP TB	THB 48.75	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
Krung Thai Bank	KTB TB	THB 10.90	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a second wave of the COVID-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs. The upside risk is the better-than-expected ability to control cost of funds.
Tisco Financial	TISCO TB	THB 81.75	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a second wave of the COVID-19 pandemic affecting to loan growth and asset quality; 2) the impact of new regulations from the Bank of Thailand on debt-servicing programs; and 3) the slow expansion of its high yield auto cash portfolio.
TMB Bank	TMB TB	THB 1.11	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 Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 2-Dec-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.