18 MARCH 2024

EQUITY RESEARCH - COMPANY REPORT

FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating ★★★★

TMBTHANACHART BANK TTB TB

THAILAND / BANKING

BUY

UNCHANGED

TARGET PRICE	THB2.19
CLOSE	THB1.81
UP/DOWNSIDE	+21.0%
PRIOR TP	THB2.19
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+8.1%

Shining bright like a diamond

- เราคาดว่ากำไรสุทธิ 1Q24 จะโตแม้ว่าสภาวะธุรกิจจะไม่สดใสส่วนมากจากการบริหารประโยชน์ทางภาษี
- เราคาดว่า TTB จะเพิ่มสัดส่วนสำรองต่อหนี้ด้อยคุณภาพ (Coverage ratio) อย่างต่อเนื่องไปใกล้เคียงค่าเฉลี่ยกลุ่มฯ ท่ามกลางความไม่แน่นอนทางเศรษฐกิจ
- คงคำแนะนำซื้อและยังเลือก TTB เป็นหุ้นเด่นที่ราคาเป้าหมายปี 2024 ที่ 2.19 บาท (GGM)

คาดประโยชน์ทางภาษีจะช่วยหนุนกำไร 1Q24 แม้ว่าสภาวะธุรกิจจะไม่สดใส

เราคาดว่า TTB จะรายงานกำไรสุทธิรายไตรมาสทำสถิติสูงสุดใหม่ที่ 5.38พัน ลบ. ใน 1Q24 (+10.6% q-q, +25.3% y-y) ซึ่งคิดเป็น 33% ของประมาณการกำไรสุทธิทั้งปีของเรา คาด TTB จะใช้ประโยชน์ทางภาษีที่มีอย่างต่อเนื่อง (15.5พัน ลบ.) เพื่อกลับรายการค่าใช้จ่ายภาษีเงินได้ในไตรมาสนี้ อย่างไรก็ดีรายได้จากธุรกิจหลัก ได้แก่ รายได้ดอกเบี้ยและรายได้ที่ไม่ใช่ดอกเบี้ยสุทธิน่าจะลดลงใน 1Q24 ท่ามกลางสภาวะธุรกิจที่ไม่เอื้ออำนวย เราคาดว่ากำไรก่อนหักสำรอง (PPOP) จะปรับขึ้นเล็กน้อยส่วนมากจากค่าใช้จ่ายในการดำเนินงานที่ลดลงหลังปัจจัยด้านฤดูกาลใน 4Q23 ในส่วนของสถานการณ์สินเชื่อใน 2M24 หดตัวเล็กน้อยโดยได้รับปัจจัยกดดันจากพอร์ตสินเชื่อหลักที่ทรงตัวกล่าวคือสินเชื่อเช่าซื้อ (30%) ทั้งสำหรับรถใหม่และรถมือสองแม้ว่าสินเชื่อที่ให้ผลตอบแทนสูง (6%) จะเพิ่มขึ้น ในภาพรวมเราคาดว่าสินเชื่อ 1Q24 จะค่อนข้างทรงตัว q-q แต่ลดลง 2.3% y-y และ 3.6% YTD ซึ่งยังต่ำกว่าเป้าประมาณการปี 2024 ของบริษัทฯ และสมมติฐานของเราที่คาดว่าจะทรงตัว y-y นอกจากนี้เรายังคาดว่าส่วนต่างดอกเบี้ย (NIM) จะลดลง 7bp เป็น 3.35% จากต้นทุนเงินฝากที่สูงขึ้นซึ่งการบริหารผลตอบแทนสินเชื่อน่าจะไม่สามารถชดเชยได้

คุณภาพสินทรัพย์อยู่ในระดับที่จัดการได้ มีความสามารถสูงในการเพิ่ม LLR

เราคิดว่าคุณภาพสินทรัพย์ไม่เป็นประเด็นที่น่ากังวล โดยคาดสัดส่วนหนี้ด้อยคุณภาพ (NPL ratio) จะเพิ่มขึ้นเล็กน้อยเป็น 3.12% จาก 3.09% ใน 4Q23 ตามนโยบายที่ต้องการเพิ่มสัดส่วนสินเชื่อที่ให้ผลตอบแทนสูงเพื่อชดเชยต้นทุนเงินฝากที่สูงขึ้น อย่างไรก็ดีเนื่องจาก TTB ต้องการทยอยเพิ่ม Coverage ratio ให้ใกล้เคียงค่าเฉลี่ยกลุ่มฯ ที่ 189% ทำให้เราคาดว่าต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit costs) จะเพิ่มเป็น 145bp สูงกว่าเป้าประมาณการในระดับปกติของธนาคารฯ ที่ 125-135bp และประมาณการเดิมของเราที่ 135bp ซึ่งจะทำให้ตัวเลข Coverage ratio ใน 1Q24 จบอยู่ที่ 161%

กำไรปี 2024-26 อาจมี Upside จากประโยชน์ทางภาษี

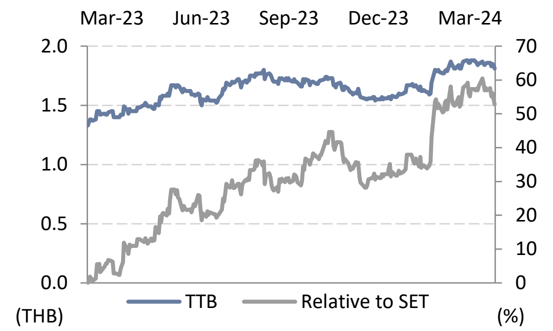
เราคงประมาณการกำไรปี 2024-26 โดยคาดว่ากำไรสุทธิปี 2024 จะหดตัว 11.4% y-y ก่อนโตเล็กน้อยที่ 2-3% ต่อปีในปี 2025-26 อย่างไรก็ดีเรามีแนวโน้มทบทวนประมาณการหลังประกาศผลประกอบการ 1Q24 เมื่อทิศทางของประโยชน์ในด้านภาษีและ Credit costs เพื่อบริหารผลขาดทุนกำไรของธนาคารฯ มีความชัดเจน

คงคำแนะนำซื้อและยังเลือก TTB เป็นหุ้นเด่นจากผลตอบแทนในรูปเงินปันผลที่น่าสนใจที่ 5-6% ต่อปี

เราคงคำแนะนำซื้อและยังเลือก TTB เป็นหุ้นเด่นจากผลตอบแทนในรูปเงินปันผลที่น่าสนใจที่ 5% ต่อปี ราคาเป้าหมายปี 2024 ของเราที่ 2.19 บาทคิดเป็นค่า P/BV ที่ 0.9x คำนวณจากการประเมินมูลค่าด้วยวิธี GGM บนสมมติฐานค่า LT-ROE ที่ 8.0% เพื่อสะท้อนประโยชน์ทางภาษีที่เหลืออยู่และค่า COE ที่ 8.8%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Operating profit	17,483	20,187	20,713	21,223
Net profit	18,463	16,351	16,777	17,191
EPS (THB)	0.19	0.17	0.17	0.18
vs Consensus (%)	-	(17.1)	(21.3)	(22.1)
Recurring net profit	18,463	16,351	16,777	17,191
Core EPS (THB)	0.19	0.17	0.17	0.18
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	30.1	(11.4)	2.6	2.5
Core P/E (x)	9.5	10.7	10.4	10.2
Dividend yield (%)	5.3	5.3	5.4	5.5
Price/book (x)	0.8	0.7	0.7	0.7
ROE (%)	8.2	7.0	7.0	6.9
ROA (%)	1.0	0.9	0.9	0.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.6)	14.6	37.1
Relative to country (%)	(1.5)	15.0	54.8

Mkt cap (USD m)	4,901
3m avg. daily turnover (USD m)	11.2
Free float (%)	39
Major shareholder	Thanachart Capital PCL (24%)
12m high/low (THB)	1.92/1.29
Issued shares (m)	96,778

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 18 มีนาคม 2024

Investment thesis

We have a favorable view of TTB in contrast to its cloudy 2024 core business outlook due to the following:

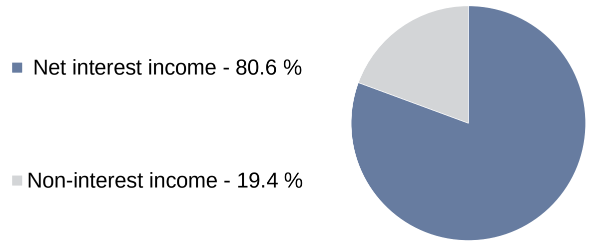
- Despite excluding the tax issue in our forecast under a conservative approach, we assign an expected L-T ROE of 8.0% under the GGM valuation base to reflect the THB15.5b in tax benefits remaining. Our 2024 TP of THB2.19 also reflects the issue;
- However, auto hire-purchase loans, TTB's leading portfolio (30% of total loans), may slow in 2024. Our 2024 net loan forecast is relatively flat y-y;
- We expect an upside to 2024-26 DPS under the current payout ratio assumption of c62%, implying an attractive dividend yield exceeding 6% p.a.

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.

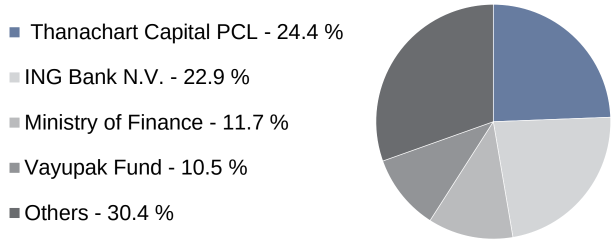
www.ttbbank.com

Principal activities (revenue, 2023)



Source: TMBThanachart Bank

Major shareholders



Source: TMBThanachart Bank

Catalysts

Potential share price catalysts for TTB include:

1) Higher NIM from an improved loan portfolio mix;
2) Lower credit cost from better-than-expected new NPLs;
3) Better operating cost control;
4) A higher dividend pay-out ratio than expected.

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
Apr 2024	1Q24 results announcement

Key assumptions

	2024E (%)	2025E (%)	2026E (%)
Net profit (THB m)	16,351	16,777	17,191
EPS (THB)	0.17	0.17	0.18
Net profit growth (%)	-11.4%	2.6%	2.5%
NIM (%)	3.15%	3.18%	3.19%
Loan growth (%)	0.0%	0.5%	0.5%
Fee growth (%)	1.0%	1.0%	1.0%
Non-NII growth (%)	1.5%	1.5%	1.5%
Credit cost (bp)	135	135	135
Cost to income (%)	45.8%	46.0%	46.2%
NPL ratio	3.15	3.18	3.17

Source: FSSIA estimates

Earnings sensitivity

		--------------- 2024E	----------------	
Loan growth	**±2ppt**	(2.0)	**0.0**	2.0
% change in net profit		*(1.7)*		*1.7*
NIM (%)	**±5bp**	3.10	**3.15**	3.20
% change in net profit		*(4.5)*		*4.5*
Credit cost (bp)	**±10bp**	125	**135**	145
% change in net profit		*6.6*		*(6.6)*

Source: FSSIA estimates

Exhibit 1: TTB – 1Q24 earnings preview

Year end Dec 31	1Q23	2Q23	3Q23	4Q23	1Q24E	------ *Change* ------		2023	2024E	*Change*
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	*(q-q%)*	*(y-y%)*	(THB m)	(THB m)	*(y-y %)*
Net interest income	13,502	14,093	14,665	14,948	14,862	*(0.6)*	*10.1*	57,208	56,372	*12.7*
Non-interest income	3,368	3,668	3,335	3,384	3,350	*(1.0)*	*(0.5)*	13,754	13,962	*(2.5)*
Fee income - net	2,559	2,659	2,505	2,638	2,589	*(1.9)*	*1.2*	10,362	10,469	*(6.0)*
Total operating income	16,870	17,760	18,000	18,332	18,212	*(0.7)*	*8.0*	70,962	70,334	*9.3*
Total operating expenses	7,303	7,863	7,777	8,336	8,030	*(3.7)*	*10.0*	31,280	32,219	*5.5*
PPOP before tax	9,567	9,897	10,223	9,996	10,182	*1.9*	*6.4*	39,682	38,115	*12.7*
Expected credit loss	4,276	4,244	4,354	9,326	4,800	*(48.5)*	*12.3*	22,199	17,928	*(16.5)*
Income tax	996	1,087	1,133	(4,197)	-	*N/A*	*N/A*	(980)	3,835	*N/A*
Net profit	4,295	4,566	4,735	4,867	5,382	*10.6*	*25.3*	18,463	16,351	*60.2*
EPS (THB)	0.04	0.05	0.05	0.05	0.06	*10.6*	*25.3*	0.19	0.17	*59.9*
Key ratios	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**---- *Change* ----**		**2023**	**2024E**	
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	*(q-q%)*	*(y-y%)*	(%)	(%)	
Gross NPLs (THB m)	42,006	40,719	40,279	41,006	41,400	*1.8*	*(1.7)*	41,006	41,800	
Change (% from prior period)	0.7	(3.1)	(1.1)	1.8	1.0			(1.7)	1.9	
NPL ratios (%) - reported	2.69	2.63	2.67	2.62				2.62		
NPL ratio (%)	3.09	2.99	2.96	3.09	3.12			3.09	3.15	
Coverage ratio (%) - reported	140	144	144	155				155		
Coverage ratio (%)	140	144	144	155	161			155	159	
Credit cost (bp)	125	125	128	277	145			164	135	
Profitability ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
Cost to income ratio	43.3	44.3	43.2	45.5	44.1			44.1	45.8	
Average yield (%)	4.15	4.38	4.64	4.81	4.80			4.45	4.80	
Cost of funds (%)	1.29	1.39	1.47	1.60	1.68			1.42	1.92	
NIM (%) - reported	3.08	3.18	3.34	3.39				3.24		
NIM (%)	3.04	3.17	3.36	3.42	3.35			3.22	3.15	
Non-interest income/total income (%)	20.0	20.7	18.5	18.5	18.4			19.4	19.9	
Liquidity ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
Loan to deposit	96.8	97.7	102.5	95.8	95.9			95.8	95.8	
Loan to deposit & borrowing (LDBR)	87.9	88.6	91.9	86.6	86.7			91.8	91.8	
Capital adequacy ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
CAR	19.9	19.8	19.9	20.7				20.7	19.7	
CET 1/ Risk assets	15.7	15.6	16.3	17.0				17.0	15.5	
Tier 2 / Risk assets	3.7	3.6	3.6	3.7				3.7	3.6	
Loan growth	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
q-q	(1.3)	0.4	(0.1)	(2.6)	(0.1)					
y-y	(0.6)	(2.1)	(2.2)	(3.5)	(2.3)			(3.5)	0.0	
Year-to-date	(1.3)	(0.9)	(1.0)	(3.5)	(0.1)					

Sources: TTB; FSSIA estimates

Exhibit 2: TTB – staged loans and ECL

	2021 (THB m)	2022 (THB m)	2023 (THB m)	2021 (%)	2022 (%)	2023 (%)
	Staged loans			% Staged loans		
Stage 1	1,224,662	1,225,348	1,174,852	88.76	88.54	87.90
Stage 2	112,530	116,840	120,780	8.16	8.44	9.04
Stage 3	42,492	41,707	41,006	3.08	3.01	3.07
Total	1,379,684	1,383,895	1,336,638	100.00	100.00	100.00
	Allowance for ECL			% ECL to staged loans		
Stage 1	12,413	13,325	15,602	1.01	1.09	1.33
Stage 2	22,052	24,469	28,195	19.60	20.94	23.34
Stage 3	20,007	19,596	19,705	47.08	46.98	48.05
Total	54,472	57,390	63,502	3.95	4.15	4.75
LLR / Loans	(%)	(%)	(%)			
Stage 1	1.01	1.09	1.33			
Stage 2	19.60	20.94	23.34			
Stage 3	47.08	46.98	48.05			
Total	3.95	4.15	4.75			
	(%)	(%)	(%)			
NPL / TL	3.08	3.01	3.07			
NPL vs. Stage 2 loans / TL	11.24	11.46	12.10			
LLR / NPL	128.19	137.60	154.86			
LLR / (NPL vs. Stage 2 loans)	35.14	36.20	39.25			

Sources: TTB; FSSIA's compilation

Exhibit 3: GGM-based 2024 TP

Gordon Growth Model	2024E
Sustainable ROE	8.00%
g	1.00%
ROE-g	7.00%
Beta	0.73
Risk free rate	3.0%
Risk premium	8.0%
COE	8.81%
COE-g	7.81%
ROE-g/COE-g	**0.90**

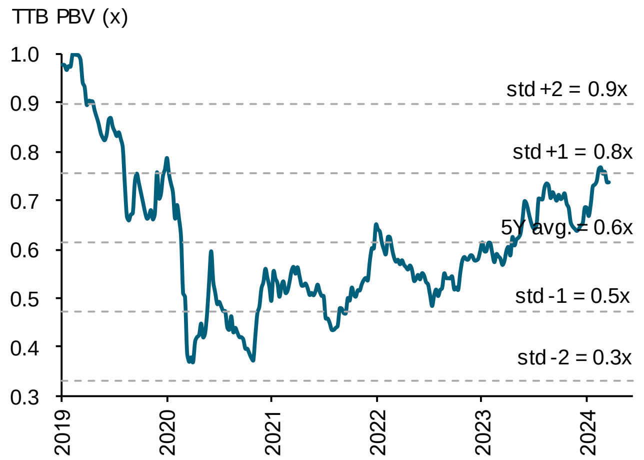
Source: FSSIA estimates

Exhibit 4: Share performance of banks under coverage, as of 15 March 2024

	Price performance 1M (%)	3M (%)	6M (%)	1Y (%)	YTD (%)
BBL TB	(1.43)	(9.21)	(17.37)	(10.10)	(11.82)
KBANK TB	4.17	(4.21)	(3.10)	(5.30)	(7.41)
KKP TB	6.67	4.00	(6.31)	(18.75)	3.48
KTB TB	2.55	(12.50)	(14.36)	(4.17)	(12.50)
SCB TB	10.14	11.22	2.24	12.32	7.55
TISCO TB	1.01	1.52	0.25	(0.50)	0.25
TTB TB	**(3.21)**	**15.29**	**6.47**	**34.07**	**8.38**
SETBANK	**2.45**	**(0.97)**	**(6.94)**	**(0.02)**	**(3.53)**
SET	**(0.02)**	**(0.53)**	**(9.27)**	**(11.36)**	**(2.11)**

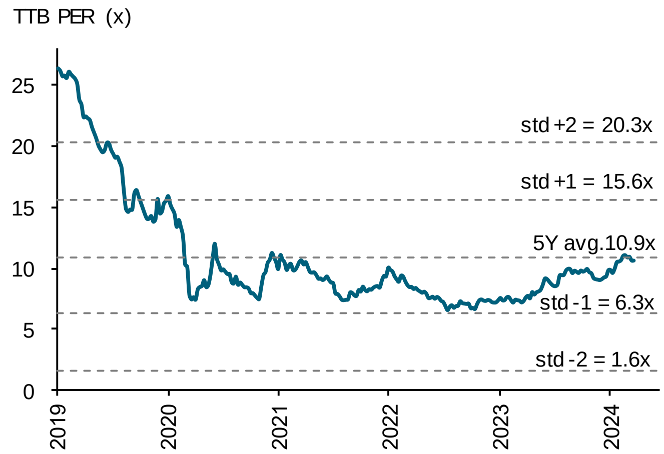
Source: Bloomberg

Exhibit 5: TTB – one-year prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 6: TTB – one-year prospective PER band



Sources: Bloomberg; FSSIA estimates

Exhibit 7: Peer regional banks comparison, as of 15 March 2024

Company name	BBG code	Share price (LCY)	Target price (LCY)	*Upside (%)*	Market Cap. (USD b)	------ PE ------ 24E (x)	25E (x)	----- PBV ---- 24E (x)	25E (x)	------ ROE ---- 24E (%)	25E (%)	-- Div yld --- 24E (x)	25E (x)
Thailand													
Bangkok Bank	BBL TB	138.00	191.00	*38*	7,362.8	6.3	6.0	0.5	0.4	7.7	7.6	4.7	4.9
Kasikornbank	KBANK TB	125.00	140.00	*12*	8,278.1	6.8	6.2	0.5	0.5	8.1	8.4	4.2	4.6
Krung Thai Bank	KTB TB	16.10	19.90	*24*	6,289.4	6.0	5.8	0.5	0.5	9.0	8.7	4.8	5.0
SCB X	SCB TB	114.00	118.00	*4*	10,729.0	8.7	8.3	0.8	0.7	9.0	9.1	6.8	7.0
TMBThanachart Bank	TTB TB	1.81	2.19	*21*	4,900.5	10.7	10.4	0.7	0.7	7.0	7.0	5.3	5.4
Kiatnakin Bank	KKP TB	52.00	50.60	*(3)*	1,230.7	7.6	7.1	0.7	0.7	9.3	9.4	6.7	7.2
Tisco Financial Group	TISCO TB	100.00	97.00	*(3)*	2,237.9	11.9	11.8	1.9	1.8	15.7	15.6	8.0	8.0
Thailand weighted average					5,739	9.0	8.6	0.7	0.7	8.4	8.5	4.5	4.7
Hong Kong													
Industrial & Comm Bank of China	1398 HK	3.98	n/a	*n/a*	238,296.0	3.7	3.5	0.4	0.3	10.1	10.0	8.6	8.9
China Construction Bank	939 HK	4.78	n/a	*n/a*	155,949.1	3.2	3.1	0.3	0.3	11.0	10.7	9.3	9.8
HSBC Holdings	5 HK	58.55	n/a	*n/a*	144,778.6	6.0	6.2	0.8	0.7	14.6	12.3	10.2	8.2
Bank of China	3988 HK	3.21	n/a	*n/a*	161,075.3	3.9	3.7	0.4	0.3	9.8	9.5	8.0	8.3
Hong Kong average					**175,025**	**4.2**	**4.1**	**0.5**	**0.4**	**11.4**	**10.6**	**9.0**	**8.8**
China													
Industrial & Comm Bank of China	601398 CH	5.21	n/a	*n/a*	238,398.5	5.1	4.8	0.5	0.5	10.2	10.0	6.1	6.4
Agricultural Bank of China	601288 CH	4.16	n/a	*n/a*	195,948.8	5.4	5.1	0.6	0.5	10.7	10.5	5.7	6.1
China Construction Bank	601939 CH	6.83	n/a	*n/a*	156,016.2	4.9	4.7	0.5	0.5	11.1	10.8	6.1	6.4
Bank of China	601988 CH	4.35	n/a	*n/a*	161,144.6	5.6	5.4	0.5	0.5	9.9	9.6	5.6	5.8
China average					**187,877**	**5.3**	**5.0**	**0.5**	**0.5**	**10.5**	**10.2**	**5.9**	**6.2**
South Korea													
KB Financial Group	105560 KS	76,200	n/a	*n/a*	22,436.6	5.7	5.2	0.5	0.4	8.9	8.9	4.6	4.9
Shinhan Finanicial Group	055550 KS	49,600	n/a	*n/a*	18,930.5	5.3	5.0	0.5	0.4	8.8	8.7	4.5	4.8
Hana Financial Group	086790 KS	62,100	n/a	*n/a*	13,623.5	4.9	4.6	0.4	0.4	9.3	9.2	5.9	6.3
Industrial Bank of Korea	024110 KS	15,250	n/a	*n/a*	9,035.5	4.4	4.2	0.4	0.4	9.0	8.9	7.0	7.4
South Korea average					**16,007**	**5.1**	**4.7**	**0.4**	**0.4**	**9.0**	**9.0**	**5.5**	**5.8**
Indonesia													
Bank Central Asia	BBCA IJ	10,150	n/a	*n/a*	80,785.7	23.5	21.5	4.7	4.3	20.9	20.8	2.5	2.7
Bank Rakyat Indonesia Persero	BBRI IJ	5,975	n/a	*n/a*	58,865.9	13.5	12.1	2.7	2.5	21.0	21.9	5.8	6.4
Bank Mandiri Persero	BMRI IJ	7,400	n/a	*n/a*	43,859.1	11.8	10.8	2.4	2.2	21.5	21.3	4.8	5.2
Bank Negara Indonesia Persero	BBNI IJ	5,800	n/a	*n/a*	14,069.1	9.3	8.3	1.3	1.2	15.1	15.5	4.7	5.5
Bank Syariah Indonesia	BRIS IJ	2,670	n/a	*n/a*	7,786.0	18.4	15.8	2.8	2.5	16.5	16.9	0.9	1.2
Indonesia average					**41,073**	**15.3**	**13.7**	**2.8**	**2.5**	**19.0**	**19.3**	**3.7**	**4.2**
Malaysia													
Malayan Banking	MAY MK	9.71	n/a	*n/a*	24,975.0	12.0	11.4	1.2	1.2	10.4	10.6	6.3	6.5
Public Bank	PBK MK	4.27	n/a	*n/a*	17,736.1	11.9	11.3	1.4	1.4	12.5	12.4	4.6	4.9
CIMB Group Holdings	CIMB MK	6.61	n/a	*n/a*	15,093.4	9.4	9.0	1.0	0.9	10.7	10.8	5.9	6.1
Hong Leong Bank	HLBK MK	19.36	n/a	*n/a*	8,908.6	9.9	9.2	1.1	1.0	11.5	11.4	3.4	3.7
RHB Bank	RHBBANK MK	5.62	n/a	*n/a*	5,155.3	8.5	8.0	0.8	0.7	9.2	9.4	7.2	7.5
Malaysia average					**14,374**	**10.3**	**9.8**	**1.1**	**1.0**	**10.9**	**10.9**	**5.5**	**5.7**
Singapore													
DBS Group Holdings	DBS SP	34.67	n/a	*n/a*	67,312.7	9.2	9.2	1.4	1.4	16.0	15.3	6.6	7.2
Oversea-Chinese Banking	OCBC SP	13.32	n/a	*n/a*	44,845.7	8.4	8.3	1.1	1.0	12.8	12.1	6.4	6.5
United Overseas Bank	UOB SP	28.92	n/a	*n/a*	36,129.4	8.3	8.1	1.0	1.0	12.7	12.4	6.1	6.3
Singapore average					**49,429**	**8.6**	**8.5**	**1.2**	**1.1**	**13.8**	**13.3**	**6.4**	**6.6**
Regional average (excl. Thailand)					**77,646**	**8.5**	**7.9**	**1.1**	**1.1**	**12.6**	**12.4**	**5.9**	**6.1**
Total average (incl. Thailand)					**61,943**	**8.4**	**7.9**	**1.1**	**1.0**	**11.9**	**11.7**	**5.8**	**6.1**

Sources: Bloomberg; FSSIA estimates

Financial Statements

TMBThanachart Bank

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Interest Income	65,627	79,134	85,837	87,057	88,446
Interest expense	(14,009)	(21,926)	(29,465)	(29,598)	(29,855)
Net interest income	51,618	57,208	56,372	57,459	58,592
Net fees & commission	10,391	10,362	10,469	10,573	10,679
Foreign exchange trading income	-	-	-	-	-
Securities trading income	1,699	1,718	1,770	1,823	1,877
Dividend income	0	0	0	0	0
Other income	2,145	1,674	1,724	1,776	1,829
Non interest income	14,236	13,754	13,962	14,172	14,385
Total income	65,854	70,962	70,334	71,631	72,977
Staff costs	(16,006)	(16,673)	(17,173)	(17,688)	(18,219)
Other operating costs	(13,946)	(14,607)	(15,047)	(15,256)	(15,471)
Operating costs	(29,952)	(31,280)	(32,219)	(32,944)	(33,690)
Pre provision operating profit	35,902	39,682	38,115	38,687	39,287
Expected credit loss	(18,353)	(22,199)	(17,928)	(17,974)	(18,064)
Other provisions	-	-	-	-	-
Operating profit	17,548	17,483	20,187	20,713	21,223
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	-	-	-	-	-
Profit before tax	17,548	17,483	20,187	20,713	21,223
Tax	(3,352)	980	(3,835)	(3,935)	(4,032)
Profit after tax	14,196	18,463	16,351	16,777	17,191
Non-controlling interest	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	14,196	18,463	16,351	16,777	17,191
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	14,196	18,463	16,351	16,777	17,191
Per share (THB)					
Recurring EPS *	0.15	0.19	0.17	0.17	0.18
Reported EPS	0.15	0.19	0.17	0.17	0.18
DPS	0.07	0.10	0.10	0.10	0.10
Growth					
Net interest income (%)	1.2	10.8	(1.5)	1.9	2.0
Non interest income (%)	(2.1)	(3.4)	1.5	1.5	1.5
Pre provision operating profit (%)	4.6	10.5	(3.9)	1.5	1.6
Operating profit (%)	37.1	(0.4)	15.5	2.6	2.5
Reported net profit (%)	35.5	30.1	(11.4)	2.6	2.5
Recurring EPS (%)	35.3	30.1	(11.4)	2.6	2.5
Reported EPS (%)	35.3	30.1	(11.4)	2.6	2.5
Income Breakdown					
Net interest income (%)	78.4	80.6	80.1	80.2	80.3
Net fees & commission (%)	15.8	14.6	14.9	14.8	14.6
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	2.6	2.4	2.5	2.5	2.6
Dividend income (%)	-	-	-	-	-
Other income (%)	3.3	2.4	2.5	2.5	2.5
Operating performance					
Gross interest yield (%)	3.76	4.45	4.80	4.81	4.82
Cost of funds (%)	0.92	1.44	1.91	1.93	1.94
Net interest spread (%)	2.84	3.01	2.89	2.88	2.88
Net interest margin (%)	3.0	3.2	3.2	3.2	3.2
Cost/income(%)	45.5	44.1	45.8	46.0	46.2
Cost/assets(%)	1.7	1.7	1.8	1.8	1.8
Effective tax rate (%)	19.1	(5.6)	19.0	19.0	19.0
Dividend payout on recurring profit (%)	49.8	50.0	56.5	56.5	56.3
ROE (%)	6.6	8.2	7.0	7.0	6.9
ROE - COE (%)	6.6	8.2	7.0	7.0	6.9
ROA (%)	0.8	1.0	0.9	0.9	0.9
RORWA (%)	1.2	1.6	1.4	1.4	2.8

* Pre-exceptional, pre-goodwill and fully diluted

Sources: TMBThanachart Bank ; FSSIA estimates

Financial Statements

TMBThanachart Bank

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Gross customer loans	1,376,118	1,327,964	1,328,097	1,334,737	1,341,411
Allowance for expected credit loss	(57,390)	(63,502)	(66,430)	(68,405)	(69,469)
interest in suspense	7,777	7,569	7,570	7,608	7,646
Net customer loans	**1,326,505**	**1,272,031**	**1,269,237**	**1,273,941**	**1,279,588**
Bank loans	187,563	267,486	280,861	294,904	309,649
Government securities	-	-	-	-	-
Trading securities	1,533	2,470	2,594	2,723	2,860
Investment securities	211,432	181,558	185,263	189,046	192,909
Cash & equivalents	15,506	24,111	23,150	21,891	26,718
Other interesting assets	-	-	-	-	-
Tangible fixed assets	19,788	21,767	22,420	23,093	23,786
Associates	-	-	-	-	-
Goodwill	22,890	23,577	24,284	25,013	25,763
Other intangible assets	-	-	-	-	-
Other assets	41,082	39,624	41,216	42,878	44,430
Total assets	**1,826,299**	**1,832,880**	**1,849,285**	**1,873,754**	**1,906,155**
Customer deposits	1,399,247	1,386,581	1,386,581	1,393,514	1,407,449
Bank deposits	84,770	87,794	89,550	91,341	93,168
Other interest bearing liabilities	59,644	60,241	60,843	61,452	62,066
Non interest bearing liabilities	63,611	69,637	76,252	83,514	91,489
Hybrid Capital	-	-	-	-	-
Total liabilities	**1,607,271**	**1,604,252**	**1,613,226**	**1,629,821**	**1,654,171**
Share capital	91,937	91,937	91,937	91,937	91,937
Reserves	127,069	136,689	144,121	151,995	160,045
Total equity	**219,006**	**228,626**	**236,058**	**243,932**	**251,982**
Non-controlling interest	1	1	1	1	1
Total liabilities & equity	**1,826,279**	**1,832,880**	**1,849,285**	**1,873,754**	**1,906,155**
Supplementary items					
Risk weighted assets (RWA)	1,185,415	1,189,700	1,200,348	1,216,230	0
Average interest earning assets	1,744,236	1,778,062	1,788,146	1,809,112	1,834,119
Average interest bearing liabilities	1,515,421	1,518,110	1,539,138	1,535,795	1,541,640
CET 1 capital	185,795	201,328	185,795	185,795	0
Total capital	229,097	244,630	229,097	229,097	0
Gross non performing loans (NPL)	41,707	41,006	41,800	42,500	42,585
Per share (THB)					
Book value per share	2.26	2.36	2.44	2.52	2.60
Tangible book value per share	2.03	2.12	2.19	2.26	2.34
Growth					
Gross customer loans	0.4	(3.5)	0.0	0.5	0.5
Average interest earning assets	1.0	1.9	0.6	1.2	1.4
Total asset (%)	3.8	0.4	0.9	1.3	1.7
Risk weighted assets (%)	(3.5)	0.4	0.9	1.3	nm
Customer deposits (%)	4.5	(0.9)	-	0.5	1.0
Leverage & capital measures					
Customer loan/deposits (%)	94.8	91.7	91.5	91.4	90.9
Equity/assets (%)	12.0	12.5	12.8	13.0	13.2
Tangible equity/assets (%)	10.7	11.2	11.5	11.7	11.9
RWA/assets (%)	64.9	64.9	64.9	64.9	-
CET 1 CAR (%)	15.7	16.9	15.5	15.3	-
Total CAR (%)	19.3	20.6	19.1	18.8	-
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	(1.0)	(1.7)	1.9	1.7	0.2
NPL/gross loans (%)	3.0	3.1	3.1	3.2	3.2
Allowance for ECL/gross loans (%)	4.2	4.8	5.0	5.1	5.2
Allowance for ECL/NPL (%)	137.6	154.9	158.9	161.0	163.1

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	12.3	9.5	10.7	10.4	10.2
Recurring P/E @ target price (x) *	14.9	11.5	13.0	12.6	12.3
Reported P/E (x)	12.3	9.5	10.7	10.4	10.2
Dividend yield (%)	4.0	5.3	5.3	5.4	5.5
Price/book (x)	0.8	0.8	0.7	0.7	0.7
Price/tangible book (x)	0.9	0.9	0.8	0.8	0.8
Price/tangible book @ target price (x)	1.1	1.0	1.0	1.0	0.9

* Pre-exceptional, pre-goodwill and fully diluted

Sources: TMBThanachart Bank ; FSSIA estimates

TMBThanachart Bank PCL (TTB TB)

FSSIA ESG rating

★★★★

63.69 /100

Exhibit 8: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	>59-79	**A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.**
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 9: ESG – peer comparison

	FSSIA	------------------ Domestic ratings -----------------------						-------------------------------- Global ratings ------------------------						--- Bloomberg ---	
	ESG score	DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BBL	62.08	--	Y	Y	5.00	5.00	Certified	Medium	54.70	--	29.00	58.68	67.00	2.19	60.06
KBANK	84.17	Y	Y	Y	5.00	5.00	Certified	Medium	62.19	AA	46.00	73.83	83.00	4.05	59.77
KTB	63.10	--	Y	Y	5.00	5.00	Certified	Medium	53.59	BBB	34.00	64.64	64.00	2.12	61.33
SCB	62.57	Y	Y	Y	5.00	4.00	--	High	--	A	--	--	86.00	3.43	--
KKP	62.96	--	Y	Y	5.00	5.00	Certified	Medium	52.81	BBB	--	77.56	26.00	2.18	45.90
TISCO	61.17	--	Y	Y	5.00	5.00	Certified	Medium	61.41	--	--	66.13	29.00	3.57	44.21
TTB	63.69	--	Y	Y	5.00	5.00	Certified	Medium	53.98	--	36.00	56.17	71.00	3.20	53.49

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 10: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	**1.76**	**1.79**	**1.92**	**2.14**	**2.82**	**3.02**	**3.16**	**3.20**
BESG environmental pillar score	0.00	0.00	0.08	0.08	0.38	0.68	0.82	0.82
BESG social pillar score	1.90	2.10	2.23	2.65	4.29	4.17	4.18	4.34
BESG governance pillar score	4.09	3.78	3.99	4.15	3.63	4.13	4.44	4.32
ESG disclosure score	**41.00**	**41.34**	**43.27**	**43.64**	**46.86**	**50.40**	**49.27**	**53.49**
Environmental disclosure score	17.09	17.09	17.43	17.76	21.14	22.86	19.48	32.14
Social disclosure score	24.67	25.70	31.14	31.92	31.92	40.84	40.84	40.84
Governance disclosure score	81.10	81.10	81.10	81.10	87.36	87.36	87.36	87.36
Environmental								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	Yes	Yes	Yes	Yes	Yes
GHG scope 1	0	0	0	0	1	1	0	4
GHG scope 2 location-based	31	30	29	27	28	15	22	22
GHG Scope 3	1	1	1	0	0	0	0	3
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	45	44	42	39	57	32	46	46
Renewable energy use	—	—	—	—	—	—	—	—
Electricity used	44	43	42	37	57	31	45	44
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 11: ESG score by Bloomberg *(cont.)*

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	—
Total waste	0	0	0	0	0	0	0	0
Waste recycled	0	0	0	0	0	0	0	0
Waste sent to landfills	—	—	—	—	—	—	—	—
Environmental supply chain management	No	No	No	No	No	No	No	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	278	223	255	154	208	181	—	—
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	No	No	No	No
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	Yes	Yes	Yes
Pct women in workforce	70	70	71	71	71	69	69	68
Pct disabled in workforce	—	—	—	—	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	0	0	0
Total recordable incident rate - employees	—	—	—	—	—	—	—	—
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	9,270	8,980	8,547	8,373	8,135	8,838	15,102	14,620
Employee turnover pct	28	29	31	35	27	14	16	23
Total hours spent by firm - employee training	324,450	269,400	273,504	318,174	284,725	132,570	694,692	891,820
Social supply chain management	No	No	No	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	**11**	**12**	**12**	**12**	**13**	**13**	**14**	**14**
No. of independent directors (ID)	**3**	**4**	**4**	**4**	**4**	**5**	**5**	**5**
No. of women on board	0	0	0	1	0	1	2	3
No. of non-executive directors on board	10	11	11	11	8	8	13	13
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	13	13	16	14	17	16	19	15
Board meeting attendance pct	89	84	88	93	92	95	99	99
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	57	57	57	48	48	49	50	51
Age of the oldest director	71	72	73	74	69	70	71	72
No. of executives / company managers	**7**	**7**	**6**	**6**	**7**	**11**	**12**	**12**
No. of female executives	0	0	1	2	3	4	5	5
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	**2**	**3**	**3**	**3**	**3**	**3**	**3**	**3**
No. of ID on audit committee	2	3	3	3	3	3	3	3
Audit committee meetings	14	12	12	12	15	25	13	13
Audit meeting attendance %	90	100	94	94	91	98	100	100
Size of compensation committee	**4**	**4**	**4**	**4**	**4**	**5**	**5**	**5**
No. of ID on compensation committee	2	2	2	2	1	2	2	2
No. of compensation committee meetings	14	12	14	14	13	12	12	12
Compensation meeting attendance %	95	88	94	89	97	95	97	97
Size of nomination committee	**4**	**4**	**4**	**4**	**4**	**5**	**5**	**5**
No. of nomination committee meetings	14	12	14	14	13	12	12	12
Nomination meeting attendance %	95	88	94	89	97	95	97	97
Sustainability governance								
Verification type	No	No	No	No	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for **THSI inclusion**, verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. **SETTHSI Index** is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). *(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)*	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. *(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)*	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. *Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. NEGL: 0-10; Low: 10-20; Medium: 20-30; High: 30-40; Severe: 40+
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.	

Rating	Score	Category	Description
AAA	8.571-10.000	**Leader:**	leading its industry in managing the most significant ESG risks and opportunities
AA	7.143-8.570		
A	5.714-7.142	**Average:**	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
BBB	4.286-5.713		
BB	2.857-4.285		
B	1.429-2.856	**Laggard:**	lagging its industry based on its high exposure and failure to manage significant ESG risks
CCC	0.000-1.428		

ESG score	Methodology	
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.	
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.	
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Usanee Liurut, CISA FSS International Investment Advisory Securities Co., Ltd

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

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 Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
Tisco Financial	TISCO TB	THB 100.00	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. Upside risks are 1) aggressive loan growth; and 2) well-controlled asset quality.
Bangkok Bank	BBL TB	THB 138.00	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) an impact of new regulations from the Bank of Thailand.
Kasikornbank	KBANK TB	THB 125.00	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. Upside risks are 1) government stimulus projects leading to economic recovery; and 2) the rising NIM from well-controlled cost of funds.
Krung Thai Bank	KTB TB	THB 16.10	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. Upside risks are 1) broad-based economic recovery supporting higher loan growth; and 2) asset quality improvement, mainly from the retail segment, reducing its ECL burdens. By contrast, upside risks comprise better economic conditions and strengthening asset quality.
SCB X	SCB TB	THB 114.00	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.
TMBThanachart Bank	TTB TB	THB 1.81	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 52.00	HOLD	Downside risks to our GGM-based target price include weakening asset quality and lower fee income and upside risks include better capital market conditions, higher used car prices, and strengthening asset quality.

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.

All share prices are as at market close on 15-Mar-2024 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.