

# KRUNG THAI BANK KTB TB

## THAILAND / BANKS

# BUY

UNCHANGED

## แนวโน้มสดใสต่อเนื่อง

- กำไรสุทธิ 2Q22 สูงกว่าคาดโดยอยู่ที่ 8.4 พัน ลบ. จากค่าใช้จ่ายดำเนินงาน (OPEX) และผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) ที่ลดลง
- คาดการณ์กำไรจะโตดี y-y ใน 3Q22
- คงเลือกเป็นหุ้นเด่นที่ราคาเป้าหมายปี 2023 ที่ 18.2 บาท (GGM)

TARGET PRICE	THB18.20
CLOSE	THB15.00
UP/DOWNSIDE	+21.3%
PRIOR TP	THB18.20
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+16.2%

### กำไรสุทธิ 2Q22 ดีเกินคาด

KTB รายงานกำไรสุทธิรายไตรมาสสูงเกินคาดอีกใน 2Q22 โดยอยู่ที่ 8.4 พัน ลบ. (+39% y-y, -5% q-q) กำไรดังกล่าวสูงกว่าที่ตลาดคาด 23% และเรคาด 17% จาก ECL และต้นทุนพนักงานรายไตรมาสที่ต่ำกว่าคาด.

### คุณภาพสินทรัพย์และการควบคุม OPEX ที่ดีช่วยผลักดันกำไรสุทธิ 2Q22

เราเห็นว่า KTB ทำได้ดีทั้งในด้านต้นทุนและรายได้ ต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) ลดลงเหลือเพียง 86 bps KTB สามารถควบคุมคุณภาพสินทรัพย์ได้อย่างมีประสิทธิภาพ เนื่องจากพอร์ตของธนาคาร ประกอบด้วยสินเชื่อบริษัท 28%, หน่วยงานรัฐบาล 19%, และข้าราชการอีกประมาณ 25% กลุ่มดังกล่าวได้รับผลกระทบจากการระบาดโควิดและความไม่แน่นอนในด้านภูมิรัฐศาสตร์น้อยที่สุด หนี้ด้วยคุณภาพ (NPL) ลดลงเล็กน้อย 2% q-q คิดเป็นสัดส่วน NPL ทรงตัว q-q ที่ 3.32% OPEX เพิ่มขึ้นเล็กน้อยที่ 2% ทั้ง y-y และ q-q ตามการประหยัดต้นทุนพนักงานจากโครงการเกษียณ ในด้านรายได้ส่วนต่างดอกเบี้ยและรายได้ค่าธรรมเนียมอยู่ในระดับที่ดี ส่วนต่างดอกเบี้ยเพิ่ม 9 bps q-q เป็น 2.5% จากสินเชื่อภาครัฐที่ให้ผลตอบแทนต่ำที่ลดลงและสินเชื่อรายย่อยที่ให้ผลตอบแทนสูงที่เพิ่มขึ้น รายได้ค่าธรรมเนียมได้จากค่าธรรมเนียมธุรกิจ Bancassurance ที่สูงขึ้น

### แนวโน้มน่าจะดีต่อเนื่องใน 3Q22

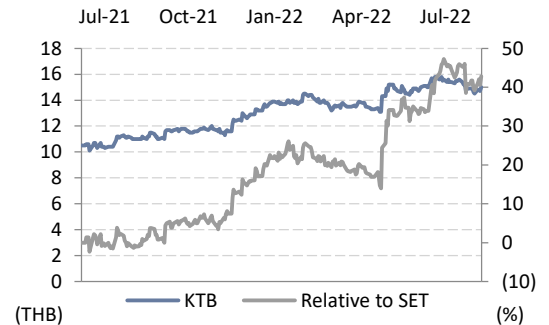
ใน 3Q22 เราคิดว่ากำไรสุทธิน่าจะโตดี y-y จาก 1) ECL ที่ลดลงจากการควบคุมคุณภาพสินทรัพย์ที่ดีและกันชนจากสำรองที่มากพอ; และ 2) ปริมาณสินเชื่อที่สูงขึ้น อย่างไรก็ตามกำไรสุทธิ 3Q22 อาจลดลง q-q จากแรงกดดันของ OPEX ที่สูงขึ้น

### คงเลือกเป็นหุ้นเด่นที่ราคาเป้าหมายปี 2023 ที่ 18.2 บาท

ในท่ามกลางความไม่แน่นอนทางเศรษฐกิจ เรามอง KTB เป็นทางเลือกการลงทุนที่ปลอดภัยจาก Downside ในด้านความเสี่ยงของสินทรัพย์ที่น้อยกว่าเพื่อนจากพอร์ตที่กระจุกตัวในภาครัฐและบริษัทที่มีความเสี่ยงต่ำ เราคิดว่า KTB น่าจะเกาะกระแสเศรษฐกิจขาขึ้นทั้งจากการแปลงแอปเป่าตั้งเป็นเงินและในฐานะที่เป็นหนึ่งในผู้ได้ประโยชน์สูงสุดจากการขึ้นอัตราดอกเบี้ย เราคงเลือก KTB เป็นหนึ่งในหุ้นเด่นของเราและคงราคาเป้าหมายปี 2023 ที่ 18.2 บาท (GGM) Upside risk ต่อประมาณการกำไรสุทธิของเราคือ จาก ECL และ OPEX ที่ลดลง

## KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	29,485	37,881	41,024	45,268
Net profit	21,588	27,322	29,973	33,071
EPS (THB)	1.54	1.95	2.14	2.37
vs Consensus (%)	-	2.4	1.1	(0.3)
Core net profit	21,588	27,322	29,973	33,071
Core EPS (THB)	1.54	1.95	2.14	2.37
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	29.0	26.6	9.7	10.3
Core P/E (x)	9.7	7.7	7.0	6.3
Dividend yield (%)	2.8	4.6	5.0	4.7
Price/book (x)	0.6	0.5	0.5	0.5
ROE (%)	6.1	7.4	7.6	7.9
ROA (%)	0.7	0.9	0.9	1.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.8)	14.5	48.5
Relative to country (%)	(2.1)	25.2	48.0
Mkt cap (USD m)	5,686		
3m avg. daily turnover (USD m)	21.2		
Free float (%)	45		
Major shareholder	FIDF (55%)		
12m high/low (THB)	16.00/9.95		
Issued shares (m)	13,976		

Sources: Bloomberg consensus; FSSIA estimates



**Yuvanart Suwanumphai**

yuvanart.suw@fssia.com  
+66 2611 3554

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 22 กรกฎาคม 2022

### Investment thesis

We reiterate our BUY call and maintain KTB as one of our top picks. Amid economic uncertainty, we see KTB as a safe place to invest based on its lower-than-peers' downside risk of asset deterioration thanks to its concentrated low-risk government and corporate portfolio. We also think it should ride the economic upturn from the monetisation of its Pao Tang app and its position as one of the banks most likely to benefit from a rising interest rate environment. Moreover, its valuation looks attractive at 0.5x 2023E P/BV vs its 7.6% 2023E ROE.

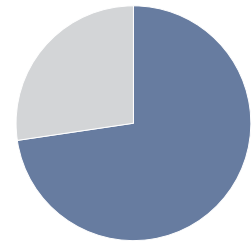
### Company profile

Krung Thai Bank began operations in 1966 and in 1989 was the first privatised state enterprise to be listed on the SET. At end-2021, KTB was the largest Thai bank in terms of lending, and ranked third by total assets.

[www.ktb.co.th](http://www.ktb.co.th)

### Principal activities (revenue, 2021)

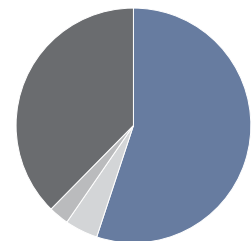
- Net interest income - 72.7 %
- Non-interest income - 27.3 %



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

### Event calendar

Date	Event
August 2022	Post-2Q22 results meeting
21 October 2022	3Q22 results announcement

### Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	27,322	29,973	33,071
Net profit growth	26.6	9.7	10.3
NIM	2.44	2.53	2.60
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*	44.7	43.5	42.9

\*Including share of profits from associates

Source: FSSIA estimates

### Earnings sensitivity

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

Source: FSSIA estimates

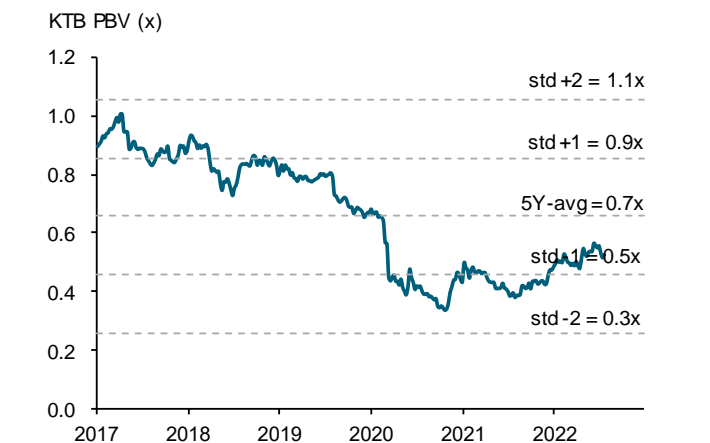


**Exhibit 1: KTB – 2Q22 results review**

Year-end Dec 31	2Q21	1Q22	2Q22	--- Change ---		----- 1H22 -----			2022E	Change	Comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y %)	%22E	(THB m)	(y-y %)	
Net interest income	20,916	21,086	21,818	4	3	42,904	5	50	86,150	3	
Non-interest income	7,934	8,599	7,646	(4)	(11)	16,245	(2)	49	32,942	2	
<b>Operating income</b>	<b>28,851</b>	<b>29,685</b>	<b>29,464</b>	<b>2</b>	<b>(1)</b>	<b>59,149</b>	<b>3</b>	<b>50</b>	<b>119,092</b>	<b>3</b>	
Operating expenses	12,235	12,244	12,517	2	2	24,761	(1)	47	53,244	1	
<b>PPOP before tax</b>	<b>16,616</b>	<b>17,441</b>	<b>16,947</b>	<b>2</b>	<b>(3)</b>	<b>34,389</b>	<b>5</b>	<b>52</b>	<b>65,847</b>	<b>4</b>	
Provision	8,097	5,470	5,669	(30)	4	11,139	(31)	42	26,815	(18)	
Income tax	1,657	2,317	1,996	21	(14)	4,313	36	55	7,806	31	
Minority interest	852	873	924			1,797		46	3,903	32	
<b>Normalised profit</b>	<b>6,011</b>	<b>8,780</b>	<b>8,358</b>	<b>39</b>	<b>(5)</b>	<b>17,139</b>	<b>48</b>	<b>63</b>	<b>27,322</b>	<b>27</b>	
Extraordinary items	0	0	0			0			0		
<b>Net profit</b>	<b>6,011</b>	<b>8,780</b>	<b>8,358</b>	<b>39</b>	<b>(5)</b>	<b>17,139</b>	<b>48</b>	<b>63</b>	<b>27,322</b>	<b>27</b>	<b>Beat BBG consensus by 23%</b>
EPS (THB)	0.43	0.63	0.60	39	(5)	1.23	48	63	1.95	27	
<b>Asset quality ratio</b>											
Gross NPLs (THB m)	105,737	106,549	104,434	(1)	(2)				115,354	8	
NPL ratios (%)	3.54	3.34	3.32						3.63		
LLR/NPLs (%)	155	166	168						162		
Credit cost (bp)	134	83	86						100		
<b>Profitability ratio</b>											
Cost to income ratio	42.4	41.2	42.5						44.7		
Average yield	3.21	2.99	3.13						3.05		
Cost of funds	0.75	0.67	0.71						0.70		
Net interest margin (NIM)	2.55	2.41	2.50						2.44		
Non-int inc/total income	27.5	29.0	25.9						27.7		
<b>Liquidity ratio</b>											
Loan to deposit ratio	99.7	98.0	101.2						99.9		
<b>Loan growth</b>											
y-y	8.8	12.7	6.0						4.0		
q-q	5.3	1.1	(0.9)								

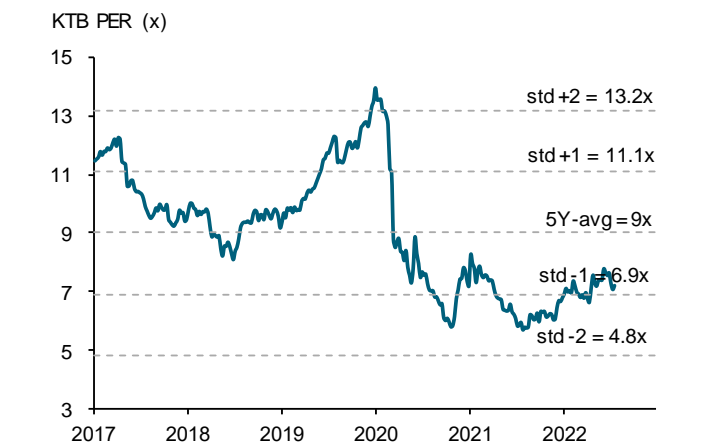
\*Including share of profits from associates  
Source: KTB; FSSIA estimates

**Exhibit 2: KTB – one-year forward rolling P/BV**



Sources: Bloomberg; FSSIA estimates

**Exhibit 3: KTB – one-year forward rolling P/E**



Sources: Bloomberg; FSSIA estimates

**Exhibit 4: Peers comparison**

Company name	BBG code	Rec	--- Share price ---		Up side (%)	Market Cap (USD m)	EPS growth		--- PE ---		- Div Yld -		--- ROE ---		--- PBV ---	
			Current (THB)	Target (THB)			22E (%)	23E (%)	22E (x)	23E (x)	22E (%)	23E (%)	22E (%)	23E (%)	22E (x)	23E (x)
Bangkok Bank	BBL TB	BUY	130.50	170.00	30	6,756	15.2	11.5	8.2	7.3	3.8	5.0	6.0	6.4	0.5	0.5
Kasikornbank	KBANK TB	BUY	140.50	192.00	37	9,028	10.6	12.9	7.9	7.0	3.2	3.6	8.5	9.0	0.7	0.6
Kiatnakin Bank	KKP TB	BUY	63.00	82.00	30	1,447	19.8	9.5	7.0	6.4	6.3	7.1	14.2	14.3	1.0	0.9
Krung Thai Bank	KTB TB	BUY	15.00	18.20	21	5,686	26.6	9.7	7.7	7.0	4.6	5.0	7.4	7.6	0.5	0.5
SCB X	SCB TB	BUY	94.00	134.00	43	8,584	9.8	6.6	8.2	7.7	5.3	6.4	8.6	8.5	0.7	0.6
Tisco Financial	TISCO TB	HOLD	88.25	94.00	7	1,916	7.8	3.5	9.7	9.3	8.8	9.3	17.4	17.4	1.6	1.6
TMBThanachart Bank	TTB TB	BUY	1.18	1.40	19	3,092	20.3	12.1	9.1	8.1	5.0	5.6	5.8	6.3	0.5	0.5
<b>Coverage</b>						<b>36,509</b>	<b>14.8</b>	<b>10.0</b>	<b>8.1</b>	<b>7.4</b>	<b>4.6</b>	<b>5.3</b>	<b>8.4</b>	<b>8.6</b>	<b>0.7</b>	<b>0.6</b>

Share prices as of 21 Jul 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	107,827	127,372	133,501
Interest expense	(24,494)	(21,460)	(21,677)	(35,413)	(36,093)
Net interest income	88,343	83,372	86,150	91,959	97,408
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	117,941	125,487	133,725
Staff costs	(28,466)	(27,311)	(27,584)	(28,274)	(29,687)
Other operating costs	(24,999)	(25,420)	(25,660)	(26,908)	(28,317)
Operating costs	(53,465)	(52,731)	(53,244)	(55,181)	(58,004)
Pre provision operating profit	66,722	62,009	64,696	70,306	75,721
Provision for bad and doubtful debt	(44,903)	(32,524)	(26,815)	(29,282)	(30,454)
Other provisions	-	-	-	-	-
Operating profit	21,819	29,485	37,881	41,024	45,268
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	39,032	42,290	46,660
Tax	(4,441)	(5,975)	(7,806)	(8,035)	(8,865)
Profit after tax	19,439	24,556	31,226	34,255	37,795
Minority interests	(2,707)	(2,968)	(3,903)	(4,282)	(4,724)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	16,732	21,588	27,322	29,973	33,071
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	16,732	21,588	27,322	29,973	33,071
<b>Per share (THB)</b>					
Recurring EPS *	1.20	1.54	1.95	2.14	2.37
Reported EPS	1.20	1.54	1.95	2.14	2.37
DPS	0.28	0.42	0.68	0.75	0.70
<b>Growth</b>					
Net interest income (%)	0.0	(5.6)	3.3	6.7	5.9
Non interest income (%)	(11.3)	(1.5)	1.3	5.5	8.3
Pre provision operating profit (%)	8.0	(7.1)	4.3	8.7	7.7
Operating profit (%)	(42.5)	35.1	28.5	8.3	10.3
Reported net profit (%)	(42.9)	29.0	26.6	9.7	10.3
Recurring EPS (%)	(42.9)	29.0	26.6	9.7	10.3
Reported EPS (%)	(42.9)	29.0	26.6	9.7	10.3
<b>Income Breakdown</b>					
Net interest income (%)	73.5	72.7	73.0	73.3	72.8
Net fees & commission (%)	17.1	17.4	17.0	17.3	17.5
Foreign exchange trading income (%)	2.6	3.0	3.0	2.6	2.6
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	5.9	5.7	5.9
<b>Operating performance</b>					
Gross interest yield (%)	3.72	3.13	3.05	3.50	3.56
Cost of funds (%)	0.92	0.73	0.70	1.12	1.12
Net interest spread (%)	2.80	2.40	2.35	2.38	2.44
Net interest margin (%)	2.9	2.5	2.4	2.5	2.6
Cost/income(%)	44.5	46.0	45.1	44.0	43.4
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	29.6
ROE (%)	4.9	6.1	7.4	7.6	7.9
ROE - COE (%)	(5.0)	(3.8)	(2.6)	(2.3)	(2.0)
ROA (%)	0.6	0.7	0.9	0.9	1.0
RORWA (%)	1.0	1.3	1.5	1.6	1.7

\* 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)	(186,467)	(198,688)	(211,399)
interest in suspense	16,199	20,579	21,873	23,317	24,841
<b>Net customer loans</b>	<b>2,200,513</b>	<b>2,476,220</b>	<b>2,569,528</b>	<b>2,668,115</b>	<b>2,770,668</b>
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	70,401	57,852	76,308
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	114,634	117,332	120,142
<b>Total assets</b>	<b>3,327,780</b>	<b>3,556,744</b>	<b>3,678,735</b>	<b>3,768,679</b>	<b>3,882,054</b>
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	-	-	-	-	-
<b>Total liabilities</b>	<b>2,972,717</b>	<b>3,182,633</b>	<b>3,280,782</b>	<b>3,347,890</b>	<b>3,416,387</b>
Share capital	72,005	72,005	71,977	71,977	71,977
Reserves	271,498	288,048	311,022	333,000	357,226
<b>Total equity</b>	<b>343,503</b>	<b>360,053</b>	<b>382,998</b>	<b>404,976</b>	<b>429,203</b>
Minority interests	11,561	14,059	14,954	15,813	16,759
<b>Total liabilities &amp; equity</b>	<b>3,327,780</b>	<b>3,556,744</b>	<b>3,678,735</b>	<b>3,768,679</b>	<b>3,862,348</b>
<b>Supplementary items</b>					
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	346,298	365,383	386,414
Total capital	359,015	393,995	412,608	431,693	452,724
Gross non performing loans (NPL)	107,138	106,809	115,354	125,736	133,280
<b>Per share (THB)</b>					
Book value per share	24.58	25.76	27.40	28.98	30.71
Tangible book value per share	24.58	25.76	27.40	28.98	30.71
<b>Growth</b>					
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
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	89.3	94.7	93.9	95.6	97.3
Equity/assets (%)	10.3	10.1	10.4	10.7	11.1
Tangible equity/assets (%)	10.3	10.1	10.4	10.7	11.1
RWA/assets (%)	57.5	55.7	56.0	56.9	57.4
Tier 1 CAR (%)	15.3	16.5	16.8	17.0	17.3
Total CAR (%)	18.8	19.9	20.0	20.1	20.3
<b>Asset Quality</b>					
Change in NPL (%)	4.4	(0.3)	8.0	9.0	6.0
NPL/gross loans (%)	4.6	4.1	4.2	4.4	4.5
Total provisions/gross loans (%)	6.4	6.6	6.8	6.7	7.1
Total provisions/NPL (%)	140.5	162.3	161.6	158.0	158.6
<b>Valuation</b>					
Recurring P/E (x) *	12.5	9.7	7.7	7.0	6.3
Recurring P/E @ target price (x) *	15.2	11.8	9.3	8.5	7.7
Reported P/E (x)	12.5	9.7	7.7	7.0	6.3
Dividend yield (%)	1.8	2.8	4.6	5.0	4.7
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	0.7	0.7	0.6	0.6

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Krung Thai Bank; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

 <b>EXCELLENT LEVEL – Score range 90-100</b>										
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	
 <b>VERY GOOD LEVEL – Score range 80-89</b>										
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
AMANAHA	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	
 <b>GOOD LEVEL – Score range 70-79</b>										
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.

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
Krung Thai Bank	KTB TB	THB 15.00	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.
Bangkok Bank	BBL TB	THB 130.50	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.
Kasikornbank	KBANK TB	THB 140.50	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.
Kiatnakin Bank	KKP TB	THB 63.00	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
SCB X	SCB TB	THB 94.00	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.
Tisco Financial	TISCO TB	THB 88.25	HOLD	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. An upside risk to our GGM-based TP would be lower-than-expected policy rate hikes.
TMBThanachart Bank	TTB TB	THB 1.18	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 21-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.