

3 DECEMBER 2020

THAILAND / BANKS

TMB BANK TMB TB

HOLD

UNCHANGED

TARGET PRICE	THB1.21
CLOSE	THB1.11
UP/DOWNSIDE	+9.0%
PRIOR TP	THB1.09
CHANGE IN TP	+11.0%
TP vs CONSENSUS	+7.6%

ยังต้องรอให้เกิด synergy จากการควบรวม

แนวโน้มกำไรอ่อนแอในอีก 3 ไตรมาสข้างหน้า

เรามองว่า TMB ไม่น่าสนใจในขณะนี้ เนื่องจากเราคาดว่ากำไรสุทธิของธนาคารฯ จะลดลง y-y ใน 3 ไตรมาสข้างหน้าโดยเฉพาะในช่วง 4Q20-1Q21 โดยมีเหตุผลจาก 1) ผลขาดทุนด้านเครดิตที่คาดว่าจะเกิดขึ้น (Expected Credit Losses หรือ ECL) ที่สูงขึ้น เนื่องจาก TMB ไม่ได้จัดสรรสำรองเชิงรุกให้เพียงพอสำหรับหนี้ที่ไม่ก่อให้เกิดรายได้ที่อาจเพิ่มขึ้น; 2) ต้นทุนในการดำเนินงานที่กำลังเพิ่มสูงขึ้นจากการควบรวมกิจการกับ Thanachart Bank (TBANK, not listed); และ 3) ปริมาณสินเชื่อที่อาจลดลงจากกลยุทธ์ในการเปลี่ยนพอร์ตสินเชื่อจากรายใหญ่และ SME ไปสู่รายย่อยมากขึ้น

การซื้อกิจการ TBANK: อาจต้องขาดทุนก่อนกำไรในระยะยาว

แม้เราจะมองว่าการควบรวมกิจการกับ TBANK เมื่อสิ้นปี 2019 จะช่วยเสริมส่งทั้งในด้านสินเชื่อและเงินฝาก และ TMB ยังมีโอกาสในการขายเพิ่มผลิตภัณฑ์ทางการเงินต่างๆ (Cross-Selling) อย่างไรก็ตามเราเห็นโอกาสที่ค่าใช้จ่ายในการดำเนินงานจะเพิ่มขึ้นระหว่างการควบรวมกิจการในแง่ของเครือข่ายที่ซ้ำซ้อน การบริหารทรัพยากรมนุษย์ เทคโนโลยีสารสนเทศ และค่าความนิยม เราคาดว่ากระบวนการถ่ายโอนธุรกิจจะสำเร็จเสร็จสิ้นใน 2Q21 ดังนั้นธนาคารฯ ควรเริ่มเห็นประโยชน์จากการควบรวมและการลดต้นทุนได้ใน 2H21

ปรับลดสมมติฐานอัตราส่วนสำรองต่อสินเชื่อเฉลี่ยและต้นทุนการเงินปี 2022

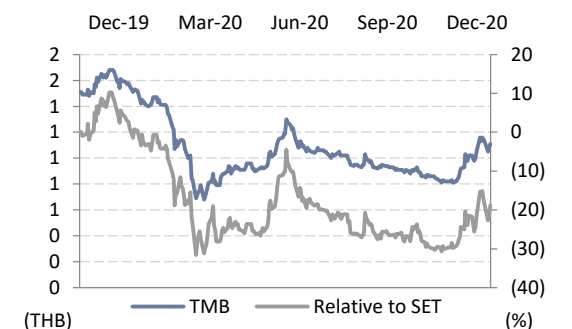
เราคาดว่าประเทศไทยและกลุ่มธนาคารในประเทศจะได้ประโยชน์อย่างสูงจากการฉีดวัคซีน COVID เนื่องจาก GDP ของไทยพึ่งพาการท่องเที่ยวอย่างหนัก พิจารณาจากปัจจัยดังกล่าวเราปรับ 2 สมมติฐานสำคัญในประมาณการกำไรของเรา ประกอบด้วย: 1) เราปรับลดประมาณการอัตราส่วนสำรองต่อสินเชื่อเฉลี่ย (Credit Cost) ของเราในปี 2022 เหลือ 137 bps จาก 142 bps บนสมมติฐานที่ว่ามีการฉีดวัคซีน ซึ่งจะทำให้คุณภาพสินทรัพย์ดีขึ้นเล็กน้อย; และ 2) เราปรับลดประมาณการต้นทุนการเงินในปี 2022 เหลือ 1.2% จาก 1.6% เนื่องจากเราคาดว่า TMB จะสามารถบริหารต้นทุนการเงินได้ดีขึ้น นอกจากนี้เรายังปรับสมมติฐานอื่น ๆ ของเราในปี 2020-2021 ซึ่งทำให้เราปรับลดประมาณการกำไรจากการดำเนินงานในปี 2020-2021 ของเราลง 8.4%/6.6% แต่ปรับเพิ่มประมาณการในปี 2022 ขึ้น 6.3%

คงคำแนะนำถือระหว่างรอผลทวีคูณ

เราปรับเพิ่มราคาเป้าหมายของเราเป็น 1.21 บาท (GGM) เนื่องจากเราปรับลดสมมติฐานต้นทุนการเงินเฉลี่ยของเราลงเพื่อสะท้อนแนวโน้มการฟื้นตัวทางเศรษฐกิจที่ดีขึ้น ราคาเป้าหมายใหม่ของเราคิดเป็น 2021E P/BV ที่ 0.55x ซึ่งเท่ากับ -1.25 STD ต่ำกว่าค่าเฉลี่ย 5 ปีย้อนหลัง เรามองว่า Valuation ในปัจจุบันสะท้อนมูลค่ายุติธรรมของธนาคารฯ เนื่องจากหุ้นยังขาดปัจจัยบวกจนกว่าประโยชน์จากการควบรวมกิจการกับ TBANK จะเริ่มเห็นผล ซึ่งเราคาดว่าจะอยู่ในช่วง 2H21

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Operating profit	8,486	12,115	13,741	17,201
Net profit	7,223	10,222	11,400	14,222
EPS (THB)	0.15	0.11	0.12	0.15
vs Consensus (%)	-	6.8	6.2	9.5
Core net profit	7,223	10,222	11,400	14,222
Core EPS (THB)	0.15	0.11	0.12	0.15
Chg. In EPS est. (%)	-	(8.4)	(6.6)	6.3
EPS growth (%)	(15.8)	(28.6)	11.5	24.8
Core P/E (x)	7.5	10.5	9.4	7.5
Dividend yield (%)	3.5	1.9	3.2	4.0
Price/book (x)	0.3	0.5	0.5	0.5
ROE (%)	4.9	5.1	5.4	6.5
ROA (%)	0.5	0.5	0.6	0.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	35.4	18.1	(29.7)
Relative to country (%)	14.8	9.6	(22.2)
Mkt cap (USD m)	3,538		
3m avg. daily turnover (USD m)	12.2		
Free float (%)	39		
Major shareholder	ING Bank N.V. (23%)		
12m high/low (THB)	1.71/0.60		
Issued shares (m)	43,852		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้เป็นผลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 3 ธันวาคม 2020

Investment thesis

Even if TMB is well known as a digital lending bank that could benefit from the current digital banking trend, we believe TMB is currently not a good alternative to invest in. This is because we have two major concerns: 1) its large exposure to the retail and SME segments, which are unfavourable in the current economic environment, together with a having a small cushion for the approaching NPL surge; and 2) rising operating costs from TBANK's integration.

Therefore, we see the current undemanding valuation as reflecting its fair value, as there are no signs of positive catalysts in the near term until the synergy benefits start to bear fruit in the next two years at least, in our view.

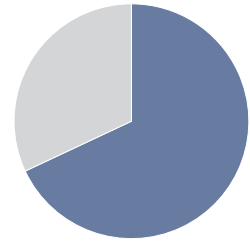
Company profile

TMB Bank Public Company Limited provides a full range of banking and financial services. The bank offers corporate and personal lending, retail and wholesale banking, international trade financing, and investment banking services to its customers throughout Thailand. It merged with TBANK at the end of 2019. At present, they are in the process of EBT (entire business transfer) which is expected to be done in 2021.

www.tmbbank.com

Principal activities (revenue, 2019)

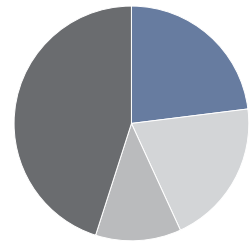
- Net interest income - 68.0 %
- Non-interest income - 32.0 %



Source: TMB Bank

Major shareholders

- ING Bank N.V. - 23.0 %
- TCAP - 20.1 %
- Ministry of finance - 11.8 %
- Others - 45.1 %



Source: TMB Bank

Catalyst

Potential share price catalysts for TMB include:

- Lower credit cost from better-than-expected new NPLs;
- Better operating cost control.

Risk to our call

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.

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)	10,222	11,400	14,222
Net profit growth	41.5	11.5	24.8
NIM	2.97	2.95	2.96
Loan growth	(0.5)	2.0	3.0
Fee growth	29.4	5.0	5.0
Non-NII growth*	17.1	3.6	5.1
Credit cost (bp)	175	157	137
Cost to income*	46.6	48.6	48.5

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		2021E		
Loan growth	±2ppt	0.0	2.0	4.0
% change in net profit		(2.4)	-	2.4
NIM (%)	±5bp	2.90	2.95	3.00
% change in net profit		(6.0)	-	6.0
Credit cost (bp)	±10bp	147	157	167
% change in net profit		4.9	-	(4.9)

Source: FSSIA estimates

Exhibit 1: TMB – Change of key assumptions

	New			Previous			Change		
	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Normalised profit (THB m)	10,222	11,400	14,222	11,154	12,199	13,381	(8.4)	(6.6)	6.3
Normalised profit growth	41.5	11.5	24.8	54.4	9.4	9.7	(12.9)	2.2	15.1
NIM	2.97	2.95	2.96	3.02	2.95	2.90	(0.05)	-	0.05
Loan growth	(0.5)	2.0	3.0	(4.0)	2.0	3.0	3.5	-	-
Fee growth	29.4	5.0	5.0	47.9	5.0	5.0	(18.5)	-	-
Non-NII growth*	17.1	3.6	5.1	33.3	4.8	4.9	(16.2)	(1.1)	0.2
Credit cost (bp)	175	157	137	175	157	142	-	-	(5.0)
Cost of funds	1.20	1.17	1.17	1.35	1.37	1.57	(0.15)	(0.20)	(0.40)
Cost to income*	46.6	48.6	48.5	47.4	49.7	50.7	(0.78)	(1.10)	(2.18)

*Including share of profits from associates

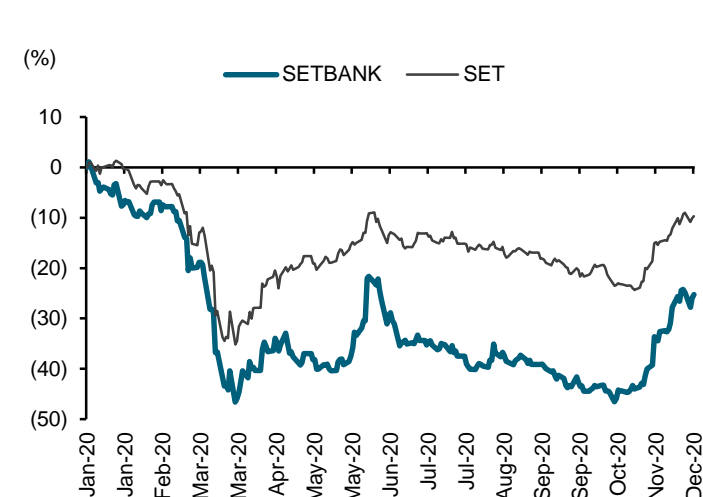
Source: FSSIA estimates

Exhibit 2: TMB – GGM-derived target price

Target price	THB 1.21 (from THB 1.09)
Recommendation	HOLD
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Cost to equity (%)	8.0 (from 8.4)
Terminal growth (%)	4.0 (from 3.9)
ROE target (%)	6.2 (from 6.1)
Risk to TP	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.

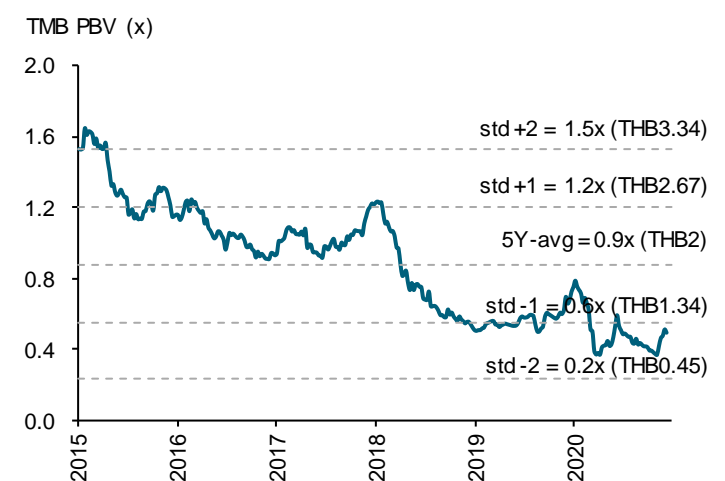
Source: FSSIA estimates

Exhibit 4: Index performance since end-2019



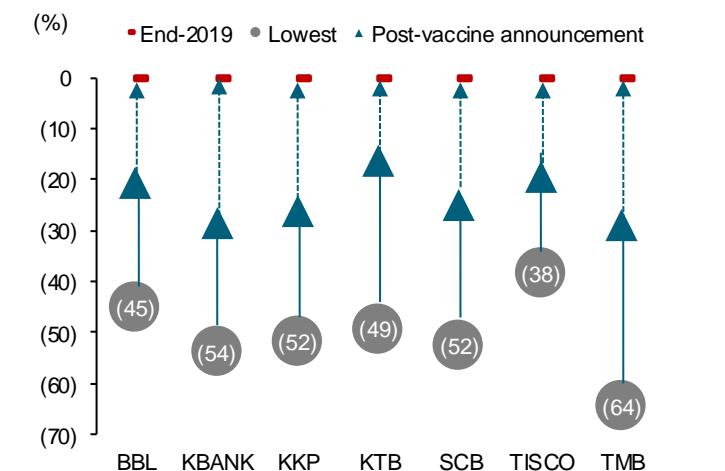
Sources: Bloomberg; FSSIA's compilation

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



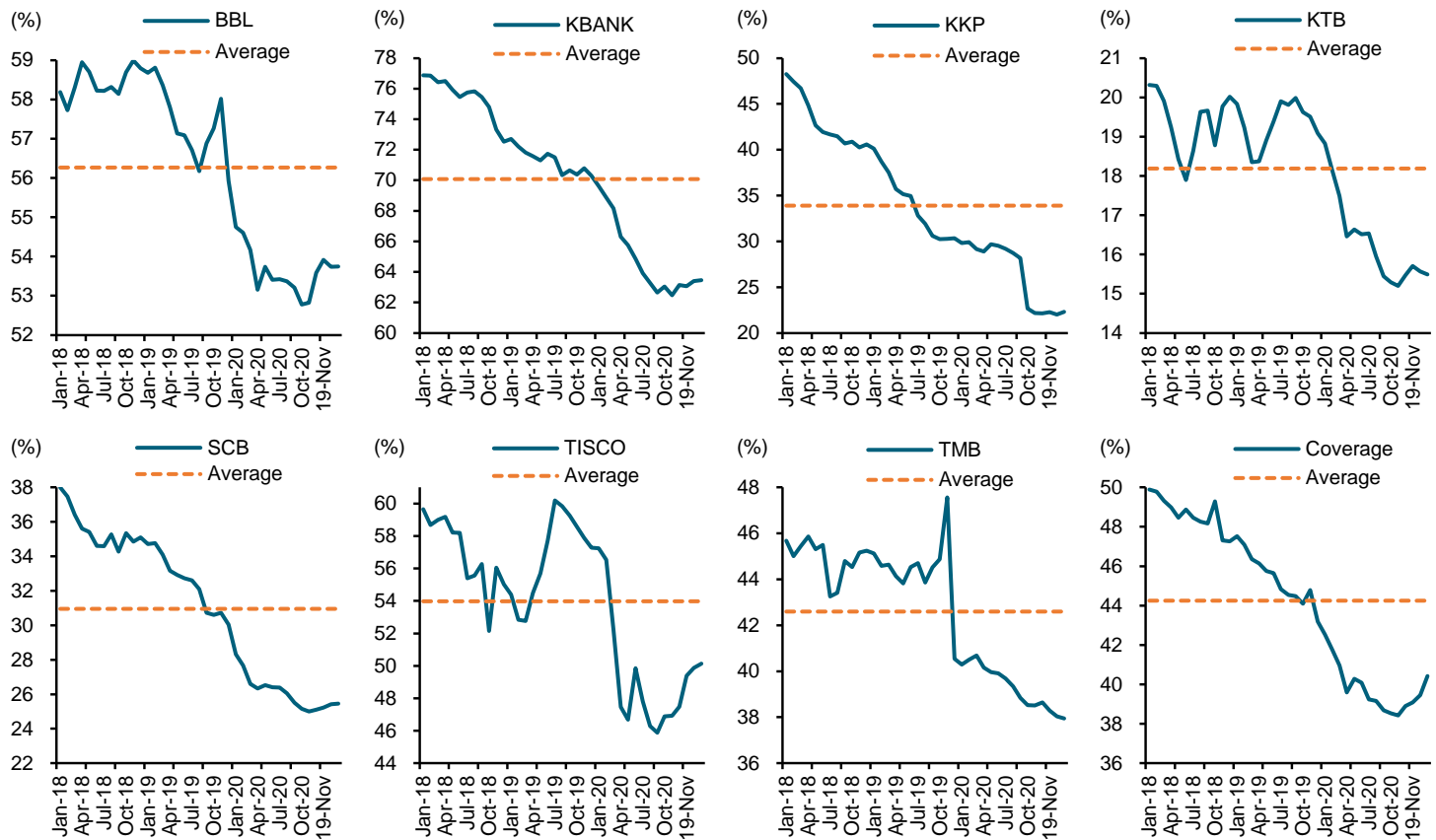
Sources: Bloomberg; FSSIA estimates

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)		(USD m)	(%)	(%)	(x)	(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

TMB Bank

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Interest Income	35,128	39,838	72,829	73,346	75,186
Interest expense	(10,632)	(12,973)	(19,171)	(18,893)	(19,270)
Net interest income	24,497	26,865	53,658	54,453	55,915
Net fees & commission	9,338	8,098	10,481	11,005	11,555
Foreign exchange trading income	1,529	1,528	0	0	0
Securities trading income	129	1,956	3,182	3,061	3,147
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	14,818	15,336	16,100
Total income	36,144	39,497	68,476	69,789	72,015
Staff costs	(8,198)	(9,629)	(16,369)	(17,514)	(18,162)
Other operating costs	(9,276)	(11,046)	(15,690)	(16,568)	(17,004)
Operating costs	(17,475)	(20,674)	(32,058)	(34,083)	(35,166)
Pre provision operating profit	18,669	18,823	36,418	35,707	36,849
Provision for bad and doubtful debt	(9,100)	(10,337)	(24,303)	(21,966)	(19,648)
Other provisions	-	-	-	-	-
Operating profit	9,569	8,486	12,115	13,741	17,201
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	12,472	14,133	17,632
Tax	(1,899)	(1,588)	(2,245)	(2,728)	(3,403)
Profit after tax	11,601	7,223	10,227	11,405	14,229
Minority interests	0	0	(5)	(6)	(7)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	11,601	7,223	10,222	11,400	14,222
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	7,734	7,223	10,222	11,400	14,222
Per share (THB)					
Recurring EPS *	0.18	0.15	0.11	0.12	0.15
Reported EPS	0.26	0.15	0.11	0.12	0.15
DPS	0.07	0.04	0.02	0.04	0.04
Growth					
Net interest income (%)	(1.0)	9.7	99.7	1.5	2.7
Non interest income (%)	(8.3)	8.4	17.3	3.5	5.0
Pre provision operating profit (%)	(5.0)	0.8	93.5	(2.0)	3.2
Operating profit (%)	(10.8)	(11.3)	42.8	13.4	25.2
Reported net profit (%)	33.5	(37.7)	41.5	11.5	24.8
Recurring EPS (%)	(11.0)	(15.8)	(28.6)	11.5	24.8
Reported EPS (%)	33.5	(43.9)	(28.6)	11.5	24.8
Income Breakdown					
Net interest income (%)	67.8	68.0	78.4	78.0	77.6
Net fees & commission (%)	25.8	20.5	15.3	15.8	16.0
Foreign exchange trading income (%)	4.2	3.9	-	-	-
Securities trading income (%)	0.4	5.0	4.6	4.4	4.4
Dividend income (%)	-	-	-	-	-
Other income (%)	1.8	2.7	1.7	1.8	1.9
Operating performance					
Gross interest yield (%)	4.16	2.99	4.03	3.98	3.98
Cost of funds (%)	1.46	1.10	1.20	1.17	1.17
Net interest spread (%)	2.70	1.89	2.83	2.81	2.81
Net interest margin (%)	2.9	2.0	3.0	3.0	3.0
Cost/income(%)	48.3	52.3	46.8	48.8	48.8
Cost/assets(%)	2.0	1.5	1.7	1.8	1.8
Effective tax rate (%)	14.1	18.0	18.0	19.3	19.3
Dividend payout on recurring profit (%)	39.7	26.5	20.0	30.0	30.0
ROE (%)	8.2	4.9	5.1	5.4	6.5
ROE - COE (%)	8.2	4.9	5.1	5.4	6.5
ROA (%)	0.9	0.5	0.5	0.6	0.7
RORWA (%)	1.2	0.8	0.8	0.9	1.1

* 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	1,385,264	1,412,969	1,455,358
Total provisions	(32,975)	(45,477)	(53,157)	(58,168)	(57,441)
interest in suspense	1,308	1,883	3,879	3,956	4,075
Net customer loans	654,040	1,348,630	1,335,985	1,358,758	1,401,993
Bank loans	113,522	236,311	237,701	249,819	248,213
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	73,477	166,265	198,759	204,478	210,377
Cash & equivalents	15,234	23,853	22,132	24,073	21,131
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	55,268	56,558	57,911
Total assets	891,713	1,858,190	1,878,207	1,922,032	1,968,025
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	-	-	-	-	-
Total liabilities	792,934	1,663,379	1,673,356	1,707,508	1,742,362
Share capital	41,659	91,541	91,541	91,541	91,541
Reserves	57,120	103,235	113,273	122,945	134,081
Total equity	98,779	194,777	204,814	214,487	225,622
Minority interests	0	35	36	38	40
Total liabilities & equity	891,713	1,858,190	1,878,207	1,922,032	1,968,025
Supplementary items					
Risk weighted assets (RWA)	637,628	1,216,836	1,290,864	1,316,681	1,356,182
Average interest earning assets	844,959	1,333,754	1,808,262	1,844,495	1,890,607
Average interest bearing liabilities	730,630	1,174,710	1,600,948	1,620,990	1,653,409
Tier 1 capital	86,301	165,793	186,120	194,886	204,277
Total capital	110,396	218,440	238,767	247,533	256,924
Gross non performing loans (NPL)	21,720	37,746	40,056	48,468	46,044
Per share (THB)					
Book value per share	2.25	4.01	2.13	2.23	2.34
Tangible book value per share	2.25	4.01	2.13	2.23	2.34
Growth					
Gross customer loans	6.6	103.0	(0.5)	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	2.3	2.4
Risk weighted assets (%)	4.7	90.8	6.1	2.0	3.0
Customer deposits (%)	6.2	115.2	2.5	2.0	2.0
Leverage & capital measures					
Customer loan/deposits (%)	100.7	96.5	93.2	93.0	94.0
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	68.7	68.5	68.9
Tier 1 CAR (%)	13.5	13.6	14.4	14.8	15.1
Total CAR (%)	17.3	18.0	18.5	18.8	18.9
Asset Quality					
Change in NPL (%)	24.0	73.8	6.1	21.0	(5.0)
NPL/gross loans (%)	3.2	2.7	2.9	3.4	3.2
Total provisions/gross loans (%)	4.8	3.3	3.8	4.0	3.9
Total provisions/NPL (%)	151.8	120.5	132.7	120.0	124.8
Valuation					
Recurring P/E (x) *	6.3	7.5	10.5	9.4	7.5
Recurring P/E @ target price (x) *	6.9	8.1	11.4	10.2	8.2
Reported P/E (x)	4.2	7.5	10.5	9.4	7.5
Dividend yield (%)	6.3	3.5	1.9	3.2	4.0
Price/book (x)	0.5	0.3	0.5	0.5	0.5
Price/tangible book (x)	0.5	0.3	0.5	0.5	0.5
Price/tangible book @ target price (x)	0.5	0.3	0.6	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	GGC	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	AMANAH
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	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	SMPG	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
WIUK	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	AMANAH	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

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Company	Ticker	Price	Rating	Valuation & Risks
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.
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.
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.

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.