

KASIKORNBANK KBANK TB

THAILAND / BANKS

BUY

UNCHANGED

ตั้งกิจการร่วมค้าเพื่อเสริมผลตอบแทนระยะยาว

- KBANK จะขายหนี้ด้อยคุณภาพจำนวน 50 พัน ลบ. ให้แก่ JK ในปี 2022 และจะขายเพิ่มชิ้นอีกในปี 2023-25
- ประมาณการกำไรสุทธิในปัจจุบันมี Upside ระยะสั้นจำกัด
- หนี้ด้อยคุณภาพที่ลดลงจะช่วยลดต้นทุนความเสี่ยงในการปล่อยสินเชื่อระยะยาว

TARGET PRICE	THB180.00
CLOSE	THB150.00
UP/DOWNSIDE	+20.0%
PRIOR TP	THB180.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+0.6%

ประกาศตั้ง JK AMC อย่างเป็นทางการ

เมื่อวันที่ 29 มิ.ย. 22 JMT และ KBANK ประกาศการเป็นหุ้นส่วนอย่างเป็นทางการใน JK Asset Management (JK) โดย KVision (บริษัทย่อยที่ KBANK ถือหุ้น 100%) และ JAM (บริษัทย่อยที่ JMT ถือหุ้น 100%) จะถือหุ้นบริษัทละ 50% ใน JK ซึ่งมีทุนจดทะเบียนรวม 10 พัน ลบ. สัดส่วนหนี้สินต่อส่วนผู้ถือหุ้นที่ดูไว้อยู่ไม่เกิน 3x JK จะซื้อหนี้ด้อยคุณภาพประเภทที่มีหลักทรัพย์และไม่มหลักทรัพย์ค่าประกัน รวมถึงสินทรัพย์ด้อยคุณภาพ โดยตั้งเป้าตัวเลขสินทรัพย์ด้อยคุณภาพภายใต้การบริหาร (ตามมูลค่าหน้าตัว) อยู่ที่ 50 พัน ลบ. ในปี 2022 (ชื่อ 30 พัน ลบ. ในเดือน มิ.ย. 22 และอีก 20 พัน ลบ. ในช่วง 2H22 จาก KBANK) และเพิ่มเป็น 100 พัน ลบ. ในปี 2025 สินทรัพย์ที่ JK ซื้อส่วนมากจะมาจาก KBANK นอกจากนี้ JK ยังได้ระบุด้วยว่าบริษัท จะซื้อสินทรัพย์จากสถาบันการเงินอื่นอีกด้วย เราคิดว่าสัดส่วนสินทรัพย์ด้อยคุณภาพ (ตามมูลค่าหน้าตัว) น่าจะเป็นประเภทไม่มีหลักทรัพย์ค่าประกัน 70% และประเภทที่มีหลักทรัพย์ค่าประกัน 30%

กลยุทธ์ป้องกันความเสี่ยงเพื่อให้ผลตอบแทนที่ดีกว่าแก่ผู้ถือหุ้น

เราคิดว่า KBANK ต้องการเป็นพันธมิตรกับ JMT เพื่อป้องกันตัวเองจากการไหลบ่าของหนี้ด้อยคุณภาพที่อาจเกิดขึ้นหลังมาตรการผ่อนคลายการจัดชั้นหนี้สินสุดลงในปี 2023 นอกจากนี้การเป็นพันธมิตรกับ JMT อาจช่วยแยกหนี้ด้อยคุณภาพออกจากบัญชีงบดุลของบริษัท ในขณะที่ธนาคาร น่าจะยังมีโอกาสได้ประโยชน์ในอนาคตเมื่อ JMT สามารถติดตามหนี้เสียได้สำเร็จความร่วมมือดังกล่าวน่าจะให้ผลตอบแทนที่สูงขึ้นแก่ผู้ถือหุ้นเมื่อเทียบกับการบริหารหนี้ด้อยคุณภาพด้วยตนเองหรือการประมูล

ข้อตกลงดังกล่าวไม่มีผลกระทบต่ออย่างมีนัยสำคัญต่อกำไรสุทธิในระยะสั้น

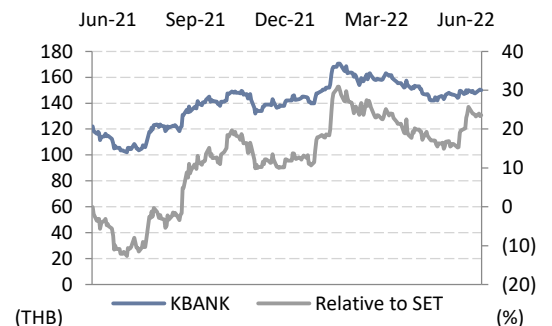
แม้ว่าในระยะสั้นเราอาจจะเห็นผลกระทบเพียงเล็กน้อยต่องบการเงินของ KBANK ในแง่ของส่วนแบ่งกำไรจาก JK (คาดว่ากำไรสุทธิของ JK จะอยู่ที่ 232 ลบ. และ 486 ลบ. ในปี 2023-24); สัดส่วนหนี้ด้อยคุณภาพ; สัดส่วนสำรองต่อหนี้ด้อยคุณภาพ; ต้นทุนความเสี่ยงในการปล่อยสินเชื่อ; และรายได้ดอกเบี้ยสุทธิ เรามองข้อตกลงดังกล่าวเป็นบวกเล็กน้อยสำหรับ KBANK จากบัญชีงบดุลที่จะแข็งแกร่งยิ่งขึ้นในระยะยาว ในปี 2022 KBANK จะขายหนี้ด้อยคุณภาพจำนวน 50 พัน ลบ. ให้แก่ JK เทียบกับการขายเฉลี่ยที่ 8-9 พัน ลบ. ต่อปี เพราะฉะนั้นเราจึงคาดว่าบริษัท จะมี Upside ในแง่รายได้จากการขายหนี้ด้อยคุณภาพที่ 6 พัน ลบ. อย่างไรก็ตาม เราเชื่อว่า KBANK จะปรับลดคุณภาพหนี้ระยะที่ 2 ให้เป็นหนี้ด้อยคุณภาพ ซึ่งจะลดต้นทุนความเสี่ยงในการปล่อยสินเชื่อเพิ่มขึ้น ด้วยเหตุดังกล่าวเราจึงเห็นผลกระทบที่จำกัดต่อประมาณการกำไรสุทธิปี 2022 ของเรา นับตั้งแต่ปี 2023 เป็นต้นไปเราคิดว่าหนี้ด้อยคุณภาพจะลดลงซึ่งจะทำให้ต้นทุนความเสี่ยงในการปล่อยสินเชื่อปรับตัวดีขึ้นเล็กน้อย อย่างไรก็ตาม จากความไม่แน่นอนทางเศรษฐกิจในปัจจุบันเราจึงยังไม่รวมปัจจัยดังกล่าวไว้ในประมาณการของเราและคงประมาณการปี 2022-24 ของเราไว้ตามเดิม

คำแนะนำซื้อที่ราคาเป้าหมายปี 2022 ที่ 180 บาท (GGM)

เราคงราคาเป้าหมายของเราไว้ที่ 180 บาท (GGM) เราเชื่อว่ากำไรสุทธิและผลตอบแทนต่อส่วนผู้ถือหุ้นของ KBANK จะปรับขึ้นอย่างต่อเนื่อง นอกจากนี้เรายังคิดว่าบริษัท กำลังเร่งเปลี่ยนแปลงตนเองอย่างเต็มกำลังเพื่อปลดล็อกมูลค่าของบริษัท และเพิ่มผลตอบแทนของผู้ถือหุ้น

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	52,667	59,136	63,370	70,468
Net profit	38,053	41,542	45,695	50,848
EPS (THB)	16.06	17.53	19.29	21.46
vs Consensus (%)	-	(1.7)	(1.0)	(3.1)
Core net profit	38,053	41,542	45,695	50,848
Core EPS (THB)	16.06	17.53	19.29	21.46
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	29.0	9.2	10.0	11.3
Core P/E (x)	9.3	8.6	7.8	7.0
Dividend yield (%)	2.2	3.0	3.3	3.3
Price/book (x)	0.7	0.7	0.7	0.6
ROE (%)	8.3	8.4	8.7	9.0
ROA (%)	1.1	1.1	1.2	1.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.4	(5.4)	26.6
Relative to country (%)	7.4	1.1	26.7
Mkt cap (USD m)	10,121		
3m avg. daily turnover (USD m)	64.6		
Free float (%)	50		
Major shareholder	Thai NVDR (18%)		
12m high/low (THB)	175.00/101.00		
Issued shares (m)	2,369		

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 30 มิถุนายน 2022

Investment thesis

We maintain our BUY call, as we believe that the extension of the relaxed loan classification and provision setup rules will give the bank more time to deal with its trouble debts.

Moreover, once the Covid-19 dust has settled, we expect KBANK to post sustainable long-term growth, as it has laid a strong foundation for such. First, KBANK has been heavily investing in digital platforms for more than a decade – we believe it will utilise its digital platform to generate more revenue while reducing operating and funding costs. Second, KBANK is one of the first movers to have expanded into the Asean Economic Community +3. Therefore, its digital investment and international expansion should be a game changer, helping it to become a regional digital bank.

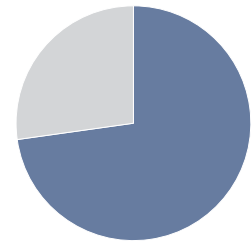
Company profile

Established on 8 June 1945, Kasikornbank was listed on the Stock Exchange of Thailand in 1976. At the end of 2021, KBANK operated 839 branches, down from 860 in 2021 and 10,991 ATMs, up from 10,911 in 2020. In addition, the bank has an international network that includes 16 establishments in eight countries.

www.kasikornbank.com

Principal activities (revenue, 2021)

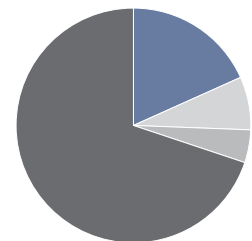
- Net interest income - 72.8 %
- Non-interest income - 27.2 %



Source: Kasikornbank

Major shareholders

- Thai NVDR - 18.3 %
- State Street Europe Ltd. - 7.3 %
- South East Asia UK (Type C) Nominees - 4.5 %
- Others - 69.9 %



Source: Kasikornbank

Catalysts

Potential share price catalysts for KBANK include:

- Lower credit cost from fewer new NPLs;
- Faster expansion in the digital lending space than expected;
- The return of foreign fund flows into the Thai stock market.

Risks to our call

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.

Event calendar

Date	Event
21 Jul 2022	2Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	41,542	45,695	50,848
Net profit growth	9.2	10.0	11.3
NIM	3.16	3.12	3.21
Loan growth	5.0	5.0	4.0
Fee growth	5.5	5.0	5.0
Non-NII growth*	9.5	7.1	5.8
Credit cost (bp)	160	155	155
Cost to income*	43.1	42.4	41.3

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		2022E		
		3.0	5.0	7.0
Loan growth	±2ppt			
% change in net profit		(0.5)	-	0.5
NIM (%)	±5bp			
% change in net profit		(2.5)	-	2.5
Credit cost (bp)	±10bp			
% change in net profit		4.0	-	(4.0)

Source: FSSIA estimates

Official announcement of JK AMC

On 29 Jun-22, JMT Network Services (JMT TB, BUY, TP THB80) and KBANK officially announced the establishment of their partnership, called JK Asset Management (JK). KVision (KBANK’s 100%-owned subsidiary) and J Asset Management (JAM; JMT’s 100%-owned subsidiary) will hold 50% each in JK, with total registered capital of THB10b. The preferred D/E ratio is not over 3x.

JK will acquire impaired assets, including secured and unsecured non-performing loans (NPLs) and non-performing assets (NPAs). Its targeted impaired assets under management (based on face value) are THB50b in 2022 (purchase THB30b in Jun-22 and THB20b in 2H22 from KBANK) and THB100b in 2025. Most of JK’s asset acquisitions will come from KBANK. JK has indicated it will also purchase from other financial institutions. We think the impaired asset ratio (based on face value) would roughly be 70% unsecured and 30% secured.

Exhibit 1: Summary of details of JK Asset Management

Items	Details
1. Shareholding structure	50% JAM and 50% KVISION
2. Registered capital	THB10b
3. Preferred D/E	Not over 3x
4. Impaired assets under management (based on face value)	2022; THB50b from KBANK (THB30b in Jun-22 and THB20b in 2H22)
	2025; THB100b (majority from KBANK and some from other financial institutions)
5. Impaired asset type	NPLs, both secured and unsecured
	NPAs
6. Management structure	1. Mr. Sutthirak Trichira-aporn (CEO of JMT) will be CEO of JK
	2. Expects to be a lean company with low fixed costs
	3. Pay management fees to JMT as a variable cost

Sources: Company data; FSSIA’s compilation

Preventive strategy to offer better returns to shareholders

We think KBANK wants to partner with JMT to protect itself from a potential NPL influx after the relaxed loan classification measures end in 2023. Also, by partnering with JMT, it could deconsolidate NPLs from its balance sheet, while the bank would still have exposure to benefit in the future when JMT is able to collect bad debts. This should provide higher returns to shareholders vs managing NPLs itself or via auction.

Exhibit 2: Comparing efficiency of secured NPL management options



Source: KBANK

Exhibit 3: Comparing efficiency of unsecured NPL management options



Source: KBANK

Insignificant impact on net profit from this deal in short term

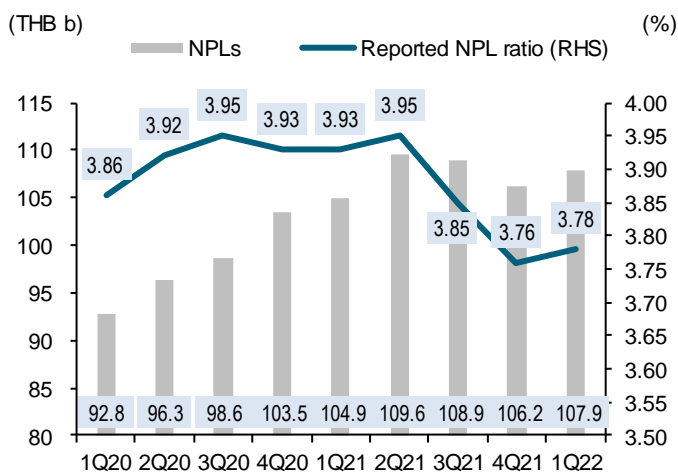
Although in the short term we should see an immaterial impact on KBANK’s financial statements in terms of profit sharing from JK (expect net profit of JK at THB232m and THB486m in 2023-24); NPL ratio; coverage ratio; credit cost; and net interest income, we read this deal as slightly positive for KBANK due to the stronger balance sheet in the long term. In 2022, KBANK will sell THB50b worth of NPLs to JK vs normal average sales of THB8b-9b per year. Hence, we expect an NPL sales revenue upside of THB6b. However, we believe KBANK will qualitatively downgrade its stage 2 loans to NPLs. This would require higher credit costs. Thus, we see a limited impact on our 2022 net profit forecasts. From 2023 onward, we think KBANK balance sheet will be cleaner. We expect the higher recovery NPL rate, resulting in slightly improved credit costs. Also, KBANK’s willingness to lend new loans should increase from the stronger balance sheet, leading to a potential increase in its NII. However, due to the economic uncertainty currently, we prefer to leave this an upside. We, therefore, maintain our 2022-24 net profit forecasts.

Exhibit 4: Expected total benefits to KBANK from JK

	2022E	2023E	2024E
Assumptions for JK			
Initial impaired asset face value (THB m)	50,000		
Cash collection (%)	2	18	25
Accumulated cash collection rate (%)	2	20	45
Expected profit of JK (THB m)			
Interest income (net interest expense and ECL)	36	469	980
OPEX	14	178	372
Tax	4	58	122
Net profit of JK	17	232	486
Total benefit to KBANK			
Profit sharing from JK (THB m)	8	116	243
<i>% Upside to our current net profit forecasts of KBANK</i>		<i>0.3</i>	<i>0.5</i>

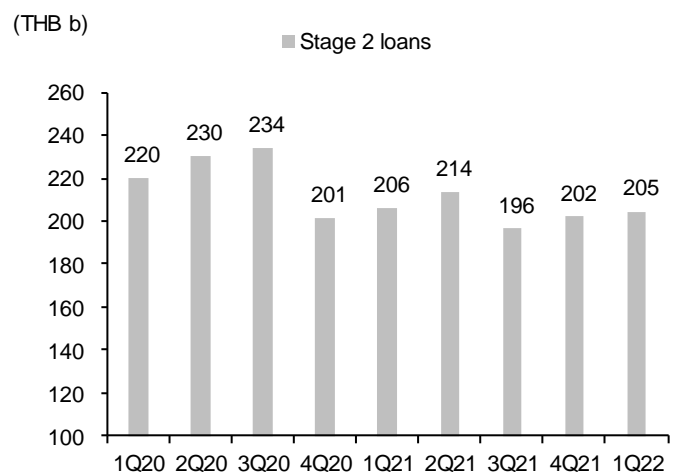
Source: FSSIA estimates

Exhibit 5: KBANK’s NPLs amounted to THB108b as of 1Q22



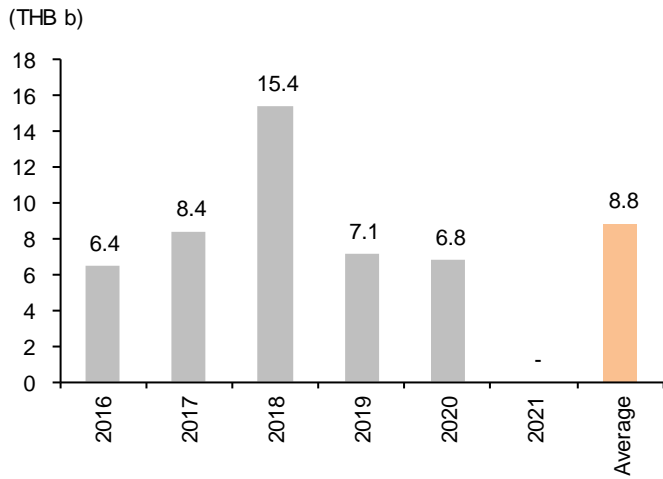
Sources: KBANK; FSSIA’s compilation

Exhibit 6: KBANK’s stage 2 loans amounted to THB205b as of 1Q22



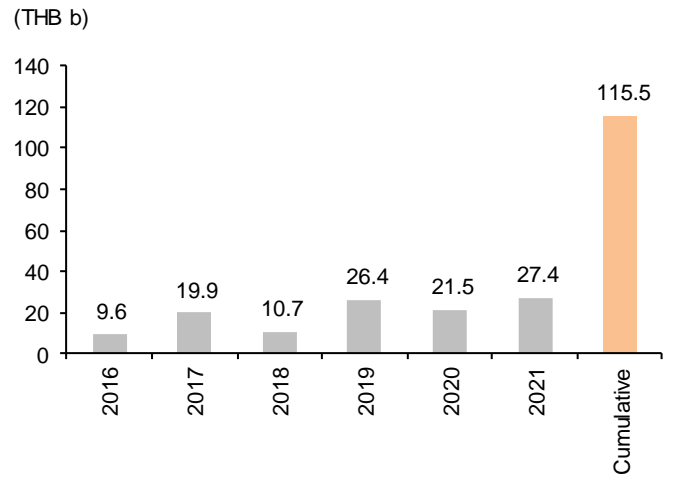
Sources: KBANK; FSSIA’s compilation

Exhibit 7: KBANK's NPL sales



Sources: KBANK; FSSIA's compilation

Exhibit 8: KBANK's NPL write-offs



Sources: KBANK; FSSIA's compilation

Financial Statements

Kasikornbank

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	127,592	135,415	141,093	151,676	162,566
Interest expense	(18,570)	(16,024)	(16,747)	(24,478)	(26,596)
Net interest income	109,022	119,390	124,346	127,198	135,970
Net fees & commission	33,004	35,316	37,273	39,137	41,094
Foreign exchange trading income	0	0	0	0	0
Securities trading income	9,428	6,356	6,397	6,440	6,485
Dividend income	2,384	3,310	3,475	3,649	3,831
Other income	1,246	(330)	1,714	3,088	3,916
Non interest income	46,063	44,653	48,860	52,314	55,326
Total income	155,085	164,043	173,206	179,512	191,297
Staff costs	(32,143)	(34,481)	(35,170)	(35,874)	(36,950)
Other operating costs	(37,853)	(36,563)	(39,182)	(39,868)	(41,666)
Operating costs	(69,997)	(71,044)	(74,353)	(75,742)	(78,615)
Pre provision operating profit	85,088	92,999	98,854	103,770	112,681
Provision for bad and doubtful debt	(43,548)	(40,332)	(39,718)	(40,400)	(42,213)
Other provisions	-	-	-	-	-
Operating profit	41,540	52,667	59,136	63,370	70,468
Recurring non operating income	(193)	(694)	(729)	(766)	(804)
Associates	(193)	(694)	(729)	(766)	(804)
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	41,347	51,973	58,407	62,604	69,664
Tax	(7,656)	(9,729)	(11,039)	(11,832)	(13,166)
Profit after tax	33,690	42,244	47,368	50,772	56,497
Minority interests	(4,203)	(4,192)	(5,826)	(5,077)	(5,650)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	29,487	38,053	41,542	45,695	50,848
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	29,487	38,053	41,542	45,695	50,848
Per share (THB)					
Recurring EPS *	12.45	16.06	17.53	19.29	21.46
Reported EPS	12.45	16.06	17.53	19.29	21.46
DPS	2.50	3.25	4.50	5.00	5.00
Growth					
Net interest income (%)	6.2	9.5	4.2	2.3	6.9
Non interest income (%)	(20.3)	(3.1)	9.4	7.1	5.8
Pre provision operating profit (%)	(3.0)	9.3	6.3	5.0	8.6
Operating profit (%)	(22.7)	26.8	12.3	7.2	11.2
Reported net profit (%)	(23.9)	29.0	9.2	10.0	11.3
Recurring EPS (%)	(23.1)	29.0	9.2	10.0	11.3
Reported EPS (%)	(23.1)	29.0	9.2	10.0	11.3
Income Breakdown					
Net interest income (%)	70.3	72.8	71.8	70.9	71.1
Net fees & commission (%)	21.3	21.5	21.5	21.8	21.5
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	6.1	3.9	3.7	3.6	3.4
Dividend income (%)	1.5	2.0	2.0	2.0	2.0
Other income (%)	0.8	(0.2)	1.0	1.7	2.0
Operating performance					
Gross interest yield (%)	3.86	3.70	3.59	3.72	3.84
Cost of funds (%)	0.78	0.59	0.57	0.81	0.85
Net interest spread (%)	3.08	3.11	3.02	2.91	2.99
Net interest margin (%)	3.3	3.3	3.2	3.1	3.2
Cost/income(%)	45.1	43.3	42.9	42.2	41.1
Cost/assets(%)	2.0	1.8	1.8	1.8	1.8
Effective tax rate (%)	18.5	18.7	18.9	18.9	18.9
Dividend payout on recurring profit (%)	20.1	20.2	25.7	25.9	23.3
ROE (%)	7.0	8.3	8.4	8.7	9.0
ROE - COE (%)	(3.0)	(1.6)	(1.5)	(1.3)	(1.0)
ROA (%)	1.0	1.1	1.1	1.2	1.3
RORWA (%)	1.5	1.7	1.8	1.8	1.9

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Kasikornbank; FSSIA estimates

Financial Statements

Kasikornbank

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	2,244,821	2,421,813	2,542,904	2,670,049	2,776,851
Total provisions	(134,393)	(144,772)	(148,889)	(151,909)	(155,246)
interest in suspense	11,272	16,599	20,343	21,360	22,215
Net customer loans	2,121,700	2,293,640	2,414,358	2,539,500	2,643,819
Bank loans	417,420	420,494	405,081	426,904	443,789
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	777,790	1,034,372	1,044,995	1,055,746	1,098,167
Cash & equivalents	61,962	59,972	64,161	28,788	55,253
Other interesting assets	-	-	-	-	-
Tangible fixed assets	85,664	97,185	97,343	98,276	88,448
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	194,261	197,736	202,988	209,204	218,293
Total assets	3,658,798	4,103,399	4,228,926	4,358,418	4,547,770
Customer deposits	2,344,998	2,598,630	2,773,612	2,856,820	2,926,076
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	183,631	315,685	228,133	234,977	289,392
Non interest bearing liabilities	638,883	652,409	652,409	652,409	671,981
Hybrid Capital	-	-	-	-	-
Total liabilities	3,167,512	3,566,724	3,654,153	3,744,205	3,887,449
Share capital	23,693	23,693	23,693	23,693	23,693
Reserves	415,976	453,020	486,862	521,895	562,851
Total equity	439,670	476,714	510,555	545,588	586,544
Minority interests	51,616	59,961	64,218	68,624	73,776
Total liabilities & equity	3,658,798	4,103,399	4,228,926	4,358,418	4,547,770
Supplementary items					
Risk weighted assets (RWA)	2,404,276	2,630,858	2,762,401	2,900,521	3,016,542
Average interest earning assets	3,302,313	3,658,355	3,934,829	4,072,839	4,235,753
Average interest bearing liabilities	2,368,844	2,695,575	2,930,346	3,016,303	3,122,096
Tier 1 capital	387,854	433,959	466,056	499,012	535,437
Total capital	452,095	493,930	526,027	558,983	595,408
Gross non performing loans (NPL)	101,007	104,036	107,157	109,300	115,858
Per share (THB)					
Book value per share	185.57	201.20	215.49	230.27	247.56
Tangible book value per share	185.57	201.20	215.49	230.27	247.56
Growth					
Gross customer loans	12.1	7.9	5.0	5.0	4.0
Average interest earning assets	6.5	10.8	7.6	3.5	4.0
Total asset (%)	11.1	12.2	3.1	3.1	4.3
Risk weighted assets (%)	8.7	9.4	5.0	5.0	4.0
Customer deposits (%)	13.2	10.8	6.7	3.0	2.4
Leverage & capital measures					
Customer loan/deposits (%)	90.5	88.3	87.0	88.9	90.4
Equity/assets (%)	12.0	11.6	12.1	12.5	12.9
Tangible equity/assets (%)	12.0	11.6	12.1	12.5	12.9
RWA/assets (%)	65.7	64.1	65.3	66.5	66.3
Tier 1 CAR (%)	16.1	16.5	16.9	17.2	17.8
Total CAR (%)	18.8	18.8	19.0	19.3	19.7
Asset Quality					
Change in NPL (%)	20.2	3.0	3.0	2.0	6.0
NPL/gross loans (%)	4.5	4.3	4.2	4.1	4.2
Total provisions/gross loans (%)	6.0	6.0	5.9	5.5	5.6
Total provisions/NPL (%)	133.1	139.2	138.9	139.0	134.0
Valuation					
Recurring P/E (x) *	12.1	9.3	8.6	7.8	7.0
Recurring P/E @ target price (x) *	14.5	11.2	10.3	9.3	8.4
Reported P/E (x)	12.1	9.3	8.6	7.8	7.0
Dividend yield (%)	1.7	2.2	3.0	3.3	3.3
Price/book (x)	0.8	0.7	0.7	0.7	0.6
Price/tangible book (x)	0.8	0.7	0.7	0.7	0.6
Price/tangible book @ target price (x)	1.0	0.9	0.8	0.8	0.7

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Kasikornbank; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRS	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd

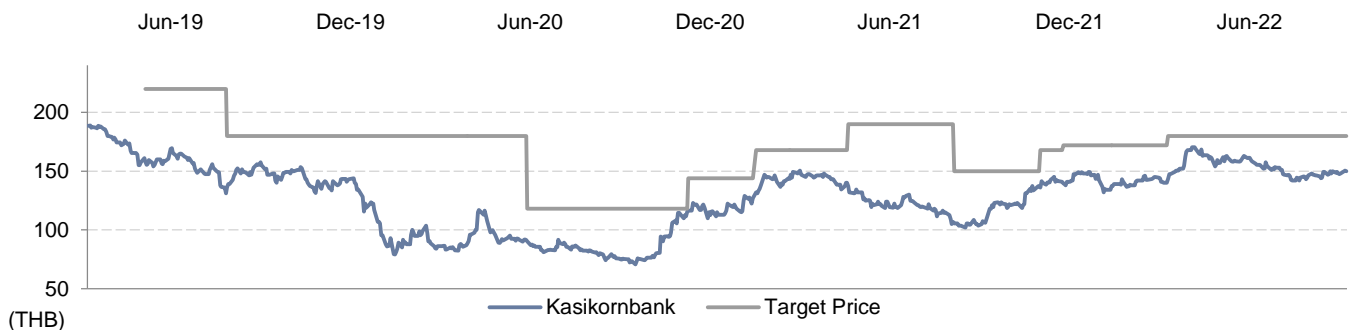
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Kasikornbank (KBANK TB)



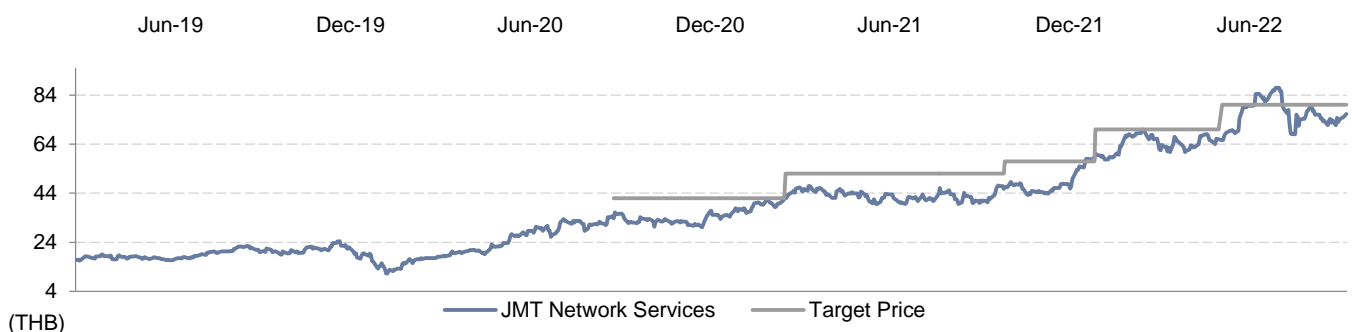
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Aug-2019	BUY	220.00	29-Jan-2021	BUY	168.00	25-Oct-2021	BUY	172.00
30-Oct-2019	BUY	180.00	21-Apr-2021	BUY	190.00	24-Jan-2022	BUY	180.00
16-Jul-2020	BUY	118.00	22-Jul-2021	BUY	150.00			
03-Dec-2020	BUY	144.00	05-Oct-2021	BUY	168.00			

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

Price and TP are in local currency

Source: FSSIA estimates

JMT Network Services (JMT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Oct-2020	BUY	42.00	07-Sep-2021	BUY	57.00	11-Mar-2022	BUY	80.00
02-Mar-2021	BUY	52.00	24-Nov-2021	BUY	70.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Kasikornbank	KBANK TB	THB 150.00	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.
JMT Network Services	JMT TB	THB 76.25	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.

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 29-Jun-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

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.