

SCB X SCB TB
THAILAND / BANKS

BUY

UNCHANGED

การขาย SCBAM ที่อาจเกิดขึ้น

- โอกาสในการขาย SCBAM เป็นเงิน 36-54 พัน ลบ. คิดเป็นค่า P/AUM ที่ 0.022x - 0.034x (ใกล้เคียงกับ KAsset)
- การขายดังกล่าวอาจให้กำไรพิเศษสุทธิ 8.4-12.7 บาท/หุ้น

TARGET PRICE	THB134.00
CLOSE	THB98.75
UP/DOWNSIDE	+35.7%
PRIOR TP	THB134.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-6.5%

โอกาสในการขายธุรกิจบริหารสินทรัพย์ (SCBAM)

จากข้อมูลใน Bloomberg News เมื่อวันที่ 8 ก.ค. 2022 SCB ได้มีการพูดคุยกับที่ปรึกษาทางการเงินในการศึกษาความเป็นไปได้ในการขาย SCB Asset Management (SCBAM) ข้อตกลงที่อาจเกิดขึ้นอาจมีมูลค่าธุรกิจไว้ที่ USD1-1.5 พันล้านหรือ 36-54 พัน ลบ. ขาดดังกล่าวน่าจะส่งผลเชิงบวกเล็กน้อยต่อราคาหุ้นของ SCB อย่างไรก็ตามเราก็คงคาดว่าธนาคารฯ น่าจะยังต้องใช้เวลาอีกสักพักก่อนที่รายการดังกล่าวจะสำเร็จ

การขายบางส่วนของ SCBAM อาจเป็นทางเลือกที่ดีที่สุด

SCB ได้แจ้งให้ตลาดฯ แล้วว่าการพูดคุยดังกล่าวยังอยู่ในช่วงเริ่มต้นและไม่แน่นอนว่าจะมีข้อตกลงใด ๆ เกิดขึ้น เรามองว่าธนาคารฯ กำลังปรับเปลี่ยนตัวเองให้เป็นบริษัทแม่และต้องการจะปลดล็อกมูลค่าของผู้ถือหุ้น เพราะฉะนั้นเราจึงคิดว่า SCB อาจพิจารณาขาย SCBAM บางส่วนหรือทั้ง 100% โดยจะพิจารณาจากการประเมินมูลค่าและโอกาสทางธุรกิจ เราเห็นว่าถ้า SCB ขายบางส่วนให้แก่ผู้เชี่ยวชาญในด้านการบริหารกองทุน ข้อตกลงดังกล่าวอาจเป็นทางเลือกที่ดีที่สุดเนื่องจากผู้เชี่ยวชาญช่วยสนับสนุน SCB ในการขยายโอกาสทางธุรกิจได้ โดยอาจเป็นการขยายธุรกิจไปในต่างประเทศในท่ามกลางการแข่งขันที่ดุเดือดในธุรกิจบริหารสินทรัพย์ในประเทศไทย นอกจากนี้ธนาคารฯ ยังอาจได้ประโยชน์อย่างต่อเนื่องจากกำไรสุทธิของ SCBAM ที่อาจเพิ่มขึ้น ในขณะที่ได้เงินก่อนมาขายเข้าสู่ธุรกิจอื่นในอนาคต ถ้า SCB ขาย SCBAM ทั้ง 100% เป็นเงิน 36-54 พัน ลบ. ธนาคารฯ น่าจะได้กำไรพิเศษสุทธิหลังหักภาษีประมาณ 29-43 พัน ลบ. คิดเป็น 8.4-12.7 บาท/หุ้น อย่างไรก็ตามเรายังเชื่อว่าธนาคารฯ จะใช้กำไรส่วนมากเพื่อจัดสรรเป็นสำรองพิเศษ

อาจได้การประเมินมูลค่าในระดับเดียวกับ KAsset

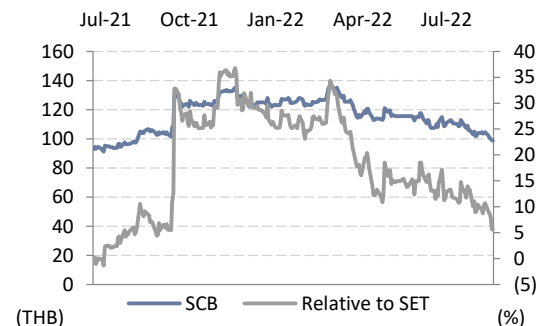
สำหรับการขาย KAsset ที่อาจเกิดขึ้น จากข้อมูลล่าสุดของ Bloomberg ราคาขายน่าจะอยู่ที่ USD1.5 พันล้าน ราคาดังกล่าวจะคิดเป็น 19x ของค่า P/E, 32x ของค่า P/BV, และ 0.034x ของค่า P/AUM ถ้า SCB ขาย SCBAM ทั้ง 100% ในราคา 36-54 พัน ลบ. ราคาดังกล่าวจะคิดเป็น 23-34x ของค่า P/E, 23-34x ของค่า P/BV, และ 0.022-0.034x ของค่า P/AUM เราคิดว่า การประเมินมูลค่าของ SCBAM อาจสูงเท่ากับ KAsset ในแง่ของค่า P/AUM เนื่องจากชื่อเสียงและ AUM ของทั้งสองบริษัทน่าจะเหมือนกัน

คงแนะนำซื้อที่ราคาเป้าหมาย 134 บาท

ในระยะสั้นเราคิดว่า SCB น่าสนใจน้อยกว่าเนื่องจากตลาดได้เปลี่ยนไปให้ความสำคัญกับการขึ้นอัตราดอกเบี้ยและสถานะเงินเฟ้อที่อยู่ในระดับสูงมากกว่าการแปรรูป อย่างไรก็ตามเรายังคงคิดว่า การปรับเปลี่ยนโครงสร้างจะทำให้ธนาคารฯ สามารถเจาะอุตสาหกรรมดิจิทัลที่มีศักยภาพการเติบโตสูง ด้วยเหตุดังกล่าวเราคงแนะนำซื้อที่ราคาเป้าหมายปี 2023 ที่ 134 บาท (SOTP)

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	44,214	48,364	51,167	57,272
Net profit	35,599	39,138	41,734	46,636
EPS (THB)	10.48	11.51	12.28	13.72
vs Consensus (%)	-	(3.8)	(5.2)	(7.2)
Core net profit	35,599	39,138	41,734	46,636
Core EPS (THB)	10.48	11.51	12.28	13.72
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	30.8	9.8	6.6	11.7
Core P/E (x)	9.4	8.6	8.0	7.2
Dividend yield (%)	4.1	5.1	6.1	6.1
Price/book (x)	0.8	0.7	0.7	0.6
ROE (%)	8.4	8.6	8.5	8.8
ROA (%)	1.1	1.2	1.2	1.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.4)	(15.2)	7.3
Relative to country (%)	(5.1)	(8.7)	6.9
Mkt cap (USD m)	9,234		
3m avg. daily turnover (USD m)	40.6		
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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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 11 กรกฎาคม 2022

Investment thesis

In the short term, we think SCB is less attractive as the market shifts focus to rate hikes and the high inflation environment, rather than transformation. However, we still think that its great transformation will allow it to penetrate the high risk-reward lending industry and high-growth potential digital industry. Thus, we think that SCB is in a good position in the banking sector to benefit from the region's digital age. Hence, we reiterate our BUY call.

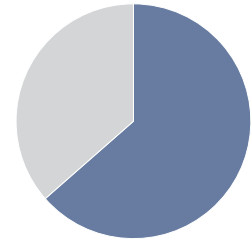
Company profile

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)

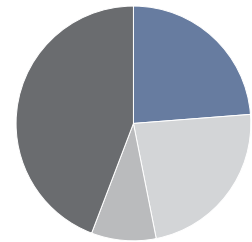
- Net interest income - 63.5 %
- Non-interest income - 36.5 %



Source: SCB X

Major shareholders

- King Rama X - 23.8 %
- Vayupak Fund - 23.1 %
- Thai NVDR - 8.9 %
- Others - 44.2 %



Source: SCB X

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 affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.

Event calendar

Date	Event
21 Jul 2022	2Q22 results announcement

Key assumptions

	2022E	2023E	2024E
Year-to-Dec	(%)	(%)	(%)
Normalised profit (THB m)	39,138	41,734	46,636
Normalised profit growth (%)	9.9	6.6	11.7
NIM (%)	2.98	2.91	3.01
Loan growth (%)	3.0	2.8	2.8
Fee growth (%)	5.2	6.0	7.0
Non-NII growth (%)	(2.8)	5.8	6.1
Credit cost (bp)	155	144	144
Cost to income (%)	43.2	43.4	42.3

Source: FSSIA estimates

Earnings sensitivity

		----- 2022E -----		
Loan growth	±2ppt	1.00	3.00	5.00
% change in net profit		(1.2)	-	1.2
NIM (%)	±5bp	2.93	2.98	3.03
% change in net profit		(3.4)	-	3.4
Credit cost (bp)	±10bp	145	155	165
% change in net profit		4.9	-	(4.9)

Source: FSSIA estimates

Potential to sell asset management business, SCBAM

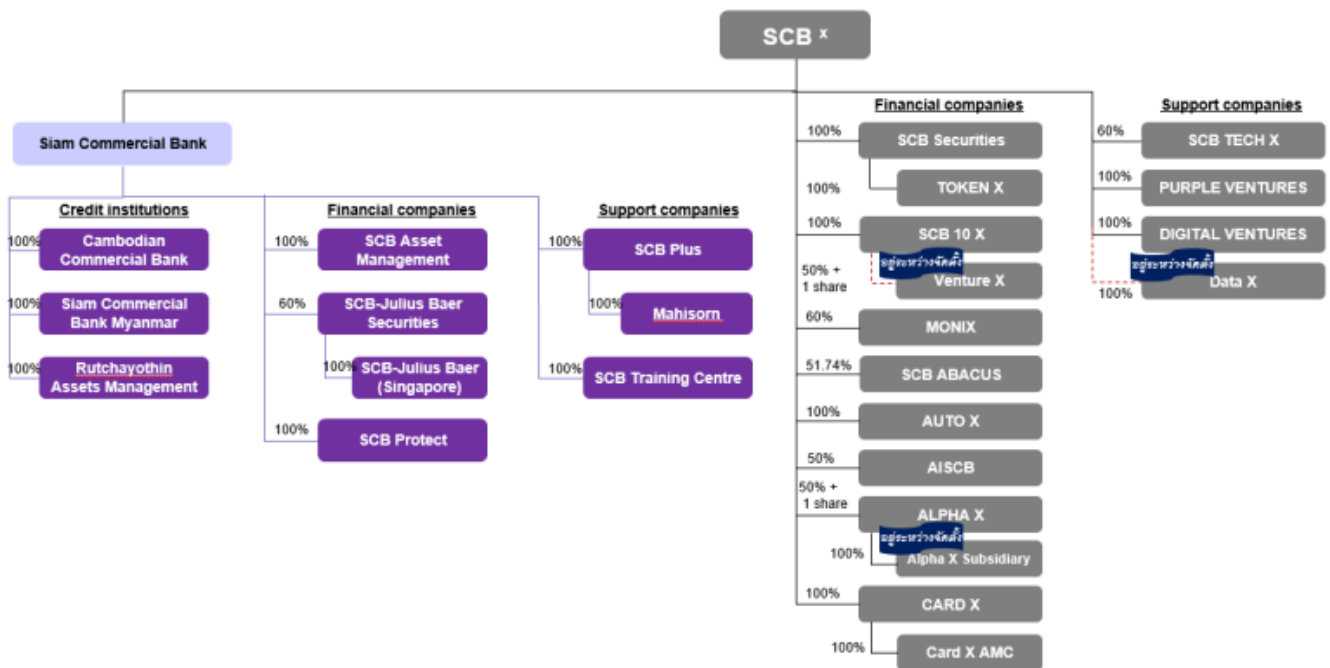
According to Bloomberg, SCB has been speaking with financial advisers to explore a potential transaction for SCBAM, anonymous sources claim, asking not to be identified because the matter is private. A potential deal could value the business at USD1b-1.5b, according to the sources. Considerations are at an early stage and SCB could still decide against pursuing any deal, the sources said. A representative for Bangkok-based SCB X didn't immediately respond to requests for comment. Banks in the region are seeking to raise capital by selling non-core assets, while some asset managers are looking for growth via mergers and acquisitions. Also in Thailand, Kasikornbank (KBANK, BUY, 2023 TP THB192) has been weighing options, including a sale of its asset management unit amid interest from potential buyers like Europe's largest fund manager Amundi SA, Bloomberg News has reported.

Selling some portion of SCBAM could be the best option

SCB informed the SET that such discussions are in the early stages and there is no assurance that any such transaction may occur. To us, the company is in the process of transforming itself into a holding company, seeking future businesses to invest in and unlock its shareholder value. Consequently, we think SCB might consider selling some portion or all of SCBAM, depending on the valuation and business opportunity. SCB currently indirectly holds 100% of SCBAM via SCB Bank.

If SCB sells 100% of SCBAM for THB36b-54b, it would net an extra gain after tax of cTHB29b-43b, implying THB8.4-12.7/share. However, we would not expect the bank to book all of the extra gain to its net profit. We believe it would utilise it to set aside a special provision like when it had a special gain from the sale of SCBLife, and similar to what TMBThanachart Bank (TTB TB, BUY, TP THB1.4) did when it sold TMB Asset Management (TMBAM).

Exhibit 1: SCB's structure



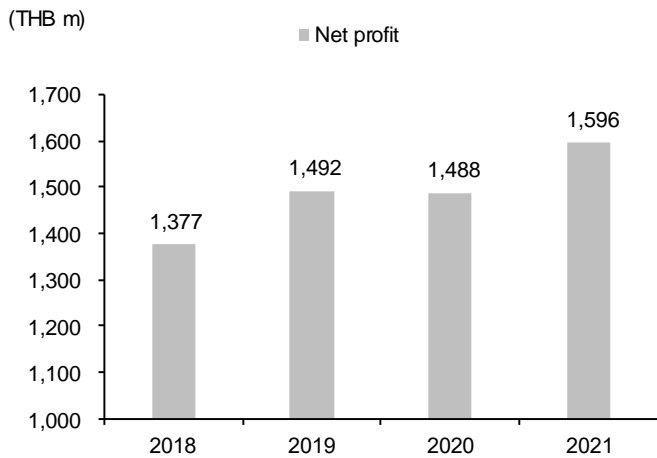
Source: SCB; FSSIA's compilation

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

SCBAM's background

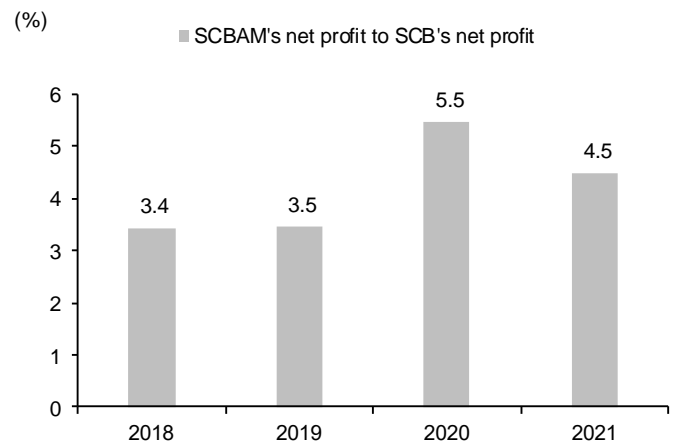
SCBAM was set up in 1992 and manages mutual funds. Its net profits during 2018-2021 were cTHB1.4b-1.6b yearly, which normally contributed c4% of SCB's total net profit. SCBAM's 2021 net profit was THB1.6b, with a THB1.6b 2021 book value. Its net asset value under management reached THB1.6t.

Exhibit 2: Net profit of SCBAM



Sources: SCBAM; FSSIA's compilation

Exhibit 3: Contribution of SCBAM's net profit to SCB's net profit



Sources: SCBAM; SCB; FSSIA's compilation

Might command the same valuation as KAsset

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

As of 2018, TMBAM recorded a net profit/book value/AUM of THB0.56/THB1.0b/THB380b. Thus, the selling price would be valued at 23x P/E, 13x P/BV, and 0.033x P/AUM.

As for KBANK potentially selling KASSET, based on Bloomberg's latest data that the selling price should be USD1.5b, it would imply a valuation of 19x P/E, 32x P/BV, and 0.034x P/AUM.

If SCB sells 100% of SCBAM in the range of THB36b-54b, it would imply a valuation in the range of 23-34x P/E, 23-34x P/BV, and 0.022-0.034x P/AUM. We think that the valuation of SCBAM might be as high as KAsset in terms of P/AUM, as their reputations and asset AUM are likely the same.

Exhibit 4: Comparing Thai banks' asset management company sales

	SCBAM		KASSET	TMBAM
	(Potential)		(Potential)	(Actual)
	(x)	(x)	(x)	(x)
1. P/E	23	34	19	23
2. P/BV	23	34	32	13
3. P/AUM	0.0224	0.0338	0.0338	0.0330

Sources: Bloomberg; Company data; FSSIA estimates

Financial Statements

SCB X

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	118,371	112,177	113,284	121,301	130,190
Interest expense	(21,472)	(17,006)	(16,923)	(25,312)	(28,385)
Net interest income	96,899	95,171	96,362	95,990	101,805
Net fees & commission	36,586	40,198	42,299	44,837	47,975
Foreign exchange trading income	0	0	0	0	0
Securities trading income	9,365	11,236	8,153	8,561	8,577
Dividend income	155	166	174	183	201
Other income	1,840	3,014	2,411	2,532	2,785
Non interest income	47,947	54,615	53,038	56,113	59,539
Total income	144,846	149,785	149,399	152,102	161,344
Staff costs	(31,453)	(30,007)	(30,907)	(31,834)	(33,426)
Other operating costs	(32,877)	(33,540)	(33,915)	(34,491)	(35,084)
Operating costs	(64,330)	(63,547)	(64,822)	(66,325)	(68,510)
Pre provision operating profit	80,516	86,239	84,577	85,777	92,834
Provision for bad and doubtful debt	(46,649)	(42,024)	(36,214)	(34,610)	(35,562)
Other provisions	-	-	-	-	-
Operating profit	33,866	44,214	48,364	51,167	57,272
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	48,948	51,781	57,947
Tax	(6,794)	(9,376)	(10,034)	(10,356)	(11,589)
Profit after tax	26,994	35,395	38,914	41,425	46,358
Minority interests	224	204	224	310	278
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	27,218	35,599	39,138	41,734	46,636
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	27,218	35,599	39,138	41,734	46,636
Per share (THB)					
Recurring EPS *	8.02	10.48	11.51	12.28	13.72
Reported EPS	8.02	10.48	11.51	12.28	13.72
DPS	2.30	4.06	5.00	6.00	6.00
Growth					
Net interest income (%)	(2.5)	(1.8)	1.3	(0.4)	6.1
Non interest income (%)	33.8	13.9	(2.9)	5.8	6.1
Pre provision operating profit (%)	24.5	7.1	(1.9)	1.4	8.2
Operating profit (%)	(9.9)	30.6	9.4	5.8	11.9
Reported net profit (%)	(19.0)	30.8	9.9	6.6	11.7
Recurring EPS (%)	(7.0)	30.8	9.8	6.6	11.7
Reported EPS (%)	(19.0)	30.8	9.8	6.6	11.7
Income Breakdown					
Net interest income (%)	66.9	63.5	64.5	63.1	63.1
Net fees & commission (%)	25.3	26.8	28.3	29.5	29.7
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	6.5	7.5	5.5	5.6	5.3
Dividend income (%)	0.1	0.1	0.1	0.1	0.1
Other income (%)	1.3	2.0	1.6	1.7	1.7
Operating performance					
Gross interest yield (%)	3.94	3.53	3.51	3.68	3.84
Cost of funds (%)	0.85	0.63	0.62	0.91	1.00
Net interest spread (%)	3.09	2.90	2.89	2.77	2.84
Net interest margin (%)	3.2	3.0	3.0	2.9	3.0
Cost/income(%)	44.4	42.4	43.4	43.6	42.5
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	43.4	48.9	43.7
ROE (%)	6.7	8.4	8.6	8.5	8.8
ROE - COE (%)	(4.1)	(2.4)	(2.2)	(2.3)	(2.0)
ROA (%)	0.9	1.1	1.2	1.2	1.3
RORWA (%)	1.3	1.6	1.7	1.8	1.9

* Pre-exceptional, pre-goodwill and fully diluted

Sources: SCB X; FSSIA estimates

Financial Statements

SCB X

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	2,255,242	2,301,835	2,370,890	2,436,090	2,503,082
Total provisions	(139,442)	(151,410)	(156,802)	(154,871)	(171,660)
interest in suspense	14,508	15,031	15,411	15,347	15,018
Net customer loans	2,130,308	2,165,456	2,229,499	2,296,566	2,346,440
Bank loans	547,504	618,269	575,635	597,372	612,076
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	339,828	292,123	297,824	308,218	318,417
Cash & equivalents	51,632	50,421	80,384	66,876	75,913
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	127,440	131,139	134,807
Total assets	3,278,384	3,314,565	3,381,987	3,480,148	3,577,483
Customer deposits	2,420,455	2,466,717	2,491,384	2,541,212	2,592,036
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	275,993	267,200	269,872	275,270	280,775
Non interest bearing liabilities	170,106	138,032	144,934	152,181	152,181
Hybrid Capital	-	-	-	-	-
Total liabilities	2,866,554	2,871,950	2,906,191	2,968,663	3,024,992
Share capital	33,992	33,992	33,956	33,956	33,956
Reserves	377,438	407,014	440,110	475,669	516,526
Total equity	411,430	441,006	474,067	509,626	550,482
Minority interests	399	1,609	1,729	1,859	2,008
Total liabilities & equity	3,278,384	3,314,565	3,381,987	3,480,148	3,577,483
Supplementary items					
Risk weighted assets (RWA)	2,197,668	2,264,803	2,332,747	2,396,898	2,462,812
Average interest earning assets	3,001,007	3,177,400	3,228,288	3,293,014	3,387,627
Average interest bearing liabilities	2,534,701	2,704,780	2,736,995	2,778,118	2,833,681
Tier 1 capital	377,036	399,566	422,896	446,336	470,125
Total capital	400,911	424,227	447,557	470,997	494,786
Gross non performing loans (NPL)	101,462	109,114	110,205	115,715	122,658
Per share (THB)					
Book value per share	121.16	129.86	139.46	149.92	161.94
Tangible book value per share	121.16	129.86	139.46	149.92	161.94
Growth					
Gross customer loans	6.7	2.1	3.0	2.8	2.7
Average interest earning assets	0.9	5.9	1.6	2.0	2.9
Total asset (%)	10.6	1.1	2.0	2.9	2.8
Risk weighted assets (%)	5.9	3.1	3.0	2.8	2.7
Customer deposits (%)	12.1	1.9	1.0	2.0	2.0
Leverage & capital measures					
Customer loan/deposits (%)	88.0	87.8	89.5	90.4	90.5
Equity/assets (%)	12.5	13.3	14.0	14.6	15.4
Tangible equity/assets (%)	12.5	13.3	14.0	14.6	15.4
RWA/assets (%)	67.0	68.3	69.0	68.9	68.8
Tier 1 CAR (%)	17.2	17.6	18.1	18.6	19.1
Total CAR (%)	18.2	18.7	19.2	19.7	20.1
Asset Quality					
Change in NPL (%)	19.1	7.5	1.0	5.0	6.0
NPL/gross loans (%)	4.5	4.7	4.6	4.8	4.9
Total provisions/gross loans (%)	6.2	6.6	6.6	6.2	6.9
Total provisions/NPL (%)	137.4	138.8	142.3	133.8	139.9
Valuation					
Recurring P/E (x) *	12.3	9.4	8.6	8.0	7.2
Recurring P/E @ target price (x) *	16.7	12.8	11.6	10.9	9.8
Reported P/E (x)	12.3	9.4	8.6	8.0	7.2
Dividend yield (%)	2.3	4.1	5.1	6.1	6.1
Price/book (x)	0.8	0.8	0.7	0.7	0.6
Price/tangible book (x)	0.8	0.8	0.7	0.7	0.6
Price/tangible book @ target price (x)	1.1	1.0	1.0	0.9	0.8

* Pre-exceptional, pre-goodwill and fully diluted

Sources: SCB X; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRS	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd

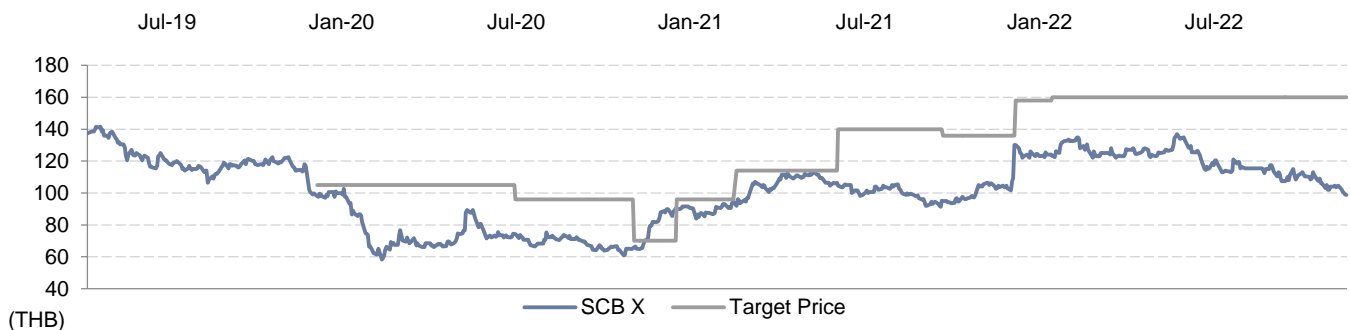
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

SCB X (SCB TB)



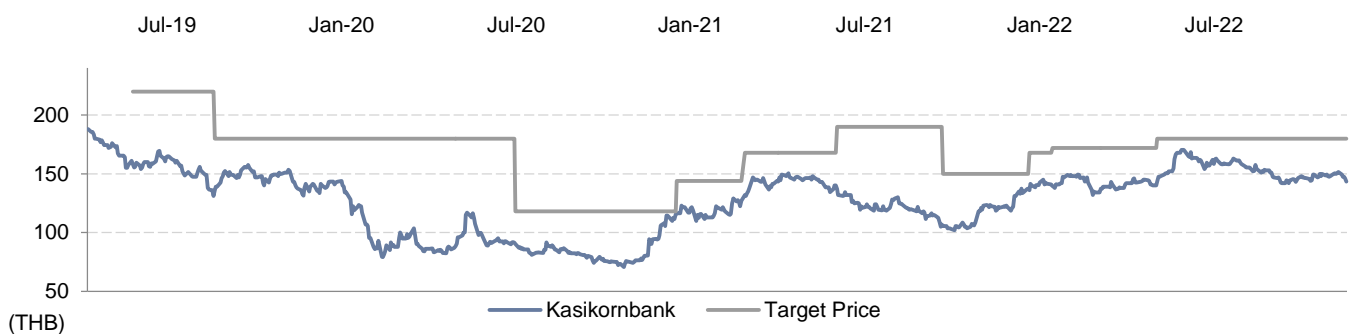
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Jan-2020	HOLD	105.00	22-Jan-2021	BUY	114.00	25-Oct-2021	BUY	160.00
16-Jul-2020	BUY	96.00	22-Apr-2021	BUY	140.00	08-Jul-2022	BUY	134.00
27-Oct-2020	HOLD	70.00	22-Jul-2021	BUY	136.00			
03-Dec-2020	HOLD	96.00	23-Sep-2021	BUY	158.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Kasikornbank (KBANK TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Aug-2019	BUY	220.00	29-Jan-2021	BUY	168.00	25-Oct-2021	BUY	172.00
30-Oct-2019	BUY	180.00	21-Apr-2021	BUY	190.00	24-Jan-2022	BUY	180.00
16-Jul-2020	BUY	118.00	22-Jul-2021	BUY	150.00	08-Jul-2022	BUY	192.00
03-Dec-2020	BUY	144.00	05-Oct-2021	BUY	168.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SCB X	SCB TB	THB 98.75	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.
Kasikornbank	KBANK TB	THB 143.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.

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 08-Jul-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.