

22 SEPTEMBER 2021

THAILAND / BANKS

SIAM COMMERCIAL BANK SCB TB

BUY

UNCHANGED

TARGET PRICE	THB136.00
CLOSE	THB107.50
UP/DOWNSIDE	+26.5%
TP vs CONSENSUS	+13.7%

Great transformation: SCB≠SCB

Partnering with ADVANC to run digital lending

On 21 Sep-21, SCB announced a JV with Advanced Info Service (ADVANC TB, BUY, TP THB200) called 'AISC', with registered capital of THB600m. SCB and ADVANC will each hold 50%. AISC will provide digital lending via online platforms. Its first target group will be AIS' clients and the ticket size per person is intended to be small, cTHB10k-20k. It will operate next year under personal loan and nano-finance licenses. This deal might provide an immaterial upside, 1-2%, to our forecasts in the next 1-2 years. However, we think partnering with ADVANC will allow SCB to expand its business beyond the traditional banking sphere.

First move with ADVANC, more to come

ADVANC has the highest market share among mobile operators, with more than 43m clients. We believe SCB will utilise ADVANC's data to lend digital loans (using data like bill payment behaviour for the underwriting process). Moreover, we think the bank might offer gadget loans and cross-sell its products, e.g. insurance for ADVANC's clients. Partnering with ADVANC is only the first move, as SCB will announce more deals on 22 Sep-21. It will host an analyst meeting at 6.15 pm. We think the potential deals might be 1) partnering with technology or digital asset companies; 2) listing an auto lending business, which normally trade at a higher premium than the banking sector; and 3) restructuring itself to be a holding company. We think SCB is trying to reposition itself as a technology bank to create new growth and uplift its ROE.

The same concept but new client base, leading to higher growth

Digital lending is not a new concept for the lending industry. SCB already lends via this platform. However, its loan volume is still small – less than 1% of its total portfolio. Kasikornbank (KBANK TB, BUY, TP THB150) also has a digital lending portfolio. KBANK's most well-known portfolio is 'LINE BK' with an outstanding portfolio of cTHB8b in 1H21. We think that by partnering with ADVANC, SCB could penetrate the market more aggressively, potentially leading to a surge in digital loan growth with healthy asset quality due to the deep data analysis from ADVANC.

Maintain as top pick; potential for valuation to rerate

We like SCB's strategy to break out of the traditional way of doing business. This should enhance its long-term growth and ROE. In the long run, its valuation could rerate to trade at a higher premium.

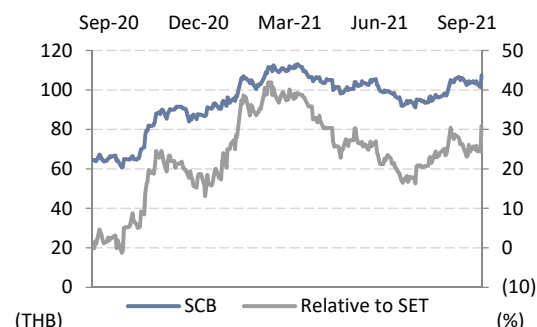


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KEY STOCK DATA

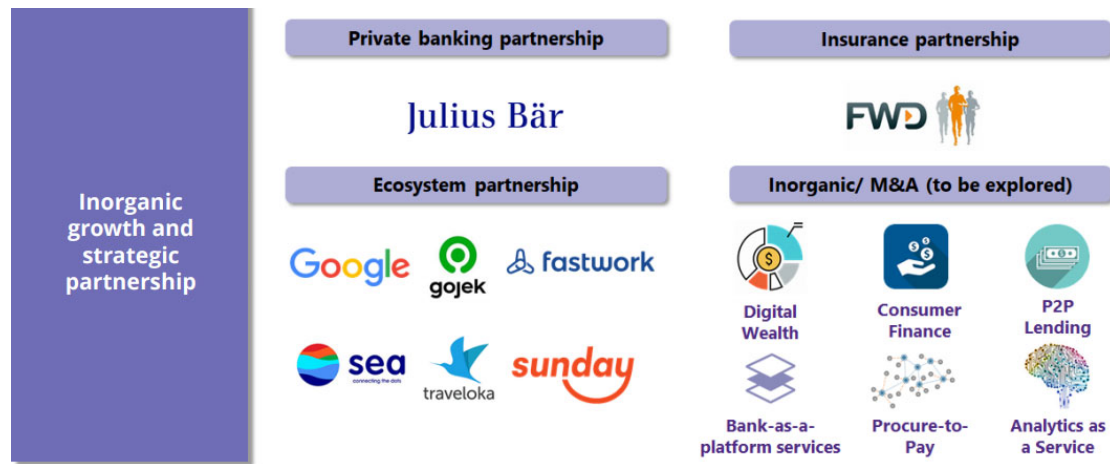
YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	33,866	39,011	44,335	51,303
Net profit	27,218	32,171	36,527	42,222
EPS (THB)	8.02	9.46	10.75	12.42
vs Consensus (%)	-	(2.7)	0.2	(3.6)
Core net profit	27,218	32,171	36,527	42,222
Core EPS (THB)	8.02	9.46	10.75	12.42
EPS growth (%)	(7.0)	18.1	13.5	15.6
Core P/E (x)	13.4	11.4	10.0	8.7
Dividend yield (%)	2.1	2.5	3.3	4.4
Price/book (x)	0.9	0.8	0.8	0.7
ROE (%)	6.7	7.6	8.2	8.9
ROA (%)	0.9	1.0	1.1	1.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.9	8.9	61.0
Relative to country (%)	4.7	7.9	27.2
Mkt cap (USD m)	10,940		
3m avg. daily turnover (USD m)	34.5		
Free float (%)	53		
Major shareholder	King Rama X (24%)		
12m high/low (THB)	114.00/60.00		
Issued shares (m)	3,399		

Sources: Bloomberg consensus; FSSIA estimates

Exhibit 1: SCB's inorganic growth and strategic partnerships



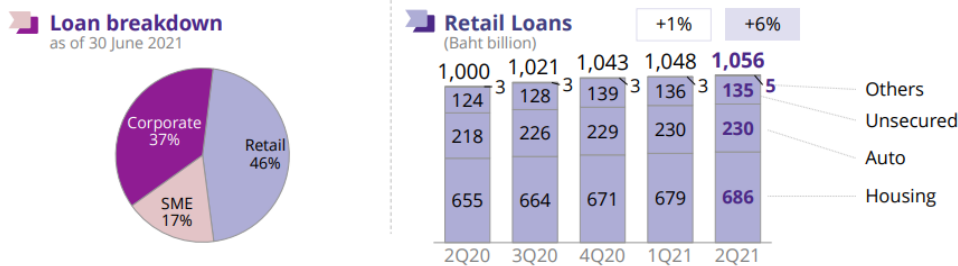
Source: SCB

Exhibit 2: SCB10x's business structure



Source: SCB

Exhibit 3: SCB's loan breakdown



Source: SCB

Financial Statements

Siam Commercial Bank

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	135,025	118,371	110,645	112,646	117,393
Interest expense	(35,624)	(21,472)	(16,876)	(21,918)	(22,727)
Net interest income	99,401	96,899	93,769	90,727	94,666
Net fees & commission	29,670	36,586	38,564	42,371	46,047
Foreign exchange trading income	0	0	0	0	0
Securities trading income	5,383	9,365	9,500	7,525	7,901
Dividend income	627	155	171	180	189
Other income	145	1,840	1,104	1,159	1,217
Non interest income	35,825	47,947	49,339	51,235	55,354
Total income	135,226	144,846	143,108	141,963	150,020
Staff costs	(33,281)	(31,344)	(30,404)	(30,404)	(31,316)
Other operating costs	(37,257)	(32,986)	(30,659)	(30,498)	(30,439)
Operating costs	(70,538)	(64,330)	(61,063)	(60,902)	(61,755)
Pre provision operating profit	64,688	80,516	82,045	81,060	88,265
Provision for bad and doubtful debt	(27,111)	(46,649)	(43,035)	(36,725)	(36,962)
Other provisions	-	-	-	-	-
Operating profit	37,577	33,866	39,011	44,335	51,303
Recurring non operating income	31	(78)	500	525	551
Associates	31	(78)	500	525	551
Goodwill amortization	-	-	-	-	-
Non recurring items	4,364	0	0	0	0
Profit before tax	41,972	33,788	39,511	44,860	51,854
Tax	(8,538)	(6,794)	(7,595)	(8,623)	(9,968)
Profit after tax	33,434	26,994	31,916	36,237	41,886
Minority interests	185	224	255	290	335
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	33,619	27,218	32,171	36,527	42,222
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	29,255	27,218	32,171	36,527	42,222
Per share (THB)					
Recurring EPS *	8.62	8.02	9.46	10.75	12.42
Reported EPS	9.90	8.02	9.46	10.75	12.42
DPS	6.26	2.30	2.70	3.50	4.75
Growth					
Net interest income (%)	3.1	(2.5)	(3.2)	(3.2)	4.3
Non interest income (%)	(14.3)	33.8	2.9	3.8	8.0
Pre provision operating profit (%)	(12.0)	24.5	1.9	(1.2)	8.9
Operating profit (%)	(24.1)	(9.9)	15.2	13.6	15.7
Reported net profit (%)	(16.1)	(19.0)	18.2	13.5	15.6
Recurring EPS (%)	(26.9)	(7.0)	18.1	13.5	15.6
Reported EPS (%)	(16.0)	(19.0)	18.1	13.5	15.6
Income Breakdown					
Net interest income (%)	73.5	66.9	65.5	63.9	63.1
Net fees & commission (%)	21.9	25.3	26.9	29.8	30.7
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	4.0	6.5	6.6	5.3	5.3
Dividend income (%)	0.5	0.1	0.1	0.1	0.1
Other income (%)	0.1	1.3	0.8	0.8	0.8
Operating performance					
Gross interest yield (%)	4.54	3.94	3.56	3.64	3.70
Cost of funds (%)	1.49	0.85	0.64	0.84	0.86
Net interest spread (%)	3.05	3.09	2.92	2.80	2.84
Net interest margin (%)	3.3	3.2	3.0	2.9	3.0
Cost/income(%)	52.2	44.4	42.7	42.9	41.2
Cost/assets(%)	2.3	2.1	1.9	1.9	1.9
Effective tax rate (%)	20.3	20.1	19.2	19.2	19.2
Dividend payout on recurring profit (%)	72.6	28.7	28.5	32.6	38.2
ROE (%)	7.5	6.7	7.6	8.2	8.9
ROE - COE (%)	(3.3)	(4.1)	(3.2)	(2.6)	(1.9)
ROA (%)	0.9	0.9	1.0	1.1	1.3
RORWA (%)	1.4	1.3	1.4	1.6	1.7

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Siam Commercial Bank; FSSIA estimates

Financial Statements

Siam Commercial Bank

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Gross customer loans	2,113,787	2,255,242	2,322,899	2,415,815	2,512,448
Total provisions	(117,395)	(139,442)	(147,633)	(148,121)	(147,396)
interest in suspense	2,946	14,508	12,776	12,079	11,306
Net customer loans	1,999,339	2,130,308	2,188,042	2,279,773	2,376,358
Bank loans	433,510	547,504	477,953	411,868	428,034
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	312,143	339,828	278,871	282,837	294,459
Cash & equivalents	47,615	51,632	34,858	64,472	27,942
Other interesting assets	-	-	-	-	-
Tangible fixed assets	57,418	56,445	55,492	54,560	53,647
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	110,599	152,667	148,246	151,094	155,339
Total assets	2,960,624	3,278,383	3,183,462	3,244,604	3,335,780
Customer deposits	2,159,425	2,420,455	2,347,842	2,371,320	2,418,747
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	235,592	275,993	267,713	270,390	275,798
Non interest bearing liabilities	167,882	170,106	136,085	142,889	150,034
Hybrid Capital	-	-	-	-	-
Total liabilities	2,562,900	2,866,554	2,751,640	2,784,600	2,844,578
Share capital	33,992	33,992	33,956	33,956	33,956
Reserves	366,366	377,438	397,448	425,603	456,770
Total equity	400,358	411,430	431,404	459,559	490,725
Minority interests	489	399	419	446	476
Total liabilities & equity	2,963,746	3,278,384	3,183,462	3,244,604	3,335,780
Supplementary items					
Risk weighted assets (RWA)	2,075,492	2,197,568	2,263,495	2,354,035	2,448,196
Average interest earning assets	2,973,403	3,001,007	3,111,149	3,095,121	3,172,730
Average interest bearing liabilities	2,396,471	2,534,701	2,645,888	2,618,624	2,657,968
Tier 1 capital	352,691	377,036	393,813	418,984	446,461
Total capital	375,206	400,892	417,669	442,840	470,317
Gross non performing loans (NPL)	85,212	101,462	111,608	100,447	100,447
Per share (THB)					
Book value per share	117.89	121.16	126.91	135.19	144.36
Tangible book value per share	117.89	121.16	126.91	135.19	144.36
Growth					
Gross customer loans	(1.3)	6.7	3.0	4.0	4.0
Average interest earning assets	(1.0)	0.9	3.7	(0.5)	2.5
Total asset (%)	(7.1)	10.7	(2.9)	1.9	2.8
Risk weighted assets (%)	(4.2)	5.9	3.0	4.0	4.0
Customer deposits (%)	0.0	12.1	(3.0)	1.0	2.0
Leverage & capital measures					
Customer loan/deposits (%)	92.6	88.0	93.2	96.1	98.2
Equity/assets (%)	13.5	12.5	13.6	14.2	14.7
Tangible equity/assets (%)	13.5	12.5	13.6	14.2	14.7
RWA/assets (%)	70.1	67.0	71.1	72.6	73.4
Tier 1 CAR (%)	17.0	17.2	17.4	17.8	18.2
Total CAR (%)	18.1	18.2	18.5	18.8	19.2
Asset Quality					
Change in NPL (%)	21.1	19.1	10.0	(10.0)	-
NPL/gross loans (%)	4.0	4.5	4.8	4.2	4.0
Total provisions/gross loans (%)	5.6	6.2	6.4	5.9	5.9
Total provisions/NPL (%)	137.8	137.4	132.3	147.5	146.7
Valuation					
Recurring P/E (x) *	12.5	13.4	11.4	10.0	8.7
Recurring P/E @ target price (x) *	15.8	17.0	14.4	12.7	10.9
Reported P/E (x)	10.9	13.4	11.4	10.0	8.7
Dividend yield (%)	5.8	2.1	2.5	3.3	4.4
Price/book (x)	0.9	0.9	0.8	0.8	0.7
Price/tangible book (x)	0.9	0.9	0.8	0.8	0.7
Price/tangible book @ target price (x)	1.2	1.1	1.1	1.0	0.9
* Pre-exceptional, pre-goodwill and fully diluted					

Sources: Siam Commercial 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	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	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TRC	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	MITSI	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	TPIPP	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	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	TTB	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	WIIK	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

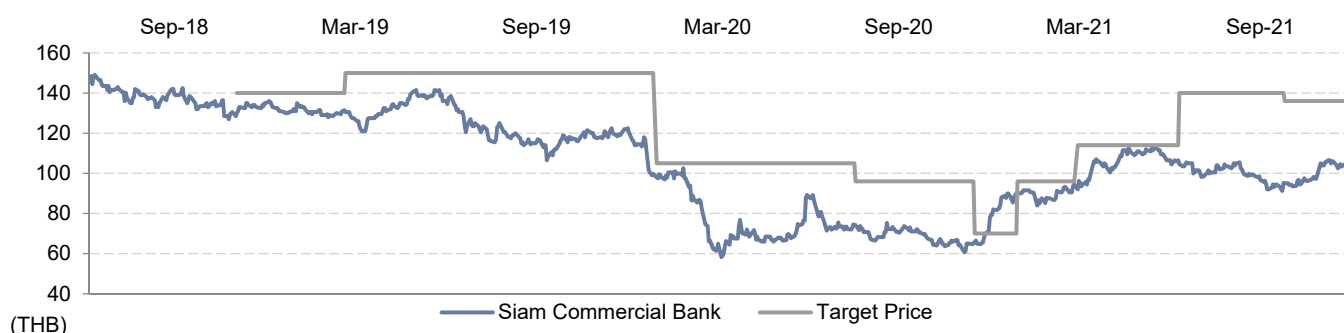
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Siam Commercial Bank (SCB TB)



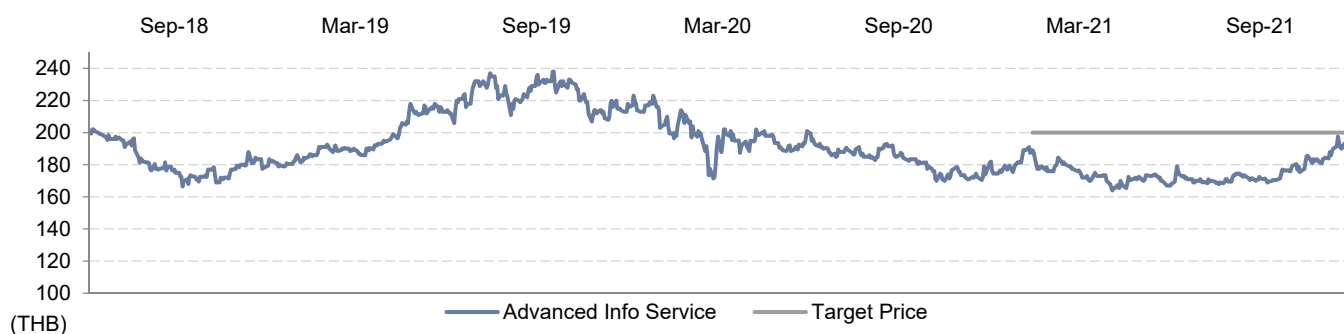
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Jan-2019	HOLD	140.00	16-Jul-2020	BUY	96.00	22-Apr-2021	BUY	140.00
03-May-2019	BUY	150.00	27-Oct-2020	HOLD	70.00	22-Jul-2021	BUY	136.00
27-Jan-2020	HOLD	105.00	03-Dec-2020	HOLD	96.00			
02-Apr-2020	HOLD	105.00	22-Jan-2021	BUY	114.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Advanced Info Service (ADVANC TB)

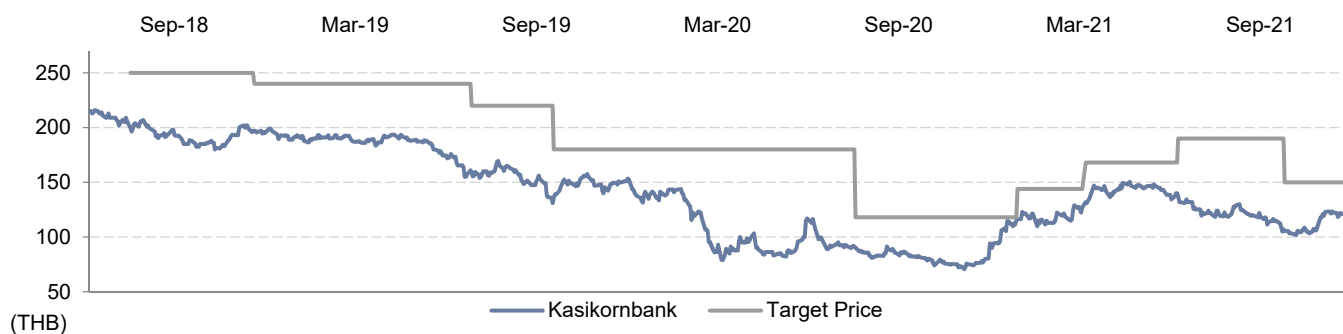


Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Dec-2020	HOLD	200.00	05-Jan-2021	HOLD	200.00	09-Feb-2021	BUY	200.00

Naruedom Mujjalinkool started covering this stock from 16-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

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	05-Jul-2021	BUY	190.00
30-Oct-2019	BUY	180.00	03-Dec-2020	BUY	144.00	22-Jul-2021	BUY	150.00

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
Siam Commercial Bank	SCB TB	THB 107.50	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 its NIM.
Advanced Info Service	ADVANC TB	THB 193.00	BUY	The key downside risks to our DCF-based TP are stronger-than-expected competition in the mobile market and the slower-than-expected adoption of 5G use cases.
Kasikornbank	KBANK TB	THB 121.00	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; 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 21-Sep-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.