

Thailand Diversified Financial

กฎเกณฑ์สำหรับกิจการร่วมค้าระหว่างธนาคารกับบริษัทบริหารสินทรัพย์ (AMC) คลอดออกมาในที่สุด

- เราคิดว่ากฎเกณฑ์ดังกล่าวเป็นประโยชน์กับทั้งธนาคารและ AMC
- เราคิดว่าจะมีการประกาศ JV เพิ่มในปีนี้
- คงน้ำหนักมากกว่าตลาดสำหรับทั้งกลุ่มธนาคารและ AMC

รพท. ได้ประกาศกฎเกณฑ์ในการจัดตั้งกิจการร่วมค้าระหว่างธนาคารและ AMC อย่างเป็นทางการ

เมื่อวันที่ 26 ม.ค. 22 รพท. ได้ประกาศกฎเกณฑ์สำหรับกิจการร่วมค้าระหว่างธนาคารพาณิชย์และ AMC ซึ่งสอดคล้องกับการคาดการณ์ของเรา จุดประสงค์หลักของการอนุญาตให้มีกิจการร่วมค้าคือเพื่อแก้ปัญหาหนี้ต่อคุณภาพ (NPL) และสินทรัพย์ต่อคุณภาพ (NPA) ที่อาจเพิ่มขึ้นในกลุ่มลูกค้ารายย่อย โดยมีกฎเกณฑ์ในการจัดตั้งประกอบด้วย: 1) กิจการร่วมค้าต้องมีหุ้นส่วนเป็นธนาคารหนึ่งฝ่ายและ AMC อีกหนึ่งฝ่ายถือหุ้นเท่ากันและอาจมีหุ้นส่วนอื่นร่วมด้วยก็ได้; 2) กิจการร่วมค้าจะต้องจัดตั้งภายในวันที่ 31 ธ.ค. 24; 3) การซื้อ/ราคาโอนสินทรัพย์เสียไปยังกิจการร่วมค้าต้องอยู่ในราคาที่ยุติธรรม; และ 4) กิจการร่วมค้าจะมีอายุการดำเนินงานไม่เกิน 15 ปีนับจากวันที่เริ่มดำเนินงาน ในด้านแหล่งเงินทุนของกิจการร่วมค้า ธนาคารผู้ก่อตั้งสามารถให้สินเชื่อหรือออกตั๋วสัญญาใช้เงินตามอัตราดอกเบี้ยในตลาด

คาดจะมีการประกาศกิจการร่วมค้าเพิ่มในปีนี้

กิจการร่วมค้าระหว่างธนาคารและ AMC อาจเป็นวิธีที่ได้รับความนิยมในการแก้ปัญหาหนี้เสียในปี 2022 โดยธนาคารแห่งหนึ่งสามารถจัดตั้งกิจการร่วมค้าได้หลายกิจการ ในทางเดียวกัน AMC แห่งหนึ่งก็สามารถเข้าหุ้นกับธนาคารได้หลายแห่ง AMC หนึ่งอาจจะร่วมมือกับอีก AMC เพื่อจัดตั้งกิจการร่วมค้ากับธนาคารแห่งหนึ่งก็ได้ JMT and KBANK เป็นคนแรกที่จัดตั้งกิจการร่วมค้าในปี 2021 จากการติดตามกับ JMT บริษัทฯ ระบุว่าบริษัทฯ อาจเข้าร่วมหุ้นกับธนาคารอื่นอีก ผู้บริหารของ CHAYO กล่าวว่ากิจการร่วมค้าแรกของบริษัทฯ อาจสำเร็จภายในเดือน ก.พ. 22 สำหรับ BAM เราคิดว่าบริษัทฯ อาจเปิดตัวกิจการร่วมค้าแห่งแรกในเดือน ก.พ. ถึง มี.ค. 22

ดีกับทั้งธนาคารและ AMC

จากกฎเกณฑ์ในด้านโครงสร้างการถือหุ้นของกิจการร่วมค้า เราคิดว่า AMC และธนาคารจะได้รับอนุญาตให้แยกกิจการร่วมค้าออกจากงบการเงินของบริษัทฯ เพราะฉะนั้นกิจการร่วมค้าจะเป็นประโยชน์ต่อทั้งธนาคารและ AMC เราเห็นประโยชน์สำคัญ 2 ประการที่มีต่อธนาคาร ข้อแรกธนาคารจะสามารถแยก NPL ออกจากบัญชีงบดุลของธนาคารในขณะที่ยังสามารถได้รับประโยชน์ในอนาคตเมื่อกิจการร่วมค้าสามารถติดตามหนี้เสียได้สำเร็จ ข้อสองในระยะยาวธนาคารอาจลดสำรองได้จากคุณภาพสินทรัพย์ที่ดีขึ้น ในด้านประโยชน์ที่จะมีแก่ AMC เราคิดว่าบริษัทฯ น่าจะสามารถขยายธุรกิจได้เร็วขึ้นจากมูลค่า NPL ในมือและแหล่งเงินทุนที่ไม่จำกัดจากธนาคารที่เป็นหุ้นส่วน ยังเป็นเรื่องยากที่จะวิเคราะห์ Upside ที่อาจมีแก่กำไรของธนาคารและ AMC โดยจะขึ้นอยู่กับปัจจัยหลายประการ เช่น โครงสร้างการถือหุ้น จำนวนและชนิดของ NPL ที่โอนให้กับกิจการร่วมค้า เราเห็นว่าในแง่ของ Upside เมื่อนับเป็นเปอร์เซ็นต์ต่อประมาณการของเรา AMC น่าจะมี Upside สูงกว่าธนาคารอย่างมีนัยสำคัญเนื่องจาก AMC มีฐานกำไรที่เล็กกว่ามากและการบริหารหนี้เสียเป็นธุรกิจหลักของบริษัทฯ

คงน้ำหนักมากกว่าตลาดสำหรับทั้งกลุ่มธนาคารและ AMC

เราคงมุมมองของเราที่ว่า AMC มีความน่าสนใจที่สุดในกลุ่มการเงิน เนื่องจาก AMC น่าจะเป็นหนึ่งในไม่กี่อุตสาหกรรมที่กฎระเบียบในปัจจุบันเอื้อต่อการดำเนินงานของบริษัทฯ หุ้นเด่นของเราในกลุ่ม AMC ประกอบด้วย JMT และ BAM นอกจากนี้เราคงให้น้ำหนักมากกว่าตลาดสำหรับกลุ่มธนาคารโดยมี TTB และ SCB เป็นหุ้นเด่น



Yuvanart Suwanumphai

yuvanart.suw@fssia.com
+66 2611 3554

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

Company	BBG code	Rec	---Share price---		Up side (%)	Market Cap (USD m)	EPS growth		---- P/E ----		-- DivYld --		---- ROE ----		---- PBV ----	
			Current (THB)	Target (THB)			21E (%)	22E (%)	21E (x)	22E (x)	21E (x)	22E (x)	21E (%)	22E (%)	21E (x)	22E (x)
Banks						45,551	8.4	8.2	10.5	9.7	3.7	4.1	7.9	8.0	0.8	0.8
Bangkok Bank	BBL TB	HOLD	136.00	134.00	(1)	7,877	25.1	10.3	9.8	8.9	2.9	3.7	5.6	6.0	0.5	0.5
Kasikornbank	KBANK TB	BUY	147.50	180.00	22	10,604	29.0	9.2	9.2	8.4	1.8	3.1	8.3	8.4	0.7	0.7
Kiatnakin Bank	KKP TB	BUY	70.00	80.00	14	1,798	23.3	12.4	9.4	8.3	4.6	6.1	13.0	13.4	1.2	1.1
Krung Thai Bank	KTB TB	BUY	14.00	15.50	11	5,937	29.0	8.7	9.1	8.3	3.3	4.2	6.1	6.4	0.5	0.5
Siam Commercial Bank	SCB TB	BUY	125.50	160.00	27	12,931	30.8	1.9	12.0	11.7	5.3	4.0	8.4	8.0	1.0	0.9
Tisco Financial	TISCO TB	BUY	98.25	110.00	12	2,387	11.8	4.0	11.6	11.2	7.1	7.9	16.8	16.7	1.9	1.8
TMBThanachart Bank	TTB TB	BUY	1.37	1.80	31	4,017	3.3	26.5	12.6	10.0	3.1	4.5	5.0	6.1	0.6	0.6
Diversified financials						23,773	13.5	21.2	25.8	21.3	1.9	2.3	18.5	17.9	4.2	3.3
Unsecured-loan lender*						6,054	16.0	11.6	21.6	19.3	1.8	2.1	24.3	23.4	4.9	4.3
Aeon Thana Sinsap (TH)	AEONTS TB	HOLD	184.50	204.00	11	1,400	7.5	13.9	11.6	10.2	2.7	2.8	21.5	21.1	2.3	2.0
Krungthai Card	KTC TB	HOLD	59.50	52.00	(13)	4,655	17.2	11.2	24.5	22.1	1.6	1.9	25.2	24.1	5.7	5.0
Auto-title lender						9,197	5.9	22.8	22.6	18.4	1.3	1.5	20.3	20.6	4.0	3.5
Muangthai Capital	MTC TB	BUY	56.25	69.00	23	3,618	(0.5)	24.6	23.0	18.5	0.7	0.8	22.7	23.4	4.8	3.9
Srisawad Corp	SAWAD TB	BUY	60.25	80.00	33	2,510	4.2	20.6	17.4	14.4	3.0	3.5	20.2	22.0	3.4	3.0
Saksiam Leasing	SAK TB	BUY	9.25	11.00	19	588	(19.5)	39.1	32.6	23.5	0.9	1.3	12.6	15.9	3.9	3.5
Ngern Tid Lor	TIDLOR TB	BUY	35.25	43.00	22	2,480	23.8	17.8	24.8	21.1	0.6	0.7	18.9	16.4	3.6	3.2
Truck lender						2,047	14.1	8.8	27.1	24.9	1.9	2.5	13.2	12.2	3.1	2.3
Micro Leasing	MICRO TB	BUY	7.50	10.70	43	213	23.1	33.5	34.4	25.8	0.9	0.8	10.8	13.2	3.6	3.2
Singer Thailand	SINGER TB	BUY	45.50	51.00	12	1,120	24.8	2.4	33.5	32.7	1.2	1.8	13.0	9.8	3.7	2.4
Ratchthani Leasing	THANI TB	BUY	4.16	4.80	15	715	(30.2)	19.8	14.8	12.4	3.4	4.0	14.2	15.8	2.0	1.9
Asset management						4,888	17.9	31.3	40.4	30.8	1.9	2.5	13.3	11.2	5.1	2.7
Bangkok Commercial AM	BAM TB	BUY	20.10	25.50	27	1,971	30.1	33.8	27.1	20.3	3.1	4.2	5.4	6.9	1.4	1.4
Chayo Group	CHAYO TB	BUY	12.40	16.60	34	381	12.1	36.6	51.1	37.4	0.0	0.0	12.4	10.6	4.6	3.3
JMT Network Services	JMT TB	BUY	61.00	70.00	15	2,536	13.6	29.5	49.1	37.9	1.3	1.5	19.5	14.5	8.1	3.7
Other						1,289	8.1	11.6	10.3	9.2	7.4	7.4	6.4	6.8	0.6	0.6
Thanachart Capital	TCAP TB	HOLD	40.50	35.00	(14)	1,289	8.1	11.6	10.3	9.2	7.4	7.4	6.4	6.8	0.6	0.6
HP motorcycle						298	55.9	33.4	31.2	23.4	0.5	0.6	17.4	19.8	5.0	4.3
Next Capital	NCAP TB	BUY	10.90	16.80	54	298	55.9	33.4	31.2	23.4	0.5	0.6	17.4	19.8	5.0	4.3

Note: 2021 data for banking sector are actual data; Share prices as of 26 Jan 2022

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	ICI	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	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	TIPIP	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	WIJK	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 Suwanumphai FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Bank	BBL TB	THB 136.00	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 70.00	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
Krung Thai Bank	KTB TB	THB 14.00	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; 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs; and 3) an increase in OPEX due to aggressive digital investment.
Siam Commercial Bank	SCB TB	THB 125.50	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 98.25	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 1.37	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 184.50	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 59.50	HOLD	Upside risks to our GGM-derived TP include: 1) stronger-than-expected growth for KTB Leasing; and 2) 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 56.25	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.
Srisawad Corp	SAWAD TB	THB 60.25	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 9.25	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 35.25	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 7.50	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 45.50	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 4.16	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 20.10	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 12.40	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 61.00	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 40.50	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 10.90	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.

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 26-Jan-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.