

# Thailand Banks and Diversified Financials

## ถนนสู่การปรับนโยบายให้อยู่ในระดับปกติของ ธปท.

- เมื่อวันที่ 30 มิ.ย. 22 ธปท. ได้ประกาศเปลี่ยนนโยบายทางการเงินปกติใหม่ ซึ่งน่าจะมีผลกระทบเป็นกลางต่อกลุ่มธนาคารและผลกระทบบวกเล็กน้อยต่อผู้ประกอบการธุรกิจบัตรเครดิต
- จากเศรษฐกิจที่ค่อย ๆ ฟื้นตัว เราคิดว่า ธปท. ไม่น่าจะออกนโยบายช่วยเหลือทางการเงินใหม่

### นโยบายทางการเงินใหม่ของ ธปท.

เมื่อวันที่ 30 มิ.ย. 22 จากเศรษฐกิจที่ค่อย ๆ ฟื้นตัว ธปท. ได้ประกาศเปลี่ยนนโยบายทางการเงินปกติใหม่อันประกอบด้วย 1) การยกเลิกเพดานอัตราดอกเบี้ยเงินฝากไม่เกิน 50% ของกำไรสุทธิจากสถานะเงินทุนที่ดีของธนาคารไทย; 2) การเพิ่มอัตราเงินฝากกองทุนเพื่อการฟื้นฟูและพัฒนาสถาบันการเงิน (FIDF) สู่ระดับปกติที่ 0.46% ตั้งแต่ปี 2023 เป็นต้นไปจาก 0.23% ในปัจจุบัน; 3) การรักษาโครงการสนับสนุนการชำระหนี้ของผู้ที่ได้รับผลกระทบทั้ง 3 โครงการอันประกอบด้วย: a) โครงการปรับโครงสร้างหนี้ระยะยาวแบบเบ็ดเสร็จซึ่งจะสิ้นสุดในปี 2023; b) โครงการก่อตั้งพักหนี้ซึ่งจะสิ้นสุดในเดือน เม.ย. 23; และ c) โครงการฟื้นฟูซึ่งจะสิ้นสุดในเดือน เม.ย. 23; และ 4) การขยายอัตราดอกเบี้ยชำระหนี้ขั้นต่ำที่ 5% สำหรับบัตรเครดิตไปจนถึงสิ้นปี 2023 จากสิ้นปี 2022 อัตราดอกเบี้ยชำระหนี้ขั้นต่ำจะเพิ่มเป็น 8% ในปี 2024 และกลับสู่ระดับปกติที่ 10% ตั้งแต่ปี 2025 เป็นต้นไป

### กลุ่มธนาคาร: นโยบายเป็นไปตามคาด; ผลกระทบเป็นกลาง

เรามองว่ามาตรการที่ 1-3 ให้ผลกระทบเป็นกลางต่อกลุ่มธนาคาร เนื่องจากมาตรการดังกล่าวใกล้เคียงกับที่ตลาดคาด ในด้านการจ่ายเงินปันผล เราคาดว่าธนาคารจะค่อย ๆ เพิ่มอัตราดอกเบี้ยเงินปันผลในปี 2022 อย่างไรก็ดีเราคาดว่าอัตราดอกเบี้ยจะยังต่ำกว่าในปี 2019 โดยเราคาดว่า TISCO (BUY, TP THB110) และ KKP (BUY, TP THB86) จะให้ผลตอบแทนในรูปเงินปันผลสูงที่สุดที่ประมาณ 7-8% และ 4-5% ตามลำดับ เราคงให้น้ำหนักกลุ่มธนาคารไทยมากกว่าตลาดโดยมี KTB (BUY, TP THB16.4) และ KKP เป็นหุ้นเด่น

### กลุ่มการเงิน: เป็นบวกเล็กน้อยสำหรับผู้ประกอบการธุรกิจบัตรเครดิต

เราคิดว่าผู้ประกอบการธุรกิจสินเชื่อประเภทไม่มีหลักทรัพย์ค้ำประกัน กล่าวคือ KTC (HOLD, TP THB60) และ AEONTS (HOLD, TP THB188) อาจได้รับผลกระทบเชิงบวกจากมาตรการในข้อ 4 การขยายอัตราดอกเบี้ยขั้นต่ำที่ 5% น่าจะช่วยให้คุณภาพสินทรัพย์ดีขึ้นเล็กน้อย ซึ่งอาจทำให้ต้นทุนความเสี่ยงในการปล่อยสินเชื่อลดลง นอกจากนี้รายได้ดอกเบี้ยยังอาจเพิ่มเล็กน้อยจากอัตราดอกเบี้ยชำระหนี้ของลูกค้าที่ช้าลง ในกลุ่มการเงินที่เราทำการศึกษา บริษัทบริหารสินทรัพย์เป็นกลุ่มที่เราชอบมากที่สุด ในขณะที่เราชอบกลุ่มผู้ประกอบการธุรกิจสินเชื่อประเภทไม่มีหลักทรัพย์ค้ำประกันน้อยที่สุดจากกำไรสุทธิที่คาดว่าจะโตเพียง 12% CAGR ในปี 2022-24 เทียบกับ 19% CAGR ของกลุ่มฯ

### ไม่น่าจะออกมาตรการช่วยเหลือทางการเงินใหม่ที่อาจกระทบผู้ปล่อยสินเชื่อ

โดยสรุปเรามีมุมมองเป็นกลางต่อการปรับนโยบายให้เป็นปกติเนื่องจากประกาศดังกล่าวสอดคล้องกับประมาณการของเรา ปัจจุบันเราเห็น Downside จำกัดที่ ธปท. จะนำมาตรการช่วยเหลือทางการเงินกลับมาใหม่หรือสร้างนโยบายใหม่ที่จะส่งผลกระทบต่อกลุ่มธนาคารและการเงินจากเศรษฐกิจที่ค่อย ๆ ฟื้นตัว



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## Exhibit 1: Policy normalisation timeline



Source: Bank of Thailand (BoT)

## Exhibit 2: Summary of current financial measures' performance



Source: BoT

## Exhibit 3: Summary of the remaining financial measures



Source: BoT

## Exhibit 4: Financial companies under coverage – summary of key valuations

	BBG	Rec	---Share price---		Up (down)	Market	EPS growth		--- P/E ---		--- ROE ---		--- PBV ---	
	code		Current	Target	side	Cap	22E	23E	22E	23E	22E	23E	22E	23E
			(THB)	(THB)	(%)	(USD m)	(%)	(%)	(x)	(x)	(%)	(%)	(x)	(x)
<b>Banks</b>						<b>40,140</b>	<b>12.8</b>	<b>8.8</b>	<b>8.7</b>	<b>8.0</b>	<b>8.2</b>	<b>8.5</b>	<b>0.7</b>	<b>0.7</b>
Bangkok Bank	BBL TB	HOLD	133.00	134.00	1	7,179	10.3	4.8	8.7	8.3	6.0	6.2	0.5	0.5
Kasikornbank	KBANK TB	BUY	150.50	180.00	20	10,084	9.2	10.0	8.6	7.8	8.4	8.7	0.7	0.7
Kiatnakin Bank	KKP TB	BUY	62.00	86.00	39	1,485	20.5	11.9	6.9	6.2	14.3	14.8	0.9	0.9
Krung Thai Bank	KTB TB	BUY	15.50	16.40	6	6,126	24.6	2.7	8.1	7.8	7.2	7.0	0.6	0.5
SCB X	SCB TB	BUY	104.00	160.00	54	9,902	7.1	11.6	9.3	8.3	8.4	8.7	0.7	0.7
Tisco Financial	TISCO TB	BUY	88.50	110.00	24	2,004	4.0	9.1	10.0	9.2	16.8	17.7	1.7	1.6
TMBThanachart Bank	TTB TB	BUY	1.23	1.80	46	3,361	26.5	14.5	9.0	7.8	6.1	6.7	0.5	0.5
<b>Diversified financials</b>						<b>20,526</b>	<b>16.1</b>	<b>20.9</b>	<b>21.6</b>	<b>17.5</b>	<b>16.3</b>	<b>16.8</b>	<b>3.1</b>	<b>2.7</b>
<b>Unsecured-loan lender</b>						<b>5,375</b>	<b>13.0</b>	<b>7.3</b>	<b>18.7</b>	<b>17.4</b>	<b>23.1</b>	<b>21.6</b>	<b>4.1</b>	<b>3.6</b>
Aeon Thana Sinsap (Thailand)	AEONTS TB	HOLD	172.50	188.00	9	1,219	19.0	7.0	10.2	9.5	19.8	18.5	1.9	1.7
Krungthai Card	KTC TB	HOLD	57.00	60.00	5	4,156	11.2	7.4	21.1	19.7	24.1	22.5	4.8	4.2
<b>Auto-title lender</b>						<b>6,956</b>	<b>11.6</b>	<b>22.6</b>	<b>16.5</b>	<b>13.5</b>	<b>18.3</b>	<b>19.5</b>	<b>2.8</b>	<b>2.4</b>
Muangthai Capital	MTC TB	BUY	42.75	55.00	29	2,563	9.3	25.5	16.8	13.4	19.9	21.0	3.1	2.6
Srisawad Corp	SAWAD TB	BUY	48.50	68.00	40	1,883	10.0	20.5	13.2	10.9	19.3	21.1	2.4	2.2
Saksiam Leasing	SAK TB	BUY	7.50	12.00	60	445	38.5	25.9	18.7	14.8	16.2	18.1	2.9	2.5
Ngern Tid Lor	TIDLOR TB	BUY	29.25	43.00	47	2,066	10.1	20.3	18.8	15.7	15.9	16.5	2.8	2.4
<b>Truck lender</b>						<b>1,818</b>	<b>12.2</b>	<b>26.8</b>	<b>22.4</b>	<b>17.2</b>	<b>11.3</b>	<b>13.1</b>	<b>2.2</b>	<b>2.0</b>
Micro Leasing	MICRO TB	BUY	5.75	10.70	86	152	45.1	26.8	19.8	15.6	13.2	15.0	2.5	2.2
Singer Thailand	SINGER TB	BUY	44.25	74.00	67	1,022	7.7	35.1	29.4	21.7	8.1	10.5	2.3	2.2
Ratchthani Leasing	THANI TB	BUY	4.02	4.80	19	644	11.5	13.6	11.9	10.5	15.9	16.7	1.8	1.7
<b>Asset management</b>						<b>5,072</b>	<b>30.6</b>	<b>34.3</b>	<b>35.0</b>	<b>25.7</b>	<b>10.1</b>	<b>11.6</b>	<b>3.4</b>	<b>2.9</b>
Bangkok Commercial Asset Mngt.	BAM TB	BUY	17.40	25.50	47	1,590	23.2	26.6	17.6	13.9	7.5	8.6	1.3	1.1
Chayo Group	CHAYO TB	BUY	11.20	16.60	48	338	96.6	(14.9)	25.0	29.4	15.5	8.9	3.1	2.3
JMT Network Services	JMT TB	BUY	73.25	80.00	9	3,022	28.3	43.1	44.3	30.9	11.0	13.6	4.5	3.9
Knight Club Capital Asset Mngt.	KCC TB	BUY	6.95	5.10	(27)	122	3.0	51.5	59.2	39.1	7.9	8.6	3.6	3.1
<b>Other</b>						<b>1,119</b>	<b>4.1</b>	<b>8.5</b>	<b>7.2</b>	<b>6.6</b>	<b>8.0</b>	<b>8.2</b>	<b>0.6</b>	<b>0.5</b>
Thanachart Capital	TCAP TB	HOLD	37.75	42.00	11	1,119	4.1	8.5	7.2	6.6	8.0	8.2	0.6	0.5
<b>Hire purchase motorcycle</b>						<b>186</b>	<b>(9.5)</b>	<b>(4.0)</b>	<b>15.5</b>	<b>16.2</b>	<b>10.1</b>	<b>7.6</b>	<b>1.3</b>	<b>1.2</b>
Next Capital	NCAP TB	HOLD	4.86	7.60	56	186	(9.5)	(4.0)	15.5	16.2	10.1	7.6	1.3	1.2

Share prices as of 30 Jun 2022

Sources: Bloomberg; 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	BDM	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	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOL	SYMC	TQM	WHA
AP	CENEL	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	MTSIB	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	TIPIPP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

**Disclaimer:**

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\* 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	SEAOL	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	WIIK
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 Suwanumchai FSS International Investment Advisory Securities Co., Ltd

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

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Bank	BBL TB	THB 133.00	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 150.50	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 62.00	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
Krung Thai Bank	KTB TB	THB 15.50	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; and 3) an increase in OPEX due to aggressive digital investment.
SCB X	SCB TB	THB 104.00	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 88.50	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; 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 1.23	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 172.50	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 57.00	HOLD	Upside risks to our GGM-derived TP include: 1) stronger-than-expected cost of funds controlling; 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 42.75	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Srisawad Corp	SAWAD TB	THB 48.50	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 7.50	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 29.25	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 5.75	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 44.25	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 4.02	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 17.40	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 11.20	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 73.25	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.
Knight Club Capital Asset Management	KCC TB	THB 6.95	BUY	Downside risks to our GGM-based TP include 1) lower cash collection due to the slow economic recovery; and 2) lower-than-expected bad debt acquisition.
Thanachart Capital	TCAP TB	THB 37.75	HOLD	Upside risks to our GGM-based target price are the faster-than-expected net profit contribution from Thanachart Plus. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality which could lead to higher provisions for both TTB and THANI.
Next Capital	NCAP TB	THB 4.86	HOLD	Downside risks to our GGM-derived TP include 1) an economic slowdown; 2) deteriorating asset quality; and 3) tighter competition from new players. Upside risks to our TP include 1) strong demand for motorcycles; and 2) a higher rate cap than our base-case assumption of 28% p.a.

Source: FSSIA estimates

### Additional Disclosures

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

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All share prices are as at market close on 30-Jun-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.