

5 JULY 2021

THAILAND / BANKS

KASIKORNBANK KBANK TB

BUY

UNCHANGED

TARGET PRICE	THB190.00
CLOSE	THB118.50
UP/DOWNSIDE	+60.3%
PRIOR TP	THB190.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+16.6%

แรงกดดันระยะสั้นจากการแพร่ระบาด Covid ในรอบที่ 3

การเข้าเป็นพันธมิตรกับ MTL เป็นบวกเล็กน้อย

เมื่อวันที่ 2 ก.ค. 21 KBANK ได้จัดประชุมนักวิเคราะห์รอบพิเศษกับคุณพัชร สมะลาภา ธนาคารฯ และ Muang Thai Life Assurance (MTL) บริษัทย่อยที่ KBANK ลงทุนด้วยสัดส่วนการถือหุ้นรวม 38.25% ได้เซ็นสัญญาทำธุรกิจ Bancassurance เป็นระยะเวลา 10 ปี KBANK จะได้รับเงิน 12.7 พัน ลบ. และโบนัสจากผลการดำเนินงานรายปี โดยธนาคารจะต้องสามารถขายผลิตภัณฑ์ประกันชีวิตของ MTL ได้เพียงรายเดียว ห้ามขายของเจ้าอื่น ซึ่ง KBANK จะค่อยๆ รับรู้รายได้ 12.7 พัน ลบ. ในงบกำไรขาดทุนในช่วง 10 ปี คิดเป็นกำไรสุทธิต่อปีประมาณ 630 ลบ. (หลังหักภาษี) ซึ่งอาจทำให้ประมาณการกำไรสุทธิของเราเพิ่มได้ 2-3%

โครงการบรรเทาหนี้อาจเพิ่มขึ้น

ณ สิ้นไตรมาส 1Q21 สินเชื่อภายใต้โครงการบรรเทาหนี้อยู่ที่ 319 พัน ลบ. คิดเป็น 14% ของสินเชื่อรวม ธนาคารฯ คาดว่า 6% ของลูกค้าที่ออกจากโครงการบรรเทาหนี้ไปแล้วจะกลับเข้ามาใหม่ ธนาคารฯ ยังไม่ได้ให้ความเห็นเกี่ยวกับนโยบายในด้านผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) อย่างไรก็ดี ผู้บริหารเชื่อว่าสินเชื่อที่มีความเสี่ยงสูงสุดที่จะได้รับจัดสรรสำรองเพิ่มในกรณีที่เกิดกลายเป็นสินเชื่อด้วยคุณภาพคือสินเชื่อที่ไม่มีหลักทรัพย์ค้ำประกัน ซึ่งคิดเป็นเพียง 5% ของสินเชื่อรวม ในด้านโครงการโกดังพักหนี้ (Asset Warehousing) มีสินเชื่อจำนวน 11 พัน ลบ. ที่กลุ่มบริษัทและ SME ในอุตสาหกรรมโรงแรมให้ความสนใจเข้าร่วมโครงการ

สินเชื่อรายย่อยขนาดเล็กจะเป็นปัจจัยผลักดันการเติบโตใหม่หลัง Covid

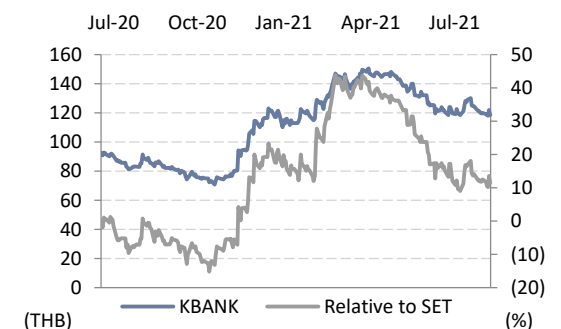
นอกจากนี้ผู้บริหารยังให้รายละเอียดเพิ่มเติมเกี่ยวกับสินเชื่อส่วนบุคคล สินเชื่อรายย่อยขนาดเล็กมีการเติบโตที่ดี โดยโตมากกว่า 3x y-y ใน 1Q21 รายได้ดอกเบี้ยสุทธิ (NII) (คำนวณเป็นรายได้ต่อปี) จากสินเชื่อใหม่อยู่ในระดับสูงถึง 16.8 พัน ลบ. หรือประมาณสิบล้านกว่าเปอร์เซ็นต์ตันๆ ของ NII รวมจากการเป็นหนึ่งในสินเชื่อที่ให้ผลตอบแทนสูงสุด ธนาคารฯ เห็นโอกาสอีกมากในตลาดนี้ ปัจจุบันธนาคารฯ รับใบสมัครไว้พิจารณาถึง 15,000 ใบต่อวัน น่าจะเป็นระดับแนวหน้าในอุตสาหกรรมนี้ อย่างไรก็ดี KBANK ยังคงปล่อยสินเชื่อด้วยความระมัดระวัง ทำให้มีอัตราการอนุมัติอยู่ในระดับต่ำที่เพียง 15%

แรงกดดันในระยะสั้น

เราคงแนะนำซื้อที่ราคาเป้าหมายปี 2022 ที่ 190 บาท (GGM) เราคิดว่าราคาหุ้นของ KBANK จะค่อยๆ ปรับตัวขึ้นในอีก 6 ถึง 12 เดือนข้างหน้าเมื่อตัวเลขการฉีดวัคซีนเร่งตัวขึ้นและปัจจัยหนุนการเติบโตใหม่ กล่าวคือ สินเชื่อรายย่อยขนาดเล็กเริ่มมีบทบาทที่สำคัญมากยิ่งขึ้น อย่างไรก็ตามในระยะสั้นเราเห็นว่าราคาหุ้นจะได้รับแรงกดดันจากการแพร่ระบาด Covid ในรอบที่ 3 ที่ยาวนานและรุนแรงกว่าที่คาด นอกจากนี้ KBANK อาจมีความเสี่ยงขาดทุนมากที่สุดถ้าการกระจายวัคซีนช้ากว่าที่เราคาดใน 3Q21

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	41,540	49,018	52,269	56,035
Net profit	29,487	34,670	36,881	39,541
EPS (THB)	12.45	14.63	15.57	16.69
vs Consensus (%)	-	0.7	(0.8)	(8.5)
Core net profit	29,487	34,670	36,881	39,541
Core EPS (THB)	12.45	14.63	15.57	16.69
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(23.1)	17.6	6.4	7.2
Core P/E (x)	9.5	8.1	7.6	7.1
Dividend yield (%)	2.1	2.7	3.1	-
Price/book (x)	0.6	0.6	0.6	0.5
ROE (%)	7.0	7.7	7.7	7.7
ROA (%)	1.0	1.1	1.1	1.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.8)	(19.4)	24.4
Relative to country (%)	1.6	(18.5)	8.3
Mkt cap (USD m)	8,723		
3m avg. daily turnover (USD m)	118.0		
Free float (%)	50		
Major shareholder	Thai NVDR (19%)		
12m high/low (THB)	153.00/70.00		
Issued shares (m)	2,393		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 5 กรกฎาคม 2021

Investment thesis

Our BUY call on KBANK is because we believe the bank can weather the Covid-19 storm, owing to its effective risk management process.

Once the Covid-19 crisis has passed, we expect KBANK to post sustainable long-term growth, as it has laid a strong foundation for such. First, KBANK has been heavily investing in digital platforms for more than a decade – we believe it will utilise its digital platform to generate more revenue while reducing operating and funding costs. Second, KBANK is one of the first movers to have expanded into the Asean Economic Community +3. Therefore, its digital investment and international expansion should be a game changer, helping it to become a regional digital bank.

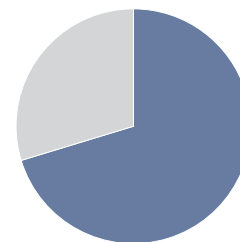
Company profile

Established on 8 June 1945, Kasikornbank was listed on the Stock Exchange of Thailand in 1976. At the end of 2019, KBANK operated 886 branches, down from 958 in 2018 and 8,167 ATMs, down from 9,369 in 2018. In addition, the bank has an international network that includes 16 establishments in 8 countries.

www.kasikornbank.com

Principal activities (revenue, 2020)

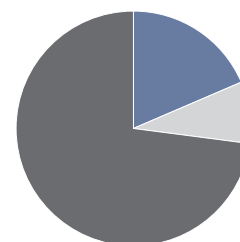
- Net interest income - 70.3 %
- Non-interest income - 29.7 %



Source: Kasikornbank

Major shareholders

- Thai NVDR - 18.6 %
- State Street Europe Ltd. - 8.5 %
- Others - 72.9 %



Source: Kasikornbank

Catalysts

Potential share price catalysts for KBANK include:

- Lower credit cost from fewer new NPLs;
- Faster expansion in the digital lending space than expected;
- The return of foreign fund flows into the Thai stock market.

Risks to our call

Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a further waves 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.

Event calendar

Date	Event
21 July 2021	2Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Net profit (THB m)	34,670	36,881	39,541
Net profit growth	17.6	6.4	7.2
NIM	3.16	3.12	3.19
Loan growth	5.0	5.0	5.0
Fee growth	4.7	5.0	5.0
Non-NII growth*	1.6	7.7	5.9
Credit cost (bp)	165	160	160
Cost to income*	45.3	44.6	44.1

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		2021E		
		3.0	5.0	7.0
Loan growth	±2ppt			
% change in net profit		(1.0)	-	1.0
NIM (%)	±5bp	3.11	3.16	3.21
% change in net profit		(4.1)	-	4.1
Credit cost (bp)	±10bp	155	165	175
% change in net profit		3.4	-	(3.4)

Source: FSSIA estimates

KBANK and MTL enter into a 10-year bancassurance agreement

On 2 Jul-21, KBANK and MTL, a subsidiary which KBANK effectively holds a 38.25% share in, entered into a 10-year exclusive bancassurance agreement (BA). KBANK will receive a payment of THB12.7b, and an annual performance bonus, in return for distributing MTL's life insurance and health and critical illness insurance products. The THB12.7b will be paid in a single payment or in two instalments. However, KBANK will gradually recognise this in its profit and loss statement over 10 years, approximately equal to a THB630m net of tax increase to its bottom line per year.

Exhibit 1: Summary of key terms for bancassurance agreement

Terms and Conditions	Description
Contract terms	10 years or less if the performance target is reached before the end of year 10 (up to two years extension if the target is not achieved, subject to BA T&C)
Exclusivity value	THB12.7b payment on 1 Jan-22 or 2 instalments + performance bonus
Product scope	Life insurance products, health and critical illness insurance products

Source: KBANK

We read this transaction as slightly positive. Once the deal is done, KBANK can sell only MTL's products. However, KBANK presently receives only minimal BA fees from other companies. Thus, the net total impact from this deal to its bottom line is still positive, potentially a 2-3% upside to our net profit forecast each year.

Investors may be curious as to why the bank needs to undertake this transaction as it is already an insurance agent for MTL. We think the reason to enter into this deal is not because KBANK plans to reduce its portion in MTL in the near term. Rather, we believe this is to adjust its bancassurance fee structure to be in line with the industry.

Exhibit 2: Exclusivity deal comparison

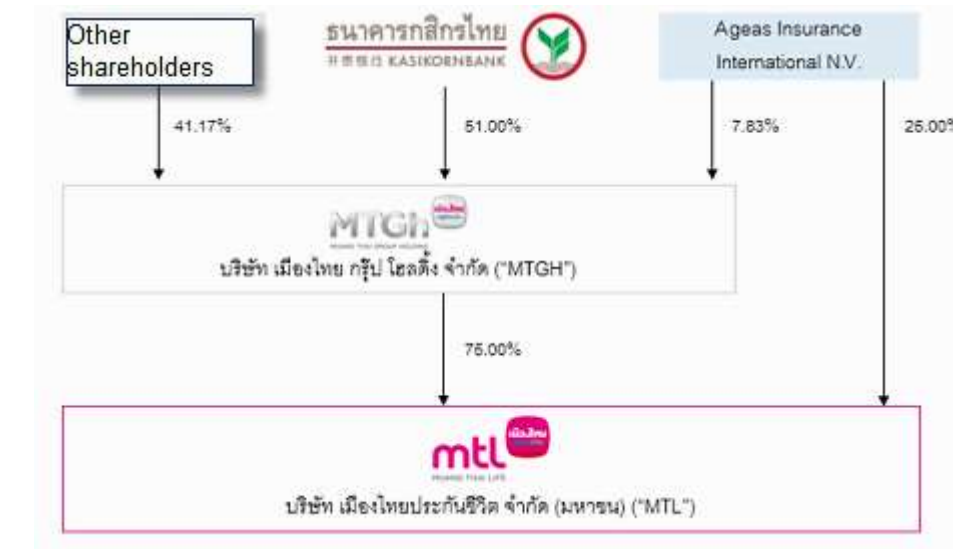
Year	Parties	Duration	Deal value (non-contingent)	Deal value per year (non-contingent)
		(year)	(THB b)	(THB b)
2021	KBANK-MTL	10	12.7	1.27
2020	Other deal in Thailand	15	24.5*	1.63
2019	Other deal in Thailand (+ sale of shares in life insurer)	15	17.7**	1.18
2017	Other deal in Thailand	15	21.5**	1.43

*As published in the local news; **As disclosed in company filing

Sources: KBANK; FSSIA's compilation

Note that this is a connected transaction, per Thai regulations, as it is conducted with MTL. This transaction does not require shareholder approval at a shareholders' meeting as it is a normal business transaction conducted within general trading conditions. KBANK, however, deems this a very important transaction. As such, KBANK wants its shareholders to participate in the decision-making at its extraordinary general meeting of shareholders on 26 Aug-21.

Exhibit 3: MTL's shareholder structure

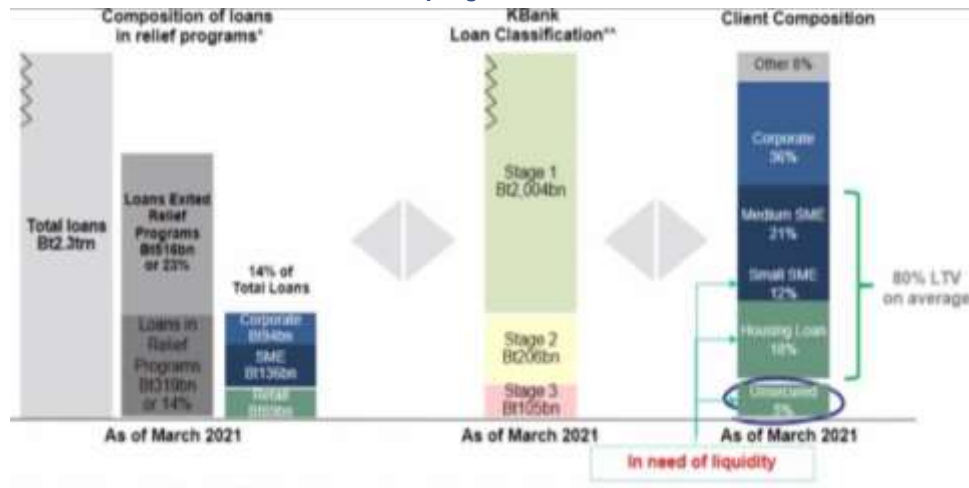


Source: KBANK

Potential increase in debt forbearance program

As of 1Q21, loans in its forbearance program were at THB319b – 14% of its total loans. The bank expects 6% of forbearance program customers who exited, or THB30b, to revert to the program again. The bank has still not commented on its expected credit loss (ECL) policy. However, management believes that the riskiest loan type to set aside more provisions for in case of being non-performing loans (NPLs) is unsecured loans, which contribute only 5% of its total loans. Regarding its asset warehousing program, there is THB11b that the corporate and SME segments in the hotel industry are interested in.

Exhibit 4: Loans under forbearance program

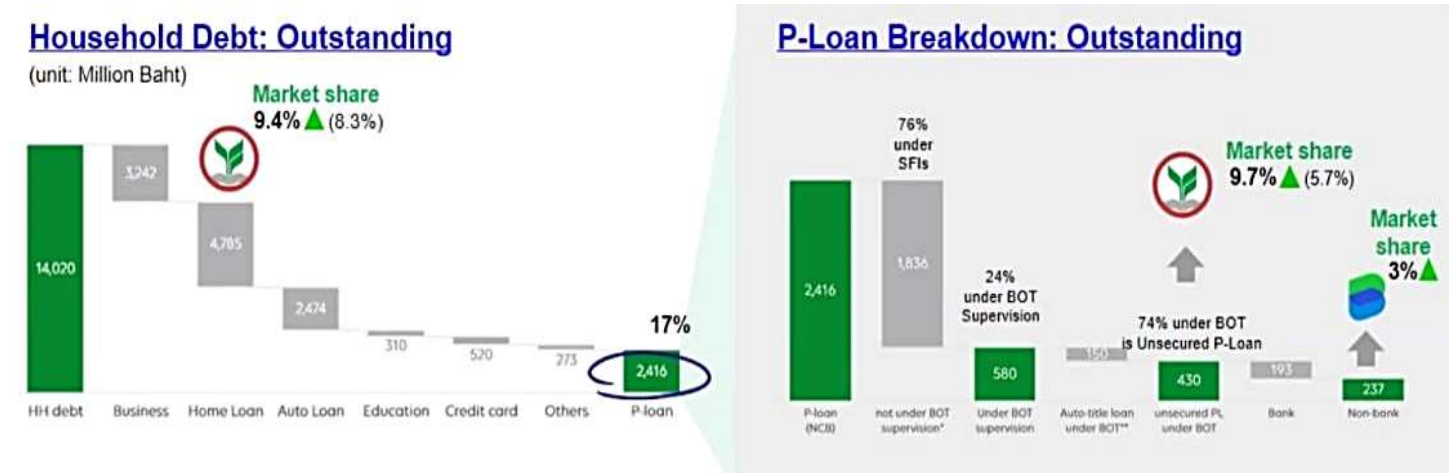


Source: KBANK

Small retail segment – new post-Covid growth engine

Management also provided more details regarding its personal loans. As of 1Q21, KBANK's market share in personal loans was 11.5%. The small retail segment performed very well, with more than 3x growth y-y in 1Q21. The annualised NII from new bookings was high at THB16.8b, or around the early teen percentages of its total NII, due to being one of the highest yield segments. KBANK sees plenty of opportunities in this segment. Currently, the bank processes 15k applications/day, which is likely the industry leading level. However, KBANK still lends cautiously, resulting in a low approval rate of 15%.

Exhibit 5: Household debt and personal loan breakdown



Source: KBANK

Exhibit 6: More than 3x growth in small retail segment

(Unit : Billion Baht)	1Q21	1Q20	Y2020	Growth YoY
New booking from 'small customers' – unsecured	30.0	9.4	35.6	x 3 times
Assisted channels	22.4	9.4	31.6	x 2.5 times
Unassisted & partner platforms	7.6	n/a	4.0	Branch traffic down 16%
Revolver Outstanding	74.2	60.5	71.8	+23%
Annualized Net interest income from New Booking	16.8			

Source: KBANK

Financial Statements

Kasikornbank

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	130,178	127,592	127,252	135,450	143,807
Interest expense	(27,490)	(18,570)	(15,133)	(21,819)	(24,641)
Net interest income	102,688	109,022	112,119	113,631	119,166
Net fees & commission	36,740	33,004	34,548	36,276	38,090
Foreign exchange trading income	8,362	0	0	0	0
Securities trading income	8,412	9,428	7,939	8,011	8,087
Dividend income	2,817	2,384	2,623	2,754	2,892
Other income	1,428	1,246	1,699	3,344	4,307
Non interest income	57,759	46,063	46,809	50,385	53,375
Total income	160,447	155,085	158,928	164,016	172,541
Staff costs	(33,261)	(32,143)	(32,786)	(32,786)	(34,426)
Other operating costs	(39,468)	(37,853)	(39,159)	(40,305)	(41,492)
Operating costs	(72,729)	(69,997)	(71,945)	(73,091)	(75,918)
Pre provision operating profit	87,718	85,088	86,983	90,925	96,623
Provision for bad and doubtful debt	(34,012)	(43,548)	(37,966)	(38,656)	(40,589)
Other provisions	-	-	-	-	-
Operating profit	53,706	41,540	49,018	52,269	56,035
Recurring non operating income	44	(193)	(213)	(223)	(234)
Associates	44	(193)	(213)	(223)	(234)
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	53,750	41,347	48,805	52,046	55,800
Tax	(10,309)	(7,656)	(9,273)	(9,993)	(10,714)
Profit after tax	43,441	33,690	39,532	42,053	45,087
Minority interests	(4,714)	(4,203)	(4,862)	(5,173)	(5,546)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	38,727	29,487	34,670	36,881	39,541
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	38,727	29,487	34,670	36,881	39,541
Per share (THB)					
Recurring EPS *	16.18	12.45	14.63	15.57	16.69
Reported EPS	16.18	12.45	14.63	15.57	16.69
DPS	5.00	2.50	3.20	3.70	0.00
Growth					
Net interest income (%)	4.2	6.2	2.8	1.3	4.9
Non interest income (%)	1.5	(20.3)	1.6	7.6	5.9
Pre provision operating profit (%)	0.7	(3.0)	2.2	4.5	6.3
Operating profit (%)	(1.6)	(22.7)	18.0	6.6	7.2
Reported net profit (%)	0.7	(23.9)	17.6	6.4	7.2
Recurring EPS (%)	0.7	(23.1)	17.6	6.4	7.2
Reported EPS (%)	0.7	(23.1)	17.6	6.4	7.2
Income Breakdown					
Net interest income (%)	64.0	70.3	70.5	69.3	69.1
Net fees & commission (%)	22.9	21.3	21.7	22.1	22.1
Foreign exchange trading income (%)	5.2	-	-	-	-
Securities trading income (%)	5.2	6.1	5.0	4.9	4.7
Dividend income (%)	1.8	1.5	1.7	1.7	1.7
Other income (%)	0.9	0.8	1.1	2.0	2.5
Operating performance					
Gross interest yield (%)	4.20	3.83	3.58	3.72	3.85
Cost of funds (%)	1.24	0.78	0.60	0.84	0.93
Net interest spread (%)	2.96	3.05	2.98	2.88	2.92
Net interest margin (%)	3.3	3.3	3.2	3.1	3.2
Cost/income(%)	45.3	45.1	45.3	44.6	44.0
Cost/assets(%)	2.3	2.0	1.9	1.9	2.0
Effective tax rate (%)	19.2	18.5	19.0	19.2	19.2
Dividend payout on recurring profit (%)	30.9	20.1	21.9	23.8	-
ROE (%)	9.9	7.0	7.7	7.7	7.7
ROE - COE (%)	(0.1)	(3.0)	(2.3)	(2.3)	(2.2)
ROA (%)	1.3	1.0	1.1	1.1	1.2
RORWA (%)	2.0	1.5	1.6	1.6	1.7

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Kasikornbank; FSSIA estimates

Financial Statements

Kasikornbank

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Gross customer loans	2,001,956	2,244,821	2,357,062	2,474,915	2,598,661
Total provisions	(124,879)	(134,393)	(144,074)	(133,231)	(138,738)
interest in suspense	2,830	11,272	14,142	12,375	3,638
Net customer loans	1,879,907	2,121,700	2,227,131	2,354,058	2,463,561
Bank loans	385,940	417,420	399,253	345,482	323,939
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	776,700	837,790	848,717	856,735	864,847
Cash & equivalents	61,385	61,962	63,453	86,632	73,632
Other interesting assets	-	-	-	-	-
Tangible fixed assets	77,686	85,664	87,471	89,928	93,034
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	112,272	134,261	112,145	115,449	118,114
Total assets	3,293,889	3,658,798	3,738,169	3,848,284	3,937,126
Customer deposits	2,072,049	2,344,998	2,383,182	2,454,678	2,503,771
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	185,132	183,631	196,019	201,900	205,938
Non interest bearing liabilities	582,994	638,883	638,883	638,883	638,883
Hybrid Capital	-	-	-	-	-
Total liabilities	2,840,174	3,167,512	3,218,084	3,295,460	3,348,592
Share capital	23,933	23,693	23,693	23,693	23,693
Reserves	382,425	415,976	441,750	471,048	503,007
Total equity	406,358	439,670	465,443	494,741	526,701
Minority interests	47,357	51,616	54,642	58,082	61,834
Total liabilities & equity	3,293,889	3,658,798	3,738,169	3,848,284	3,937,126
Supplementary items					
Risk weighted assets (RWA)	2,210,881	2,404,276	2,524,490	2,650,714	2,783,250
Average interest earning assets	3,101,614	3,332,313	3,552,531	3,641,082	3,732,289
Average interest bearing liabilities	2,214,536	2,368,844	2,527,798	2,591,711	2,656,312
Tier 1 capital	357,975	387,854	412,824	441,018	471,646
Total capital	433,753	452,095	477,065	505,259	535,887
Gross non performing loans (NPL)	84,038	101,007	121,208	113,936	117,354
Per share (THB)					
Book value per share	169.79	185.57	196.45	208.81	222.30
Tangible book value per share	169.79	185.57	196.45	208.81	222.30
Growth					
Gross customer loans	4.6	12.1	5.0	5.0	5.0
Average interest earning assets	6.9	7.4	6.6	2.5	2.5
Total asset (%)	4.4	11.1	2.2	2.9	2.3
Risk weighted assets (%)	6.2	8.7	5.0	5.0	5.0
Customer deposits (%)	3.9	13.2	1.6	3.0	2.0
Leverage & capital measures					
Customer loan/deposits (%)	90.7	90.5	93.5	95.9	98.4
Equity/assets (%)	12.3	12.0	12.5	12.9	13.4
Tangible equity/assets (%)	12.3	12.0	12.5	12.9	13.4
RWA/assets (%)	67.1	65.7	67.5	68.9	70.7
Tier 1 CAR (%)	16.2	16.1	16.4	16.6	16.9
Total CAR (%)	19.6	18.8	18.9	19.1	19.3
Asset Quality					
Change in NPL (%)	13.0	20.2	20.0	(6.0)	3.0
NPL/gross loans (%)	4.2	4.5	5.1	4.6	4.5
Total provisions/gross loans (%)	6.2	6.0	6.1	5.1	5.3
Total provisions/NPL (%)	148.6	133.1	118.9	116.9	118.2
Valuation					
Recurring P/E (x) *	7.3	9.5	8.1	7.6	7.1
Recurring P/E @ target price (x) *	11.7	15.3	13.0	12.2	11.4
Reported P/E (x)	7.3	9.5	8.1	7.6	7.1
Dividend yield (%)	4.2	2.1	2.7	3.1	-
Price/book (x)	0.7	0.6	0.6	0.6	0.5
Price/tangible book (x)	0.7	0.6	0.6	0.6	0.5
Price/tangible book @ target price (x)	1.1	1.0	1.0	0.9	0.9

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Kasikornbank; 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	ICHI	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	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
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	SEOIL	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	WIIK	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	AMANA	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	SEAOL	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

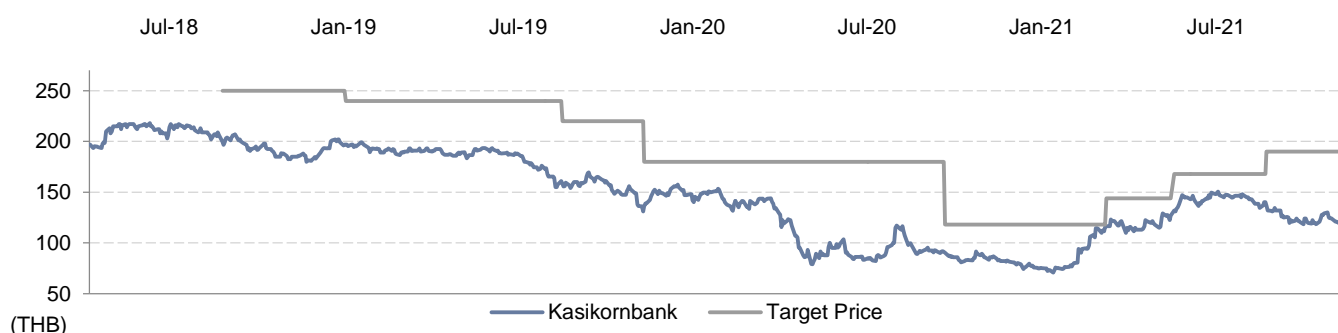
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Kasikornbank (KBANK TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Oct-2018	BUY	250.00	02-Apr-2020	BUY	180.00	29-Jan-2021	BUY	168.00
13-Feb-2019	BUY	240.00	16-Jul-2020	BUY	118.00	21-Apr-2021	BUY	190.00
20-Aug-2019	BUY	220.00	06-Oct-2020	BUY	118.00			
30-Oct-2019	BUY	180.00	03-Dec-2020	BUY	144.00			

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
Kasikornbank	KBANK TB	THB 118.50	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; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.

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-Jul-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.