

# NEXT CAPITAL NCAP TB

## THAILAND / DIVERSIFIED FINANCIALS

# BUY

UNCHANGED

### ประโยชน์ระยะยาวจากสินเชื่อที่โตดี

- เราชอบกลยุทธ์การขยายพอร์ตเชิงรุกของ NCAP
- แต่จากความไม่แน่นอนในด้านกฎระเบียบเราคิดว่าราคาหุ้นจะยังได้รับแรงกดดัน
- เราปรับลดประมาณการกำไรต่อหุ้น (EPS) ปี 2022-23 ลง 25%/42% เพื่อสะท้อนการเพิ่มทุน

### ขยายการเติบโตของสินเชื่อเชิงรุก

NCAP รายงานสินเชื่อโตอย่างโดดเด่นถึง 46% y-y ในปี 2021 โดยที่มีส่วนแบ่งการปล่อยสินเชื่อใหม่เพิ่มจาก 3.1% ในปี 2020 เป็น 6% ในปี 2021 NCAP จะขยายพอร์ตสินเชื่อเชิงรุกในอีก 3 ปีข้างหน้า บริษัทฯ ตั้งเป้าให้สินเชื่อโตมากกว่า 45% y-y ในปี 2022 ส่วนมากจากการเติบโตของสินเชื่อเช่าซื้อรถมอเตอร์ไซด์ (MHP) นอกจากนี้ NCAP ยังตั้งเป้าให้สินเชื่อโดยมีนัยสำคัญถึง 40% และ 35% ในปี 2023-24 สินเชื่อเช่าซื้อรถมอเตอร์ไซด์และสินเชื่อ ณ จุดขายน่าจะค่อย ๆ เพิ่มในปี 2023-24 ด้วยผู้บริหารที่มีประสบการณ์และแพลตฟอร์มเทคโนโลยีสารสนเทศที่ดี เราเชื่อว่า NCAP จะบรรลุเป้าหมายการเติบโตของสินเชื่อเชิงรุกได้

### เพดานอัตราดอกเบี้ยไม่น่าจะอยู่ที่ 20% แต่ยังไม่มียุทธศาสตร์ชัดเจน

ปัจจุบัน ธปท. กำลังศึกษาผลกระทบที่อาจเกิดขึ้นต่ออุตสาหกรรม MHP จากเพดานอัตราดอกเบี้ยของคณะกรรมการคุ้มครองผู้บริโภค (OCPB) ที่ 20% พิจารณาจากเพดานอัตราดอกเบี้ยอ้างอิงสำหรับสินเชื่อประเภทอื่นและการพูดคุยกับผู้บริหารธนาคารและสถาบันการเงินที่ไม่ใช่ธนาคาร เราคิดว่าเพดานอัตราดอกเบี้ยที่เหมาะสมน่าจะอยู่ที่ 25-30% ปัจจุบันยังไม่มีการออกอย่างเป็นทางการเกี่ยวกับข้อกำหนดใหม่ ซึ่งทำให้เราตั้งสมมติฐานเพดานอัตราดอกเบี้ยใหม่ไว้ที่ 28% และได้ผลตอบแทนสินเชื่อเฉลี่ยของ NCAP (หลังหักค่านายหน้าให้แก่ตัวแทนจำหน่าย) ที่ 19.5%, 18.6%, และ 18% ในปี 2022-24 หมายเหตุ ผลตอบแทนสินเชื่อเฉลี่ยที่ลดลงทุก ๆ 0.5% จะให้ Downside risk 7% แก่ประมาณการกำไรสุทธิปี 2022 ของเราในปัจจุบัน

### ปรับประมาณการกำไรเพื่อสะท้อนการเติบโตของสินเชื่อ ผลตอบแทนและการเพิ่มทุน

จากเพดานอัตราดอกเบี้ยที่อาจเกิดขึ้น เราปรับลดประมาณการผลตอบแทนสินเชื่อขั้นต้นสำหรับพอร์ตสินเชื่อใหม่เป็น 28% อย่างไรก็ตามผลตอบแทนสินเชื่อที่ลดลงน่าจะชดเชยได้บางส่วนจากสินเชื่อที่โตอย่างมีนัยสำคัญ เพราะฉะนั้นเราจึงปรับลดประมาณการกำไรสุทธิปี 2022-23 เพียง 3%/3% อย่างไรก็ตามเรารวมการใช้สิทธิจากการเสนอขายหุ้นใหม่ให้แก่ผู้ถือหุ้นเดิมเต็ม 100% และการใช้สิทธิแปลง NCAP-W1 จำนวน 40% ไว้ในประมาณการปี 2022 ของเราและสิทธิการแปลง NCAP-W1 อีก 60% ไว้ในประมาณการปี 2023 จากการปรับสมมติฐานดังกล่าวเราปรับลดประมาณการ EPS ปี 2022-23 ลง 25%/42%

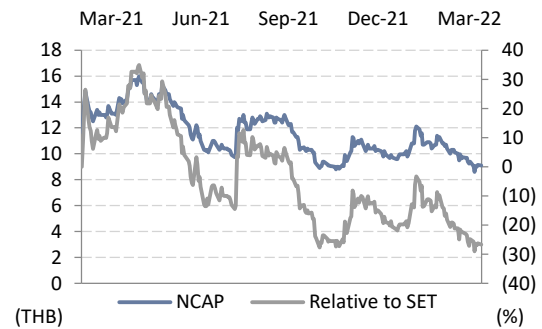
### ซื้อเพื่อการลงทุนระยะยาว; ราคาหุ้นมีแนวโน้มได้รับแรงกดดันในระยะสั้น

หลังรวมผลกระทบจากจำนวนหุ้นที่เพิ่มจากการเพิ่มทุนและสมมติฐานผลตอบแทนสินเชื่อที่ลดลง เราปรับลดราคาเป้าหมาย (หลัง XR ในวันที่ 28 เม.ย. 22) เป็น 10.3 บาท ซึ่งคิดเป็นราคาเป้าหมายก่อน XR ที่ 12.8 บาท เราแนะนำให้ซื้อสำหรับการลงทุนระยะยาว เนื่องจากเราเชื่อว่า NCAP จะรายงานพอร์ตสินเชื่อและกำไรสุทธิโตดี อย่างไรก็ตามจากความไม่แน่นอนในด้านกฎระเบียบ เราคิดว่าราคาหุ้นจะได้รับแรงกดดันในระยะสั้น

TP before XR	THB12.80
TP after XR	THB10.30
CLOSE	THB9.10
UP/DOWNSIDE	+40.7%
PRIOR TP	THB16.80
CHANGE IN TP	-23.8%
TP vs CONSENSUS	-14.5%

### KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	389	512	648	788
Net profit	311	409	514	631
EPS (THB)	0.35	0.35	0.34	0.40
vs Consensus (%)	-	(17.3)	(34.6)	(42.0)
Core net profit	311	409	514	631
Core EPS (THB)	0.35	0.35	0.34	0.40
Chg. in EPS est. (%)	-	(25.0)	(41.9)	(42.0)
EPS growth (%)	54.1	1.3	(2.6)	17.4
Core P/E (x)	26.3	26.0	26.7	22.7
Dividend yield (%)	-	0.6	0.6	0.7
Price/book (x)	4.1	2.5	2.1	2.0
ROE (%)	16.9	11.3	8.6	9.0
ROA (%)	5.9	5.5	4.9	4.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.0)	(9.9)	(19.5)
Relative to country (%)	(6.7)	(11.9)	(24.0)
Mkt cap (USD m)	245		
3m avg. daily turnover (USD m)	1.8		
Free float (%)	34		
Major shareholder	COM7 PCL (34%)		
12m high/low (THB)	16.40/8.35		
Issued shares (m)	900		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 15 มีนาคม 2022

## Investment thesis

NCAP is transitioning from local motorcycle captive financing to more fully equipped hire purchase lending in Thailand. It is aiming to compete for market share from both local and big operators, with the support of its major shareholders, COM7 (COM7 TB, not rated) and Synnex (Thailand) (SYNEX TB, not rated) and its new highly experienced management. We expect NCAP to deliver an outstanding loan portfolio and net profit growth over the next three years. As a result, we maintain our BUY call for long-term investment.

However, due to the uncertainty regarding hire purchase regulations, we think its share price will continue to be pressured until a clear policy is announced.

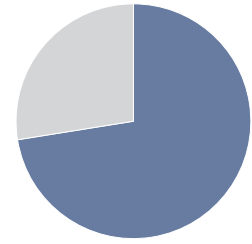
## Company profile

Next Capital was founded in 2004 by Mitsui Corporation. Currently, its major shareholders are COM7 (not rated) and SYNEX (not rated). The company specialises in providing hire purchase loans for new motorcycles. Loan durations are 3-4 years. Its main customers are underbanked/unbanked people.

[www.nextcapital.co.th](http://www.nextcapital.co.th)

## Principal activities (revenue, 2021)

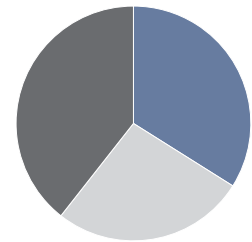
- Net interest income - 72.5 %
- Non-interest income - 27.5 %



Source: Next Capital

## Major shareholders

- COM7 PCL - 33.9 %
- Synnex (Thailand) - 26.7 %
- Others - 39.4 %



Source: Next Capital

## Catalysts

Potential share price catalysts for NCAP include: 1) clear regulations on MHP; 2) expansion into new businesses, e.g. personal loans and motorcycle title loans; and 3) clearer synergies with its major shareholders.

## Risks to our call

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.

## Event calendar

Date	Event
1 Apr 2022	Opportunity day
Mid-May 2022	1Q22 results announcement

## Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	409	514	631
Net profit growth (%)	31.7	25.5	22.7
NIM (%)	17.90	17.24	16.45
Loan growth (%)	45.0	40.0	35.0
Fee growth (%)	35.0	20.0	20.0
Non-NII growth (%)*	24.3	14.4	14.6
Credit cost (bp)	750	755	740
Cost to income (%)*	38.9	37.1	36.4

\*Including share of profits from associates

Source: FSSIA estimates

## Earnings sensitivity

		----- 2022E -----		
<b>Loan growth</b>	<b>±2ppt</b>	<b>43.0</b>	<b>45.0</b>	<b>47.0</b>
% change in net profit		(1.2)	-	1.2
<b>NIM (%)</b>	<b>±5bp</b>	<b>17.85</b>	<b>17.90</b>	<b>17.95</b>
% change in net profit		(0.6)	-	0.6
<b>Credit cost (bp)</b>	<b>±10bp</b>	<b>740</b>	<b>750</b>	<b>760</b>
% change in net profit		(1.2)	-	1.2

Source: FSSIA estimates

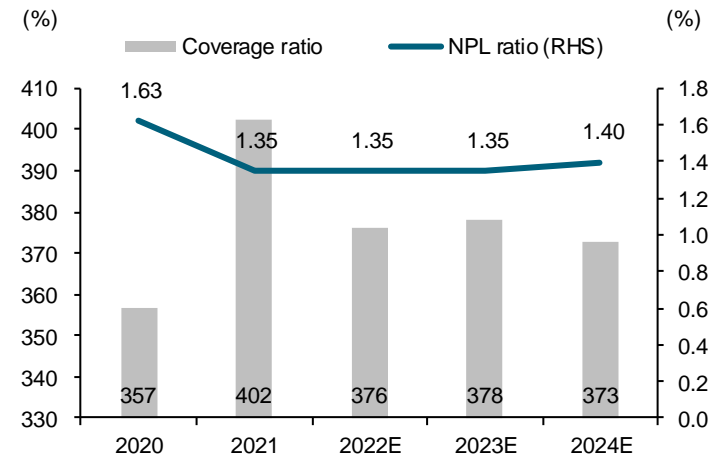
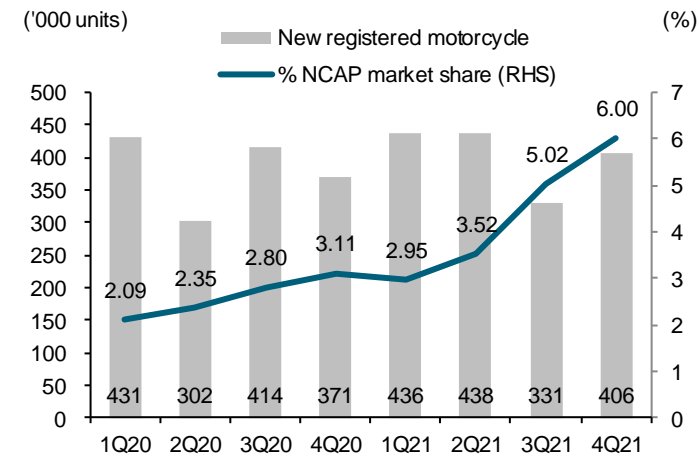


## Aggressive loan growth expansion

NCAP delivered remarkable loan growth of 46% y-y in 2021. Its new lending market share increased from 3.1% in 2020 to 6% in 2021. We think this came from the change in its management team in 2Q21, resulting in a more explicit expansion plan. Continuing on from the old management, its new management team has continued to build strong relationships with dealers. In 2021, NCAP ended up with a network of 733 dealers from a 602-dealer network in 2Q21. Moreover, the new management team has implemented an effective IT system to improve clients' experience, credit decisions, and risk management processes. This resulted in a higher approval rate at 77.8% in 2021 from 65.1% in 2020, along with a very healthy asset quality amid the surge in its loan volume. In 2021, its non-performing loan (NPL) ratio was only 1.4% with a 402% coverage ratio.

**Exhibit 1: NCAP's new lending market share increased to 6% in 2021 from 3.1% in 2020**

**Exhibit 2: NCAP has healthy asset quality with a low NPL ratio and high coverage ratio**



Sources: NCAP; FSSIA's compilation

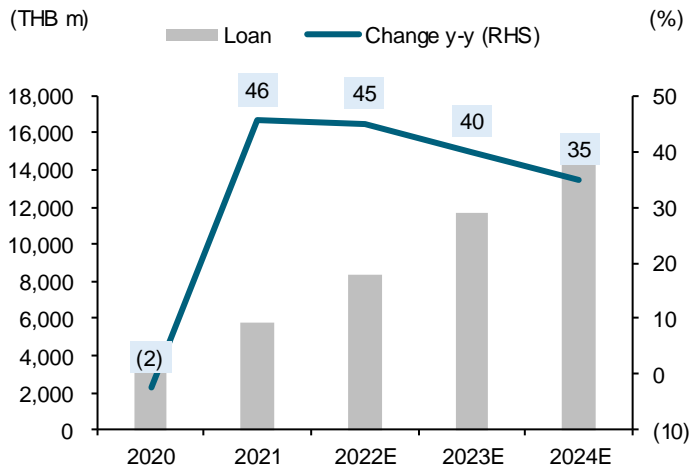
Sources: NCAP; FSSIA estimates

NCAP will aggressively increase its loan portfolio during the next three years. It targets 2022 loan growth of more than 45% y-y. The key driver for growth in 2022 would be its MHP lending, supported by its target to increase its dealer network by 20% y-y and open three more branches from 24 branches currently. Moreover, NCAP aims to deliver significant loan growth of 40% and 35% in 2023-24. Motorcycle title loans (expected to start in 4Q22) and point-of-sale lending should gradually increase in 2023-24.

With its experienced management and solid IT platform, we are convinced that NCAP should achieve its aggressive loan growth target. Thus, we forecast NCAP to have loan growth of 45%/40%/35% y-y in 2022-24.

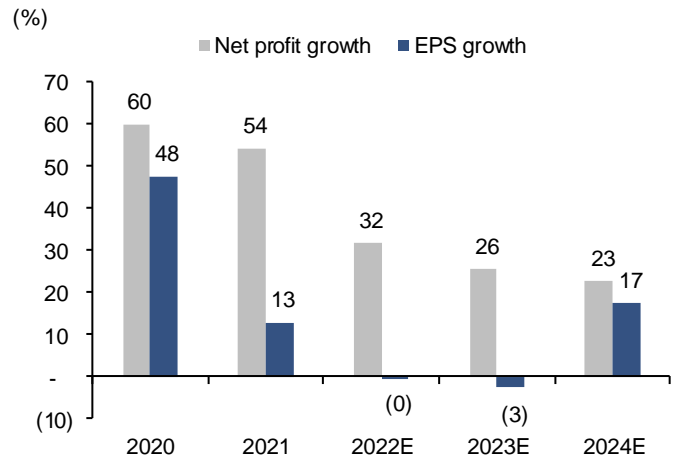
Due to its solid loan growth outlook, we expect NCAP to deliver robust net profit growth of 32% y-y in 2022, with a 27% three-year CAGR during 2022-24. Its EPS, however, will increase at a lower rate due to the dilution from its huge capital increase. We expect its 2022 EPS to be flat y-y at THB0.35, with a 5% three-year CAGR during 2022-24.

**Exhibit 3: NCAP will expand its loan portfolio aggressively**



Sources: NCAP; FSSIA estimates

**Exhibit 4: Net profit and EPS growth**



Sources: NCAP; FSSIA estimates

## Unlikely that interest rate is capped at 20%, but still no clear policy

The second draft of the potential new rate cap on MHP loans from the Office of the Consumer Protection Board (OCPB) states that the rate would be capped at 20%. We reiterate our view that a reduced rate charge capped at 20% is unreasonable, as the risk of lending under HP contract to the low-income retail segment is quite high. On top of that, during the hearing on 16 Dec-21, the Bank of Thailand (BoT), Thai Hire-Purchase Association, and other HP operators agreed that a cap rate at 20% might destroy the lending system and car production in Thailand. Furthermore, we followed up with management from both banks and non-banks, which said that after discussions with the OCPB they expect that the rate cap should be higher than 20%. As such, we believe the rate cap at 20% is unlikely to happen. Currently, the BoT is studying the potential impact on the MHP industry. We think a reasonable rate cap would be 25-30%, based on the reference rate caps for other loan types, e.g. auto title loans at 24% and nano finance at 33%. However, there has still been no official announcement regarding the new restrictions.

### Exhibit 5: Current regulations on each retail loan type

	Auto title loans	HP loans	----- Personal loans -----		Credit cards	Nano finance	----- Pico finance ----	
			Normal p-loans	Digital loans			Pico	Pico plus
Minimum monthly income	-	-	-		THB15k	-	-	
Interest rate cap (%)	24	No cap	25		16	33	36	36 (amount < THB50k) 28 (amount ≥ THB50k)
Market rate (%)	15-22	New motorcycle 30-45; new car 4-6; used car 7-12; new truck 6-8; used truck 9-18; home appliance 22-24	20-25	na.	16	na.	na.	
Maximum credit line*	LTV depends on lenders and borrowers	LTV depends on lenders and borrowers	1.5x for monthly income < THB30k 5x for monthly income ≥ THB30k	Credit lines of up to THB20k and repayment terms not over 6 months	1.5x for monthly income of THB15-30k; 3x for monthly income of THB30-50k; 5x for monthly income of ≥ THB50k	THB100k	THB50k	THB100k
Conditions/type of loan	Using vehicles as collateral, no transfer of auto registration	Ownership of collateral belongs to the lessor until the ownership is transferred to lessee when the instalments are paid off	Multipurpose, Unsecured	Online lending using other factors, e.g. bill payment behaviour for underwriting process, Multipurpose, Unsecured	Multipurpose, Unsecured	Business related, Unsecured	Multipurpose, Secured or Unsecured	
Service area	Nationwide	Nationwide	Nationwide		Nationwide	Nationwide	Provincial	
Regulator	BoT	OCPB	BoT		BoT	BoT	MoF	

\*Excluding relaxed criteria from Covid pandemic

Relaxed criteria for:

- 1) Personal loans: BoT allows no limit for lenders to 2022, an increase in credit lines up to 2x income for THB30k income customers to 2022;
- 2) Digital loans: increase credit lines up to THB40k and repayment terms to 12 months

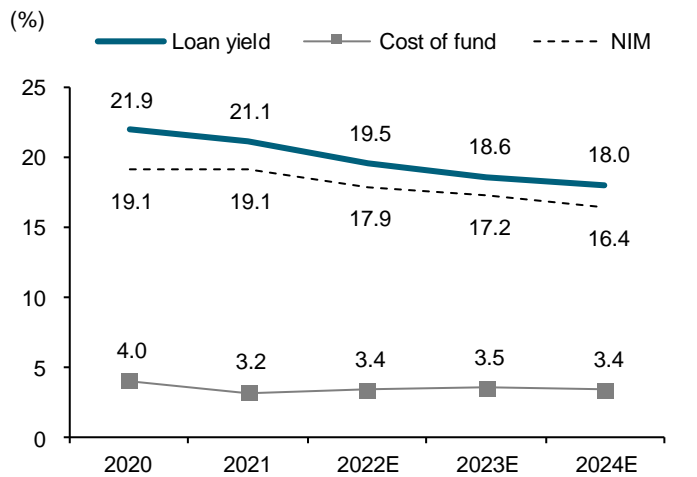
BoT = the Bank of Thailand; MoF = Ministry of Finance; OCPB = Office of the Consumer Protection Board

Source: FSSIA's compilation

Our base case assumption is that the new interest rate cap is 28%. Based on our calculation, NCAP's average 2021 gross loan yield (before the reduction of the commission paid to dealers) was 31.1%. NCAP's average loan duration is 36 months. Therefore, with the rate cap at 28%, we think NCAP's average gross loan yield would be 29.5%, 28.6% and 28% in 2022-24, respectively. We estimate that the average loan yield (net of commission to dealers) would be 19.5%, 18.6%, and 18% in 2022-24. For every 0.5% decrease in its average loan yield, all else being equal, there would be a 7% downside risk to our current 2022 net profit forecast.

Note that for every 1% decrease in the rate cap, our average loan yield assumption declines by 0.5%.

Exhibit 6: Average loan yield



Source: FSSIA estimates

Exhibit 7: Sensitivity analysis of impact on NCAP's 2022 bottom line for every 0.5% increase/decrease in average loan yield and every 5% increase/decrease in loan growth

Average yield on loans (%)	Loan growth (%)				
	35.0	40.0	45.0	50.0	55.0
18.5	(20)	(17)	(14)	(11)	(8)
19.0	(13)	(10)	(7)	(4)	(0)
19.5	(7)	(3)	0	3	7
20.0	(0)	3	7	10	14
20.5	6	10	14	17	21

Source: FSSIA estimates

## Capital increase to strengthen long-term growth

To recap, on 22 Aug-22, NCAP announced a capital increase via a rights offering (RO) and NCAP-W1. The RO allocation ratio will be 2 existing shares to 1 newly issued share, with a price of THB4.5/shr. The total new shares via RO will not exceed 450m. Regarding NCAP-W1, these will be allocated to existing shareholders who exercise the RO at a ratio of 2 shares to 1 warrant, with an exercise price of THB7/share. W1 will expire in 1.5 years after the issuance. Total new W1 units will not exceed 225m shares. NCAP will receive cTHB2b from the RO and THB1.6b from W1, if they are fully exercised. An AGM is on 21 Apr-22. The XR is on 28 Apr-22.

### Exhibit 8: Summary of capital increase

Registered capital		(THB m)
Current registered capital		469.0
New registered capital		337.5
<b>Total registered capital after capital increase</b>		<b>806.5</b>
Registered shares		(m shares)
Current share outstanding		900.0
New issued shares		675.0
<b>Total shares after capital increase</b>		<b>1,575.0</b>

Sources: NCAP; FSSIA's compilation

### Exhibit 9: Summary of new share allotment

Allotment	No. of shares	Ratio	Offer price	Cash proceeds for full exercise
			(THB/share)	(THB m)
1) RO	Not exceeding 450m shares	2:1 (existing shares: new share)	4.50	2,025
2) NCAP W-1	Not exceeding 225m shares	2:1 (newly issued shares:1 unit of warrant)	Free warrant to shareholders who exercise RO at THB7/share exercise price	1,575
<b>Total</b>	<b>Not exceeding 675m shares</b>			<b>3,600</b>

Sources: NCAP; FSSIA's compilation

We read this deal as slightly negative in the short term. If the RO and W1 are fully exercised there would be a price dilution of c22%. Regarding the theoretical EPS dilution from the capital increase, it would be c43%. However, we expect NCAP to utilise this money to repay its debts and grow its loan portfolio. We believe it can expand its business without having to borrow money from the bank for the next year at least. Thus, we think the EPS dilution should be smaller at c35-40%. In the longer run, we think NCAP will leverage its solid capital base to increase its portfolio. Therefore, we think this deal should be positive for its outlook.

Due to its capital increase, we expect NCAP's D/E ratio to be 0.73x, 0.75x, and 1.19x in 2022-24, compared with its debt covenant ratio of 3.5x. We believe that the company will not need to raise capital again over the next three years of substantial growth that we anticipate.

### Exhibit 10: Summary of dilution impact

Dilution impact	Control dilution	Price dilution	EPS dilution
	(%)	(%)	(%)
1) Existing shareholders exercise all capital increases	-	21.57	42.86
2) Existing shareholders exercise only RO	14.29	n.m.	n.m.
3) Existing shareholders do not exercise all capital increases	42.86	n.m.	n.m.

Sources: NCAP; FSSIA's compilation



## Earnings revisions

Due to the potential rate cap, we reduce our gross loan yield estimate for the new lending portfolio to 28%. This leads to a decline in our average loan yield estimates from 20.9%/20.7% to 19.5%/18.6% in 2022-23. However, the decrease in its loan yield should be partly offset by its significant loan growth. We revise up our 2022-23 loan growth assumptions to 45%/40% from 35%/30%. As a result, we lower our net profit forecasts for 2022-23 by 3%/3%. However, the significant loan growth that we expect to see in 2022-23 should fully offset the loan yield decline. Hence, we revise up our 2024E net profit by 2%.

Note that we incorporate the full exercise of the RO and 40% of NCAP-W1's exercise into our 2022 forecast, and another 60% of NCAP-W1 into our 2023 forecast. Therefore, we lower our 2022-24E EPS by 25%/42%/42%.

### Exhibit 11: Key changes in assumptions

	2022E				2023E			2024E		
	2021 (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	931	1,271	1,267	(0.3)	1,637	1,733	5.9	2,048	2,267	10.7
Non-interest income*	354	425	440	3.5	491	503	2.5	539	576	7.0
Operating income*	1,285	1,696	1,706	0.6	2,127	2,236	5.1	2,586	2,843	9.9
Operating expenses	532	648	664	2.4	777	829	6.7	932	1,035	11.1
<b>PPOP before tax*</b>	<b>753</b>	<b>1,048</b>	<b>1,043</b>	<b>(0.5)</b>	<b>1,350</b>	<b>1,407</b>	<b>4.2</b>	<b>1,655</b>	<b>1,808</b>	<b>9.3</b>
Expected credit loss (Reversal)	363	523	531	1.5	691	759	9.9	878	1,020	16.1
Tax expenses	78	105	102	(2.5)	132	134	1.7	155	158	1.5
Minority interest	-	0	-		0	-		-	-	
<b>Normalised profit</b>	<b>311</b>	<b>420</b>	<b>409</b>	<b>(2.5)</b>	<b>528</b>	<b>514</b>	<b>(2.6)</b>	<b>621</b>	<b>631</b>	<b>1.5</b>
Extraordinary items	-	0	-		0	-		-	-	
<b>Net profit</b>	<b>311</b>	<b>420</b>	<b>409</b>	<b>(2.5)</b>	<b>528</b>	<b>514</b>	<b>(2.6)</b>	<b>621</b>	<b>631</b>	<b>1.5</b>
EPS (THB)	0.35	0.47	0.35	(25.0)	0.6	0.34	(41.9)	0.69	0.40	(42.0)
<b>Key statistics and ratios</b>										
<b>Asset quality ratio</b>										
Gross NPLs (THB m)	78	105	113	7.4	142	158	11.4	178	222	24.8
Gross NPLs / Loans (%)	1.3	1.3	1.3		1.4	1.3		1.40	1.40	
Loan loss reserve/NPLs (%)	402	424	376		408	378		393	373	
Credit cost (bps)	746	770	750		770	755		770	740	
<b>Profitability ratio (%)</b>										
Cost to income ratio*	41.4	38.2	38.9		36.5	37.1		36.0	36.4	
Average yield	21.1	20.9	19.5		20.7	18.6		20.6	18.0	
Cost of funds	3.2	3.6	3.4		3.7	3.5		3.8	3.4	
Net interest margin (NIM)	19.1	18.7	17.9		18.3	17.2		18.0	16.4	
<b>Loan growth (%)</b>										
y-y	45.5	35.0	45.0		30.0	40.0		25.0	35.0	

\*Including share of profits from associates

Source: FSSIA estimates

We revise down our 2022 GGM-based TP (after the XR date) to THB10.3 from THB16.8, although its BV increases significantly from the capital influx. Its ROE also plummets following the capital increase, and our lower net profit forecasts are due to the potential rate cap.

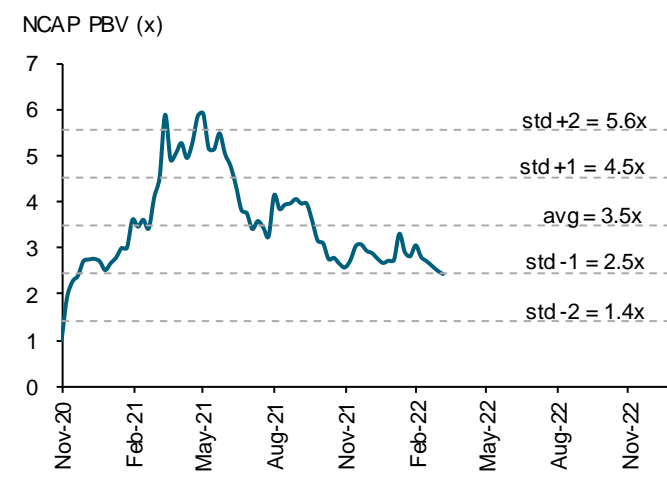
Based on our calculation and the data from the company, there should be a price dilution of around c20%. Thus, our implied target price before the XR date (on 28 Apr-22) is THB12.8.

## Exhibit 12: NCAP – GGM-derived target price (after XR date)

Target price (THB)	10.3 (from 16.8)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Cost to equity (%)	12.3 (unchanged)
Terminal growth (%)	12.2 (from 11.0)
ROE target (%)	12.3 (from 19.8)
Target PBV (x)	2.8 (from 6.3)
Implied PE (x)	29.4 (from 34.7)
Risk to TP	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 the Consumer Protection Board.

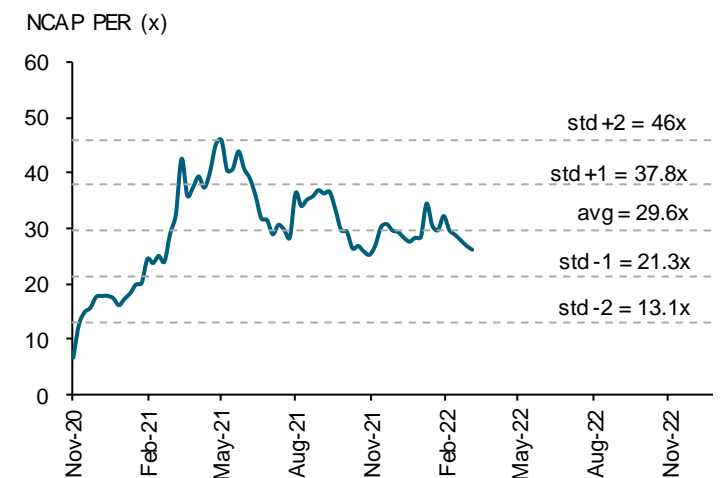
Source: FSSIA estimates

## Exhibit 13: NCAP – prospective P/BV band



Sources: Bloomberg; FSSIA estimates

## Exhibit 14: NCAP – prospective P/E band



Sources: Bloomberg; FSSIA estimates

## Exhibit 15: Key valuations of diversified financials under coverage

	BBG	Rec	---Share price---		Up	Market	EPS growth		---- P/E ----		---- ROE ----		--- PBV ---	
			code	Current			Target	side	Cap	22E	23E	22E	23E	22E
			(THB)	(THB)	(%)	(USD m)	(%)	(%)	(x)	(x)	(%)	(%)	(x)	(x)
<b>Diversified financials</b>						<b>24,047</b>	<b>17.0</b>	<b>20.7</b>	<b>22.3</b>	<b>18.2</b>	<b>16.8</b>	<b>17.4</b>	<b>3.4</b>	<b>2.9</b>
<b>Unsecured-loan lender</b>						<b>6,324</b>	<b>11.9</b>	<b>9.0</b>	<b>20.2</b>	<b>18.5</b>	<b>23.4</b>	<b>22.1</b>	<b>4.5</b>	<b>3.9</b>
Aeon Thana Sinsap (Thailand)	AEONTS TB	HOLD	203.00	204.00	0	1,519	13.9	7.4	11.2	10.5	21.1	19.6	2.2	1.9
Krungthai Card	KTC TB	HOLD	62.25	52.00	(16)	4,805	11.2	9.5	23.1	21.1	24.1	22.9	5.2	4.5
<b>Auto-title lender</b>						<b>9,000</b>	<b>18.7</b>	<b>21.9</b>	<b>19.8</b>	<b>16.3</b>	<b>19.1</b>	<b>20.2</b>	<b>3.5</b>	<b>3.0</b>
Muangthai Capital	MTC TB	BUY	51.50	60.00	17	3,268	17.6	24.6	18.8	15.1	21.4	22.3	3.7	3.1
Srisawad Corp	SAWAD TB	BUY	55.50	74.00	33	2,281	15.5	19.3	14.4	12.0	20.2	21.8	2.8	2.5
Saksiam Leasing	SAK TB	BUY	9.35	12.00	28	587	38.5	25.9	23.3	18.5	16.2	18.1	3.6	3.1
Ngern Tid Lor	TIDLOR TB	BUY	41.25	43.00	4	2,864	18.6	20.1	24.7	20.5	16.1	16.9	3.7	3.2
<b>Truck lender</b>						<b>2,058</b>	<b>9.1</b>	<b>26.9</b>	<b>24.2</b>	<b>18.6</b>	<b>11.3</b>	<b>13.1</b>	<b>2.3</b>	<b>2.2</b>
Micro Leasing	MICRO TB	BUY	7.00	10.70	53	196	45.1	26.8	24.1	19.0	13.2	15.0	3.0	2.7
Singer Thailand	SINGER TB	BUY	47.50	62.00	31	1,153	14.2	35.1	31.5	23.3	8.1	10.5	2.5	2.4
Ratchthani Leasing	THANI TB	BUY	4.18	4.80	15	709	(9.0)	13.6	12.4	10.9	15.9	16.7	1.9	1.8
<b>Asset management</b>						<b>5,117</b>	<b>27.4</b>	<b>34.6</b>	<b>32.0</b>	<b>23.6</b>	<b>9.6</b>	<b>11.3</b>	<b>3.0</b>	<b>2.6</b>
Bangkok Commercial Asset Mngt.	BAM TB	BUY	21.40	25.50	19	2,071	23.2	26.6	21.6	17.1	7.5	8.6	1.6	1.4
Chayo Group	CHAYO TB	BUY	11.90	16.60	39	360	44.4	17.2	35.9	30.6	10.6	9.4	3.1	2.5
JMT Network Services	JMT TB	BUY	65.50	80.00	22	2,687	28.3	43.1	39.6	27.7	11.0	13.6	4.0	3.5
<b>Other</b>						<b>1,303</b>	<b>4.1</b>	<b>8.5</b>	<b>7.9</b>	<b>7.3</b>	<b>8.0</b>	<b>8.2</b>	<b>0.6</b>	<b>0.6</b>
Thanachart Capital	TCAP TB	HOLD	41.50	42.00	1	1,303	4.1	8.5	7.9	7.3	8.0	8.2	0.6	0.6
<b>Hire purchase motorcycle</b>						<b>245</b>	<b>1.3</b>	<b>(2.6)</b>	<b>26.0</b>	<b>26.7</b>	<b>11.3</b>	<b>8.6</b>	<b>2.5</b>	<b>2.1</b>
Next Capital	NCAP TB	BUY	9.10	12.80	41	245	1.3	(2.6)	26.0	26.7	11.3	8.6	2.5	2.1

Share prices as of 14 Mar 2022

Source: FSSIA estimates

## Financial Statements

### Next Capital

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	880	1,028	1,380	1,870	2,480
Interest expense	(114)	(97)	(113)	(137)	(214)
Net interest income	766	931	1,267	1,733	2,267
Net fees & commission	101	144	194	233	279
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	160	210	246	270	297
Non interest income	261	354	440	503	576
Total income	1,028	1,285	1,706	2,236	2,843
Staff costs	(396)	(532)	(664)	(829)	(1,035)
Other operating costs	-	-	-	-	-
Operating costs	(396)	(532)	(664)	(829)	(1,035)
Pre provision operating profit	631	753	1,043	1,407	1,808
Provision for bad and doubtful debt	(379)	(363)	(531)	(759)	(1,020)
Other provisions	-	-	-	-	-
Operating profit	253	389	512	648	788
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	253	389	512	648	788
Tax	(51)	(78)	(102)	(134)	(158)
Profit after tax	202	311	409	514	631
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	202	311	409	514	631
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	202	311	409	514	631
<b>Per share (THB)</b>					
Recurring EPS *	0.22	0.35	0.35	0.34	0.40
Reported EPS	0.22	0.35	0.35	0.34	0.40
DPS	0.00	0.00	0.05	0.05	0.06
<b>Growth</b>					
Net interest income (%)	0.9	21.5	36.1	36.8	30.8
Non interest income (%)	97.6	35.3	24.3	14.4	14.6
Pre provision operating profit (%)	19.2	19.2	38.5	35.0	28.5
Operating profit (%)	56.3	54.1	31.4	26.6	21.6
Reported net profit (%)	59.8	54.1	31.7	25.5	22.7
Recurring EPS (%)	-	54.1	1.3	(2.6)	17.4
Reported EPS (%)	-	54.1	1.3	(2.6)	17.4
<b>Income Breakdown</b>					
Net interest income (%)	74.6	72.5	74.2	77.5	79.7
Net fees & commission (%)	9.8	11.2	11.4	10.4	9.8
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	15.6	16.3	14.4	12.1	10.5
<b>Operating performance</b>					
Gross interest yield (%)	21.90	21.10	19.50	18.60	18.00
Cost of funds (%)	4.04	3.19	3.40	3.50	3.40
Net interest spread (%)	17.86	17.91	16.10	15.10	14.60
Net interest margin (%)	19.1	19.1	17.9	17.2	16.4
Cost/income(%)	38.6	41.4	38.9	37.1	36.4
Cost/assets(%)	9.2	10.1	8.9	8.0	7.5
Effective tax rate (%)	20.1	20.2	20.0	20.7	20.0
Dividend payout on recurring profit (%)	-	-	15.0	15.0	15.0
ROE (%)	14.8	16.9	11.3	8.6	9.0
ROE - COE (%)	4.0	6.1	0.5	(2.2)	(1.8)
ROA (%)	4.6	5.9	5.5	4.9	4.6
RORWA (%)	-	-	-	-	-

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Next Capital; FSSIA estimates

## Financial Statements

### Next Capital

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	3,970	5,777	8,377	11,728	15,832
Total provisions	(230)	(314)	(426)	(598)	(826)
interest in suspense	0	0	0	0	0
<b>Net customer loans</b>	<b>3,740</b>	<b>5,464</b>	<b>7,951</b>	<b>11,130</b>	<b>15,006</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	698	75	800	204	368
Other interesting assets	-	-	-	-	-
Tangible fixed assets	21	37	70	84	101
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	198	255	275	330	418
<b>Total assets</b>	<b>4,657</b>	<b>5,831</b>	<b>9,096</b>	<b>11,748</b>	<b>15,893</b>
Customer deposits	250	785	824	865	909
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	2,504	2,553	2,495	3,634	7,173
Non interest bearing liabilities	227	485	509	535	562
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>2,980</b>	<b>3,823</b>	<b>3,828</b>	<b>5,034</b>	<b>8,643</b>
Share capital	450	450	990	1,125	1,125
Reserves	1,226	1,548	4,267	5,578	6,114
<b>Total equity</b>	<b>1,676</b>	<b>1,998</b>	<b>5,257</b>	<b>6,703</b>	<b>7,239</b>
Minority interests	0	10	10	10	11
<b>Total liabilities &amp; equity</b>	<b>4,657</b>	<b>5,831</b>	<b>9,096</b>	<b>11,748</b>	<b>15,893</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	4,018	4,874	7,077	10,052	13,780
Average interest bearing liabilities	2,812	3,046	3,328	3,909	6,291
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)	65	78	113	158	222
<b>Per share (THB)</b>					
Book value per share	1.86	2.22	3.65	4.26	4.60
Tangible book value per share	1.86	2.22	3.65	4.26	4.60
<b>Growth</b>					
Gross customer loans	(2.4)	45.5	45.0	40.0	35.0
Average interest earning assets	5.6	21.3	45.2	42.0	37.1
Total asset (%)	16.5	25.2	56.0	29.2	35.3
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	(84.1)	214.0	5.0	5.0	5.0
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	1,495.9	696.0	964.7	1,286.0	1,651.3
Equity/assets (%)	36.0	34.3	57.8	57.1	45.5
Tangible equity/assets (%)	36.0	34.3	57.8	57.1	45.5
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality</b>					
Change in NPL (%)	(33.3)	20.8	45.0	40.0	40.0
NPL/gross loans (%)	1.6	1.3	1.3	1.3	1.4
Total provisions/gross loans (%)	5.8	5.4	5.1	3.8	5.2
Total provisions/NPL (%)	356.7	402.2	376.4	377.9	372.9
<b>Valuation</b>					
Recurring P/E (x) *	40.6	26.3	26.0	26.7	22.7
Recurring P/E @ target price (x) *	57.1	37.0	36.6	37.5	32.0
Reported P/E (x)	40.6	26.3	26.0	26.7	22.7
Dividend yield (%)	-	-	0.6	0.6	0.7
Price/book (x)	4.9	4.1	2.5	2.1	2.0
Price/tangible book (x)	4.9	4.1	2.5	2.1	2.0
Price/tangible book @ target price (x)	6.9	5.8	3.5	3.0	2.8

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Next Capital; 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	PAP	PCSGH	PDJ	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

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

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

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## Disclaimer:

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

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

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

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

## Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	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.

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Company	Ticker	Price	Rating	Valuation & Risks
Next Capital	NCAP TB	THB 9.10	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.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 203.00	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 62.25	HOLD	Upside risks to our GGM-derived TP include: 1) stronger-than-expected growth for KTB Leasing; and 2) better-than-expected bad debt recovery. Downside risks are: 1) regulatory actions to curb industry growth; and 2) deteriorating asset quality.
Muangthai Capital	MTC TB	THB 51.50	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Srisawad Corp	SAWAD TB	THB 55.50	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Saksiam Leasing	SAK TB	THB 9.35	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 41.25	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank and Auto X (subsidiary of SCB); 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.
Micro Leasing	MICRO TB	THB 7.00	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) a slower-than-expected reduction in the cost of funds due to a shift toward more long-term loans.
Singer Thailand	SINGER TB	THB 47.50	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.
Ratchthani Leasing	THANI TB	THB 4.18	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) changes in financial regulations from the Bank of Thailand.
Bangkok Commercial Asset Mngt.	BAM TB	THB 21.40	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; 2) lower-than-expected bad debt acquisition; and 3) the prolonged slowdown of the property market.
Chayo Group	CHAYO TB	THB 11.90	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 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.
Thanachart Capital	TCAP TB	THB 41.50	HOLD	Upside risks to our GGM-based target price are the faster-than-expected net profit contribution from Thanachart Plus. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality which could lead to higher provisions for both TTB and THANI.

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 14-Mar-2022 unless otherwise stated.

**RECOMMENDATION STRUCTURE****Stock ratings**

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

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

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

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

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

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

**Industry Recommendations**

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

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

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

**Country (Strategy) Recommendations**

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

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

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