

TMBTHANACHART BANK

THAILAND / BANKS

TTB TB

BUY

UNCHANGED

Robust 3Q22 results

- Solid 3Q22 NP of THB3.7b on higher NIM and lower ECL.
- 4Q22 NP should increase y-y.
- Revise 2022-24E NP up 3-8%; maintain BUY at TP of THB1.48.

TARGET PRICE	THB1.48
CLOSE	THB1.28
UP/DOWNSIDE	+15.6%
PRIOR TP	THB1.40
CHANGE IN TP	+5.7%
TP vs CONSENSUS	+4.0%

3Q22 net profit beats expectations on lower ECL and higher NIM

TTB reported a solid 3Q22 net profit of THB3,715m (+57% y-y, +8% q-q), driven by two main factors. First, its credit cost dropped y-y and q-q due to a sufficient provision cushion and efficient asset quality control, with NPLs stable q-q. Its coverage ratio was relatively stable at 135%. Second, its NIM increased substantially to 2.93% from 2.81% in 2Q22 thanks to a rise in returns on interbank assets following the policy rate uptrend and an increase in its high-yield loan portfolio, including hire-purchase, housing loans, and unsecured loans. Although its SME and corporate portfolio shrank, overall loan volume was relatively stable q-q. OPEX remains on a rising trend, in line with the bank's plans to expand its retail business unit. The only negative in 3Q22 was the drop in fee income q-q from lower mutual fund fees due to the gloomy capital market.

Slightly positive view from analyst meeting due to ECL upside

We came away from TTB's post-results meeting with a slightly positive view. Management sees a slightly higher asset deterioration rate from high inflation. However, due to its sufficient provision cushion, TTB expects its 2022 credit cost to be lower than its target of 140-160 bps. Regarding losses from repossessed car sales, the bank sees no alarming signs. According to management, the Bank of Thailand has reaffirmed the Financial Institutions Development Fund (FIDF) fee at 46 bps in 2023. Thus, all banks will need to efficiently manage their assets and liabilities to retain their margins. For TTB, it has already shortened the duration of its bond investments to benefit from the rate uptrend. Also, it has locked in long-term deposits. These steps should help TTB manage its margins in the coming quarters, in our view.

Expect 4Q22 earnings to be better y-y but drop q-q on seasonality

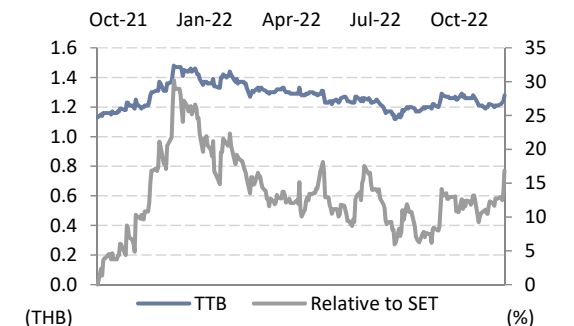
We think TTB's net profit in 4Q22 should continue to increase y-y, supported by 1) a rise in its NII due to a higher loan volume; and 2) lower ECL. However, net profit might decline q-q due to a rise in OPEX from its business expansion and seasonality.

Maintain our BUY call with a new 2023 GGM-based TP of THB1.48

We raise our TP to THB1.48 from THB1.4 and increase our net profit forecasts for 2022/23/24 by 8%/3%/3% due mainly to the lower expected ECL. We reiterate our BUY call due to TTB's efficient asset quality control, which should lead to a sanguine outlook in 4Q22 and 2023.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	12,458	16,396	17,368	19,127
Net profit	10,474	13,563	14,525	15,980
EPS (THB)	0.11	0.14	0.15	0.17
vs Consensus (%)	-	10.2	-	(5.0)
Core net profit	10,474	13,563	14,525	15,980
Core EPS (THB)	0.11	0.14	0.15	0.17
Chg. In EPS est. (%)	-	8.0	3.1	2.8
EPS growth (%)	3.3	29.8	7.1	10.0
Core P/E (x)	11.8	9.1	8.5	7.7
Dividend yield (%)	3.0	4.9	5.3	5.8
Price/book (x)	0.6	0.6	0.5	0.5
ROE (%)	5.0	6.3	6.4	6.8
ROA (%)	0.6	0.8	0.8	0.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.6	12.3	12.3
Relative to country (%)	4.5	8.5	15.4
Mkt cap (USD m)	3,248		
3m avg. daily turnover (USD m)	7.6		
Free float (%)	39		
Major shareholder	ING Bank N.V. (23%)		
12m high/low (THB)	1.50/1.09		
Issued shares (m)	43,852		

Sources: Bloomberg consensus; FSSIA estimates


Rawisara Suwanumchai

 rawisara.suw@fssia.com
 +66 2611 3554

Investment thesis

We raise our TP to THB1.48 from THB1.4 and increase our net profit forecasts for 2022/23/24 by 8%/3%/3% due mainly to the lower expected ECL. We reiterate our BUY call due to TTB's efficient asset quality control, which should lead to a sanguine outlook in 4Q22 and 2023.

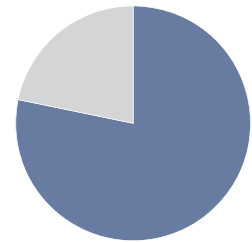
Company profile

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

www.ttbank.com

Principal activities (revenue, 2021)

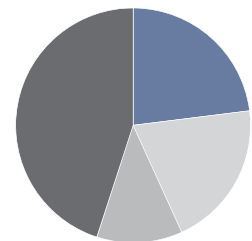
- Net interest income - 78.2 %
- Non-interest income - 21.8 %



Source: TMBThanachart Bank

Major shareholders

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



Source: TMBThanachart Bank

Catalysts

Potential share price catalysts for TTB include:

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

Risks to our call

Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.

Event calendar

Date	Event
Mid-January 2023	4Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	13,563	14,525	15,980
Net profit growth	29.5	7.1	10.0
NIM	2.94	2.97	3.03
Loan growth	2.0	3.0	2.5
Fee growth	(4.4)	8.0	10.0
Non-NII growth*	(2.6)	10.2	8.7
Credit cost (bp)	132	143	143
Cost to income*	46.4	44.4	44.0

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		----- 2022E -----		
Loan growth	±2ppt	-	2.0	4.0
<i>% change in net profit</i>		(2.0)	-	2.0
NIM (%)	±5bp	2.89	2.94	2.99
<i>% change in net profit</i>		(2.4)	-	2.4
Credit cost (bp)	±10bp	122	132	142
<i>% change in net profit</i>		7.0	-	(7.0)

Source: FSSIA estimates

A rise in NIM and lower ECL led to a strong 3Q22 net profit

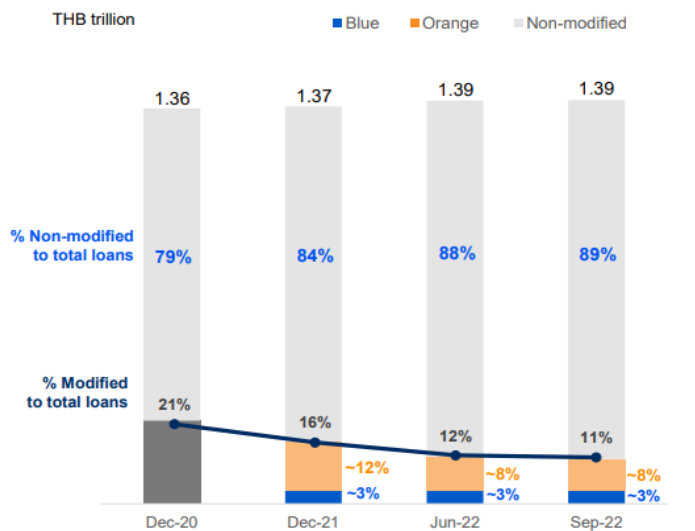
TTB reported a solid 3Q22 net profit of THB3,715m (+57% y-y, +8% q-q), which was 19% higher than the Bloomberg consensus estimate and 13% higher than our forecast thanks to lower ECL and a higher NIM. Its 9M22 net profit accounts for 76% of our 2022 net profit forecast.

The strong 3Q22 net profit was driven by two main factors. First, its credit cost dropped y-y and q-q due to a sufficient provision cushion and efficient asset quality control, with NPLs stable q-q. Its coverage ratio was relatively stable at 135%. Second, its NIM increased substantially to 2.93% from 2.81% in 2Q22 thanks to a rise in returns on interbank assets following the policy rate uptrend and an increase in its high-yield loan portfolio, including hire-purchase, housing loans, and unsecured loans. However, its SME and corporate portfolio shrank q-q, leaving its loan volume relatively stable q-q. OPEX remains on a rising trend, in line with the bank's guidance, with a 3% q-q increase in 3Q22, as TTB expands its retail business unit, called TTB Consumer, and the bank continues its digital investment phase. The only negative we see in 3Q22 was a drop in its fee income q-q from lower mutual fund fees due to the unfavourable capital market conditions.

3Q22 key highlights

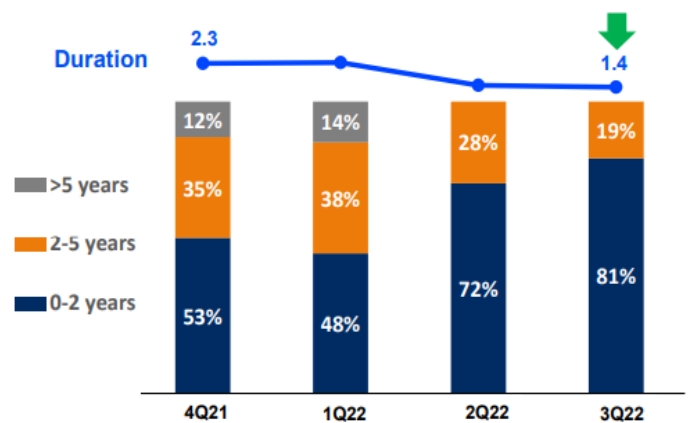
- Total loan volume increased by 0.1% q-q (+2.5% y-y) from an increase in hire-purchase, housing loans, and unsecured loans, which was in line with the bank's target.
- Non-NII rose by 4% y-y due to a rise in bancassurance fees and gains on investments, but dropped 3% q-q thanks to lower mutual fund fees as a result of the unfavourable capital market environment.
- Loans under the forbearance program accounted for 11% of total loans, down from 12% in 2Q22, of which 8% were in the orange scheme and 3% were in the blue scheme.

Exhibit 1: Loans under the forbearance program



Source: TTB

Exhibit 2: TTB has shortened the duration of its government investment portfolio



Source: TTB

Exhibit 3: TTB – 3Q22 results

Year-end Dec 31	3Q21	2Q22	3Q22		9M22			2022E		Comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y %)	%22E	(THB m)	
Net interest income	12,577	12,414	12,968	3	4	37,791	(1)	74	50,992	(0)
Non-interest income*	3,238	3,475	3,381	4	(3)	10,221	(5)	72	14,165	(3)
Operating income	15,814	15,889	16,349	3	3	48,012	(2)	74	65,157	(1)
Operating expenses	7,419	7,262	7,447	0	3	21,696	(7)	72	30,214	(3)
PPOP before tax	8,395	8,627	8,902	6	3	26,316	2	75	34,942	2
Provision	5,527	4,382	4,361	(21)	(0)	13,551	(18)	74	18,296	(15)
Income tax	509	807	827	62	2	2,417	48	78	3,080	32
Minority interest	1	0	0			0	(100)		4	55
Normalised profit	2,359	3,438	3,715	57	8	10,348	35	76	13,563	29
Extraordinary items	0	0	0			0			0	
Net profit	2,359	3,438	3,715	57	8	10,348	35	76	13,563	29
EPS (THB)	0.02	0.04	0.04	57	8	0.11	35	76	0.14	30
Asset quality ratio										
Gross NPLs (THB m)	44,411	41,331	41,899	(6)	1				42,963	2
NPL ratios (%)	2.98	2.63	2.72						2.81	
NPL ratio (%) - FSSIA calculated	3.27	2.97	3.01						3.07	
Coverage ratio (%) - FSSIA calculated	121	133	135						130	
Credit cost (bp)	163	127	125						132	
Profitability ratio										
Cost to income ratio	46.9	45.7	45.6						46.4	
Average yield	3.72	3.60	3.73						3.7	
Cost of fund	0.88	0.90	0.92						0.9	
Net interest margin (NIM)	2.96	2.81	2.93						2.9	
Non-int inc/total income	20.5	21.9	20.7						21.7	
Liquidity ratio										
Loan to deposit ratio	102.6	99.8	101.5						103.1	
Loan growth										
y-y	(0.3)	2.5	2.5						2.0	
q-q	0.1	1.9	0.1							

*Including share of profits from associates

Source: TTB; FSSIA estimates

Net profit and TP revisions

We increase our net profit forecasts for 2022/23/24 by 8%/3%/3% due mainly to the expected lower ECL as healthier asset quality could completely offset lower fee income. Details are as follows:

- 1) We lower our 2022/23/24 credit cost projections to 132/143/143 bps from 152/152/150 bps due to the bank's more efficient asset quality control;
- 2) We lower our 2022/23/24 Non-NII assumptions by 9%/7%/7% due to our expectation of lower fee income and gains on investments.

Exhibit 4: TTB – changes in key assumptions

	2022E				2023E			2024E		
	2021 (THB m)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Net interest income	51,000	51,442	50,992	(0.9)	52,806	52,754	(0.1)	54,820	55,158	0.6
Non-interest income*	14,537	15,632	14,165	(9.4)	16,800	15,609	(7.1)	18,280	16,970	(7.2)
Operating income*	65,537	67,074	65,157	(2.9)	69,606	68,363	(1.8)	73,100	72,128	(1.3)
Operating expenses	31,219	30,658	30,214	(1.4)	30,833	30,328	(1.6)	32,231	31,741	(1.5)
PPOP before tax*	34,318	36,416	34,942	(4.0)	38,773	38,035	(1.9)	40,869	40,386	(1.2)
Expected credit loss (Reversal)	21,514	21,068	18,296	(13.2)	21,596	20,317	(5.9)	21,897	20,875	(4.7)
Tax expenses	2,327	2,781	3,080	10.7	3,092	3,189	3.1	3,429	3,527	2.8
Minority interest	3	4	4	8.0	4	4	3.1	5	5	2.8
Normalised profit	10,474	12,563	13,563	8.0	14,082	14,525	3.1	15,538	15,980	2.8
Extraordinary items	-	-	-		-	-		-	-	
Net profit	10,474	12,563	13,563	8.0	14,082	14,525	3.1	15,538	15,980	2.8
EPS (THB)	0.11	0.13	0.14	8.0	0.15	0.15	3.1	0.16	0.17	2.8
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	42,121	46,333	42,963	(7.3)	51,893	48,119	(7.3)	56,563	52,450	(7.3)
Gross NPLs/Loans (%)	2.81	3.03	2.81		3.30	3.06		3.50	3.25	
Loan loss reserve/NPLs (%)	129	127	130		121	123		119	118	
Credit cost (bps)	156	152	132		152	143		150	143	
Profitability ratio (%)										
Cost to income ratio*	47.6	45.7	46.4		44.3	44.4		44.1	44.0	
Average yield	3.72	3.74	3.73		4.05	4.00		4.12	4.14	
Cost of funds	0.87	0.89	0.90		1.25	1.19		1.29	1.29	
Net interest margin (NIM)	2.96	2.97	2.94		2.97	2.97		3.01	3.03	
Loan growth (%)										
y-y	(1.5)	2.0	2.0		3.0	3.0		2.5	2.5	

*Including share of profits from associates

Source: FSSIA estimates

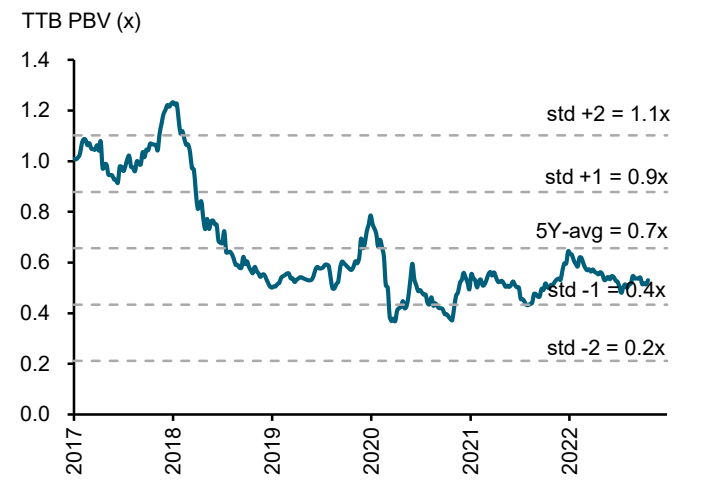
We revise up our 2022 GGM-based TP to THB1.48 from THB1.4 as we 1) increase our EPS forecast, leading to a higher book value; and 2) revise up our 2023 P/BV target to 0.62x from 0.61x based on our higher average long-term ROE target of 6.5%, up from 6.3%.

Exhibit 5: TTB – GGM-derived target price

Target price	THB 1.48(from THB1.40)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Cost to equity (%)	8.1 (unchanged)
Terminal growth (%)	4.0 (unchanged)
ROE target (%)	6.5 (6.3)

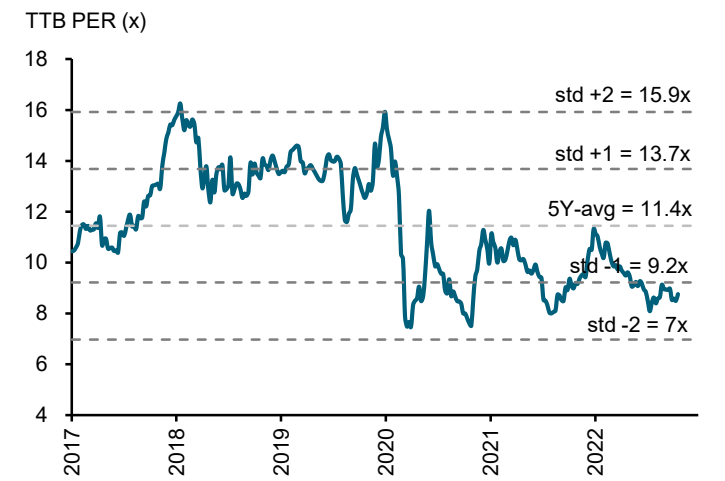
Source: FSSIA estimates

Exhibit 6: TTB – one-year forward rolling P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 7: TTB – one-year forward rolling P/E



Sources: Bloomberg; FSSIA estimates

Exhibit 8: 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	143.00	170.00	19	7,157	15.2	11.5	8.9	8.0	3.5	4.5	6.0	6.4	0.5	0.5
Kasikornbank	KBANK TB	BUY	148.50	192.00	29	9,226	10.6	12.9	8.4	7.4	3.0	3.4	8.5	9.0	0.7	0.6
Kiatnakin Bank	KKP TB	BUY	70.75	85.00	20	1,571	29.6	5.2	7.3	7.0	6.0	6.4	15.3	14.8	1.1	1.0
Krung Thai Bank	KTB TB	BUY	17.20	20.00	16	6,303	43.6	9.6	7.8	7.1	4.5	4.9	8.3	8.5	0.6	0.6
SCB X	SCB TB	BUY	107.50	134.00	25	9,491	9.8	6.6	9.3	8.8	4.7	5.6	8.6	8.5	0.8	0.7
Tisco Financial	TISCO TB	HOLD	95.25	94.00	(1)	2,000	7.8	3.5	10.4	10.1	8.1	8.7	17.4	17.4	1.8	1.7
TMBThanachart Bank	TTB TB	BUY	1.28	1.48	16	3,248	29.8	7.1	9.1	8.5	4.9	5.3	6.3	6.4	0.6	0.5
Coverage						38,996	18.8	9.3	8.7	8.0	4.3	4.9	8.6	8.8	0.7	0.7

Share prices as of 20 Oct 2022
Sources: Company data; FSSIA estimates

Financial Statements

TMBThanachart Bank

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	72,321	64,239	64,603	71,054	75,321
Interest expense	(18,515)	(13,240)	(13,611)	(18,300)	(20,163)
Net interest income	53,805	51,000	50,992	52,754	55,158
Net fees & commission	11,348	11,248	10,756	11,616	12,778
Foreign exchange trading income	0	0	0	0	0
Securities trading income	2,404	1,662	1,750	2,055	2,061
Dividend income	0	0	0	0	0
Other income	1,426	1,281	1,409	1,587	1,746
Non interest income	15,178	14,191	13,915	15,259	16,585
Total income	68,983	65,191	64,907	68,013	71,743
Staff costs	(17,142)	(16,480)	(16,151)	(16,958)	(17,806)
Other operating costs	(15,035)	(14,739)	(14,064)	(13,369)	(13,935)
Operating costs	(32,177)	(31,219)	(30,214)	(30,328)	(31,741)
Pre provision operating profit	36,806	33,972	34,692	37,685	40,001
Provision for bad and doubtful debt	(24,831)	(21,514)	(18,296)	(20,317)	(20,875)
Other provisions	-	-	-	-	-
Operating profit	11,975	12,458	16,396	17,368	19,127
Recurring non operating income	363	346	250	350	385
Associates	363	346	250	350	385
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	12,338	12,804	16,646	17,718	19,512
Tax	(2,223)	(2,327)	(3,080)	(3,189)	(3,527)
Profit after tax	10,115	10,477	13,567	14,529	15,985
Minority interests	(3)	(3)	(4)	(4)	(5)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	10,112	10,474	13,563	14,525	15,980
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	10,112	10,474	13,563	14,525	15,980
Per share (THB)					
Recurring EPS *	0.10	0.11	0.14	0.15	0.17
Reported EPS	0.10	0.11	0.14	0.15	0.17
DPS	0.04	0.04	0.06	0.07	0.07
Growth					
Net interest income (%)	100.3	(5.2)	0.0	3.5	4.6
Non interest income (%)	20.2	(6.5)	(2.0)	9.7	8.7
Pre provision operating profit (%)	95.5	(7.7)	2.1	8.6	6.1
Operating profit (%)	41.1	4.0	31.6	5.9	10.1
Reported net profit (%)	40.0	3.6	29.5	7.1	10.0
Recurring EPS (%)	(29.4)	3.3	29.8	7.1	10.0
Reported EPS (%)	(29.4)	3.3	29.8	7.1	10.0
Income Breakdown					
Net interest income (%)	78.0	78.2	78.6	77.6	76.9
Net fees & commission (%)	16.4	17.3	16.6	17.1	17.8
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	3.5	2.5	2.7	3.0	2.9
Dividend income (%)	-	-	-	-	-
Other income (%)	2.1	2.0	2.2	2.3	2.4
Operating performance					
Gross interest yield (%)	4.09	3.72	3.73	4.00	4.14
Cost of funds (%)	1.18	0.87	0.90	1.19	1.29
Net interest spread (%)	2.91	2.85	2.83	2.81	2.85
Net interest margin (%)	3.0	3.0	2.9	3.0	3.0
Cost/income(%)	46.6	47.9	46.6	44.6	44.2
Cost/assets(%)	1.8	1.8	1.7	1.7	1.7
Effective tax rate (%)	18.0	18.2	18.5	18.0	18.1
Dividend payout on recurring profit (%)	42.9	35.0	45.0	45.0	45.0
ROE (%)	5.1	5.0	6.3	6.4	6.8
ROE - COE (%)	5.1	5.0	6.3	6.4	6.8
ROA (%)	0.6	0.6	0.8	0.8	0.9
RORWA (%)	0.8	0.9	1.1	1.1	1.1

* Pre-exceptional, pre-goodwill and fully diluted

Sources: TMBThanachart Bank ; FSSIA estimates

Financial Statements

TMBThanachart Bank

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	1,392,925	1,372,315	1,399,761	1,441,754	1,477,798
Total provisions	(51,967)	(54,472)	(55,971)	(58,986)	(62,128)
interest in suspense	3,879	3,783	3,919	4,037	4,138
Net customer loans	1,344,837	1,321,626	1,347,710	1,386,805	1,419,808
Bank loans	211,185	158,873	169,671	166,876	171,009
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	138,139	181,649	186,226	190,919	195,731
Cash & equivalents	21,943	16,011	11,942	10,968	10,571
Other interesting assets	-	-	-	-	-
Tangible fixed assets	30,076	30,252	29,675	29,224	28,887
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	58,510	47,183	48,099	49,189	50,325
Total assets	1,804,688	1,755,595	1,793,323	1,833,982	1,876,332
Customer deposits	1,373,408	1,339,195	1,357,430	1,384,579	1,412,270
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	168,768	158,690	162,923	166,182	169,505
Non interest bearing liabilities	61,406	50,460	51,974	53,533	55,139
Hybrid Capital	-	-	-	-	-
Total liabilities	1,603,582	1,548,345	1,572,327	1,604,293	1,636,915
Share capital	91,589	91,792	91,792	91,792	91,792
Reserves	113,124	119,043	129,202	137,895	147,625
Total equity	204,713	210,835	220,994	229,687	239,416
Minority interests	37	1	1	1	1
Total liabilities & equity	1,808,332	1,759,181	1,793,323	1,833,982	1,876,332
Supplementary items					
Risk weighted assets (RWA)	1,188,683	1,228,574	1,351,431	1,391,974	1,426,774
Average interest earning assets	1,766,631	1,724,939	1,732,809	1,776,129	1,820,533
Average interest bearing liabilities	1,569,566	1,520,031	1,509,119	1,535,557	1,566,268
Tier 1 capital	171,724	176,284	196,730	204,670	213,386
Total capital	220,769	225,331	245,777	253,717	262,433
Gross non performing loans (NPL)	39,594	42,121	42,963	48,119	52,450
Per share (THB)					
Book value per share	2.12	2.18	2.29	2.38	2.48
Tangible book value per share	2.12	2.18	2.29	2.38	2.48
Growth					
Gross customer loans	0.1	(1.5)	2.0	3.0	2.5
Average interest earning assets	32.5	(2.4)	0.5	2.5	2.5
Total asset (%)	(2.9)	(2.7)	2.1	2.3	2.3
Risk weighted assets (%)	(2.3)	3.4	10.0	3.0	2.5
Customer deposits (%)	(1.8)	(2.5)	1.4	2.0	2.0
Leverage & capital measures					
Customer loan/deposits (%)	97.9	98.7	99.3	100.2	100.5
Equity/assets (%)	11.3	12.0	12.3	12.5	12.8
Tangible equity/assets (%)	11.3	12.0	12.3	12.5	12.8
RWA/assets (%)	65.9	70.0	75.4	75.9	76.0
Tier 1 CAR (%)	14.4	14.3	14.6	14.7	15.0
Total CAR (%)	18.6	18.3	18.2	18.2	18.4
Asset Quality					
Change in NPL (%)	4.9	6.4	2.0	12.0	9.0
NPL/gross loans (%)	2.8	3.1	3.1	3.3	3.5
Total provisions/gross loans (%)	3.7	4.0	4.0	4.0	4.2
Total provisions/NPL (%)	131.2	129.3	130.3	122.6	118.5
Valuation					
Recurring P/E (x) *	12.2	11.8	9.1	8.5	7.7
Recurring P/E @ target price (x) *	14.1	13.7	10.5	9.8	8.9
Reported P/E (x)	12.2	11.8	9.1	8.5	7.7
Dividend yield (%)	3.5	3.0	4.9	5.3	5.8
Price/book (x)	0.6	0.6	0.6	0.5	0.5
Price/tangible book (x)	0.6	0.6	0.6	0.5	0.5
Price/tangible book @ target price (x)	0.7	0.7	0.6	0.6	0.6

Sources: TMBThanachart Bank ; 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	PPP	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)

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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

Rawisara Suwanumphai FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
TMBThanachart Bank	TTB TB	THB 1.28	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 143.00	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.
Kasikornbank	KBANK TB	THB 148.50	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 70.75	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
Krung Thai Bank	KTB TB	THB 17.20	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.
SCB X	SCB TB	THB 107.50	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 95.25	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.

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 20-Oct-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.