

AEON THANA SINSAP (THAILAND)

THAILAND / DIVERSIFIED FINANCIALS

AEONTS TB

HOLD

UNCHANGED

TARGET PRICE	THB204.00
CLOSE	THB193.00
UP/DOWNSIDE	+5.7%
PRIOR TP	THB204.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-14.5%

Improving but not impressing

- Expect soft earnings growth y-y in the next two quarters.
- More aggressive unsecured lending expansion by banks could hinder its growth outlook.
- Maintain HOLD with TP of THB204.

Expect an improved q-q net profit in 4QFY21, but still weak y-y

We expect AEONTS to report a 4QFY21 (Dec-21 to Feb-22) net profit of THB957m (-19% y-y, +17% q-q). The q-q surge in its earnings should come from: 1) lower credit cost following a lower management overlay and fewer NPL write-offs; and 2) stronger NII due to a 2.0% q-q rise in its loan volume. However, we expect its 4QFY21 earnings to continue to fall by 19% y-y, dragged down by a substantial increase in provisions due to a rise in its loan volume and an abnormally low provision in 4QFY20.

Sluggish digital lending growth

Due to the changing industry landscape, AEONTS has expanded its customer base through digital loans since Oct-21. It will use other data, e.g. utility bill payment behaviour, for credit approvals. In the first phase, the ticket size will be cTHB8k, targeting 10,000 clients, implying a THB80m-100m digital loan portfolio. The interest charge is 25%. Presently, its digital lending portfolio has sluggish growth. The main obstacle is asset quality, in our view. AEONTS sees high demand for digital lending, but is still cautious in approving new loans as it sees a higher rate of NPLs vs its traditional personal loan lending process. Thus, it should take at least a year for this portfolio to post accelerated growth.

A significant y-y increase in net profit should start from 2QFY22

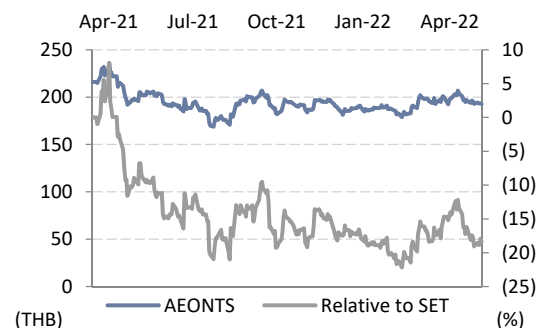
Although we expect stronger loan growth in 1QFY22, its net profit should continue to decline y-y due to a rise in provisions. We expect AEONTS to set higher provisions following a recovery in its loan growth. During the first phase of loan growth resumption, we believe a rise in NII from loan expansion would be insufficient to offset an increase in ECL. We also expect a rise in its NPLs due to the gradual end of the debt forbearance program. A substantial recovery y-y in AEONTS' net profit should start from 2QFY22 onward, supported by a rise in its loan volume and bad debt recovery. Also, its provisions should plummet from the high base in 2QFY21 as it set a high provision for its abnormally high NPL write-offs.

Maintain HOLD rating due to tight competition in medium term

Although we expect AEONTS' performance to improve in 4QFY21, we think that the more aggressive unsecured lending expansion by banks could hinder its growth outlook. We might put AEONTS in our basket again once it can prove that it is less sensitive to banks' aggressive expansion. Currently, we maintain our HOLD call and TP of THB204.

KEY STOCK DATA

YE Feb (THB m)	2020	2021E	2022E	2023E
Operating profit	4,673	5,162	5,880	6,316
Net profit	3,690	3,965	4,517	4,853
EPS (THB)	14.76	15.86	18.07	19.41
vs Consensus (%)	-	7.6	4.9	2.3
Core net profit	3,690	3,965	4,517	4,853
Core EPS (THB)	14.76	15.86	18.07	19.41
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(7.2)	7.5	13.9	7.4
Core P/E (x)	13.1	12.2	10.7	9.9
Dividend yield (%)	2.3	2.6	2.7	2.8
Price/book (x)	2.8	2.4	2.1	1.8
ROE (%)	19.5	21.5	21.1	19.6
ROA (%)	4.0	4.5	4.9	4.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.3	2.1	(13.1)
Relative to country (%)	(1.4)	1.0	(19.2)
Mkt cap (USD m)	1,436		
3m avg. daily turnover (USD m)	3.1		
Free float (%)	21		
Major shareholder	AEON Group (44%)		
12m high/low (THB)	239.00/168.00		
Issued shares (m)	250		

Sources: Bloomberg consensus; FSSIA estimates


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The Chairman Of The Board of Finansia Syrus Securities PCL is also AEONTS's Director.

Investment thesis

AEONTS is one of Thailand's largest non-bank consumer finance companies, with expertise in unsecured lending. Its market share in the credit card and personal loan segments appears sustainable, and has ranged between 9-11% in recent years.

However, we expect banks to more aggressively expand into unsecured lending for the low-income segment, and we believe that AEONTS will face intense competition in the medium to long term. Accordingly, its undemanding valuation does not draw our attention. We maintain our HOLD call with our 2022 GGM-based TP of THB204.

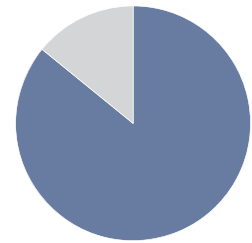
Company profile

The company's business is providing a variety of retail finance services, including credit cards, personal loans, hire-purchase loans and others.

www.aeon.co.th

Principal activities (revenue, 2020)

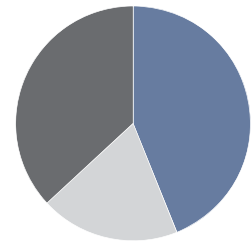
- Net interest income - 85.9 %
- Non-interest income - 14.1 %



Source: Aeon Thana Sinsap (Thailand)

Major shareholders

- AEON Group - 43.9 %
- ACS Capital Corporation - 19.2 %
- Others - 36.9 %



Source: Aeon Thana Sinsap (Thailand)

Catalysts

Potential share price catalysts for AEONTS include: 1) lower credit cost from better-than-expected non-performing loans; 2) the recovery of personal loan growth; and 3) a significant increase in its new business – digital loans.

Risks to our call

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.

Event calendar

Date	Event
28 Apr 2022	4QFY21 results announcement
29 Apr 2022	Post-results analyst meeting

Key assumptions

Year to Feb	FY21E (%)	FY22E (%)	FY23E (%)
Net profit (THB m)	3,965	4,517	4,853
Net profit growth	7.5	13.9	7.4
NIM	18.22	18.32	18.30
Loan growth	3.0	7.3	5.9
Fee growth	(5.0)	(5.0)	-
Non-NII growth*	4.9	6.4	4.0
Credit cost (bps)	650	630	620
Cost to income*	42.6	41.7	41.6

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

Year to Feb		FY21E		
Loan growth	±2ppt	1.0	3.0	5.0
% change in net profit		(1.8)	-	1.8
NIM (%)	±5bp	18.17	18.22	18.27
% change in net profit		(1.4)	-	1.4
Credit cost (bps)	±10bp	640.0	650.0	660.0
% change in net profit		1.6	-	(1.6)

Source: FSSIA estimates

Expect an improved q-q net profit in 4QFY21, but still weak y-y

We expect AEONTS to report a 4QFY21 (Dec-21 to Feb-22) net profit of THB957m (-19% y-y, +17% q-q). The q-q surge in its earnings should come from: 1) a lower credit cost following a lower management overlay and fewer non-performing loan (NPL) write-offs; and 2) stronger NII due to a 2.0% q-q rise in its loan volume. However, we expect its 4QFY21 earnings to continue to fall by 19% y-y, dragged down by a substantial increase in provisions due to a rise in its loan volume and an abnormally low provision in 4QFY20 following its front-loaded provision strategy in FY2020.

4QFY21 key highlights

- Total loan volume should increase moderately by 2.0% q-q. We expect AEONTS' new lending to improve, as it gradually increased the credit limit to 2x for some customers with salaries below THB30k per month. Moreover, its card spending is expected to accelerate q-q following the resumption of business activity.
- Bad debt recovery should continue to increase y-y and q-q thanks to its efficient debt collection process. Therefore, its Non-NII could rise 12% y-y and 7% q-q.
- Overall asset quality should be relatively stable, with a 1% q-q increase in 4QFY21 NPLs, implying a stable NPL ratio of 4.8%. AEONTS will accelerate its write-off process for clients who exited from the relief program and were not able to repay loans.
- As for its international presence, there should be a profit contribution from Cambodia and Laos due to the improving Covid situation. Regarding Myanmar, since the coup, AEONTS has made no new loans there. Thus, its Myanmar portfolio will continue to generate a loss.

Exhibit 1: AEONTS – 4QFY21E results preview ending 28 Feb 2022

Year-end Feb 28	4QFY20 (THB m)	3QFY21 (THB m)	4QFY21E		FY20	FY21E		4QFY21E comments
			(THB m)	(y-y %)	(q-q %)	(THB m)	(THB m)	(y-y %)
Net interest income	3,897	4,122	4,231	9	3	16,491	16,171	(2)
Non-interest income*	639	664	713	12	7	2,689	2,822	5
Operating income*	4,536	4,786	4,945	9	3	19,180	18,993	(1)
Operating expenses	2,162	1,952	2,187	1	12	8,323	8,088	(3)
PPOP before tax*	2,374	2,834	2,758	16	(3)	10,857	10,905	0
Expected credit loss	883	1,780	1,538	74	(14)	6,210	5,770	(7)
Income tax	231	219	244	6	12	967	1,130	17
Minority interest	77	21	19	(75)	(8)	(10)	40	
Net profit	1,184	815	957	(19)	17	3,690	3,965	7
EPS (THB)	4.73	3.26	3.83	(19)	17	14.76	15.86	7
Asset quality ratio								
NPLs	5,042	4,328	4,371	(13)	1	5,042	4,371	(13)
NPLs/Loans (%)	5.77	4.83	4.79			5.77	4.79	
LLR/NPLs (%)	230	255	253			230	253	
Credit cost (bps)	402	806	680			699	650	
Profitability ratio								
Cost to income ratio*	47.7	40.8	44.2			43.4	42.6	
Average yield	19.8	20.6	20.7			20.9	20.3	
Cost of fund	2.9	2.6	2.6			3.2	2.9	
NIM	17.7	18.7	18.7			18.6	18.2	
Non-int inc/total income	14.1	13.9	14.4			14.0	14.9	
Loan growth								
y-y	(3.1)	1.2	4.5			(3.1)	4.5	
q-q	(1.2)	2.8	2.0					

A rise in loan volume following the easing of lockdown measures

*Including share of profits from associates

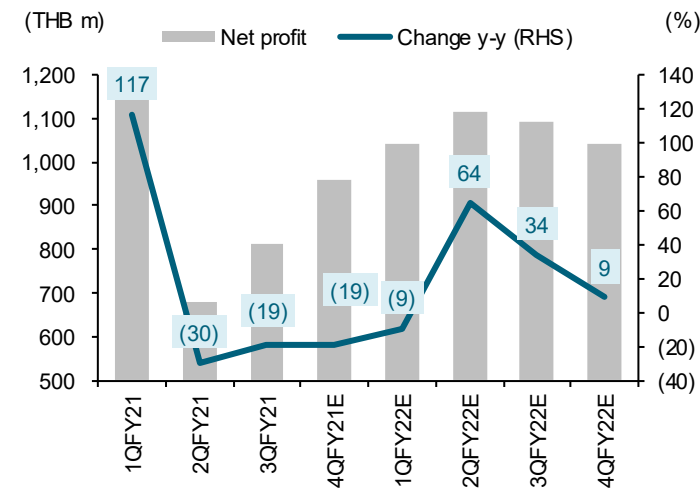
Sources: AEONTS; FSSIA estimates

A significant y-y increase in net profit should start from 2QFY22

Although we expect stronger credit card and person loan growth in 1QFY22 (Mar-May 2022), AEONTS' 1QFY22 net profit should continue to decline y-y due to a rise in provisions. We expect AEONTS to set higher provisions following a recovery in its loan growth. During the first phase of loan growth resumption, we believe a rise in NII from loan expansion would be insufficient to offset an increase in expected credit losses (ECL). We also expect a rise in its NPLs due to the gradual end of the debt forbearance program.

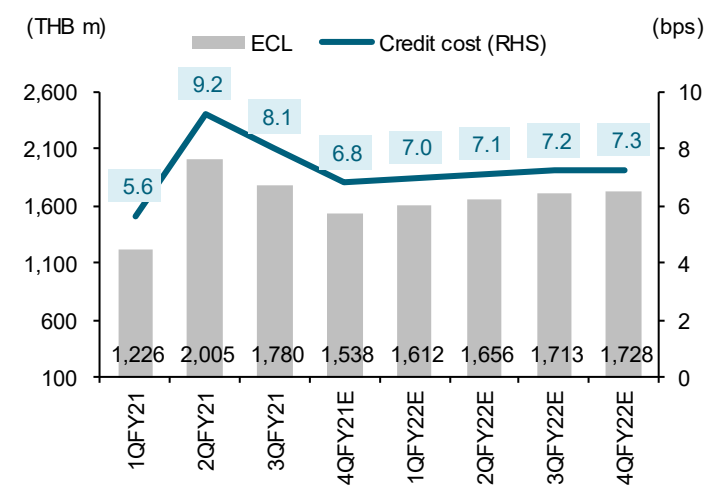
A substantial recovery y-y in AEONTS' net profit should start from 2QFY22 onward, supported by a rise in its loan volume and bad debt recovery. Also, its provisions should plummet from the high base in 2QFY21 as AEONTS set a high provision for its abnormally high NPL write-offs.

Exhibit 2: AEONTS' quarterly net profit growth



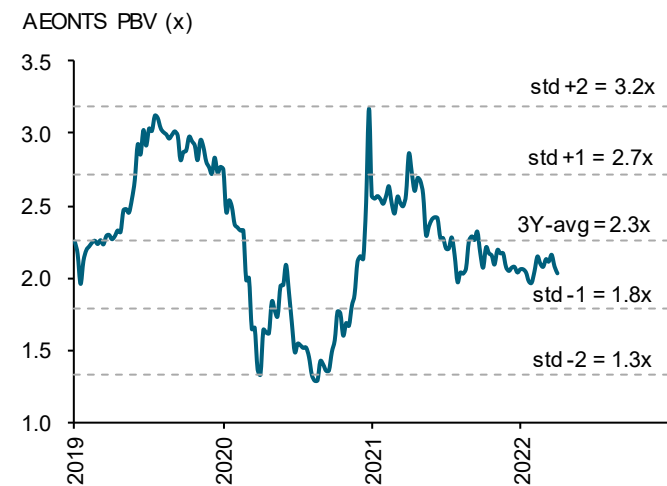
Sources: AEONTS; FSSIA's estimates

Exhibit 3: AEONTS' quarterly ECL



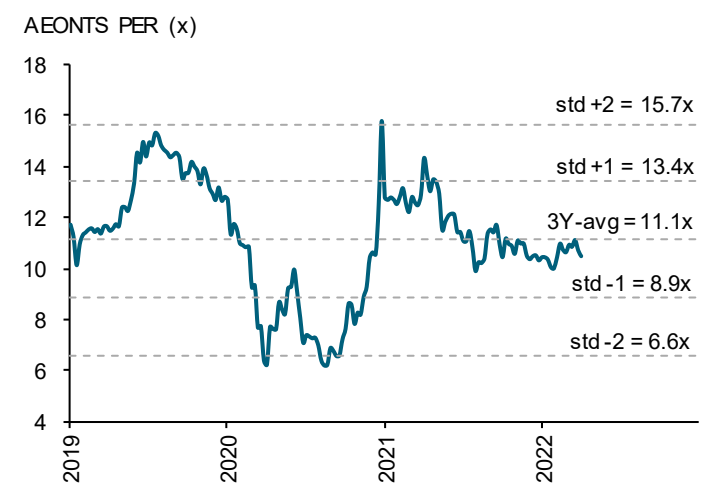
Sources: AEONTS; FSSIA's estimates

Exhibit 4: AEONTS – one-year prospective P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 5: AEONTS – one-year prospective P/E



Sources: Bloomberg; FSSIA estimates

Exhibit 6: Key valuations of companies under coverage

	BBG code	Rec	--- Share price ---		Up 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)
Diversified financials						24,008	17.2	21.3	23.7	19.1	16.6	17.2	3.4	3.0
Unsecured loan lenders						6,080	11.9	9.0	19.7	18.0	23.4	22.2	4.3	3.8
Aeon Thana Sinsap (Thailand)	AEONTS TB	HOLD	193.00	204.00	6	1,436	13.9	7.4	10.7	9.9	21.1	19.6	2.1	1.8
Krungthai Card	KTC TB	REDUCE	60.50	52.00	(14)	4,644	11.2	9.5	22.4	20.5	24.1	22.9	5.0	4.4
Auto-title lenders						8,519	18.7	22.0	18.6	15.3	19.2	20.3	3.3	2.8
Muangthai Capital	MTC TB	BUY	50.75	60.00	18	3,203	17.6	24.6	18.5	14.8	21.4	22.3	3.7	3.0
Srisawad Corp	SAWAD TB	BUY	54.25	74.00	36	2,218	15.5	19.3	14.0	11.8	20.2	21.8	2.7	2.4
Saksiam Leasing	SAK TB	BUY	9.00	12.00	33	562	38.5	25.9	22.4	17.8	16.2	18.1	3.4	3.0
Ngern Tid Lor	TIDLOR TB	BUY	36.75	43.00	17	2,537	18.6	20.1	22.0	18.3	16.1	16.9	3.3	2.9
Truck lenders						2,227	9.8	27.6	27.8	21.2	11.0	12.9	2.6	2.4
Micro Leasing	MICRO TB	BUY	7.45	10.70	44	207	45.1	26.8	25.6	20.2	13.2	15.0	3.2	2.9
Singer Thailand	SINGER TB	BUY	54.75	62.00	13	1,322	14.2	35.1	36.3	26.9	8.1	10.5	2.9	2.8
Ratchthani Leasing	THANI TB	BUY	4.14	4.80	16	698	(9.0)	13.6	12.3	10.8	15.9	16.7	1.9	1.7
Asset management						5,569	27.6	35.6	37.7	27.4	9.8	11.6	3.6	3.1
Bangkok Commercial Asset Mngt.	BAM TB	BUY	20.10	25.50	27	1,934	23.2	26.6	20.3	16.0	7.5	8.6	1.5	1.3
Chayo Group	CHAYO TB	BUY	12.60	16.60	32	392	44.4	17.2	38.0	32.4	10.6	9.4	3.3	2.6
JMT Network Services	JMT TB	BUY	79.50	80.00	1	3,243	28.3	43.1	48.1	33.6	11.0	13.6	4.9	4.3
Other						1,342	4.1	8.5	8.2	7.5	8.0	8.2	0.6	0.6
Thanachart Capital	TCAP TB	HOLD	43.00	42.00	(2)	1,342	4.1	8.5	8.2	7.5	8.0	8.2	0.6	0.6
Hire purchase motorcycle						271	1.3	(2.6)	28.9	29.6	11.3	8.6	2.8	2.4
Next Capital	NCAP TB	BUY	10.10	12.80	27	271	1.3	(2.6)	28.9	29.6	11.3	8.6	2.8	2.4

Share prices as of 8 Apr 2022

Source: FSSIA estimates

Financial Statements

Aeon Thana Sinsap (Thailand)

Profit and Loss (THB m) Year Ending Feb	2019	2020	2021E	2022E	2023E
Interest Income	20,348	18,587	17,979	19,067	20,440
Interest expense	(2,209)	(2,096)	(1,808)	(1,961)	(2,225)
Net interest income	18,139	16,491	16,171	17,107	18,214
Net fees & commission	268	246	234	222	222
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	531	510	536	563	591
Other income	2,154	1,959	2,080	2,248	2,340
Non interest income	2,953	2,715	2,849	3,032	3,152
Total income	21,091	19,206	19,019	20,139	21,367
Staff costs	(9,091)	(8,144)	(7,899)	(8,176)	(8,666)
Other operating costs	(198)	(180)	(189)	(200)	(215)
Operating costs	(9,289)	(8,323)	(8,088)	(8,376)	(8,881)
Pre provision operating profit	11,802	10,882	10,931	11,762	12,486
Provision for bad and doubtful debt	(6,646)	(6,210)	(5,770)	(5,883)	(6,170)
Other provisions	-	-	-	-	-
Operating profit	5,156	4,673	5,162	5,880	6,316
Recurring non operating income	(13)	(25)	(27)	(28)	(29)
Associates	(13)	(25)	(27)	(28)	(29)
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	5,143	4,647	5,135	5,851	6,287
Tax	(1,024)	(967)	(1,130)	(1,170)	(1,257)
Profit after tax	4,120	3,680	4,005	4,681	5,029
Minority interests	(145)	10	(40)	(164)	(176)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	3,975	3,690	3,965	4,517	4,853
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	3,975	3,690	3,965	4,517	4,853
Per share (THB)					
Recurring EPS *	15.90	14.76	15.86	18.07	19.41
Reported EPS	15.90	14.76	15.86	18.07	19.41
DPS	5.00	4.50	5.00	5.25	5.50
Growth					
Net interest income (%)	10.1	(9.1)	(1.9)	5.8	6.5
Non interest income (%)	47.8	(8.1)	4.9	6.4	4.0
Pre provision operating profit (%)	21.5	(7.8)	0.5	7.6	6.2
Operating profit (%)	16.4	(9.4)	10.5	13.9	7.4
Reported net profit (%)	13.4	(7.2)	7.5	13.9	7.4
Recurring EPS (%)	13.4	(7.2)	7.5	13.9	7.4
Reported EPS (%)	13.4	(7.2)	7.5	13.9	7.4
Income Breakdown					
Net interest income (%)	86.0	85.9	85.0	84.9	85.2
Net fees & commission (%)	1.3	1.3	1.2	1.1	1.0
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	2.5	2.7	2.8	2.8	2.8
Other income (%)	10.2	10.2	10.9	11.2	11.0
Operating performance					
Gross interest yield (%)	23.56	20.92	20.26	20.42	20.54
Cost of funds (%)	3.32	3.18	2.88	2.95	3.09
Net interest spread (%)	20.24	17.74	17.38	17.47	17.45
Net interest margin (%)	21.0	18.6	18.2	18.3	18.3
Cost/income(%)	44.0	43.3	42.5	41.6	41.6
Cost/assets(%)	10.2	9.1	9.1	8.7	8.4
Effective tax rate (%)	19.9	20.8	22.0	20.0	20.0
Dividend payout on recurring profit (%)	31.4	30.5	31.5	29.1	28.3
ROE (%)	20.5	19.5	21.5	21.1	19.6
ROE - COE (%)	9.7	8.7	10.7	10.3	8.8
ROA (%)	4.5	4.0	4.5	4.9	4.8
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Aeon Thana Sinsap (Thailand); FSSIA estimates

Financial Statements

Aeon Thana Sinsap (Thailand)

Balance Sheet (THB m) Year Ending Feb	2019	2020	2021E	2022E	2023E
Gross customer loans	90,231	87,432	90,091	96,662	102,354
Total provisions	(3,961)	(11,593)	(11,236)	(11,126)	(10,745)
interest in suspense	0	0	0	0	0
Net customer loans	86,270	75,839	78,855	85,536	91,609
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	4,994	5,105	5,468	8,865	10,447
Other interesting assets	-	-	-	-	-
Tangible fixed assets	885	793	711	637	571
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	3,247	5,651	5,881	6,523	7,021
Total assets	95,396	87,389	90,915	101,562	109,647
Customer deposits	0	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	69,259	62,626	62,940	69,985	74,175
Non interest bearing liabilities	5,012	7,383	7,752	8,139	8,546
Hybrid Capital	-	-	-	-	-
Total liabilities	74,271	70,009	70,691	78,124	82,722
Share capital	250	250	250	250	250
Reserves	20,478	16,808	19,523	22,728	26,206
Total equity	20,728	17,058	19,773	22,978	26,456
Minority interests	397	322	451	460	469
Total liabilities & equity	95,396	87,389	90,915	101,562	109,647
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	86,371	88,832	88,762	93,377	99,508
Average interest bearing liabilities	66,458	65,942	62,783	66,462	72,080
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)	3,316	5,042	4,790	4,934	5,279
Per share (THB)					
Book value per share	82.91	68.23	79.09	91.91	105.83
Tangible book value per share	82.91	68.23	79.09	91.91	105.83
Growth					
Gross customer loans	9.4	(3.1)	3.0	7.3	5.9
Average interest earning assets	9.1	2.8	(0.1)	5.2	6.6
Total asset (%)	9.5	(8.4)	4.0	11.7	8.0
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	nm	nm	nm	nm	nm
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	21.7	19.5	21.7	22.6	24.1
Tangible equity/assets (%)	21.7	19.5	21.7	22.6	24.1
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	45.3	52.1	(5.0)	3.0	7.0
NPL/gross loans (%)	3.7	5.8	5.3	5.1	5.2
Total provisions/gross loans (%)	4.4	13.3	12.5	10.9	10.5
Total provisions/NPL (%)	119.5	229.9	234.6	225.5	203.5
Valuation					
Recurring P/E (x) *	12.1	13.1	12.2	10.7	9.9
Recurring P/E @ target price (x) *	12.8	13.8	12.9	11.3	10.5
Reported P/E (x)	12.1	13.1	12.2	10.7	9.9
Dividend yield (%)	2.6	2.3	2.6	2.7	2.8
Price/book (x)	2.3	2.8	2.4	2.1	1.8
Price/tangible book (x)	2.3	2.8	2.4	2.1	1.8
Price/tangible book @ target price (x)	2.5	3.0	2.6	2.2	1.9

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Aeon Thana Sinsap (Thailand); 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.

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Company	Ticker	Price	Rating	Valuation & Risks
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 193.00	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 60.50	REDUCE	Upside risks to our GGM-derived TP include: 1) stronger-than-expected growth for KTB Leasing; and 2) better-than-expected bad debt recovery.
Muangthai Capital	MTC TB	THB 50.75	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Srisawad Corp	SAWAD TB	THB 54.25	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 9.00	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 36.75	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 7.45	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 54.75	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 4.14	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 20.10	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 12.60	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 79.50	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 43.00	HOLD	Upside risks to our GGM-based target price are the faster-than-expected net profit contribution from Thanachart Plus. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality which could lead to higher provisions for both TTB and THANI.
Next Capital	NCAP TB	THB 10.10	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.

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 08-Apr-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.