

1 DECEMBER 2021

THAILAND / DIVERSIFIED FINANCIALS

RATCHTHANI LEASING THANI TB

BUY

UNCHANGED

TARGET PRICE	THB4.80
CLOSE	THB4.00
UP/DOWNSIDE	+20.0%
PRIOR TP	THB4.80
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-3.5%

Lacking recovery signs in short term

Weak outlook in the next couple of months

We came away from THANI's analyst meeting with a negative view due to concerns over its weak asset quality and slow loan growth outlook. This could pressure its performance in the next two quarters. We expect THANI to deliver a weak 4Q21 net profit of THB335m (-30% y-y, -16% q-q), dragged down by slow loan growth and weak asset quality, which will likely lead to a higher expected credit loss (ECL) and a larger loss from repossessed vehicles. We expect an earnings recovery from 2Q22 on.

Deteriorated asset quality

THANI has weaker asset quality than its peers, with a 3Q21 non-performing loan (NPL) formation rate (based on our calculation) of 3.8% vs 3.0% for Micro Leasing (MICRO TB, BUY, TP THB10.7) and 0.5% for Singer Thailand (SINGER, BUY, TP THB51). This could come from its exposure to the taxi and bus segments (c2-3% of its total portfolio), which were badly impacted by Covid. With a surge in its NPLs in 3Q21, THANI will likely repossess more collateral in 4Q21-1Q22, from its normal rate of c70 vehicles per month to c200-300 vehicles. This would lead to a higher loss from repossessed vehicles. On top of that, THANI plans to set aside more management overlay in 4Q21 at cTHB100m from THB50m in 3Q21 to provide a cushion for future uncertainties. We believe the asset deterioration could pressure its performance for at least the next two quarters.

Slow loan growth vs peers

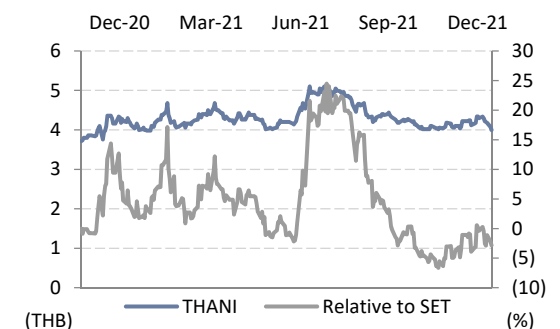
We think that THANI's weak asset quality will result in a conservative lending policy. According to management, THANI's new disbursement in 2021 would be cTHB22b-23b, implying expected loan growth of only 3% y-y. In 2022, the company plans to continue to lend new loans conservatively, with a new disbursement budget of cTHB26.4b, implying loan growth of c5-10% y-y. This target is much lower than that of major players which are targeting loan growth of c20% y-y in 2022.

Muted catalysts in short term; maintain BUY for long term

We fine-tune our 2021-23E earnings and maintain our GGM-based TP of THB4.8 with our BUY call for long-term investment. In the short term, we see few catalysts to drive its share price. We believe THANI will likely deliver inferior performance vs its peers. Hence, THANI is not one of our top picks at the moment. In our view, a good time to accumulate THANI would be in 1Q22 ahead of the earnings recovery we project in 2Q22.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	2,324	1,979	2,368	2,690
Net profit	1,860	1,591	1,906	2,165
EPS (THB)	0.40	0.28	0.34	0.38
vs Consensus (%)	-	(6.7)	0.9	(2.6)
Core net profit	1,860	1,591	1,906	2,165
Core EPS (THB)	0.40	0.28	0.34	0.38
Chg. In EPS est. (%)	-	(3.6)	(1.3)	(1.3)
EPS growth (%)	(22.6)	(30.2)	19.8	13.6
Core P/E (x)	9.9	14.2	11.9	10.5
Dividend yield (%)	4.3	3.5	4.2	4.8
Price/book (x)	2.1	2.0	1.8	1.7
ROE (%)	20.1	14.2	15.8	16.5
ROA (%)	3.7	3.2	3.6	3.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.4)	(9.9)	7.5
Relative to country (%)	1.0	(5.9)	(3.5)
Mkt cap (USD m)	672		
3m avg. daily turnover (USD m)	3.7		
Free float (%)	21		
Major shareholder	THANACHART SPVI (59%)		
12m high/low (THB)	5.30/3.70		
Issued shares (m)	5,663		

Sources: Bloomberg consensus; FSSIA estimates


Yuvarart Suwanumphai

 yuvarart.suw@fssia.com
 +66 2611 3554

Investment thesis

THANI has a longstanding and strong business position in hire purchase loans in niche markets, mainly for commercial trucks and luxury cars.

We maintain our BUY call for long-term investment as we believe THANI is still the market leader in the truck lending business, and we expect its bottom-line growth to accelerate in 2022. However, in the short term, we believe THANI will likely deliver inferior performance compared to its peers. Therefore, THANI is not one of our top picks at the moment.

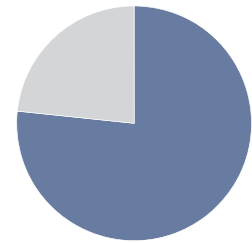
Company profile

The company's main businesses are hire purchase loans, targeting new and used trucks, and financial leasing, as well as services related to its core businesses.

www.ratchthani.com

Principal activities (revenue, 2020)

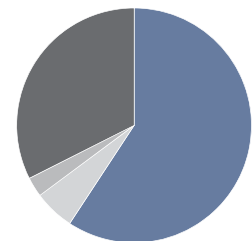
- Net interest income - 76.7 %
- Non-interest income - 23.3 %



Source: Ratchthani Leasing

Major shareholders

- THANACHART SPVI - 59.3 %
- Raffles Nominees - 5.6 %
- Mr. Jaroensuk Kijitti - 2.7 %
- Others - 32.4 %



Source: Ratchthani Leasing

Catalysts

Potential share price catalysts for THANI include:

- Lower credit cost due to the effective management of its non-performing loans (NPL);
- Strong private investment;
- The growth of logistics activities which would push its loan growth.

Risks to our call

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.

Event calendar

Date	Event
End-Feb 2022	4Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Net profit (THB m)	1,591	1,906	2,165
Net profit growth	(14.5)	19.8	13.6
NIM	5.24	5.11	5.12
Loan growth	3.3	8.0	12.0
Fee growth	12.0	-	8.0
Non-NII growth*	1.2	4.8	6.3
Credit cost (bp)	154	90	75
Cost to income*	17.6	17.4	16.9

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		2021E		
Loan growth	±2ppt	1.3	3.3	5.3
% change in net profit		(1.3)	-	1.3
NIM (%)	±5bp	5.19	5.24	5.29
% change in net profit		(1.1)	-	1.1
Credit cost (bp)	±10bp	143.5	153.5	163.5
% change in net profit		1.1	-	(1.1)

Source: FSSIA estimates

High ECL and slow loan growth could lead to weak 4Q21 earnings

We expect THANI to deliver a weak 4Q21 net profit of THB335m (-30% y-y, -16% q-q), dragged down by three factors. First, amid the moderate growth in truck sales, we expect THANI to lend new loans conservatively at cTHB6.0b per quarter. This would result in only a 1% q-q increase in its loan volume. Second, we expect a rise in losses on repossessed trucks as the company began to seize more trucks after the relief measures ended. Third, its ECL is likely to increase, as THANI wants to increase its coverage ratio to 80-85%.

4Q21E key highlights

- Due to its weak asset quality and conservative lending strategy, we expect THANI to deliver slower loan growth than its peers at 1% q-q, 3.3% YTD.
- We expect its OPEX in 4Q21 to rise 17% y-y and 2% q-q due to an increase in losses on repossessed trucks. The number of repossessed trucks has increased while the loss ratio per truck has been relatively stable, according to management.
- Its NPLs are likely to decrease by 8% q-q, accounting for an NPL ratio of 3.9% due to its faster repossession process.

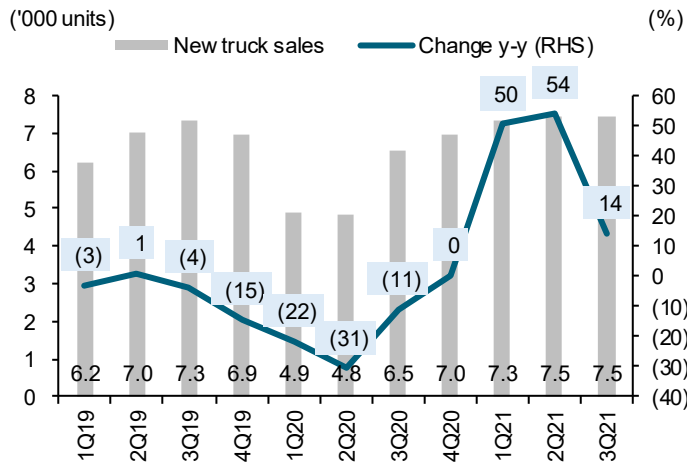
Exhibit 1: THANI – 4Q21E earnings preview

Year-end Dec 31	4Q20	1Q21	2Q21	3Q21	4Q21E	----- Change -----		2021E	Change	4Q21E comments
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	
Net interest income	629	613	616	692	633	1	(9)	2,554	4	
Non-interest income	186	189	190	177	199	7	12	756	1	
Operating income	816	803	806	870	832	2	(4)	3,310	3	
Operating expenses	130	141	137	151	153	17	2	582	8	A larger loss from repossessed vehicles
PPOP before tax*	685	661	669	719	679	(1)	(6)	2,728	2	
Expected credit loss	96	106	140	231	271	184	17	749	122	
Income tax	110	128	101	87	73	(34)	(16)	388	(16)	
Minority interest	(0)	0	0	0	0			0		
Normalised profit	480	427	428	401	335	(30)	(16)	1,591	(14)	
Extraordinary items	0	0	0	0	0			0		
Net profit	480	427	428	401	335	(30)	(16)	1,591	(14)	
Asset quality ratio	(%)	(%)	(%)	(%)	(%)					
NPLs (THB m)	1,500	1,563	1,714	2,109	1,940	29	(8)	1,951	30	Faster vehicle repossessions
NPLs / Loans	3.13	3.22	3.49	4.30	3.91					
Loan loss reserve/NPLs	82	79	77	70	78					
Credit cost (bps)	79	88	115	188	220					
Profitability ratio	(%)	(%)	(%)	(%)	(%)					
Cost to income ratio	16.0	17.6	17.0	17.3	18.4					
Average yield	7.3	7.0	6.9	7.5	7.0					
Cost of fund	2.7	2.5	2.5	2.5	2.5					
Net interest margin (NIM)	5.2	5.1	5.0	5.6	5.1					
Non-int inc/total income	22.8	23.6	23.6	20.4	23.9					
Loan growth	(%)	(%)	(%)	(%)	(%)					
y-y	(7.6)	(6.2)	(2.0)	(0.7)	3.3					
q-q	(2.9)	1.0	1.3	0.0	1.0					

*Including share of profits from associates

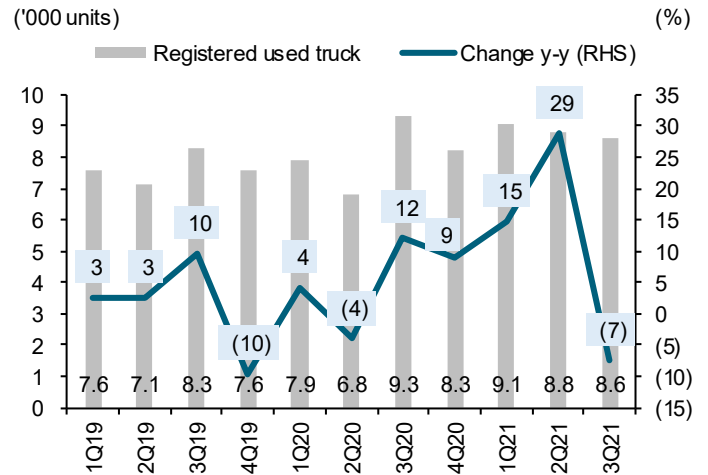
Sources: THANI; FSSIA estimates

Exhibit 2: Quarterly new truck sales



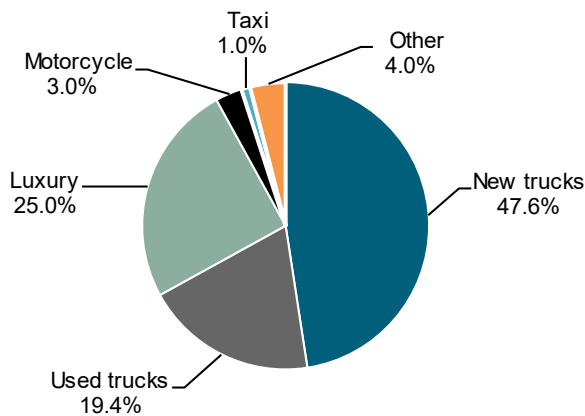
Sources: The Federation of Thai Industries; FSSIA's compilation

Exhibit 3: Quarterly used truck sales



Note: This chart excludes an unusual 7,500 used truck transfer transaction from Kerry Express (KEX TB) – the trucks were converted from personal to transport vehicles in Oct and Nov 2020
 Sources: Department of Land Transport; FSSIA's compilation

Exhibit 4: THANI's portfolio as of 3Q21



Sources: THANI; FSSIA's compilation

Earnings revisions

We slightly lower our net profit forecasts for 2021-23 by 4%/1%/1% to mainly reflect the slower loan growth outlook.

Exhibit 5: Key changes in assumptions

	-----2021E-----				-----2022E-----			-----2023E-----		
	2020 (THB m)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Net interest income	2,452	2,566	2,554	(0.5)	2,665	2,634	(1.2)	2,962	2,907	(1.9)
Non-interest income*	747	763	756	(1.0)	800	792	(1.0)	840	842	0.3
Operating income*	3,199	3,330	3,310	(0.6)	3,465	3,426	(1.1)	3,802	3,749	(1.4)
Operating expenses	538	570	582	2.2	597	594	(0.4)	644	634	(1.6)
PPOP before tax*	2,662	2,760	2,728	(1.2)	2,869	2,832	(1.3)	3,158	3,115	(1.4)
Expected credit loss (Reversal)	338	710	749	5.5	469	464	(1.1)	432	426	(1.6)
Tax expenses	464	400	388	(3.0)	468	462	(1.3)	532	525	(1.3)
Minority interest	0	0	-		0	-		0	-	
Normalised profit	1,860	1,650	1,591	(3.6)	1,931	1,906	(1.3)	2,194	2,165	(1.3)
Extraordinary items	-	0	-		0	-		0	-	
Net profit	1,860	1,650	1,591	(3.6)	1,931	1,906	(1.3)	2,194	2,165	(1.3)
EPS (THB)	0.40	0.29	0.28	(3.6)	0.34	0.34	(1.3)	0.4	0.38	(1.3)
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	1,500	2,101	1,951	(7.1)	2,353	2,185	(7.1)	2,470	2,294	(7.1)
Gross NPLs / Loans (%)	3.13	4.2	3.9		4.3	4.1		4.1	3.8	
Loan loss reserve/NPLs (%)	82	78	86		80	88		84	92	
Credit cost (bps)	68	145	154		90	90		75	75	
Profitability ratio (%)										
Cost to income ratio*	16.8	17.1	17.6		17.2	17.4		16.9	16.9	
Average yield	6.9	7.1	7.1		7.0	7.0		7.0	7.0	
Cost of funds	2.7	2.5	2.5		2.5	2.5		2.5	2.5	
Net interest margin (NIM)	4.9	5.2	5.2		5.1	5.1		5.1	5.1	
Loan growth (%)										
y-y	(7.6)	4.0	3.3		9.0	8.0		12.0	12.0	

*Including share of profits from associates

Sources: THANI; FSSIA estimates

Exhibit 6: Thailand diversified financials – peers comparison

	BBG code	Rec	---Share price---		Up side (%)	Market Cap (USD m)	EPS growth		---- P/E ----		-- DivYld --		--- ROE ---		--- PBV ---	
			Current (THB)	Target (THB)			21E (%)	22E (%)	21E (x)	22E (x)	21E (x)	22E (x)	21E (%)	22E (%)	21E (x)	22E (x)
Diversified financials						21,816	12.2	22.2	24.9	20.4	2.0	2.3	18.5	18.0	4.0	3.2
Unsecured-loan lender						5,442	14.2	13.1	19.7	17.4	2.1	2.3	24.0	23.4	4.4	3.8
Aeon Thana Sinsap (TH)	AEONTS TB	HOLD	181.50	204.00	12	1,347	7.5	13.9	11.4	10.0	2.8	2.9	21.5	21.1	2.3	2.0
Krungthai Card	KTC TB	HOLD	53.50	52.00	(3)	4,095	15.4	13.0	22.4	19.8	1.8	2.1	24.8	24.1	5.1	4.5
Auto-title lender						9,037	6.1	22.8	22.7	18.5	1.3	1.5	20.3	20.6	4.0	3.5
Muangthai Capital	MTC TB	BUY	56.00	69.00	23	3,525	(0.5)	24.6	22.9	18.4	0.7	0.8	22.7	23.4	4.7	3.9
Srisawad Corp	SAWAD TB	BUY	60.00	80.00	33	2,446	4.2	20.6	17.3	14.4	3.0	3.5	20.2	22.0	3.3	3.0
Saksiam Leasing	SAK TB	BUY	9.45	11.00	16	588	(19.5)	39.1	33.3	24.0	0.9	1.3	12.6	15.9	4.0	3.6
Ngern Tid Lor	TIDLOR TB	BUY	36.00	43.00	19	2,478	23.8	17.8	25.4	21.5	0.6	0.7	18.9	16.4	3.7	3.3
Truck lender						1,651	12.7	10.1	26.9	24.4	2.1	2.6	13.2	12.6	3.1	2.4
Micro Leasing	MICRO TB	BUY	7.70	10.70	39	214	23.1	33.5	35.3	26.5	0.8	0.8	10.8	13.2	3.7	3.3
Singer Thailand	SINGER TB	BUY	48.50	51.00	5	764	24.8	2.4	35.7	34.8	1.1	1.7	13.0	9.8	4.0	2.6
Ratchthani Leasing	THANI TB	BUY	4.00	4.80	20	672	(30.2)	19.8	14.2	11.9	3.5	4.2	14.2	15.8	2.0	1.8
Asset management						4,311	16.4	32.4	39.0	29.5	2.0	2.5	12.7	10.8	4.7	2.6
Bangkok Commercial AM.	BAM TB	BUY	19.60	22.00	12	1,881	20.9	35.8	28.5	21.0	3.0	4.1	5.1	6.5	1.4	1.4
Chayo Group	CHAYO TB	BUY	12.00	18.80	57	343	18.5	39.6	46.8	33.5	0.0	0.0	12.8	11.7	4.2	3.4
JMT Network Services	JMT TB	BUY	58.75	70.00	19	2,088	13.6	29.5	47.3	36.5	1.3	1.6	19.5	14.5	7.8	3.6
Other						1,097	8.1	11.6	9.0	8.0	8.5	8.5	6.4	6.8	0.6	0.5
Thanachart Capital	TCAP TB	HOLD	35.25	35.00	(1)	1,097	8.1	11.6	9.0	8.0	8.5	8.5	6.4	6.8	0.6	0.5
Hire purchase motorcycle						278	55.9	33.4	29.8	22.3	0.5	0.7	17.4	19.8	4.8	4.1
Next Capital	NCAP TB	BUY	10.40	16.80	62	278	55.9	33.4	29.8	22.3	0.5	0.7	17.4	19.8	4.8	4.1

Share prices as of 30 Nov 2021

Sources: Bloomberg; FSSIA estimates

Financial Statements

Ratchthani Leasing

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	3,539	3,516	3,473	3,592	3,971
Interest expense	(1,011)	(1,063)	(919)	(959)	(1,065)
Net interest income	2,527	2,452	2,554	2,634	2,907
Net fees & commission	328	316	354	354	382
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	371	431	402	438	460
Non interest income	700	747	756	792	842
Total income	3,227	3,199	3,310	3,426	3,749
Staff costs	(177)	(188)	(199)	(211)	(224)
Other operating costs	(393)	(350)	(383)	(383)	(410)
Operating costs	(570)	(538)	(582)	(594)	(634)
Pre provision operating profit	2,657	2,662	2,728	2,832	3,115
Provision for bad and doubtful debt	(194)	(338)	(749)	(464)	(426)
Other provisions	-	-	-	-	-
Operating profit	2,463	2,324	1,979	2,368	2,690
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	2,463	2,324	1,979	2,368	2,690
Tax	(500)	(464)	(388)	(462)	(525)
Profit after tax	1,964	1,860	1,591	1,906	2,165
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,964	1,860	1,591	1,906	2,165
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	1,964	1,860	1,591	1,906	2,165
Per share (THB)					
Recurring EPS *	0.52	0.40	0.28	0.34	0.38
Reported EPS	0.52	0.40	0.28	0.34	0.38
DPS	0.32	0.17	0.14	0.17	0.19
Growth					
Net interest income (%)	8.4	(3.0)	4.1	3.1	10.4
Non interest income (%)	11.9	6.8	1.2	4.8	6.3
Pre provision operating profit (%)	8.3	0.2	2.5	3.8	10.0
Operating profit (%)	20.1	(5.7)	(14.8)	19.6	13.6
Reported net profit (%)	19.7	(5.3)	(14.5)	19.8	13.6
Recurring EPS (%)	(4.3)	(22.6)	(30.2)	19.8	13.6
Reported EPS (%)	(4.3)	(22.6)	(30.2)	19.8	13.6
Income Breakdown					
Net interest income (%)	78.3	76.7	77.2	76.9	77.5
Net fees & commission (%)	10.2	9.9	10.7	10.3	10.2
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	11.5	13.5	12.1	12.8	12.3
Operating performance					
Gross interest yield (%)	7.04	7.04	7.12	6.97	7.00
Cost of funds (%)	2.48	2.70	2.48	2.45	2.46
Net interest spread (%)	4.56	4.34	4.64	4.52	4.54
Net interest margin (%)	5.0	4.9	5.2	5.1	5.1
Cost/income(%)	17.7	16.8	17.6	17.4	16.9
Cost/assets(%)	1.2	1.1	1.2	1.1	1.1
Effective tax rate (%)	20.3	19.9	19.6	19.5	19.5
Dividend payout on recurring profit (%)	61.5	42.2	50.0	50.0	50.0
ROE (%)	26.4	20.1	14.2	15.8	16.5
ROE - COE (%)	15.6	9.3	3.4	5.0	5.7
ROA (%)	4.0	3.7	3.2	3.6	3.8
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Ratchthani Leasing; FSSIA estimates

Financial Statements

Ratchthani Leasing

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Gross customer loans	51,933	47,976	49,559	53,524	59,947
Total provisions	(2,225)	(1,228)	(1,679)	(1,929)	(2,115)
interest in suspense	0	0	0	0	0
Net customer loans	49,709	46,748	47,880	51,595	57,832
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	429	1,044	1,542	2,303	1,955
Other interesting assets	-	-	-	-	-
Tangible fixed assets	251	147	96	69	53
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	492	579	601	527	722
Total assets	50,881	48,518	50,120	54,494	60,563
Customer deposits	0	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	42,187	36,691	37,447	40,815	45,746
Non interest bearing liabilities	1,023	1,008	1,059	1,112	1,167
Hybrid Capital	-	-	-	-	-
Total liabilities	43,210	37,699	38,506	41,927	46,913
Share capital	3,775	5,663	5,663	5,663	5,663
Reserves	3,896	5,156	5,951	6,904	7,987
Total equity	7,671	10,819	11,614	12,567	13,650
Minority interests	0	0	0	0	0
Total liabilities & equity	50,881	48,518	50,120	54,494	60,563
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	50,239	49,955	48,768	51,542	56,736
Average interest bearing liabilities	40,735	39,439	37,069	39,131	43,281
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)	2,049	1,500	1,951	2,185	2,294
Per share (THB)					
Book value per share	2.03	1.91	2.05	2.22	2.41
Tangible book value per share	2.03	1.91	2.05	2.22	2.41
Growth					
Gross customer loans	7.0	(7.6)	3.3	8.0	12.0
Average interest earning assets	12.9	(0.6)	(2.4)	5.7	10.1
Total asset (%)	7.0	(4.6)	3.3	8.7	11.1
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	nm	nm	nm	nm	nm
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	15.1	22.3	23.2	23.1	22.5
Tangible equity/assets (%)	15.1	22.3	23.2	23.1	22.5
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	14.5	(26.8)	30.0	12.0	5.0
NPL/gross loans (%)	3.9	3.1	3.9	4.1	3.8
Total provisions/gross loans (%)	4.3	2.6	3.4	3.2	3.5
Total provisions/NPL (%)	108.6	81.9	86.1	88.3	92.2
Valuation					
Recurring P/E (x) *	7.7	9.9	14.2	11.9	10.5
Recurring P/E @ target price (x) *	9.2	11.9	17.1	14.3	12.6
Reported P/E (x)	7.7	9.9	14.2	11.9	10.5
Dividend yield (%)	8.0	4.3	3.5	4.2	4.8
Price/book (x)	2.0	2.1	2.0	1.8	1.7
Price/tangible book (x)	2.0	2.1	2.0	1.8	1.7
Price/tangible book @ target price (x)	2.4	2.5	2.3	2.2	2.0

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Ratchthani Leasing; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

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

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

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

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Yuvanart 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.

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

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

Company	Ticker	Price	Rating	Valuation & Risks
Ratchthani Leasing	THANI TB	THB 4.00	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.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 181.50	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 53.50	HOLD	Upside risks to our GGM-derived TP include 1) stronger-than-expected growth for KTB Leasing; and 2) a better-than-expected bad debt recovery. Downside risks are 1) regulatory actions to curb industry growth; and 2) deteriorating asset quality.
Muangthai Capital	MTC TB	THB 56.00	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Srisawad Corp	SAWAD TB	THB 60.00	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Saksiam Leasing	SAK TB	THB 9.45	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 36.00	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank and Auto X (subsidiary of SCB); 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.
Micro Leasing	MICRO TB	THB 7.70	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 48.50	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.
Bangkok Commercial Asset Mngt.	BAM TB	THB 19.60	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; 2) lower-than-expected bad debt acquisition; and 3) the prolonged slowdown of the property market.
Chayo Group	CHAYO TB	THB 12.00	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 58.75	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; and 2) the lower-than-expected acquisition of new bad debt.
Thanachart Capital	TCAP TB	THB 35.25	HOLD	Upside risks to our GGM-based target price are M&A completions and long-term synergy gained, leading to a higher contribution to its earnings. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality which could lead to higher provisions for both TMB and THANI.
Next Capital	NCAP TB	THB 10.40	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for food delivery and logistics activities; 2) deteriorating asset quality; and 3) tighter competition from new players.

Source: FSSIA estimates

Additional Disclosures

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

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

All share prices are as at market close on 30-Nov-2021 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.