

3 DECEMBER 2020

THAILAND / BANKS

TISCO FINANCIAL TISCO TB

BUY

UNCHANGED

TARGET PRICE	THB102.00
CLOSE	THB81.75
UP/DOWNSIDE	+24.8%
PRIOR TP	THB80.00
CHANGE IN TP	+27.5%
TP vs CONSENSUS	+14.9%

Defensive play

ฐานะทางการเงินดี ผลตอบแทนในรูปเงินปันผลสูง

เราเชื่อว่า TISCO เป็นหนึ่งในหุ้น Defensive ที่ดีที่สุดจาก 1) ความสามารถของธนาคารฯ ในการรักษาคุณภาพสินทรัพย์และเลือกโถในตลาดที่สัดส่วนความเสี่ยงต่อผลตอบแทนมีความคุ้มค่าและเป็นประโยชน์ต่อผู้ถือหุ้น; และ 2) สัดส่วนเงินกองทุนชั้นที่ 1 ที่สูงที่สุดในกลุ่มธนาคารที่เราทำการศึกษา โดยอยู่ที่ 18.2% ซึ่งทำให้ธนาคารฯ จ่ายเงินปันผลได้ในระดับสูง แม้ว่า TISCO จะเป็นธนาคารเพียงแห่งเดียวที่อาจได้รับผลกระทบจากนโยบายเงินปันผลของ ธปท. ในปี 2020 เราเชื่อว่าธนาคารฯ อาจเพิ่มอัตราการจ่ายเงินปันผลให้สูงกว่า 100% ในปีหน้า

ความเสี่ยงด้านคุณภาพสินทรัพย์ที่ต่ำ และมี cushion ทั้งในด้านค่าใช้จ่ายดำเนินงานและการตั้งสำรอง

TISCO มุ่งเน้นในด้านมาตรฐานการอนุมัติสินเชื่อที่เข้มงวดมากกว่าขนาดของงบดุล ดังนั้น แม้ว่าอัตราการเติบโตของสินเชื่อของธนาคารฯ ในรอบ 3 ปี (2017-2019) จะอยู่ที่เพียง 2.6% CAGR ธนาคารฯ สามารถให้เงินปันผลและ ROE ในระดับสูง โดยมีค่าเฉลี่ยของ ROE อยู่ที่ 18.9% ในช่วงปี 2017-2019 เราเชื่อว่ามาตรฐานการอนุมัติสินเชื่อดังกล่าวจะลดแรงกดดันจากคุณภาพสินทรัพย์ของธนาคารฯ ในช่วงวิกฤต COVID-19 นอกจากนี้ TISCO ยังได้เร่งรัดนโยบายในด้านอัตราส่วนสำรองต่อสินเชื่อเฉลี่ยมาตั้งแต่ปี 2013 ดังจะเห็นได้จากสัดส่วนสำรองต่อสินเชื่อเฉลี่ยต่อคุณภาพที่สูงที่สุดถึง 196% ใน 3Q20 ปัจจุบันดังกล่าวทำให้ TISCO สามารถใช้สำรองของธนาคารฯ เพื่อรองรับความผันผวนของกำไร นอกจากนี้ TISCO ยังมีความยืดหยุ่นสูงในด้านโครงสร้างต้นทุน ซึ่งช่วยลดความเสี่ยงในด้านรายได้บางส่วน

ปรับลดสมมติฐานอัตราส่วนสำรองต่อสินเชื่อเฉลี่ยและต้นทุนการเงินปี 2022

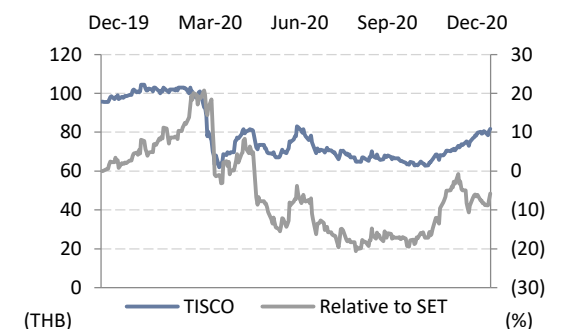
เราคาดว่าประเทศไทยและกลุ่มธนาคารในประเทศจะได้ประโยชน์อย่างสูงจากการฉีดวัคซีน COVID เนื่องจาก GDP ของไทยพึ่งพาการท่องเที่ยวอย่างหนัก พิจารณาจากปัจจัยดังกล่าว เราปรับ 2 สมมติฐานสำคัญในประมาณการกำไรของเรา ประกอบด้วย: 1) เราปรับลดประมาณการอัตราส่วนสำรองต่อสินเชื่อเฉลี่ย (Credit Cost) ของเราในปี 2022 เหลือ 85 bps จาก 100 bps บนสมมติฐานที่ว่ามีการฉีดวัคซีน ซึ่งจะช่วยให้คุณภาพสินทรัพย์ดีขึ้นเล็กน้อย; และ 2) เราปรับลดประมาณการต้นทุนการเงินในปี 2022 เหลือ 1.78% จาก 1.84% เนื่องจากเราคาดว่า TISCO จะสามารถบริหารต้นทุนการเงินได้ดีขึ้น ซึ่งทำให้เราปรับเพิ่มประมาณการกำไรจากการดำเนินงานในปี 2022 ของเราขึ้น 5.7%

คงเลือก TISCO เป็นหนึ่งในหุ้นเด่นของเราหลังปรับราคาเป้าหมายเป็น 102 บาท

เราปรับเพิ่มราคาเป้าหมายของเราเป็น 102 บาท (GGM) เนื่องจากเราปรับลดสมมติฐานต้นทุนส่วนของผู้ถือหุ้น(cost of equity) ของเราเพื่อสะท้อนแนวโน้มการฟื้นตัวของเศรษฐกิจที่ดีขึ้น ราคาเป้าหมายใหม่ของเราคิดเป็น 2021E P/BV ที่ 1.91x ซึ่งเท่ากับ +1 STD เหนือค่าเฉลี่ย 5 ปีย้อนหลัง เราเชื่อว่าความเสี่ยงในด้านคุณภาพสินทรัพย์ที่อยู่ในระดับต่ำของธนาคารฯ ผลตอบแทนจากเงินลงทุนที่อยู่ในระดับสูงเมื่อเทียบกับธนาคารไทย และเงินปันผลที่คาดว่าจะอยู่ในระดับสูงในปี 2021 จะเป็นปัจจัยบวกที่ทำให้ราคาหุ้นปรับขึ้นได้

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Operating profit	9,044	7,441	7,852	8,882
Net profit	7,270	6,033	6,367	7,204
EPS (THB)	9.08	7.53	7.95	9.00
vs Consensus (%)	-	2.6	2.0	5.7
Core net profit	7,270	6,033	6,367	7,204
Core EPS (THB)	9.08	7.53	7.95	9.00
Chg. In EPS est. (%)	-	-	-	5.7
EPS growth (%)	3.6	(17.0)	5.5	13.2
Core P/E (x)	9.0	10.8	10.3	9.1
Dividend yield (%)	9.5	4.6	9.2	9.2
Price/book (x)	1.7	1.7	1.5	1.5
ROE (%)	18.9	15.4	15.6	16.7
ROA (%)	2.4	2.0	2.2	2.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	12.0	22.0	(16.2)
Relative to country (%)	(5.1)	13.2	(7.2)
Mkt cap (USD m)	2,164		
3m avg. daily turnover (USD m)	15.0		
Free float (%)	80		
Major shareholder	Thai NVDR (11%)		
12m high/low (THB)	107.00/61.25		
Issued shares (m)	801		

Sources: Bloomberg consensus; FSSIA estimates



Yuvanart Suwanumphai

yuvanart.suw@fssia.com

+66 2611 3554

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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 3 ธันวาคม 2020

Investment thesis

Our BUY call on TISCO is in view of it having one of the highest dividend yields among the banks under our coverage. We believe TISCO could sustain such high dividend payments over the next 2-3 years at least, due to its solid capital base along with its selective growth strategy. We also believe that TISCO is one of the banks that will be the least affected by the COVID-19 outbreak, owing to its proactive build-up of provisions. Additionally, in the long run, when auto-hire purchases play a more important role, we think it will be a key driver for TISCO's profitability and loan growth.

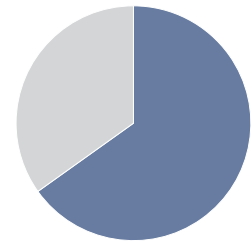
Company profile

TISCO was the first Thai investment bank (in 1969) and the first finance company to be upgraded to a commercial bank (in 2005). At present, TISCO is a financial group holding company with a sustainable development operating framework. TISCO businesses are both retail banking and corporate banking.

www.tisco.co.th

Principal activities (revenue, 2019)

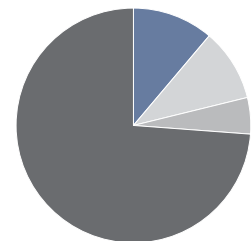
- Net interest income - 65.1 %
- Non-interest income - 34.9 %



Source: Tisco Financial

Major shareholders

- Thai NVDR - 11.2 %
- CDIB & Partners Investment Holding - 10.0 %
- South East Asia UK (Type C) Nominees - 5.0 %
- Others - 73.8 %



Source: Tisco Financial

Catalyst

Potential share price catalysts for TISCO include:

- A high-yield auto title loan volume recovery;
- Better operating cost control.

Risk 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 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.

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)	6,033	6,367	7,204
Net profit growth	(17.0)	5.5	13.2
NIM	4.44	4.39	4.35
Loan growth	(9.0)	-	3.0
Fee growth	(16.9)	8.0	13.2
Non-NII growth*	(14.9)	8.7	12.7
Credit cost (bp)	137	117	85
Cost to income*	43.1	44.3	44.5

* Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		----- 2021E -----		
Loan growth (%)	±2ppt	(2.0)	0.0	2.0
% change in net profit		(1.4)	-	1.4
NIM (%)	±5bp	4.34	4.39	4.44
% change in net profit		(1.7)	-	1.7
Credit cost (bp)	±10bp	107	117	127
% change in net profit		1.4	-	(1.4)

Source: FSSIA estimates

Exhibit 1: TISCO – Change of key assumptions

	New			Previous			Change		
	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Normalised profit (THB m)	6,033	6,367	7,204	6,033	6,367	6,817	-	-	5.7
Normalised profit growth	(17.0)	5.5	13.2	(17.0)	5.5	7.1	-	-	6.1
NIM	4.44	4.39	4.35	4.44	4.39	4.30	-	-	0.05
Loan growth	(9.0)	-	3.0	(9.0)	0.0	3.0	-	-	-
Fee growth	(16.9)	8.0	13.2	(16.9)	8.0	13.2	-	-	-
Non-NII growth*	(14.9)	8.7	12.7	(14.9)	8.7	12.7	-	-	-
Credit cost (bp)	137	117	85	137	117	100	-	-	(15.0)
Cost of funds	1.60	1.60	1.78	1.60	1.60	1.84	-	-	(0.06)
Cost to income*	43.1	44.3	44.5	43.1	44.3	44.8	-	-	(0.33)

*Including share of profits from associates

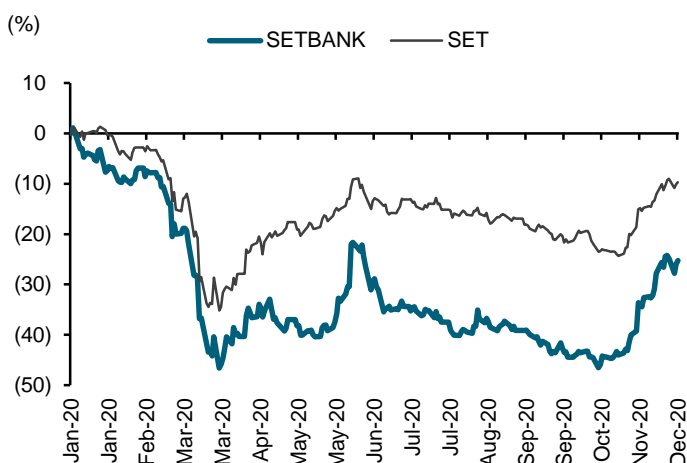
Source: FSSIA estimates

Exhibit 2: TISCO – GGM-derived target price

Target price	THB 102 (from THB80)
Recommendation	BUY
Risk-free rate (%)	3 (unchanged)
Market risk premium (%)	8 (unchanged)
Cost to equity (%)	11.0 (from 12.1)
Terminal growth (%)	4.8 (from 4.5)
ROE target (%)	16.6 (from 16.5)
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 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.

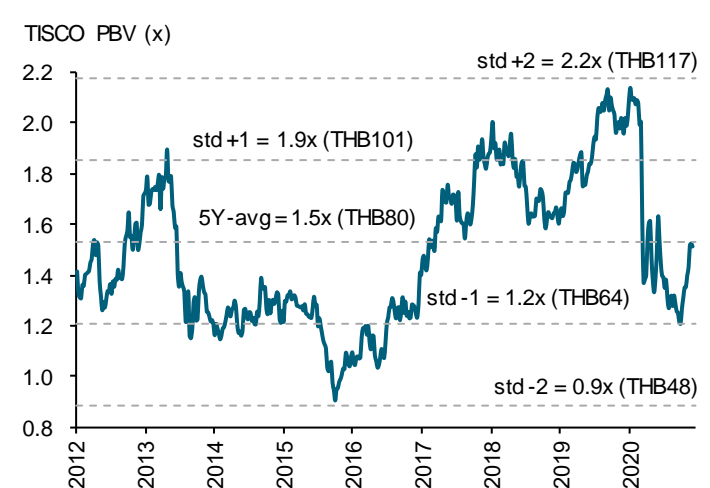
Source: FSSIA estimates

Exhibit 4: Index performance since end-2019



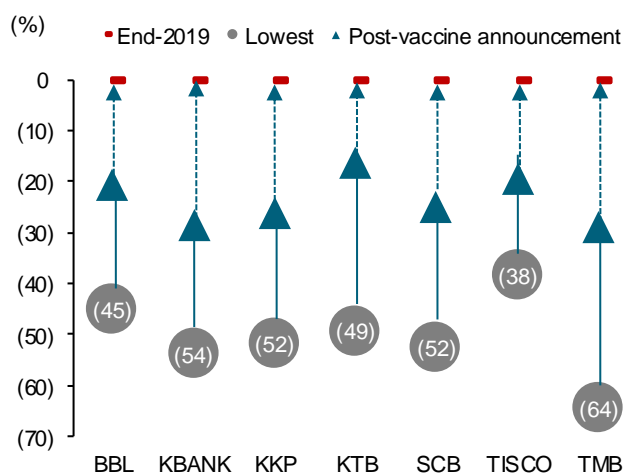
Sources: Bloomberg; FSSIA's compilation

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



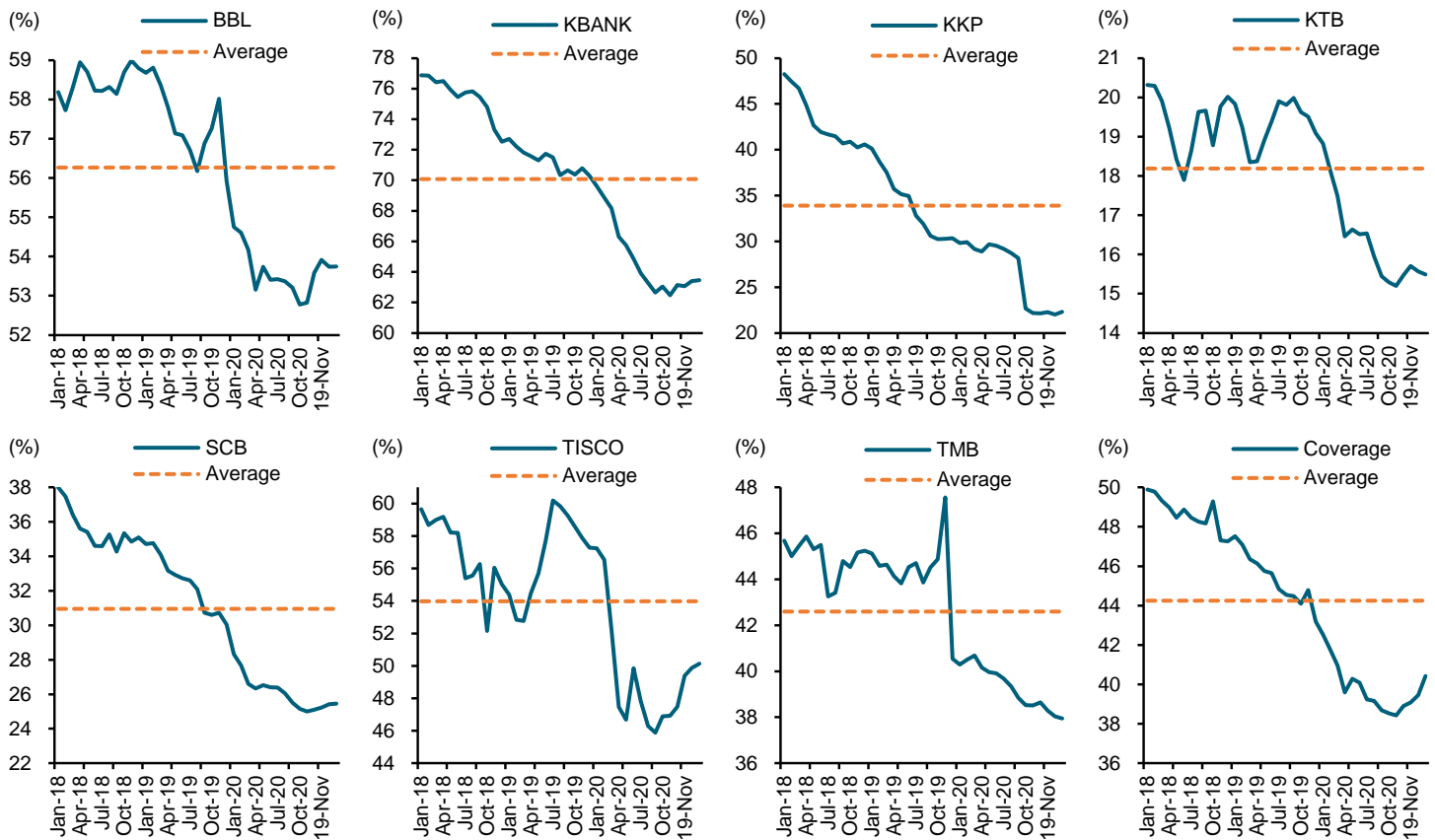
Sources: Bloomberg; FSSIA estimates

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 (THB)	Target (THB)			21E (%)	22E (%)	21E (x)	22E (x)	21E (%)	22E (%)	21E (%)	22E (%)	21E (x)	22E (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

Tisco Financial

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Interest Income	17,690	17,478	16,945	16,426	16,741
Interest expense	(5,076)	(5,089)	(3,870)	(3,748)	(4,160)
Net interest income	12,615	12,389	13,075	12,678	12,581
Net fees & commission	6,095	6,185	5,141	5,552	6,285
Foreign exchange trading income	6	(24)	0	0	0
Securities trading income	496	7	2	63	66
Dividend income	63	65	74	82	98
Other income	535	399	399	409	432
Non interest income	7,196	6,631	5,616	6,106	6,881
Total income	19,810	19,020	18,692	18,784	19,462
Staff costs	(5,839)	(6,410)	(5,256)	(5,467)	(5,740)
Other operating costs	(2,914)	(2,860)	(2,815)	(2,878)	(2,933)
Operating costs	(8,753)	(9,271)	(8,072)	(8,345)	(8,673)
Pre provision operating profit	11,057	9,750	10,620	10,439	10,789
Provision for bad and doubtful debt	(2,701)	(706)	(3,179)	(2,587)	(1,908)
Other provisions	-	-	-	-	-
Operating profit	8,356	9,044	7,441	7,852	8,882
Recurring non operating income	351	12	37	41	49
Associates	223	12	37	41	49
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	8,707	9,056	7,478	7,893	8,931
Tax	(1,663)	(1,783)	(1,443)	(1,523)	(1,724)
Profit after tax	7,044	7,273	6,035	6,369	7,207
Minority interests	(28)	(3)	(2)	(3)	(3)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	7,016	7,270	6,033	6,367	7,204
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	7,016	7,270	6,033	6,367	7,204
Per share (THB)					
Recurring EPS *	8.76	9.08	7.53	7.95	9.00
Reported EPS	8.76	9.08	7.53	7.95	9.00
DPS	7.00	7.75	3.75	7.50	7.50
Growth					
Net interest income (%)	9.1	(1.8)	5.5	(3.0)	(0.8)
Non interest income (%)	7.5	(7.8)	(15.3)	8.7	12.7
Pre provision operating profit (%)	4.4	(11.8)	8.9	(1.7)	3.4
Operating profit (%)	11.2	8.2	(17.7)	5.5	13.1
Reported net profit (%)	15.2	3.6	(17.0)	5.5	13.2
Recurring EPS (%)	15.2	3.6	(17.0)	5.5	13.2
Reported EPS (%)	15.2	3.6	(17.0)	5.5	13.2
Income Breakdown					
Net interest income (%)	63.7	65.1	70.0	67.5	64.6
Net fees & commission (%)	30.8	32.5	27.5	29.6	32.3
Foreign exchange trading income (%)	0.0	(0.1)	-	-	-
Securities trading income (%)	2.5	0.0	0.0	0.3	0.3
Dividend income (%)	0.3	0.3	0.4	0.4	0.5
Other income (%)	2.7	2.1	2.1	2.2	2.2
Operating performance					
Gross interest yield (%)	5.81	5.80	5.75	5.69	5.78
Cost of funds (%)	1.99	2.04	1.60	1.60	1.78
Net interest spread (%)	3.82	3.76	4.15	4.09	4.00
Net interest margin (%)	4.1	4.1	4.4	4.4	4.3
Cost/income(%)	44.2	48.7	43.2	44.4	44.6
Cost/assets(%)	2.9	3.1	2.7	2.9	3.0
Effective tax rate (%)	19.1	19.7	19.3	19.3	19.3
Dividend payout on recurring profit (%)	79.9	85.3	49.8	94.3	83.4
ROE (%)	19.4	18.9	15.4	15.6	16.7
ROE - COE (%)	8.6	8.1	4.6	4.8	5.9
ROA (%)	2.3	2.4	2.0	2.2	2.5
RORWA (%)	3.9	4.1	3.3	3.5	3.9

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Tisco Financial; FSSIA estimates

Financial Statements

Tisco Financial

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Gross customer loans	240,654	242,963	221,096	221,096	227,729
Total provisions	(11,674)	(10,314)	(10,839)	(11,547)	(11,746)
interest in suspense	643	746	619	619	638
Net customer loans	229,623	233,396	210,876	210,169	216,620
Bank loans	54,071	45,300	57,372	52,265	50,574
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	9,812	10,177	12,510	13,253	14,044
Cash & equivalents	1,192	1,103	443	2,461	2,743
Other interesting assets	-	-	-	-	-
Tangible fixed assets	3,003	3,003	4,260	4,322	4,385
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	4,859	5,272	5,137	5,083	5,189
Total assets	302,561	298,250	290,598	287,552	293,555
Customer deposits	193,108	216,085	207,706	202,514	206,564
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	60,170	29,980	31,438	30,742	31,395
Non interest bearing liabilities	11,453	12,989	12,340	11,723	11,723
Hybrid Capital	-	-	-	-	-
Total liabilities	264,731	259,054	251,484	244,979	249,681
Share capital	8,006	8,006	8,006	8,006	8,006
Reserves	29,691	31,186	31,105	34,564	35,863
Total equity	37,698	39,193	39,111	42,570	43,870
Minority interests	133	3	3	3	4
Total liabilities & equity	302,561	298,250	290,598	287,552	293,555
Supplementary items					
Risk weighted assets (RWA)	172,030	185,573	181,484	181,484	186,929
Average interest earning assets	304,345	301,489	294,709	288,796	289,480
Average interest bearing liabilities	254,805	249,671	242,004	234,970	234,316
Tier 1 capital	28,826	30,395	30,842	34,039	34,820
Total capital	36,918	38,562	39,008	42,206	42,986
Gross non performing loans (NPL)	6,876	5,839	6,307	6,622	6,622
Per share (THB)					
Book value per share	47.08	48.95	48.85	53.17	54.79
Tangible book value per share	47.08	48.95	48.85	53.17	54.79
Growth					
Gross customer loans	(4.3)	1.0	(9.0)	-	3.0
Average interest earning assets	5.9	(0.9)	(2.2)	(2.0)	0.2
Total asset (%)	(0.3)	(1.4)	(2.6)	(1.0)	2.1
Risk weighted assets (%)	(7.8)	7.9	(2.2)	-	3.0
Customer deposits (%)	6.8	11.9	(3.9)	(2.5)	2.0
Leverage & capital measures					
Customer loan/deposits (%)	118.9	108.0	101.5	103.8	104.9
Equity/assets (%)	12.5	13.1	13.5	14.8	14.9
Tangible equity/assets (%)	12.5	13.1	13.5	14.8	14.9
RWA/assets (%)	56.9	62.2	62.5	63.1	63.7
Tier 1 CAR (%)	16.8	16.4	17.0	18.8	18.6
Total CAR (%)	21.5	20.8	21.5	23.3	23.0
Asset Quality					
Change in NPL (%)	18.0	(15.1)	8.0	5.0	-
NPL/gross loans (%)	2.9	2.4	2.9	3.0	2.9
Total provisions/gross loans (%)	4.9	4.2	4.9	5.1	5.2
Total provisions/NPL (%)	169.8	176.6	171.9	174.4	177.4
Valuation					
Recurring P/E (x) *	9.3	9.0	10.8	10.3	9.1
Recurring P/E @ target price (x) *	11.6	11.2	13.5	12.8	11.3
Reported P/E (x)	9.3	9.0	10.8	10.3	9.1
Dividend yield (%)	8.6	9.5	4.6	9.2	9.2
Price/book (x)	1.7	1.7	1.7	1.5	1.5
Price/tangible book (x)	1.7	1.7	1.7	1.5	1.5
Price/tangible book @ target price (x)	2.2	2.1	2.1	1.9	1.9

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Tisco Financial; 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	CENTEL
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	KBS	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

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Company	Ticker	Price	Rating	Valuation & Risks
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 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.
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.
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.
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 02-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.