

SIAM COMMERCIAL BANK

THAILAND / BANKS

SCBB TB

BUY

UNCHANGED

Great transformation underway

- Decent 1Q22 NP of THB10b from a plunge in provisions.
- Management expects CDR should help to contain asset quality.
- Maintain BUY (after SWAP done) at GGM-based TP of THB160.

TARGET PRICE	THB160.00
CLOSE	THB85.75
UP/DOWNSIDE	+86.6%
PRIOR TP	THB160.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+8.8%

1Q22 results in line with expectations

SCB posted an in-line 1Q22 net profit of THB10,193m (+1% y-y, +29% q-q) after a boost in performance that came mostly from plummeting provisions as SCB continues to provide comprehensive debt restructuring (CDR) to its clients. SCB's 1Q22 NPLs fell 3% q-q and its NPL formation ratio showed signs of an improvement. Thus, SCB's credit cost dropped to 151 bps, but it was still higher than its 2022 target of <140 bps as the bank set its management overlay to cushion geopolitical uncertainty. However, core operations were soft. Although SCB's loans increased 1% q-q, its NII minimally declined q-q following a drop in its NIM thanks to the negative impact from CDR. Also, its non-NII went down from a drop in wealth management-related fee income and lower investment gains.

Neutral view from post-results analyst meeting

At its analyst meeting, SCB stated that it expected a 2.25-2.5% rise in the Thai policy rate starting in 2023 amid an upcycle trend. The bank also gave an update on its SWAP transaction, noting that SCBX (under ticker SCB) will start trading on 27 Apr-22. Regarding its CDR, SCB maintained its total target to provide THB380b, of which THB350b would be under the "blue" scheme, to its clients. It had offered THB249b in 1Q22. SCB partially took up the Bank of Thailand (BoT)'s offer to reclassify blue scheme debts to stage 1. This resulted in a significant drop by 24% q-q in its stage 2 debts. The bank, however, set aside prudent provisions for these clients, in our view. Accordingly, the bank has limited concerns about its asset quality. Overall, we read the message as neutral.

Decent performance to come in 2Q22

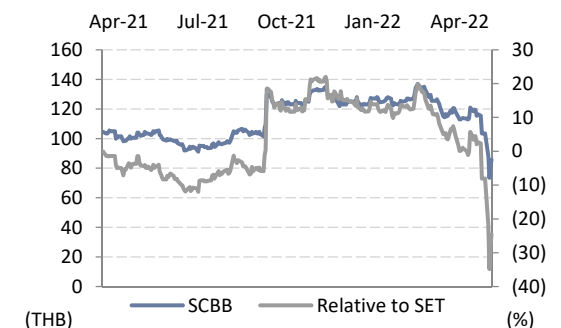
We expect SCB's 2Q22 net profit to increase significantly y-y while staying relatively stable q-q on the back of 1) lower provisions following its effective CDR program; and 2) its efficient cost control.

Maintain BUY at our 2022 GGM-based TP of THB160

SCB remains one of our top picks for long-term investment. We reiterate our view that its coming great transformation will allow it to penetrate the high risk-reward lending segment and the high growth potential digital industry. Thus, we think that SCB is in the best position in the banking sector to benefit from the region's digital age. We think SCB's share price should outperform after the SWAP is done. Note that we recommend not investing in SCBB during 22-26 Apr-22 as it will be delisted after the listing of SCBX.

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 (%)	-	(6.7)	(4.5)	(4.9)
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. (%)	-	5.1	-	-
EPS growth (%)	30.8	7.1	11.6	12.0
Core P/E (x)	8.2	7.6	6.8	6.1
Dividend yield (%)	4.7	5.8	7.0	7.0
Price/book (x)	0.7	0.6	0.6	0.5
ROE (%)	8.4	8.4	8.7	9.0
ROA (%)	1.1	1.1	1.2	1.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(25.1)	(30.6)	(19.1)
Relative to country (%)	(25.7)	(32.1)	(25.0)
Mkt cap (USD m)	8,597		
3m avg. daily turnover (USD m)	46.9		
Free float (%)	53		
Major shareholder	King Rama X (24%)		
12m high/low (THB)	138.00/66.00		
Issued shares (m)	3,399		

Sources: Bloomberg consensus; FSSIA estimates



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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.

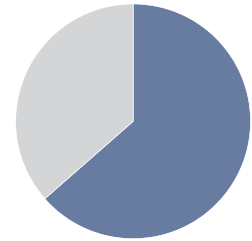
Company profile

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)

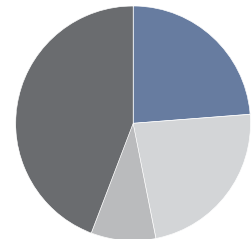
- Net interest income - 63.5 %
- Non-interest income - 36.5 %



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:

- 1 The success of long-term comprehensive debt restructuring;
- 2 The success of its transformation plan;
- 3 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
Jul 2022	2Q22 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

1Q22 results match expectations

SCB posted an in-line 1Q22 net profit of THB10,193m (+1% y-y, +29% q-q). The boost in its performance came mostly from plummeting provisions as SCB continued to provide CDR to its clients. Loans in its blue scheme CDR increased to THB249b (+12% q-q) or 11% of total loans. Its 1Q22 non-performing loans (NPLs) fell 3% q-q, implying an NPL ratio of 3.7% vs 3.8% in 4Q21. Also, its NPL formation ratio showed signs of an improvement. Thus, SCB's credit cost dropped to 151 bps, but was still higher than its 2022 target of <140 bps as the bank set its management overlay to cushion geopolitical uncertainty. However, core operations were soft. Although SCB's loans increased 1% q-q due to improvements in the corporate and SME segments, its NII minimally declined q-q following a drop in its NIM thanks to the negative impact from CDR. Additionally, its non-NII went down from a drop in wealth management-related fee income and a lower gain on investments due to the unfavourable capital market.

Exhibit 1: SCB – 1Q22 results summary

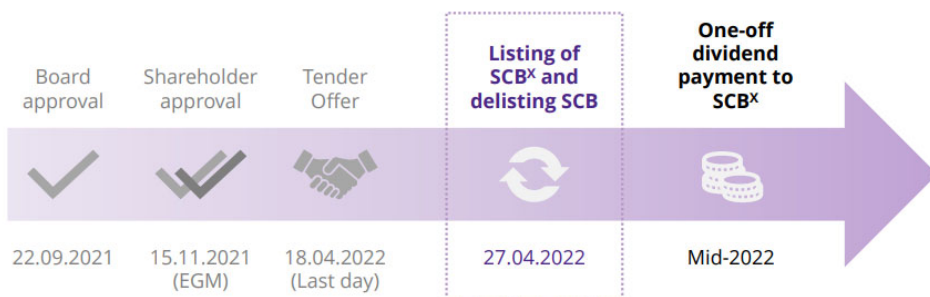
Year end Dec 31	1Q21	4Q21	1Q22	---- Change ----		2022E	Change	Comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y %)	
Net interest income	23,376	24,787	24,744	6	(0)	93,558	(2)	
Non-interest income	14,377	14,423	12,960	(10)	(10)	53,688	(3)	
Operating income	37,753	39,210	37,704	(0)	(4)	147,246	(2)	
Operating expenses	15,101	17,256	15,990	6	(7)	64,917	2	
PPOP before tax	22,652	21,954	21,713	(4)	(1)	82,330	(5)	
Provision	10,008	11,954	8,750	(13)	(27)	34,578	(18)	
Income tax	2,597	2,190	2,864	10	31	9,789	4	
Minority interest	(41)	(68)	(93)			(219)	7	
Normalised profit	10,088	7,879	10,193	1	29	38,181	7	
Extraordinary items	0	0	0			0		
Net profit	10,088	7,879	10,193	1	29	38,181	7	In line with BBG consensus and our forecast
EPS (THB)	2.97	2.32	3.00	1	29	11.23	7	
Asset quality ratio								
Gross NPLs (THB m)	104,332	109,114	106,305	2	(3)	109,114	0	
NPL ratios (%)	3.79	3.79	3.70			3.68		
LLR/NPLs (%)	136	139	143			134		
Credit cost (bp)	177	209	151			148		
Profitability ratio								
	(%)	(%)	(%)			(%)		
Cost to income ratio	40.0	44.0	42.4			44.1		
Average yield (%)	3.57	3.66	3.57			3.4		
Cost of fund (%)	0.66	0.63	0.62			0.6		
Net interest margin (NIM)	3.01	3.12	3.04			2.9		
Non-int inc/total income	38.1	36.8	34.4			36.5		
Loan growth								
	(%)	(%)	(%)			(%)		
y-y	8.7	2.1	2.1			3.0		
q-q	1.0	1.0	1.1					

Sources: SCB; FSSIA estimates

Neutral view from analyst meeting

At its post-results analyst meeting, SCB stated that it expected a 2.25-2.5% rise in the Thai policy rate starting in 2023 amid an upcycle trend. The bank also updated analysts on its SWAP transaction, stating that SCBX (under ticker SCB) will start trading on 27 Apr-22, and added that a clearer business plan for SCBX would be provided by mid-2022. Management believes SCBX is still the key to dealing 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 in data capabilities.

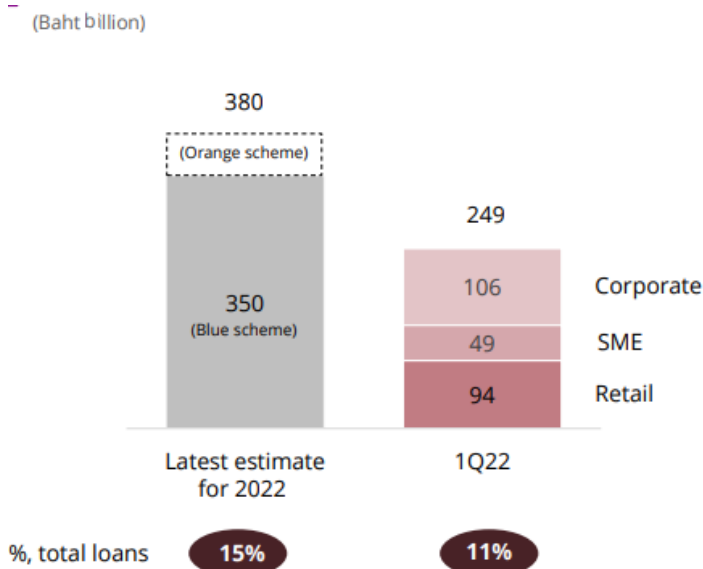
Exhibit 2: SCBX's timeline



Source: SCB

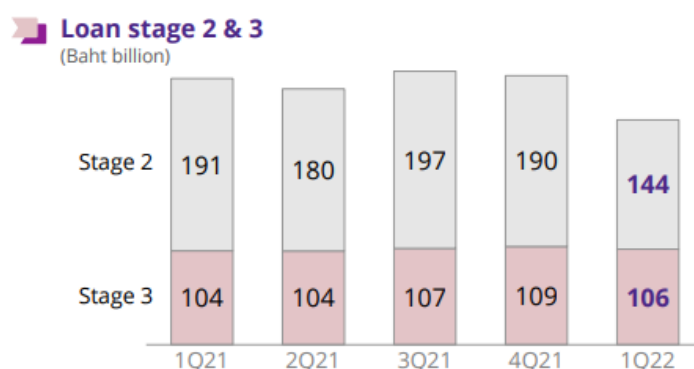
Regarding its CDR, SCB maintained its target to provide THB380b, of which THB350b would be under the blue scheme, to its clients. It had offered THB249b in 1Q22. SCB partially took up the BoT's offer to reclassify blue scheme debts to stage 1. This resulted in a significant drop by 24% q-q in its stage 2 debts. The bank, however, set aside prudent provisions for these clients, in our view. It also believes that the program is effective in matching the cash flow of its clients. Accordingly, the bank has limited concerns about its asset quality. Overall, we view the message as neutral.

Exhibit 3: Loans under the comprehensive debt restructuring program (blue scheme)



Source: SCB

Exhibit 4: A substantial decline in stage 2 loans



Source: SCB

Exhibit 5: Peers comparison

	BBG	Rec	--Share price --		Up (dn) 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	135.00	134.00	(1)	7,608	10.3	4.8	8.8	8.4	3.7	5.2	6.0	6.2	0.5	0.5
Kasikornbank	KBANK TB	BUY	154.50	180.00	17	10,808	9.2	10.0	8.8	8.0	2.9	3.2	8.4	8.7	0.7	0.7
Kiatnakin Bank	KKP TB	BUY	75.50	86.00	14	1,888	20.5	11.9	8.4	7.5	5.6	6.6	14.3	14.8	1.2	1.1
Krung Thai Bank	KTB TB	BUY	13.10	15.50	18	5,406	8.7	10.1	7.8	7.1	4.5	4.9	6.4	6.7	0.5	0.5
Siam Commercial Bank	SCBB TB	BUY	85.75	160.00	87	8,597	7.1	11.6	7.6	6.8	5.8	7.0	8.4	8.7	0.6	0.6
Tisco Financial	TISCO TB	BUY	101.50	110.00	8	2,399	4.0	9.1	11.5	10.6	7.6	8.1	16.8	17.7	1.9	1.8
TMBThanachart Bank	TTB TB	BUY	1.29	1.80	40	3,680	26.5	14.5	9.4	8.2	4.8	5.5	6.1	6.7	0.6	0.5
Coverage						40,386	10.7	9.8	8.6	7.9	4.5	5.3	8.2	8.6	0.7	0.7

Share prices as of 21 Apr 2021

Sources: Company data; 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	4.06	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	38.8	44.5	47.9	42.7
ROE (%)	6.7	8.4	8.4	8.7	9.0
ROE - COE (%)	(4.1)	(2.4)	(2.4)	(2.1)	(1.8)
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)	(151,410)	(145,683)	(142,262)	(157,603)
interest in suspense	14,508	15,031	15,411	15,385	15,092
Net customer loans	2,130,308	2,165,456	2,240,618	2,315,139	2,372,766
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	68,340	54,162	88,831
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	127,404	131,137	136,193
Total assets	3,278,384	3,314,565	3,381,027	3,480,077	3,614,272
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	439,154	475,600	517,538
Total equity	411,430	441,006	473,110	509,556	551,494
Minority interests	399	1,609	1,726	1,859	2,012
Total liabilities & equity	3,278,384	3,314,565	3,381,027	3,480,077	3,614,272
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	422,417	445,822	470,596
Total capital	400,911	424,227	447,078	470,483	495,257
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	139.18	149.90	162.24
Tangible book value per share	121.16	129.86	139.18	149.90	162.24
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 (%)	10.6	1.1	2.0	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	14.0	14.6	15.3
Tangible equity/assets (%)	12.5	13.3	14.0	14.6	15.3
RWA/assets (%)	67.0	68.3	69.0	69.0	68.5
Tier 1 CAR (%)	17.2	17.6	18.1	18.6	19.0
Total CAR (%)	18.2	18.7	19.2	19.6	20.0
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) *	10.7	8.2	7.6	6.8	6.1
Recurring P/E @ target price (x) *	20.0	15.3	14.2	12.8	11.4
Reported P/E (x)	10.7	8.2	7.6	6.8	6.1
Dividend yield (%)	2.7	4.7	5.8	7.0	7.0
Price/book (x)	0.7	0.7	0.6	0.6	0.5
Price/tangible book (x)	0.7	0.7	0.6	0.6	0.5
Price/tangible book @ target price (x)	1.3	1.2	1.1	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	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

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

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

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

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

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

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

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

Anti-corruption Progress Indicator 2020

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

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

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

Disclaimer:

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

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

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Yuvanart 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
Siam Commercial Bank	SCBB TB	THB 85.75	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.
Bangkok Bank	BBL TB	THB 135.00	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on its NIM and potential new regulations from the Bank of Thailand on debt-servicing programs. The upside risk would be better-than-expected synergies with Permata.
Kasikornbank	KBANK TB	THB 154.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.
Kiatnakin Bank	KKP TB	THB 75.50	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
Krung Thai Bank	KTB TB	THB 13.10	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.
Tisco Financial	TISCO TB	THB 101.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; 2) the impact of new regulations from the Bank of Thailand on debt-servicing programs; and 3) the slow expansion of its high-yield auto cash portfolio.
TMBThanachart Bank	TTB TB	THB 1.29	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 21-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.