

SIAM COMMERCIAL BANK

SCB TB

THAILAND / BANKS

BUY

UNCHANGED

TARGET PRICE	THB160.00
CLOSE	THB123.50
UP/DOWNSIDE	+29.6%
PRIOR TP	THB160.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+9.4%

Shining bright at the top

- 4Q21 NP of THB7.9b, strong top line with commencement of CDR.
- Expect 2022 NP growth of 7% y-y on fee growth and lower ECL.
- BUY maintained with 2022 SOTP-based TP of THB160.

4Q21 results beat due to better loan yield

SCB posted a 4Q21 net profit of THB7,879m (+59% y-y, -11% q-q). It reported a strong top line partly due to a rise in its non-recurring income, i.e. a mark-to-market gain on financial assets and gains on NPL and NPA sales. Its NII increased following 1) a rise in its loan volume by 1% q-q thanks to higher corporate and unsecured lending; and 2) a rise in its NIM to 3.12% due to the positive one-time impact of the comprehensive long-term debt restructuring program (CDR). Regarding fee income, we think it was not very prominent in 4Q21, with a rise q-q thanks to seasonality but a drop y-y from a high bancassurance fee base. SCB qualitatively downgraded its SME clients to NPLs, resulting in a 2% rise in NPLs in 4Q21. SCB set provisions prudently with a rise in credit cost to 209 bps vs 175 bps in 3Q21.

Neutral view from analyst meeting

As its recent analyst meeting, SCB provided its 2022 financial targets, including: 1) 3-5% loan growth; 2) a 2.9-3.0% NIM; 3) low single-digit Non-NII growth; 4) a cost to income ratio in the low to mid-40s; and 5) credit cost of less than 140 bps. SCB aims to provide THB380b in CDR to its clients. It had offered THB278b in 4Q21, with the remaining amount to be offered in 2022. The bank expects the total CDR to have a negative impact on its 2022 NIM by a maximum of 10 bps. CDR, however, should have a positive impact on SCB's NPLs and provisions. Thus, the bank believes its 2022 provisions should return to close to their normal level of less than 140 bps. We came away with a neutral view.

Bright outlook should continue in 2022

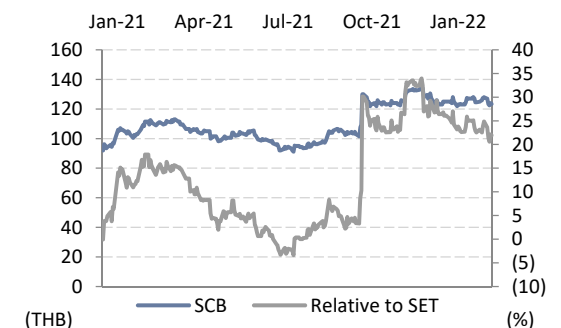
We believe SCB will deliver moderate net profit growth of 7% y-y in 2022, supported by two factors. First, we think SCB did a good job with its bancassurance and wealth management due to its more customised product development strategy. Therefore, we believe its fee income should increase continuously by 9% y-y. Second, with the success of its CDR, we believe its credit cost will plummet to 148 bps in 2022 vs 184 bps in 2021. The group restructuring benefits will likely not kick in this year. It would take two to three years in our view.

Maintain as top pick with 2022 SOTP-based TP of THB160

We reiterate SCB as our top pick with an SOTP-based TP of THB160, as we believe its great transformation will allow it to penetrate the high risk-reward lending industry and high growth potential digital industry. Thus, we think that it is in the best position in the banking sector to benefit from the region's digital age. Plus, its ROE should be in an improving trend.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	44,214	47,167	52,268	58,616
Net profit	35,599	38,181	42,621	47,718
EPS (THB)	10.48	11.23	12.54	14.04
vs Consensus (%)	-	7.7	7.2	5.3
Core net profit	35,599	38,181	42,621	47,718
Core EPS (THB)	10.48	11.23	12.54	14.04
Chg. In EPS est. (%)	-	0.0	0.0	-
EPS growth (%)	30.8	7.1	11.6	12.0
Core P/E (x)	11.8	11.0	9.8	8.8
Dividend yield (%)	5.4	4.0	4.9	4.9
Price/book (x)	1.0	0.9	0.8	0.8
ROE (%)	8.4	8.4	8.8	9.1
ROA (%)	1.1	1.1	1.2	1.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.4	(0.4)	31.7
Relative to country (%)	(1.4)	(1.0)	20.6
Mkt cap (USD m)	12,745		
3m avg. daily turnover (USD m)	69.0		
Free float (%)	53		
Major shareholder	King Rama X (24%)		
12m high/low (THB)	137.00/90.25		
Issued shares (m)	3,399		

Sources: Bloomberg consensus; FSSIA estimates


Yuvanart Suwanumphai

 yuvanart.suw@fssia.com
 +66 2611 3554

Investment thesis

We believe SCB's big move by transforming itself into a holding company will allow SCBX to enhance its capital effectively, generate a higher growth outlook, and potentially pay a higher dividend.

We think that SCB is in the best position in the banking sector to benefit from the region's digital age with its integrated digital platform. Moreover, we are convinced that the proactive long-term debt restructuring program it offers to its clients should solve the prolonged asset quality problem. Thus, we reiterate our BUY call and maintain SCB as a top pick.

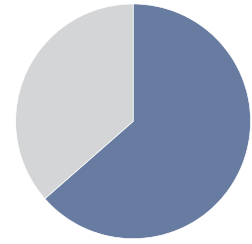
Company profile

SCB is Thailand's first commercial bank, established in 1906. It is ranked the fourth largest in terms of total loans, the fourth largest for deposits and the fourth largest for total assets as of end-2021. It had a total of 718 branches, with 20m digital users at end-2021.

www.scb.co.th

Principal activities (revenue, 2021)

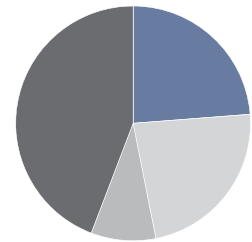
- Net interest income - 63.5 %
- Non-interest income - 36.5 %



Source: Siam Commercial Bank

Major shareholders

- King Rama X - 23.8 %
- Vayupak Fund - 23.1 %
- Thai NVDR - 8.9 %
- Others - 44.2 %



Source: Siam Commercial Bank

Catalysts

Potential share price catalysts for SCB include:

- The success of long-term comprehensive debt restructuring;
- The success of its transformation plan;
- The announcement of a special dividend.

Risks to our call

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.

Event calendar

Date	Event
Apr 2022	1Q22 results announcement

Key assumptions

	2022E	2023E	2024E
Year-to-Dec	(%)	(%)	(%)
Net profit (THB m)	38,181	42,621	47,718
Net profit growth	7.3	11.6	12.0
NIM	2.90	2.87	2.96
Loan growth	3.0	3.0	3.0
Fee growth	8.7	8.5	7.0
Non-NII growth*	(2.7)	7.8	6.3
Credit cost (bp)	148	138	138
Cost to income*	44.1	43.5	42.3

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		2022E		
Loan growth	±2ppt	1.00	3.00	5.00
% change in net profit		(1.2)	0.0	1.2
NIM (%)	±5bp	2.85	2.90	2.95
% change in net profit		(3.4)	0.0	3.4
Credit cost (bp)	±10bp	138	148	158
% change in net profit		4.9	0.0	(4.9)

Source: FSSIA estimates

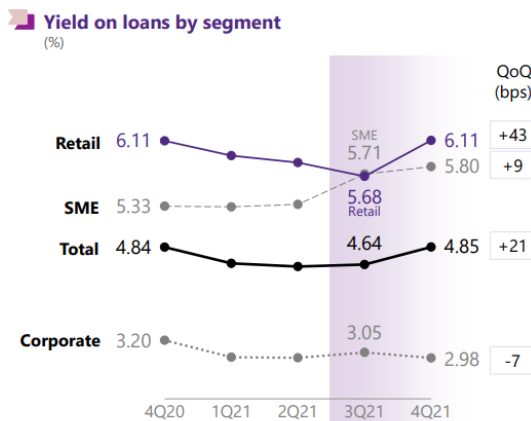
4Q21 results beat due to better loan yield

SCB posted a 4Q21 net profit of THB7,879m (+59% y-y, -11% q-q), which was higher than our estimate by 7% due to the better-than-expected loan yield.

SCB reported a strong top line partly due to a rise in its non-recurring income, i.e. a mark-to-market gain on financial assets and gains on non-performing loan (NPL) and non-performing asset (NPA) sales. Its NII increased following 1) a rise in its loan volume by 1% q-q thanks to higher corporate and unsecured lending; and 2) a rise in its NIM to 3.12% due to the positive one-time impact of CDR. Regarding fee income, we think it was not very prominent in 4Q21, with a rise q-q thanks to seasonality but a drop y-y from a high bancassurance fee base. SCB qualitatively downgraded its SME clients to NPLs, resulting in a 2% rise in NPLs in 4Q21. SCB provided THB278b (c73% of its total target) in long-term debt structuring to its clients. Accordingly, it set provisions prudently with a rise in credit cost to 209 bps vs 175 bps in 3Q21.

2021 net profit came in at THB35,599m, increasing 31% y-y, driven by 1) a rise in wealth management and bancassurance fee income; 2) an increase in gains on financial instruments – mostly from SCB10X's investment; and 3) a decline in provisions. These positives were able to offset a fall in its NII following a decline in its NIM thanks to its debt relief program and a conservative balance sheet expansion, with a mere 2% y-y loan growth.

Exhibit 1: Loan yield by segment



Source: SCB

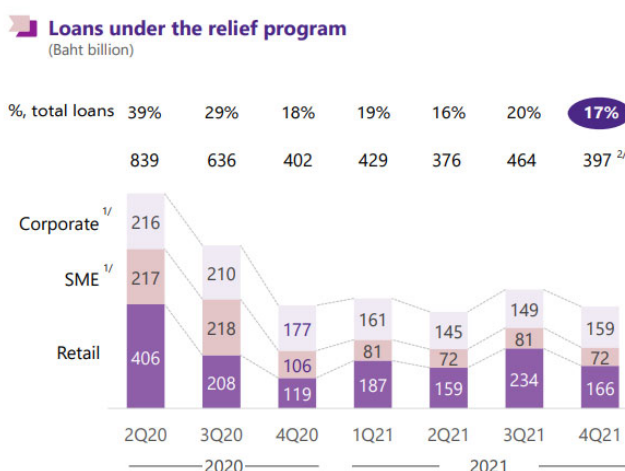
Exhibit 2: NPL formation

Green / Red fonts indicate decrease / increase from the previous period.

		4Q20	1Q21	2Q21	3Q21	4Q21
Total Loans	NPL%	3.68%	3.79%	3.79%	3.89%	3.79%
	New NPL%	0.75%	0.53%	0.44%	0.55%	0.59%
Corporate	NPL%	3.99%	3.89%	3.87%	4.55%	4.40%
	New NPL%	0.51%	0.08%	0.01%	0.58%	0.07%
SME	NPL%	11.47%	11.59%	11.51%	10.96%	11.59%
	New NPL%	2.90%	1.21%	1.14%	0.42%	1.31%
Housing Loans	NPL%	3.22%	3.17%	2.97%	2.79%	2.94%
	New NPL%	0.54%	0.80%	0.43%	0.38%	0.48%
Auto Loans	NPL%	1.49%	1.50%	1.15%	1.56%	1.55%
	New NPL%	0.45%	0.52%	0.49%	1.11%	1.46%

Source: SCB

Exhibit 3: Loans under relief program declined to 17% of total loans in 4Q21



- In 4Q21, the relief program declined QoQ, following end of BOT's two-month debt holiday (Housing & Auto) and lower new/re-entry customers.
- About two-thirds of the relief program as of 4Q21 has been migrated to the comprehensive debt restructuring program.
- Of the total ever enrollment in the relief program (Baht ~920 billion), stage 3 is 7-8% at the end of 4Q21.
- Further deterioration in asset quality of the remaining relief customers should be limited.

^{1/} Based on exposures at the customer level which is higher than the account level under the relief program
^{2/} Including loans under the comprehensive debt restructuring plan

Source: SCB

Exhibit 4: SCB – 4Q21/2021 results summary

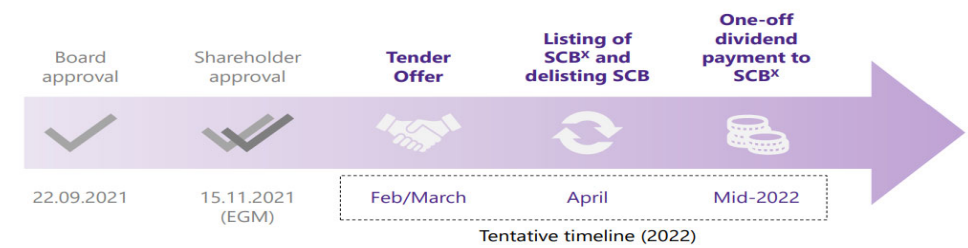
Year-end Dec 31	4Q20	3Q21	4Q21	--- Change ---		2021	Change	4Q21 comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y %)	
Net interest income	23,621	23,533	24,787	5	5	95,171	(2)	
Non-interest income	12,745	13,377	14,423	13	8	55,171	15	
Operating income	36,366	36,910	39,210	8	6	150,342	4	
Operating expenses	16,050	15,813	17,256	8	9	63,547	(1)	
PPOP before tax	20,316	21,097	21,954	8	4	86,795	8	
Provision	14,234	10,035	11,954	(16)	19	42,024	(10)	
Income tax	1,164	2,286	2,190	88	(4)	9,376	38	
Minority interest	(48)	(42)	(68)			(204)	(9)	
Normalised profit	4,965	8,818	7,879	59	(11)	35,599	31	
Extraordinary items	0	0	0			0		
Net profit	4,965	8,818	7,879	59	(11)	35,599	31	
EPS (THB)	1.46	2.60	2.32	59	(11)	10.48	31	
Asset quality ratio								
Gross NPLs (THB m)	101,462	107,071	109,114	8	2	109,114	8	Qualitative downgrade of SME clients
NPL ratios (%)	3.68	3.89	3.79			3.79		
LLR/NPLs (%)	137	138	139			139		
Credit cost (bp)	257	175	209			184		
Profitability ratio								
	(%)	(%)	(%)			(%)		
Cost to income ratio	44.1	42.8	44.0			42.3		
Average yield (%)	3.63	3.56	3.66			3.5		
Cost of fund (%)	0.70	0.63	0.63			0.6		
Net interest margin (NIM)	3.02	3.02	3.12			3.0		One-time positive impact from CDR
Non-int inc/total income	35.0	36.2	36.8			36.7		
Liquidity ratio								
	(%)	(%)	(%)			(%)		
Loan to deposit ratio	93.2	94.6	93.3			93.3		
Capital adequacy ratio								
	(%)	(%)	(%)			(%)		
CAR	18.2	18.4	18.7			18.7		
CET 1/ Risk assets	17.2	17.3	17.6			17.6		
Tier 2 / Risk assets	1.1	1.1	1.1			1.1		
Loan growth								
	(%)	(%)	(%)			(%)		
Year-to-date	6.7	1.1	2.1					
y-y	6.7	5.0	2.1			2.1		
q-q	3.9	(0.8)	1.0					

Sources: SCB; FSSIA's estimates

Mothership of SCBX group to deal with business challenge

As its recent analyst meeting, SCB presented its 2022 business plan. Management believes SCBX is still the key to deal with many business challenges. SCBX group will 1) seek new business opportunities to unlock long-term and sustainable growth; 2) efficiently manage group capital; and 3) build and create advantages on data capabilities. The listing of SCBX and delisting of SCB is set for April 2022.

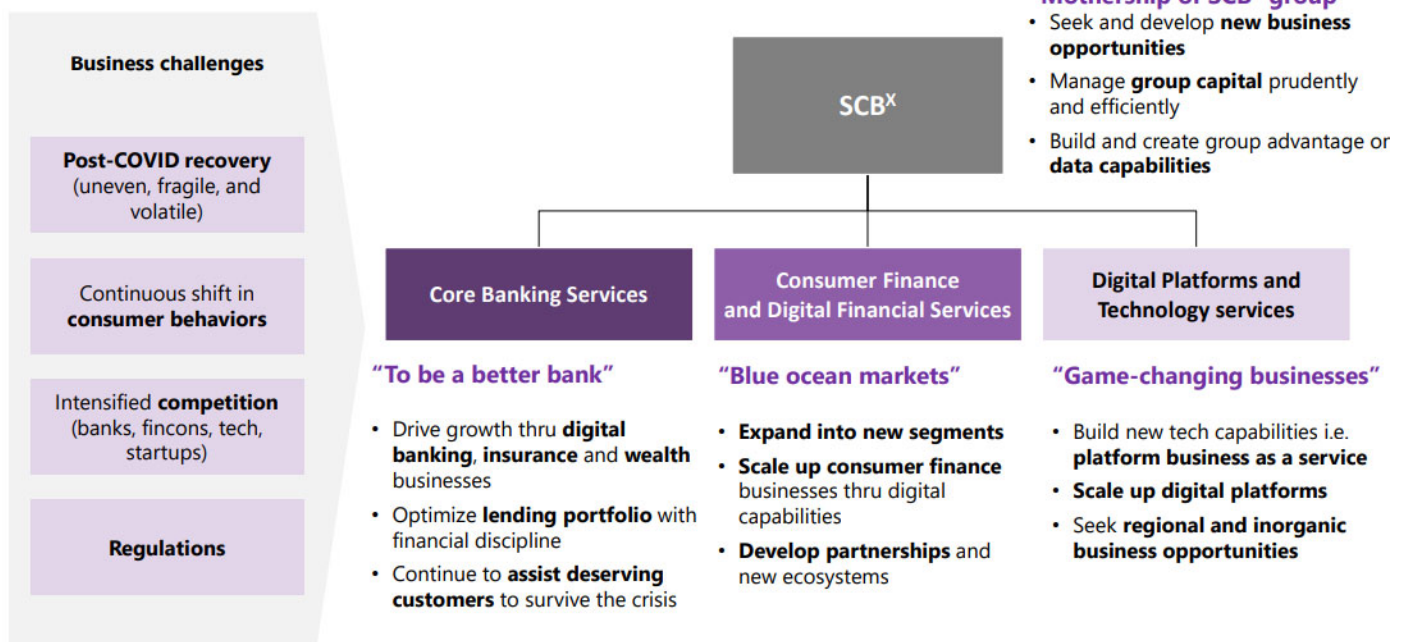
Exhibit 5: SCBX's timeline



Source: SCB








Exhibit 6: 2022 business plan

2022 strategic priorities



Source: SCB

Exhibit 7: Recent developments for SCBX

Investment announced in 2021 – Key highlights	
 <ul style="list-style-type: none"> Anchorage, a crypto custodian and digital asset platform for institutions Darwinbox, Asia's leading HR Technology platform Flash Group, a leading Thai full-service e-commerce solution provider APE Board, fast growing asset aggregator and portfolio dashboard Fireblocks, a world-class unicorn providing custody and network infrastructure platform for digital assets MyCloudFulfillment, a leading e-commerce fulfillment solution startup Nansen, a blockchain analytics platform 	
 <ul style="list-style-type: none"> Announced an acquisition of digital asset exchange (Bitkub Online) in Nov 2021; Due diligence ongoing. 	 <ul style="list-style-type: none"> To launch online travel agent (OTA) services in 1Q22
 <ul style="list-style-type: none"> Obtained ICO portal license (Initial Coin Offering) from SEC in Nov 2021 	 <ul style="list-style-type: none"> New lending (nano-finance) reached Baht 6 billion with more than 5 million downloads in 2021
 <ul style="list-style-type: none"> Entered JV (SCB 60%) with Publicis Sapient in Dec 2021 	 <ul style="list-style-type: none"> Offered credit for 'cash on delivery' businesses, in collaboration with Thai Post

Source: SCB

SCB also provided its 2022 financial targets, including: 1) 3-5% loan growth; 2) a 2.9-3.0% NIM; 3) low single-digit Non-NII growth; 4) a cost to income ratio in the low to mid-40s; and 5) credit cost of less than 140 bps.

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Exhibit 8: 2022 financial targets

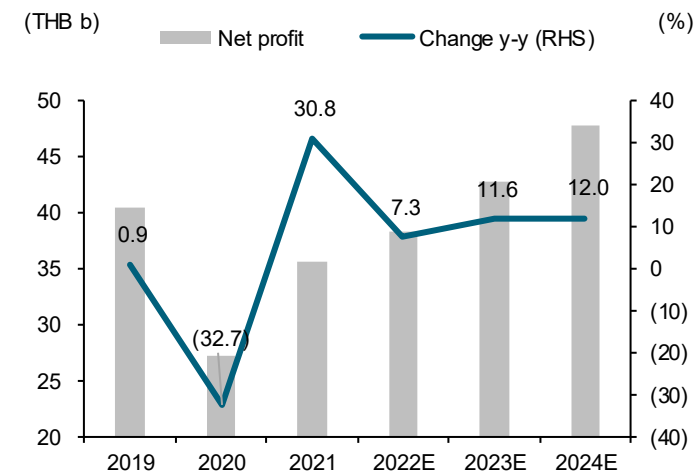
	2021	----- 2022E -----	
	Actual (%)	SCB (%)	FSSIA (%)
NIM	3.00	2.9-3.0	2.90
Non-NII growth (y-y)	15.3	Low single digit	(2.7)
Fee income growth (y-y)	9.9	nm.	8.7
Cost to income ratio	42.3	low to mid-40%	44.1
Loan growth (y-y)	2.1	3-5%	3.00
Coverage ratio	139	130	134
Credit cost (bps)	184	<140	148

Sources: SCB; FSSIA estimates

Bright outlook should continue in 2022

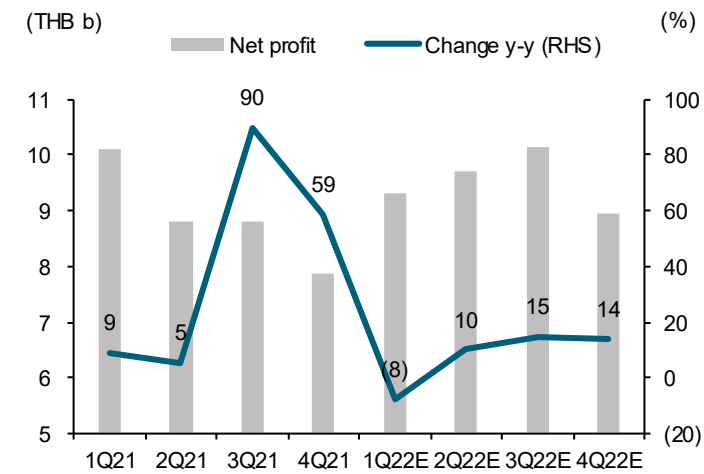
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Exhibit 9: SCB's yearly net profit growth



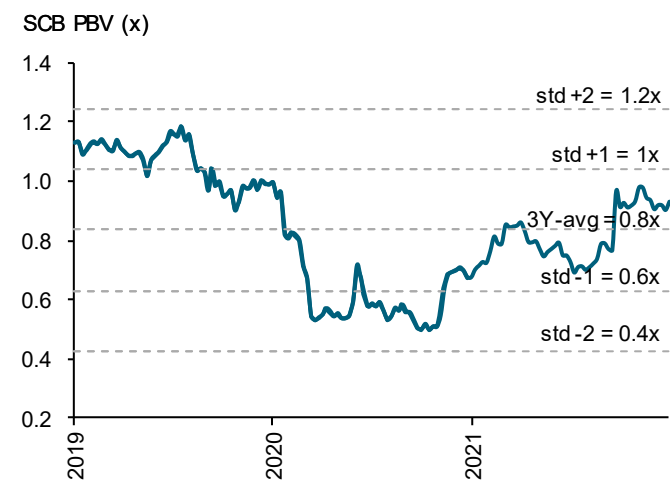
Sources: SCB; FSSIA estimates

Exhibit 10: SCB's quarterly net profit growth



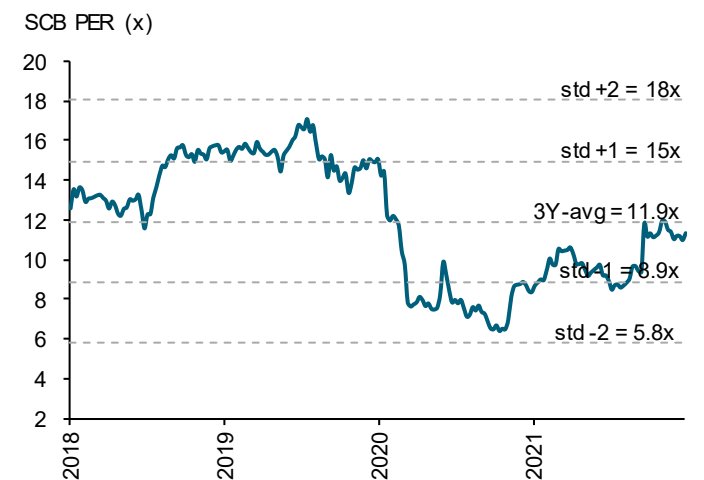
Sources: SCB; FSSIA estimates

Exhibit 11: SCB – one-year forward rolling P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 12: SCB – one-year forward rolling P/E



Sources: Bloomberg; FSSIA estimates

Financial Statements

Siam Commercial Bank

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	118,371	112,177	110,481	117,812	125,028
Interest expense	(21,472)	(17,006)	(16,923)	(23,299)	(24,656)
Net interest income	96,899	95,171	93,558	94,513	100,372
Net fees & commission	36,586	40,198	43,709	47,424	50,744
Foreign exchange trading income	0	0	0	0	0
Securities trading income	9,365	11,236	7,153	7,511	7,527
Dividend income	155	166	174	183	201
Other income	1,840	3,014	2,068	2,171	2,388
Non interest income	47,947	54,615	53,104	57,289	60,860
Total income	144,846	149,785	146,662	151,802	161,232
Staff costs	(31,453)	(30,007)	(30,907)	(31,834)	(33,426)
Other operating costs	(32,877)	(33,540)	(34,010)	(34,491)	(34,985)
Operating costs	(64,330)	(63,547)	(64,917)	(66,325)	(68,411)
Pre provision operating profit	80,516	86,239	81,745	85,477	92,821
Provision for bad and doubtful debt	(46,649)	(42,024)	(34,578)	(33,209)	(34,205)
Other provisions	-	-	-	-	-
Operating profit	33,866	44,214	47,167	52,268	58,616
Recurring non operating income	(78)	557	584	614	675
Associates	(78)	557	584	614	675
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	33,788	44,771	47,752	52,881	59,291
Tax	(6,794)	(9,376)	(9,789)	(10,576)	(11,858)
Profit after tax	26,994	35,395	37,962	42,305	47,433
Minority interests	224	204	219	316	285
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	27,218	35,599	38,181	42,621	47,718
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	27,218	35,599	38,181	42,621	47,718
Per share (THB)					
Recurring EPS *	8.02	10.48	11.23	12.54	14.04
Reported EPS	8.02	10.48	11.23	12.54	14.04
DPS	2.30	6.71	5.00	6.00	6.00
Growth					
Net interest income (%)	(2.5)	(1.8)	(1.7)	1.0	6.2
Non interest income (%)	33.8	13.9	(2.8)	7.9	6.2
Pre provision operating profit (%)	24.5	7.1	(5.2)	4.6	8.6
Operating profit (%)	(9.9)	30.6	6.7	10.8	12.1
Reported net profit (%)	(19.0)	30.8	7.3	11.6	12.0
Recurring EPS (%)	(7.0)	30.8	7.1	11.6	12.0
Reported EPS (%)	(19.0)	30.8	7.1	11.6	12.0
Income Breakdown					
Net interest income (%)	66.9	63.5	63.8	62.3	62.3
Net fees & commission (%)	25.3	26.8	29.8	31.2	31.5
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	6.5	7.5	4.9	4.9	4.7
Dividend income (%)	0.1	0.1	0.1	0.1	0.1
Other income (%)	1.3	2.0	1.4	1.4	1.5
Operating performance					
Gross interest yield (%)	3.94	3.53	3.42	3.58	3.69
Cost of funds (%)	0.85	0.63	0.62	0.84	0.87
Net interest spread (%)	3.09	2.90	2.80	2.74	2.82
Net interest margin (%)	3.2	3.0	2.9	2.9	3.0
Cost/income(%)	44.4	42.4	44.3	43.7	42.4
Cost/assets(%)	2.1	1.9	1.9	1.9	1.9
Effective tax rate (%)	20.1	20.9	20.5	20.0	20.0
Dividend payout on recurring profit (%)	28.7	64.0	44.5	47.9	42.7
ROE (%)	6.7	8.4	8.4	8.8	9.1
ROE - COE (%)	(4.1)	(2.4)	(2.4)	(2.0)	(1.7)
ROA (%)	0.9	1.1	1.1	1.2	1.3
RORWA (%)	1.3	1.6	1.7	1.8	1.9

* 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	2020	2021	2022E	2023E	2024E
Gross customer loans	2,255,242	2,301,835	2,370,890	2,442,017	2,515,277
Total provisions	(139,442)	(151,409)	(145,682)	(142,261)	(157,602)
interest in suspense	14,508	15,031	15,411	15,385	15,092
Net customer loans	2,130,308	2,165,457	2,240,619	2,315,141	2,372,767
Bank loans	547,504	618,269	575,635	591,445	607,656
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	339,828	292,123	297,824	308,218	318,996
Cash & equivalents	51,632	50,421	59,902	45,723	80,393
Other interesting assets	-	-	-	-	-
Tangible fixed assets	56,445	63,397	71,206	79,977	89,829
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	152,667	124,900	127,074	130,806	135,863
Total assets	3,278,383	3,314,566	3,372,259	3,471,310	3,605,504
Customer deposits	2,420,455	2,466,717	2,491,384	2,541,212	2,617,449
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	275,993	267,200	269,872	275,270	283,528
Non interest bearing liabilities	170,106	138,032	144,934	152,181	159,790
Hybrid Capital	-	-	-	-	-
Total liabilities	2,866,554	2,871,950	2,906,191	2,968,663	3,060,766
Share capital	33,992	33,992	33,956	33,956	33,956
Reserves	377,438	407,014	430,418	466,863	508,802
Total equity	411,430	441,006	464,374	500,820	542,758
Minority interests	399	1,609	1,694	1,827	1,980
Total liabilities & equity	3,278,384	3,314,565	3,372,259	3,471,310	3,605,504
Supplementary items					
Risk weighted assets (RWA)	2,197,668	2,264,803	2,332,747	2,402,730	2,474,811
Average interest earning assets	3,001,007	3,177,400	3,228,288	3,293,014	3,391,804
Average interest bearing liabilities	2,534,701	2,704,780	2,736,995	2,778,118	2,847,709
Tier 1 capital	377,036	399,566	413,681	437,086	461,860
Total capital	400,911	424,227	438,342	461,747	486,521
Gross non performing loans (NPL)	101,462	109,114	109,114	111,296	113,522
Per share (THB)					
Book value per share	121.16	129.86	136.61	147.33	159.67
Tangible book value per share	121.16	129.86	136.61	147.33	159.67
Growth					
Gross customer loans	6.7	2.1	3.0	3.0	3.0
Average interest earning assets	0.9	5.9	1.6	2.0	3.0
Total asset (%)	10.7	1.1	1.7	2.9	3.9
Risk weighted assets (%)	5.9	3.1	3.0	3.0	3.0
Customer deposits (%)	12.1	1.9	1.0	2.0	3.0
Leverage & capital measures					
Customer loan/deposits (%)	88.0	87.8	89.9	91.1	90.7
Equity/assets (%)	12.5	13.3	13.8	14.4	15.1
Tangible equity/assets (%)	12.5	13.3	13.8	14.4	15.1
RWA/assets (%)	67.0	68.3	69.2	69.2	68.6
Tier 1 CAR (%)	17.2	17.6	17.7	18.2	18.7
Total CAR (%)	18.2	18.7	18.8	19.2	19.7
Asset Quality					
Change in NPL (%)	19.1	7.5	-	2.0	2.0
NPL/gross loans (%)	4.5	4.7	4.6	4.6	4.5
Total provisions/gross loans (%)	6.2	6.6	6.1	5.7	6.3
Total provisions/NPL (%)	137.4	138.8	133.5	127.8	138.8
Valuation					
Recurring P/E (x) *	15.4	11.8	11.0	9.8	8.8
Recurring P/E @ target price (x) *	20.0	15.3	14.2	12.8	11.4
Reported P/E (x)	15.4	11.8	11.0	9.8	8.8
Dividend yield (%)	1.9	5.4	4.0	4.9	4.9
Price/book (x)	1.0	1.0	0.9	0.8	0.8
Price/tangible book (x)	1.0	1.0	0.9	0.8	0.8
Price/tangible book @ target price (x)	1.3	1.2	1.2	1.1	1.0

* 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	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	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 Suwanumphai FSS International Investment Advisory Securities Co., Ltd

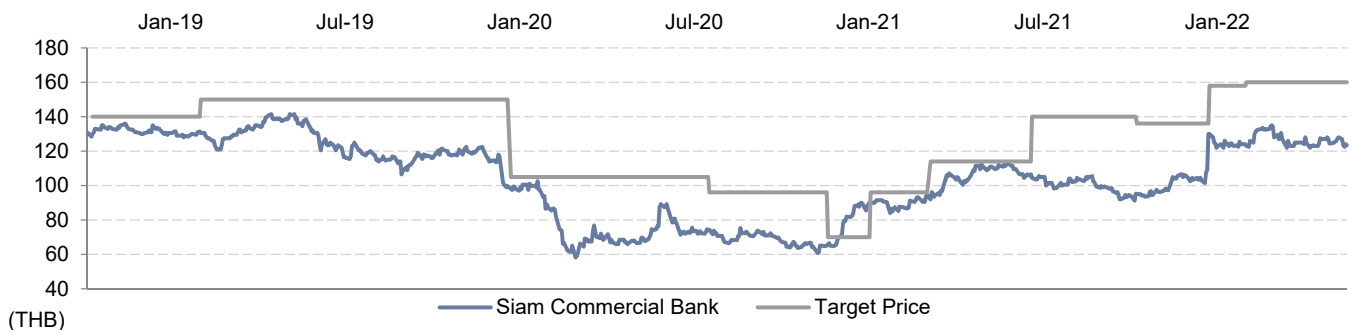
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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	27-Oct-2020	HOLD	70.00	22-Jul-2021	BUY	136.00
03-May-2019	BUY	150.00	03-Dec-2020	HOLD	96.00	23-Sep-2021	BUY	158.00
27-Jan-2020	HOLD	105.00	22-Jan-2021	BUY	114.00	25-Oct-2021	BUY	160.00
16-Jul-2020	BUY	96.00	22-Apr-2021	BUY	140.00			

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 123.50	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.

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-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.