

KRUNG THAI BANK KTB TB

THAILAND / BANKS

BUY

UNCHANGED

ที่หลบภัยในช่วงพายุร้าย

- คุณภาพสินทรัพย์ที่ดีน่าจะเป็นปัจจัยหนุนสำคัญสำหรับผลประกอบการที่ดีในปี 2022 เราคาดว่า KTB จะใช้การลงทุนในด้านดิจิทัลเพื่อทำเงินโดยการเพิ่มรายได้ให้สูงขึ้น และลดต้นทุนให้ต่ำลง

TARGET PRICE	THB16.40
CLOSE	THB14.40
UP/DOWNSIDE	+13.9%
PRIOR TP	THB16.40
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+6.8%

พอร์ตสินเชื่อก่อนที่มีความเสี่ยงน้อยกว่าเพื่อนเป็นปัจจัยขับเคลื่อนสำคัญสำหรับกำไรสุทธิ

ในไตรมาสหลังผลประกอบการ 1Q22 KTB ระบุว่าธนาคารฯ มีความพอใจในคุณภาพสินทรัพย์ในปัจจุบัน โครงการปรับโครงสร้างหนี้แบบเบ็ดเสร็จใน 1Q22 ภายใต้มาตรการสี่ฟ้าอยู่ที่เพียง 2% ของสินเชื่อรวม ซึ่งต่ำกว่าธนาคารขนาดใหญ่รายอื่นซึ่งอยู่ที่ประมาณ 5-10% ของสินเชื่อรวมอย่างมีนัยสำคัญ ต้นทุนความเสี่ยงในการปล่อยสินเชื่อที่ลดลง (83 bps) ใน 1Q22 มาจากสำรองที่มากพอ โดยมีสัดส่วนสำรองต่อหนี้ต่อคุณภาพที่ 174% ผู้บริหารคาดว่าต้นทุนความเสี่ยงในการปล่อยสินเชื่อจะเพิ่มเล็กน้อยในไตรมาสถัด ๆ ไป แต่จะยังต่ำกว่าตัวเลขในปี 2021 ที่ 131 bps ธนาคารฯ จะยังขยายสินเชื่อความเสี่ยงต่ำ เช่น สินเชื่อภาครัฐและสินเชื่อรายย่อยที่อิงกับบัญชีเงินเดือนอย่างต่อเนื่อง เพราะฉะนั้นคุณภาพสินทรัพย์น่าจะยังดี กลยุทธ์ดังกล่าวอาจลดต้นทุนต่างดอกเบี้ย แต่ KTB จะได้ผลเชิงบวกกลับมาคือ ต้นทุนความเสี่ยงในการปล่อยสินเชื่อที่ลดลงแทน

การประหยัดต้นทุนอาจทำให้เกิด Upside

นักลงทุนบางรายอาจมีความกังวลเกี่ยวกับค่าใช้จ่ายดำเนินงานของ KTB เนื่องจากธนาคารฯ ลงทุนเทคโนโลยีสารสนเทศสูงกว่าธนาคารขนาดใหญ่รายอื่น อย่างไรก็ตาม KTB มีประวัติที่ดีในด้านการควบคุมค่าใช้จ่ายดำเนินงานได้อย่างมีประสิทธิภาพ ดังจะเห็นได้จากค่าใช้จ่ายดำเนินงานที่ทรงตัวที่ประมาณ 53 พัน ลบ. ในช่วงปี 2020-21 และลดลง 3% y-y ใน 1Q22 จาก: 1) การควบคุมต้นทุนอื่นอย่างมีประสิทธิภาพและโดยเฉพาะอย่างยิ่งต้นทุนพนักงานจากโครงการเกษียณอายุ; และ 2) ค่าใช้จ่ายเพื่อการลงทุนในด้านเทคโนโลยีสารสนเทศบางรายการสามารถรับรู้เป็น CAPEX ผ่าน Balance sheet KTB ตั้งเป้าอัตราส่วนค่าใช้จ่ายดำเนินงานต่อรายได้รวมปี 2022 ในระดับ 40% ต้นๆถึงกลางๆ เทียบกับ 41.2% ใน 1Q22 ซึ่งต่ำกว่าสมมติฐานในปัจจุบันของเราที่ 44.9% โดยอัตราส่วนค่าใช้จ่ายดำเนินงานต่อรายได้รวมที่ลดลงทุก ๆ 50 bps จะให้ Upside 2% ต่อประมาณการกำไรสุทธิปี 2022 ของเรา

การลงทุนในด้านดิจิทัลน่าจะเห็นผลในปี 2023

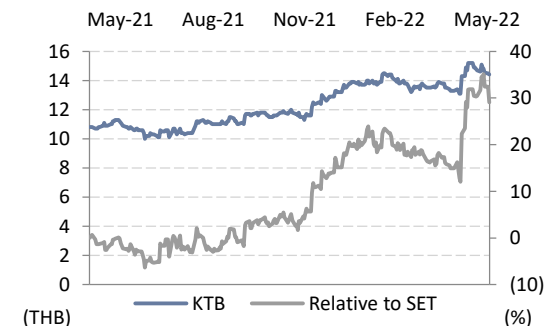
นับตั้งแต่ช่วง 2H21 เป็นต้นมา เราคิดว่า KTB สามารถใช้ Big data ของแอปเป้าตั้งในการสร้างรายได้ค่าธรรมเนียม เช่น Krungthai Gold Wallet และการขายหุ้นกึ่งดิจิทัลของ CP All (CPALL TB, BUY, TP THB82) ปัจจุบัน KTB มีผู้ใช้ดิจิทัล 40 ล้านราย ซึ่งทำให้แอปดังกล่าวเป็นแพลตฟอร์มที่ใหญ่ที่สุดเมื่อเทียบกับแอปประเภทเดียวกันในประเทศ เราเชื่อว่ารายได้ค่าธรรมเนียมของธนาคารฯ จะค่อย ๆ ได้ประโยชน์จาก Big data ดังกล่าวและการเคลื่อนไหวเข้าสู่ธุรกิจดิจิทัลตั้งแต่ปี 2023 เป็นต้นไป เราคาดว่ารายได้ค่าธรรมเนียมสุทธิปี 2023 จะเพิ่ม 8% y-y หลังทรงตัว y-y ในปี 2022

หุ้นเด่นที่ราคาเป้าหมายปี 2022 ที่ 16.4 บาท (GGM)

ในช่วงพายุร้าย เรามอง KTB เป็นที่หลบภัยสำหรับการลงทุน ธนาคารฯ น่าจะเกาะกระแสเศรษฐกิจขาขึ้นโดยการทำเงินจากแอปเป้าตั้ง นอกจากนี้ระดับการประเมินมูลค่าของหุ้นยังดูน่าสนใจที่ 0.5x ของค่า 2022E P/BV เทียบกับ ROE ที่ 7.2% และประมาณการอัตราการเติบโตของกำไรสุทธิปี 2022 ที่เพิ่มขึ้น 25% ด้วยเหตุดังกล่าวเราเลือก KTB เป็นหุ้นเด่นแทน SCB X (SCB TB, BUY, TP THB160)

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	29,485	37,262	37,698	43,055
Net profit	21,588	26,889	27,616	31,502
EPS (THB)	1.54	1.92	1.98	2.25
vs Consensus (%)	-	2.0	1.5	2.9
Core net profit	21,588	26,889	27,616	31,502
Core EPS (THB)	1.54	1.92	1.98	2.25
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	29.0	24.6	2.7	14.1
Core P/E (x)	9.3	7.5	7.3	6.4
Dividend yield (%)	2.9	4.7	4.8	4.9
Price/book (x)	0.6	0.5	0.5	0.5
ROE (%)	6.1	7.2	7.0	7.6
ROA (%)	0.7	0.8	0.8	0.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.3	0.0	32.1
Relative to country (%)	11.9	6.1	28.2
Mkt cap (USD m)	5,838		
3m avg. daily turnover (USD m)	18.9		
Free float (%)	45		
Major shareholder	FIDF (55%)		
12m high/low (THB)	15.30/9.90		
Issued shares (m)	13,976		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 18 พฤษภาคม 2022

Investment thesis

We reiterate our BUY call with a GGM-based TP of THB16.4, as we think KTB should be one of the most resilient banks amid the high inflation environment. We also believe KTB will utilise its digital users' big data to generate top-line growth. Thus, we expect its net profit to increase at a 13% CAGR in 2022-24. Moreover, we think KTB's valuation is undemanding at 0.5x 2022E P/BV.

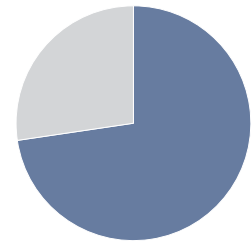
Company profile

Krung Thai Bank began operations in 1966 and in 1989 was the first privatised state enterprise to be listed on the SET. At end-2019, KTB was the second largest Thai bank in terms of lending, and ranked fourth by total assets.

www.ktb.co.th

Principal activities (revenue, 2021)

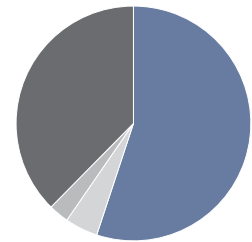
- Net interest income - 72.7 %
- Non-interest income - 27.3 %



Source: Krung Thai Bank

Major shareholders

- FIDF - 55.1 %
- Thai NVDR - 4.5 %
- EGAT Saving and Credit Cooperative Limited - 2.8 %
- Others - 37.6 %



Source: Krung Thai Bank

Catalysts

Potential share price catalysts for KTB include:

- Faster utilisation of big data to capture digital trends;
- Lower credit cost from a better-than-expected new NPL rate;
- 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 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.

Event calendar

Date	Event
July 2022	2Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	26,889	27,616	31,502
Net profit growth	24.6	2.7	14.1
NIM	2.42	2.44	2.52
Loan growth	4.0	4.0	4.0
Fee growth	0.4	8.0	8.0
Non-NII growth*	1.6	5.6	8.4
Credit cost (bp)	100	105	105
Cost to income*	44.9	44.8	43.4

*Including share of profits from associates

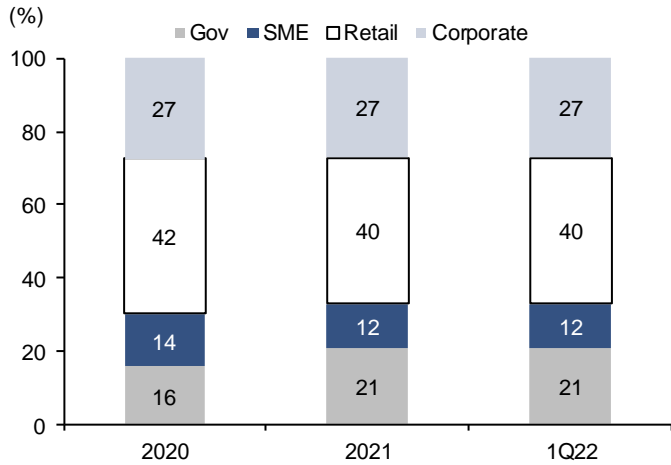
Source: FSSIA estimates

Earnings sensitivity

		----- 2022E -----		
		2.00	4.00	6.00
Loan growth (%)	±2ppt			
% change in net profit		(1.6)	-	1.6
NIM (%)	±5bp			
% change in net profit		(4.6)	-	4.6
Credit cost (bp)	±10bp			
% change in net profit		6.0	-	(6.0)

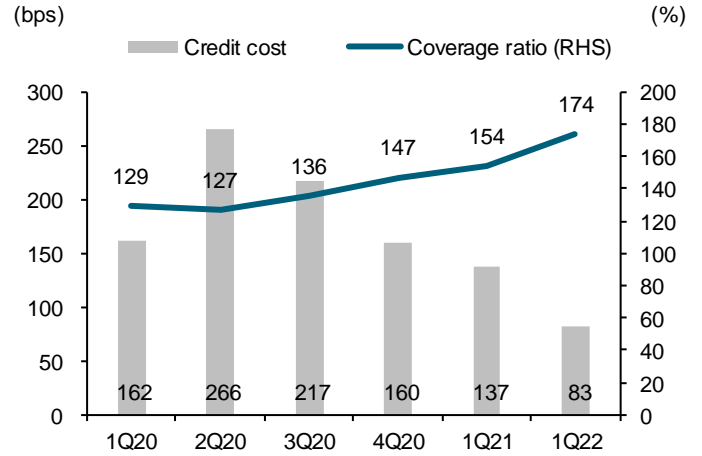
Source: FSSIA estimates

Exhibit 1: KTB's loan portfolio is gearing toward lower risk areas



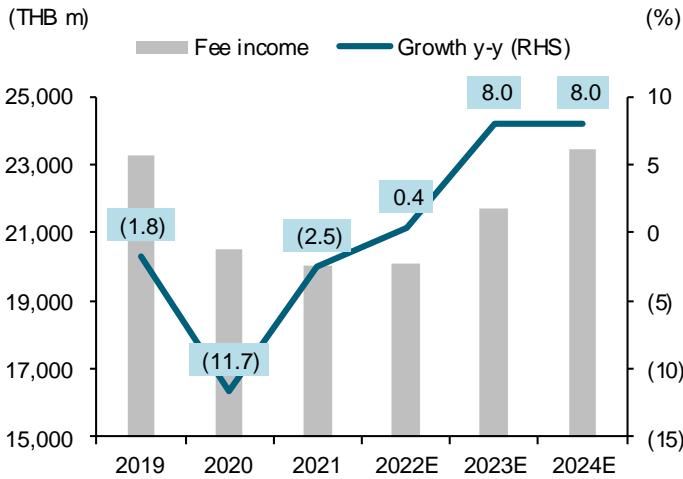
Sources: KTB; FSSIA estimates

Exhibit 2: Lower credit cost from sufficient provisions



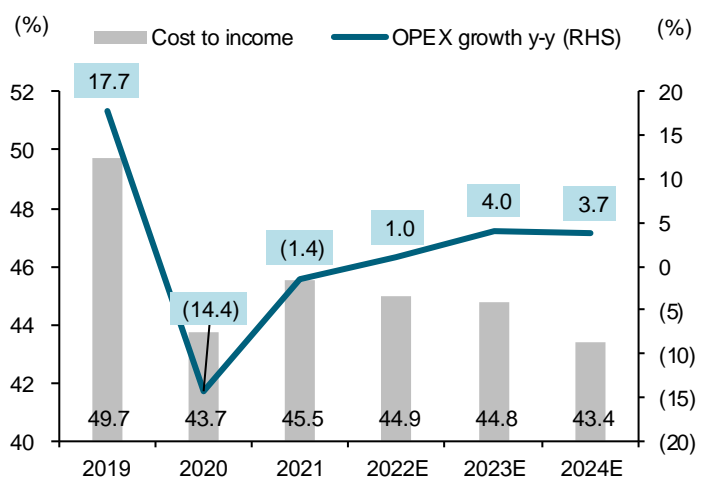
Sources: KTB; FSSIA estimates

Exhibit 3: Fee income growth should start to benefit from its digital investments in 2023



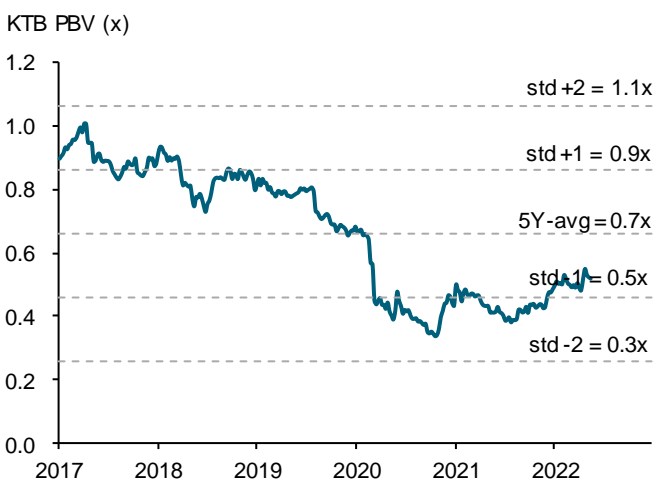
Sources: KTB; FSSIA estimates

Exhibit 4: KTB should continue to control its OPEX and cost to income ratio effectively



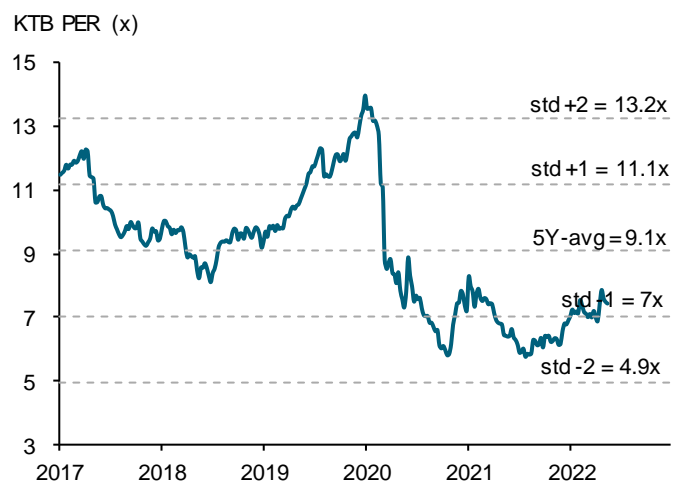
Sources: KTB; FSSIA estimates

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



Sources: Bloomberg; FSSIA estimates

Exhibit 6: KTB – 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	EPS growth		----- PE -----		---- ROE ----		--- PBV ---	
			Current (THB)	Target (THB)			22E (%)	23E (%)	22E (x)	23E (x)	22E (%)	23E (%)	22E (x)	23E (x)
Bangkok Bank	BBL TB	HOLD	125.50	134.00	7	6,949	10.3	4.8	8.2	7.8	6.0	6.2	0.5	0.5
Kasikornbank	KBANK TB	BUY	144.50	180.00	25	9,931	9.2	10.0	8.2	7.5	8.4	8.7	0.7	0.6
Kiatnakin Bank	KKP TB	BUY	69.50	86.00	24	1,707	20.5	11.9	7.7	6.9	14.3	14.8	1.1	1.0
Krung Thai Bank	KTB TB	BUY	14.40	16.40	14	5,838	24.6	2.7	7.5	7.3	7.2	7.0	0.5	0.5
SCB X	SCB TB	BUY	108.00	160.00	48	10,548	7.1	11.6	9.6	8.6	8.4	8.7	0.8	0.7
Tisco Financial	TISCO TB	BUY	89.25	110.00	23	2,073	4.0	9.1	10.1	9.3	16.8	17.7	1.7	1.6
TMBThanachart	TTB TB	BUY	1.24	1.80	45	3,475	26.5	14.5	9.0	7.9	6.1	6.7	0.5	0.5
Coverage						40,522	12.7	8.9	8.6	7.9	8.3	8.6	0.7	0.7

Share prices as of 17 May 2022

Sources: Company data; FSSIA estimates

Financial Statements

Krung Thai Bank

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	112,837	104,832	107,208	118,049	125,560
Interest expense	(24,494)	(21,460)	(21,677)	(29,222)	(30,934)
Net interest income	88,343	83,372	85,531	88,827	94,626
Net fees & commission	20,528	20,022	20,100	21,708	23,445
Foreign exchange trading income	3,134	3,467	3,500	3,300	3,500
Securities trading income	951	711	782	860	946
Dividend income	376	379	417	459	505
Other income	6,855	6,789	6,992	7,202	7,922
Non interest income	31,844	31,368	31,791	33,529	36,317
Total income	120,187	114,739	117,322	122,355	130,943
Staff costs	(28,466)	(27,311)	(27,584)	(28,412)	(29,264)
Other operating costs	(24,999)	(25,420)	(25,660)	(26,963)	(28,171)
Operating costs	(53,465)	(52,731)	(53,244)	(55,375)	(57,435)
Pre provision operating profit	66,722	62,009	64,078	66,981	73,509
Provision for bad and doubtful debt	(44,903)	(32,524)	(26,815)	(29,282)	(30,454)
Other provisions	-	-	-	-	-
Operating profit	21,819	29,485	37,262	37,698	43,055
Recurring non operating income	2,060	1,046	1,151	1,266	1,393
Associates	2,060	1,046	1,151	1,266	1,393
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	23,880	30,531	38,413	38,964	44,448
Tax	(4,441)	(5,975)	(7,683)	(7,403)	(8,445)
Profit after tax	19,439	24,556	30,731	31,561	36,003
Minority interests	(2,707)	(2,968)	(3,841)	(3,945)	(4,500)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	16,732	21,588	26,889	27,616	31,502
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	16,732	21,588	26,889	27,616	31,502
Per share (THB)					
Recurring EPS *	1.20	1.54	1.92	1.98	2.25
Reported EPS	1.20	1.54	1.92	1.98	2.25
DPS	0.28	0.42	0.67	0.69	0.70
Growth					
Net interest income (%)	0.0	(5.6)	2.6	3.9	6.5
Non interest income (%)	(11.3)	(1.5)	1.3	5.5	8.3
Pre provision operating profit (%)	8.0	(7.1)	3.3	4.5	9.7
Operating profit (%)	(42.5)	35.1	26.4	1.2	14.2
Reported net profit (%)	(42.9)	29.0	24.6	2.7	14.1
Recurring EPS (%)	(42.9)	29.0	24.6	2.7	14.1
Reported EPS (%)	(42.9)	29.0	24.6	2.7	14.1
Income Breakdown					
Net interest income (%)	73.5	72.7	72.9	72.6	72.3
Net fees & commission (%)	17.1	17.4	17.1	17.7	17.9
Foreign exchange trading income (%)	2.6	3.0	3.0	2.7	2.7
Securities trading income (%)	0.8	0.6	0.7	0.7	0.7
Dividend income (%)	0.3	0.3	0.4	0.4	0.4
Other income (%)	5.7	5.9	6.0	5.9	6.1
Operating performance					
Gross interest yield (%)	3.72	3.13	3.03	3.24	3.35
Cost of funds (%)	0.92	0.73	0.70	0.92	0.96
Net interest spread (%)	2.80	2.40	2.33	2.32	2.39
Net interest margin (%)	2.9	2.5	2.4	2.4	2.5
Cost/income(%)	44.5	46.0	45.4	45.3	43.9
Cost/assets(%)	1.7	1.5	1.5	1.5	1.5
Effective tax rate (%)	18.6	19.6	20.0	19.0	19.0
Dividend payout on recurring profit (%)	23.0	27.1	35.0	35.0	31.1
ROE (%)	4.9	6.1	7.2	7.0	7.6
ROE - COE (%)	(5.0)	(3.8)	(2.7)	(2.9)	(2.3)
ROA (%)	0.6	0.7	0.8	0.8	0.9
RORWA (%)	1.0	1.3	1.5	1.5	1.6

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Krung Thai Bank; FSSIA estimates

Financial Statements

Krung Thai Bank

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	2,334,842	2,628,963	2,734,122	2,843,486	2,957,226
Total provisions	(150,528)	(173,322)	(178,264)	(184,799)	(191,595)
interest in suspense	16,199	20,579	13,671	14,217	8,280
Net customer loans	2,200,513	2,476,220	2,569,528	2,672,905	2,773,911
Bank loans	516,792	469,216	460,165	449,840	414,943
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	360,112	382,055	390,356	398,855	430,778
Cash & equivalents	68,161	63,544	69,965	50,402	69,656
Other interesting assets	-	-	-	-	-
Tangible fixed assets	57,421	70,745	73,652	76,686	69,215
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	124,781	94,963	114,620	117,250	120,037
Total assets	3,327,780	3,556,744	3,678,285	3,765,937	3,878,540
Customer deposits	2,463,225	2,614,747	2,737,544	2,792,295	2,848,141
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	365,863	434,372	403,049	411,110	419,332
Non interest bearing liabilities	143,629	133,514	140,190	144,485	148,914
Hybrid Capital	-	-	-	-	-
Total liabilities	2,972,717	3,182,633	3,280,782	3,347,890	3,416,387
Share capital	72,005	72,005	71,977	71,977	71,977
Reserves	271,498	288,048	310,589	330,361	353,844
Total equity	343,503	360,053	382,565	402,338	425,821
Minority interests	11,561	14,059	14,938	15,710	16,627
Total liabilities & equity	3,327,780	3,556,744	3,678,285	3,765,937	3,858,834
Supplementary items					
Risk weighted assets (RWA)	1,913,726	1,981,545	2,060,807	2,143,239	2,228,969
Average interest earning assets	3,033,282	3,345,990	3,532,438	3,638,411	3,747,564
Average interest bearing liabilities	2,651,180	2,939,103	3,094,856	3,171,999	3,235,439
Tier 1 capital	293,683	327,685	346,082	363,923	383,817
Total capital	359,015	393,995	412,392	430,233	450,127
Gross non performing loans (NPL)	107,138	106,809	115,354	124,582	128,319
Per share (THB)					
Book value per share	24.58	25.76	27.37	28.79	30.47
Tangible book value per share	24.58	25.76	27.37	28.79	30.47
Growth					
Gross customer loans	11.7	12.6	4.0	4.0	4.0
Average interest earning assets	10.5	10.3	5.6	3.0	3.0
Total asset (%)	10.5	6.9	3.4	2.4	3.0
Risk weighted assets (%)	(0.8)	3.5	4.0	4.0	4.0
Customer deposits (%)	14.3	6.2	4.7	2.0	2.0
Leverage & capital measures					
Customer loan/deposits (%)	89.3	94.7	93.9	95.7	97.4
Equity/assets (%)	10.3	10.1	10.4	10.7	11.0
Tangible equity/assets (%)	10.3	10.1	10.4	10.7	11.0
RWA/assets (%)	57.5	55.7	56.0	56.9	57.5
Tier 1 CAR (%)	15.3	16.5	16.8	17.0	17.2
Total CAR (%)	18.8	19.9	20.0	20.1	20.2
Asset Quality					
Change in NPL (%)	4.4	(0.3)	8.0	8.0	3.0
NPL/gross loans (%)	4.6	4.1	4.2	4.4	4.3
Total provisions/gross loans (%)	6.4	6.6	6.5	6.2	6.5
Total provisions/NPL (%)	140.5	162.3	154.5	148.3	149.3
Valuation					
Recurring P/E (x) *	12.0	9.3	7.5	7.3	6.4
Recurring P/E @ target price (x) *	13.7	10.6	8.5	8.3	7.3
Reported P/E (x)	12.0	9.3	7.5	7.3	6.4
Dividend yield (%)	1.9	2.9	4.7	4.8	4.9
Price/book (x)	0.6	0.6	0.5	0.5	0.5
Price/tangible book (x)	0.6	0.6	0.5	0.5	0.5
Price/tangible book @ target price (x)	0.7	0.6	0.6	0.6	0.5

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Krung Thai Bank; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	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	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

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

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

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

Disclaimer:

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

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

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

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

Anti-corruption Progress Indicator 2020

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

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

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

Disclaimer:

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

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

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

GENERAL DISCLAIMER**ANALYST(S) CERTIFICATION****Yuvanart 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
Krung Thai Bank	KTB TB	THB 14.40	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.
Bangkok Bank	BBL TB	THB 125.50	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 144.50	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 69.50	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
SCB X	SCB TB	THB 108.00	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.
Tisco Financial	TISCO TB	THB 89.25	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 1.24	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.
CP All	CPALL TB	THB 64.00	BUY	The key downside risks to our DCF-derived TP are: 1) the higher-than-expected impact from a loss of service income from the convenience store business; 2) the worse-than-expected overseas performance of Makro; and 3) the slow recovery of tourist numbers.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 17-May-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.