

KASIKORNBANK KBANK TB

THAILAND / BANKS

BUY

UNCHANGED

ความเป็นไปได้ในการขาย KASSET

- KBANK อาจขาย KASSET ในราคา 67 พัน ลบ. ซึ่งคิดเป็น 21x ของค่า P/E, 39x ของค่า P/BV, และ 24x ของสินทรัพย์ที่บริหาร/ราคาขาย
- จากประมาณการของเรา การขายดังกล่าวจะทำให้เกิดกำไรพิเศษสุทธิประมาณ 52 พัน ลบ.
- ข่าวดังกล่าวน่าจะให้บรรยากาศเชิงบวกแก่ KBANK เราคงแนะนำซื้อที่ราคาเป้าหมาย 180 บาท

TARGET PRICE	THB180.00
CLOSE	THB163.00
UP/DOWNSIDE	+10.4%
PRIOR TP	THB180.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+2.3%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	52,667	59,136	63,370	70,468
Net profit	38,053	41,542	45,695	50,848
EPS (THB)	16.06	17.53	19.29	21.46
vs Consensus (%)	-	(2.4)	(1.5)	(2.4)
Core net profit	38,053	41,542	45,695	50,848
Core EPS (THB)	16.06	17.53	19.29	21.46
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	29.0	9.2	10.0	11.3
Core P/E (x)	10.1	9.3	8.5	7.6
Dividend yield (%)	1.7	2.8	3.1	3.1
Price/book (x)	0.8	0.8	0.7	0.7
ROE (%)	8.3	8.4	8.6	9.0
ROA (%)	1.1	1.1	1.2	1.3

ความเป็นไปได้ในการขายธุรกิจบริหารสินทรัพย์ กล่าวคือ KASSET

จากข้อมูลของ Bloomberg News เมื่อวันที่ 1 เม.ย. 2022 KBANK กำลังพิจารณาขายบริษัทย่อยในธุรกิจบริหารสินทรัพย์ กล่าวคือ KASSET ระดับการประเมินมูลค่าที่ต้องการสำหรับ KASSET น่าจะอยู่ที่ USD2 พันล้าน (67 พัน ลบ.) เราเห็นว่าราคาขายดังกล่าวจะส่งผลเชิงบวกต่อราคาหุ้นของ KBANK

การขายบางส่วนของ KASSET อาจเป็นทางเลือกที่ดีที่สุด

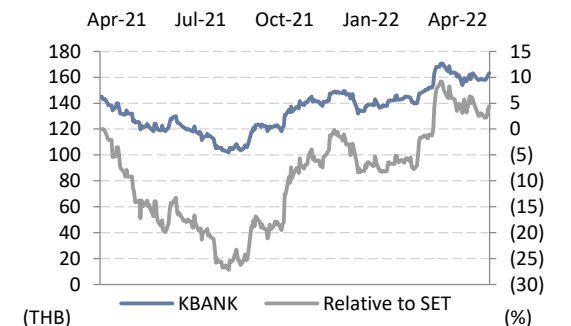
KBANK ยังไม่ได้ให้ความเห็นเกี่ยวกับเรื่องดังกล่าว อย่างไรก็ตามในระหว่างการประชุม นักวิเคราะห์ KBANK กล่าวว่าธนาคารฯ กำลังพิจารณาปลดข้อจำกัดมูลค่าของผู้ถือหุ้น เพราะฉะนั้นเราจึงคิดว่าธนาคารฯ อาจพิจารณาขายบางส่วนของ KASSET หรือทั้งหมดโดยจะขึ้นอยู่กับประเมินมูลค่าและโอกาสทางธุรกิจ ในความเห็นของเราการขายบางส่วนให้แก่ผู้เชี่ยวชาญในการบริหารกองทุนอาจเป็นทางเลือกที่ดีที่สุด เนื่องจากผู้เชี่ยวชาญจะสามารถสนับสนุนให้ KBANK ขยายโอกาสทางธุรกิจโดยอาจจะขยายธุรกิจไปต่างประเทศในท่ามกลางการแข่งขันที่ดุเดือดในธุรกิจบริหารสินทรัพย์ในประเทศไทย นอกจากนี้ธนาคารฯ ยังจะสามารถได้ประโยชน์จากกำไรสุทธิของ KASSET ที่อาจเพิ่มขึ้น ในขณะที่ธนาคารฯ จะได้เงินก้อนเพื่อขยายเข้าสู่ธุรกิจอื่น ๆ ในอนาคต นอกจากนี้รายการดังกล่าวยังสามารถปลดข้อจำกัดในด้านมูลค่าให้แก่ผู้ถือหุ้นของ KBANK ถ้า KBANK ขาย KASSET ในราคา 67 พัน ลบ. เราคิดว่า การขายดังกล่าวจะก่อให้เกิดกำไรพิเศษหลังหักภาษีจำนวนประมาณ 52 พัน ลบ. ซึ่งเท่ากับกำไร 21 บาท/หุ้น อย่างไรก็ตามเราคิดว่าธนาคารฯ จะไม่บันทึกกำไรพิเศษทั้งหมดเป็นกำไรสุทธิ โดยเราเชื่อว่าธนาคารฯ จะใช้กำไรดังกล่าวจัดสรรเป็นสำรองพิเศษ

อาจได้ระดับการประเมินมูลค่าที่สูงกว่าการขาย TMBAM

การซื้อขายบริษัทบริหารสินทรัพย์ล่าสุดในประเทศไทยเป็นการขายหุ้น 65% ใน TMBAM ของ TMB ให้แก่ Eastspring ของ Prudential ในเดือน ก.ย. 18 ซึ่งธนาคารฯ ไม่ได้เปิดเผยราคาขาย เราคิดว่าราคาขายของ TMBAM อยู่ที่ 23x ของค่า P/E, 13x ของค่า P/BV, และ 30x ของสินทรัพย์ที่บริหาร/ราคาขาย ถ้า KBANK ขายหุ้น 100% ใน KASSET เป็นเงิน 67 พัน ลบ. จะคิดเป็น 21x ของค่า P/E, 39x ของค่า P/BV, และ 24x ของสินทรัพย์ที่บริหาร/ราคาขาย เราเชื่อว่า KBANK จะต้องการระดับการประเมินมูลค่าที่สูงกว่าการขาย TMBAM เนื่องจากส่วนแบ่งตลาดของ KASSET อยู่ในอันดับ 1 ใน 3 เมื่อพิจารณาในแง่ของสินทรัพย์ที่บริหาร

คงแนะนำซื้อที่ราคาเป้าหมายปี 2022 ที่ 180 บาท (GGM)

เราคงแนะนำซื้อที่ราคาเป้าหมายปี 2022 ที่ 180 บาท (GGM) เราเชื่อว่ากำไรสุทธิและผลตอบแทนต่อส่วนผู้ถือหุ้นจะเพิ่มต่อเนื่อง นอกจากนี้เรายังคิดว่าด้วยบริษัทฯ กำลังปฏิรูปตนเองอย่างเต็มที่เพื่อปลดข้อจำกัดในด้านมูลค่าและเพิ่มผลตอบแทนของผู้ถือหุ้น



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.0	14.8	10.1
Relative to country (%)	(1.7)	12.7	3.3
Mkt cap (USD m)			11,545
3m avg. daily turnover (USD m)			137.1
Free float (%)			50
Major shareholder			Thai NVDR (18%)
12m high/low (THB)			175.00/101.00
Issued shares (m)			2,369

Sources: Bloomberg consensus; FSSIA estimates



Yuvanart Suwanumphai

yuvanart.suw@fssia.com
+66 2611 3554

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 4 เมษายน 2022

Investment thesis

We maintain our BUY call, as we believe that the extension of the relaxed loan classification and provision setup rules will allow the bank to have more time to deal with its trouble debts.

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

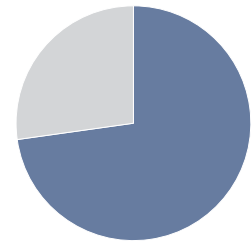
Company profile

Established on 8 June 1945, Kasikornbank was listed on the Stock Exchange of Thailand in 1976. At the end of 2021, KBANK operated 839 branches, down from 860 in 2021 and 10,991 ATMs, up from 10,911 in 2020. In addition, the bank has an international network that includes 16 establishments in eight countries.

www.kasikornbank.com

Principal activities (revenue, 2021)

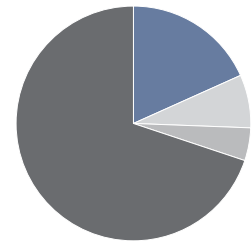
- Net interest income - 72.8 %
- Non-interest income - 27.2 %



Source: Kasikornbank

Major shareholders

- Thai NVDR - 18.3 %
- State Street Europe Ltd. - 7.3 %
- South East Asia UK (Type C) Nominees - 4.5 %
- Others - 69.9 %



Source: Kasikornbank

Catalysts

Potential share price catalysts for KBANK include:

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

Risks to our call

Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.

Event calendar

Date	Event
21 Apr 2022	1Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	41,542	45,695	50,848
Net profit growth	9.2	10.0	11.3
NIM	3.16	3.12	3.21
Loan growth	5.0	5.0	4.0
Fee growth	5.5	5.0	5.0
Non-NII growth*	9.5	7.1	5.8
Credit cost (bp)	160	155	155
Cost to income*	43.1	42.4	41.3

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		----- 2022E -----		
		3.0	5.0	7.0
Loan growth	±2ppt			
% change in net profit		(0.5)	-	0.5
NIM (%)	±5bp			
% change in net profit		(2.5)	-	2.5
Credit cost (bp)	±10bp			
% change in net profit		4.0	-	(4.0)

Source: FSSIA estimates

Potential to sell asset management business, KASSET

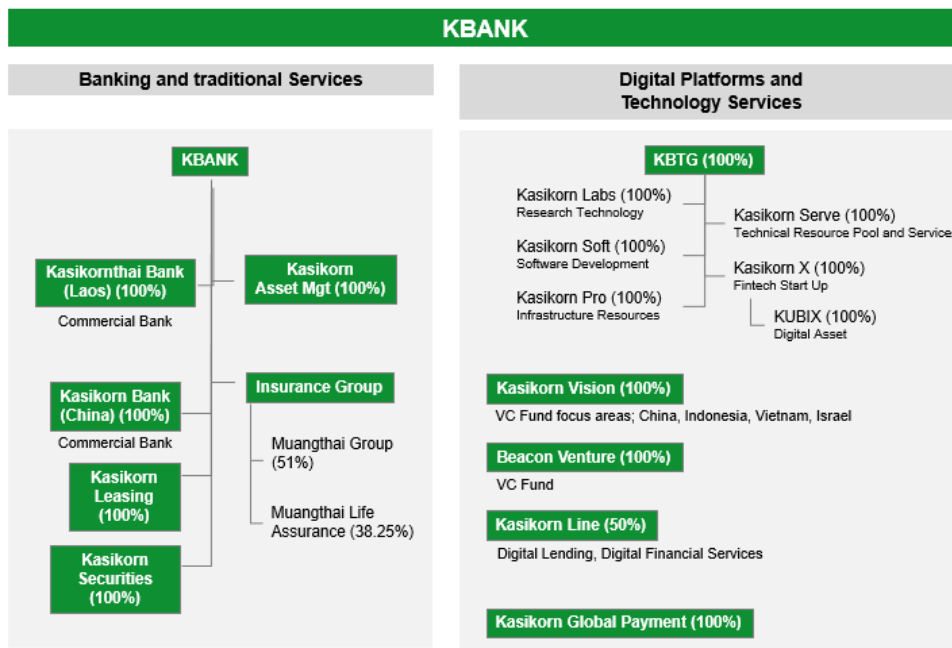
According to Bloomberg, KBANK, Thailand's second-biggest lender, is considering options for its asset management business, including a sale amid interest from other industry players, according to people familiar with the matter. KBANK, as the Bangkok-based lender is known, is working with a financial adviser on a strategic review of Kasikorn Asset Management (KASSET), the people said, asking not to be identified because the matter is private. The bank is seeking a valuation of as much as \$2 billion in a potential transaction, the people said. As reported, options include selling a majority or a minority stake of the business. KBANK is seeking a strategic partner to bolster its asset management platform and make it more competitive, they said. KASSET manages about \$47.2 billion, according to the bank's 2021 annual report. Considerations are preliminary. No final decision has been made and the Thai lender could still decide to retain the unit for longer, the people said. A representative for Kasikornbank declined to comment. A transaction would mirror previous ones from other top lenders in Southeast Asia's second-biggest economy. In 2018, TMB Bank Pcl sold a majority stake in its asset management business to Prudential Plc's Eastspring Investments. A year later, Eastspring acquired a controlling stake in Thanachart Bank Pcl's asset manager following the \$5.1 billion merger of TMB and Thanachart.

Selling some portion of KASSET could be the best option

KBANK has not commented on this yet. However, during the latest analyst meeting with the CEO, KBANK said it is considering unlocking its shareholder value, but did not mention the specific method. Therefore, we think the bank might consider selling some portion or all of KASSET, depending on the valuation and business opportunity. KBANK currently holds 100% of KASSET.

If KBANK sells KASSET for THB67b, based on our estimate, it would have an extra gain after tax of around THB52b, implying THB21/share. However, we do not expect the bank to book all of this extra gain to its net profit. We believe it would utilize it to set aside a special provision like Siam Commercial Bank (SCB TB, BUY) did when it had a special gain from the sale of SCBLife, and TMBThanachart (TTB TB, BUY) did when it sold TMBAM.

Exhibit 1: KBANK's structure

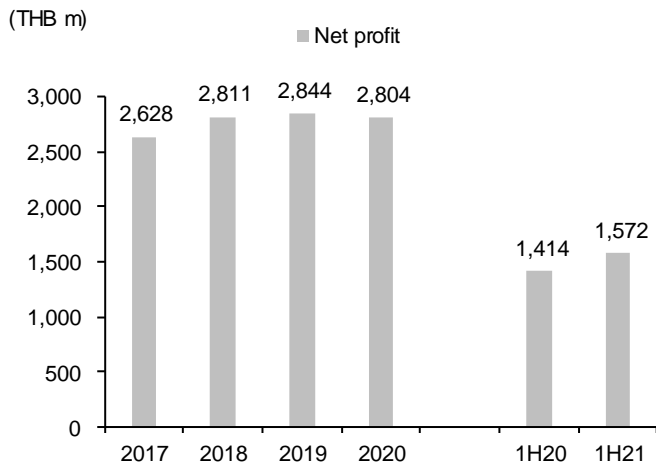


*Percentages in parentheses are the current percentage holding by KBANK
 Source: KBANK; FSSIA's compilation

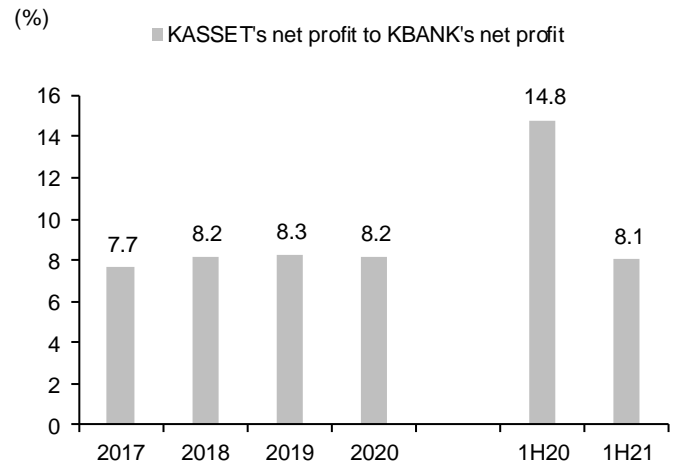
To us, if KBANK sells some portion to a fund management expert(s), this could be the best option as the buyer(s) could support KBANK to expand its business opportunities, possibly to expand its business abroad, amid the tighter competition in the asset management business in Thailand. The bank could also continue to enjoy a potential rise in KASSET's net profit, while getting lump sum money to expand into other businesses in the future. On top of that, this could unlock value for KBANK's shareholders.

KASSET's background

KASSET's net profits during 2018-2020 were relatively stable at cTHB2.8b yearly, which normally contributed c8% of KBANK's total net profit. KASSET's 1H21 net profit was THB1.57b, annualised at THB3.14b. Its 1H21 book value was THB1.7b. Its assets under management (AUM) as of 2021 amounted to THB1.58b. KASSET always ranks among the top three for market share in terms of AUM.

Exhibit 2: Net profit of KASSET

Sources: KASSET; FSSIA's compilation

Exhibit 3: Contribution of KASSET's net profit to KBANK's net profit

Sources: KASSET; KBANK; FSSIA's compilation

Might command a higher valuation than the TMBAM deal

The latest asset management deal in Thailand was the sale of a 65% stake in TMB Asset Management (TMBAM) to Prudential's Eastspring by TMB in Sep-18. The bank did not disclose the selling price, but it booked a gain of THB7.6b. Based on our estimate, the selling price for 65% should be THB8b (TMBAM's book value as of 2018 = THB1b), implying that the total value of TMBAM was THB12.7b.

As of 2018, TMBAM recorded a net profit/ book value/ AUM of THB0.56/ THB1.0b/ THB380b. Thus, the selling price would be valued at 23x P/E, 13x P/BV, and 30x AUM/selling price. If KBANK sells 100% of KASSET for THB67b, it would imply a valuation of 21x P/E, 39x P/BV, and 24x AUM/selling price. We are convinced that KBANK would seek a higher valuation than the value of the TMBAM sale as KASSET is always ranked among the top three for market share in terms of AUM. It is also a more well-known brand among Thai clients.

Financial Statements

Kasikornbank

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	127,592	135,415	141,093	151,676	162,566
Interest expense	(18,570)	(16,024)	(16,747)	(24,478)	(26,596)
Net interest income	109,022	119,390	124,346	127,198	135,970
Net fees & commission	33,004	35,316	37,273	39,137	41,094
Foreign exchange trading income	0	0	0	0	0
Securities trading income	9,428	6,356	6,397	6,440	6,485
Dividend income	2,384	3,310	3,475	3,649	3,831
Other income	1,246	(330)	1,714	3,088	3,916
Non interest income	46,063	44,653	48,860	52,314	55,326
Total income	155,085	164,043	173,206	179,512	191,297
Staff costs	(32,143)	(34,481)	(35,170)	(35,874)	(36,950)
Other operating costs	(37,853)	(36,563)	(39,182)	(39,868)	(41,666)
Operating costs	(69,997)	(71,044)	(74,353)	(75,742)	(78,615)
Pre provision operating profit	85,088	92,999	98,854	103,770	112,681
Provision for bad and doubtful debt	(43,548)	(40,332)	(39,718)	(40,400)	(42,213)
Other provisions	-	-	-	-	-
Operating profit	41,540	52,667	59,136	63,370	70,468
Recurring non operating income	(193)	(694)	(729)	(766)	(804)
Associates	(193)	(694)	(729)	(766)	(804)
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	41,347	51,973	58,407	62,604	69,664
Tax	(7,656)	(9,729)	(11,039)	(11,832)	(13,166)
Profit after tax	33,690	42,244	47,368	50,772	56,497
Minority interests	(4,203)	(4,192)	(5,826)	(5,077)	(5,650)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	29,487	38,053	41,542	45,695	50,848
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	29,487	38,053	41,542	45,695	50,848
Per share (THB)					
Recurring EPS *	12.45	16.06	17.53	19.29	21.46
Reported EPS	12.45	16.06	17.53	19.29	21.46
DPS	2.50	2.70	4.50	5.00	5.00
Growth					
Net interest income (%)	6.2	9.5	4.2	2.3	6.9
Non interest income (%)	(20.3)	(3.1)	9.4	7.1	5.8
Pre provision operating profit (%)	(3.0)	9.3	6.3	5.0	8.6
Operating profit (%)	(22.7)	26.8	12.3	7.2	11.2
Reported net profit (%)	(23.9)	29.0	9.2	10.0	11.3
Recurring EPS (%)	(23.1)	29.0	9.2	10.0	11.3
Reported EPS (%)	(23.1)	29.0	9.2	10.0	11.3
Income Breakdown					
Net interest income (%)	70.3	72.8	71.8	70.9	71.1
Net fees & commission (%)	21.3	21.5	21.5	21.8	21.5
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	6.1	3.9	3.7	3.6	3.4
Dividend income (%)	1.5	2.0	2.0	2.0	2.0
Other income (%)	0.8	(0.2)	1.0	1.7	2.0
Operating performance					
Gross interest yield (%)	3.86	3.70	3.59	3.72	3.84
Cost of funds (%)	0.78	0.59	0.57	0.81	0.85
Net interest spread (%)	3.08	3.11	3.02	2.91	2.99
Net interest margin (%)	3.3	3.3	3.2	3.1	3.2
Cost/income(%)	45.1	43.3	42.9	42.2	41.1
Cost/assets(%)	2.0	1.8	1.8	1.8	1.8
Effective tax rate (%)	18.5	18.7	18.9	18.9	18.9
Dividend payout on recurring profit (%)	20.1	16.8	25.7	25.9	23.3
ROE (%)	7.0	8.3	8.4	8.6	9.0
ROE - COE (%)	(3.0)	(1.6)	(1.5)	(1.3)	(1.0)
ROA (%)	1.0	1.1	1.1	1.2	1.3
RORWA (%)	1.5	1.7	1.8	1.8	1.9

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Kasikornbank; FSSIA estimates

Financial Statements

Kasikornbank

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	2,244,821	2,421,813	2,542,904	2,670,049	2,776,851
Total provisions	(134,393)	(144,772)	(148,889)	(151,909)	(155,246)
interest in suspense	11,272	16,599	20,343	21,360	22,215
Net customer loans	2,121,700	2,293,640	2,414,358	2,539,500	2,643,819
Bank loans	417,420	420,494	405,081	426,904	443,789
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	777,790	1,034,372	1,044,995	1,055,746	1,098,167
Cash & equivalents	61,962	59,972	65,558	30,184	56,650
Other interesting assets	-	-	-	-	-
Tangible fixed assets	85,664	97,185	97,343	98,276	88,448
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	194,261	197,736	203,059	209,274	218,363
Total assets	3,658,798	4,103,399	4,230,393	4,359,885	4,549,237
Customer deposits	2,344,998	2,598,630	2,773,612	2,856,820	2,926,076
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	183,631	315,685	228,133	234,977	289,392
Non interest bearing liabilities	638,883	652,409	652,409	652,409	671,981
Hybrid Capital	-	-	-	-	-
Total liabilities	3,167,512	3,566,724	3,654,153	3,744,205	3,887,449
Share capital	23,693	23,693	23,693	23,693	23,693
Reserves	415,976	453,020	488,165	523,198	564,154
Total equity	439,670	476,714	511,858	546,891	587,847
Minority interests	51,616	59,961	64,382	68,788	73,940
Total liabilities & equity	3,658,798	4,103,399	4,230,393	4,359,885	4,549,237
Supplementary items					
Risk weighted assets (RWA)	2,404,276	2,593,840	2,723,532	2,859,709	2,974,097
Average interest earning assets	3,302,313	3,658,355	3,934,829	4,072,839	4,235,753
Average interest bearing liabilities	2,368,844	2,695,575	2,930,346	3,016,303	3,122,096
Tier 1 capital	387,854	414,516	447,916	480,872	517,297
Total capital	452,095	478,757	512,157	545,113	581,538
Gross non performing loans (NPL)	101,007	104,036	107,157	109,300	115,858
Per share (THB)					
Book value per share	185.57	201.20	216.04	230.82	248.11
Tangible book value per share	185.57	201.20	216.04	230.82	248.11
Growth					
Gross customer loans	12.1	7.9	5.0	5.0	4.0
Average interest earning assets	6.5	10.8	7.6	3.5	4.0
Total asset (%)	11.1	12.2	3.1	3.1	4.3
Risk weighted assets (%)	8.7	7.9	5.0	5.0	4.0
Customer deposits (%)	13.2	10.8	6.7	3.0	2.4
Leverage & capital measures					
Customer loan/deposits (%)	90.5	88.3	87.0	88.9	90.4
Equity/assets (%)	12.0	11.6	12.1	12.5	12.9
Tangible equity/assets (%)	12.0	11.6	12.1	12.5	12.9
RWA/assets (%)	65.7	63.2	64.4	65.6	65.4
Tier 1 CAR (%)	16.1	16.0	16.4	16.8	17.4
Total CAR (%)	18.8	18.5	18.8	19.1	19.6
Asset Quality					
Change in NPL (%)	20.2	3.0	3.0	2.0	6.0
NPL/gross loans (%)	4.5	4.3	4.2	4.1	4.2
Total provisions/gross loans (%)	6.0	6.0	5.9	5.5	5.6
Total provisions/NPL (%)	133.1	139.2	138.9	139.0	134.0
Valuation					
Recurring P/E (x) *	13.1	10.1	9.3	8.5	7.6
Recurring P/E @ target price (x) *	14.5	11.2	10.3	9.3	8.4
Reported P/E (x)	13.1	10.1	9.3	8.5	7.6
Dividend yield (%)	1.5	1.7	2.8	3.1	3.1
Price/book (x)	0.9	0.8	0.8	0.7	0.7
Price/tangible book (x)	0.9	0.8	0.8	0.7	0.7
Price/tangible book @ target price (x)	1.0	0.9	0.8	0.8	0.7

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Kasikornbank; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	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	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	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

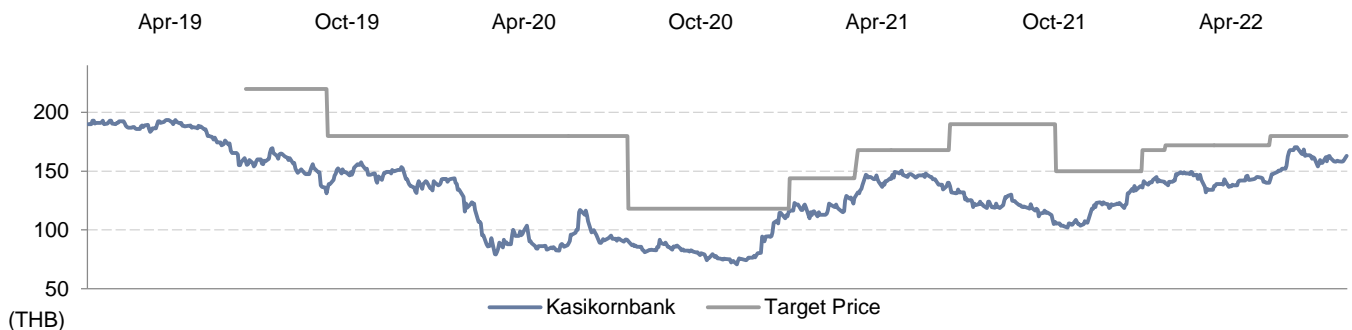
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Kasikornbank (KBANK TB)



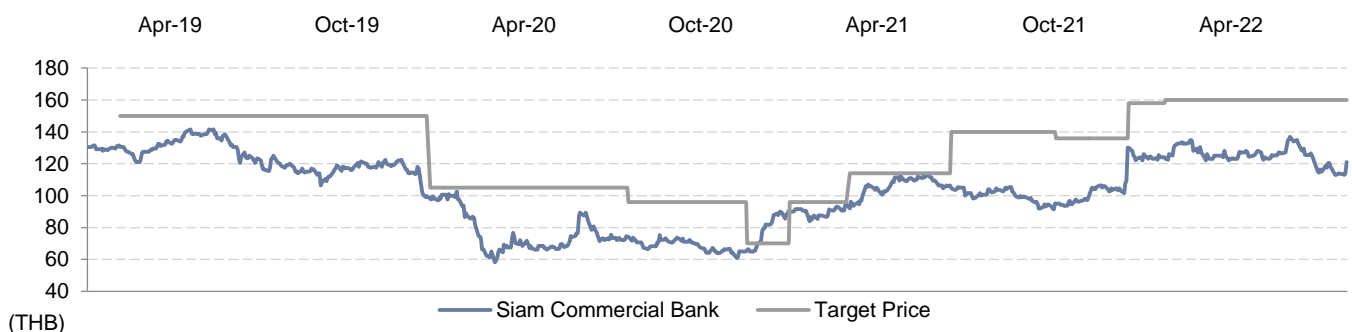
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Aug-2019	BUY	220.00	29-Jan-2021	BUY	168.00	25-Oct-2021	BUY	172.00
30-Oct-2019	BUY	180.00	21-Apr-2021	BUY	190.00	24-Jan-2022	BUY	180.00
16-Jul-2020	BUY	118.00	22-Jul-2021	BUY	150.00			
03-Dec-2020	BUY	144.00	05-Oct-2021	BUY	168.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Siam Commercial Bank (SCB TB)

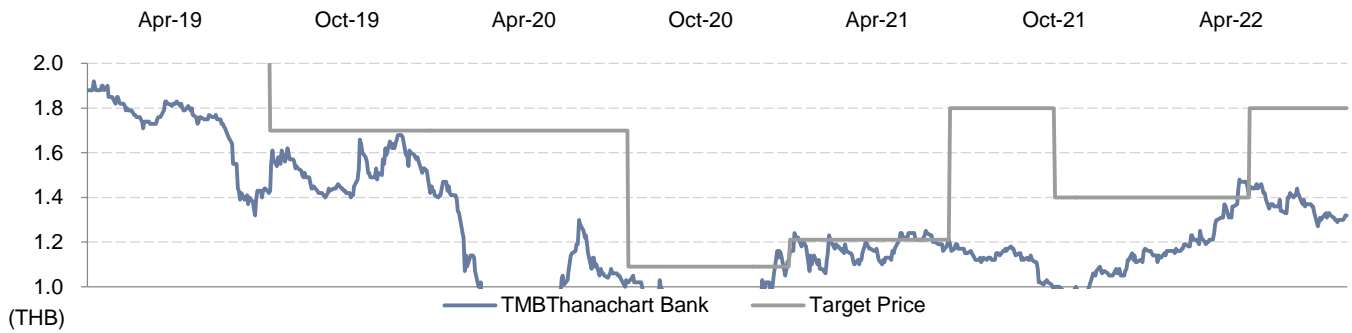


Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-May-2019	BUY	150.00	03-Dec-2020	HOLD	96.00	23-Sep-2021	BUY	158.00
27-Jan-2020	HOLD	105.00	22-Jan-2021	BUY	114.00	25-Oct-2021	BUY	160.00
16-Jul-2020	BUY	96.00	22-Apr-2021	BUY	140.00			
27-Oct-2020	HOLD	70.00	22-Jul-2021	BUY	136.00			

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

Price and TP are in local currency

Source: FSSIA estimates

TMBThanachart Bank (TTB TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
22-Apr-2019	HOLD	2.28	03-Dec-2020	HOLD	1.21	06-Jan-2022	BUY	1.80
10-Sep-2019	HOLD	1.70	21-Apr-2021	BUY	1.80			
16-Jul-2020	HOLD	1.09	21-Jul-2021	BUY	1.40			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Kasikornbank	KBANK TB	THB 163.00	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.
Siam Commercial Bank	SCB TB	THB 121.00	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.
TMBThanachart Bank	TTB TB	THB 1.32	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 Finasia 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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 01-Apr-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.