

MICRO LEASING MICRO TB

THAILAND / DIVERSIFIED FINANCIALS

BUY

UNCHANGED

Stronger growth expected in 2H22

- Expect unimpressive 1Q22 NP of THB52m (+1% y-y, +13% q-q).
- Stronger outlook projected in 2H22 following solid loan growth.
- Maintain BUY with GGM-based TP of THB10.7.

TARGET PRICE	THB10.70
CLOSE	THB7.35
UP/DOWNSIDE	+45.6%
PRIOR TP	THB10.70
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-7.0%

Unimpressive 1Q22E net profit growth

We expect MICRO to continue to compete for market share from local operators, with an expected new lending used truck market share of 10% in 1Q22 from 8.9% in 2021. As a result, its loan volume should increase by 44% y-y and 7% q-q. We also believe that MICRO has been able to contain its asset quality, with an NPL ratio of 3.6% vs 3.5% in 4Q21. However, thanks to the change in the law regarding NPL write-off criteria, MICRO has had to accelerate its write-off process to receive tax benefits since 2Q21. This should result in a significant increase in its credit cost to 550 bps in 1Q22 vs 310 bps in 1Q21. Thus, we expect MICRO to deliver an unimpressive 1Q22 net profit of THB52m (+1% y-y, +13% q-q).

Limited impact from rising energy prices

We think MICRO's clients will still see a limited impact from rising energy prices due to the cost-plus pricing structure. Truck borrowers should finally pass through these costs to their clients. As a result, asset quality is not our key concern. However, if abnormally high inflation persists in the long term, MICRO might lend new loans more selectively.

Expanding to motorcycle HP business should benefit in long term

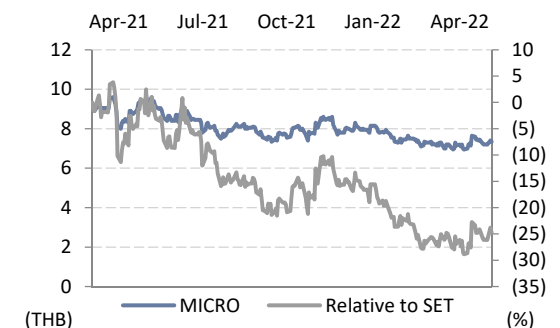
In Mar-22, MICRO established a JV, "Micro Plus Leasing", which will operate new motorcycle HP with registered capital of THB400m. MICRO holds a 51% stake; Mr. Thammasak (co-founder of MICRO)'s group holds 30%; and Mr. Thaveephol's group holds 19%. Mr. Thaveephol has expertise in the motorcycle HP industry with more than 20 years of experience. The JV is expected to operate within early 3Q22. MICRO targets a THB400m portfolio in 2022. The JV's yield charge should be 24% p.a., according to management. We like the strategy to expand to motorbike HP as this should benefit MICRO in terms of diversification to a higher yield portfolio and client base, while enhancing long-term growth. However, we expect the JV to contribute a minor loss in 2022.

Maintain BUY with our 2022 GGM-based TP of THB10.7

Although MICRO's net profit is not attractive in the short term, we maintain our positive view with our GGM-based TP of THB10.7. We think its net profit should surge in 2H22. MICRO is continuing its branch expansion plan and building good relationships with dealers. We believe it will capture more market share from local competitors, and we forecast MICRO's net profit growth at a 29% three-year CAGR from 2021-24.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	227	340	420	498
Net profit	187	272	345	403
EPS (THB)	0.20	0.29	0.37	0.43
vs Consensus (%)	-	3.6	0.5	44.8
Core net profit	187	272	345	403
Core EPS (THB)	0.20	0.29	0.37	0.43
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	13.3	45.1	26.8	17.0
Core P/E (x)	36.7	25.3	19.9	17.0
Dividend yield (%)	1.0	0.8	1.0	1.8
Price/book (x)	3.5	3.2	2.8	2.5
ROE (%)	9.9	13.2	15.0	15.7
ROA (%)	5.5	5.9	6.0	5.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.8	(2.6)	(20.1)
Relative to country (%)	3.0	(3.7)	(24.9)
Mkt cap (USD m)	204		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	21		
Major shareholder	Auchyawat Family (57%)		
12m high/low (THB)	10.10/6.70		
Issued shares (m)	935		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

Micro Leasing (MICRO) is a specialist second-hand truck lender in Thailand, with more than 26 years of experience in the business.

We maintain our BUY call as we think its long-term outlook is promising due to 1) its outstanding net profit growth that we estimate at a 29% three-year 2021-24 CAGR; and 2) its good position to benefit from the higher demand for used trucks as a pure play used truck lender.

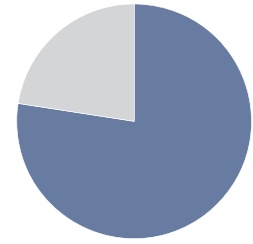
Company profile

Micro Leasing was founded in November 1994. The company specializes in providing second-hand 6- to 12-wheel truck loans for the top three brands in Thailand: Isuzu, Hino and Fuso. It lends under a hire-purchase agreement with a 70-85% loan-to-value and with loan durations of 4-5 years.

www.microleasingplc.com

Principal activities (revenue, 2021)

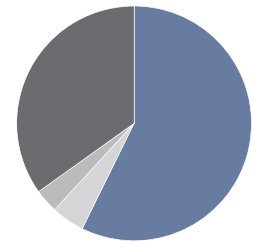
- Net interest income - 77.4 %
- Non-interest income - 22.6 %



Source: Micro Leasing

Major shareholders

- Auchyawat Family - 57.3 %
- Sataporn Ngamrueangpong - 4.6 %
- Kaitipong Termkunanon - 3.3 %
- Others - 34.9 %



Source: Micro Leasing

Catalysts

Potential share price catalysts for MICRO include: 1) higher loan growth due to gaining more market share from local peers; 2) better-than-expected fee income; and 3) faster ramping up of its new businesses, including new motorcycle hire purchase loans, truck title loans, and insurance brokerage.

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) a slower-than-expected reduction in the cost of funds due to a shift toward more long-term loans.

Event calendar

Date	Event
Mid-May 2022	1Q22 results announcement

Key assumptions

Year to Dec	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	272	345	403
Net profit growth	45.1	26.8	17.0
NIM	13.45	12.49	11.64
Loan growth	30.0	25.0	25.0
Fee growth	30.0	33.0	28.0
Non-NII growth	28.3	31.5	27.2
Credit cost (bps)	419	400	400
Cost to income	30.5	29.4	28.4

Source: FSSIA estimates

Earnings sensitivity

Year to Dec		2022E		
		28.0	30.0	32.0
Loan growth	±2ppt	28.0	30.0	32.0
% change in net profit		(1.3)	-	1.3
NIM (%)	±5bp	13.40	13.45	13.50
% change in net profit		(2.3)	-	2.3
Credit cost (bps)	±10bp	409.0	419.0	429.0
% change in net profit		2.0	-	(2.0)

Source: FSSIA estimates

Unimpressive 1Q22E net profit growth

We expect MICRO to continue to compete for market share from local operators due to its branch expansion, with an expected new lending used truck market share of 10% in 1Q22 from 8.9% in 2021. As a result, its loan volume should increase by 44% y-y and 7% q-q. Moreover, we expect its fee income to increase following a surge in its loan volume. We also believe that MICRO has been able to contain its asset quality, with a non-performing loan (NPL) ratio of 3.6% vs 3.5% in 4Q21. MICRO's clients should still see a limited impact from rising energy prices due to the cost-plus pricing structure. We think truck borrowers should finally pass through these costs to their clients. However, thanks to the change in the law regarding NPL write-off criteria, MICRO has had to accelerate its write-off process to receive tax benefits since 2Q21. This should result in a significant increase in its credit cost to 550 bps in 1Q22 vs 310 bps in 1Q21. Thus, we expect MICRO to deliver an unimpressive 1Q22 net profit of THB52m (+1% y-y, +13% q-q).

Exhibit 1: MICRO – 1Q22E results preview

Year-end Dec 31	1Q21 (THB m)	4Q21 (THB m)	1Q22E (THB m)	----- Change ----- (y-y%) (q-q%)		2021 (THB m)	2022E (THB m)	Change (y-y %)	1Q22E comments
Net interest income	97	124	136	40	10	441	587	33	
Non-interest income	31	29	36	14	23	128	165	28	Higher fee income following a rise in loan volume
Operating income	128	153	172	34	12	569	752	32	
Operating expenses	43	50	53	23	7	186	229	23	
PPOP before tax	85	103	119	40	15	383	523	36	
Provision	21	45	54	159	20	156	183	18	Accelerated its write-off process to receive tax benefits
Income tax	13	12	13	1	6	40	68	70	
Minority interest	0	0	0			0	0		
Normalised profit	51	46	52	1	13	187	272	45	
Extraordinary items	0	0	0			0	0		
Net profit	51	46	52	1	13	187	272	45	
EPS (THB)	0.05	0.05	0.06	1	13	0.20	0.29	45	
Asset quality ratio									
Gross NPLs (THB m)	103	132	148	43	12	132	177	34	
NPL ratios (%)	3.64	3.47	3.62			3.47	3.58		
LLR/NPLs (%)	108	123	129			123	115		
Credit cost (bp)	310	501	550			491	419		
Profitability ratio (%)									
Cost to income ratio	33.9	32.7	31.1			32.7	30.5		
Average yield	16.0	16.4	16.0			15.9	15.8		
Cost of fund	4.4	5.2	4.0			7.4	5.5		
Net interest margin (NIM)	14.5	13.8	13.9			13.9	13.4		
Non-int inc/total income	24.3	19.0	20.7			22.6	21.9		
Loan growth (%)									
y-y	34.6	49.3	43.7			49.3	30.0		
q-q	11.6	12.1	7.4						Gained more market share from local operators

Sources: MICRO; FSSIA estimates

Expanding to motorcycle HP business should benefit in long term

In Mar-22, MICRO established a JV company named “Micro Plus Leasing”, which will operate new motorcycle hire purchase (HP) loans with registered capital of THB400m. MICRO holds a 51% stake in the JV, while Mr. Thammasak (Co-founder of MICRO)’s group holds 30%, and Mr. Thaveephol’s group holds 19%. Mr. Thaveephol has expertise in the motorcycle HP industry with more than 20 years of experience, as he was the founder and managing director of Worldlease Co., Ltd. The JV is expected to operate within early 3Q22. MICRO targets a THB400m portfolio in 2022, later reaching THB2b within the next three years. The JV’s yield charge should be 24% p.a., according to management. We like the strategy to expand to motorbike HP as this should benefit MICRO in terms of diversification to a higher yield portfolio and client base, while enhancing long-term growth. However, we expect the JV to contribute a minor loss in 2022.

Exhibit 2: MICRO’s business structure



Source: MICRO

Financial Statements

Micro Leasing

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	356	504	690	877	1,096
Interest expense	(48)	(63)	(103)	(184)	(288)
Net interest income	308	441	587	694	808
Net fees & commission	78	120	156	207	265
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	20	9	9	9	10
Non interest income	98	128	165	217	276
Total income	406	569	752	910	1,084
Staff costs	(153)	(186)	(229)	(268)	(308)
Other operating costs	-	-	-	-	-
Operating costs	(153)	(186)	(229)	(268)	(308)
Pre provision operating profit	253	383	523	642	776
Provision for bad and doubtful debt	(77)	(156)	(183)	(222)	(278)
Other provisions	-	-	-	-	-
Operating profit	176	227	340	420	498
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	176	227	340	420	498
Tax	(41)	(40)	(68)	(76)	(95)
Profit after tax	135	187	272	345	403
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	135	187	272	345	403
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	135	187	272	345	403
Per share (THB)					
Recurring EPS *	0.18	0.20	0.29	0.37	0.43
Reported EPS	0.18	0.20	0.29	0.37	0.43
DPS	0.07	0.08	0.06	0.07	0.13
Growth					
Net interest income (%)	26.5	43.2	33.2	18.2	16.5
Non interest income (%)	104.8	30.5	28.3	31.5	27.2
Pre provision operating profit (%)	56.6	51.2	36.5	22.9	20.7
Operating profit (%)	27.0	29.1	49.5	23.7	18.5
Reported net profit (%)	21.9	38.8	45.1	26.8	17.0
Recurring EPS (%)	11.8	13.3	45.1	26.8	17.0
Reported EPS (%)	11.8	13.3	45.1	26.8	17.0
Income Breakdown					
Net interest income (%)	75.8	77.4	78.1	76.2	74.6
Net fees & commission (%)	19.2	21.1	20.7	22.8	24.5
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	5.0	1.5	1.2	1.0	1.0
Operating performance					
Gross interest yield (%)	15.53	15.90	15.80	15.80	15.80
Cost of funds (%)	5.30	7.39	5.50	5.50	6.36
Net interest spread (%)	10.23	8.51	10.30	10.30	9.44
Net interest margin (%)	13.4	13.9	13.4	12.5	11.6
Cost/income(%)	37.6	32.7	30.5	29.4	28.4
Cost/assets(%)	6.3	5.5	5.0	4.6	4.2
Effective tax rate (%)	23.3	17.6	20.0	18.0	19.0
Dividend payout on recurring profit (%)	38.1	38.4	20.0	20.0	30.0
ROE (%)	9.3	9.9	13.2	15.0	15.7
ROE - COE (%)	(1.5)	(0.9)	2.4	4.2	4.9
ROA (%)	5.5	5.5	5.9	6.0	5.5
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Micro Leasing; FSSIA estimates

Financial Statements

Micro Leasing

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	2,542	3,796	4,935	6,168	7,710
Total provisions	(98)	(162)	(203)	(256)	(495)
interest in suspense	0	0	0	0	0
Net customer loans	2,444	3,634	4,732	5,912	7,215
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	128	142	84	70	355
Other interesting assets	-	-	-	-	-
Tangible fixed assets	7	11	19	32	53
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	176	248	325	401	504
Total assets	2,755	4,034	5,159	6,415	8,127
Customer deposits	0	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	823	885	2,851	3,823	5,245
Non interest bearing liabilities	109	1,191	154	162	170
Hybrid Capital	-	-	-	-	-
Total liabilities	932	2,076	3,005	3,985	5,415
Share capital	935	935	935	935	935
Reserves	888	1,023	1,219	1,495	1,777
Total equity	1,823	1,958	2,154	2,430	2,712
Minority interests	0	0	0	0	0
Total liabilities & equity	2,755	4,034	5,159	6,415	8,127
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	2,289	3,169	4,365	5,551	6,939
Average interest bearing liabilities	905	854	1,868	3,337	4,534
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)	97	132	177	212	254
Per share (THB)					
Book value per share	2.39	2.09	2.30	2.60	2.90
Tangible book value per share	2.39	2.09	2.30	2.60	2.90
Growth					
Gross customer loans	24.8	49.3	30.0	25.0	25.0
Average interest earning assets	29.4	38.4	37.8	27.2	25.0
Total asset (%)	30.1	46.4	27.9	24.3	26.7
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	nm	nm	nm	nm	nm
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	66.2	48.5	41.8	37.9	33.4
Tangible equity/assets (%)	66.2	48.5	41.8	37.9	33.4
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	6.6	35.8	34.0	20.0	20.0
NPL/gross loans (%)	3.8	3.5	3.6	3.4	3.3
Total provisions/gross loans (%)	3.9	4.3	4.1	3.3	6.4
Total provisions/NPL (%)	100.9	122.9	114.8	120.9	194.7
Valuation					
Recurring P/E (x) *	41.5	36.7	25.3	19.9	17.0
Recurring P/E @ target price (x) *	60.5	53.4	36.8	29.0	24.8
Reported P/E (x)	41.5	36.7	25.3	19.9	17.0
Dividend yield (%)	0.9	1.0	0.8	1.0	1.8
Price/book (x)	3.1	3.5	3.2	2.8	2.5
Price/tangible book (x)	3.1	3.5	3.2	2.8	2.5
Price/tangible book @ target price (x)	4.5	5.1	4.6	4.1	3.7

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Micro 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	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	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 Suwanumphai FSS International Investment Advisory Securities Co., Ltd

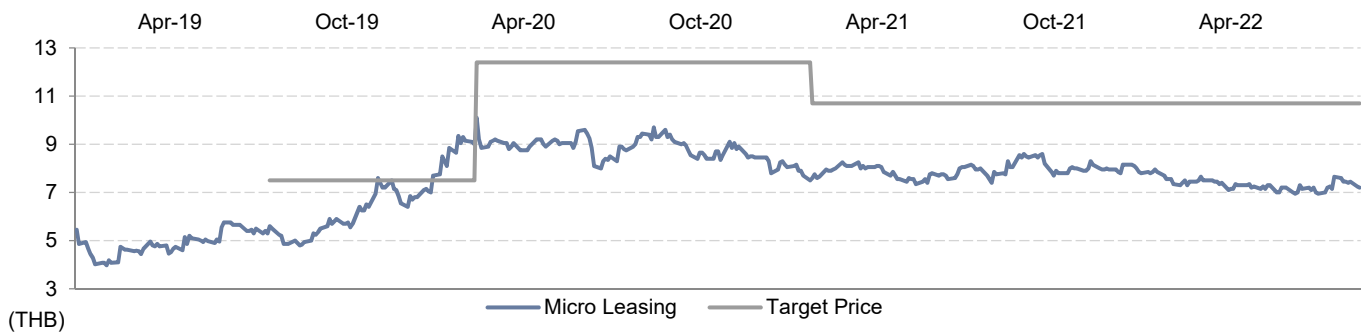
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History of change in investment rating and/or target price

Micro Leasing (MICRO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
23-Dec-2020	BUY	7.50	23-Mar-2021	BUY	12.40	16-Aug-2021	BUY	10.70

Yuvanart Suwanumphai started covering this stock from 23-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Micro Leasing	MICRO TB	THB 7.35	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.

Source: FSSIA estimates

Additional Disclosures

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

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All share prices are as at market close on 19-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.