

Thailand Asset Management Companies

แนวโน้มไม่สดใสเหมือนก่อน

- เราปรับประมาณการกำไรสุทธิรวมของบริษัทบริหารสินทรัพย์ (AMC) ที่เราศึกษา 9%/9%/8% ในปี 2022/23/24 และปรับลดน้ำหนักของกลุ่ม AMC เป็นเท่ากับตลาดจากมากกว่าตลาดโดยยังเลือก JMT เป็นหุ้นเด่นของเรา

ปรับลดน้ำหนักกลุ่ม AMC เป็นเท่ากับตลาด; JMT ยังเป็นหุ้นเด่น

เราปรับลดน้ำหนักของกลุ่ม AMC เป็นเท่ากับตลาดจากมากกว่าตลาดจาก 1) อุปทานหนี้ด้วยคุณภาพ (NPL) ที่ต่ำกว่าที่เราคาด; 2) ความล่าช้าของกิจการร่วมค้าในธุรกิจ AMC ระหว่างธนาคารและ AMC; และ 3) การเก็บเงินสด (CC) ที่ชะลอตัวลงเล็กน้อยจากสภาวะเงินเฟ้อที่อยู่ในระดับสูง แม้ว่า 2 ปัจจัยแรกไม่น่าจะกระทบ CC และกำไรสุทธิในปี 2022 ในทันที ปัจจัยดังกล่าวน่าจะกระทบกำไรในปี 2023-24 ในส่วนปัจจัยที่สามเราคิดว่าปัจจัยดังกล่าวจะกระทบกำไรในปี 2022 เพราะฉะนั้นเราจึงปรับลดประมาณการกำไรสุทธิรวมของ AMC ที่เราศึกษา 9%/9%/8% ในปี 2022/23/24 JMT ยังเป็นหุ้นเด่นของเราเนื่องจากเราคิดว่าบริษัทฯ น่าจะรายงานผลประกอบการที่ดีที่สุดโดยคาดการณ์การเติบโตในรอบ 3 ปี (2021-24) ที่ 36% CAGR เราคงแนะนำซื้อ BAM และ CHAYO ในขณะที่เราปรับลดคำแนะนำสำหรับ KCC เป็นถือจากการประเมินมูลค่าที่อยู่ในระดับสูง AMC อาจน่าสนใจมากขึ้นในปีหน้าเมื่อธนาคารเริ่มเร่งการขาย NPL อีกครั้ง.

อุปทาน NPL ชะลอตัวกว่าที่คาด

จากข้อมูลของ BAM ยอดขาย NPL ประเภทมีหลักทรัพย์ค้ำประกันในช่วง 1H22 อยู่ที่ 32 พัน ลบ. ตัวเลขดังกล่าวปรับขึ้นอย่างมีนัยสำคัญถึง 51% y-y อย่างไรก็ตามตัวเลขดังกล่าวยังต่ำกว่าประมาณการของเรา เนื่องจากธนาคารสามารถควบคุม NPL ของตัวเองได้ดี ด้วยเหตุดังกล่าวเรคิดว่าธนาคารจึงเลือกใช้กลยุทธ์รอดู อุปทาน NPL ที่ชะลอตัวมากกว่าที่คาดน่าจะทำให้การซื้อ NPL ของ AMC ต่ำกว่าเป้าของแต่ละบริษัท ซึ่งน่าจะทำให้ CC และกำไรสุทธิในปี 2023-24 ลดลง นอกจากนี้เรายังมองด้วยว่าการซื้อ NPL ที่พลาดเป้าอาจส่งเสริมบรรยากาศเชิงลบต่อราคาหุ้นของ AMC

ความล่าช้าในการจัดตั้งกิจการร่วมค้าในธุรกิจ AMC

เมื่อวันที่ 26 ม.ค. 2022 ธปท. ได้ประกาศแนวปฏิบัติสำหรับกิจการร่วมค้าระหว่างธนาคารและ AMC หลังประกาศดังกล่าว JMT และ KBANK เป็น 2 บริษัทแรกที่ประกาศจัดตั้งกิจการร่วมค้า อย่างไรก็ตามก็ยังไม่มีการจัดตั้งกิจการร่วมค้าในธุรกิจ AMC ใหม่หลังประกาศดังกล่าว จากการสอบถามกับผู้บริหาร AMC เราคิดว่ายังไม่แน่ว่าจะมีข้อตกลงทำกิจการร่วมค้าในธุรกิจ AMC ในปีนี้เนื่องจากธนาคารยังเลือกที่จะบริหาร NPL ด้วยตนเอง แม้เราจะเชื่อว่าตลาดยังไม่ได้รวมประโยชน์ของกิจการร่วมค้าในธุรกิจ AMC ไว้ในประมาณการ เราคิดว่าความล่าช้าดังกล่าวอาจก่อให้เกิดแรงกดดันเชิงลบต่อราคาหุ้นของ AMC

3Q22: คาด CC ในระดับดีพอใช้แต่กำไรสุทธิในระดับต่ำ

เราคาดว่า 4 AMC ที่เราศึกษาจะรายงานกำไรสุทธิรวมอยู่ในเกณฑ์ที่ไม่น่าตื่นเต้นใน 3Q22 โดยคาดว่าจะอยู่ที่ 1.2 พัน ลบ. (+23% y-y, -10% q-q) จากค่าใช้จ่ายในการดำเนินงานที่สูงขึ้น อัตรากำไรที่ลดลงและค่าใช้จ่ายดอกเบี้ยที่สูงขึ้น ในภาพรวมเราเห็นผลประกอบการทั้งบวกและลบ ในด้านบวกเราคาดว่า AMC จะรายงาน CC ในระดับที่ดีพอใช้จากความสามารถในการเสนอปรับโครงสร้างหนี้ (TDR) ให้แก่ลูกค้า อย่างไรก็ตามผลประกอบการบางส่วนจะเป็นลบ ข้อแรก BAM, CHAYO, และ KCC น่าจะมีค่าใช้จ่ายดอกเบี้ยเพิ่มขึ้นตามแนวโน้มอัตราดอกเบี้ยขาขึ้น ข้อสองเราคาดว่าค่าใช้จ่ายดำเนินงานจะสูงขึ้นอย่างมีนัยสำคัญสำหรับ JMT จากกระบวนการเก็บชำระหนี้ที่เร่งขึ้น ข้อสามเราคาดว่าอัตรากำไรของ BAM จะลดลงเนื่องจาก CC บางส่วนจะมาจากพอร์ตที่ยังไม่ได้ตัดจำหน่ายเต็มจำนวน ข้อสุดท้ายผู้ถือหุ้นที่ใหญ่กว่าทั้ง BAM และ JMT ยังซื้อ NPL ใหม่ในอัตราที่ลดลง



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3Q22: Expect decent cash collection but unimpressive net profit

We expect our four covered AMC's to deliver an unimpressive 3Q22 aggregate net profit of THB1.2b (+23% y-y, -10% q-q) due to higher OPEX, lower margins, and higher interest expenses. We see mixed performance in general. On a positive note, we expect AMC's to deliver decent CC from their ability to offer TDR programs to match their clients' cash flow. However, there are some negatives that should impact their performance. First, BAM, CHAYO, and KCC should have higher interest expenses following the rate uptrend. Second, we expect significantly higher OPEX for JMT due to the accelerated debt collection process. Third, we expect BAM's margin to be lower as some of its CC will not be in its fully amortised portfolio. Lastly, the bigger players, both BAM and JMT, are still purchasing new NPLs at a low rate thanks to a low NPL supply from banks.

Exhibit 1: 3Q22 net profit preview

3Q22E	BAM	CHAYO	JMT	KCC	Coverage
Year-end Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Net profit	717	59	443	14	1,232
<i>Change y-y %</i>	24.3	(16.9)	25.9	n/a	23.4
<i>Change q-q %</i>	(13.7)	4.2	2.2	(67.6)	(9.6)
Key financial highlights	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
NPL & NPA purchase	450	709	1,124	170	2,453
<i>Change y-y %</i>	(28.1)	5,864.9	(70.3)	n/a	(44.5)
<i>Change q-q %</i>	(67.6)	102.0	200.0	n/a	(7.7)
NPL & NPA cash collection	4,126	91	1,453	54	5,723
<i>Change y-y %</i>	5.7	(51.5)	17.0	n/a	7.3
<i>Change q-q %</i>	4.4	1.9	8.6	(66.2)	3.4
Cash collection/NPL&NPA (%)	13.6	10.3	32.3	20.9	
Key financial ratio					
Liabilities / equity (x)	1.9	1.1	0.2	0.7	
Interest-bearing debt/equity (x)	1.8	1.0	0.2	0.6	
Cost to income (%)	28.7	35.7	48.1	35.8	

Source: FSSIA estimates

BAM – 3Q22 results preview

We expect BAM to post a 3Q22 net profit of THB717m (+24% y-y, -14% q-q). Its net profit should increase y-y due to stronger CC and a lower effective tax rate.

Meanwhile, its net profit should decline q-q from two reasons. First, although we expect its CC to be higher q-q, this CC would mostly come from its portfolio which is not fully amortised. Thus, we expect its margin to drop q-q. Second, we expect its effective rate to increase to 12% in 3Q22 from 8.6% in 2Q22.

3Q22E key highlights

- Total CC should reach THB4.1b (+6% y-y, +4% q-q). CC from NPLs might increase y-y and q-q, in line with the economic recovery and its effort to offer debt restructuring to its clients. Meanwhile, we expect CC from non-performing assets (NPAs) to drop y-y and q-q, as there were no medium to large-sized NPA settlements in 3Q.
- We expect that BAM purchased NPLs at a slow pace in 3Q22, totalling THB0.45b, with YTD accumulated NPL purchases of cTHB3.2b. This would be significantly lower than its 2022 target of THB9b, as most banks still prefer to manage NPLs themselves, resulting in a low NPL supply in 9M22.
- We expect its effective tax rate to be at 12% in 3Q22 vs 8.6% in 2Q22 and 20.4% in 3Q21. BAM has gradually used tax benefits from its clean-up of unsecured NPLs since 2022. Thus, its tax rate might fluctuate quarterly. According to BAM, its 2022 effective tax rate will be lower than the normal rate of 20%.

Exhibit 2: BAM – 3Q22 results preview

	3Q21	2Q22	3Q22E		9M22E			2022E	Comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)	%22E	
Interest income									
- Interest income from NPLs	1,515	1,526	1,551	2	2	4,590	2	73	6,264
- Gain on NPLs	899	1,111	1,077	20	(3)	2,803	21	76	3,694
- Instalment sale	26	25	16	(38)	(35)	71	(20)	35	205
- Other interest income	20	(21)	20	0	nm	(8)	nm	nm	8
Total interest income	2,460	2,641	2,664	8	1	7,456	7	73	10,171
Interest expense	644	651	661	3	1	1,932	0	74	2,608
Net interest income	1,816	1,990	2,003	10	1	5,525	9	73	7,563
Non-interest income									
- Gain on properties for sale	673	652	580	(14)	(11)	1,644	(13)	72	2,274
- Gain on instalment sale	128	67	20	(84)	(70)	166	(74)	97	171
- Others	7	20	7	10	(62)	34	10	37	92
Total non-interest income	808	739	608	(25)	(18)	1,844	(28)	73	2,538
Total operating income	2,624	2,729	2,611	(0)	(4)	7,368	(3)	73	10,100
Operating expenses	714	737	750	5	2	2,084	7	72	2,890
Pre provision operating profit	1,910	1,993	1,861	(3)	(7)	5,284	(7)	73	7,210
Expected credit loss	1,186	1,084	1,047	(12)	(3)	3,188	(13)	77	4,120
Operating profit	724	909	814	13	(10)	2,096	4	68	3,090
Income tax expenses	147	78	98	(34)	24	237	(42)	67	355
Net profit	576	831	717	24	(14)	1,859	15	68	2,735
Key financial highlights									
NPL & NPA purchase	626	1,391	450	(28)	(68)	3,188	131	70	4,535
NPL & NPA cash collection	3,904	3,951	4,126	6	4	11,236	1	72	15,602
Cash collection/NPL & NPA (%)	12.8	13.0	13.6						12.8
Key financial ratio	(%)	(%)	(%)						(%)
Liabilities / equity (x)	2.0	2.0	1.9						1.9
Interest-bearing debt/equity (x)	1.9	1.9	1.8						1.8
ROA	1.8	2.6	2.3						2.2
ROE	5.6	7.8	6.7						6.4
Cost of funds	3.2	3.3	3.3						3.3
Cost to income	27.2	27.0	28.7						28.6

Sources: BAM; FSSIA estimates

CHAYO – 3Q22 results preview

We expect CHAYO to post a 3Q22 net profit of THB59m (-17% y-y, +4% q-q). The drop y-y would come from lower CC from its NPA business. We expect 3Q22 pre-tax profit from the NPA side to amount to THB1m vs THB54m in 3Q21. Meanwhile, its net profit might slightly increase q-q due to a rise in its CC following its portfolio expansion.

3Q22E key highlights

- We expect total CC of THB91m (-51% y-y, +2% q-q) in 3Q22. Its NPA CC should plummet y-y from the lower number of medium-sized NPAs sold. Meanwhile, its NPL CC should continue to increase y-y and q-q from its portfolio expansion.
- We think CHAYO accelerated its NPL acquisitions in 3Q22, with expected NPL purchases amounting to THB709m. Its YTD accumulated NPL purchases should reach cTHB1.1b.
- We expect its net outstanding loan portfolio to be at THB600m in 3Q22 vs THB401m in 2Q22. We think CHAYO aggressively lent to the small SME and retail segments.

Exhibit 3: CHAYO – 3Q22 results preview

	3Q21	2Q22	3Q22E		9M22E			2022E	Comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)	%22E	
Interest income									
- Interest income from NPLs	162	200	204	26	2	605	29	70	868
- Interest income from loan	3	17	21	602	24	51	621	71	72
Total interest income	165	217	225	37	4	656	38	70	941
Interest expense	25	38	46	88	23	108	43	67	160
Net interest income	140	179	179	28	(0)	548	37	70	781
Non-interest income									
- Gain on properties for sale	54	0	1	(98)	175	18	(71)	57	32
- Debt collection services	9	8	10	9	21	26	(16)	64	41
- Others	2	2	2	10	(7)	5	(15)	51	10
Total non-interest income	65	11	13	(80)	22	49	(51)	60	83
Total operating income	205	190	192	(6)	1	598	20	69	864
Operating expenses	57	77	69	20	(10)	220	36	68	322
Pre provision operating profit	148	113	123	(16)	9	378	12	70	542
Expected credit loss	58	38	43	(25)	13	124	(7)	65	189
Operating profit	90	75	80	(11)	6	254	24	72	353
Income tax expenses	19	14	16	(14)	16	53	54	79	67
Profit before minority interest	71	61	64	(10)	4	201	18	71	286
Minority	0	5	5	1,441	5	13	1,466	72	19
Net profit	71	57	59	(17)	4	188	10	70	267
Key financial highlights									
NPL & NPA purchase	12	351	709	5,865	102	1,089	112	65	1,669
NPL & NPA cash collection	187	89	91	(51)	2	337	(12)	77	437
Cash collection/NPL&NPA (%)	34.0	11.8	10.3						12.1
Key financial ratio	(%)	(%)	(%)						(%)
Liabilities / equity (x)	0.4	0.9	1.1						0.9
Interest-bearing debt/equity (x)	0.2	0.8	1.0						0.8
ROA	6.0	3.6	3.5						4.3
ROE	11.8	8.1	8.2						9.6
Cost of fund	9.8	7.0	6.1						6.8
Cost to income	27.9	40.3	35.7						37.2

Sources: CHAYO; FSSIA estimates

JMT – 3Q22 results preview

We expect JMT to report a 3Q22 net profit of THB443m (+26% y-y, +2% q-q). The outstanding rise y-y in its net profit would be driven by stronger CC and higher debt collection revenue. Meanwhile, we expect its net profit to only slightly increase q-q. Although we believe its CC should continue to rise q-q and we think its net insurance income should turn positive from two consecutive loss quarters, these positives will likely be dragged down by higher OPEX q-q.

3Q22E key highlights

- Despite the high inflation, we think JMT should deliver strong CC of THB1.5b, driven by both its own portfolio and its JV with Kasikornbank (KBANK TB; BUY; TP THB192).
- We expect its net insurance premiums to turn positive at THB9m from a loss of THB50m in 2Q22 and THB48m in 1Q22 due to the absence of Covid claims.
- We expect its OPEX to increase 38% y-y and 8% q-q. JMT accelerated its collection and court processes.
- We expect that JMT purchased NPLs at a slower pace in 3Q22 at THB1.1b, with YTD accumulated NPL purchases of cTHB2.2b. This is significantly lower than its 2022 target of THB10b, as most banks still prefer to manage NPLs themselves, resulting in a low NPL supply in 9M22.

Exhibit 4: JMT – 3Q22 results preview

	3Q21	2Q22	3Q22E		9M22E			2022E	Comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)	%22E	
Interest income									
- Interest income from NPLs	509	649	668	31	3	1,956	35	73	2,672
- Gain on NPLs (fully amortised)	318	306	337	6	10	955	26	71	1,336
Total interest income	828	955	1,005	21	5	2,911	32	71	4,072
Interest expense	85	66	57	(33)	(14)	194	(21)	86	227
Net interest income	742	889	948	28	7	2,717	38	71	3,845
Non-interest income									
- Debt collection services	64	75	80	26	7	224	(3)	70	322
- Net insurance premium	(0)	(50)	9	nm	nm	(89)	nm	nm	(61)
- Others	3	3	3	10	(1)	37	108	133	27
Total non-interest income	66	28	92	39	232	172	(36)	60	288
Total operating income	809	917	1,041	29	13	2,888	29	70	4,133
Operating expenses	363	464	500	38	8	1,380	34	72	1,906
Pre provision operating profit	446	453	541	21	19	1,508	25	68	2,227
Expected credit loss	61	2	61	(0)	3,322	174	30	98	177
Operating profit	386	451	480	24	6	1,334	25	65	2,050
Income tax expenses	44	48	72	62	51	183	15	64	287
Profit before minority interest	341	404	408	19	1	1,151	27	65	1,763
Share of profit	0	0	0						19
Minority	(10)	(30)	(35)	nm	nm	(92)	nm	nm	(100)
Net profit	352	433	443	26	2	1,243	35	66	1,882
Key financial highlights									
NPL & NPA purchase	3,783	375	1,124	(70)	200	2,226	(69)	40	5,500
NPL & NPA cash collection	1,241	1,337	1,453	17	9	4,248	32	73	5,798
Cash collection/NPL&NPA (%)	33.8	30.6	32.3						30.9
Key financial ratio	(%)	(%)	(%)						(%)
Liabilities / equity (x)	1.3	0.2	0.2						0.4
Interest-bearing debt/equity (x)	1.2	0.2	0.2						0.3
ROA	7.8	6.0	6.2						6.2
ROE	17.3	7.7	7.7						8.9
Cost of fund	4.0	4.8	4.8						3.2
Cost to income	44.8	50.6	48.1						46.1

Sources: JMT; FSSIA estimates

KCC – 3Q22 results preview

We expect KCC to post a weak 3Q22 net profit of THB14m, declining from THB43m in 2Q22 due to two reasons. First, we expect significantly lower CC q-q from the absence of big-plot corporate NPL deals and big housing NPL sales. Second, we expect a higher interest expense following the interest rate uptrend environment.

3Q22E key highlights

- We expect total CC of THB54m, which is lower than THB158m in 2Q22. We expect no big-plot NPL and NPA settlements in this quarter. Most of its CC would come from its TDR portfolio and small NPL settlements.
- We expect that KCC continued to acquire NPLs aggressively in 3Q22, with NPL purchases amounting to THB170m. Its accumulated 9M22 NPL purchases should reach THB710m vs its 2022 target of THB800m.

Exhibit 5: KCC – 3Q22 results preview

	3Q21	2Q22	3Q22E		9M22E			2022E	Comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)	%22E	
Interest income									
- Interest income from NPLs	nm	18	42	nm	139	75	38	68	111
Total interest income	nm	18	42	nm	139	75	38	68	111
Interest expense	nm	11	12	nm	5	26	231	103	26
Net interest income	nm	6	30	nm	368	49	5	57	86
Non-interest income									
- Gain on properties for sale	nm	0	6	nm	nm	8	1,369	152	5
- Others	nm	62	0	nm	nm	73	326	83	87
Total non-interest income	nm	62	6	nm	(90)	81	360	88	93
Total operating income	nm	68	36	nm	(47)	130	102	73	178
Operating expenses	nm	12	13	nm	11	33	146	80	41
Pre provision operating profit	nm	57	23	nm	(59)	97	90	71	137
Expected credit loss	nm	3	7	nm	119	4	(66)	22	16
Operating profit	nm	53	16	nm	(70)	94	131	78	121
Income tax expenses	nm	11	2	nm	(77)	18	117	74	24
Profit before minority interest	nm	43	14	nm	(68)	76	135	78	97
Minority	nm	0	0	nm	nm	0	nm	nm	0
Net profit	nm	43	14	nm	(68)	76	135	78	97
Key financial highlights									
NPL & NPA purchase	nm	540	170	nm	(68)	710	nm	nm	800
NPL & NPA cash collection	nm	158	54	nm	(66)	275	441	96	286
Cash collection/NPL&NPA (%)	nm	87	21						18
Key financial ratio	(%)	(%)	(%)						(%)
Liabilities / equity (x)	nm	0.6	0.7						0.8
Interest-bearing debt/equity (x)	nm	0.6	0.6						0.5
ROA	nm	13.6	3.1						7.5
ROE	nm	21.6	5.0						11.7
Cost of fund	nm	10.3	7.5						6.1
Cost to income	nm	17.2	35.8						23.2

Sources: KCC; FSSIA estimates

The delay in establishing JV AMCs

On 26 Jan 2022, the BoT announced the guidelines for JVs between commercial banks and AMCs. The main objective for allowing JVs is to solve the potential increase in NPLs and NPAs for the retail segment. To recap, the criteria for establishing a JV include: 1) the JV must have equal shares of at least one bank and one AMC, and may be held by others; 2) JVs must be established by 31 Dec 2024; 3) the purchase/transfer price of bad assets to the JV must be at a fair value; and 4) the JV would have an operating life of not more than 15 years from the date of commencing operations. Regarding sources of funds for the JVs, the founding bank can provide lending or issue promissory notes at the market interest rate.

JMT and KBANK were the first movers to establish a JV, called JK Asset Management Company. However, after this deal, there have been no new JV AMC deals. Following up with AMCs' management, we think it unlikely that there will be any JV AMC deals this year. The reason for the delay in establishing JV AMCs is that banks are providing long-term debt restructuring programs to their clients. This has resulted in a slow increase in NPLs. Accordingly, banks prefer to manage NPLs themselves.

Although we believe the market has not included the benefit of JV AMCs into their current forecasts, we think the delay could negatively pressure AMCs' share prices.

Slower NPL supply than expected

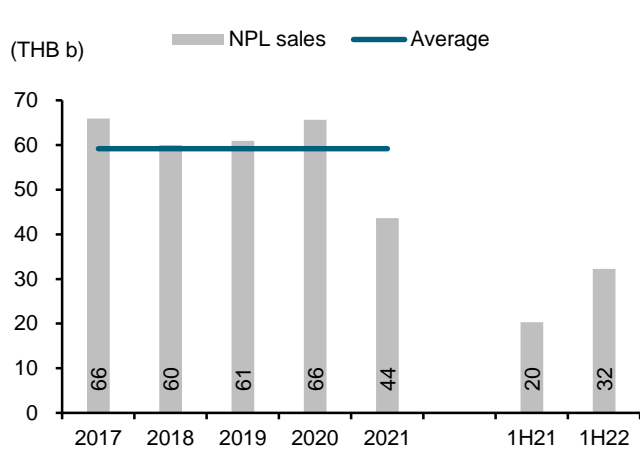
Due to the debt forbearance program to support impacted Covid clients, the total NPLs of the seven banks under our coverage in 2021 increased by only 2.2% y-y to THB478b. Thus, secured NPL sales (according to BAM's data) fell to their lowest level since 2017 at THB44b in 2021, lower than the five-year average from 2017-2021 of THB59b.

In 1H22, secured NPL sales reached THB32b, increasing significantly 51% y-y. However, this level is still below our expectation. This is partially due to the fact that some banks are providing long-term debt restructuring to their clients. Our covered banks' NPLs in 9M22 declined 6% YTD. Accordingly, we think banks prefer to manage NPLs themselves and are adopting a wait-and-see strategy. Banks might accelerate NPL sales again in 2H23 before the relaxed loan classification measure ends at the end of 2023.

The slower NPL supply should cause AMCs' NPL acquisitions to be below each company's target. We project 9M22 NPL purchases to be at THB4.1b for BAM, THB1.1b for CHAYO, THB4.2b for JMT, and THB0.7b for KCC vs their 2022 targets of THB9b, THB3b, THB10b, and THB0.8b, respectively. We think only KCC should meet its 2022 NPL purchase target.

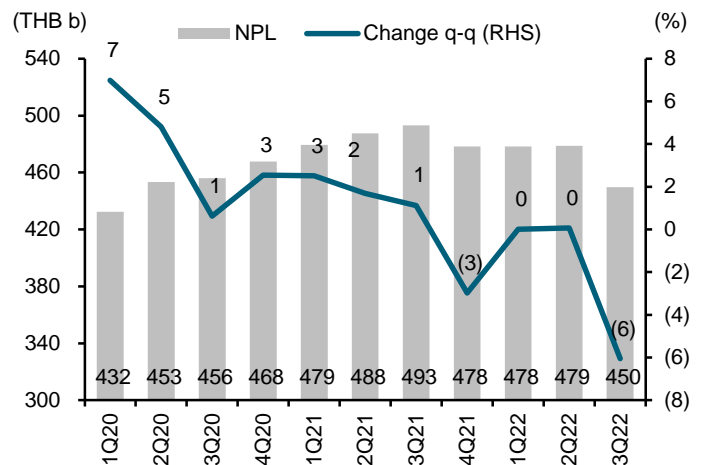
The lower NPL purchases might not immediately impact AMCs' CC and net profits. However, this should result in lower CC and net profits in 2023-24. Also, the missed NPL acquisition targets might also foster negative sentiment toward AMCs' share prices, in our view.

Exhibit 6: Secured NPL sales



Sources: BAM; FSSIA's compilation

Exhibit 7: Our covered seven banks' NPLs



Sources: Company data; FSSIA's compilation

Earnings and target price revisions

We are less bullish on AMCs due to 1) the lower NPL supply than we expected; 2) the delay of JV AMCs between banks and AMCs; and 3) the slightly slower CC from high inflation. Although the first two factors should not immediately impact 2022 CC and net profit, they should impact 2023-24 earnings. As for the third factor, we think it will impact 2022 earnings.

Considering this, we make two major changes to our earnings assumptions on AMCs: 1) we lower our 2022/23/24E NPL and NPA purchases by 36%/19%/19%, mainly from BAM and JMT, to reflect the lower NPL supply; and 2) we lower our 2022/23/24E CC by 6%/8%/8% due to the slower pace of NPL acquisitions and the high inflation. Accordingly, we lower our aggregate earnings forecasts for AMCs in 2022/23/24 by 9%/9%/8%. We revise down our net profit forecasts for three AMCs: BAM, CHAYO, and JMT. Meanwhile, we maintain our earnings forecast for KCC.

We lower our GGM-based TP on BAM to THB20 from THB22. We reiterate our BUY call on BAM as we think its valuation is undemanding. BAM trades at 15.2x 2023E P/E, with 2023E net profit growth of 21% y-y.

We lower our GGM-based TP on CHAYO to THB10.6 from THB14.2. We maintain our BUY call as we expect CHAYO to experience solid net profit growth, with 2022-24E net profit growth rising at a 25% three-year CAGR. We believe CHAYO's smaller asset size than its peers gives it greater operational flexibility.

We lower our GGM-based TP on JMT to THB84 from THB92. JMT remains our top pick as we think it should deliver the most impressive performance, with an expected three-year CAGR of 36% from 2021-24, supported by its efficient CC management from its large portfolio and long experience in the industry.

We maintain our GGM-based TP on KCC of THB7.1. However, we downgrade KCC to HOLD from Buy. Although we still like KCC in terms of its outstanding net profit growth expected at a three-year CAGR of 52% in 2022-24, we think its current valuation is very demanding.

Exhibit 8: Summary of AMC valuations

		2023E															
		Previous					New					Change					
	Rec	TP	BV	ROE	CoE	Term g.	Rec	TP	BV	ROE	CoE	Term g.	TP	BV	ROE	CoE	Term g.
		(THB)	(THB)	(%)	(%)	(%)		(THB)	(THB)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
BAM	BUY	22.00	15.46	8.0	7.6	6.8	BUY	20.00	15.25	7.9	7.6	6.7	(9.1)	(1.4)	(0.1)	(0.0)	(0.1)
CHAYO	BUY	14.20	4.65	10.5	9.3	9.1	BUY	10.60	4.58	10.0	9.3	8.8	(25.4)	(1.5)	(0.5)	0.0	(0.3)
JMT	BUY	92.00	18.00	14.2	8.8	7.5	BUY	84.00	16.66	14.2	8.8	7.4	(8.7)	(7.4)	0.0	(0.0)	(0.1)
KCC	BUY	7.10	2.31	11.5	10.0	9.2	HOLD	7.10	2.31	11.5	10.0	9.2	0.0	0.0	0.0	0.0	0.0

Noted: CoE = Cost of equity; Term g. = Terminal growth

Source: FSSIA estimates

Exhibit 9: Summary of changes in net profit forecasts for AMCs

	2022E			2023E			2024E		
	Previous	New	Change	Previous	New	Change	Previous	New	Change
	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)
Coverage	5,495	4,980	(9.4)	7,316	6,639	(9.3)	8,667	7,972	(8.0)
BAM	2,973	2,735	(8.0)	3,663	3,309	(9.7)	4,166	3,859	(7.4)
CHAYO	294	267	(9.2)	389	336	(13.8)	495	432	(12.7)
JMT	2,132	1,882	(11.8)	3,131	2,862	(8.6)	3,823	3,498	(8.5)
KCC	97	97	0.0	132	132	0.0	183	183	0.0

Source: FSSIA estimates

Exhibit 10: Summary of changes in NPL and NPA purchase forecasts

	2022E			2023E			2024E		
	Previous	New	Change	Previous	New	Change	Previous	New	Change
	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)
Coverage	19,502	12,503	(35.9)	20,426	16,468	(19.4)	21,889	17,675	(19.3)
BAM	8,643	4,535	(47.5)	9,505	8,136	(14.4)	10,454	8,948	(14.4)
CHAYO	1,559	1,669	7.0	796	832	4.6	872	919	5.4
JMT	8,500	5,500	(35.3)	9,775	7,150	(26.9)	10,264	7,508	(26.9)
KCC	800	800	0.0	350	350	0.0	300	300	0.0

Source: FSSIA estimates

Exhibit 11: Summary of changes in cash collection forecasts

	2022E			2023E			2024E		
	Previous	New	Change	Previous	New	Change	Previous	New	Change
	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)
Coverage	23,489	22,141	(5.7)	26,915	24,768	(8.0)	29,233	26,770	(8.4)
BAM	16,180	15,602	(3.6)	18,117	17,023	(6.0)	18,087	17,390	(3.9)
CHAYO	766	437	(43.0)	889	641	(27.9)	978	766	(21.8)
JMT	6,239	5,798	(7.1)	7,530	6,725	(10.7)	9,736	8,183	(15.9)
KCC	304	304	0.0	379	379	0.0	431	431	0.0

Source: FSSIA estimates

Exhibit 12: BAM - changes in key assumptions

	2022E			2023E			2024E		
	Old	New	Change	Old	New	Change	Old	New	Change
	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)
Interest income	11,100	10,171	(8.4)	11,528	10,631	(7.8)	11,702	11,125	(4.9)
Interest expense	2,475	2,608	5.4	2,352	2,529	7.5	2,140	2,349	9.8
Net interest income	8,625	7,563	(12.3)	9,175	8,101	(11.7)	9,562	8,776	(8.2)
Non-interest income	2,713	2,538	(6.5)	3,453	3,386	(1.9)	3,795	3,713	(2.2)
Total operating income	11,338	10,100	(10.9)	12,628	11,488	(9.0)	13,357	12,488	(6.5)
Operating expense	3,054	2,890	(5.4)	3,329	3,208	(3.6)	3,662	3,529	(3.6)
Pre-operating profit before tax	8,284	7,210	(13.0)	9,299	8,280	(11.0)	9,696	8,959	(7.6)
Expected credit loss	4,746	4,120	(13.2)	4,720	4,387	(7.1)	4,488	4,420	(1.5)
Taxes expenses	566	355	(37.2)	916	584	(36.2)	1,041	681	(34.6)
Norm. profit	2,973	2,735	(8.0)	3,663	3,309	(9.7)	4,166	3,859	(7.4)
Extraordinary items	0	0		0	0		0	0	
Net profit	2,973	2,735	(8.0)	3,663	3,309	(9.7)	4,166	3,859	(7.4)
Key statistic and ratio									
Leverage ratios (x)									
Liabilities / equity	1.8	1.9		1.3	1.5		1.1	1.3	
Interest-bearing debt / equity	1.8	1.8		1.3	1.4		1.1	1.2	
Profitability ratio (%)									
Cost of funds	3.1	3.3		3.3	3.4		3.4	3.4	
Cost to income	26.9	28.6		26.4	27.9		27.4	28.3	
Specific data for business									
NPL and NPA purchases (THB m)	8,643	4,535	(47.5)	9,505	8,136	(14.4)	10,454	8,948	(14.4)
NPL and NPA cash collection (THB m)	16,180	15,602	(3.6)	18,117	17,023	(6.0)	18,087	17,390	(3.9)
Cash collection to gross NPLs and NPAs (%)	13.1	12.8		14.2	13.8		13.7	13.7	
Change y-y (%)									
Core profit (y-y %)	14.3	5.2		23.2	21.0		13.7	16.6	
NPL and NPA purchases (y-y %)	133.8	22.7		10.0	79.4		10.0	10.0	
NPL and NPA cash collection (y-y %)	1.2	(2.5)		12.0	9.1		(0.2)	2.2	

Sources: BAM; FSSIA estimates

Exhibit 13: CHAYO - changes in key assumptions

	2022E			2023E			2024E		
	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Interest income	875	941	7.5	1,039	1,124	8.2	1,297	1,382	6.6
Interest expense	98	160	62.3	69	180	160.5	74	194	162.4
Net interest income	776	781	0.6	970	944	(2.6)	1,223	1,188	(2.9)
Non-interest income	166	83	(50.2)	183	147	(20.0)	173	171	(1.2)
Total operating income	943	864	(8.4)	1,153	1,091	(5.4)	1,396	1,358	(2.7)
Operating expense	334	322	(3.7)	401	386	(3.7)	449	432	(3.7)
Pre-operating profit before tax	609	542	(10.9)	752	705	(6.3)	947	926	(2.2)
Expected credit loss	243	189	(22.1)	257	256	(0.6)	255	293	14.9
Taxes expenses	66	67	1.8	93	85	(8.0)	125	115	(8.5)
Minority interest	6	19		13	28		71	86	
Norm. profit	294	267	(9.2)	389	336	(13.8)	495	432	(12.7)
Extraordinary items	0	0		0	0		0	0	
Net profit	294	267	(9.2)	389	336	(13.8)	495	432	(12.7)
Leverage ratios (x)									
Liabilities / equity	0.27	0.88		0.13	0.31		0.25	0.64	
Interest-bearing debt / equity	0.24	0.84		0.10	0.28		0.21	0.60	
Profitability ratio (%)									
Cost of funds	7.45	6.80		7.60	7.20		7.65	7.30	
Cost to income	35.4	37.2		34.8	35.4		32.2	31.8	
Specific data for business									
NPL and NPA purchases (THB m)	1,559	1,669	7.0	796	832	4.6	872	919	5.4
NPL and NPA cash collection (THB m)	766	437	(43.0)	889	641	(27.9)	978	766	(21.8)
Cash collection to gross NPLs and NPAs (%)	21.6	12.1		19.9	13.7		19.1	14.3	
Change y-y (%)									
Core profit (y-y %)	34.2	21.8		32.5	25.9		27.2	28.7	
NPL and NPA purchases (y-y %)	20.3	28.8		(49.0)	(50.1)		9.6	10.4	
NPL and NPA cash collection (y-y %)	49.0	(15.1)		16.1	46.8		10.0	19.5	

Sources: CHAYO; FSSIA estimates

Exhibit 14: JMT - changes in key assumptions

	2022E			2023E			2024E		
	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Interest income	4,410	4,072	(7.7)	5,673	5,146	(9.3)	7,072	6,243	(11.7)
Interest expense	265	227	(14.4)	270	265	(2.1)	211	250	18.1
Net interest income	4,145	3,845	(7.2)	5,403	4,881	(9.6)	6,861	5,993	(12.6)
Non-interest income	311	288	(7.3)	486	486	0.0	559	559	0.0
Total operating income	4,456	4,133	(7.2)	5,888	5,367	(8.9)	7,419	6,552	(11.7)
Operating expense	1,760	1,906	8.3	2,200	2,192	(0.3)	2,859	2,696	(5.7)
Pre-operating profit before tax	2,696	2,227	(17.4)	3,689	3,175	(13.9)	4,560	3,856	(15.4)
Expected credit loss	210	177	(15.5)	289	245	(15.3)	398	305	(23.3)
Taxes expenses	373	287	(23.1)	510	440	(13.8)	708	550	(22.2)
Minority interest	19	19		241	241	0.0	368	368	0.0
Share of profit	0	(100)	nm	0	(130)	nm	0	(130)	nm
Norm. profit	2,132	1,882	(11.8)	3,131	2,862	(8.6)	3,823	3,498	(8.5)
Extraordinary items	0	0		0	0		0	0	
Net profit	2,132	1,882	(11.8)	3,131	2,862	(8.6)	3,823	3,498	(8.5)
Key statistic and ratio									
Leverage ratios (x)									
Liabilities / equity	0.34	0.38		0.21	0.26		0.23	0.26	
Interest-bearing debt / equity	0.26	0.29		0.12	0.16		0.15	0.17	
Profitability ratio (%)									
Cost of funds	3.50	3.20		4.10	4.10		4.10	4.30	
Cost to income	39.49	46.12		37.35	40.85		38.54	41.15	
Specific data for business									
NPL and NPA purchases (THB m)	8,500	5,500	(35.3)	9,775	7,150	(26.9)	10,264	7,508	(26.9)
NPL and NPA cash collection (THB m)	6,239	5,798	(7.1)	7,530	6,725	(10.7)	9,736	8,183	(15.9)
Cash collection to gross NPLs and NPAs (%)	31	31		29	30		30	31	
Change y-y (%)									

Core profit (y-y %)	52.3	34.4		46.8	52.1		22.1	22.2
NPL and NPA purchases (y-y %)	(2.2)	(36.7)		15.0	30.0		5.0	5.0
NPL and NPA cash collection (y-y %)	35.9	26.3		20.7	16.0		29.3	21.7

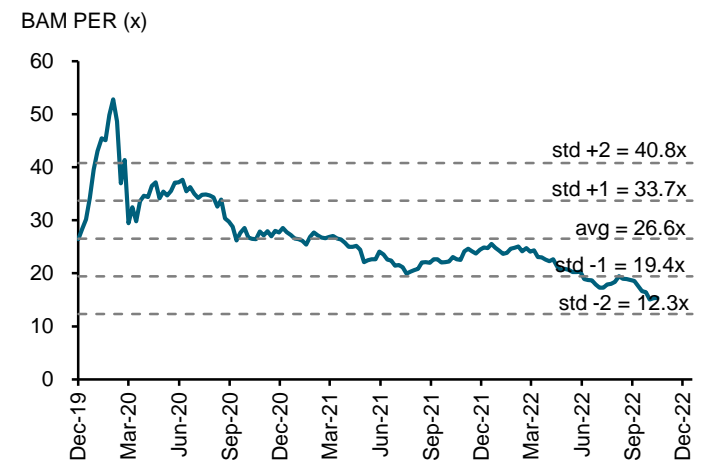
Sources: JMT; FSSIA estimates

Exhibit 15: Peers comparison as of 2 November 2022

	BBG code	Rec	--- Share price ---		Up (down) side (%)	Market Cap (USD m)	EPS growth		--- P/E ---		--- ROE ---		--- PBV ---	
			Current (THB)	Target (THB)			22E (%)	23E (%)	22E (x)	23E (x)	22E (%)	23E (%)	22E (x)	23E (x)
Asset management						4,223	4.7	37.8	38.6	27.3	8.2	10.2	3.1	2.9
Bangkok Commercial Asset Mngt.	BAM TB	BUY	15.50	20.00	29	1,333	5.2	21.0	18.3	15.1	6.4	7.2	1.2	1.0
Chayo Group	CHAYO TB	BUY	7.90	10.60	34	224	(1.6)	25.9	35.3	28.0	9.6	8.0	3.2	1.7
JMT Network Services	JMT TB	BUY	65.50	84.00	28	2,544	2.7	48.4	49.4	33.3	8.9	12.0	4.1	3.9
Knight Club Capital Asset Mngt.	KCC TB	HOLD	7.35	7.10	(3)	121	53.1	21.9	42.1	34.6	11.7	10.1	3.8	3.2

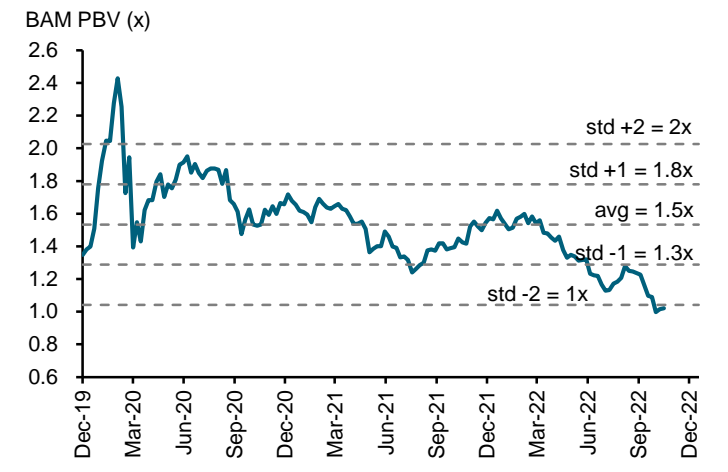
Sources: Bloomberg; FSSIA estimates

Exhibit 16: BAM – one-year prospective P/E band



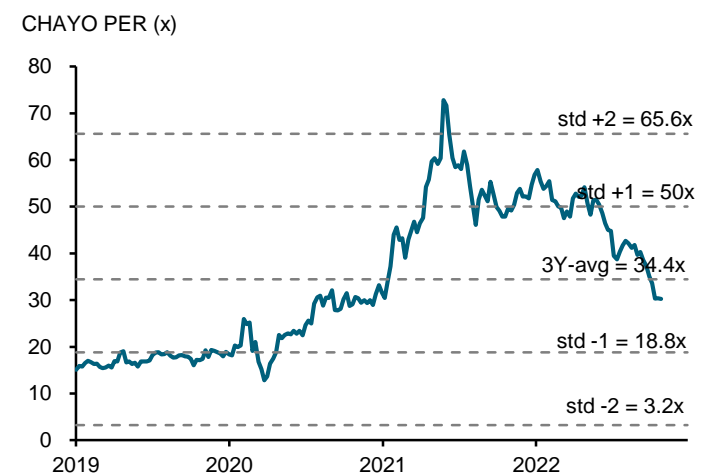
Sources: Bloomberg; FSSIA estimates

Exhibit 17: BAM – one-year prospective P/BV band



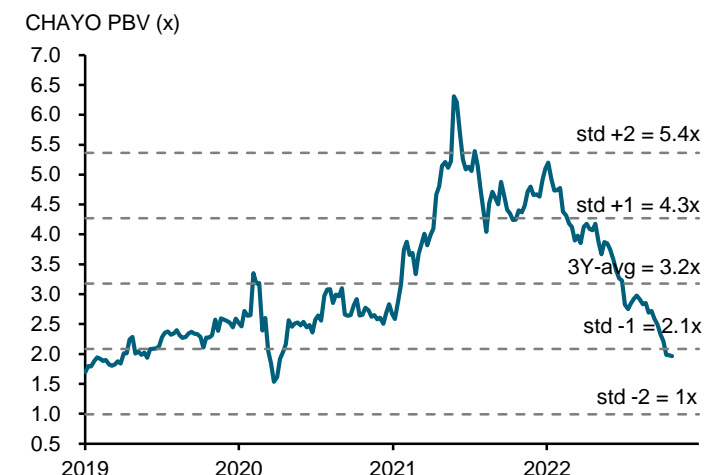
Sources: Bloomberg; FSSIA estimates

Exhibit 18: CHAYO – one-year prospective P/E band



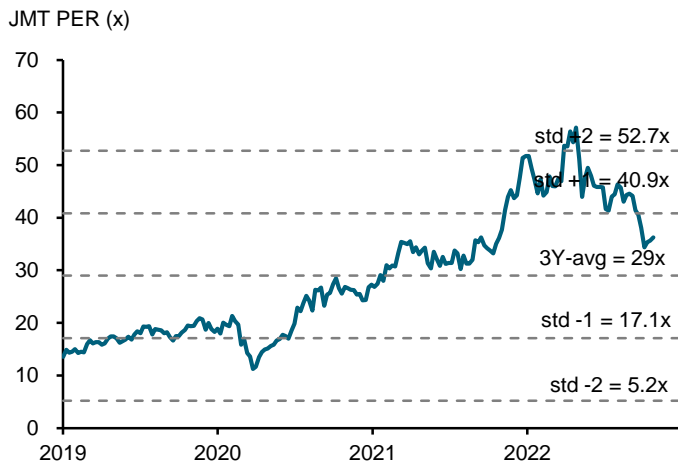
Sources: Bloomberg; FSSIA estimates

Exhibit 19: CHAYO – one-year prospective P/BV band



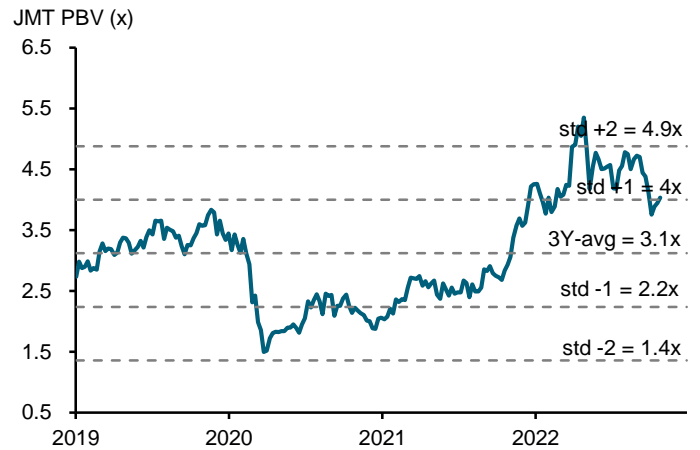
Sources: Bloomberg; FSSIA estimates

Exhibit 20: JMT – one-year prospective P/E band



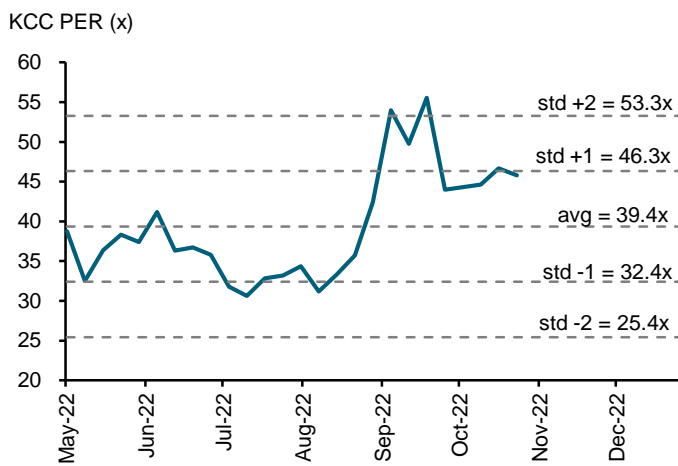
Sources: Bloomberg; FSSIA estimates

Exhibit 21: JMT – one-year prospective P/BV band



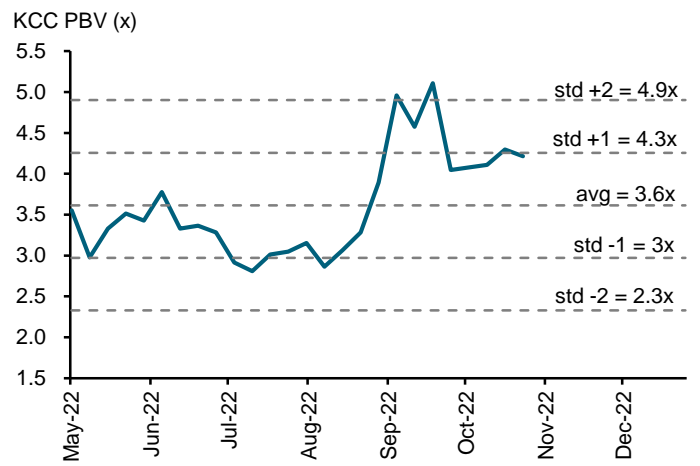
Sources: Bloomberg; FSSIA estimates

Exhibit 22: KCC – one-year prospective P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 23: KCC – one-year prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Bangkok Commercial Asset Mngt.

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	9,946	9,569	10,171	10,631	11,125
Interest expense	(2,391)	(2,559)	(2,608)	(2,529)	(2,349)
Net interest income	7,555	7,010	7,563	8,101	8,776
Net fees & commission	-	-	-	-	-
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	2,481	3,737	2,538	3,386	3,713
Non interest income	2,481	3,737	2,538	3,386	3,713
Total income	10,036	10,747	10,100	11,488	12,488
Staff costs	-	-	-	-	-
Other operating costs	(2,641)	(2,727)	(2,890)	(3,208)	(3,529)
Operating costs	(2,641)	(2,727)	(2,890)	(3,208)	(3,529)
Pre provision operating profit	7,395	8,021	7,210	8,280	8,959
Provision for bad and doubtful debt	(5,199)	(4,765)	(4,120)	(4,387)	(4,420)
Other provisions	-	-	-	-	-
Operating profit	2,196	3,256	3,090	3,893	4,540
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	2,196	3,256	3,090	3,893	4,540
Tax	(355)	(656)	(355)	(584)	(681)
Profit after tax	1,841	2,600	2,735	3,309	3,859
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,841	2,600	2,735	3,309	3,859
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	1,841	2,600	2,735	3,309	3,859
Per share (THB)					
Recurring EPS *	0.57	0.80	0.85	1.02	1.19
Reported EPS	0.57	0.80	0.85	1.02	1.19
DPS	0.51	0.55	0.72	0.87	0.96
Growth					
Net interest income (%)	7.8	(7.2)	7.9	7.1	8.3
Non interest income (%)	(19.9)	50.6	(32.1)	33.4	9.6
Pre provision operating profit (%)	16.5	8.5	(10.1)	14.8	8.2
Operating profit (%)	(64.7)	48.3	(5.1)	26.0	16.6
Reported net profit (%)	(82.8)	41.3	5.2	21.0	16.6
Recurring EPS (%)	(73.8)	41.3	5.2	21.0	16.6
Reported EPS (%)	(83.9)	41.3	5.2	21.0	16.6
Income Breakdown					
Net interest income (%)	75.3	65.2	74.9	70.5	70.3
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	24.7	34.8	25.1	29.5	29.7
Operating performance					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	2.93	3.05	3.28	3.38	3.40
Net interest spread (%)	(2.93)	(3.05)	(3.28)	(3.38)	(3.40)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	26.3	25.4	28.6	27.9	28.3
Cost/assets(%)	2.1	2.1	2.3	2.6	2.8
Effective tax rate (%)	16.2	20.1	11.5	15.0	15.0
Dividend payout on recurring profit (%)	90.0	68.4	85.0	85.0	80.0
ROE (%)	4.4	6.2	6.4	7.2	7.3
ROE - COE (%)	(6.4)	(4.6)	(4.4)	(3.6)	(3.5)
ROA (%)	1.5	2.0	2.2	2.7	3.1
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Bangkok Commercial Asset Mngt.; FSSIA estimates

Financial Statements

Bangkok Commercial Asset Mngt.

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	85,922	81,678	78,396	77,613	78,272
Total provisions	(13,243)	(17,850)	(20,402)	(23,236)	(26,091)
interest in suspense	5,047	9,578	13,327	15,523	18,003
Net customer loans	77,726	73,406	71,322	69,899	70,184
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	451	470	493	518	544
Cash & equivalents	5	99	55	135	382
Other interesting assets	36,514	33,833	35,874	38,809	41,456
Tangible fixed assets	1,190	1,163	1,178	1,202	1,226
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	16,183	16,933	16,019	13,030	13,149
Total assets	132,069	125,904	124,941	123,593	126,941
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	87,421	80,154	78,631	71,004	67,241
Non interest bearing liabilities	2,852	2,995	3,144	3,302	3,467
Hybrid Capital	-	-	-	-	-
Total liabilities	90,273	83,149	81,776	74,306	70,707
Share capital	16,160	16,160	16,160	16,160	16,160
Reserves	25,637	26,595	27,006	33,127	40,074
Total equity	41,797	42,756	43,166	49,288	56,234
Minority interests	0	0	0	0	0
Total liabilities & equity	132,070	125,904	124,941	123,593	126,942
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	81,555	83,788	79,393	74,817	69,122
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	12.93	13.23	13.36	15.25	17.40
Tangible book value per share	12.93	13.23	13.36	15.25	17.40
Growth					
Gross customer loans	2.8	(4.9)	(4.0)	(1.0)	0.8
Average interest earning assets	-	-	-	-	-
Total asset (%)	10.1	(4.7)	(0.8)	(1.1)	2.7
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	31.6	34.0	34.5	39.9	44.3
Tangible equity/assets (%)	31.6	34.0	34.5	39.9	44.3
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Total provisions/gross loans (%)	15.4	21.9	26.0	29.7	33.3
Total provisions/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	27.2	19.3	18.3	15.1	13.0
Recurring P/E @ target price (x) *	35.1	24.9	23.6	19.5	16.8
Reported P/E (x)	27.2	19.3	18.3	15.1	13.0
Dividend yield (%)	3.3	3.5	4.6	5.6	6.2
Price/book (x)	1.2	1.2	1.2	1.0	0.9
Price/tangible book (x)	1.2	1.2	1.2	1.0	0.9
Price/tangible book @ target price (x)	1.5	1.5	1.5	1.3	1.1

Sources: Bangkok Commercial Asset Mngt.; FSSIA estimates

Financial Statements

Chayo Group

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	425	655	941	1,124	1,382
Interest expense	(53)	(113)	(160)	(180)	(194)
Net interest income	372	543	781	944	1,188
Net fees & commission	-	-	-	-	-
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	96	150	83	147	171
Non interest income	96	150	83	147	171
Total income	467	693	864	1,091	1,358
Staff costs	-	-	-	-	-
Other operating costs	(185)	(247)	(322)	(386)	(432)
Operating costs	(185)	(247)	(322)	(386)	(432)
Pre provision operating profit	282	446	542	705	926
Provision for bad and doubtful debt	(87)	(178)	(189)	(256)	(293)
Other provisions	-	-	-	-	-
Operating profit	195	268	353	449	633
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	195	268	353	449	633
Tax	(41)	(46)	(67)	(85)	(115)
Profit after tax	155	222	286	364	518
Minority interests	1	(3)	(19)	(28)	(86)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	155	219	267	336	432
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	155	219	267	336	432
Per share (THB)					
Recurring EPS *	0.22	0.23	0.22	0.28	0.36
Reported EPS	0.22	0.23	0.22	0.28	0.36
DPS	0.01	0.00	0.00	0.00	0.00
Growth					
Net interest income (%)	65.6	45.9	43.9	20.9	25.8
Non interest income (%)	13.4	57.3	(44.9)	76.9	16.5
Pre provision operating profit (%)	101.5	57.9	21.7	30.0	31.4
Operating profit (%)	39.4	37.2	31.7	27.4	40.9
Reported net profit (%)	39.7	41.1	21.8	25.9	28.7
Recurring EPS (%)	24.8	3.5	(1.6)	25.9	28.7
Reported EPS (%)	24.8	3.5	(1.6)	25.9	28.7
Income Breakdown					
Net interest income (%)	79.6	78.3	90.4	86.6	87.4
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	20.4	21.7	9.6	13.4	12.6
Operating performance					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	4.91	7.43	6.80	7.20	7.30
Net interest spread (%)	(4.91)	(7.43)	(6.80)	(7.20)	(7.30)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	39.6	35.7	37.2	35.4	31.8
Cost/assets(%)	8.0	6.3	5.2	4.9	4.8
Effective tax rate (%)	20.8	17.1	19.0	19.0	18.1
Dividend payout on recurring profit (%)	2.8	1.7	1.2	1.2	0.7
ROE (%)	14.7	11.8	9.6	8.0	7.6
ROE - COE (%)	3.9	1.0	(1.2)	(2.8)	(3.2)
ROA (%)	6.7	5.6	4.6	4.7	5.8
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Chayo Group; FSSIA estimates

Financial Statements

Chayo Group

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	1,573	2,569	3,962	4,560	5,216
Total provisions	(90)	(268)	(457)	(713)	(1,006)
interest in suspense	210	554	991	1,140	1,304
Net customer loans	1,693	2,856	4,496	4,987	5,514
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	2	1	2	3	3
Cash & equivalents	708	1,332	1,342	1,644	2,023
Other interesting assets	328	752	1,225	1,482	1,716
Tangible fixed assets	33	57	59	62	66
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	47	91	145	167	338
Total assets	2,811	5,090	7,269	8,346	9,659
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	1,570	1,468	3,229	1,776	3,552
Non interest bearing liabilities	94	164	180	198	218
Hybrid Capital	-	-	-	-	-
Total liabilities	1,664	1,632	3,410	1,975	3,771
Share capital	353	481	499	604	604
Reserves	778	2,106	2,470	4,849	5,284
Total equity	1,130	2,587	2,970	5,454	5,889
Minority interests	16	871	890	918	0
Total liabilities & equity	2,811	5,090	7,269	8,346	9,659
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	1,073	1,519	2,349	2,503	2,664
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	1.60	2.69	2.49	4.58	4.95
Tangible book value per share	1.60	2.69	2.49	4.58	4.95
Growth					
Gross customer loans	39.0	63.4	54.2	15.1	14.4
Average interest earning assets	-	-	-	-	-
Total asset (%)	54.0	81.1	42.8	14.8	15.7
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	40.2	50.8	40.9	65.3	61.0
Tangible equity/assets (%)	40.2	50.8	40.9	65.3	61.0
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Total provisions/gross loans (%)	5.7	10.4	11.5	13.7	19.3
Total provisions/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	35.9	34.7	35.3	28.0	21.8
Recurring P/E @ target price (x) *	48.2	46.6	47.3	37.6	29.2
Reported P/E (x)	35.9	34.7	35.3	28.0	21.8
Dividend yield (%)	0.1	0.0	0.0	0.0	0.0
Price/book (x)	4.9	2.9	3.2	1.7	1.6
Price/tangible book (x)	4.9	2.9	3.2	1.7	1.6
Price/tangible book @ target price (x)	6.6	3.9	4.2	2.3	2.1

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Chayo Group; FSSIA estimates

Financial Statements

JMT Network Services

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	2,629	3,136	4,072	5,146	6,243
Interest expense	(314)	(345)	(227)	(265)	(250)
Net interest income	2,315	2,791	3,845	4,881	5,993
Net fees & commission	-	-	-	-	-
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	409	351	288	486	559
Non interest income	409	351	288	486	559
Total income	2,724	3,143	4,133	5,367	6,552
Staff costs	-	-	-	-	-
Other operating costs	(1,311)	(1,466)	(1,906)	(2,192)	(2,696)
Operating costs	(1,311)	(1,466)	(1,906)	(2,192)	(2,696)
Pre provision operating profit	1,413	1,676	2,227	3,175	3,856
Provision for bad and doubtful debt	(203)	(56)	(177)	(245)	(305)
Other provisions	-	-	-	-	-
Operating profit	1,210	1,620	2,050	2,930	3,551
Recurring non operating income	0	0	19	241	368
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	1,210	1,620	2,069	3,171	3,919
Tax	(174)	(241)	(287)	(440)	(550)
Profit after tax	1,036	1,379	1,782	2,732	3,368
Minority interests	11	21	100	130	130
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,047	1,400	1,882	2,862	3,498
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	1,047	1,400	1,882	2,862	3,498
Per share (THB)					
Recurring EPS *	1.09	1.29	1.32	1.97	2.35
Reported EPS	1.09	1.29	1.32	1.97	2.35
DPS	0.73	0.80	0.77	1.38	1.64
Growth					
Net interest income (%)	31.7	20.6	37.7	27.0	22.8
Non interest income (%)	16.8	(14.1)	(17.9)	68.5	15.0
Pre provision operating profit (%)	66.1	18.6	32.9	42.6	21.4
Operating profit (%)	44.2	34.0	26.5	43.0	21.2
Reported net profit (%)	53.6	33.8	34.4	52.1	22.2
Recurring EPS (%)	41.6	18.3	2.7	48.4	19.4
Reported EPS (%)	41.6	18.3	2.7	48.4	19.4
Income Breakdown					
Net interest income (%)	85.0	88.8	93.0	90.9	91.5
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	15.0	11.2	7.0	9.1	8.5
Operating performance					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	4.84	4.73	3.20	4.10	4.30
Net interest spread (%)	(4.84)	(4.73)	(3.20)	(4.10)	(4.30)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	48.1	46.7	46.1	40.8	41.2
Cost/assets(%)	10.7	6.9	6.3	7.0	7.7
Effective tax rate (%)	14.4	14.9	13.9	13.9	14.0
Dividend payout on recurring profit (%)	66.6	61.7	57.9	70.0	70.0
ROE (%)	23.0	11.3	8.9	12.0	12.5
ROE - COE (%)	12.2	0.5	(1.9)	1.2	1.7
ROA (%)	8.5	6.5	5.9	8.7	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	2020	2021	2022E	2023E	2024E
Gross customer loans	9,961	16,334	19,162	23,416	27,398
Total provisions	(287)	(269)	(409)	(607)	(857)
interest in suspense	160	317	383	468	548
Net customer loans	9,834	16,382	19,137	23,278	27,090
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	1,366	6,631	5,968	3,581	3,760
Cash & equivalents	967	2,076	4,524	1,566	4,297
Other interesting assets	412	986	970	963	1,000
Tangible fixed assets	411	504	355	373	391
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	1,281	1,458	1,290	920	3,177
Total assets	14,270	28,036	32,243	30,681	39,715
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	7,187	7,385	6,794	3,964	5,503
Non interest bearing liabilities	1,329	1,574	2,046	2,455	2,578
Hybrid Capital	-	-	-	-	-
Total liabilities	8,516	8,959	8,840	6,420	8,081
Share capital	488	684	727	727	797
Reserves	5,236	18,348	22,677	23,535	30,837
Total equity	5,724	19,032	23,403	24,262	31,635
Minority interests	30	46	0	0	0
Total liabilities & equity	14,270	28,036	32,243	30,681	39,716
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	6,485	7,286	7,089	6,454	5,809
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	5.98	17.08	16.07	16.66	20.72
Tangible book value per share	5.98	17.08	16.07	16.66	20.72
Growth					
Gross customer loans	24.1	64.0	17.3	22.2	17.0
Average interest earning assets	-	-	-	-	-
Total asset (%)	40.7	96.5	15.0	(4.8)	29.4
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	40.1	67.9	72.6	79.1	79.7
Tangible equity/assets (%)	40.1	67.9	72.6	79.1	79.7
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Total provisions/gross loans (%)	2.9	1.6	2.1	2.2	3.1
Total provisions/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	60.1	50.8	49.4	33.3	27.9
Recurring P/E @ target price (x) *	77.1	65.1	63.4	42.7	35.8
Reported P/E (x)	60.1	50.8	49.4	33.3	27.9
Dividend yield (%)	1.1	1.2	1.2	2.1	2.5
Price/book (x)	11.0	3.8	4.1	3.9	3.2
Price/tangible book (x)	11.0	3.8	4.1	3.9	3.2
Price/tangible book @ target price (x)	14.0	4.9	5.2	5.0	4.1

Sources: JMT Network Services; FSSIA estimates

Financial Statements

Knight Club Capital Asset Mngt.

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	118	104	111	334	382
Interest expense	(13)	(16)	(26)	(36)	(29)
Net interest income	105	88	86	298	353
Net fees & commission	-	-	-	-	-
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	23	37	93	46	52
Non interest income	23	37	93	46	52
Total income	128	126	178	344	405
Staff costs	-	-	-	-	-
Other operating costs	(30)	(34)	(41)	(48)	(55)
Operating costs	(30)	(34)	(41)	(48)	(55)
Pre provision operating profit	98	91	137	297	350
Provision for bad and doubtful debt	(37)	(26)	(16)	(132)	(121)
Other provisions	-	-	-	-	-
Operating profit	61	66	121	165	229
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	61	66	121	165	229
Tax	(12)	(13)	(24)	(33)	(46)
Profit after tax	49	52	97	132	183
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	49	52	97	132	183
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	49	52	97	132	183
Per share (THB)					
Recurring EPS *	0.11	0.11	0.17	0.21	0.30
Reported EPS	0.11	0.11	0.17	0.21	0.30
DPS	0.00	0.00	0.15	0.18	0.24
Growth					
Net interest income (%)	177.3	(15.7)	(3.1)	248.6	18.2
Non interest income (%)	20.9	60.1	147.5	(50.5)	13.5
Pre provision operating profit (%)	378.2	(7.1)	50.0	116.7	18.0
Operating profit (%)	307.4	7.0	83.7	36.6	38.8
Reported net profit (%)	307.7	6.9	84.1	36.6	38.8
Recurring EPS (%)	307.7	6.9	53.1	21.9	38.8
Reported EPS (%)	307.7	6.9	53.1	21.9	38.8
Income Breakdown					
Net interest income (%)	81.7	70.2	48.0	86.7	87.1
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	18.3	29.8	52.0	13.3	12.9
Operating performance					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	5.18	5.98	6.10	6.29	6.34
Net interest spread (%)	(5.18)	(5.98)	(6.10)	(6.29)	(6.34)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	23.3	27.4	23.2	13.8	13.5
Cost/assets(%)	4.6	4.7	3.2	2.5	2.6
Effective tax rate (%)	20.1	20.2	20.0	20.0	20.0
Dividend payout on recurring profit (%)	-	-	85.0	85.0	80.0
ROE (%)	12.8	12.1	11.7	10.1	11.5
ROE - COE (%)	2.0	1.3	0.9	(0.7)	0.7
ROA (%)	7.5	7.2	7.5	6.9	8.7
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Knight Club Capital Asset Mngt.; FSSIA estimates

Financial Statements

Knight Club Capital Asset Mngt.

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	540	521	1,108	1,291	1,407
Total provisions	(40)	(64)	(83)	(219)	(345)
interest in suspense	80	108	175	359	569
Net customer loans	581	566	1,200	1,430	1,631
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	0	0	184	182	180
Other interesting assets	110	138	381	334	300
Tangible fixed assets	12	11	11	11	12
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	12	21	46	50	54
Total assets	716	736	1,822	2,008	2,178
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	283	239	598	538	377
Non interest bearing liabilities	25	36	38	40	42
Hybrid Capital	-	-	-	-	-
Total liabilities	307	275	636	578	418
Share capital	230	230	310	310	310
Reserves	179	231	876	1,120	1,449
Total equity	409	461	1,186	1,430	1,759
Minority interests	0	0	0	0	0
Total liabilities & equity	716	736	1,822	2,008	2,178
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	253	261	419	568	457
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	0.89	1.00	1.91	2.31	2.84
Tangible book value per share	0.89	1.00	1.91	2.31	2.84
Growth					
Gross customer loans	10.8	(3.6)	112.7	16.5	9.0
Average interest earning assets	-	-	-	-	-
Total asset (%)	21.6	2.7	147.6	10.2	8.5
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	57.1	62.6	65.1	71.2	80.8
Tangible equity/assets (%)	57.1	62.6	65.1	71.2	80.8
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Total provisions/gross loans (%)	7.3	12.2	7.5	15.6	24.5
Total provisions/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	68.9	64.5	42.1	34.6	24.9
Recurring P/E @ target price (x) *	66.6	62.3	40.7	33.4	24.0
Reported P/E (x)	68.9	64.5	42.1	34.6	24.9
Dividend yield (%)	-	-	2.0	2.5	3.2
Price/book (x)	8.3	7.3	3.8	3.2	2.6
Price/tangible book (x)	8.3	7.3	3.8	3.2	2.6
Price/tangible book @ target price (x)	8.0	7.1	3.7	3.1	2.5

Sources: Knight Club Capital Asset Mngt.; 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	SEAFCCO	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	PPP	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)

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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

Rawisara Suwanumphai FSS International Investment Advisory Securities Co., Ltd

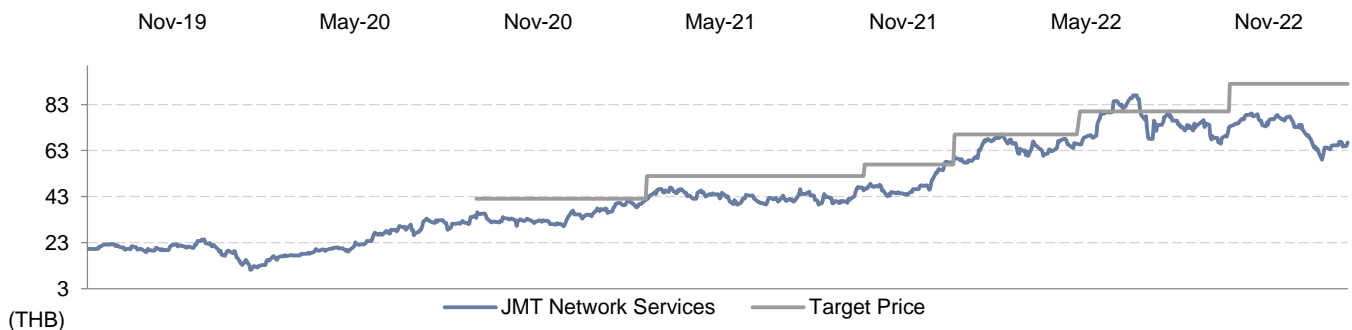
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

JMT Network Services (JMT TB)



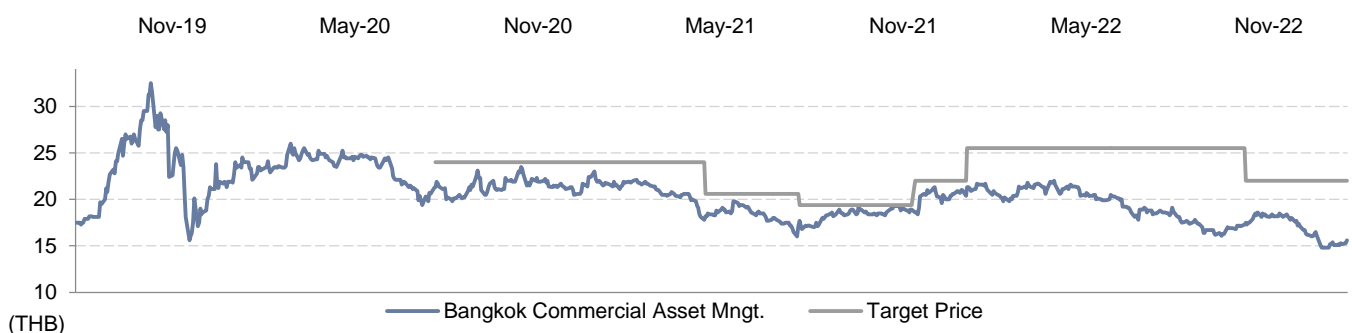
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Oct-2020	BUY	42.00	07-Sep-2021	BUY	57.00	11-Mar-2022	BUY	80.00
02-Mar-2021	BUY	52.00	24-Nov-2021	BUY	70.00	21-Jul-2022	BUY	92.00

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

Price and TP are in local currency

Source: FSSIA estimates

Bangkok Commercial Asset Mngt. (BAM TB)



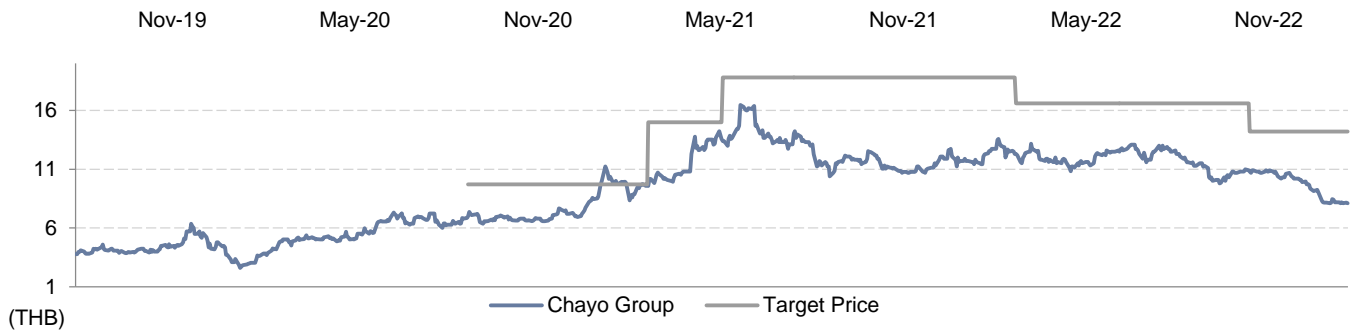
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Oct-2020	BUY	24.00	03-Aug-2021	BUY	19.40	20-Dec-2021	BUY	25.50
17-May-2021	BUY	20.60	05-Nov-2021	BUY	22.00	08-Aug-2022	BUY	22.00

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

Price and TP are in local currency

Source: FSSIA estimates

Chayo Group (CHAYO TB)



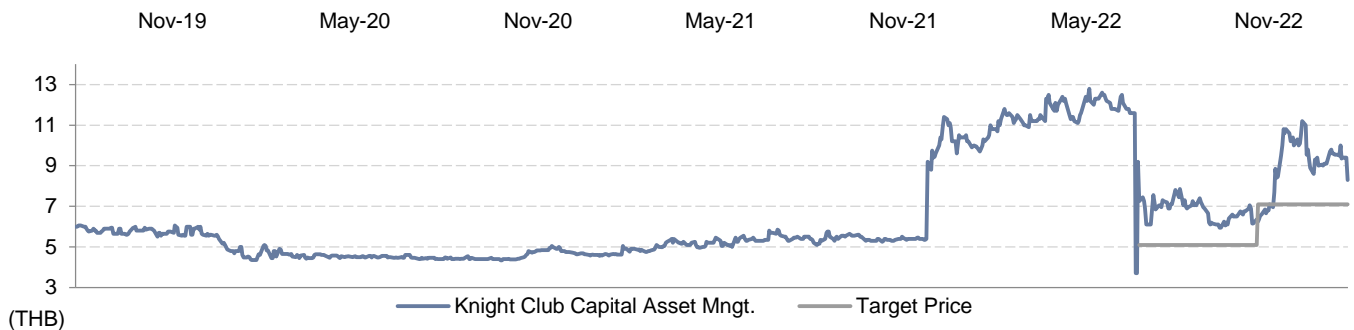
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Oct-2020	BUY	9.70	12-May-2021	BUY	18.80	08-Aug-2022	BUY	14.20
09-Mar-2021	BUY	15.00	19-Jan-2022	BUY	16.60			

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

Price and TP are in local currency

Source: FSSIA estimates

Knight Club Capital Asset Mngt. (KCC TB)



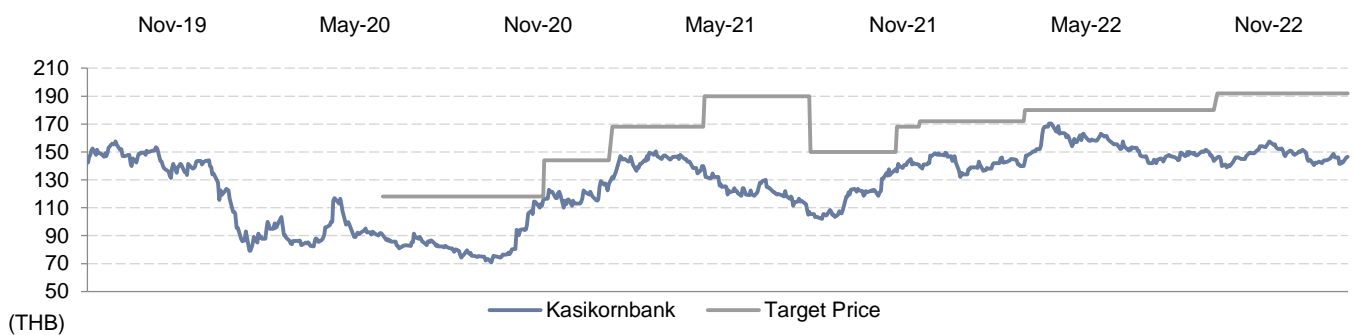
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-May-2022	BUY	5.10	15-Aug-2022	BUY	7.10	-	-	-

Rawisara Suwanumphai started covering this stock from 05-May-2022

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
16-Jul-2020	BUY	118.00	21-Apr-2021	BUY	190.00	25-Oct-2021	BUY	172.00
03-Dec-2020	BUY	144.00	22-Jul-2021	BUY	150.00	24-Jan-2022	BUY	180.00
29-Jan-2021	BUY	168.00	05-Oct-2021	BUY	168.00	08-Jul-2022	BUY	192.00

Rawisara 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 65.50	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.
Bangkok Commercial Asset Mngt.	BAM TB	THB 15.50	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; 2) lower-than-expected bad debt acquisition; and 3) the prolonged slowdown of the property market.
Chayo Group	CHAYO TB	THB 7.90	BUY	Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses.
Knight Club Capital Asset Mngt.	KCC TB	THB 7.35	HOLD	Upside risks to our GGM-based TP include 1) higher NPL acquisitions; and 2) higher corporate NPL settlements. 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.
Kasikornbank	KBANK TB	THB 147.00	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.

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 Finasia 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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 02-Nov-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.