FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

22 DECEMBER 2021

THAILAND / ASSET MANAGEMENT COMPANIES

JMT NETWORK SERVICES   JMT TB

BUY
UNCHANGED

First mover to partner with a bank

- JMT is setting up two JVs with KBANK – a win-win for both parties.
- Applying our own assumptions, the total benefit from both JVs would provide a 2-4% upside to our current net profit forecasts for JMT.
- BUY maintained with GGM-based TP of THB70.

TARGET PRICE	THB70.00
CLOSE	THB67.50
UP/DOWNSIDE	+3.7%
PRIOR TP	THB70.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+8.4%

JMT to set up two JVs with KBANK – a win-win for both parties

On 21 Dec-21, JMT announced two JVs with Kasikornbank (KBANK TB, BUY, TP THB172) through its subsidiary, including 1) a JV to operate an asset management business (AMB); and 2) a JV to operate a debt collection business (DCB). The establishment of both JVs is expected to be done by 1Q22, according to JMT. We read this announcement as positive for both JMT and KBANK. We think it is still too difficult to identify the net incremental benefits to JMT due to the unclear shareholding structure and business plan. To provide investors an idea, we apply our own assumptions. We estimate the total benefit from both JVs would provide a 2-4% upside to our current net profit forecasts for JMT.

DCB JV could be a profit maker from the first year of operation

We see three benefits to JMT from the DCB JV. First, JMT will have secured debts for its DCB. Second, JMT – as a key operator for the JV's debt collection – would receive management fees. Third, JMT would realise a share of profits from the JV. We think the DCB JV could realise a profit from the first year of operation. The JV's profits will depend on the debts that KBANK provides and the success of the debt collection. Based on our assumptions, for every THB1b of debt that can be collected by the DCB JV, there would be a 2% upside to our 2022 net profit forecast.

AMB JV could provide a more consistent outlook for JMT

Regarding the AMB JV, the initial NPLs that KBANK will provide to the JV are unsecured loans. We see two benefits to JMT. First, it should be able expand its businesses at a faster pace from the NPL backlog and unlimited source of funds from KBANK. Second, JMT would realise a share of profits from the JV. We think the AMB JV could generate a small loss in the first year due to the nature of the bad debt management business. We believe the AMB JV will generate a profit from the second year. Based on our assumptions, for every THB1b in NPLs acquired for the JV, there would be -0.1% downside to our 2022E net profit, with a 0.9%/1.3% upside to our 2023-24E.

Maintain as top pick; JV deal should enhance JMT's net profit

JVs between banks and AMCs could be the trend to solve bad debt issues in 2022. JMT is the first mover. Given JMT's outstanding bad debt management, we expect it might partner with other banks. Although there is a limited upside from the current market price to our TP, we maintain BUY as we expect to see an earnings upside from the JV deal. We are waiting for more clarity on the business model from JMT and KBANK.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	1,210	1,662	2,814	4,109
Net profit	1,047	1,379	2,335	3,411
EPS (THB)	1.09	1.24	1.61	2.35
vs Consensus (%)	-	(1.9)	(3.7)	10.7
Core net profit	1,047	1,379	2,335	3,411
Core EPS (THB)	1.09	1.24	1.61	2.35
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	42.0	13.6	29.5	46.0
Core P/E (x)	61.7	54.3	41.9	28.7
Dividend yield (%)	1.3	1.2	1.4	2.4
Price/book (x)	11.3	8.9	4.1	4.0
ROE (%)	23.0	19.5	14.5	14.1
ROA (%)	8.5	8.0	8.6	9.6
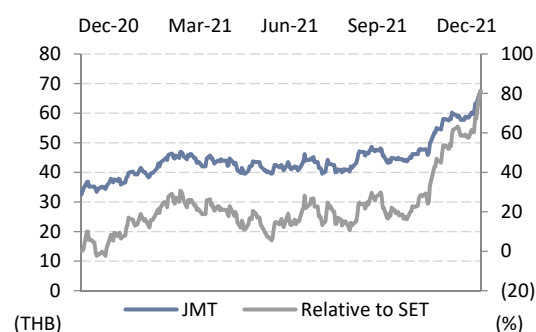
Share price performance	1 Month	3 Month	12 Month
Absolute (%)	16.4	40.3	124.7
Relative to country (%)	18.3	40.1	97.3
Mkt cap (USD m)			2,445
3m avg. daily turnover (USD m)			15.6
Free float (%)			21
Major shareholder			JMART Pcl. (54%)
12m high/low (THB)			70.00/30.04
Issued shares (m)			0

Sources: Bloomberg consensus; FSSIA estimates

Yuvanart Suwanumphai
yuvanart.suw@fssia.com
+66 2611 3554

Investment thesis

JMT has been in the distressed asset management business for more than 14 years, with more than 26 years in the debt collection business. Its longstanding experience and effective working processes have enabled it to maintain its position as the market leader in both businesses.

Under the economic downturn, we believe JMT is a good hedge against recession, as 1) we expect it to deliver resilient growth due to its diversified portfolio and small non-performing loan (NPL) ticket sizes; and 2) we think it will be the beneficiary of an NPL rise that we expect to see in 2022-23. These factors should lead JMT to have remarkable core profit growth. We, therefore, reiterate our BUY call on JMT.

Company profile

JMT provides three main types of services: 1) bad debt collection; 2) bad debt management – the company manages and collects bad debt purchased from financial institutions and corporations; and 3) an insurance business – the company provides both insurance brokerage services and non-life insurance services.

www.jmtnetwork.co.th
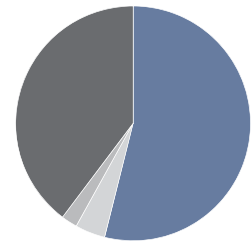
Principal activities (revenue, 2020)

- NPLs management - 87.6 %
- Debt collection - 12.1 %
- Other income - 0.4 %
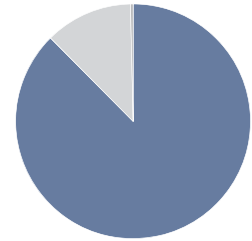
Source: JMT Network Services

Major shareholders

- JMART Pcl. - 53.9 %
- Sereewattana family - 4.1 %
- Pongsak Tammatatharee - 2.2 %
- Others - 39.7 %

Source: JMT Network Services

Catalysts

Potential catalysts to drive JMT's share price include 1) aggressive NPL acquisitions; 2) an increase in its fully amortised portfolio volume; and 3) partnerships with other financial institutions.

Risks to our call

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.

Event calendar

Date	Event
Mid-Feb 2022	4Q21 results announcement

Key assumptions

	2021E (THB m)	2022E (THB m)	2023E (THB m)
Net profit	1,379	2,335	3,411
Net profit growth (%)	*31.8*	*69.3*	*46.0*
Cash collection	4,622	6,684	9,756
Cash collection ratio (%)	*33.2*	*31.7*	*32.3*
NPL + NPA purchases	9,000	10,000	15,000
NPL + NPA purchase growth (%)	*156.0*	*11.1*	*50.0*
Cost to income (%)	45.1	38.0	34.7

Source: FSSIA estimates

Earnings sensitivity

		---------------- 2021E ----------------		
Cash collection ratio	**±50bp**	**32.7**	**33.2**	**33.7**
% change in net profit		*(3.5)*	*-*	*3.5*
Cost to income	**±1ppt**	**44.1**	**45.1**	**46.1**
% change in net profit		*(2.3)*	*-*	*2.3*

Source: FSSIA estimates

JMT to set up two JVs with KBANK

On 21 Dec-21, JMT announced two JVs with KBANK through its subsidiary, including 1) a JV to operate an AMB; and 2) a JV to operate a DCB. The initial shareholding structure for both JVs is for JMT to hold less than 50% and KBANK's subsidiary to hold more than 50%. The details regarding the establishment of such joint venture companies may be subject to changes depending on the policy and approval from the Bank of Thailand (BoT). The establishment of both JVs is expected to be done by 1Q22, according to JMT.

Exhibit 1: Details of JVs

Company	Joint Venture 1	Joint Venture 2
Type of business	Asset management business	Debt collection business
Initial shareholding	JMT holds less than 50% and KBANK's subsidiary holds more than 50%	JMT holds less than 50% and KBANK's subsidiary holds more than 50%

Sources: JMT; FSSIA's compilation

We read this announcement as positive for both JMT and KBANK. We think it is still too difficult to identify the net incremental benefits to JMT due to the unclear shareholding structure and business plan. To provide investors with a rough idea, we apply our own assumptions, including 1) THB1b in debt that can be collected by the DCB JV; 2) THB1b in unsecured NPLs that the AMB JV would operate; and 3) JMT holds 50% in both JVs. Based on this, we estimate a 2-4% upside to our current net profit forecasts for JMT. Regarding KBANK, we estimate an immaterial impact on its net profit in the first three years from the JVs. However, the great benefit for KBANK could be the potentially lower provisions due to improving asset quality with JMT's help to manage bad debts.

Exhibit 2: 2-4% upside to JMT's net profit, based on our assumptions

	2022E	2023E	2024E
	(THB m)	(THB m)	(THB m)
Benefit from DCB JV	50	50	50
Benefit from AMB JV	(5)	60	124
Total	**45**	**110**	**174**
Upside to our current net profit forecast (%)	**2**	**3**	**4**

Source: FSSIA estimates

DCB JV could be a profit maker from the first year of operation

We believe that the DCB will operate promptly after the establishment of the JV because the business structure is not complicated and does not require a special licence from the BoT, while the AMB might take a longer time. Regarding the DCB JV, we see three benefits to JMT. First, JMT will have secured debts for its DCB. 7% of its total revenue came from DCB as of 3Q21. Currently, JMT provides very few debt collection services for KBANK. Second, JMT – as a key operator for the JV's debt collection – would receive management fees. Third, JMT would realise a share of profits from the JV. We think the DCB JV could realise a profit from the first year of operation. The JV's profits will depend on the debts that KBANK provides and the success rate of the debt collection.

Based on our assumptions that 1) JMT holds 50% in the DCB JV; 2) the success rate of the collection is 10% of the total amount of debts that KBANK assigns to DCB JV; and 3) the commission rate is 10% for every increase in THB10b worth of the total amount of debt that KBANK assigns to DCB JV (or implying THB1b in debt can be collected, in this case), there would be a 2% upside to our 2022 net profit forecast.

Exhibit 3: Potential upside to JMT from debt collection JV

Items	Amount
Assumptions for DCB JV	
Amount of debt that KBANK assigns to DCB JV (THB m)	10,000
Success rate (% of total debt that KBANK assigns to DCB JV)	10
Commission rate (% of success amount)	10
OPEX and other related costs (% of total revenue)	25
Expected profit of DCB JV (THB m)	
DCB JV's revenue	100
OPEX and other related costs	25
Tax	15
Net profit of DCB JV	**60**
Benefits to JMT (THB m)	
Profit sharing from DCB JV (holding 50% in JV)	30
Management fee	20
Total benefit to JMT (THB m)	**50**
Upside from current 2022 net profit forecast (%)	**2**

Source: FSSIA estimates

Note that:

1) JMT normally charges a commission of 8-10% of the debt that has been successfully collected;

2) As of 3Q21, KBANK's NPLs and stage 2 loans were at THB109b and THB196b, respectively. These could represent ballpark figures for the DCB JV.

Exhibit 4: As of 3Q21, revenue from debt collection accounted for 7% of JMT's total revenue

3Q21
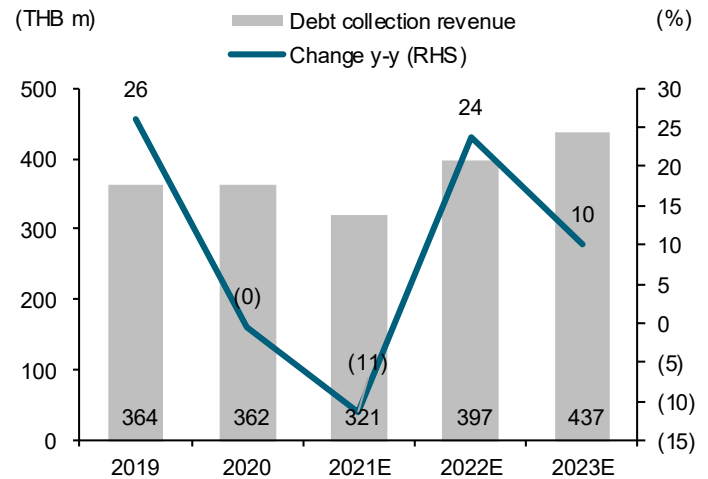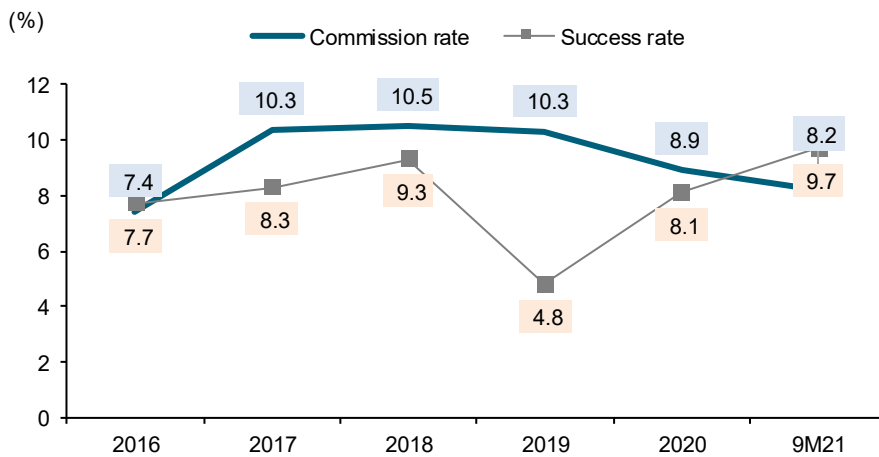

- Other 0.3%
- Insurance 6.1%
- Debt collection 6.7%
- NPL management 86.9%
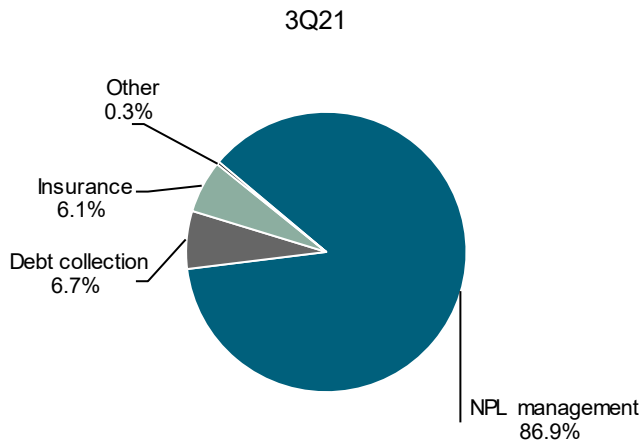
Sources: JMT; FSSIA's compilation

Exhibit 5: JMT – current debt collection revenue forecast

(THB m) ■ Debt collection revenue / Change y-y (RHS) (%)

	2019	2020	2021E	2022E	2023E
Debt collection revenue	364	362	321	397	437
Change y-y	26	(0)	(11)	24	10

Sources: JMT; FSSIA estimates

Exhibit 6: JMT's current commission rate and success rate

(%) ▬ Commission rate ▪ Success rate

	2016	2017	2018	2019	2020	9M21
Commission rate	7.4	10.3	10.5	10.3	8.9	8.2
Success rate	7.7	8.3	9.3	4.8	8.1	9.7

Sources: JMT; FSSIA's compilation

Exhibit 7: KBANK's NPLs amounted to THB109b as of 3Q21

(THB b) ■ NPLs ▬ Reported NPL ratio (RHS) (%)

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
NPLs	92.8	96.3	98.6	103.5	104.9	109.6	108.9
Reported NPL ratio	3.86	3.92	3.95	3.93	3.93	3.95	3.85
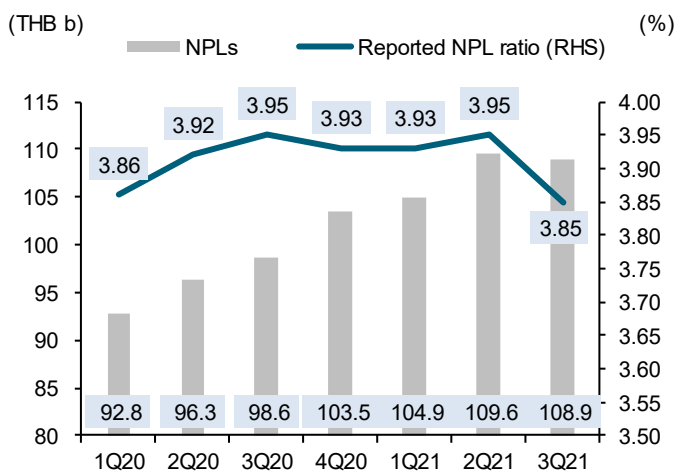
Sources: KBANK; FSSIA's compilation

Exhibit 8: KBANK's stage 2 loans amounted to THB196b as of 3Q21

(THB b) ■ Stage 2 loans

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Stage 2 loans	220	230	234	201	206	214	196
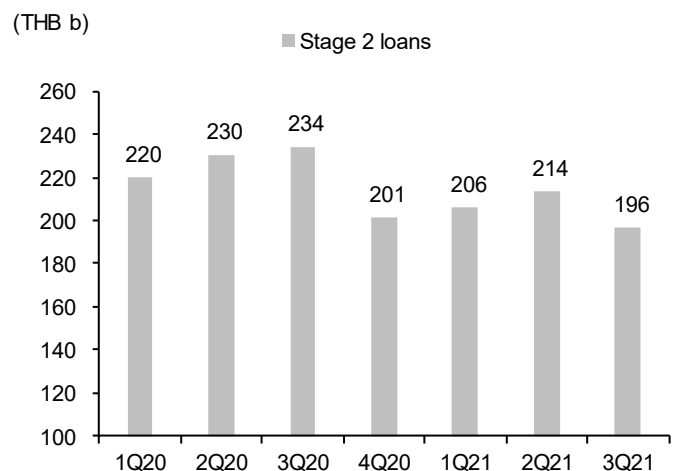
Sources: KBANK; FSSIA's compilation

AMB JV could provide a more consistent outlook for JMT

Regarding the AMB JV, the initial NPLs that KBANK will provide to the JV are unsecured loans with the current NPL selling market price. JMT has still not provided details on the business structure of the AMB JV. Based on our analysis, we see two benefits to JMT. First, it should be able expand its businesses at a faster pace from the NPL backlog and unlimited source of funds from KBANK. Second, JMT would realise a share of profits from the JV.

We think the AMB JV could generate a small loss in the first year due to the nature of the bad debt management business. We believe the AMB JV will generate a profit from the second year. Based on our assumptions that 1) JMT holds 50% in the AMB JV; 2) NPL acquisitions amount to THB1b in 2022; and 3) the accumulated cash collection rates are 15%, 55%, and 90% in 2022-24, there would be -0.1% downside to our 2022 net profit forecast, with a 0.9%/1.3% upside to our 2023-24 estimates.

Exhibit 9: Potential upside to JMT from asset management JV

	2022E	2023E	2024E
Assumption for AMB JV			
NPL acquisitions at cost level (THB m)	1,000		
Cash collection (%)	15	40	35
Accumulated cash collection rate (%)	15	55	90
Expected profit of AMB JV (THB m)			
Interest income (net interest expense and ECL)	75	185	335
OPEX	80	110	180
Tax	0	15	31
Net profit	(5)	60	124
Total benefit to JMT (THB m) (holding 50% in JV)	**(2.5)**	**30.0**	**62.0**
Upside to current net profit forecast (%)	**(0.1)**	**0.9**	**1.3**

Source: FSSIA estimates

Note that:

1) JMT's payback period for unsecured NPLs is around three to four years (three to five years for secured NPLs);

2) KBANK's five-year average NPL sales and write-offs (at claim value level) are THB9b and THB18b per year, respectively.

Exhibit 10: NPL management timeline for JMT
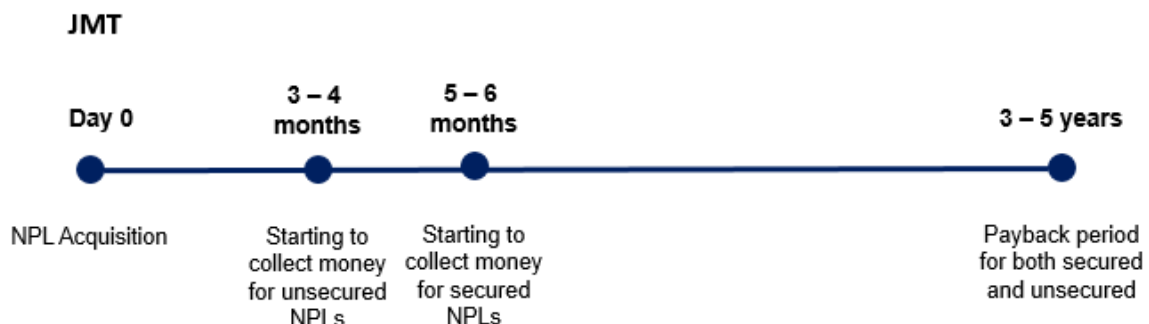
Source: JMT; FSSIA estimates

Exhibit 11: Payback period of each portfolio

% cash collection to NPLs purchased in each year

Legend: ■ 2017 port ■ 2018 port □ 2019 port ■ 2020 port ▨ 2021 port

2017: 24
2018: 58, 10
2019: 100, 36, 7
2020: 139, 56, 27, 13
2021: 161, 71, 45, 30, 3
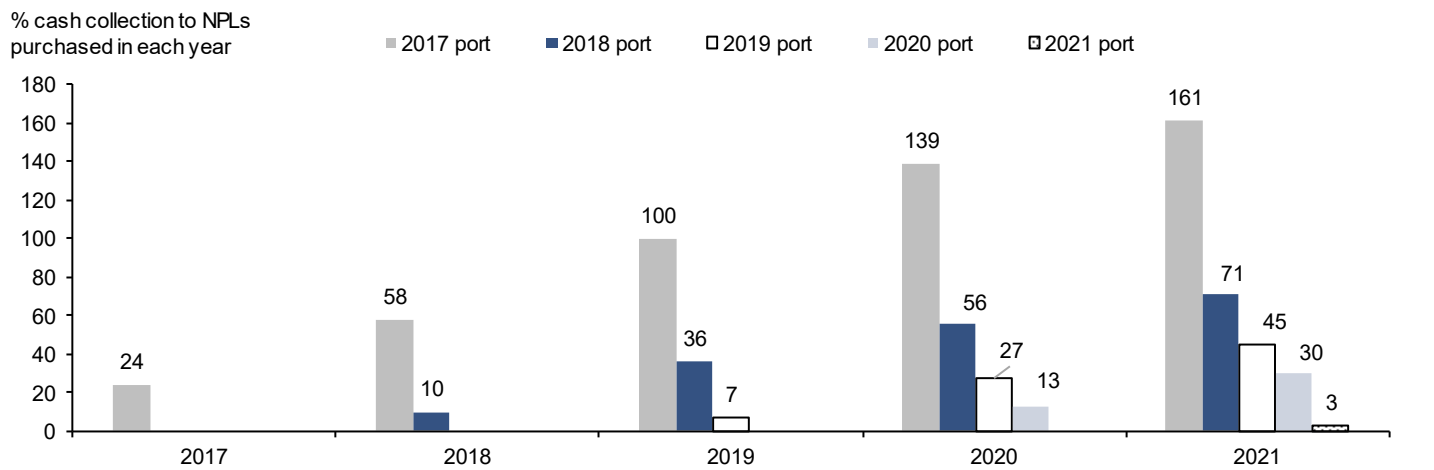
Note that if % cash collection to NPLs purchased reaches 100%, it means that the portfolio was able to achieve its payback period
Sources: JMT; FSSIA's compilation

Exhibit 12: KBANK's NPL sales

(THB b)

2016: 6.4
2017: 8.4
2018: 15.4
2019: 7.1
2020: 6.8
5-y average: 8.8
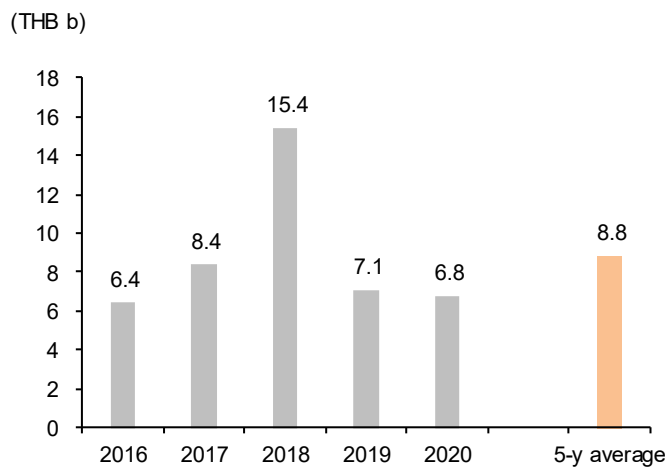
Sources: KBANK; FSSIA's compilation

Exhibit 13: KBANK's NPL write-offs

(THB b)

2016: 9.6
2017: 19.9
2018: 10.7
2019: 26.4
2020: 21.5
5-y average: 17.6
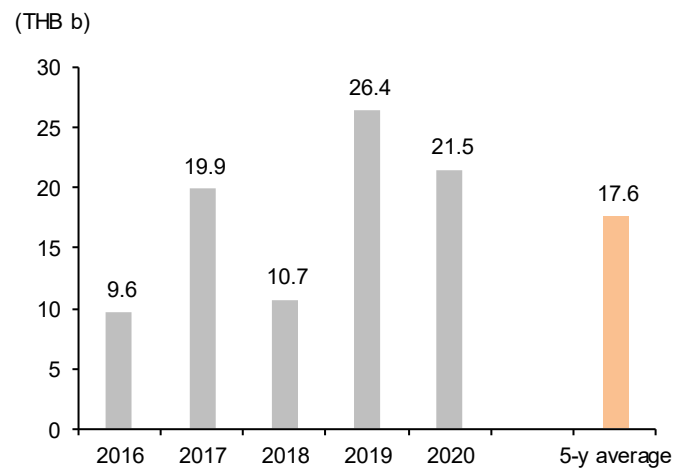
Sources: KBANK; FSSIA's compilation

FINANSIA

Financial Statements
JMT Network Services

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	1,965	2,629	3,320	4,792	6,612
Interest expense	(206)	(314)	(356)	(287)	(326)
Net interest income	1,758	2,315	2,964	4,506	6,286
Net fees & commission	-	-	-	-	-
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	350	409	381	461	505
Non interest income	350	409	381	461	505
Total income	2,108	2,724	3,345	4,967	6,791
Staff costs	-	-	-	-	-
Other operating costs	(1,258)	(1,311)	(1,508)	(1,885)	(2,357)
Operating costs	(1,258)	(1,311)	(1,508)	(1,885)	(2,357)
Pre provision operating profit	850	1,413	1,837	3,081	4,435
Provision for bad and doubtful debt	(12)	(203)	(175)	(268)	(325)
Other provisions	-	-	-	-	-
Operating profit	839	1,210	1,662	2,814	4,109
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	839	1,210	1,662	2,814	4,109
Tax	(189)	(174)	(283)	(478)	(699)
Profit after tax	649	1,036	1,379	2,335	3,411
Minority interests	32	11	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	681	1,047	1,379	2,335	3,411
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	681	1,047	1,379	2,335	3,411
Per share (THB)					
Recurring EPS *	0.77	1.09	1.24	1.61	2.35
Reported EPS	0.77	1.09	1.24	1.61	2.35
DPS	0.58	0.86	0.78	0.93	1.65
Growth					
Net interest income (%)	29.4	31.7	28.0	52.0	39.5
Non interest income (%)	24.3	16.8	(6.8)	21.0	9.6
Pre provision operating profit (%)	27.9	66.1	30.0	67.7	43.9
Operating profit (%)	26.1	44.2	37.4	69.3	46.0
Reported net profit (%)	34.8	53.6	31.8	69.3	46.0
Recurring EPS (%)	28.3	42.0	13.6	29.5	46.0
Reported EPS (%)	28.3	42.0	13.6	29.5	46.0
Income Breakdown					
Net interest income (%)	83.4	85.0	88.6	90.7	92.6
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	16.6	15.0	11.4	9.3	7.4
Operating performance					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	4.23	4.84	4.50	3.50	4.10
Net interest spread (%)	(4.23)	(4.84)	(4.50)	(3.50)	(4.10)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	59.7	48.1	45.1	38.0	34.7
Cost/assets(%)	13.6	10.7	8.7	7.0	6.6
Effective tax rate (%)	22.6	14.4	17.0	17.0	17.0
Dividend payout on recurring profit (%)	75.3	78.6	63.1	57.9	70.0
ROE (%)	20.1	23.0	19.5	14.5	14.1
ROE - COE (%)	9.3	12.2	8.7	3.7	3.3
ROA (%)	7.0	8.5	8.0	8.6	9.6
RORWA (%)	-	-	-	-	-
* Pre-exceptional, pre-goodwill and fully diluted					

Sources: JMT Network Services; FSSIA estimates

Financial Statements
JMT Network Services

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Gross customer loans	8,028	9,961	16,991	24,195	34,979
Total provisions	(107)	(287)	(428)	(648)	(903)
interest in suspense	0	160	340	484	700
Net customer loans	**7,921**	**9,834**	**16,902**	**24,031**	**34,775**
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	363	1,366	820	6,558	656
Cash & equivalents	317	967	298	965	83
Other interesting assets	101	412	432	513	648
Tangible fixed assets	163	411	269	282	296
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	1,277	1,281	1,628	1,348	1,128
Total assets	**10,142**	**14,270**	**20,349**	**33,697**	**37,586**
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	5,783	7,187	8,969	6,062	8,150
Non interest bearing liabilities	926	1,329	2,990	3,887	4,664
Hybrid Capital	-	-	-	-	-
Total liabilities	**6,708**	**8,516**	**11,959**	**9,949**	**12,814**
Share capital	444	488	545	891	891
Reserves	2,952	5,236	7,844	22,857	23,881
Total equity	**3,396**	**5,724**	**8,389**	**23,748**	**24,772**
Minority interests	38	30	0	0	0
Total liabilities & equity	**10,142**	**14,270**	**20,349**	**33,697**	**37,586**
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	n/a	n/a	n/a	n/a	n/a
Average interest bearing liabilities	4,874	6,485	7,906	8,193	7,956
Tier 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	n/a	n/a	n/a	n/a	n/a
Per share (THB)					
Book value per share	3.82	5.98	7.56	16.37	17.07
Tangible book value per share	3.82	5.98	7.56	16.37	17.07
Growth					
Gross customer loans	34.2	24.1	70.6	42.4	44.6
Average interest earning assets	-	-	-	-	-
Total asset (%)	21.3	40.7	42.6	65.6	11.5
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	33.5	40.1	41.2	70.5	65.9
Tangible equity/assets (%)	33.5	40.1	41.2	70.5	65.9
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Total provisions/gross loans (%)	1.3	2.9	2.5	1.9	2.6
Total provisions/NPL (%)	-	-	-	-	-

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	87.7	61.7	54.3	41.9	28.7
Recurring P/E @ target price (x) *	90.9	64.0	56.3	43.5	29.8
Reported P/E (x)	87.7	61.7	54.3	41.9	28.7
Dividend yield (%)	0.9	1.3	1.2	1.4	2.4
Price/book (x)	17.7	11.3	8.9	4.1	4.0
Price/tangible book (x)	17.7	11.3	8.9	4.1	4.0
Price/tangible book @ target price (x)	18.3	11.7	9.3	4.3	4.1
* Pre-exceptional, pre-goodwill and fully diluted					

Sources: JMT Network Services; 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	SEAOIL	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	AMANAH	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	WIIK	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	AMANAH	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	SEAOIL	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	WIIK	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 th e Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company . The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 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 Suwanumphai FSS International Investment Advisory Securities Co., Ltd**

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

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

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

History of change in investment rating and/or target price

JMT Network Services (JMT TB)
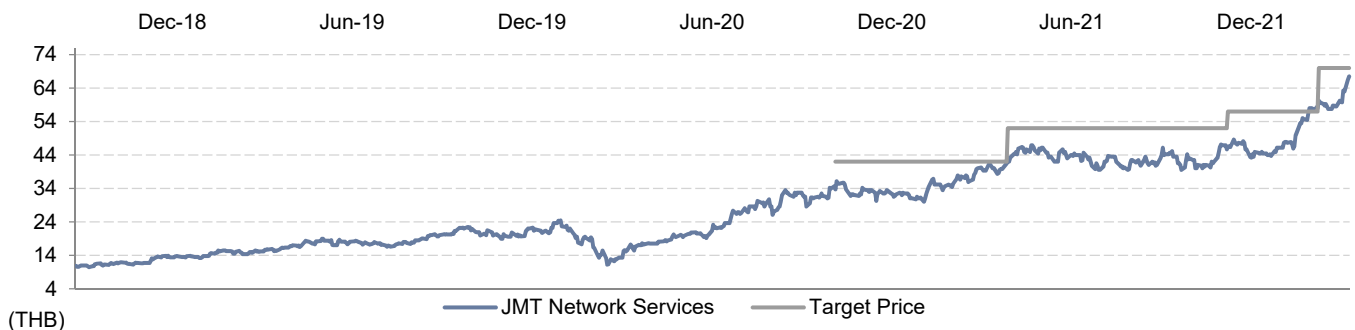
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Oct-2020	BUY	42.00	20-May-2021	BUY	52.00	27-Oct-2021	BUY	57.00
23-Nov-2020	BUY	42.00	03-Aug-2021	BUY	52.00	24-Nov-2021	BUY	70.00
02-Mar-2021	BUY	52.00	07-Sep-2021	BUY	57.00			

Yuvanart Suwanumphai started covering this stock from 05-Oct-2020

Price and TP are in local currency

Source: FSSIA estimates

Kasikornbank (KBANK TB)
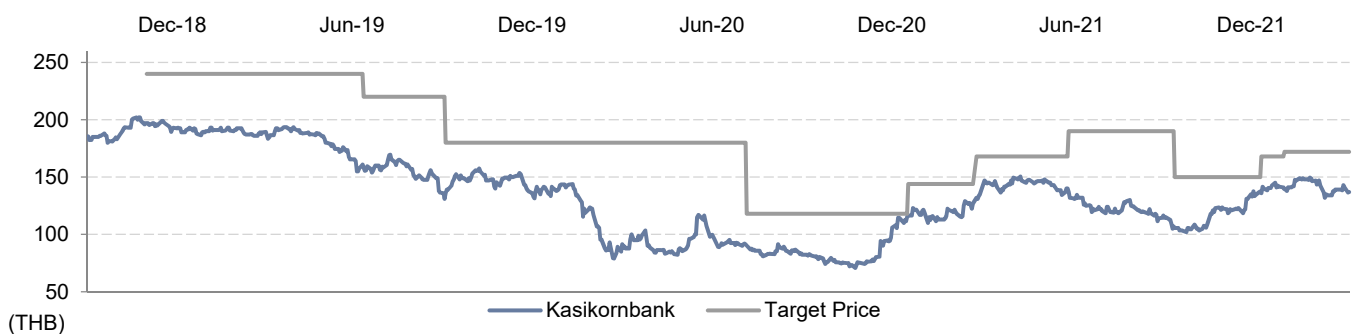
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Feb-2019	BUY	240.00	06-Oct-2020	BUY	118.00	22-Jul-2021	BUY	150.00
20-Aug-2019	BUY	220.00	03-Dec-2020	BUY	144.00	05-Oct-2021	BUY	168.00
30-Oct-2019	BUY	180.00	29-Jan-2021	BUY	168.00	25-Oct-2021	BUY	172.00
02-Apr-2020	BUY	180.00	21-Apr-2021	BUY	190.00			
16-Jul-2020	BUY	118.00	05-Jul-2021	BUY	190.00			

Yuvanart Suwanumphai started covering this stock from 16-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
JMT Network Services	JMT TB	THB 67.50	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.
Kasikornbank	KBANK TB	THB 137.00	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.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 21-Dec-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.