

TISCO FINANCIAL TISCO TB

THAILAND / BANKS

BUY

UNCHANGED

In-line 1Q22 results

- In-line 1Q22 NP; soft top line cushioned by good asset quality.
- TISCO reiterates that it will resume growing its high-yield portfolio.
- Limited concern over its asset quality in the following quarters.

TARGET PRICE	THB110.00
CLOSE	THB100.00
UP/DOWNSIDE	+10.0%
PRIOR TP	THB110.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+2.8%

1Q22: Soft top line but good asset quality control as expected

TISCO reported an in-line 1Q22 net profit of THB1,795m (+2% y-y, flat q-q). We see two positives. First, its loan volume rose slightly by 0.3% q-q, driven by corporate and auto title loans. Second, TISCO reported a very healthy asset quality. Its NPLs went down by 12% q-q, implying a 2.15% NPL ratio, due to its conservative lending strategy and effective debt restructuring. The loans under assistance programs accounted for 7.0% of total loans. Thus, TISCO set a low credit cost of 17 bps vs 81 bps in 4Q21. Its coverage ratio continued to hit a record high at 262%. The plummeting provisions offset a decline in its top line. Its NII minimally dropped. Also, its non-NII dropped significantly from fee incomes and other non-NII due to the unfavourable capital market conditions in 1Q22.

Neutral view from analyst meeting

At its latest analyst meeting, TISCO stated that it expects the BoT to start raising its policy rate at end of this year or early next year, with an expected increase of 50-150 bps from 0.5% in the next 2-3 years. TISCO is comfortable with its asset quality. The rising energy prices may diminish the debt repayment ability of its clients. However, due to its sufficient coverage, the bank expects its credit cost to be significantly lower than in 2021. TISCO reiterates that it will resume its loan growth in 2022, driven by its high-yield portfolio, e.g. auto title loans and used car and motorcycle HP. TISCO will also penetrate EV lending. But, due to the unknown risks of EVs, e.g. collateral value after lending, it might charge a higher rate than normal. We read the overall message as neutral.

Moderate earnings growth expected in 2Q22

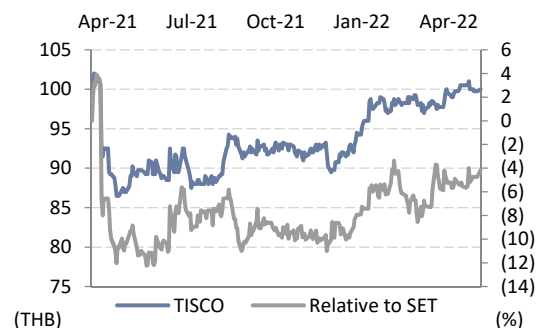
We believe TISCO has plenty of room to set low provisions in 2Q22. We also expect the bank to gradually resume its auto title loan expansion. Thus, we expect a slight increase in its loan volume with an improvement in its loan yield in 2Q22. All in all, we expect that its net profit should continue to increase at a moderate rate in 2Q22.

BUY with 2022 GGM-based TP of THB110

We believe TISCO's strong asset quality and supreme dividend yield (8-9% projected in 2022-24) are rerating catalysts. Thus, we maintain our BUY call. However, in the longer run, we think that its lazy balance sheet strategy over the past several years will likely hinder its growth. As a result, it is not our most preferred bank.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	8,485	8,734	9,528	10,194
Net profit	6,784	7,052	7,693	8,259
EPS (THB)	8.47	8.81	9.61	10.32
vs Consensus (%)	-	0.5	4.3	7.5
Core net profit	6,784	7,052	7,693	8,259
Core EPS (THB)	8.47	8.81	9.61	10.32
Chg. In EPS est. (%)	0.0	0.0	0.0	0.0
EPS growth (%)	11.9	4.0	9.1	7.4
Core P/E (x)	11.8	11.4	10.4	9.7
Dividend yield (%)	7.1	7.8	8.3	8.5
Price/book (x)	1.9	1.9	1.8	1.7
ROE (%)	16.8	16.8	17.7	18.3
ROA (%)	2.6	2.9	3.1	3.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.5	1.8	2.6
Relative to country (%)	(0.1)	2.5	(5.2)
Mkt cap (USD m)	2,379		
3m avg. daily turnover (USD m)	16.3		
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.

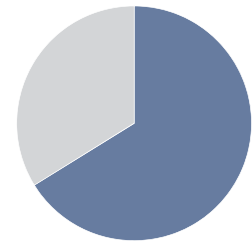
Company profile

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)

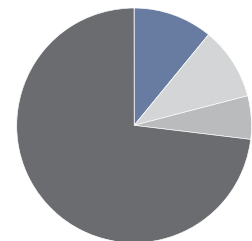
- Net interest income - 66.2 %
- Non-interest income - 33.8 %



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;
- A higher dividend payout ratio;
- 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
Mid-July 2022	2Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	7,052	7,693	8,259
Net profit growth	4.0	9.1	7.4
NIM	4.94	4.93	4.97
Loan growth	3.0	5.0	3.0
Fee growth	3.6	12.4	6.0
Non-NII growth*	4.9	11.4	5.7
Credit cost (bp)	85	85	85
Cost to income*	44.4	42.8	41.7

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		2022E		
Loan growth (%)	±2ppt	1.0	3.00	5.0
% change in net profit		(1.3)	-	1.3
NIM (%)	±5bp	4.89	4.94	4.99
% 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

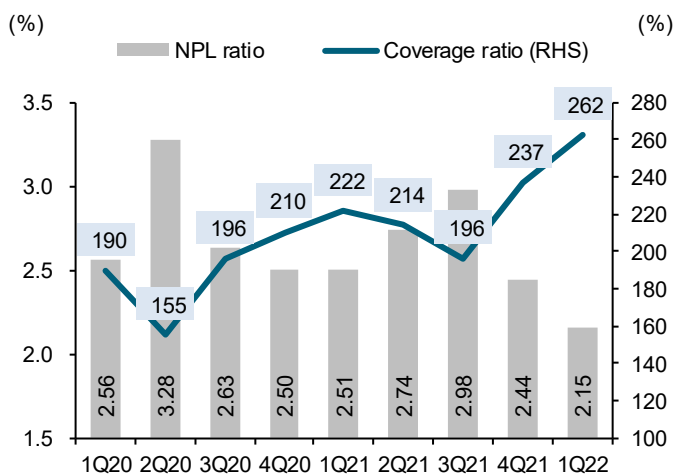
1Q22: Soft top line but good asset quality control as expected

TISCO reported an in-line 1Q22 net profit of THB1,795m (+2% y-y, flat q-q). We see two positives. First, there was a slight improvement in its loan expansion, with 0.3% q-q growth, driven by corporate and auto title loans. Second, TISCO reported a very healthy asset quality. Its non-performing loans (NPLs) went down by 12% q-q, implying a 2.15% NPL ratio vs 2.44% in 4Q21, due to its conservative lending strategy and the effective debt restructuring to match the cash flow of its clients. The outstanding loans under assistance programs accounted for 7.0% of total loans. Thus, TISCO set a low credit cost of 17 bps in 1Q22 vs 81 bps in 4Q21. Its coverage ratio continued to hit a record high at 262%. The plummeting provisions were able to totally offset the decline in its top line. Its NII minimally dropped. Also, its non-NII went down significantly from both fee incomes and other non-NII due to the unfavourable capital market conditions in 1Q22.

1Q22 key highlights

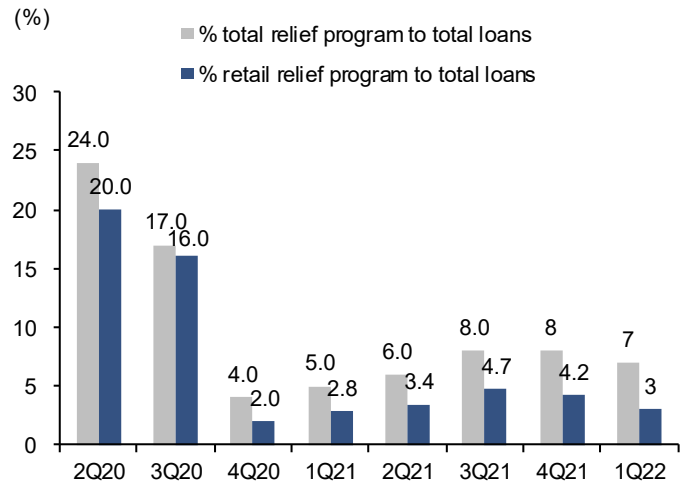
- Total loan volume increased by 0.3% q-q, thanks mainly to a rise in the corporate segment and auto title loans;
- Its non-NII decreased significantly by 32% y-y and 22% q-q. Its fee income declined mainly from asset management fees due to an absence of new sizable mutual funds. Also, its other non-NII went down from the recognition of a loss on financial instruments measured at fair value through profit or loss (FVTPL);
- NPLs declined by 12% q-q, accounting for an NPL ratio of 2.15% in 1Q22 vs 2.44% in 4Q21. Its asset quality was very healthy thanks to efficient asset quality control and the long-term debt restructuring program. Its loans under forbearance programs amounted to 7.0% of total loans, of which 3.0% of total loans were from the retail segment.

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 – 1Q22 results summary

Year-end Dec 31	1Q21	4Q21	1Q22	--- Change ---		2022E	Change	Comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y %)	
Net interest income	3,110	3,108	3,061	(2)	(1)	12,183	(2)	
Non-interest income	1,991	1,735	1,358	(32)	(22)	6,684	12	Dropped y-y, q-q from a fee income decline and a loss from financial instruments
Operating income	5,101	4,842	4,419	(13)	(9)	18,867	2	
Operating expenses	2,055	2,176	2,099	2	(4)	8,374	1	
PPOP before tax	3,047	2,666	2,320	(24)	(13)	10,493	3	
Provision	843	412	85	(90)	(79)	1,751	(15)	
Income tax	440	460	439	(0)	(4)	1,687	(1)	
Minority interest	0	0	0			3	605	
Normalised profit	1,764	1,795	1,795	2	0	7,052	11	
Extraordinary items	0	0	0			0		
Net profit	1,764	1,795	1,795	2	0	7,052	11	In line with BBG consensus
EPS (THB)	2.20	2.24	2.24	2	0	8.81	11	
Asset quality ratio								
Gross NPLs	5,532	4,957	4,386	(21)	(12)	5,205	5	Effective debt restructuring program
NPL ratios (%)	2.51	2.44	2.15			2.49	(0)	
LLR/NPLs (%)	222	237	262			221		
Credit cost (bp)	151	81	17			85		
Profitability ratio (%)								
Cost to income ratio	40.3	44.9	47.5			44.4		
Average yield	5.5	5.9	5.8			5.8		
Cost of fund	1.2	1.1	1.0			1.1		
Net interest margin (NIM)	4.6	5.1	5.0			4.9		
Non-int inc/total income	39.0	35.8	30.7			35.4		
Liquidity ratio (%)								
Loan to deposit ratio	111.4	121.9	118.7			118.2		
Loan growth (%)								
y-y	(7.2)	(9.7)	(7.8)			3.0		
q-q	(1.8)	(0.7)	0.3					

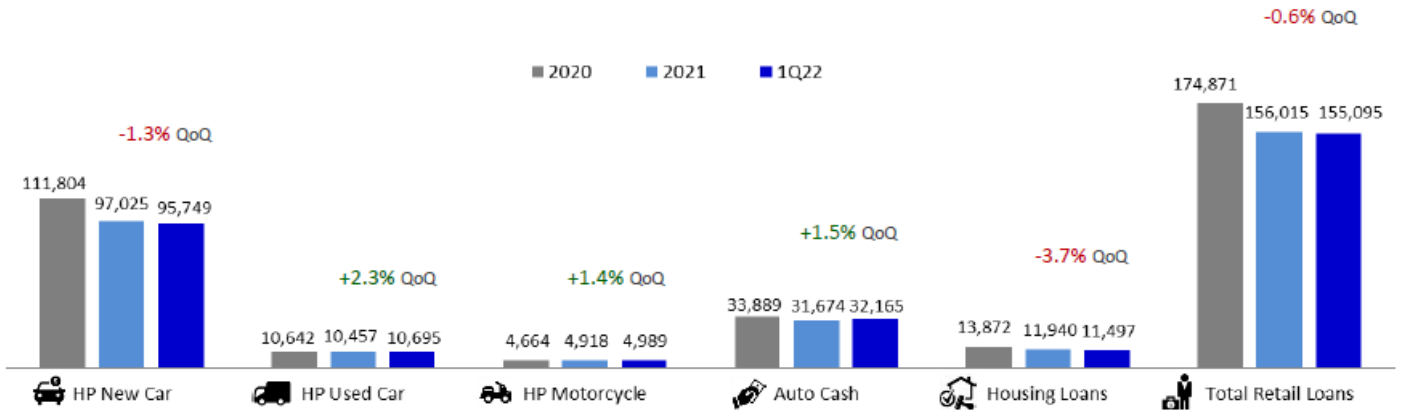
Sources: TISCO; FSSIA estimates

Neutral view from analyst meeting

At its latest analyst meeting, TISCO stated that it expects the Bank of Thailand (BoT) to start raising its policy rate at the end of this year or early next year. The rate uptrend should persist until 2024, with an expected rate increase of 50-150 bps, from 0.5% currently, in the next two to three years. TISCO is comfortable with its asset quality. The rising energy prices may diminish the debt repayment ability of its clients. However, due to TISCO's sufficient coverage ratio of 262% as of 1Q22, the bank expects that its credit cost should be significantly lower than in 2021. TISCO reiterates that it will resume its loan growth in 2022 (targeting 3-5% y-y loan growth), driven by its high-yield portfolio, e.g. auto title loans and used car and motorcycle hire purchase (HP) loans. In 1Q22, every segment of its high-yield loan portfolio started to pick up. As for new car HP, TISCO will selectively lend new loans as the risk-reward is not that attractive in the bank's eyes. TISCO will also penetrate the EV lending segment. However, due to the unknown risks of EVs, e.g. collateral value after lending, the bank might charge a higher rate than the normal model. To prevent a negative impact from the rate uptrend, the bank will expand its high-yield loans and balance its cost of funds. We read the overall message as neutral.

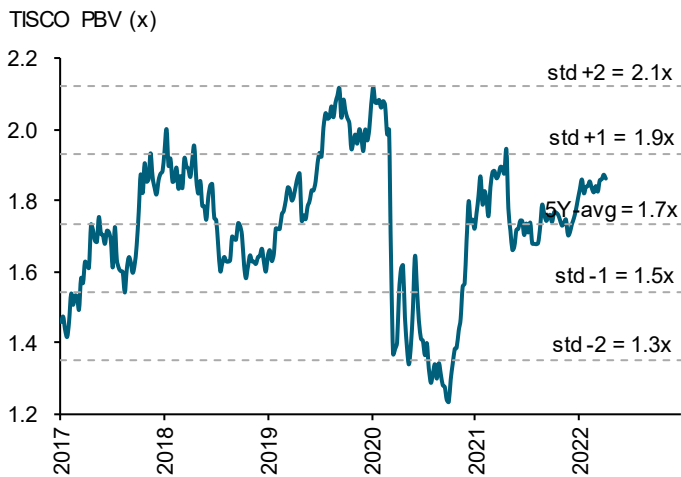
Exhibit 4: Every segment of TISCO's high-yield loan portfolio started to pick up in 1Q22

Unit: Million Baht



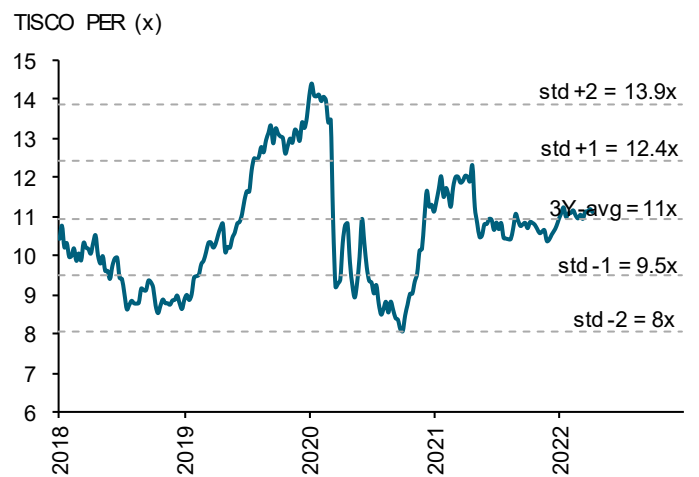
Source: TISCO

Exhibit 5: TISCO – one-year forward rolling P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 6: TISCO – one-year forward rolling P/E



Sources: Bloomberg; FSSIA estimates

Exhibit 7: 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)			22E (%)	23E (%)	22E (x)	23E (x)	22E (%)	23E (%)	22E (%)	23E (%)	22E (x)	23E (x)
Bangkok Bank	BBL TB	HOLD	134.50	134.00	(0)	7,629	10.3	4.8	8.8	8.4	3.7	5.2	6.0	6.2	0.5	0.5
Kasikornbank	KBANK TB	BUY	152.00	180.00	18	10,701	9.2	10.0	8.7	7.9	3.0	3.3	8.4	8.7	0.7	0.7
Kiatnakin Bank	KKP TB	BUY	68.50	80.00	17	1,723	12.4	15.3	8.2	7.1	6.2	7.3	13.4	14.4	1.1	1.0
Krung Thai Bank	KTB TB	BUY	13.40	15.50	16	5,565	8.7	10.1	8.0	7.3	4.4	4.8	6.4	6.7	0.5	0.5
Siam Commercial Bank	SCB TB	BUY	88.00	160.00	82	8,879	1.9	17.4	8.2	7.0	5.7	6.8	8.0	8.9	0.6	0.6
Tisco Financial	TISCO TB	BUY	100.00	110.00	10	2,379	4.0	9.1	11.4	10.4	7.8	8.3	16.8	17.7	1.9	1.8
TMBThanachart	TTB TB	BUY	1.29	1.80	40	3,704	26.5	14.5	9.4	8.2	4.8	5.5	6.1	6.7	0.6	0.5
Coverage						40,579	9.1	11.2	8.7	7.8	4.5	5.3	8.1	8.6	0.7	0.7

Share prices as of 18 Apr 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	14,348	15,118	15,728
Interest expense	(3,659)	(2,332)	(2,165)	(2,718)	(2,850)
Net interest income	13,098	12,460	12,183	12,400	12,878
Net fees & commission	5,146	5,615	5,810	6,528	6,920
Foreign exchange trading income	0	0	0	0	0
Securities trading income	270	410	432	454	454
Dividend income	59	70	84	92	101
Other income	333	274	351	366	392
Non interest income	5,808	6,369	6,676	7,440	7,867
Total income	18,906	18,829	18,859	19,840	20,745
Staff costs	(5,288)	(5,727)	(5,787)	(5,897)	(6,009)
Other operating costs	(2,723)	(2,553)	(2,587)	(2,594)	(2,648)
Operating costs	(8,012)	(8,280)	(8,374)	(8,491)	(8,657)
Pre provision operating profit	10,894	10,549	10,485	11,349	12,088
Provision for bad and doubtful debt	(3,331)	(2,064)	(1,751)	(1,821)	(1,894)
Other provisions	-	-	-	-	-
Operating profit	7,563	8,485	8,734	9,528	10,194
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	8,492	8,742	9,537	10,204
Tax	(1,498)	(1,708)	(1,687)	(1,841)	(1,944)
Profit after tax	6,064	6,785	7,055	7,697	8,260
Minority interests	0	0	(3)	(3)	(2)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	6,063	6,784	7,052	7,693	8,259
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	6,063	6,784	7,052	7,693	8,259
Per share (THB)					
Recurring EPS *	7.57	8.47	8.81	9.61	10.32
Reported EPS	7.57	8.47	8.81	9.61	10.32
DPS	6.30	7.15	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)	9.7	4.8	11.4	5.7
Pre provision operating profit (%)	7.3	(3.2)	(0.6)	8.2	6.5
Operating profit (%)	(16.4)	12.2	2.9	9.1	7.0
Reported net profit (%)	(16.6)	11.9	4.0	9.1	7.4
Recurring EPS (%)	(16.6)	11.9	4.0	9.1	7.4
Reported EPS (%)	(16.6)	11.9	4.0	9.1	7.4
Income Breakdown					
Net interest income (%)	69.3	66.2	64.6	62.5	62.1
Net fees & commission (%)	27.2	29.8	30.8	32.9	33.4
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	1.4	2.2	2.3	2.3	2.2
Dividend income (%)	0.3	0.4	0.4	0.5	0.5
Other income (%)	1.8	1.5	1.9	1.8	1.9
Operating performance					
Gross interest yield (%)	5.84	5.69	5.81	6.01	6.07
Cost of funds (%)	1.56	1.13	1.13	1.39	1.43
Net interest spread (%)	4.28	4.56	4.68	4.62	4.64
Net interest margin (%)	4.6	4.8	4.9	4.9	5.0
Cost/income(%)	42.4	44.0	44.4	42.8	41.7
Cost/assets(%)	2.8	3.2	3.4	3.4	3.3
Effective tax rate (%)	19.8	20.1	19.3	19.3	19.1
Dividend payout on recurring profit (%)	83.2	84.4	88.0	85.9	82.4
ROE (%)	15.4	16.8	16.8	17.7	18.3
ROE - COE (%)	4.6	6.0	6.0	6.9	7.5
ROA (%)	2.1	2.6	2.9	3.1	3.2
RORWA (%)	3.3	3.8	4.0	4.2	4.3

* 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	28,717	22,859	25,274
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	12,931	10,933	11,505	11,896	12,303
Cash & equivalents	1,220	1,103	1,184	1,260	1,071
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	4,606	4,707	4,820
Total assets	275,443	243,616	248,832	254,290	263,533
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	34,607	36,191	37,945
Total equity	39,459	41,194	42,613	44,197	45,952
Minority interests	3	3	3	4	4
Total liabilities & equity	275,443	243,616	248,832	254,290	260,371
Supplementary items					
Risk weighted assets (RWA)	185,168	174,636	179,875	188,869	194,535
Average interest earning assets	287,129	260,164	246,816	251,752	258,948
Average interest bearing liabilities	234,728	206,625	191,758	195,593	199,505
Tier 1 capital	32,369	32,421	33,615	34,783	36,154
Total capital	40,478	40,481	41,674	42,842	44,213
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	53.22	55.20	57.39
Tangible book value per share	49.28	51.45	53.22	55.20	57.39
Growth					
Gross customer loans	(7.4)	(9.7)	3.0	5.0	3.0
Average interest earning assets	(4.7)	(9.4)	(5.1)	2.0	2.9
Total asset (%)	(7.7)	(11.6)	2.1	2.2	3.6
Risk weighted assets (%)	(0.2)	(5.7)	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	17.1	17.4	17.4
Tangible equity/assets (%)	14.3	16.9	17.1	17.4	17.4
RWA/assets (%)	67.2	71.7	72.3	74.3	73.8
Tier 1 CAR (%)	17.5	18.6	18.7	18.4	18.6
Total CAR (%)	21.9	23.2	23.2	22.7	22.7
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) *	13.2	11.8	11.4	10.4	9.7
Recurring P/E @ target price (x) *	14.5	13.0	12.5	11.4	10.7
Reported P/E (x)	13.2	11.8	11.4	10.4	9.7
Dividend yield (%)	6.3	7.1	7.8	8.3	8.5
Price/book (x)	2.0	1.9	1.9	1.8	1.7
Price/tangible book (x)	2.0	1.9	1.9	1.8	1.7
Price/tangible book @ target price (x)	2.2	2.1	2.1	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	SCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

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

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAH	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER**ANALYST(S) CERTIFICATION****Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd**

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

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Company	Ticker	Price	Rating	Valuation & Risks
Tisco Financial	TISCO TB	THB 100.00	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; 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 134.50	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on its NIM and potential new regulations from the Bank of Thailand on debt-servicing programs. The upside risk would be better-than-expected synergies with Permata.
Kasikornbank	KBANK TB	THB 152.00	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 68.50	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
Krung Thai Bank	KTB TB	THB 13.40	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; and 3) an increase in OPEX due to aggressive digital investment.
Siam Commercial Bank	SCB TB	THB 88.00	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 1.29	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 18-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.