

TMBTHANACHART BANK

THAILAND / BANKS

TTB TB

BUY

UNCHANGED

Solid performance is on the way

- Decent 1Q22 NP of THB3.2b, mildly beating expectations.
- Expect gradual increase in NP in 2Q22; significant growth y-y.
- Maintain BUY with 2022 GGM-based TP of THB1.8.

TARGET PRICE	THB1.80
CLOSE	THB1.29
UP/DOWNSIDE	+39.5%
PRIOR TP	THB1.80
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+23.6%

1Q22: soft top line cushioned by good cost control

TTB reported a decent 1Q22 net profit of THB3,195m (+15% y-y, +14% q-q). Its operating income went down by 8% y-y and 6% q-q due mainly to lower NII and fee incomes. Its HP and housing loans continued to gradually increase q-q as per the bank's target. However, corporate loans declined. As a result, TTB's total loan volume declined by 0.4% q-q in 1Q22, resulting in a drop in its NII. As for fee incomes, those were weak following a drop in bancassurance and mutual fund fees from unfavourable capital market conditions. TTB's soft top line was cushioned by good cost control. A decline in its OPEX came from having no extra integration costs and cost savings from lower staff numbers and branches after the merger. TTB was also able to contain its asset quality with stable NPLs q-q. Thus, TTB reduced its provision set up in 1Q22.

Slightly positive view from analyst meeting

We came away from TTB's post-results meeting with a slightly positive view based on good asset quality control and efficient OPEX management. With its transparent loan classification, TTB believes a surge in NPLs is unlikely and its credit cost should stay within +/-150 bps of its 2022 target of 140-160 bps. We think TTB controlled its OPEX productively in 1Q22. Looking ahead, its cost to income ratio should be on a rising trend due to its IT investment and its initiation of TTB Consumer, however, management has a more positive view on controlling costs more effectively. Thus, we think its cost to income ratio should be only 45-46%, slightly better than its 2022 target of 45-47%. To prepare for tighter margins from future rate hikes, the bank is currently raising stickier deposits to match its asset-liability gap. As for its HP lending, TTB cannot command higher yields. Instead, it will manage its margin by strategically increasing its bundled sales of high-yield products.

Decent performance expected in 2Q22

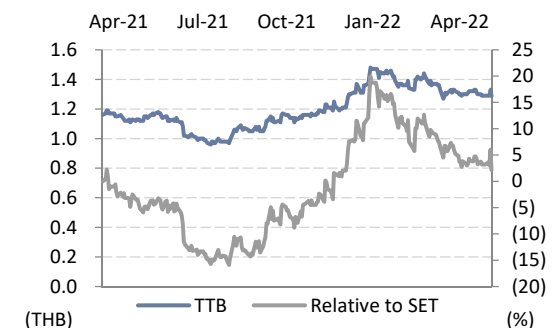
In 2Q22, we believe TTB will continue to expand its retail portfolio. Also, we see no NPL alarm signs due to its stringent credit control. Thus, we expect to see a gradual drop in its provisions. These should offset the increase in its IT and personnel expenses. All in all, we project TTB's 2Q22 net profit to gradually increase q-q with significant growth y-y.

Maintain BUY due to solid earnings growth outlook in 2022

We maintain our BUY call with our 2022 GGM-based TP of THB1.8. We see room for TTB's share price to further rerate thanks to its superior earnings growth outlook and ROE recovery.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	12,458	15,767	18,038	20,573
Net profit	10,474	13,217	15,129	17,226
EPS (THB)	0.11	0.14	0.16	0.18
vs Consensus (%)	-	12.0	9.6	1.7
Core net profit	10,474	13,217	15,129	17,226
Core EPS (THB)	0.11	0.14	0.16	0.18
Chg. In EPS est. (%)	-	0.0	0.0	0.0
EPS growth (%)	3.3	26.5	14.5	13.9
Core P/E (x)	11.9	9.4	8.2	7.2
Dividend yield (%)	2.9	4.8	5.5	6.2
Price/book (x)	0.6	0.6	0.5	0.5
ROE (%)	5.0	6.1	6.7	7.3
ROA (%)	0.6	0.7	0.8	0.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.5)	(7.2)	6.6
Relative to country (%)	(2.3)	(9.3)	(1.1)
Mkt cap (USD m)	3,680		
3m avg. daily turnover (USD m)	21.1		
Free float (%)	39		
Major shareholder	ING Bank N.V. (23%)		
12m high/low (THB)	1.50/0.95		
Issued shares (m)	43,852		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

We maintain our BUY call. We believe that TTB will deliver superior performance in 2022, driven by synergies from its consolidation with Thanachart Bank (TBANK, not listed) in terms of both revenue and cost and lower expected credit losses (ECL) thanks to its prudent provision stockpiling in 2020-21, which should lead to an ECL decline. Additionally, we like its prudent and transparent asset quality management. This should allow TTB to deliver sustainable long-term post-Covid growth. Moreover, TTB is well known as a digital lending bank that could benefit from the current digital banking trend.

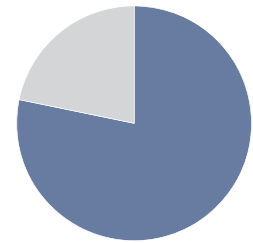
Company profile

TMBThanachart Bank Public Company Limited provides a full range of banking and financial services. The bank offers corporate and personal lending, retail and wholesale banking, international trade financing, and investment banking services to its customers throughout Thailand. It merged with TBANK at the end of 2019. The entire business transfer (EBT) process was completed in Jul-21.

www.ttbank.com

Principal activities (revenue, 2021)

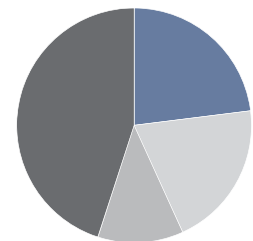
- Net interest income - 78.2 %
- Non-interest income - 21.8 %



Source: TMBThanachart Bank

Major shareholders

- ING Bank N.V. - 23.0 %
- TCAP - 20.2 %
- Ministry of finance - 11.8 %
- Others - 45.0 %



Source: TMBThanachart Bank

Catalysts

Potential share price catalysts for TTB include:

- Lower credit cost from better-than-expected new NPLs;
- Better operating cost control;
- Revenue synergies starting to kick in.

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
Mid-Jul 2022	2Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	13,217	15,129	17,226
Net profit growth	26.2	14.5	13.9
NIM	2.97	2.95	2.97
Loan growth	2.0	4.0	3.0
Fee growth	7.0	10.0	10.0
Non-NII growth*	10.3	9.0	8.9
Credit cost (bp)	150	145	140
Cost to income*	45.2	43.7	42.8

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		----- 2022E -----		
Loan growth	±2ppt	-	2.0	4.0
<i>% change in net profit</i>		(2.0)	-	2.0
NIM (%)	±5bp	2.92	2.97	3.02
<i>% change in net profit</i>		(5.0)	-	5.0
Credit cost (bp)	±10bp	140	150	160
<i>% change in net profit</i>		7.0	-	(7.0)

Source: FSSIA estimates

1Q22: soft top line cushioned by good cost control

TTB reported a decent 1Q22 net profit of THB3,195m (+15% y-y, +14% q-q), which was 12% higher than Bloomberg's consensus estimate and 7% higher than our forecast thanks to lower OPEX and expected credit losses (ECL). Its operating income went down by 8% y-y and 6% q-q due mainly to lower NII and fee incomes. Its hire purchase (HP) and housing loans continued to gradually increase q-q as per the bank's target. However, corporate loans declined from lower working capital demand. As a result, TTB's total loan volume declined by 0.4% q-q in 1Q22, resulting in a drop in its NII. As for fee incomes, those were weak following a drop in bancassurance and mutual fund fees from unfavourable capital market conditions. TTB's soft top line was cushioned by good cost control. A decline in its OPEX came from having no extra integration costs and cost savings from lower staff numbers and branches after the merger. TTB was also able to contain its asset quality with stable non-performing loans (NPLs) q-q, implying an NPL ratio of 2.73%. Accordingly, TTB reduced its provision set up in 1Q22.

Exhibit 1: TTB – 1Q22 results summary

Year-end Dec 31	1Q21 (THB m)	4Q21 (THB m)	1Q22 (THB m)	---- Change ----		2022E (THB m)	Change	Comments
				(y-y%)	(q-q%)		(y-y %)	
Net interest income	12,872	12,769	12,409	(4)	(3)	51,416	1	Decline in loan volume and NIM
Non-interest income	4,251	4,082	3,365	(21)	(18)	16,030	10	
Operating income	17,123	16,851	15,774	(8)	(6)	67,446	3	
Operating expenses	8,208	8,342	6,987	(15)	(16)	30,509	(2)	Lower staff and premise expenses
PPOP before tax	8,916	8,509	8,787	(1)	3	36,938	8	
Provision	5,480	5,017	4,808	(12)	(4)	20,791	(3)	
Income tax	653	693	784	20	13	2,926	26	
Minority interest	1	0	(0)		(119)	4	51	
Normalised profit	2,782	2,799	3,195	15	14	13,217	26	
Extraordinary items	0	0	0			0		
Net profit	2,782	2,799	3,195	15	14	13,217	26	Beat BBG consensus by 12%
EPS (THB)	0.03	0.03	0.03	15	14	0.14	27	
Asset quality ratio								
Gross NPLs	43,400	42,120	42,144	(2.9)	0.1	46,333	10	
NPL ratios (%)	2.75	2.81	2.73			3.03		
LLR/NPLs (%)	124	129	132			126		
Credit cost (bp)	158	147	141			150		
Profitability ratio								
	(%)	(%)	(%)			(%)		
Cost to income ratio	47.9	49.5	44.3			45.2		
Average yield (%)	3.7	3.7	3.6			3.7		
Cost of fund (%)	0.9	0.9	0.9			0.9		
Net interest margin (NIM)	2.9	3.0	2.9			3.0		
Non-int inc/total income	24.8	24.2	21.3			23.8		
Liquidity ratio								
	(%)	(%)	(%)			(%)		
Loan to deposit ratio	99.7	102.4	100.4			103.1		
Loan growth								
	(%)	(%)	(%)			(%)		
y-y	(1.7)	(1.6)	(1.0)			2.0		
q-q	(0.9)	0.9	(0.4)					

Sources: TTB; FSSIA estimates

Slightly positive view from analyst meeting

We came away from TTB's post-result meeting with a slightly positive view due to the bank's good asset quality control and efficient OPEX management. TTB is confident in its asset quality. Based on its transparent loan classification process that did not benefit from the relaxed loan staging measures promoted by the Bank of Thailand, the bank believes its NPLs will not surge. Accordingly, its credit cost should stay within +/- 150 bps of its 2022 target of 140-160 bps. Post Covid, its normal credit cost would be 120 bps, according to management.

As for OPEX, we think TTB did a good job in 1Q22 due to the cost synergy from its merger. In the coming quarters, its cost to income ratio should be on a rising trend due to IT investments in upgrades for its mobile application and new business unit, TTB Consumer. However, management has a more positive view of their capability in controlling costs more effectively, and projects TTB's cost to income ratio at only 45-46%, slightly better than its 2022 target of 45-47%.

Regarding preparations for tighter margins from future rate hikes, the bank is currently raising stickier deposits to match its asset-liability duration. As for hire purchase lending, TTB still cannot command a higher yield due to intense competition. However, the bank plans to manage its margin by strategically increasing sales of bundled high yield products, e.g. Cash Your Car.

Exhibit 2: 2022 financial targets

	Actual	----- 2022E -----	
	FSSIA (%)	TTB (%)	FSSIA (%)
Loan growth (y-y %)	(1.5)	2.0	2.0
NIM	2.96	stable	2.97
Non-NII/total asset	0.81	0.80-0.90	0.90
Cost to income ratio	47.6	45.0-47.0	45.2
Reported NPL ratio	2.81	3.20	3.03
Credit cost (bps)	156	140-160	150

Sources: TTB; FSSIA estimates

Exhibit 3: Key valuations of Thai banks under coverage

	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	7.8	7.0	5.7	6.8	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	8.7	7.9	4.4	5.2	8.2	8.6	0.7	0.7

Share prices as of 21 Apr 2022

Source: FSSIA estimates

Financial Statements

TMBThanachart Bank

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	72,321	64,239	64,758	69,076	71,779
Interest expense	(18,515)	(13,240)	(13,341)	(17,020)	(17,920)
Net interest income	53,805	51,000	51,416	52,056	53,859
Net fees & commission	11,348	11,248	12,041	13,245	14,570
Foreign exchange trading income	0	0	0	0	0
Securities trading income	2,404	1,662	2,200	2,220	2,242
Dividend income	0	0	0	0	0
Other income	1,426	1,281	1,409	1,587	1,746
Non interest income	15,178	14,191	15,650	17,053	18,558
Total income	68,983	65,191	67,066	69,109	72,417
Staff costs	(17,142)	(16,480)	(16,480)	(16,975)	(17,484)
Other operating costs	(15,035)	(14,739)	(14,028)	(13,394)	(13,674)
Operating costs	(32,177)	(31,219)	(30,509)	(30,368)	(31,158)
Pre provision operating profit	36,806	33,972	36,558	38,740	41,259
Provision for bad and doubtful debt	(24,831)	(21,514)	(20,791)	(20,702)	(20,686)
Other provisions	-	-	-	-	-
Operating profit	11,975	12,458	15,767	18,038	20,573
Recurring non operating income	363	346	380	418	460
Associates	363	346	380	418	460
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	12,338	12,804	16,147	18,456	21,033
Tax	(2,223)	(2,327)	(2,926)	(3,322)	(3,802)
Profit after tax	10,115	10,477	13,221	15,134	17,231
Minority interests	(3)	(3)	(4)	(5)	(5)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	10,112	10,474	13,217	15,129	17,226
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	10,112	10,474	13,217	15,129	17,226
Per share (THB)					
Recurring EPS *	0.10	0.11	0.14	0.16	0.18
Reported EPS	0.10	0.11	0.14	0.16	0.18
DPS	0.04	0.04	0.06	0.07	0.08
Growth					
Net interest income (%)	100.3	(5.2)	0.8	1.2	3.5
Non interest income (%)	20.2	(6.5)	10.3	9.0	8.8
Pre provision operating profit (%)	95.5	(7.7)	7.6	6.0	6.5
Operating profit (%)	41.1	4.0	26.6	14.4	14.1
Reported net profit (%)	40.0	3.6	26.2	14.5	13.9
Recurring EPS (%)	(29.4)	3.3	26.5	14.5	13.9
Reported EPS (%)	(29.4)	3.3	26.5	14.5	13.9
Income Breakdown					
Net interest income (%)	78.0	78.2	76.7	75.3	74.4
Net fees & commission (%)	16.4	17.3	18.0	19.2	20.1
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	3.5	2.5	3.3	3.2	3.1
Dividend income (%)	-	-	-	-	-
Other income (%)	2.1	2.0	2.1	2.3	2.4
Operating performance					
Gross interest yield (%)	4.09	3.72	3.75	3.91	3.96
Cost of funds (%)	1.18	0.87	0.88	1.11	1.14
Net interest spread (%)	2.91	2.85	2.87	2.80	2.82
Net interest margin (%)	3.0	3.0	3.0	2.9	3.0
Cost/income(%)	46.6	47.9	45.5	43.9	43.0
Cost/assets(%)	1.8	1.8	1.7	1.7	1.7
Effective tax rate (%)	18.0	18.2	18.1	18.0	18.1
Dividend payout on recurring profit (%)	42.9	35.0	45.0	45.0	45.0
ROE (%)	5.1	5.0	6.1	6.7	7.3
ROE - COE (%)	5.1	5.0	6.1	6.7	7.3
ROA (%)	0.6	0.6	0.7	0.8	0.9
RORWA (%)	0.8	0.9	1.0	1.1	1.2

* Pre-exceptional, pre-goodwill and fully diluted

Sources: TMBThanachart Bank ; FSSIA estimates

Financial Statements

TMBThanachart Bank

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	1,392,925	1,372,315	1,399,761	1,455,752	1,499,424
Total provisions	(51,967)	(54,472)	(58,465)	(61,699)	(64,392)
interest in suspense	3,879	3,783	3,919	4,076	4,198
Net customer loans	1,344,837	1,321,626	1,345,215	1,398,129	1,439,231
Bank loans	211,185	158,873	161,107	144,101	140,385
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	138,139	181,649	186,226	190,919	195,731
Cash & equivalents	21,943	16,011	22,665	22,823	23,124
Other interesting assets	-	-	-	-	-
Tangible fixed assets	30,076	30,252	29,675	29,224	28,887
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	58,510	47,183	48,090	49,201	50,363
Total assets	1,804,688	1,755,595	1,792,977	1,834,397	1,877,721
Customer deposits	1,373,408	1,339,195	1,357,430	1,384,579	1,412,270
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	168,768	158,690	162,923	166,182	169,505
Non interest bearing liabilities	61,406	50,460	51,974	53,533	55,139
Hybrid Capital	-	-	-	-	-
Total liabilities	1,603,582	1,548,345	1,572,327	1,604,293	1,636,915
Share capital	91,589	91,792	91,792	91,792	91,792
Reserves	113,124	119,043	128,857	138,310	149,013
Total equity	204,713	210,835	220,649	230,102	240,805
Minority interests	37	1	1	1	1
Total liabilities & equity	1,808,332	1,759,181	1,792,977	1,834,397	1,877,721
Supplementary items					
Risk weighted assets (RWA)	1,188,683	1,228,574	1,351,431	1,405,489	1,447,653
Average interest earning assets	1,766,631	1,724,939	1,728,531	1,767,465	1,811,652
Average interest bearing liabilities	1,569,566	1,520,031	1,509,119	1,535,557	1,566,268
Tier 1 capital	171,724	176,284	196,557	204,783	214,152
Total capital	220,769	225,331	245,604	253,830	263,199
Gross non performing loans (NPL)	39,594	42,121	46,333	50,040	52,542
Per share (THB)					
Book value per share	2.12	2.18	2.29	2.39	2.50
Tangible book value per share	2.12	2.18	2.29	2.39	2.50
Growth					
Gross customer loans	0.1	(1.5)	2.0	4.0	3.0
Average interest earning assets	32.5	(2.4)	0.2	2.3	2.5
Total asset (%)	(2.9)	(2.7)	2.1	2.3	2.4
Risk weighted assets (%)	(2.3)	3.4	10.0	4.0	3.0
Customer deposits (%)	(1.8)	(2.5)	1.4	2.0	2.0
Leverage & capital measures					
Customer loan/deposits (%)	97.9	98.7	99.1	101.0	101.9
Equity/assets (%)	11.3	12.0	12.3	12.5	12.8
Tangible equity/assets (%)	11.3	12.0	12.3	12.5	12.8
RWA/assets (%)	65.9	70.0	75.4	76.6	77.1
Tier 1 CAR (%)	14.4	14.3	14.5	14.6	14.8
Total CAR (%)	18.6	18.3	18.2	18.1	18.2
Asset Quality					
Change in NPL (%)	4.9	6.4	10.0	8.0	5.0
NPL/gross loans (%)	2.8	3.1	3.3	3.4	3.5
Total provisions/gross loans (%)	3.7	4.0	4.2	4.1	4.3
Total provisions/NPL (%)	131.2	129.3	126.2	123.3	122.6
Valuation					
Recurring P/E (x) *	12.3	11.9	9.4	8.2	7.2
Recurring P/E @ target price (x) *	17.2	16.6	13.1	11.5	10.1
Reported P/E (x)	12.3	11.9	9.4	8.2	7.2
Dividend yield (%)	3.5	2.9	4.8	5.5	6.2
Price/book (x)	0.6	0.6	0.6	0.5	0.5
Price/tangible book (x)	0.6	0.6	0.6	0.5	0.5
Price/tangible book @ target price (x)	0.8	0.8	0.8	0.8	0.7

Sources: TMBThanachart Bank ; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	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	SCC	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	MITISB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

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

Description	Score Range
Excellent	90-100
Very Good	80-89
Good	70-79

Disclaimer:

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

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

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

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

Anti-corruption Progress Indicator 2020

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

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

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

Disclaimer:

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

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

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Yuvanart Suwanumchai FSS International Investment Advisory Securities Co., Ltd

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
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.
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.
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.
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.

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 (target price* - current price) / 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.