

17 NOVEMBER 2021

Thailand Banks and Diversified Financials

การเป็นพันธมิตรระหว่าง JMT และ KBANK จะดีกับทั้งสองฝ่าย

JMT และ KBANK อาจร่วมมือกัน

จากหนังสือพิมพ์ข่าวหุ้น JMT อาจจัดตั้งกิจการร่วมค้ากับ KBANK เพื่อประกอบกิจการบริหารสินทรัพย์ (AMC) ประเภทไม่มีหลักทรัพย์ค้ำประกัน JMT อาจถือหุ้น 65-75% ในกิจการร่วมค้าดังกล่าวและให้ KBANK ถือหุ้นในส่วนที่เหลือ นอกจากนี้ข่าวหุ้นยังรายงานด้วยว่าการดังกล่าวกำลังอยู่ระหว่างรอการอนุมัติจาก ธปท. นอกจากรายการดังกล่าวข่าวหุ้นยังระบุว่าปัจจุบัน JMT กำลังพิจารณาเป็นพันธมิตรกับธนาคารขนาดใหญ่อีกสองแห่ง

ดีกับทั้ง JMT และ KBANK, อาจยังมีความร่วมมืออื่น ๆ อีก

ถ้ากิจการร่วมค้าดังกล่าวเกิดขึ้น เรามองว่าความร่วมมือดังกล่าวจะเป็นประโยชน์ต่อทั้ง JMT และ KBANK โดยเราเห็นประโยชน์ 3 ประการต่อ JMT: 1) บริษัทดังกล่าวจะทำให้หนี้ต่อคุณภาพ (NPL) แก่ JMT; 2) กิจการร่วมค้าอาจได้แหล่งเงินทุนที่มีอัตราดอกเบี้ยต่ำกว่าจาก KBANK ซึ่งจะให้อัตราความสามารถในการทำกำไรที่สูงขึ้นสำหรับทั้งตัวกิจการร่วมค้าเองและ JMT; และ 3) JMT อาจได้ NPL คุณภาพดีจาก KBANK เนื่องจาก KBANK จะมีหุ้นในกิจการร่วมค้าดังกล่าว ธนาคารฯ อาจให้ NPL คุณภาพดีแก่ JMT สำหรับ KBANK เราเห็นปัจจัยบวก 2 ประการ ข้อแรกเราคาดว่าบัญชีงบดุลของ KBANK จะปรับตัวดีขึ้นถ้า JMT ถือหุ้นมากกว่า 50% ในกิจการร่วมค้า ข้อสองการจัดตั้งกิจการร่วมค้ากับ JMT รวมถึงความเชี่ยวชาญในการบริหาร NPL ของบริษัทฯ จะช่วยเสริมอัตราความสามารถในการทำกำไรของ KBANK โดยปกติสถาบันการเงินจะขาย NPL ประเภทไม่มีหลักทรัพย์ค้ำประกันที่ 5-10% ของมูลค่าเรียกร้องของ NPL เทียบกับอัตรากำไรสุทธิของ JMT ที่ประมาณ 30% นอกจากกิจการร่วมค้าดังกล่าว เราคิดว่า Jay Mart (JMART TB, BUY, TP THB48) group และ KBANK อาจเข้าเป็นพันธมิตรในด้านอื่น ๆ อีก ยกตัวอย่างเช่นเรามองว่า SINGER (บริษัทย่อยของ JMART) เป็นหนึ่งในผู้นำตลาดในสินเชื่อบริการรถบรรทุก ซึ่งเป็นหนึ่งในจุดอ่อนของ KBANK เพราะฉะนั้นความร่วมมือในด้านดังกล่าวจะเป็นประโยชน์ต่อการขยายธุรกิจของทั้งสองฝ่าย

ผลกระทบต่อ AMC และธนาคารรายอื่น

ข่าวดังกล่าวอาจสร้างบรรยากาศเชิงลบให้แก่ BAM จากความกังวลในด้านปริมาณ NPL ที่อาจลดลง นอกจากนี้ BAM ยังมีแผนจัดตั้งกิจการร่วมค้ากับธนาคารพาณิชย์ด้วย แต่ยังไม่สำเร็จ สำหรับ CHAYO เรามองผลกระทบเป็นกลาง จากขนาดสินทรัพย์ที่น้อยกว่า BAM อย่างมีนัยสำคัญ ปริมาณ NPL ที่อาจลดลงน่าจะไม่เป็นปัญหาสำคัญ ในแง่ของธนาคารอื่น ถ้าธนาคารประสบความสำเร็จในการจัดตั้งกิจการร่วมค้าเพื่อบริหาร NPL กับ AMC ที่มีความเชี่ยวชาญและมีประสิทธิภาพ ธนาคารก็มีแนวโน้มที่จะมีงบดุลและอัตราความสามารถในการทำกำไรที่ดีขึ้น

คงเลือก KBANK และ JMT เป็นหุ้นเด่น

เราคิดว่าถ้ากิจการร่วมค้าระหว่าง JMT และ KBANK ได้รับการอนุมัติ ความร่วมมือดังกล่าวอาจให้ความเสี่ยงเพิ่มขึ้นต่อประมาณการกำไรสุทธิของเรา นอกจากนี้เรื่องดังกล่าวยังอาจเป็นปัจจัยบวกที่ทำให้ราคาหุ้นยังคงปรับตัวขึ้นได้อีก เราคงให้น้ำหนักมากกว่าตลาด OVERWEIGHT ต่อกลุ่มธนาคารและ AMC โดยมี KBANK และ JMT เป็น 2 หุ้นเด่นของเราในกลุ่มธนาคารและการเงินตามลำดับ



Yuvanart Suwanumphai

yuvanart.suw@fssia.com
+66 2611 3554

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Exhibit 1: Financial companies under coverage – summary of key valuations

Company	BBG	Rec	---Share price---		Up	Market	EPS growth		---- P/E ----		-- DivYld --		---- ROE ----		---- PBV ---	
	code		Current	Target	side	Cap	21E	22E	21E	22E	21E	22E	21E	22E	21E	22E
			(THB)	(THB)	(%)	(USD m)	(%)	(%)	(x)	(x)	(x)	(x)	(%)	(%)	(x)	(x)
Banks						44,475	6.4	10.8	10.7	9.7	3.8	3.6	7.7	8.1	0.8	0.8
Bangkok Bank	BBL TB	HOLD	127.50	134.00	5	7,442	27.1	8.6	9.0	8.3	3.1	3.9	5.9	6.2	0.5	0.5
Kasikornbank	KBANK TB	BUY	147.50	172.00	17	10,687	18.8	10.1	10.0	9.1	1.8	2.4	7.6	7.7	0.7	0.7
Kiatnakin Bank	KKP TB	BUY	61.50	68.00	11	1,592	8.2	20.9	9.4	7.8	4.1	5.7	11.6	13.0	1.1	1.0
Krung Thai Bank	KTB TB	HOLD	11.80	12.20	3	5,043	21.5	5.5	8.1	7.7	4.3	4.6	5.8	5.8	0.5	0.4
Siam Commercial Bank	SCB TB	BUY	134.50	160.00	19	13,966	28.7	8.9	13.0	12.0	5.0	2.6	8.3	8.6	1.1	1.0
Tisco Financial	TISCO TB	BUY	92.25	110.00	19	2,259	6.7	9.0	11.4	10.5	7.2	8.4	16.1	16.7	1.8	1.7
TMBThanachart Bank	TTB TB	BUY	1.18	1.40	19	3,486	(1.1)	32.1	11.4	8.6	3.5	4.6	4.8	6.1	0.5	0.5
Diversified financials						23,526	11.0	22.1	25.8	21.2	1.9	2.2	18.5	18.1	4.2	3.3
Unsecured-loan lender						6,102	14.3	13.1	21.5	19.0	1.9	2.1	24.0	23.4	4.8	4.2
Aeon Thana Sinsap (TH)	AEONTS TB	HOLD	197.50	204.00	3	1,510	7.5	13.9	12.5	10.9	2.5	2.7	21.5	21.1	2.5	2.1
Krungthai Card	KTC TB	HOLD	58.25	52.00	(11)	4,593	15.4	13.0	24.4	21.6	1.7	1.9	24.8	24.1	5.6	4.9
Auto-title lender						9,776	5.6	22.9	23.9	19.4	1.2	1.5	20.3	20.6	4.2	3.7
Muangthai Capital	MTC TB	BUY	59.75	69.00	15	3,873	(0.5)	24.6	24.4	19.6	0.6	0.8	22.7	23.4	5.0	4.2
Srisawad Corp	SAWAD TB	BUY	63.25	80.00	26	2,656	4.2	20.6	18.3	15.2	2.8	3.3	20.2	22.0	3.5	3.2
Saksiam Leasing	SAK TB	BUY	10.00	11.00	10	641	(19.5)	39.1	35.3	25.4	0.9	1.2	12.6	15.9	4.3	3.8
Ngern Tid Lor	TIDLOR TB	BUY	36.75	43.00	17	2,606	23.8	17.8	25.9	22.0	0.6	0.7	18.9	16.4	3.8	3.4
Truck lender						1,734	12.8	10.7	26.9	24.3	2.1	2.6	13.4	12.8	3.1	2.4
Micro Leasing	MICRO TB	BUY	8.45	10.70	27	242	23.1	33.5	38.8	29.1	0.8	0.7	10.8	13.2	4.0	3.6
Singer Thailand	SINGER TB	BUY	47.50	51.00	7	769	24.8	2.4	35.0	34.1	1.1	1.8	13.0	9.8	3.9	2.5
Ratchthani Leasing	THANI TB	BUY	4.18	4.80	15	724	(27.6)	17.0	14.3	12.3	3.5	4.1	14.7	15.9	2.0	1.9
Asset management						4,462	13.4	32.4	39.9	30.1	1.9	2.5	12.0	10.3	4.5	2.6
Bangkok Commercial AM	BAM TB	BUY	20.50	22.00	7	2,026	20.9	35.8	29.8	21.9	2.9	3.9	5.1	6.5	1.4	1.4
Chayo Group	CHAYO TB	BUY	12.90	18.80	46	379	18.5	39.6	50.3	36.0	0.0	0.0	12.8	11.7	4.5	3.6
JMT Network Services	JMT TB	BUY	56.50	57.00	1	2,057	7.8	29.1	47.9	37.1	1.3	1.6	18.7	13.9	7.6	3.5
Other						1,170	8.1	11.6	9.3	8.3	8.2	8.2	6.4	6.8	0.6	0.6
Thanachart Capital	TCAP TB	HOLD	36.50	35.00	(4)	1,170	8.1	11.6	9.3	8.3	8.2	8.2	6.4	6.8	0.6	0.6
HP motorcycle						281	55.9	33.4	29.2	21.9	0.5	0.7	17.4	19.8	4.7	4.0
Next Capital	NCAP TB	BUY	10.20	16.80	65	281	55.9	33.4	29.2	21.9	0.5	0.7	17.4	19.8	4.7	4.0

Share prices as of 16 Nov 2021

Sources: Bloomberg; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TPIPP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

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; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIIC	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Yuvanart Suwanumchai 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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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Bank	BBL TB	THB 127.50	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on its NIM and potential new regulations from the Bank of Thailand on debt-servicing programs. The upside risk would be better-than-expected synergies with Permata.
Kasikornbank	KBANK TB	THB 147.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.
Kiatnakin Bank	KKP TB	THB 61.50	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
Krung Thai Bank	KTB TB	THB 11.80	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs. The upside risk is the better-than-expected ability to control cost of funds.
Siam Commercial Bank	SCB TB	THB 134.50	BUY	Downside risks to our SOTP-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on its NIM.
Tisco Financial	TISCO TB	THB 92.25	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; 2) the impact of new regulations from the Bank of Thailand on debt-servicing programs; and 3) the slow expansion of its high-yield auto cash portfolio.
TMBThanachart Bank	TTB TB	THB 1.18	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 197.50	HOLD	Downside risks to our GGM-derived TP include 1) intense competition; 2) regulatory actions to curb industry growth; and 3) deteriorating asset quality. The upside risk is stronger-than-expected asset quality.
Krungthai Card	KTC TB	THB 58.25	HOLD	Upside risks to our GGM-derived TP include 1) stronger-than-expected growth for KTB Leasing; and 2) a better-than-expected bad debt recovery. Downside risks are 1) regulatory actions to curb industry growth; and 2) deteriorating asset quality.
Muangthai Capital	MTC TB	THB 59.75	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Srisawad Corp	SAWAD TB	THB 63.25	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Saksiam Leasing	SAK TB	THB 10.00	BUY	Downside risks to our GGM-derived TP include 1) competition from existing and new players; 2) regulatory changes by the Bank of Thailand (BoT); and 3) a slower-than-expected reduction in its cost of funds due to a shift toward more long-term loans.
Ngern Tid Lor	TIDLOR TB	THB 36.75	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank and Auto X (subsidiary of SCB); 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.
Micro Leasing	MICRO TB	THB 8.45	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) a slower-than-expected reduction in the cost of funds due to a shift toward more long-term loans.
Singer Thailand	SINGER TB	THB 47.50	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.
Ratchthani Leasing	THANI TB	THB 4.18	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) changes in

				financial regulations from the Bank of Thailand.
Bangkok Commercial Asset Mngt.	BAM TB	THB 20.50	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; 2) lower-than-expected bad debt acquisition; and 3) the prolonged slowdown of the property market.
Chayo Group	CHAYO TB	THB 12.90	BUY	Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses.
JMT Network Services	JMT TB	THB 56.50	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; and 2) the lower-than-expected acquisition of new bad debt.
Thanachart Capital	TCAP TB	THB 36.50	HOLD	Upside risks to our GGM-based target price are M&A completions and long-term synergy gained, leading to a higher contribution to its earnings. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality which could lead to higher provisions for both TMB and THANI.
Next Capital	NCAP TB	THB 10.20	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for food delivery and logistics activities; 2) deteriorating asset quality; and 3) tighter competition from new players.
Jay Mart	JMART TB	THB 47.50	BUY	Downside risks to our SOTP-based TP include 1) lower-than-expected mobile revenue; 2) lower cash collection from its fully amortised portfolio; and 3) the lower-than-expected acquisition of new bad debt.

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

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All share prices are as at market close on 16-Nov-2021 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.