

23 APRIL 2021

THAILAND / BANKS

KIATNAKIN BANK KKP TB

BUY

UNCHANGED

TARGET PRICE	THB74.00
CLOSE	THB61.50
UP/DOWNSIDE	+20.3%
PRIOR TP	THB68.00
CHANGE IN TP	+8.8%
TP vs CONSENSUS	+16.1%

การดำเนินหลักอยู่ในเกณฑ์ที่ดี

ผลประกอบการ 1Q21: การดำเนินงานหลักและสำรองหนี้ด้วยคุณภาพอยู่ในเกณฑ์ดี

KKP รายงานกำไรสุทธิ 1Q21 ที่ 1.46 พัน ลบ. (-1% y-y, +32% q-q) ตามที่ตลาดและเราคาดการณ์การดำเนินงานหลักอยู่ในระดับดีจาก 1) ปริมาณสินเชื่อที่เพิ่มขึ้น 2.1% q-q ส่วนมากจากสินเชื่อเช่าซื้อที่เพิ่มขึ้น; และ 2) รายได้ค่าธรรมเนียมที่สูงขึ้นจากธุรกิจหลักทรัพย์และบริหารความมั่งคั่งที่อยู่ในระดับสูง อย่างไรก็ตาม NPLs และผลขาดทุนจากการขายรถยนต์เพิ่มขึ้นอย่างมีนัยสำคัญหลังการสิ้นสุดโครงการบรรเทาหนี้ โดย KKP ยังคงจัดสรรสำรองอย่างระมัดระวัง ทำให้สัดส่วนสำรองหนี้ด้วยคุณภาพอยู่ในระดับสูงที่ 163%

รายได้ที่โตดีอาจให้ผลดีมากกว่าผลขาดทุนจากการขายรถยนต์

เราคาดว่า KKP จะรายงานกำไรสุทธิปี 2021 โดดที่ 18% y-y โดยผลประกอบการจะพุ่งสูงสุดใน 4Q21 จากสินเชื่อที่โตดีถึง 5.8% y-y จากกลยุทธ์ใหม่ในการขายสินเชื่อเช่าซื้อความเสี่ยงต่ำ นอกจากนี้เรายังคาดว่ารายได้ค่าธรรมเนียมของ KKP จะดีขึ้นจากดีลในธุรกิจพาณิชย์รวมถึงค่าธรรมเนียมธุรกิจหลักทรัพย์ที่เพิ่มขึ้น เรามองว่ารายได้ค่าธรรมเนียมอาจเป็นปัจจัยบวกสำคัญสำหรับการเติบโตของกำไร เนื่องจาก Phatra Capital มีส่วนแบ่งรายได้ค่านายหน้าหลักทรัพย์ที่คงที่ในระดับสูงและชื่อเสียงที่ดีในธุรกิจพาณิชย์ รายได้ที่ดีอาจช่วยชดเชยผลขาดทุนจากการขายรถยนต์ที่เพิ่มขึ้นหลังลูกค้าออกจากโครงการบรรเทาหนี้ได้

สำรองมากพอที่จะจัดการกับหนี้เสียที่เพิ่มขึ้น

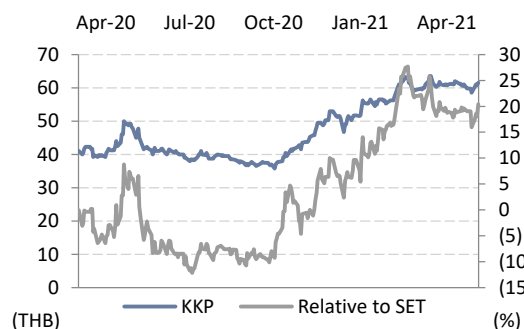
สัดส่วนหนี้ด้วยคุณภาพที่เพิ่มขึ้นใน 1Q21 ดีกว่าที่ธนาคาร คาดไว้ ผู้บริหารยังไม่มีความกังวลเกี่ยวกับคุณภาพสินทรัพย์ ผลขาดทุนจากการขายรถยนต์กลับสู่ระดับปกติหลังต่ำกว่าที่ควรในปี 2020 จากกลยุทธ์การยึดที่รวดเร็วของบริษัท หลังสิ้นสุดโครงการบรรเทาหนี้ จากข้อมูลของผู้บริหาร ในด้านบวกสัดส่วนผลขาดทุนต่อค้ำยังอยู่ในระดับที่ไม่สูง เราคาดว่าสัดส่วนหนี้ด้วยคุณภาพและผลขาดทุนจากการขายรถยนต์จะเพิ่มต่อเนื่องในปี 2021 ไปอยู่ที่ 3.44% และ 1.9 พัน ลบ. ตามลำดับ อย่างไรก็ตาม KKP ได้จัดสรรสำรองพิเศษเชิงรุก ซึ่งทำให้สัดส่วนสำรองหนี้ด้วยคุณภาพเพิ่มเป็น 163% เราเชื่อว่าบริษัท จะสามารถจัดสรรสำรองลดลงในไตรมาสถัด ๆ ไป

คงคำแนะนำซื้อหลังปรับราคาเป้าหมายไปในปี 2022 ที่ 74 บาท (GGM)

เราคงคำแนะนำซื้อหลังปรับราคาเป้าหมายไปในปี 2022 ที่ 74 บาท (GGM) ราคาตั้งกล่าวคิดเป็น 1.2x ของค่า 2022E P/BV (ค่าเฉลี่ย 3 ปีย้อนหลัง) เราเชื่อว่าการดำเนินงานปกติที่โดดเด่นทั้งในแง่การเติบโตของสินเชื่อและค่าธรรมเนียม รวมถึงผลตอบแทนในรูปเงินปันผลที่อยู่ในระดับสูงจะเป็นปัจจัยบวกที่ช่วยให้ราคาหุ้นปรับขึ้น

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	6,487	7,543	8,506	9,626
Net profit	5,123	6,033	6,804	7,699
EPS (THB)	6.05	7.12	8.04	9.09
vs Consensus (%)	-	4.0	7.9	11.6
Core net profit	5,123	6,033	6,804	7,699
Core EPS (THB)	6.05	7.12	8.04	9.09
Chg. In EPS est. (%)	-	0.0	0.0	0.0
EPS growth (%)	(14.4)	17.8	12.8	13.2
Core P/E (x)	10.2	8.6	7.7	6.8
Dividend yield (%)	3.7	5.3	6.1	6.9
Price/book (x)	1.1	1.0	1.0	0.9
ROE (%)	11.3	12.5	13.2	13.9
ROA (%)	1.5	1.6	1.8	2.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.2	8.8	45.6
Relative to country (%)	1.1	4.0	17.1
Mkt cap (USD m)	1,662		
3m avg. daily turnover (USD m)	11.2		
Free float (%)	80		
Major shareholder	Wattanavekin family (6%)		
12m high/low (THB)	64.25/35.50		
Issued shares (m)	847		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 23 เมษายน 2021

Investment thesis

KKP is a modest commercial banking operation whose main portfolio includes hire purchase lending. The bank commands a medium-sized c4% market share in auto hire purchase lending. Moreover, KKP has its solid investment banking arm, Phatra Securities PLC (PHATRA, not listed), under Phatra Capital (100% owned by KKP). PHATRA is prominent in investment banking (IB), financial advisory (FA), institutional securities brokerage, and the growing private banking business. In our opinion, KKP's dominant position in institutional brokerage, as well as its IB and FA businesses, can potentially help it to generate more sustainable performance compared with its peers in the current low interest rate environment.

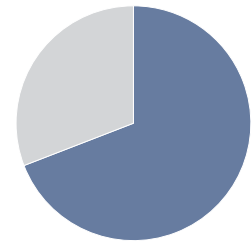
Company profile

KKP was created through the merger of a commercial banking business driven by Kiatnakin Bank and a capital market business led by Phatra Capital and Phatra Securities. KKP's banking operations are mostly geared toward retail, with auto hire purchase loans accounting for 44% of its loan portfolio at end-19.

kiatnakin.co.th

Principal activities (revenue, 2020)

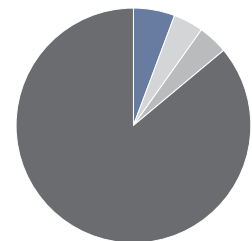
- Net interest income - 69.1 %
- Non-interest income - 30.9 %



Source: Kiatnakin Bank

Major shareholders

- Wattanavekin family - 5.7 %
- Eastern Sugar and Cane - 4.1 %
- Ramkamhang Hospital - 4.1 %
- Others - 86.1 %



Source: Kiatnakin Bank

Catalysts

Potential share price catalysts for KKP include:

- A higher dividend payout;
- Higher fee income, especially from Phatra;
- An increase in revenues related to the equity market.

Risks to our call

Downside risks to our GGM-based target price include weakening asset quality and lower fee income.

Event calendar

Date	Event
July 2021	2Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Net profit (THB m)	6,033	6,804	7,699
Net profit growth	17.8	12.8	13.2
NIM	4.60	4.51	4.60
Loan growth	5.8	5.0	5.0
Fee growth	7.1	2.0	2.0
Non-NII growth*	5.6	3.3	2.7
Credit cost (bp)	135	115	100
Cost to income*	49.7	48.6	47.2

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		----- 2021E -----		
		3.00	5.00	7.00
Loan growth	±2ppt			
% change in net profit		(1.7)	-	1.7
NIM (%)	±5bp			
% change in net profit		(2.5)	-	2.5
Credit cost (bp)	±10bp			
% change in net profit		1.7	-	(1.7)

Source: FSSIA estimates

1Q21 results: Strong core operations and an NPL cushion

KKP reported a 1Q21 net profit of THB1,463m (-1% y-y, +32% q-q) – in line with Bloomberg’s consensus forecast and our expectation. It had strong core operations, driven by 1) a 2.1% q-q loan volume increase due largely to a rise in its hire purchase loans; and 2) higher fee income thanks to its strong brokerage and wealth management businesses. However, non-performing loans (NPLs) and losses from repossessed car sales increased significantly after the end of the debt forbearance program – though still in line with the bank’s expectation. Accordingly, KKP still set aside provisions prudently, resulting in a strong coverage ratio of 163%.

1Q21 key highlights

- The total loan volume increased 2.1% q-q from a rise in the hire purchase, housing and real estate segments. KKP increased its new car lending penetration rate for the first two months of 2021 to 4.7% from 4.2% at the end of 2020, due mainly to its expansion into new business segments with higher asset quality;
- Net fee income surged 12% y-y, 25% q-q thanks to a rise in fees from its brokerage business and private wealth management business;
- Losses from repossessed car sales increased significantly to THB561m vs THB212m in 4Q20, due to increased car repossession activities after the end of the financial relief program. However, this level was still in line with the bank’s expectation;
- Due to the resurgence of Covid, KKP still set aside provisions prudently, with management overlay of THB433m vs its total provisions for this quarter at THB1,234m;
- NPLs increased 12% q-q due to the end of the debt forbearance program in 4Q20.

Exhibit 1: KKP – 1Q21 results summary

Year-end Dec 31	1Q21	4Q20	1Q21	----- Change -----		% of	2021E	Change	1Q21 - Comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	2021E	(THB m)	(y-y %)	
Net interest income	3,539	3,999	3,830	8	(4)	25	15,375	5	
Non-interest income	2,055	1,979	1,785	(13)	(10)	26	6,923	6	Decreased from a gain on investments contraction
Operating income	5,594	5,978	5,615	0	(6)	25	22,298	5	
Operating expenses	3,355	2,545	2,583	(23)	2	23	11,077	4	
PPOP before tax	2,239	3,433	3,032	35	(12)	27	11,221	6	
Provision	256	2,077	1,234	382	(41)	34	3,678	(10)	MO at THB433m
Income tax	497	235	305	(39)	30	20	1,509	12	
Minority interest	2	10	30	nm	nm	nm	1		
Normalised profit	1,484	1,108	1,463	(1)	32	24	6,033	18	
Extraordinary items	0	0	0				0		
Net profit	1,484	1,108	1,463	(1)	32	24	6,033	18	
EPS (THB)	1.75	1.31	1.73	(1)	32	24	7.12	18	
Asset quality ratio	(%)	(%)	(%)	(ppt)	(ppt)		(%)	(ppt)	
Gross NPLs (THB m) excl. POCI**	9,025	7,751	8,717	(3)	12		10,147	31	
NPL ratio excl. POCI	3.70	2.90	3.20				3.44		
LLR/NPLs excl. POCI	116	171	163				157		
Credit cost (bp)	42	320	185				135		
Profitability ratio	(%)	(%)	(%)				(%)		
Cost to income ratio	60.0	42.6	46.0				49.7		
Average yield	6.3	6.2	5.7				6.0		
Cost of funds	1.9	1.5	1.3				1.6		
Net interest margin (NIM)	4.6	4.9	4.5				4.6		
Non-interest income / total income	36.7	33.1	31.8				31.0		
Liquidity ratio	(%)	(%)	(%)				(%)		
Loan to deposit ratio	110.5	105.3	107.1				112.7		
Loan growth	(%)	(%)	(%)				(%)		
y-y	6.5	11.7	9.3				5.8	(5.8)	
q-q	4.3	3.8	2.1						

*Including share of profits from associates; **POCI = Purchased or originated credit-impaired financial assets

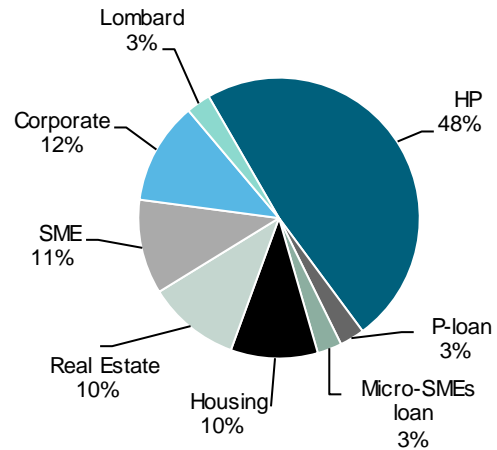
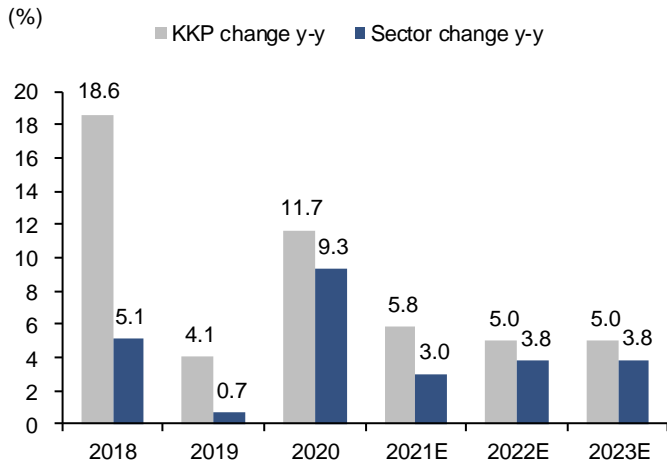
Sources: KKP; FSSIA estimates

Solid top-line growth could outweigh losses from car sales

We expect KKP to deliver solid 2021 net profit growth at 18% y-y, with its peak performance in 4Q21, supported by continued strong loan growth at 5.8% y-y due to its new strategy of acquiring lower-risk profile hire purchase customers. As its recent analyst meeting, management stated that the bank would continue to grow its main portfolio – auto hire purchase loans. KKP has not yet shifted its interest to auto title loans like its peer, Tisco Financial (TISCO TB, BUY, TP THB122).

Exhibit 2: KKP could deliver better loan growth vs its peers

Exhibit 3: 1Q21 KKP's loan breakdown



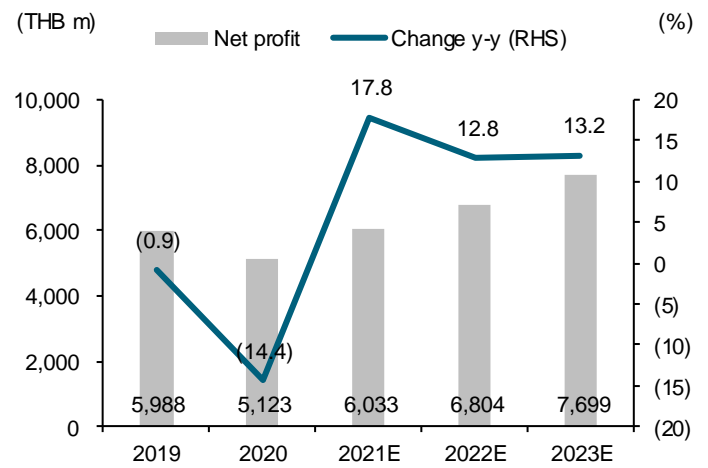
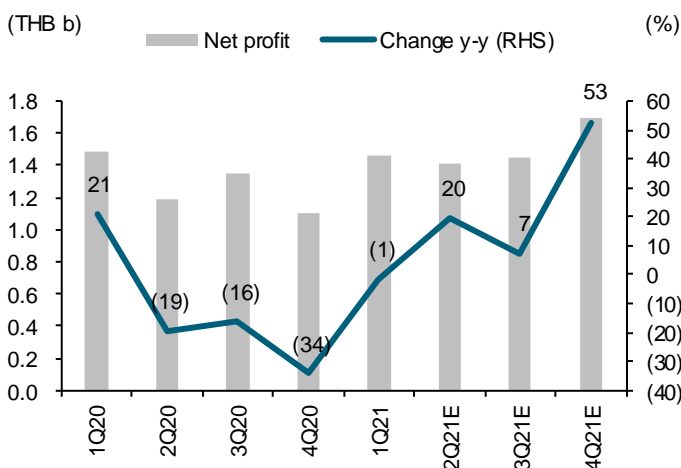
Sources: KKP; FSSIA estimates

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Moreover, we expect KKP's fee income to be stronger, driven by major investment banking deals, coupled with a rise in its brokerage fees. To us, fee income could be a key catalyst for its bottom-line growth. This is because Phatra Capital has a strong and stable securities brokerage revenue share and a solid investment banking franchise. The solid top-line growth could offset the spike in losses from repossessed car sales as customers exit debt relief programs.

Exhibit 4: KKP's quarterly earnings momentum

Exhibit 5: KKP's yearly earnings momentum



Source: FSSIA estimates

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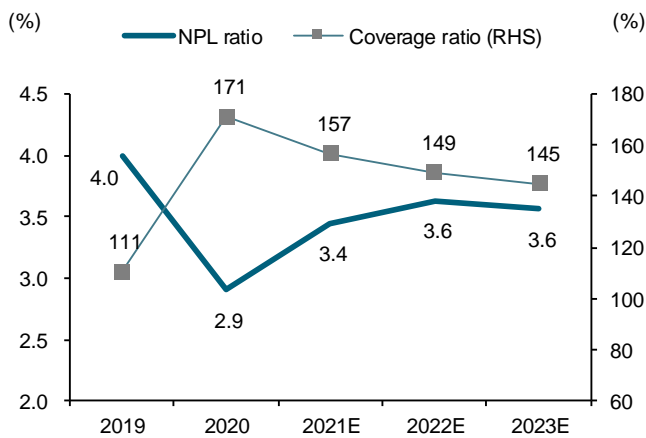
Sufficient cushion to weather a rise in bad debt

KKP's 1Q21 NPL ratio was 3.2%, inching up from 2.9% in the previous quarter, due to the end of the debt relief program. This level was much better than the bank expected. Management is still comfortable with its asset quality.

Its losses from repossessed car sales returned to their normal level of around THB500m/quarter vs the abnormal low of around THB300m/quarter in 2020 due to its faster car repossession strategy after the end of the financial relief program. The positive side was that the loss ratio per car was still not high, according to management.

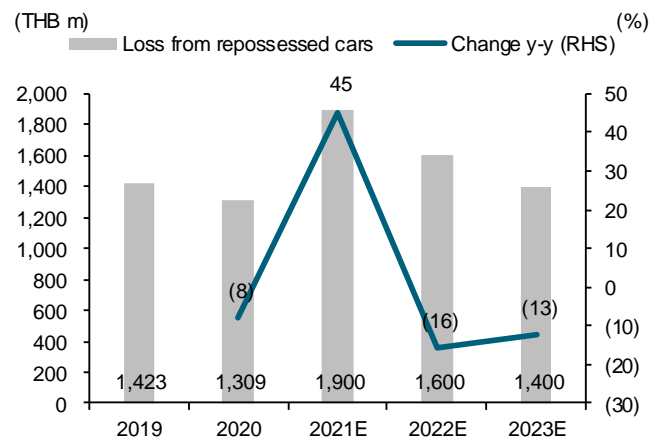
We project its NPL ratio and losses from car sales to continue to spike in 2021 to 3.44% and THB1.9b, respectively. However, as KKP has preventively set aside extra provisions – with management overlay totalling THB3b in 1Q21 and its high NPL coverage ratio at 163% – we believe it could enjoy a lower provisioning setup in the following quarters of this year.

Exhibit 6: NPL ratio* vs coverage ratio*



*Excluding POCI; Sources: KKP; FSSIA estimates

Exhibit 7: Losses from repossessed cars could spike in 2021



Sources: KKP; FSSIA estimates

Exhibit 8: GGM-derived target price

Target price (THB)	THB 74 (from THB 68)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Terminal growth (%)	5.1 (from 4.6)
ROE target (%)	13.5 (from 13.4)
Risk to TP	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.

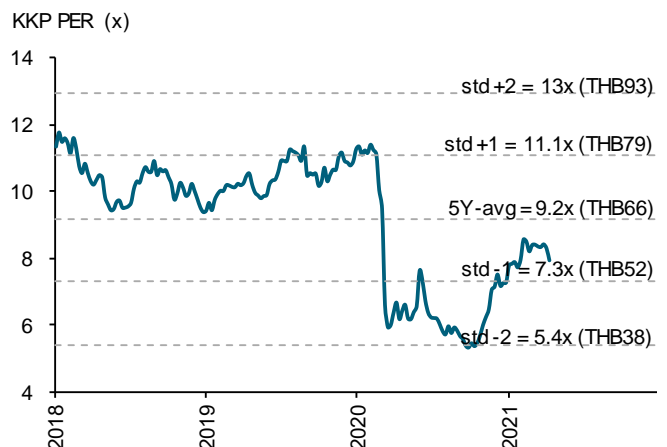
Source: FSSIA estimates

Exhibit 9: KKP – rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: KKP – rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Kiatnakin Bank

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	18,036	19,584	20,035	21,287	22,294
Interest expense	(5,720)	(4,905)	(4,660)	(5,484)	(5,709)
Net interest income	12,316	14,679	15,375	15,803	16,585
Net fees & commission	4,604	4,336	4,645	4,738	4,833
Foreign exchange trading income	277	1,079	1,025	1,076	1,130
Securities trading income	568	50	55	60	66
Dividend income	576	389	428	471	471
Other income	827	700	770	809	849
Non interest income	6,852	6,554	6,923	7,154	7,349
Total income	19,168	21,233	22,298	22,956	23,934
Staff costs	(5,577)	(5,664)	(5,893)	(6,128)	(6,373)
Other operating costs	(4,617)	(4,988)	(5,185)	(5,020)	(4,919)
Operating costs	(10,194)	(10,652)	(11,077)	(11,148)	(11,293)
Pre provision operating profit	8,974	10,581	11,221	11,809	12,641
Provision for bad and doubtful debt	(1,676)	(4,095)	(3,678)	(3,302)	(3,015)
Other provisions	-	-	-	-	-
Operating profit	7,297	6,487	7,543	8,506	9,626
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	7,297	6,487	7,543	8,506	9,626
Tax	(1,307)	(1,344)	(1,509)	(1,701)	(1,925)
Profit after tax	5,990	5,143	6,034	6,805	7,701
Minority interests	(1)	(20)	(1)	(1)	(2)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	5,988	5,123	6,033	6,804	7,699
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	5,988	5,123	6,033	6,804	7,699
Per share (THB)					
Recurring EPS *	7.07	6.05	7.12	8.04	9.09
Reported EPS	7.07	6.05	7.12	8.04	9.09
DPS	5.00	2.25	3.25	3.75	4.25
Growth					
Net interest income (%)	9.4	19.2	4.7	2.8	5.0
Non interest income (%)	0.2	(4.3)	5.6	3.3	2.7
Pre provision operating profit (%)	3.9	17.9	6.0	5.2	7.0
Operating profit (%)	(1.2)	(11.1)	16.3	12.8	13.2
Reported net profit (%)	(0.9)	(14.4)	17.8	12.8	13.2
Recurring EPS (%)	(0.9)	(14.4)	17.8	12.8	13.2
Reported EPS (%)	(0.9)	(14.4)	17.8	12.8	13.2
Income Breakdown					
Net interest income (%)	64.3	69.1	69.0	68.8	69.3
Net fees & commission (%)	24.0	20.4	20.8	20.6	20.2
Foreign exchange trading income (%)	1.4	5.1	4.6	4.7	4.7
Securities trading income (%)	3.0	0.2	0.2	0.3	0.3
Dividend income (%)	3.0	1.8	1.9	2.1	2.0
Other income (%)	4.3	3.3	3.5	3.5	3.5
Operating performance					
Gross interest yield (%)	6.28	6.42	6.03	6.12	6.22
Cost of funds (%)	2.34	1.83	1.60	1.86	1.91
Net interest spread (%)	3.94	4.59	4.43	4.26	4.31
Net interest margin (%)	4.3	4.8	4.6	4.5	4.6
Cost/income(%)	53.2	50.2	49.7	48.6	47.2
Cost/assets(%)	3.3	3.2	3.0	3.0	2.9
Effective tax rate (%)	17.9	20.7	20.0	20.0	20.0
Dividend payout on recurring profit (%)	70.7	37.2	45.6	46.7	46.7
ROE (%)	13.9	11.3	12.5	13.2	13.9
ROE - COE (%)	3.1	0.5	1.7	2.4	3.1
ROA (%)	1.9	1.5	1.6	1.8	2.0
RORWA (%)	2.3	1.9	2.0	2.2	2.3

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Kiatnakin Bank; FSSIA estimates

Financial Statements

Kiatnakin Bank

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Gross customer loans	237,139	264,773	280,156	294,164	308,872
Total provisions	(10,589)	(13,105)	(15,102)	(16,639)	(17,801)
interest in suspense	1,128	7,178	784	824	865
Net customer loans	227,677	258,846	265,839	278,348	291,936
Bank loans	11,982	32,771	26,939	22,026	16,677
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	39,201	34,603	35,750	36,940	38,175
Cash & equivalents	1,110	1,491	16,663	16,835	17,111
Other interesting assets	-	-	-	-	-
Tangible fixed assets	6,624	6,451	6,173	5,937	5,737
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	25,096	29,250	21,634	20,957	21,513
Total assets	311,690	363,411	372,997	381,044	391,149
Customer deposits	172,174	251,526	248,632	251,118	254,885
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	73,132	39,184	44,992	45,450	46,139
Non interest bearing liabilities	22,373	26,076	29,465	30,939	32,486
Hybrid Capital	-	-	-	-	-
Total liabilities	267,679	316,785	323,090	327,507	333,509
Share capital	8,468	8,468	8,468	8,468	8,468
Reserves	35,435	38,050	41,324	44,945	49,038
Total equity	43,902	46,517	49,791	53,413	57,506
Minority interests	109	109	116	125	134
Total liabilities & equity	311,690	363,411	372,997	381,044	391,149
Supplementary items					
Risk weighted assets (RWA)	267,295	288,371	305,126	320,382	336,401
Average interest earning assets	287,099	305,121	332,383	347,988	358,427
Average interest bearing liabilities	244,834	267,916	291,979	294,898	298,588
Tier 1 capital	36,377	41,319	44,146	47,389	51,042
Total capital	45,975	52,714	55,540	58,784	62,436
Gross non performing loans (NPL)	9,560	8,456	10,147	10,655	10,974
Per share (THB)					
Book value per share	51.85	54.94	58.80	63.08	67.91
Tangible book value per share	51.85	54.94	58.80	63.08	67.91
Growth					
Gross customer loans	4.1	11.7	5.8	5.0	5.0
Average interest earning assets	9.7	6.3	8.9	4.7	3.0
Total asset (%)	1.8	16.6	2.6	2.2	2.7
Risk weighted assets (%)	3.5	7.9	5.8	5.0	5.0
Customer deposits (%)	(5.2)	46.1	(1.2)	1.0	1.5
Leverage & capital measures					
Customer loan/deposits (%)	132.2	102.9	106.9	110.8	114.5
Equity/assets (%)	14.1	12.8	13.3	14.0	14.7
Tangible equity/assets (%)	14.1	12.8	13.3	14.0	14.7
RWA/assets (%)	85.8	79.4	81.8	84.1	86.0
Tier 1 CAR (%)	13.6	14.3	14.5	14.8	15.2
Total CAR (%)	17.2	18.3	18.2	18.3	18.6
Asset Quality					
Change in NPL (%)	1.7	(11.5)	20.0	5.0	3.0
NPL/gross loans (%)	4.0	3.2	3.6	3.6	3.6
Total provisions/gross loans (%)	4.5	4.9	5.4	5.4	5.8
Total provisions/NPL (%)	110.8	155.0	148.8	156.2	162.2
Valuation					
Recurring P/E (x) *	8.7	10.2	8.6	7.7	6.8
Recurring P/E @ target price (x) *	10.5	12.2	10.4	9.2	8.1
Reported P/E (x)	8.7	10.2	8.6	7.7	6.8
Dividend yield (%)	8.1	3.7	5.3	6.1	6.9
Price/book (x)	1.2	1.1	1.0	1.0	0.9
Price/tangible book (x)	1.2	1.1	1.0	1.0	0.9
Price/tangible book @ target price (x)	1.4	1.3	1.3	1.2	1.1

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Kiatnakin Bank; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description	Score Range
Excellent	90-100
Very Good	80-89
Good	70-79

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 2020

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

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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

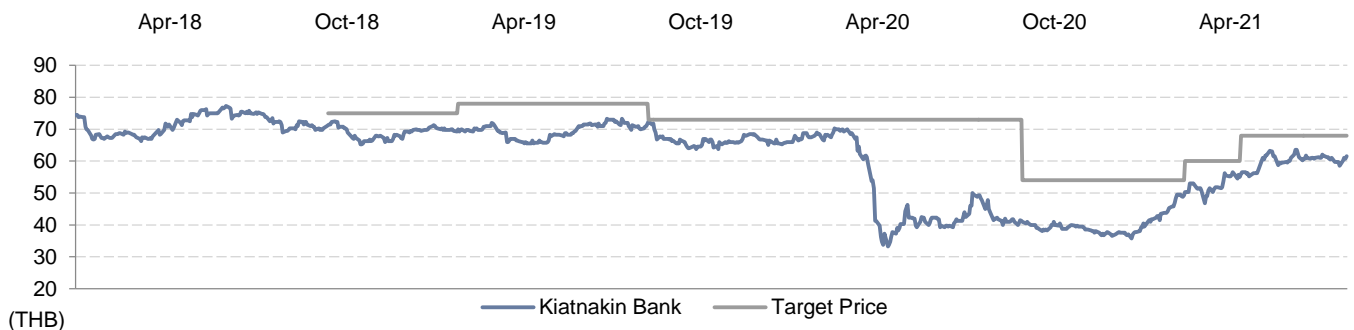
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Kiatnakin Bank (KKP TB)



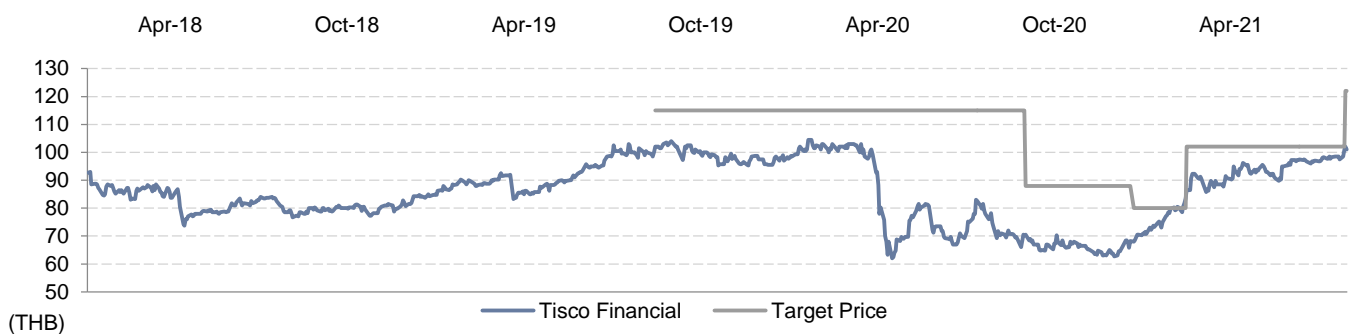
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Nov-2018	HOLD	75.00	02-Apr-2020	HOLD	73.00	20-Jan-2021	BUY	68.00
19-Mar-2019	HOLD	78.00	16-Jul-2020	BUY	54.00			
30-Aug-2019	HOLD	73.00	03-Dec-2020	BUY	60.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Tisco Financial (TISCO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Aug-2019	BUY	115.00	16-Oct-2020	BUY	80.00	20-Apr-2021	BUY	122.00
02-Apr-2020	BUY	115.00	03-Dec-2020	BUY	102.00			
16-Jul-2020	BUY	88.00	18-Jan-2021	BUY	102.00			

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
Kiatnakin Bank	KKP TB	THB 61.50	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
Tisco Financial	TISCO TB	THB 101.00	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves 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.

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 22-Apr-2021 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.