

22 NOVEMBER 2021

# Thailand Banks

## Stronger loan demand from retail & government in Oct

### Overall loan portfolio was relatively stable m-m in October 2021

The overall loan portfolio in Oct-21 for the banks under our coverage (BUC) was relatively stable m-m, dragged down mainly by a drop in BBL's loan volume by 1.1% m-m, likely thanks to a decline in the corporate and international segments, followed by TTB's 0.2% m-m decline due to lower SME lending. Meanwhile, KKP delivered the largest increase at 0.7% m-m due to a continued increase in hire purchase loans, followed by KTB's 0.6% m-m thanks to a rise in the government segment. Demand picked up in most retail segments, including housing, credit card and personal loans, due to the resumption of business activities and seasonality. The SME segment posted a slight decline to flat m-m; we believe most banks still lent cautiously. There was a slight drop in the corporate segment due to the high base in Sep-21. Overall, deposits increased by 1.5% m-m, with a steady LDR at 86%. Most banks tried to manage their NIMs by not issuing high interest rate deposits. KTB posted the highest deposit growth, driven mainly by the government segment.

### Stronger loan growth to come in November to December 2021

We project the BUC's 2021 loan growth to be stronger in Nov to Dec-21, supported by 1) a greater willingness for most banks to lend new loans after the reopening of business activities; 2) seasonality; and 3) the merger and acquisition trend of big corporates in Thailand.

### Small impact from debt consolidation on banks and diversified financials

After floating the idea of debt consolidation for housing loans and unsecured retail loans across financial institutions over the past few months, the Bank of Thailand (BoT) officially announced the mandates today. We think these measures will help clients repay their debts. However, due to the complexity of the measures, we think many people might not participate in them. Accordingly, we see a limited impact on the BUC's bottom lines and a neutral impact on other diversified financial companies. KTC and AEONTS might have the most negative sentiment due to the potentially lower interest income in the short term. However, we believe there would be a limited downside to their bottom lines as 1) we expect lower provisions on the back of the BoT's relaxed criteria; and 2) we think their clients will return to borrow money due to the nature of revolving loans.

### Maintain OVERWEIGHT; gradually accumulate banks

We think Thai banks are now focusing on post-Covid growth by penetrating high growth potential areas, e.g. retail lending and digital businesses, to generate higher medium to long term growth. This could eventually provide a higher ROE and unlock shareholder's returns. Thus, we see more room for banks' share prices to rerate, and we recommend gradually accumulating banks. SCB, KBANK and KKP are our top picks in that order.



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## Overall loan portfolio was relatively stable m-m in October 2021

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### Exhibit 1: Loan growth of Thai banks under coverage in October 2021

|                       | Bangkok Bank | Kasikornbank | Kiatnakin Bank | Krung Thai Bank | Siam Commercial Bank | TISCO Financial Group | TMBThanachart Bank | Coverage     |
|-----------------------|--------------|--------------|----------------|-----------------|----------------------|-----------------------|--------------------|--------------|
| BBG code              | BBL TB       | KBANK TB     | KKP TB         | KTB TB          | SCB TB               | TISCO TB              | TTB TB             |              |
| <b>Growth (YTD %)</b> |              |              |                |                 |                      |                       |                    |              |
| Loan                  | 2.94         | 8.84         | 8.06           | 10.85           | 0.54                 | (9.65)                | (2.52)             | 4.46         |
| Deposit               | 7.04         | 8.73         | 6.86           | 9.78            | 0.96                 | (18.94)               | (3.40)             | 4.99         |
| Deposit + Borrowing   | 8.48         | 9.60         | 11.90          | 11.48           | 1.02                 | (16.83)               | (4.60)             | 5.81         |
| <b>Growth (m-m %)</b> |              |              |                |                 |                      |                       |                    |              |
| Loan                  | (1.05)       | 0.35         | 0.74           | 0.57            | (0.13)               | (0.06)                | (0.24)             | (0.03)       |
| Deposit               | (0.25)       | 0.90         | 3.07           | 4.75            | 1.65                 | (2.30)                | (0.27)             | 1.50         |
| Deposit + Borrowing   | (0.38)       | 0.69         | 3.41           | 4.54            | 1.50                 | (2.11)                | (0.90)             | 1.28         |
| <b>Growth (y-y %)</b> |              |              |                |                 |                      |                       |                    |              |
| Loan                  | 3.51         | 13.00        | 9.42           | 15.75           | 4.46                 | (9.17)                | (0.19)             | 7.59         |
| Deposit               | 7.39         | 12.69        | 9.03           | 11.24           | 3.26                 | (15.87)               | (3.82)             | 6.68         |
| Deposit + Borrowing   | 8.59         | 13.32        | 12.26          | 12.92           | 3.29                 | (13.89)               | (5.38)             | 7.28         |
| <b>LDR (%)</b>        | <b>73.37</b> | <b>88.39</b> | <b>105.36</b>  | <b>86.95</b>    | <b>87.13</b>         | <b>117.71</b>         | <b>98.69</b>       | <b>86.42</b> |

Sources: Company data; FSSIA estimates

## Small impact from debt consolidation & other program updates

After floating the idea of debt consolidation for housing loans and unsecured retail loans across financial institutions over the past few months, the Bank of Thailand (BoT) officially announced the mandates today. The essence of the measures is summarised as follows:

1) The consolidation of housing loans and unsecured retail loans can be done in the same institution or across different financial institutions.

2) The interest rate:

Housing loans – in the event that a financial institution has already lent a mortgage loan, the interest rate of the home loan will not exceed the interest rate under the original contract. In the case of receiving a refinanced home loan from another financial institution, the interest rate can be set to align with the debtor's risk profile.

Retail loans – the interest rate shall not be higher than the interest rate of the home loan (after teaser rate) plus 2% per annum.

3) The prepayment fee for retail loans under the debt consolidation program will be waived until Dec-23;

4) The BoT will relax the loan classification and provision to encourage financial institutions to support their clients.

Exhibit 2: Summary of the debt consolidation measures



หนี้บ้าน





หนี้รายย่อยอื่น ๆ  
เช่น บัตรเครดิต บัตรกดเงินสด สินเชื่อส่วนบุคคล

**การปรับโครงสร้างหนี้  
ด้วยวิธีการรวมหนี้ คืออะไร?**

การรวมหนี้เข้าบ้านกับสินเชื่อรายย่อย  
เพื่อช่วยลดภาระดอกเบี้ยและการผ่อนค่างวด

**อัตราดอกเบี้ย**

สินเชื่อบ้าน  
ไม่เพิ่มจากเดิม\*

สินเชื่อรายย่อยอื่น ๆ

≤ อัตราดอกเบี้ยสินเชื่อบ้าน\*\* + 2% ต่อปี

\*กรณีการดำเนินการรีไฟแนนซ์สินเชื่อบ้าน ให้ยื่นใบคำขอการกำหนด  
\*\*อัตราดอกเบี้ยสินเชื่อบ้าน ภายใต้วงเงินไม่เกินสินเชื่อรายย่อย

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**รวมหนี้ในธนาคารเดียวกัน และต่างธนาคารได้**



ธนาคาร A

หนี้บ้าน  
+  
หนี้บัตร

รวมหนี้ในธนาคารเดียวกัน



ธนาคาร A    ธนาคาร B

หนี้บ้าน    หนี้บัตร

หนี้บ้าน    หนี้บัตร

โอนหนี้บัตรจากธนาคาร B  
ไปรวมกับหนี้บ้านของธนาคาร A  
หรือโอนหนี้บ้านไปรวมกับหนี้บัตรก็ได้



ธนาคาร A    ธนาคาร B

หนี้บ้าน    หนี้บัตร

หนี้บ้าน    หนี้บัตร

โอนหนี้จากธนาคาร A และ B  
ไปรวมที่ธนาคาร C ก็ได้เช่นกัน

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**ข้อควรรู้สำหรับลูกหนี้**



- ลูกหนี้สามารถรวมหนี้ได้ไม่เกินมูลค่าของหลักประกัน ทั้งนี้ หากยอดหนี้ของสินเชื่อรายย่อยสูงกว่ามูลค่าหลักประกันสามารถขอรวมหนี้บางส่วนได้
- ลูกหนี้ต้องให้ความยินยอมเปิดเผยข้อมูลที่เป็นจริง เช่น ชื่อเจ้าหน้าที่ ยอดหนี้คงค้าง ทำธนาคารที่ทำการรวมหนี้
- ลูกหนี้อาจถูกพิจารณาปรับลดวงเงินส่วนที่นำไปรวมหนี้ เพื่อให้ผู้อยู่ในระดับที่ลูกหนี้สามารถบริหารจัดการได้

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**ห้ามเรียกเก็บค่าปรับจากการไถ่ถอนสินเชื่อก่อนครบกำหนด (prepayment fee) เป็นการชั่วคราว จนถึงวันที่ 31 ธันวาคม 2566**

- สินเชื่อส่วนบุคคลภายใต้การกำกับ
- สินเชื่อรายย่อยเพื่อการประกอบอาชีพภายใต้การกำกับ

**สินเชื่อที่เข้าข่ายการห้ามเรียกเก็บค่าปรับจากการไถ่ถอนสินเชื่อก่อนครบกำหนด**

|   |   |                                  |
|---|---|----------------------------------|
| new   |  <b>สินเชื่อส่วนบุคคลภายใต้การกำกับ</b>                  | ห้ามเรียกเก็บจนถึง 31 ธ.ค. 66    |
| new   |  <b>สินเชื่อรายย่อยเพื่อการประกอบอาชีพภายใต้การกำกับ</b> | ห้ามเรียกเก็บจนถึง 31 ธ.ค. 66    |
|  | <b>สินเชื่อเพื่อที่อยู่อาศัย</b>  | ห้ามเรียกเก็บหลังจาก 3 ปีไปแล้ว* |
|  | <b>สินเชื่อจำนำทะเบียนรถ</b>  | ห้ามเรียกเก็บ                    |
|  | <b>สินเชื่อส่วนบุคคลดิจิทัล</b>   | ห้ามเรียกเก็บ                    |
|  | <b>สินเชื่ออุปโภคบริโภค เช่น สินเชื่อสวัสดิการ<br/>สินเชื่อที่มีหลักประกันอื่น ๆ</b>  | ห้ามเรียกเก็บ                    |

\*เรียกเก็บค่าปรับไถ่ถอนสินเชื่อก่อนครบกำหนดได้ กรณีลูกค้าเลือกทำสัญญาสินเชื่อเพื่อที่อยู่อาศัยที่มีเงื่อนไขดังนี้  
(1) กำหนดอัตราดอกเบี้ยลอยตัวตั้งแต่แรก หรือ กำหนดอัตราดอกเบี้ยแบบสลับระหว่างดอกเบี้ยลอยตัวและดอกเบี้ยคงที่ ซึ่งต้องการรีไฟแนนซ์ไปสถาบันการเงินอื่น ภายในช่วง 3 ปีแรกนับจากวันทำสัญญา และ  
(2) กำหนดอัตราดอกเบี้ยคงที่และลูกค้าประสงค์ไถ่ถอนสินเชื่อก่อนครบรอบเปลี่ยนอัตราดอกเบี้ย (เปลี่ยนทุก 3 ปี หรือ 5 ปี) หรือกรณีนี้ลูกค้าประสงค์จะขอเปลี่ยนไปใช้สินเชื่ออัตราดอกเบี้ยลอยตัวก่อนครบรอบสัญญาที่กล่าว

Source: Bank of Thailand

FINANSIA

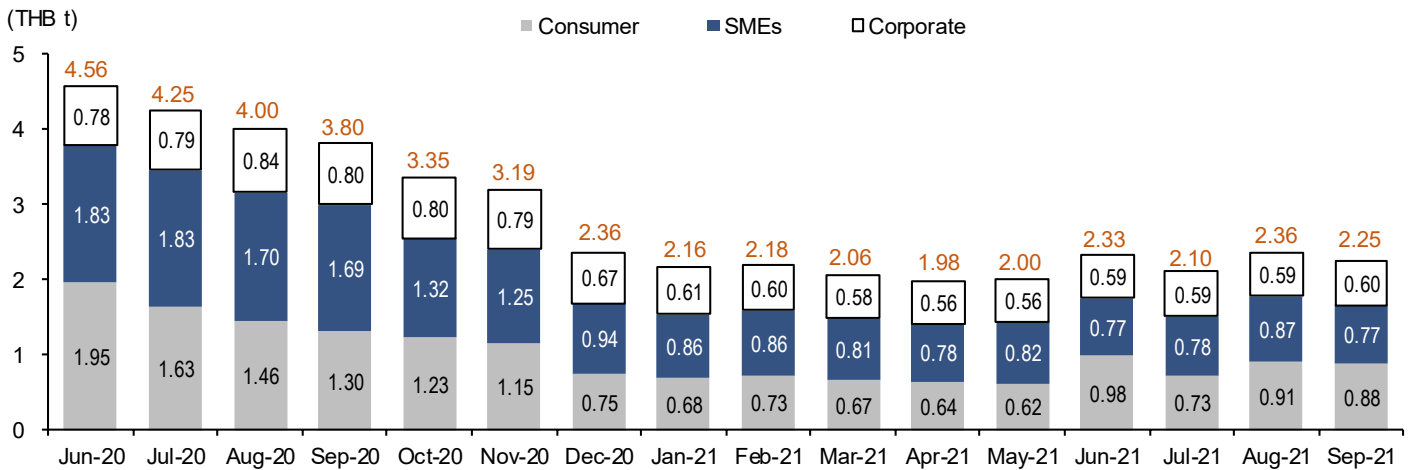
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We think these measures will help clients repay their debts. However, due to the complexity of the measures, we think many people might not participate in them. Accordingly, we see a limited impact on the BUC's bottom lines.

Regarding other diversified financial companies, we also see a neutral impact. KTC and AEONTS might have the most negative sentiment due to the potentially lower interest income in the short term. However, we believe there would be a limited downside to their bottom lines as 1) we expect lower provisions on the back of the BoT's relaxed criteria; and 2) we think their clients will return to borrow money due to the nature of revolving loans.

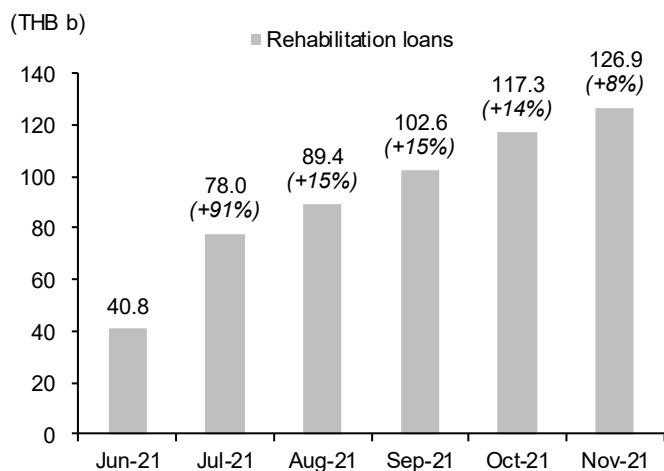
**Exhibit 3: Forbearance loans as at end of September 2021**



Source: Bank of Thailand

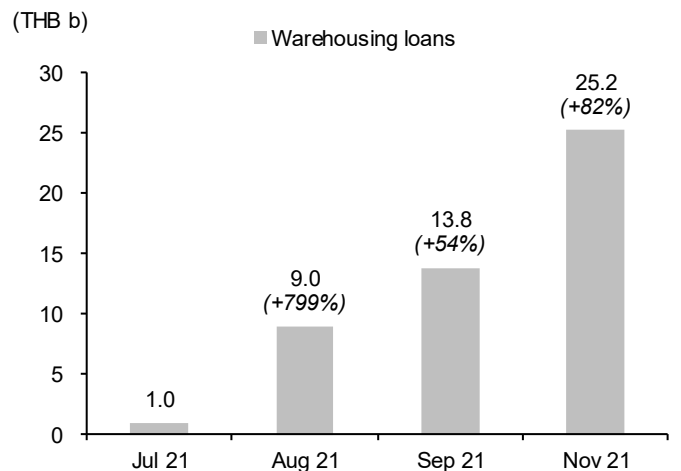
Regarding other previous financial support measures, there was no significant change in all of them, including the debt forbearance program at THB2.25t or 13% of total loans; rehabilitation loans were at THB126.9b in Nov-21 vs the total budget of THB250b; and the warehousing program was at THB25.2b in Nov-21 vs the total budget of THB250b.

**Exhibit 4: Rehabilitation loans from June-November 2021**



Note: % below amount are change m-m  
Source: Bank of Thailand

**Exhibit 5: Warehousing loans from July-November 2021**



Source: Bank of Thailand

## Exhibit 6: Financial companies under coverage – summary of key valuations

|                                 | BBG code  | Rec  | --- Share price --- |              | Up side (%) | Market Cap (USD m) | EPS growth  |             | --- P/E --- |             | -- DivYld -- |            | --- ROE --- |             | --- PBV --- |            |
|---------------------------------|-----------|------|---------------------|--------------|-------------|--------------------|-------------|-------------|-------------|-------------|--------------|------------|-------------|-------------|-------------|------------|
|                                 |           |      | Current (THB)       | Target (THB) |             |                    | 21E (%)     | 22E (%)     | 21E (x)     | 22E (x)     | 21E (x)      | 22E (x)    | 21E (%)     | 22E (%)     | 21E (x)     | 22E (x)    |
| <b>Banks</b>                    |           |      |                     |              |             | <b>43,629</b>      | <b>5.9</b>  | <b>10.9</b> | <b>10.5</b> | <b>9.5</b>  | <b>3.9</b>   | <b>3.6</b> | <b>7.7</b>  | <b>8.1</b>  | <b>0.8</b>  | <b>0.8</b> |
| Bangkok Bank                    | BBL TB    | HOLD | 125.50              | 134.00       | 7           | 7,315              | 27.1        | 8.6         | 8.9         | 8.2         | 3.2          | 4.0        | 5.9         | 6.2         | 0.5         | 0.5        |
| Kasikornbank                    | KBANK TB  | BUY  | 146.50              | 172.00       | 17          | 10,599             | 18.8        | 10.1        | 9.9         | 9.0         | 1.8          | 2.4        | 7.6         | 7.7         | 0.7         | 0.7        |
| Kiatnakin Bank                  | KKP TB    | BUY  | 61.00               | 68.00        | 11          | 1,577              | 8.2         | 20.9        | 9.3         | 7.7         | 4.1          | 5.7        | 11.6        | 13.0        | 1.0         | 1.0        |
| Krung Thai Bank                 | KTB TB    | HOLD | 11.80               | 12.20        | 3           | 5,036              | 21.5        | 5.5         | 8.1         | 7.7         | 4.3          | 4.6        | 5.8         | 5.8         | 0.5         | 0.4        |
| Siam Commercial Bank            | SCB TB    | BUY  | 128.00              | 160.00       | 25          | 13,272             | 28.7        | 8.9         | 12.4        | 11.4        | 5.2          | 2.7        | 8.3         | 8.6         | 1.0         | 1.0        |
| Tisco Financial                 | TISCO TB  | BUY  | 92.50               | 110.00       | 19          | 2,261              | 6.7         | 9.0         | 11.4        | 10.5        | 7.1          | 8.4        | 16.1        | 16.7        | 1.8         | 1.7        |
| TMBThanachart Bank              | TTB TB    | BUY  | 1.21                | 1.40         | 16          | 3,570              | (1.1)       | 32.1        | 11.7        | 8.8         | 3.4          | 4.5        | 4.8         | 6.1         | 0.6         | 0.5        |
| <b>Diversified financials</b>   |           |      |                     |              |             | <b>23,915</b>      | <b>11.1</b> | <b>22.0</b> | <b>26.3</b> | <b>21.5</b> | <b>1.9</b>   | <b>2.2</b> | <b>18.5</b> | <b>18.1</b> | <b>4.3</b>  | <b>3.4</b> |
| <b>Unsecured-loan lender</b>    |           |      |                     |              |             | <b>6,118</b>       | <b>14.3</b> | <b>13.1</b> | <b>21.6</b> | <b>19.1</b> | <b>1.9</b>   | <b>2.1</b> | <b>24.0</b> | <b>23.4</b> | <b>4.9</b>  | <b>4.2</b> |
| Aeon Thana Sinsap (TH)          | AEONTS TB | HOLD | 195.50              | 204.00       | 4           | 1,492              | 7.5         | 13.9        | 12.3        | 10.8        | 2.6          | 2.7        | 21.5        | 21.1        | 2.5         | 2.1        |
| Krungthai Card                  | KTC TB    | HOLD | 58.75               | 52.00        | (11)        | 4,625              | 15.4        | 13.0        | 24.6        | 21.8        | 1.7          | 1.9        | 24.8        | 24.1        | 5.7         | 4.9        |
| <b>Auto-title lender</b>        |           |      |                     |              |             | <b>10,002</b>      | <b>6.0</b>  | <b>22.8</b> | <b>24.3</b> | <b>19.8</b> | <b>1.2</b>   | <b>1.4</b> | <b>20.3</b> | <b>20.6</b> | <b>4.3</b>  | <b>3.7</b> |
| Muangthai Capital               | MTC TB    | BUY  | 60.25               | 69.00        | 15          | 3,900              | (0.5)       | 24.6        | 24.6        | 19.8        | 0.6          | 0.8        | 22.7        | 23.4        | 5.1         | 4.2        |
| Srisawad Corp                   | SAWAD TB  | BUY  | 66.25               | 80.00        | 21          | 2,778              | 4.2         | 20.6        | 19.1        | 15.9        | 2.7          | 3.1        | 20.2        | 22.0        | 3.7         | 3.3        |
| Saksiam Leasing                 | SAK TB    | BUY  | 9.90                | 11.00        | 11          | 634                | (19.5)      | 39.1        | 34.9        | 25.1        | 0.9          | 1.2        | 12.6        | 15.9        | 4.2         | 3.8        |
| Ngern Tid Lor                   | TIDLOR TB | BUY  | 38.00               | 43.00        | 13          | 2,691              | 23.8        | 17.8        | 26.8        | 22.7        | 0.6          | 0.7        | 18.9        | 16.4        | 3.9         | 3.5        |
| <b>Truck lender</b>             |           |      |                     |              |             | <b>1,771</b>       | <b>12.6</b> | <b>10.5</b> | <b>27.3</b> | <b>24.7</b> | <b>2.0</b>   | <b>2.5</b> | <b>13.4</b> | <b>12.8</b> | <b>3.2</b>  | <b>2.5</b> |
| Micro Leasing                   | MICRO TB  | BUY  | 8.45                | 10.70        | 27          | 241                | 23.1        | 33.5        | 38.8        | 29.1        | 0.8          | 0.7        | 10.8        | 13.2        | 4.0         | 3.6        |
| Singer Thailand                 | SINGER TB | BUY  | 48.50               | 51.00        | 5           | 786                | 24.8        | 2.4         | 35.7        | 34.8        | 1.1          | 1.7        | 13.0        | 9.8         | 4.0         | 2.6        |
| Ratchthani Leasing              | THANI TB  | BUY  | 4.30                | 4.80         | 12          | 744                | (27.6)      | 17.0        | 14.8        | 12.6        | 3.4          | 4.0        | 14.7        | 15.9        | 2.1         | 1.9        |
| <b>Asset management</b>         |           |      |                     |              |             | <b>4,532</b>       | <b>13.2</b> | <b>32.3</b> | <b>40.6</b> | <b>30.7</b> | <b>1.9</b>   | <b>2.4</b> | <b>12.1</b> | <b>10.4</b> | <b>4.6</b>  | <b>2.6</b> |
| Bangkok Commercial AM           | BAM TB    | BUY  | 20.70               | 22.00        | 6           | 2,043              | 20.9        | 35.8        | 30.1        | 22.2        | 2.8          | 3.8        | 5.1         | 6.5         | 1.5         | 1.4        |
| Chayo Group                     | CHAYO TB  | BUY  | 12.70               | 18.80        | 48          | 373                | 18.5        | 39.6        | 49.5        | 35.5        | 0.0          | 0.0        | 12.8        | 11.7        | 4.4         | 3.6        |
| JMT Network Services            | JMT TB    | BUY  | 58.00               | 57.00        | (2)         | 2,116              | 7.8         | 29.1        | 49.2        | 38.1        | 1.3          | 1.5        | 18.7        | 13.9        | 7.8         | 3.6        |
| <b>Other</b>                    |           |      |                     |              |             | <b>1,201</b>       | <b>8.1</b>  | <b>11.6</b> | <b>9.5</b>  | <b>8.6</b>  | <b>8.0</b>   | <b>8.0</b> | <b>6.4</b>  | <b>6.8</b>  | <b>0.6</b>  | <b>0.6</b> |
| Thanachart Capital              | TCAP TB   | HOLD | 37.50               | 35.00        | (7)         | 1,201              | 8.1         | 11.6        | 9.5         | 8.6         | 8.0          | 8.0        | 6.4         | 6.8         | 0.6         | 0.6        |
| <b>Hire purchase motorcycle</b> |           |      |                     |              |             | <b>291</b>         | <b>55.9</b> | <b>33.4</b> | <b>30.3</b> | <b>22.7</b> | <b>0.5</b>   | <b>0.7</b> | <b>17.4</b> | <b>19.8</b> | <b>4.9</b>  | <b>4.1</b> |
| Next Capital                    | NCAP TB   | BUY  | 10.60               | 16.80        | 58          | 291                | 55.9        | 33.4        | 30.3        | 22.7        | 0.5          | 0.7        | 17.4        | 19.8        | 4.9         | 4.1        |

Share prices as of 19 Nov 2021

Sources: Bloomberg; 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   | 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          | 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    | TTB    | TMILL  | TNDT   |
| TNL             | TOA    | TOP    | TPBI  | TQM   | TRC   | TRC    | TSC    | TSR    | TSTE   | TSTH   |
| 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    | AMANAH | 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   | 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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| Company                      | Ticker    | Price      | Rating | Valuation & Risks  |
|------------------------------|-----------|------------|--------|--|
| Bangkok Bank                 | BBL TB    | THB 125.50 | HOLD   | 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 and potential new regulations from the Bank of Thailand on debt-servicing programs. The upside risk would be better-than-expected synergies with Permata.     |
| Kasikornbank                 | KBANK TB  | THB 146.50 | 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.   |
| Kiatnakin Bank               | KKP TB    | THB 61.00  | BUY    | Downside risks to our GGM-based target price include weakening asset quality and lower fee income.   |
| Krung Thai Bank              | KTB TB    | THB 11.80  | HOLD   | 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. The upside risk is the better-than-expected ability to control cost of funds. |
| Siam Commercial Bank         | SCB TB    | THB 128.00 | BUY    | Downside risks to our SOTP-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.   |
| Tisco Financial              | TISCO TB  | THB 92.50  | 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; 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.  |
| TMBThanachart Bank           | TTB TB    | THB 1.21   | 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.   |
| Aeon Thana Sinsap (Thailand) | AEONTS TB | THB 195.50 | HOLD   | Downside risks to our GGM-derived TP include 1) intense competition; 2) regulatory actions to curb industry growth; and 3) deteriorating asset quality. The upside risk is stronger-than-expected asset quality.   |
| Krungthai Card               | KTC TB    | THB 58.75  | HOLD   | Upside risks to our GGM-derived TP include 1) stronger-than-expected growth for KTB Leasing; and 2) a better-than-expected bad debt recovery. Downside risks are 1) regulatory actions to curb industry growth; and 2) deteriorating asset quality.  |
| Muangthai Capital            | MTC TB    | THB 60.25  | BUY    | Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.  |
| Srisawad Corp                | SAWAD TB  | THB 66.25  | BUY    | Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.  |
| Saksiam Leasing              | SAK TB    | THB 9.90   | BUY    | Downside risks to our GGM-derived TP include 1) competition from existing and new players; 2) regulatory changes by the Bank of Thailand (BoT); and 3) a slower-than-expected reduction in its cost of funds due to a shift toward more long-term loans.   |
| Ngern Tid Lor                | TIDLOR TB | THB 38.00  | BUY    | Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank and Auto X (subsidiary of SCB); 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.   |
| Micro Leasing                | MICRO TB  | THB 8.45   | BUY    | Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) a slower-than-expected reduction in the cost of funds due to a shift toward more long-term loans.   |
| Singer Thailand              | SINGER TB | THB 48.50  | BUY    | Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.   |



|                                |          |           |      |  |
|--------------------------------|----------|-----------|------|--|
| Ratchthani Leasing             | THANI TB | THB 4.30  | BUY  | Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) changes in financial regulations from the Bank of Thailand.   |
| Bangkok Commercial Asset Mngt. | BAM TB   | THB 20.70 | BUY  | Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; 2) lower-than-expected bad debt acquisition; and 3) the prolonged slowdown of the property market.   |
| Chayo Group                    | CHAYO TB | THB 12.70 | BUY  | Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses.  |
| JMT Network Services           | JMT TB   | THB 58.00 | BUY  | Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; and 2) the lower-than-expected acquisition of new bad debt.  |
| Thanachart Capital             | TCAP TB  | THB 37.50 | HOLD | Upside risks to our GGM-based target price are M&A completions and long-term synergy gained, leading to a higher contribution to its earnings. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality which could lead to higher provisions for both TMB and THANI. |
| Next Capital                   | NCAP TB  | THB 10.60 | BUY  | Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for food delivery and logistics activities; 2) deteriorating asset quality; and 3) tighter competition from new players.  |

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 19-Nov-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.