

RATCHTHANI LEASING

THANI TB

THAILAND / DIVERSIFIED FINANCIALS

BUY

UNCHANGED

Brighter outlook in 2H22

- Expect an unexciting 1Q22 NP of THB430m. THANI should deliver slightly better loan growth but still set high ECL.
- Stronger earnings momentum should occur in 2H22.
- Maintain BUY with GGM-based TP of THB4.8.

TARGET PRICE	THB4.80
CLOSE	THB4.36
UP/DOWNSIDE	+10.1%
PRIOR TP	THB4.80
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-2.6%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	2,143	2,360	2,682	2,947
Net profit	1,709	1,906	2,165	2,373
EPS (THB)	0.30	0.34	0.38	0.42
vs Consensus (%)	-	(0.3)	(0.3)	4.2
Core net profit	1,709	1,906	2,165	2,373
Core EPS (THB)	0.30	0.34	0.38	0.42
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(25.0)	11.5	13.6	9.6
Core P/E (x)	14.4	13.0	11.4	10.4
Dividend yield (%)	3.9	4.3	4.4	5.8
Price/book (x)	2.1	2.0	1.8	1.7
ROE (%)	15.3	15.9	16.7	17.0
ROA (%)	3.5	3.7	3.8	3.7

Stronger loan growth but still high ECL

We have a neutral view on THANI's 1Q22 performance. We expect it to deliver an unexciting 1Q22 net profit of THB430m (+1% y-y, -5% q-q) due to a rise in its expected credit loss (ECL). Although its asset quality is improving, with a slight decline expected in its non-performing loan (NPL) ratio to 3.7% in 1Q22 vs 3.8% in 4Q21, THANI aims to increase its coverage ratio to c85% within 2022 from 80% as of 4Q21. As a result, we expect the company will still set a high ECL level. Regarding its new lending, amid the strong growth in truck sales in 1Q22, we expect THANI to lend new loans conservatively at cTHB6.5b per quarter vs THB6.2b in 4Q21. This would result in only a 1.5% q-q increase in its loan volume.

Negligible impact from higher oil prices

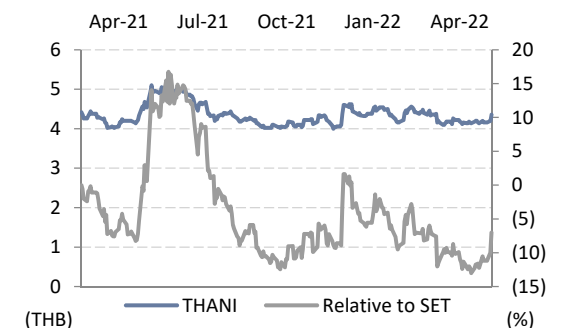
Around 60% of THANI's truck clients are medium to large business operators. Normally, these segments can pass through their higher costs from the rising energy price to employers. We think THANI's clients will still have a limited impact from the rising energy price. Thus, asset quality is not a major concern for us.

Expanding to truck title loans

THANI is acquiring an auto title loan license from the Bank of Thailand to run a truck title lending business, which is expected to operate in 2Q-3Q22. Initially, the company expects to lend to its existing clients, targeting a THB1b portfolio in 2022. It might expand to new clients in the future. We think that this strategy could maintain the company's existing customer base, so that they won't have to borrow from other lenders. Also, THANI could diversify to higher-yield loans. It might take one to two years before this business could generate higher revenue and profits.

Muted catalysts in short term; maintain BUY for long term

In the short term, we see few catalysts to drive THANI's share price. We believe THANI will likely deliver inferior performance vs its peers in the next two quarters. However, we expect it to deliver stronger net profit growth in 2H22 following higher loan growth and lower ECL. Also, we think THANI's valuation is undemanding at 13.0x 2022E P/E and 2.0x 2022E P/BV. Therefore, we maintain our BUY call for long-term investment and our TP of THB4.8.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	3.3	0.5	0.9
Relative to country (%)	3.5	(0.6)	(5.1)
Mkt cap (USD m)	731		
3m avg. daily turnover (USD m)	3.0		
Free float (%)	21		
Major shareholder	Thanachart SPV1 Co., LTD (56%)		
12m high/low (THB)	5.30/3.96		
Issued shares (m)	5,663		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

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

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

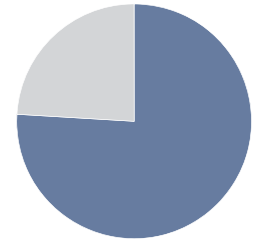
Company profile

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

www.ratchthani.com

Principal activities (revenue, 2021)

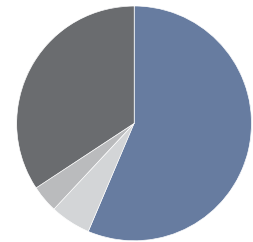
- Net interest income - 76.0 %
- Non-interest income - 24.0 %



Source: Ratchthani Leasing

Major shareholders

- Thanachart SPV1 Co., LTD - 56.4 %
- Raffles Nominees - 5.6 %
- Thanachart Capital - 3.8 %
- Others - 34.3 %



Source: Ratchthani Leasing

Catalysts

Potential share price catalysts for THANI include:

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

Risks to our call

Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) changes in financial regulations from the Bank of Thailand.

Event calendar

Date	Event
Mid-May 2022	1Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	1,906	2,165	2,373
Net profit growth	11.5	13.6	9.6
NIM	5.09	5.05	4.94
Loan growth	8.0	12.0	12.0
Fee growth	3.8	4.3	3.8
Non-NII growth*	6.5	4.7	7.1
Credit cost (bp)	100	80	75
Cost to income*	17.0	16.2	16.1

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		2022E		
Loan growth	±2ppt	6.0	8.0	10.0
% change in net profit		(1.2)	-	1.2
NIM (%)	±5bp	5.04	5.09	5.14
% change in net profit		(1.1)	-	1.1
Credit cost (bp)	±10bp	90.0	100.0	110.0
% change in net profit		2.2	-	(2.2)

Source: FSSIA estimates

Stronger loan growth but still high ECL

We have a neutral view on THANI's 1Q22 performance. We expect it to deliver an unexciting 1Q22 net profit of THB430m (+1% y-y, -5% q-q) due to a rise in its ECL. Although its asset quality is improving, with a slight decline expected in its NPL ratio to 3.7% in 1Q22 vs 3.8% in 4Q21, THANI aims to increase its coverage ratio to c85% within 2022 from 80% as of 4Q21. As a result, we expect the company will still set a high ECL level. Regarding its new lending, amid the strong growth in truck sales in 1Q22, we expect THANI to lend new loans conservatively at cTHB6.5b per quarter vs THB6.2b in 4Q21. This would result in only a 1.5% q-q increase in its loan volume.

1Q22E key highlights

- Due to its conservative lending strategy, we expect THANI to deliver slower loan growth than its peers at 1.5% q-q and 3.4% y-y in 1Q22.
- We expect its OPEX in 1Q22 to rise 2% y-y due to an increase in losses on repossessed trucks. The company is continuing to speed up its truck confiscation process to prevent its asset quality from declining.
- Its NPLs are likely to be stable q-q, accounting for an NPL ratio of 3.7% vs 3.8% in 4Q21.

Exhibit 1: THANI – 1Q22E results preview

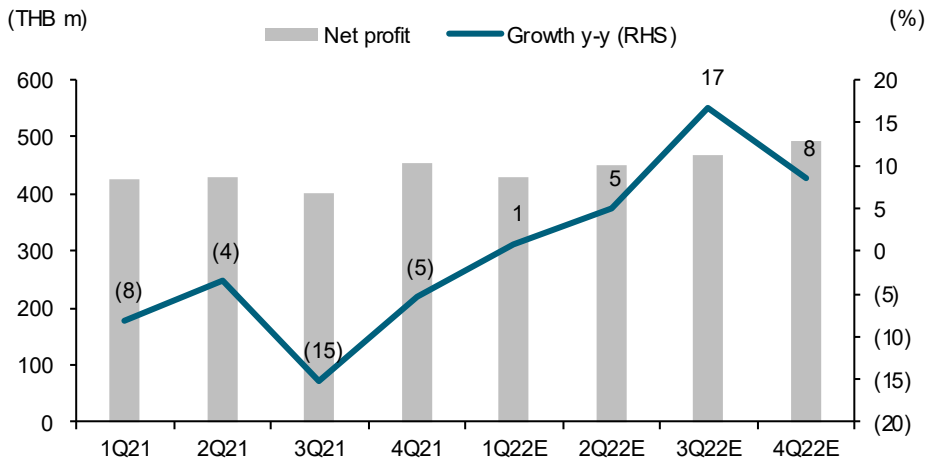
Year-end Dec 31	1Q21 (THB m)	4Q21 (THB m)	1Q22E (THB m)	---- Change ----		2021 (THB m)	2022E (THB m)	Change	1Q22E comments
				(y-y%)	(q-q%)			(y-y %)	
Net interest income	613	596	609	(1)	2	2,517	2,616	4	
Non-interest income	189	240	203	7	(15)	796	848	6	
Operating income	803	835	812	1	(3)	3,313	3,464	5	
Operating expenses	141	156	144	2	(8)	585	590	1	
PPOP before tax	661	680	668	1	(2)	2,729	2,874	5	
Provision	106	109	137	29	26	586	514	(12)	
Income tax	128	117	101	(21)	(14)	434	454	5	
Minority interest	0	(0)	0			0	0		
Normalised profit	427	454	430	1	(5)	1,709	1,906	11	
Extraordinary items	0	0	0			0	0		
Net profit	427	454	430	1	(5)	1,709	1,906	11	
EPS (THB)	0.08	0.08	0.08	1	(5)	0.30	0.34	11	
Asset quality ratio									
Gross NPLs (THB m)	1,563	1,863	1,863	19	0	1,863	2,087	12	
NPL ratios (%)	3.22	3.77	3.72			3.77	3.91		
LLR/NPLs (%)	79	80	82			80	88		
Credit cost (bp)	88	88	110			120	100		
Profitability ratio (%)									
Cost to income ratio	17.6	18.6	17.7			17.6	17.0		
Average yield	7.0	6.7	6.7			7.0	6.9		
Cost of fund	2.5	2.4	2.5			2.5	2.5		
Net interest margin (NIM)	5.1	4.8	4.9			5.2	5.1		
Non-int inc/total income	23.6	28.7	25.0			24.0	24.5		
Loan growth (%)									
y-y	(6.2)	3.0	3.4			3.0	8.0		
q-q	1.0	0.6	1.5						Conservative lending strategy

Sources: THANI; FSSIA estimates

Brighter earnings growth momentum in 2H22

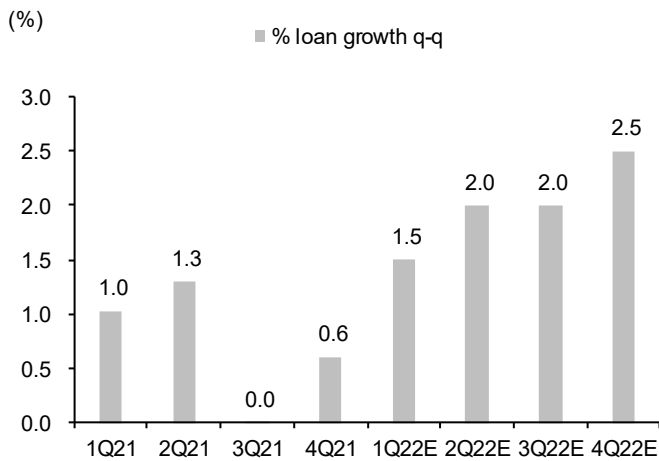
We think THANI's net profit growth should be stronger in 2H22 compared with 1H22. We believe THANI will gradually resume its growth mode once the economy recovers at a faster pace. Thus, we expect its loan growth to accelerate in 2H22. Also, we think THANI will set front-loaded provisions in 1H22 to increase its coverage ratio. Then, in 2H22, we think it will set slightly lower ECL. We have few concerns over its asset quality as the company has aggressively confiscated cars from borrowers unable to repay their debts since 4Q21. As a result, we think it should be able to contain its asset quality effectively.

Exhibit 2: Quarterly net profit growth



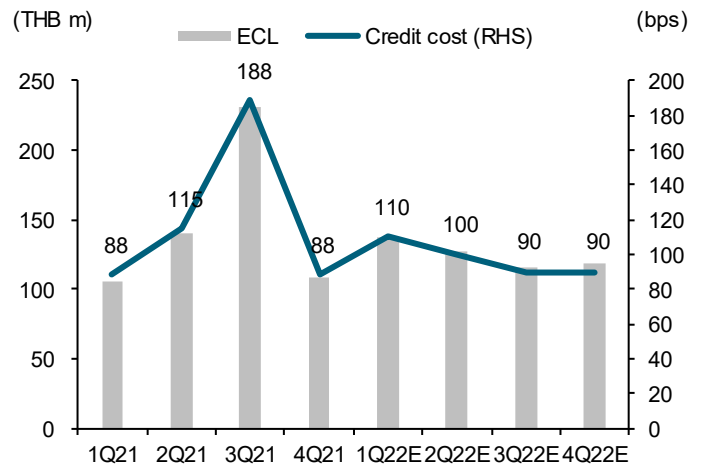
Sources: THANI; FSSIA estimates

Exhibit 3: Quarterly loan growth



Sources: THANI; FSSIA estimates

Exhibit 4: Quarterly credit cost



Sources: THANI; FSSIA estimates

Financial Statements

Ratchthani Leasing

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	3,516	3,430	3,545	3,930	4,433
Interest expense	(1,063)	(913)	(929)	(1,076)	(1,303)
Net interest income	2,452	2,517	2,616	2,854	3,130
Net fees & commission	316	380	394	411	426
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	431	417	454	477	525
Non interest income	747	796	848	888	951
Total income	3,199	3,313	3,464	3,742	4,081
Staff costs	(188)	(183)	(188)	(194)	(203)
Other operating costs	(350)	(402)	(402)	(414)	(456)
Operating costs	(538)	(585)	(590)	(608)	(659)
Pre provision operating profit	2,662	2,729	2,874	3,134	3,422
Provision for bad and doubtful debt	(338)	(586)	(514)	(452)	(475)
Other provisions	-	-	-	-	-
Operating profit	2,324	2,143	2,360	2,682	2,947
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	2,324	2,143	2,360	2,682	2,947
Tax	(464)	(434)	(454)	(516)	(575)
Profit after tax	1,860	1,709	1,906	2,165	2,373
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,860	1,709	1,906	2,165	2,373
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	1,860	1,709	1,906	2,165	2,373
Per share (THB)					
Recurring EPS *	0.40	0.30	0.34	0.38	0.42
Reported EPS	0.40	0.30	0.34	0.38	0.42
DPS	0.17	0.17	0.19	0.19	0.25
Growth					
Net interest income (%)	(3.0)	2.6	3.9	9.1	9.7
Non interest income (%)	6.8	6.6	6.5	4.7	7.1
Pre provision operating profit (%)	0.2	2.5	5.3	9.1	9.2
Operating profit (%)	(5.7)	(7.8)	10.1	13.6	9.9
Reported net profit (%)	(5.3)	(8.1)	11.5	13.6	9.6
Recurring EPS (%)	(22.6)	(25.0)	11.5	13.6	9.6
Reported EPS (%)	(22.6)	(25.0)	11.5	13.6	9.6
Income Breakdown					
Net interest income (%)	76.7	76.0	75.5	76.3	76.7
Net fees & commission (%)	9.9	11.5	11.4	11.0	10.4
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	13.5	12.6	13.1	12.7	12.9
Operating performance					
Gross interest yield (%)	7.04	7.05	6.90	6.95	7.00
Cost of funds (%)	2.70	2.49	2.45	2.55	2.70
Net interest spread (%)	4.34	4.56	4.45	4.40	4.30
Net interest margin (%)	4.9	5.2	5.1	5.0	4.9
Cost/income(%)	16.8	17.6	17.0	16.2	16.1
Cost/assets(%)	1.1	1.2	1.2	1.1	1.0
Effective tax rate (%)	19.9	20.2	19.3	19.3	19.5
Dividend payout on recurring profit (%)	42.2	56.3	56.0	50.0	60.0
ROE (%)	20.1	15.3	15.9	16.7	17.0
ROE - COE (%)	9.3	4.5	5.1	5.9	6.2
ROA (%)	3.7	3.5	3.7	3.8	3.7
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Ratchthani Leasing; FSSIA estimates

Financial Statements

Ratchthani Leasing

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	47,976	49,396	53,348	59,749	66,919
Total provisions	(1,228)	(1,485)	(1,839)	(1,962)	(2,136)
interest in suspense	0	0	0	0	0
Net customer loans	46,748	47,911	51,509	57,787	64,783
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	1,044	476	712	1,050	1,179
Other interesting assets	-	-	-	-	-
Tangible fixed assets	147	165	200	257	345
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	579	671	511	713	916
Total assets	48,518	49,223	52,932	59,807	67,224
Customer deposits	0	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	36,691	36,512	39,325	45,057	51,462
Non interest bearing liabilities	1,008	1,145	1,202	1,262	1,325
Hybrid Capital	-	-	-	-	-
Total liabilities	37,699	37,657	40,527	46,319	52,787
Share capital	5,663	5,663	5,663	5,663	5,663
Reserves	5,156	5,904	6,742	7,825	8,774
Total equity	10,819	11,567	12,405	13,488	14,437
Minority interests	0	0	0	0	0
Total liabilities & equity	48,518	49,223	52,932	59,807	67,224
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	49,955	48,686	51,372	56,549	63,334
Average interest bearing liabilities	39,439	36,602	37,919	42,191	48,260
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)	1,500	1,863	2,087	2,191	2,410
Per share (THB)					
Book value per share	1.91	2.04	2.19	2.38	2.55
Tangible book value per share	1.91	2.04	2.19	2.38	2.55
Growth					
Gross customer loans	(7.6)	3.0	8.0	12.0	12.0
Average interest earning assets	(0.6)	(2.5)	5.5	10.1	12.0
Total asset (%)	(4.6)	1.5	7.5	13.0	12.4
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	nm	nm	nm	nm	nm
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	22.3	23.5	23.4	22.6	21.5
Tangible equity/assets (%)	22.3	23.5	23.4	22.6	21.5
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	(26.8)	24.2	12.0	5.0	10.0
NPL/gross loans (%)	3.1	3.8	3.9	3.7	3.6
Total provisions/gross loans (%)	2.6	3.0	3.4	2.9	3.2
Total provisions/NPL (%)	81.9	79.7	88.1	89.6	88.6
Valuation					
Recurring P/E (x) *	10.8	14.4	13.0	11.4	10.4
Recurring P/E @ target price (x) *	11.9	15.9	14.3	12.6	11.5
Reported P/E (x)	10.8	14.4	13.0	11.4	10.4
Dividend yield (%)	3.9	3.9	4.3	4.4	5.8
Price/book (x)	2.3	2.1	2.0	1.8	1.7
Price/tangible book (x)	2.3	2.1	2.0	1.8	1.7
Price/tangible book @ target price (x)	2.5	2.4	2.2	2.0	1.9

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Ratchthani Leasing; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

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

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

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

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

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

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

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

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

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAH	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

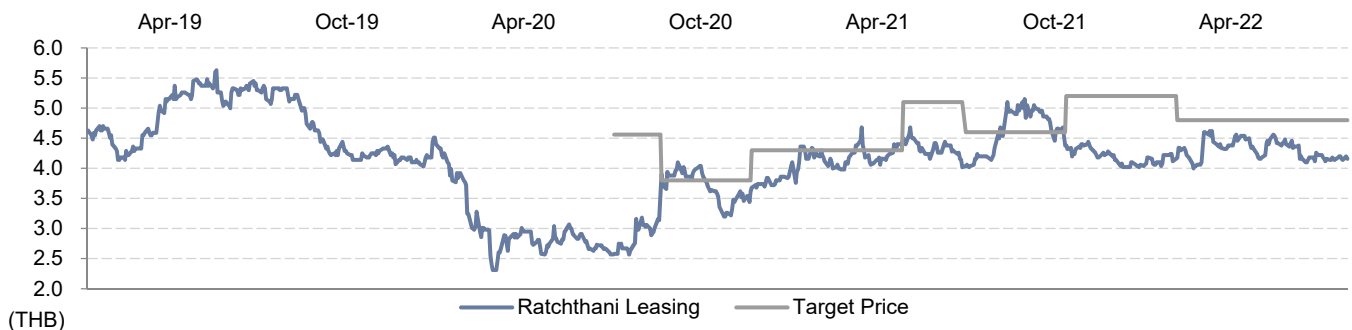
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History of change in investment rating and/or target price

Ratchthani Leasing (THANI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Jul-2020	BUY	4.56	23-Mar-2021	BUY	5.10	15-Nov-2021	BUY	4.80
26-Aug-2020	BUY	3.80	14-May-2021	BUY	4.60			
12-Nov-2020	BUY	4.30	11-Aug-2021	BUY	5.20			

Yuvanart Suwanumphai started covering this stock from 16-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Ratchthani Leasing	THANI TB	THB 4.36	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.

Source: FSSIA estimates

Additional Disclosures

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

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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.