

TISCO FINANCIAL TISCO TB

THAILAND / BANKS

BUY

UNCHANGED

TARGET PRICE	THB110.00
CLOSE	THB98.25
UP/DOWNSIDE	+12.0%
PRIOR TP	THB110.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+5.6%

Key catalysts: dividend & asset quality

- Beat expectations with a 4Q21 net profit of THB1.8b (+9% y-y, +15% q-q) thanks to solid fee income.
- Expect moderate earnings growth in 2022 on lower ECL.
- BUY maintained with 2022 GGM-based TP of THB110. TISCO potentially has the most attractive dividend yield in 2021.

4Q21: beat expectations with strong fee income and healthy NPLs

We have a positive view on TISCO's 4Q21 results. It reported a 4Q21 net profit of THB1,791m (+9% y-y, +15% q-q), higher than Bloomberg's consensus estimate and our expectation by 8% thanks to its strong asset management fee income. We see two positives. First, TISCO reported solid asset management fee income thanks to new fund issuances and its strong fund performance. Second, TISCO had very healthy asset quality with a drop in its non-performing loans (NPLs) by 19% q-q thanks to its efficient asset quality control and the long-term debt restructuring program. Regarding its loan volume, it continued to drop by 0.7% q-q (-9.7% y-y). However, the rate of decline was better than in 3Q21 at 4.5% q-q, as the bank resumed its auto title loan expansion.

Neutral view from analyst meeting

At its latest analyst meeting, TISCO's management said it will resume its loan growth in 2022, driven by its high-yield portfolio. TISCO is maintaining its strategy of paying a high dividend. The bank also provided 2022 financial targets, most of which are in line with our forecasts, including: 1) a lower credit cost than 2021's 96 bps; 2) NIM could exceed the 4.84% level in 2021 due to a rise in its high-yield loan portfolio; and 3) loan growth of 3-5% y-y. We read the overall message as neutral.

Moderate earnings growth expected in 2022

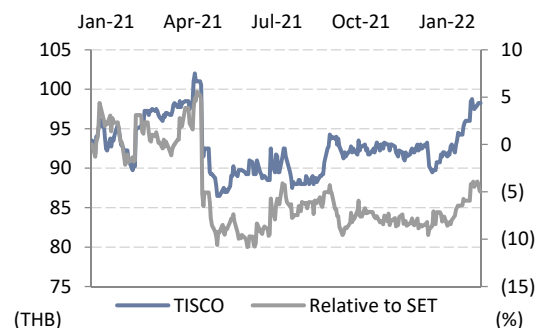
We believe TISCO has plenty of room to release its provisions in 2022. We also expect the bank to gradually resume its auto title loan expansion. Thus, we expect a slight increase in its loan volume with an improvement in its loan yield in 2022. All in all, we expect that its net profit should continue to increase at a moderate rate of 4% y-y in 2022.

BUY at 2022 GGM-based TP of THB110 before XD

We believe TISCO's strong asset quality and supreme dividend payments are rerating catalysts. We expect its 2021 dividend payout to be THB7.0/share, implying a dividend yield of 7.1%. Its dividend yield could be even higher in 2022-23 at 7.9-8.4% when the BoT lifts the banking dividend mandate. We recommend accumulating TISCO before the XD. However, in the longer run, we think that its lazy balance sheet strategy over the past several years will likely hinder its growth.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	8,482	8,733	9,527	10,167
Net profit	6,781	7,052	7,693	8,210
EPS (THB)	8.47	8.81	9.61	10.25
vs Consensus (%)	-	6.5	10.4	12.3
Core net profit	6,781	7,052	7,693	8,210
Core EPS (THB)	8.47	8.81	9.61	10.25
Chg. In EPS est. (%)	-	0.0	0.0	-
EPS growth (%)	11.8	4.0	9.1	6.7
Core P/E (x)	11.6	11.2	10.2	9.6
Dividend yield (%)	7.1	7.9	8.4	8.7
Price/book (x)	1.9	1.8	1.7	1.7
ROE (%)	16.8	16.7	17.4	17.9
ROA (%)	2.6	2.9	3.0	3.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.4	5.6	8.3
Relative to country (%)	4.2	3.2	(1.0)
Mkt cap (USD m)	2,366		
3m avg. daily turnover (USD m)	12.1		
Free float (%)	80		
Major shareholder	Thai NVDR (11%)		
12m high/low (THB)	102.50/85.00		
Issued shares (m)	801		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

Our BUY call on TISCO is in view of it having one of the highest dividend yields among the banks under our coverage. We believe TISCO could sustain such high dividend payments over the next 2-3 years at least, due to its solid capital base along with its selective growth strategy. We also believe that TISCO is one of the banks that will be the least affected by the Covid-19 outbreak, owing to its proactive build-up of provisions.

However, in the medium to long term, we think investors should pay more attention to TISCO's competitiveness. Due to its conservative lending strategy, the bank might lose some of its clients to non-banks and some big banks, who are expanding their business to auto title loans for small retail clients.

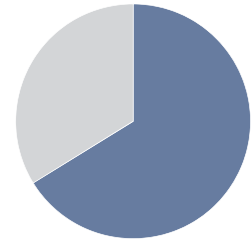
Company profile

TISCO was the first Thai investment bank (in 1969) and the first finance company to be upgraded to a commercial bank (in 2005). At present, TISCO is a financial group holding company with a sustainable development operating framework. TISCO's businesses are both retail banking and corporate banking.

www.tisco.co.th

Principal activities (revenue, 2021)

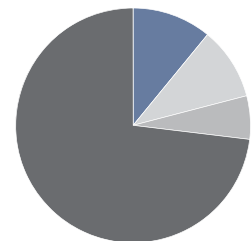
- Net interest income - 66.2 %
- Non-interest income - 33.8 %



Source: Tisco Financial

Major shareholders

- Thai NVDR - 10.9 %
- CDIB & Partners Investment Holding - 10.0 %
- South East Asia UK (Type C) Nominees - 6.0 %
- Others - 73.1 %



Source: Tisco Financial

Catalysts

Potential share price catalysts for TISCO include:

- A high-yield auto title loan volume recovery;
- Better operating cost control.

Risks to our call

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.

Event calendar

Date	Event
Apr 2022	1Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	7,052	7,693	8,210
Net profit growth	4.0	9.1	6.7
NIM	4.93	4.90	4.95
Loan growth	3.0	5.0	3.0
Fee growth	3.6	12.4	6.0
Non-NII growth*	4.9	11.8	6.2
Credit cost (bp)	85	85	85
Cost to income*	44.4	42.9	42.0

Source: FSSIA estimates

Earnings sensitivity

		2022E		
Loan growth (%)	±2ppt	1.0	3.0	5.0
% change in net profit		(1.3)	-	1.3
NIM (%)	±5bp	4.88	4.93	4.98
% change in net profit		(2.8)	-	2.8
Credit cost (bp)	±10bp	75	85	95
% change in net profit		2.4	-	(2.4)

Source: FSSIA estimates

4Q21: beat expectations with strong fee income and healthy NPLs

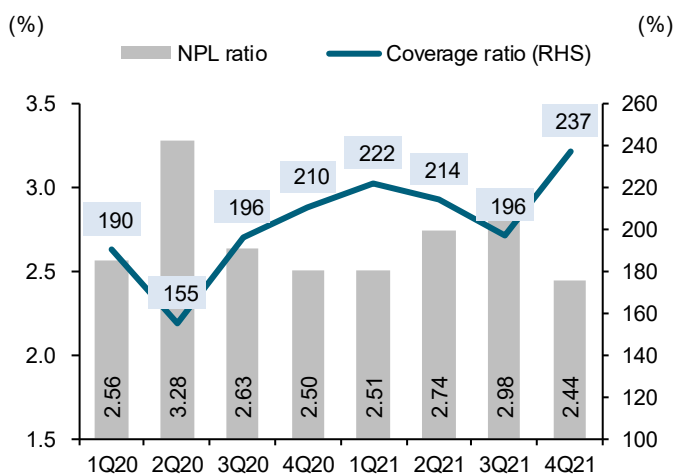
We have a positive view on TISCO's 4Q21 results. It reported a 4Q21 net profit of THB1,791m (+9% y-y, +15% q-q), higher than Bloomberg's consensus estimate and our expectation by 8% thanks to its strong asset management fee income. We see two positives. First, TISCO reported solid asset management fee income thanks to new fund issuances and its strong fund performance. Second, TISCO had very healthy asset quality with a drop in its NPLs by 19% q-q thanks to its efficient asset quality control and the long-term debt restructuring program. Regarding its loan volume, it continued to drop by 0.7% q-q (-9.7% y-y). However, the rate of decline was better than in 3Q21 at 4.5% q-q, as the bank resumed its auto title loan expansion.

4Q21 key highlights

- Total loan volume dropped by 0.7% q-q, thanks mainly to a contraction in its hire purchase loans (56% of total loans);
- Its NIM slightly increased to 5.1% from 4.9% in 3Q21, thanks to the good control over its cost of funds;
- NPLs declined by 19% q-q, accounting for an NPL ratio of 2.44% in 4Q21 vs 2.98% in 3Q21. Its asset quality was better than TISCO anticipated and also exceeded our expectation thanks to efficient asset quality control and the long-term debt restructuring program. Its loans under forbearance programs amounted to 7.2% of total loans, of which 4.2% of total loans were from the retail segment;
- The coverage ratio hit a record high of 237% in 4Q21.

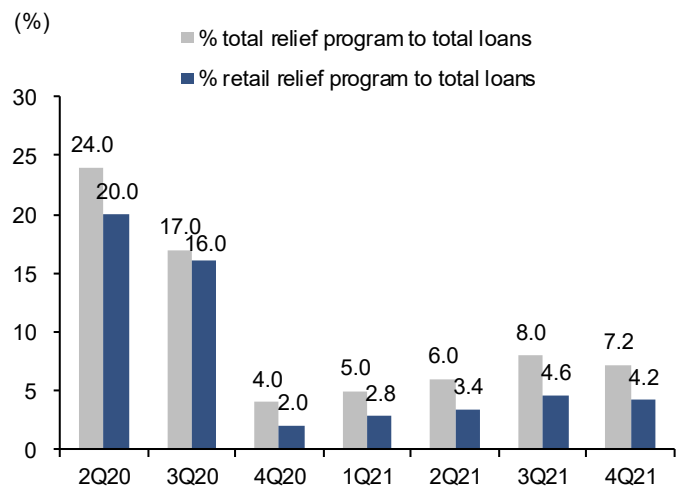
Its 2021 net profit amounted to THB6.8b, increasing by 12% y-y, due to 1) an expected credit loss (ECL) decline, as TISCO had healthier asset quality and the bank had already set aside special provisions in 2020; and 2) a surge in asset management fee income following new fund issuances, along with its strong fund performance.

Exhibit 1: NPL ratio and coverage ratio



Sources: TISCO; FSSIA's compilation

Exhibit 2: TISCO's forbearance program



Sources: TISCO; FSSIA's compilation

Exhibit 3: TISCO – 4Q21 results review

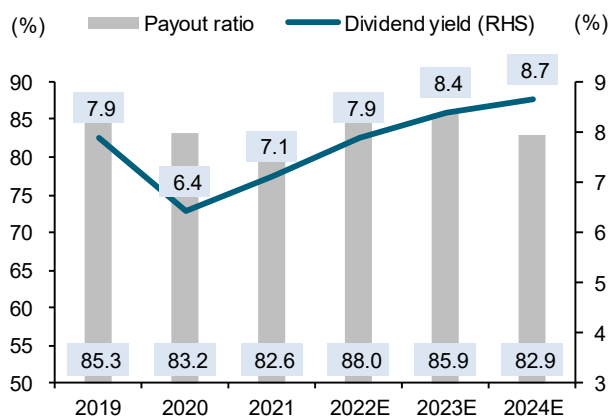
Year-end Dec 31	4Q20 (THB m)	3Q21 (THB m)	4Q21 (THB m)	----- Change ----- (y-y %) (q-q %)		2020 (THB m)	2021 (THB m)	Change (y-y %)	4Q21 comments
Net interest income	3,259	3,093	3,108	(5)	0	13,098	12,460	(5)	
Non-interest income	1,675	1,085	1,728	3	59	5,806	6,369	10	Solid fee income from fund management fees
Operating income	4,934	4,178	4,835	(2)	16	18,904	18,829	(0)	
Operating expenses	2,120	1,968	2,177	3	11	8,012	8,280	3	
PPOP before tax	2,814	2,209	2,658	(6)	20	10,892	10,549	(3)	
Provision	771	254	408	(47)	60	3,331	2,060	(38)	
Income tax	406	395	460	13	17	1,498	1,708	14	
Minority interest	0	0	0			0	0	6	
Normalised profit	1,636	1,560	1,791	9	15	6,063	6,781	12	
Extraordinary items	0	0	0			0	0		
Net profit	1,636	1,560	1,791	9	15	6,063	6,781	12	
EPS (THB)	2.04	1.95	2.24	9	15	7.57	8.47	12	
Asset quality ratio									
Gross NPLs (THB m)	5,618	6,094	4,957	(12)	(19)	5,618	4,957	(12)	
NPL ratios (%)	2.50	2.98	2.44			2.50	2.50		
LLR/NPLs (%)	210	196	237			210	237		
Credit cost (bp)	137	49	80			142	96		
Profitability ratio									
Cost to income ratio	43.0	47.1	45.0			42.4	44.0		
Average yield	5.8	5.8	5.9			5.8	5.7		
Cost of fund	1.3	1.1	1.1			1.6	1.1		
Net interest margin (NIM)	4.7	4.9	5.1			4.6	4.8		
Non-interest income / total income	33.9	26.0	35.7			30.7	33.8		
Liquidity ratio									
Loan to deposit ratio	110.5	121.1	121.9			110.5	121.9		
Loan growth									
Year-to-date	(7.4)	(9.1)	(9.7)						
y-y	(7.4)	(9.1)	(9.7)			(7.4)	(9.7)		
q-q	(0.0)	(4.5)	(0.7)						Driven mainly by hire purchase loans

Sources: TISCO; FSSIA estimates

Neutral view from analyst meeting

At its latest analyst meeting, TISCO's management said it will resume its loan growth in 2022, driven by its high-yield portfolio, i.e. auto title, used car, and motorcycle hire purchase loans. TISCO is maintaining its strategy of paying a high dividend. In 2021, most of its subsidiaries will have a 100% payout ratio with 50% at the bank level, thanks to the Bank of Thailand (BoT)'s mandate. Once the BoT lifts its dividend mandate for the banking sector, dividend payouts at the bank level can resume at 75%. The bank also provided 2022 financial targets, most of which are in line with our forecasts, including: 1) a lower credit cost than 2021's 96 bps; 2) NIM could exceed the 4.84% level in 2021 due to a rise in its high-yield loan portfolio; and 3) loan growth of 3-5% y-y. We read the overall message as neutral.

Exhibit 4: TISCO's dividend payout ratio and dividend yield



Sources: TISCO; FSSIA estimates

Exhibit 5: TISCO's 2022 financial guidance

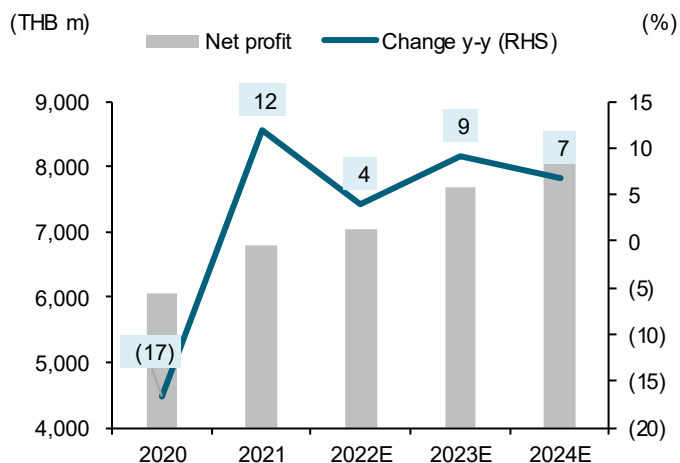
	2021	----- 2022E -----	
	Actual (%)	TISCO (%)	FSSIA (%)
Loan growth	(9.7)	3-5	3.0
NIM	4.62	Improve from 2021	4.93
Non-NII growth	9.7	nm	4.9
Fee income growth	9.0	nm	3.6
Cost to income ratio	44.0	nm	44.4
Credit cost (bps)	96.3	Decline from 2021	85.0
NPL ratio	2.50	nm	2.49

Sources: TISCO; FSSIA estimates

Moderate earnings growth expected in 2022

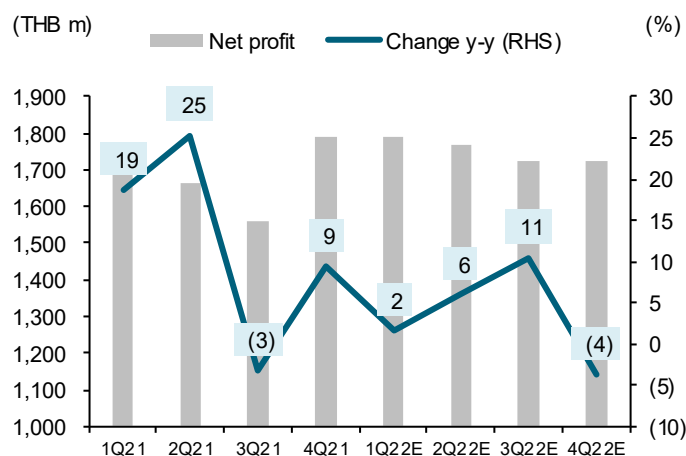
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Exhibit 6: TISCO's yearly net profit growth



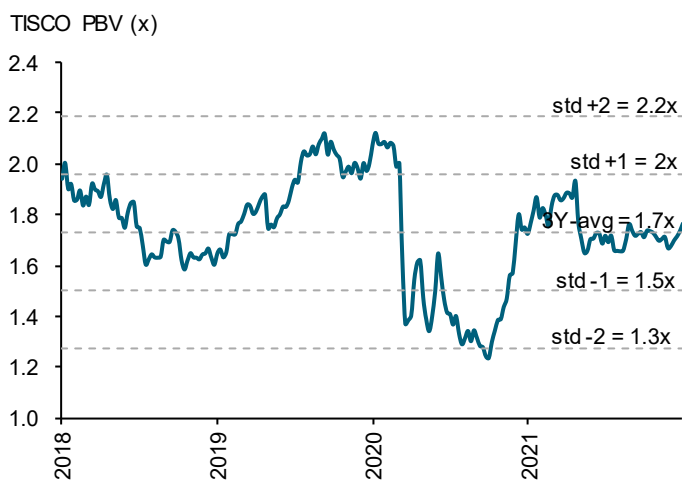
Sources: TISCO; FSSIA estimates

Exhibit 7: TISCO's quarterly net profit growth



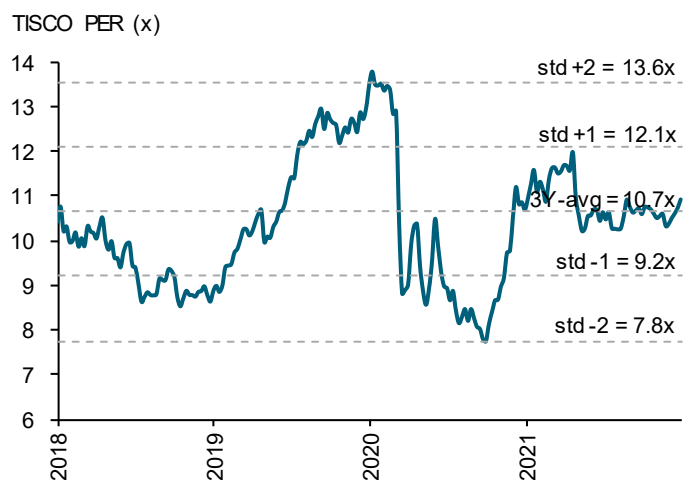
Sources: TISCO; FSSIA estimates

Exhibit 8: TISCO – one-year forward rolling P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 9: TISCO – one-year forward rolling P/E



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Peers comparison

Company name	BBG code	Rec	--- Share price --		Up side (%)	Market Cap (USD m)	EPS growth		---- PE ----		--DivYld --		--- ROE ---		--- PBV --	
			Current (THB)	Target (THB)			21E (%)	22E (%)	21E (x)	22E (x)	21E (%)	22E (%)	21E (%)	22E (%)	21E (x)	22E (x)
Bangkok Bank	BBL TB	HOLD	129.00	134.00	4	7,406	27.1	8.6	9.1	8.4	3.1	3.9	5.9	6.2	0.5	0.5
Kasikornbank	KBANK TB	BUY	145.00	172.00	19	10,333	18.8	10.1	9.8	8.9	1.9	2.4	7.6	7.7	0.7	0.7
Kiatnakin Bank	KKP TB	BUY	65.75	74.00	13	1,674	12.7	17.3	9.6	8.2	3.8	5.7	12.0	13.1	1.1	1.0
Krung Thai Bank	KTB TB	BUY	13.90	15.50	12	5,843	29.6	8.2	9.0	8.3	3.3	4.2	6.1	6.3	0.5	0.5
Siam Commercial Bank	SCB TB	BUY	127.50	160.00	25	13,021	28.7	8.9	12.4	11.4	5.3	2.7	8.3	8.6	1.0	1.0
Tisco Financial	TISCO TB	BUY	98.25	110.00	12	2,366	11.8	4.0	11.6	11.2	7.1	7.9	16.8	16.7	1.9	1.8
TMBThanachart	TTB TB	BUY	1.46	1.80	23	4,243	(1.1)	32.1	14.1	10.6	3.1	4.2	4.8	6.1	0.7	0.6
Coverage						44,886	6.6	11.4	10.8	9.7	3.7	3.6	7.7	8.1	0.8	0.8

Share prices as of 13 Jan 2022

Sources: Company data; FSSIA estimates

Financial Statements

Tisco Financial

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	16,757	14,792	14,352	15,125	15,737
Interest expense	(3,659)	(2,332)	(2,165)	(2,718)	(2,850)
Net interest income	13,098	12,460	12,187	12,407	12,886
Net fees & commission	5,146	5,609	5,809	6,527	6,919
Foreign exchange trading income	257	404	425	468	514
Securities trading income	12	6	8	8	9
Dividend income	59	70	84	92	101
Other income	333	274	351	366	383
Non interest income	5,808	6,362	6,676	7,461	7,926
Total income	18,906	18,822	18,863	19,868	20,813
Staff costs	(5,288)	(5,727)	(5,820)	(5,955)	(6,133)
Other operating costs	(2,723)	(2,553)	(2,559)	(2,565)	(2,618)
Operating costs	(8,012)	(8,280)	(8,379)	(8,520)	(8,752)
Pre provision operating profit	10,894	10,542	10,484	11,348	12,061
Provision for bad and doubtful debt	(3,331)	(2,060)	(1,751)	(1,821)	(1,894)
Other provisions	-	-	-	-	-
Operating profit	7,563	8,482	8,733	9,527	10,167
Recurring non operating income	(2)	7	9	10	10
Associates	(2)	7	9	10	10
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	7,562	8,489	8,742	9,536	10,178
Tax	(1,498)	(1,708)	(1,687)	(1,841)	(1,964)
Profit after tax	6,064	6,782	7,055	7,696	8,214
Minority interests	0	0	(3)	(3)	(3)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	6,063	6,781	7,052	7,693	8,210
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	6,063	6,781	7,052	7,693	8,210
Per share (THB)					
Recurring EPS *	7.57	8.47	8.81	9.61	10.25
Reported EPS	7.57	8.47	8.81	9.61	10.25
DPS	6.30	7.00	7.75	8.25	8.50
Growth					
Net interest income (%)	2.4	(4.9)	(2.2)	1.8	3.9
Non interest income (%)	(12.4)	9.5	4.9	11.8	6.2
Pre provision operating profit (%)	7.3	(3.2)	(0.6)	8.2	6.3
Operating profit (%)	(16.4)	12.2	3.0	9.1	6.7
Reported net profit (%)	(16.6)	11.8	4.0	9.1	6.7
Recurring EPS (%)	(16.6)	11.8	4.0	9.1	6.7
Reported EPS (%)	(16.6)	11.8	4.0	9.1	6.7
Income Breakdown					
Net interest income (%)	69.3	66.2	64.6	62.4	61.9
Net fees & commission (%)	27.2	29.8	30.8	32.9	33.2
Foreign exchange trading income (%)	1.4	2.1	2.3	2.4	2.5
Securities trading income (%)	0.1	0.0	0.0	0.0	0.0
Dividend income (%)	0.3	0.4	0.4	0.5	0.5
Other income (%)	1.8	1.5	1.9	1.8	1.8
Operating performance					
Gross interest yield (%)	5.84	5.69	5.80	5.98	6.05
Cost of funds (%)	1.56	1.13	1.13	1.39	1.43
Net interest spread (%)	4.28	4.56	4.67	4.59	4.62
Net interest margin (%)	4.6	4.8	4.9	4.9	5.0
Cost/income(%)	42.4	44.0	44.4	42.9	42.0
Cost/assets(%)	2.8	3.2	3.4	3.4	3.4
Effective tax rate (%)	19.8	20.1	19.3	19.3	19.3
Dividend payout on recurring profit (%)	83.2	82.6	88.0	85.9	82.9
ROE (%)	15.4	16.8	16.7	17.4	17.9
ROE - COE (%)	4.6	6.0	5.9	6.6	7.1
ROA (%)	2.1	2.6	2.9	3.0	3.2
RORWA (%)	3.3	3.8	3.9	4.1	4.2

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Tisco Financial; FSSIA estimates

Financial Statements

Tisco Financial

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	224,812	202,950	209,038	219,490	226,075
Total provisions	(11,826)	(11,736)	(11,501)	(11,237)	(11,435)
interest in suspense	1,902	1,713	1,568	1,536	1,583
Net customer loans	214,888	192,926	199,105	209,789	216,222
Bank loans	38,212	30,489	29,835	23,996	26,452
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	12,931	10,933	11,609	12,005	12,418
Cash & equivalents	1,220	1,103	729	780	612
Other interesting assets	-	-	-	-	-
Tangible fixed assets	3,837	3,654	3,716	3,779	3,843
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	4,355	4,509	4,620	4,721	4,833
Total assets	275,443	243,616	249,613	255,070	264,380
Customer deposits	203,473	166,542	176,793	180,328	179,889
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	19,918	23,317	16,864	17,201	21,591
Non interest bearing liabilities	12,590	12,559	12,559	12,559	12,936
Hybrid Capital	-	-	-	-	-
Total liabilities	235,981	202,418	206,215	210,089	214,416
Share capital	8,007	8,007	8,006	8,006	8,006
Reserves	31,452	33,187	35,388	36,971	38,677
Total equity	39,459	41,194	43,394	44,978	46,684
Minority interests	3	3	3	4	4
Total liabilities & equity	275,443	243,616	249,613	255,070	261,103
Supplementary items					
Risk weighted assets (RWA)	185,168	176,461	181,755	190,843	196,568
Average interest earning assets	287,129	260,164	247,427	252,986	260,218
Average interest bearing liabilities	234,728	206,625	191,758	195,593	199,505
Tier 1 capital	32,369	33,086	35,060	36,227	37,573
Total capital	40,478	41,194	43,168	44,335	45,682
Gross non performing loans (NPL)	5,618	4,957	5,205	5,465	5,739
Per share (THB)					
Book value per share	49.28	51.45	54.20	56.18	58.31
Tangible book value per share	49.28	51.45	54.20	56.18	58.31
Growth					
Gross customer loans	(7.4)	(9.7)	3.0	5.0	3.0
Average interest earning assets	(4.7)	(9.4)	(4.9)	2.2	2.9
Total asset (%)	(7.7)	(11.6)	2.5	2.2	3.6
Risk weighted assets (%)	(0.2)	(4.7)	3.0	5.0	3.0
Customer deposits (%)	(5.8)	(18.2)	6.2	2.0	(0.2)
Leverage & capital measures					
Customer loan/deposits (%)	105.6	115.8	112.6	116.3	120.2
Equity/assets (%)	14.3	16.9	17.4	17.6	17.7
Tangible equity/assets (%)	14.3	16.9	17.4	17.6	17.7
RWA/assets (%)	67.2	72.4	72.8	74.8	74.4
Tier 1 CAR (%)	17.5	18.7	19.3	19.0	19.1
Total CAR (%)	21.9	23.3	23.8	23.2	23.2
Asset Quality					
Change in NPL (%)	(3.7)	(11.8)	5.0	5.0	5.0
NPL/gross loans (%)	2.5	2.4	2.5	2.5	2.5
Total provisions/gross loans (%)	5.3	5.8	5.5	5.0	5.1
Total provisions/NPL (%)	210.5	236.7	221.0	205.6	199.3
Valuation					
Recurring P/E (x) *	13.0	11.6	11.2	10.2	9.6
Recurring P/E @ target price (x) *	14.5	13.0	12.5	11.4	10.7
Reported P/E (x)	13.0	11.6	11.2	10.2	9.6
Dividend yield (%)	6.4	7.1	7.9	8.4	8.7
Price/book (x)	2.0	1.9	1.8	1.7	1.7
Price/tangible book (x)	2.0	1.9	1.8	1.7	1.7
Price/tangible book @ target price (x)	2.2	2.1	2.0	2.0	1.9

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Tisco Financial; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	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	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	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	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 Suwanumchai FSS International Investment Advisory Securities Co., Ltd**

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Company	Ticker	Price	Rating	Valuation & Risks
Tisco Financial	TISCO TB	THB 98.25	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.
Bangkok Bank	BBL TB	THB 129.00	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 145.00	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.
Kiatnakin Bank	KKP TB	THB 65.75	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
Krung Thai Bank	KTB TB	THB 13.90	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 further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs; 3) an increase in OPEX due to aggressive digital investment.
Siam Commercial Bank	SCB TB	THB 127.50	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.
TMBThanachart Bank	TTB TB	THB 1.46	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 13-Jan-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

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.