FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

KRUNG THAI BANK   KTB TB

THAILAND / BANKS

Shining like a diamond

- Of all the banks we cover, we expect KTB to post the strongest 2022 NP growth (+44% y-y) due to its healthy asset quality.

- Pao Tang application to drive fee income in the coming quarters.

- Revise up 2022-24E NP by 11-13% and derive new TP of THB20.

BUY
UNCHANGED

TARGET PRICE	**THB20.00**
CLOSE	**THB16.50**
UP/DOWNSIDE	**+21.2%**
PRIOR TP	**THB18.20**
CHANGE IN TP	**+9.9%**
TP vs CONSENSUS	**+18.1%**

Healthy asset quality is a key driver for robust performance

At KTB's post-2Q22 results analyst meeting, management said that it is currently comfortable with the bank's asset quality. The relaxed credit cost (84 bps) in 1H22 came from a sufficient provision, with a coverage ratio of 174%. Management expects its 2H22 credit cost to be relatively stable h-h. KTB has not seen any alarming signs of potential asset deterioration. We believe that KTB should continue to deliver healthy asset quality in the coming quarters due to its low risk exposure. Due to the plunge in its credit cost, we forecast KTB to deliver the best 2022 net profit growth among our covered banks at 44% y-y vs 17% on average.

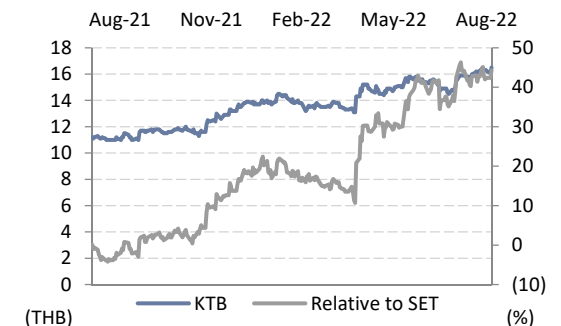### Resumption of retail and corporate lending should boost NIM

KTB aggressively expanded its low-yield government loan portfolio in 2020-21 due to economic uncertainty. Then, in 2Q22, it resumed corporate and retail loan growth. The bank plans to continuously increase loan growth in these two segments and has bumped up its 2022 loan growth target to 4-5%, up from 3-4% previously. We believe that penetrating the higher-risk segments should enhance KTB's NIM. We expect a wider NIM in 2023 from a change in its portfolio mix to fully benefit from the rate uptrend.

Pao Tang should be the next new engine

KTB has started to monetise its Pao Tang application. Although the fee income from this is still minimal, additional features will be launched in the future and we think this should boost KTB's fee income in the upcoming quarters. We believe KTB's big data trove and its move into digital could help its 2023 fee income jump by 8% y-y, after dropping for four consecutive years from 2018-21.

Maintain as our top pick with a higher 2023 TP at THB20

We revise up our net profit forecasts for 2022-24 by 13%/13%/11% to mostly reflect the lower credit cost and OPEX assumptions, and increase our 2023 GGM-based TP to THB20, up from THB18.2. Amid the 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 think KTB should ride the economic upturn, both from the monetisation of its Pao Tang app and as one of the top beneficiaries of rising interest rates.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	29,485	42,195	46,048	49,945
Net profit	21,588	30,996	33,959	36,847
EPS (THB)	1.54	2.22	2.43	2.64
vs Consensus (%)	-	7.2	7.6	6.5
Core net profit	21,588	30,996	33,959	36,847
Core EPS (THB)	1.54	2.22	2.43	2.64
Chg. In EPS est. (%)	-	13.4	13.3	11.4
EPS growth (%)	29.0	43.6	9.6	8.5
Core P/E (x)	10.7	7.4	6.8	6.3
Dividend yield (%)	2.5	4.7	5.2	4.2
Price/book (x)	0.6	0.6	0.6	0.5
ROE (%)	6.1	8.3	8.5	8.7
ROA (%)	0.7	1.0	1.0	1.1

Share price performance	1 Month	3 Month	12 Month
Absolute (%)	6.5	11.5	47.3
Relative to country (%)	1.2	11.0	43.1
Mkt cap (USD m)			6,404
3m avg. daily turnover (USD m)			19.3
Free float (%)			45
Major shareholder			FIDF (55%)
12m high/low (THB)			16.50/10.80
Issued shares (m)			13,976

Sources: Bloomberg consensus; FSSIA estimates

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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 8.5% 2023E ROE.
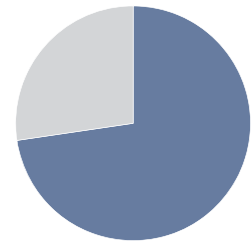
Company profile

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

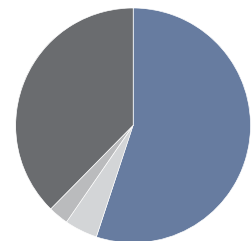## Principal activities (revenue, 2021)

- 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
October 2022	3Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	30,996	33,959	36,847
Net profit growth	43.6	9.6	8.5
NIM	2.43	2.51	2.58
Loan growth	4.0	4.0	4.0
Fee growth	0.4	8.0	8.0
Non-NII growth*	(0.0)	5.7	8.4
Credit cost (bp)	87	89	89
Cost to income*	43.6	42.6	42.4

*Including share of profits from associates
Source: FSSIA estimates

Earnings sensitivity

		---------------- 2022E ----------------		
Loan growth (%)	±2ppt	2.00	4.00	6.00
% change in net profit		(1.6)	-	1.6
NIM (%)	±5bp	2.38	2.43	2.48
% change in net profit		(4.6)	-	4.6
Credit cost (bp)	±10bp	77	87	97
% change in net profit		6.0	-	(6.0)

Source: FSSIA estimates

# Healthy asset quality is a key driver for robust performance

At KTB's post-2Q22 results analyst meeting, management said that it is currently comfortable with the bank's asset quality. The relaxed credit cost (84 bps) in 1H22 came from a sufficient provision and coverage ratio of 174%. Management expects its 2H22 credit cost to be relatively stable h-h. KTB has not seen any alarming signs of potential asset deterioration. We believe that KTB should continue to deliver healthy asset quality in the coming quarters due to its portfolio's low risk exposure. Due to the plunge in its credit cost, we forecast KTB to deliver the strongest 2022 net profit growth among our covered banks at 44% y-y vs an average of 17% for the rest.

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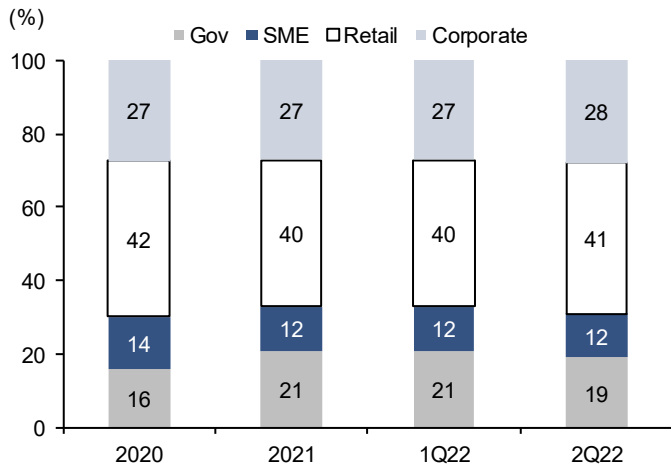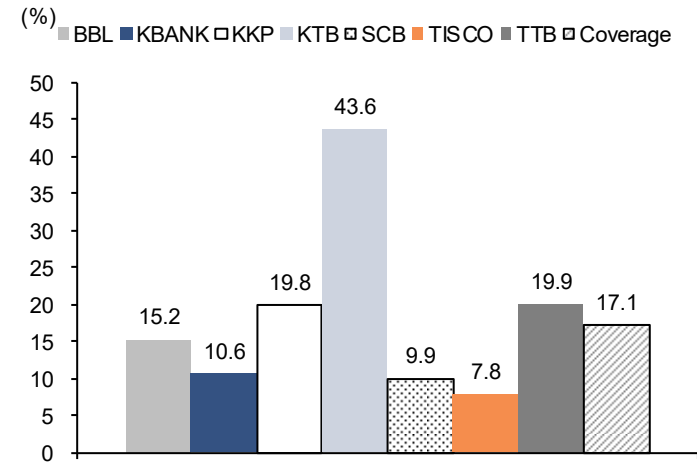

Sources: KTB; FSSIA estimates

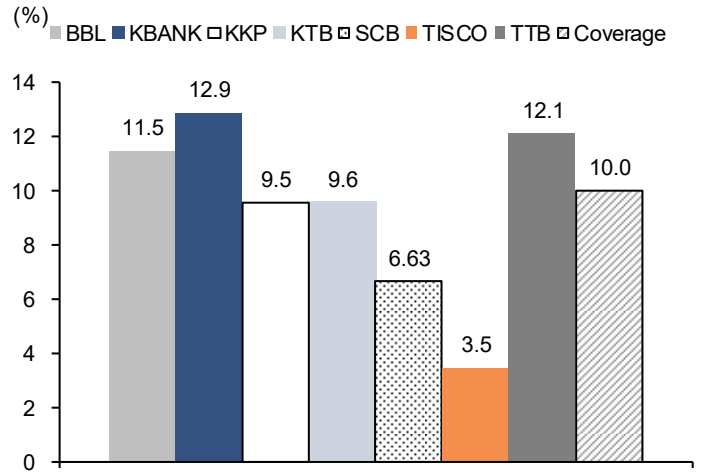**Exhibit 2: Lower credit cost from sufficient provisions**
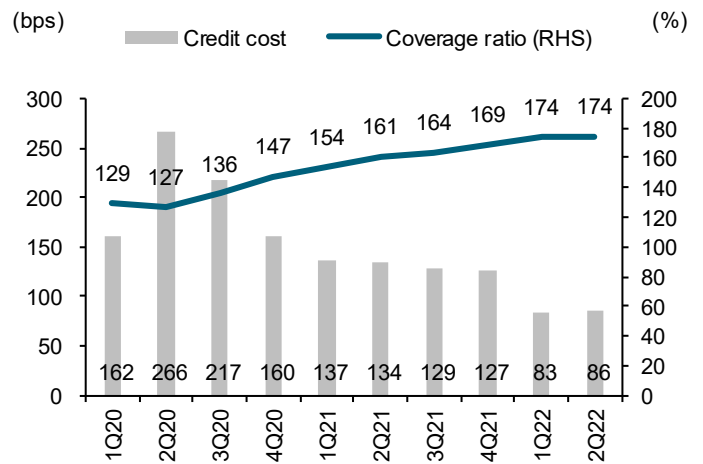
Sources: KTB; FSSIA estimates

Exhibit 3: 2022E net profit growth of our covered banks

Source: FSSIA estimates

Exhibit 4: 2023E net profit growth of our covered banks

Source: FSSIA estimates

Net profit and TP revisions

We revise up our net profit forecasts for 2022-24 by 13%/13%/11% mostly to reflect the lower credit cost and OPEX assumptions. Details are listed below:

1) We lower our 2022/23/24 credit cost assumptions to 87/89/89 bps from 100/105/105 bps due to KTB's healthy asset quality and sufficient provision cushion.

2) We lower our OPEX assumptions in 2022/23/24 by 3%/3%/2% due to the bank's better staff cost control.

Exhibit 5: KTB – changes in key assumptions

	2021	------------------- 2022E -----------------			------------------ 2023E ----------------			-------------------- 2024E ---------------		
		Old	New	Change	Old	New	Change	Old	New	Change
	(THB m)	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)
Net interest income	83,372	86,150	85,882	(0.3)	91,959	91,401	(0.6)	97,408	96,828	(0.6)
Non-interest income*	32,414	32,942	32,399	(1.6)	34,795	34,235	(1.6)	37,710	37,095	(1.6)
Operating income*	115,786	119,092	118,281	(0.7)	126,754	125,636	(0.9)	135,118	133,923	(0.9)
Operating expenses	52,731	53,244	51,606	(3.1)	55,181	53,502	(3.0)	58,004	56,772	(2.1)
PPOP before tax*	**63,055**	**65,847**	**66,675**	**1.3**	**71,572**	**72,135**	**0.8**	**77,114**	**77,150**	**0.0**
Expected credit loss (Reversal)	32,524	26,815	23,329	(13.0)	29,282	24,820	(15.2)	30,454	25,813	(15.2)
Tax expenses	5,975	7,806	8,322	6.6	8,035	8,942	11.3	8,865	9,703	9.4
Minority interest	2,968	3,903	4,028	3.2	4,282	4,413	3.1	4,724	4,788	1.3
Normalised profit	**21,588**	**27,322**	**30,996**	**13**	**29,973**	**33,959**	**13**	**33,071**	**36,847**	**11**
Extraordinary items	-	-	-		-	-		-	-	
Net profit	**21,588**	**27,322**	**30,996**	**13.4**	**29,973**	**33,959**	**13.3**	**33,071**	**36,847**	**11.4**
EPS (THB)	1.54	1.95	2.22	13.4	2.14	2.43	13.3	2.37	2.64	11.4
Asset quality ratio										
Gross NPLs (THB m)	106,809	115,354	110,013	(4.6)	125,736	119,914	(4.6)	133,280	127,109	(4.6)
Gross NPLs/Loans (%)	3.50	3.63	3.47		3.81	3.63		3.88	3.70	
Loan loss reserve/NPLs (%)	162.27	161.65	166.33		158.02	159.06		158.61	156.41	
Credit cost (bps)	131	100	87		105	89		105	89	
Profitability ratio (%)										
Cost to income ratio*	45.54	44.71	43.63		43.53	42.58		42.93	42.39	
Average yield	3.13	3.05	3.05		3.50	3.49		3.56	3.55	
Cost of funds	0.73	0.70	0.71		1.12	1.12		1.12	1.12	
Net interest margin (NIM)	2.49	2.44	2.43		2.53	2.51		2.60	2.58	
Loan growth (%)										
y-y	12.60	4.00	4.00		4.00	4.00		4.00	4.00	

*Including share of profits from associates
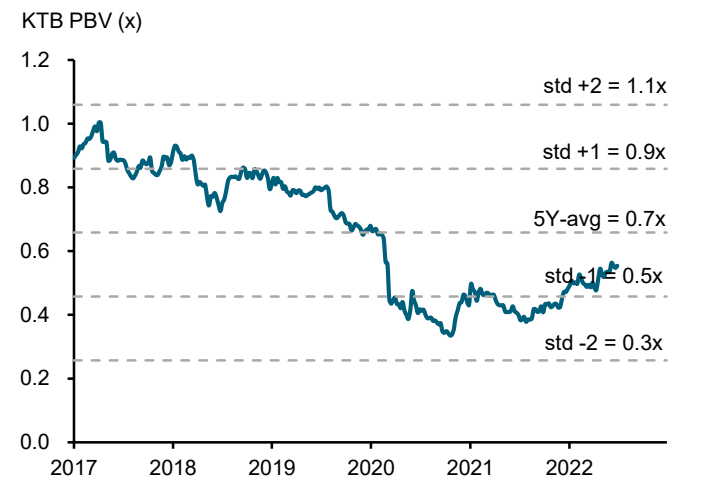Source: FSSIA estimates

We revise our 2023 GGM-based TP to THB20, up from THB18.2, as we: 1) increase our EPS forecast, leading to a higher book value; and 2) revise up our target 2023 P/BV to 0.68x from 0.63x based on our higher average long-term ROE target of 7.8% from 7.6%.

Exhibit 6:   KTB – GGM-derived target price

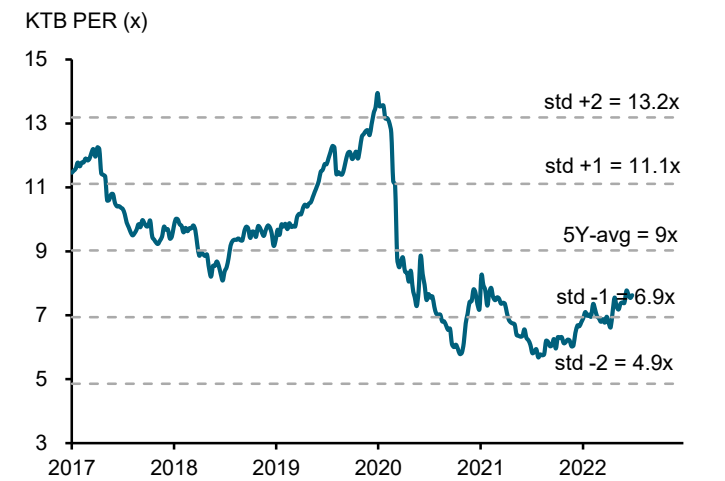| Target price	THB 20.0 (from THB 18.2)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Cost of equity (%)	9.2 (unchanged)
Terminal growth (%)	4.8 (from 4.5)
ROE target (%)	7.8 (from 7.6)

Source: FSSIA estimates

Exhibit 7:   KTB – one-year forward rolling P/BV

KTB PBV (x)

std +2 = 1.1x
std +1 = 0.9x
5Y-avg = 0.7x
std -1 = 0.5x
std -2 = 0.3x

Sources: Bloomberg; FSSIA estimates

Exhibit 8:   KTB – one-year forward rolling P/E

KTB PER (x)

std +2 = 13.2x
std +1 = 11.1x
5Y-avg = 9x
std -1 = 6.9x
std -2 = 4.9x

Sources: Bloomberg; FSSIA estimates

Exhibit 9:   Peers comparison

	BBG code	Rec	--- Share price --- Current (THB)	Target (THB)	Up side (%)	Market Cap (USD m)	EPS growth 22E (%)	23E (%)	---- P/E ---- 22E (x)	23E (x)	-- DivYld -- 22E (%)	23E (%)	---- ROE ---- 22E (%)	23E (%)	--- PBV ---- 22E (x)	23E (x)
Coverage						**40,568**	**17.4**	**9.9**	**8.7**	**7.9**	**4.3**	**5.0**	**8.5**	**8.7**	**0.7**	**0.7**
Bangkok Bank	BBL TB	BUY	136.50	170.00	25	7,236	15.2	11.5	8.5	7.7	3.7	4.8	6.0	6.4	0.5	0.5
Kasikornbank	KBANK TB	BUY	155.00	192.00	24	10,198	10.6	12.9	8.7	7.7	2.9	3.2	8.5	9.0	0.7	0.7
Kiatnakin Bank	KKP TB	BUY	69.25	82.00	18	1,628	19.8	9.5	7.7	7.1	5.8	6.5	14.2	14.3	1.1	1.0
Krung Thai Bank	KTB TB	BUY	16.50	20.00	21	6,404	43.6	9.6	7.4	6.8	4.7	5.2	8.3	8.5	0.6	0.6
SCB X	SCB TB	BUY	104.50	134.00	28	9,771	9.8	6.6	9.1	8.5	4.8	5.7	8.6	8.5	0.7	0.7
Tisco Financial	TISCO TB	HOLD	92.50	94.00	2	2,057	7.8	3.5	10.1	9.8	8.4	8.9	17.4	17.4	1.7	1.7
TMBThanachart Bank	TTB TB	BUY	1.22	1.40	15	3,274	20.3	12.1	9.4	8.3	4.8	5.4	5.8	6.3	0.5	0.5

Share prices as of 23 Aug 2022
Source: 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	126,814	132,921
Interest expense	(24,494)	(21,460)	(21,944)	(35,413)	(36,093)
Net interest income	88,343	83,372	85,882	91,401	96,828
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	6,449	6,643	7,307
Non interest income	31,844	31,368	31,248	32,969	35,702
Total income	120,187	114,739	117,130	124,370	132,530
Staff costs	(28,466)	(27,311)	(25,945)	(26,594)	(28,456)
Other operating costs	(24,999)	(25,420)	(25,660)	(26,908)	(28,317)
Operating costs	(53,465)	(52,731)	(51,606)	(53,502)	(56,772)
Pre provision operating profit	66,722	62,009	65,524	70,869	75,758
Provision for bad and doubtful debt	(44,903)	(32,524)	(23,329)	(24,820)	(25,813)
Other provisions	-	-	-	-	-
Operating profit	21,819	29,485	42,195	46,048	49,945
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	43,346	47,314	51,337
Tax	(4,441)	(5,975)	(8,322)	(8,942)	(9,703)
Profit after tax	19,439	24,556	35,024	38,372	41,635
Minority interests	(2,707)	(2,968)	(4,028)	(4,413)	(4,788)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	16,732	21,588	30,996	33,959	36,847
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	16,732	21,588	30,996	33,959	36,847
Per share (THB)					
Recurring EPS *	1.20	1.54	2.22	2.43	2.64
Reported EPS	1.20	1.54	2.22	2.43	2.64
DPS	0.28	0.42	0.78	0.85	0.70
Growth					
Net interest income (%)	0.0	(5.6)	3.0	6.4	5.9
Non interest income (%)	(11.3)	(1.5)	(0.4)	5.5	8.3
Pre provision operating profit (%)	8.0	(7.1)	5.7	8.2	6.9
Operating profit (%)	(42.5)	35.1	43.1	9.1	8.5
Reported net profit (%)	(42.9)	29.0	43.6	9.6	8.5
Recurring EPS (%)	(42.9)	29.0	43.6	9.6	8.5
Reported EPS (%)	(42.9)	29.0	43.6	9.6	8.5
Income Breakdown					
Net interest income (%)	73.5	72.7	73.3	73.5	73.1
Net fees & commission (%)	17.1	17.4	17.2	17.5	17.7
Foreign exchange trading income (%)	2.6	3.0	3.0	2.7	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	5.5	5.3	5.5
Operating performance					
Gross interest yield (%)	3.72	3.13	3.05	3.49	3.55
Cost of funds (%)	0.92	0.73	0.71	1.12	1.12
Net interest spread (%)	2.80	2.40	2.34	2.37	2.43
Net interest margin (%)	2.9	2.5	2.4	2.5	2.6
Cost/income(%)	44.5	46.0	44.1	43.0	42.8
Cost/assets(%)	1.7	1.5	1.4	1.4	1.5
Effective tax rate (%)	18.6	19.6	19.2	18.9	18.9
Dividend payout on recurring profit (%)	23.0	27.1	35.0	35.0	26.6
ROE (%)	4.9	6.1	8.3	8.5	8.7
ROE - COE (%)	(5.0)	(3.8)	(1.6)	(1.4)	(1.3)
ROA (%)	0.6	0.7	1.0	1.0	1.1
RORWA (%)	1.0	1.3	1.7	1.8	1.9
* 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)	(182,981)	(190,740)	(198,810)
interest in suspense	16,199	20,579	21,873	23,317	24,841
Net customer loans	**2,200,513**	**2,476,220**	**2,573,014**	**2,676,063**	**2,783,256**
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	70,617	56,328	72,543
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	114,748	117,531	120,415
Total assets	**3,327,780**	**3,556,744**	**3,682,552**	**3,775,302**	**3,891,150**
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	314,695	339,374	365,981
Total equity	**343,503**	**360,053**	**386,672**	**411,350**	**437,958**
Minority interests	11,561	14,059	15,098	16,062	17,100
Total liabilities & equity	**3,327,780**	**3,556,744**	**3,682,552**	**3,775,302**	**3,871,445**
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	348,135	369,764	393,281
Total capital	359,015	393,995	414,445	436,074	459,591
Gross non performing loans (NPL)	107,138	106,809	110,013	119,914	127,109
Per share (THB)					
Book value per share	24.58	25.76	27.67	29.43	31.34
Tangible book value per share	24.58	25.76	27.67	29.43	31.34
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	3.5	2.5	3.1
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	94.0	95.8	97.7
Equity/assets (%)	10.3	10.1	10.5	10.9	11.3
Tangible equity/assets (%)	10.3	10.1	10.5	10.9	11.3
RWA/assets (%)	57.5	55.7	56.0	56.8	57.3
Tier 1 CAR (%)	15.3	16.5	16.9	17.3	17.6
Total CAR (%)	18.8	19.9	20.1	20.3	20.6
Asset Quality					
Change in NPL (%)	4.4	(0.3)	3.0	9.0	6.0
NPL/gross loans (%)	4.6	4.1	4.0	4.2	4.3
Total provisions/gross loans (%)	6.4	6.6	6.7	6.4	6.7
Total provisions/NPL (%)	140.5	162.3	166.3	159.1	156.4

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	13.8	10.7	7.4	6.8	6.3
Recurring P/E @ target price (x) *	16.7	12.9	9.0	8.2	7.6
Reported P/E (x)	13.8	10.7	7.4	6.8	6.3
Dividend yield (%)	1.7	2.5	4.7	5.2	4.2
Price/book (x)	0.7	0.6	0.6	0.6	0.5
Price/tangible book (x)	0.7	0.6	0.6	0.6	0.5
Price/tangible book @ target price (x)	0.8	0.8	0.7	0.7	0.6
* Pre-exceptional, pre-goodwill and fully diluted					

Sources: Krung Thai Bank; FSSIA estimates

FINANSIA

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	PSH	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	WIIK
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	TPIPP	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
AMANAH	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	WIIK
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)

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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 th e 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

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Company	Ticker	Price	Rating	Valuation & Risks
Krung Thai Bank	KTB TB	THB 16.50	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.
Bangkok Bank	BBL TB	THB 136.50	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 155.00	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.
Kiatnakin Bank	KKP TB	THB 69.25	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
SCB X	SCB TB	THB 104.50	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.
Tisco Financial	TISCO TB	THB 92.50	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 1.22	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 23-Aug-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.