

RATCHTHANI LEASING

THANI TB

THAILAND / DIVERSIFIED FINANCIALS

BUY

UNCHANGED

TARGET PRICE	THB4.80
CLOSE	THB4.30
UP/DOWNSIDE	+11.6%
PRIOR TP	THB4.80
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-2.6%

Healthy growth lies ahead

- 1Q22 earnings slightly beat at THB455m, and asset quality came as positive surprise with a 19% q-q drop in NPLs.
- Expect improving performance in the coming quarters.
- Maintain BUY with GGM-based TP of THB4.8.

1Q22 results beat on better fee income and provisions

THANI reported a 1Q22 net profit of THB455m (+7% y-y, flat q-q), which was slightly higher than our expectation and the Bloomberg consensus estimate by 5% due to higher fee income and lower provisions. Its 1Q22 net profit accounts for 24% of our 2022 net profit forecast.

Stronger loan growth with very healthy asset quality in 1Q22

We saw an improvement in THANI's performance in most items, especially its asset quality. First, its NPLs plummeted by 19% q-q, implying an NPL ratio of 2.99% in 1Q22 from 3.77% in 4Q21, due to its more stringent debt collection process. Also, THANI set a management overlay of THB55m. Thus, its coverage ratio surged to 101%. Second, its loan volume rose 2.5% q-q, with new lending of around THB6.5b. Third, fee income increased moderately due to a rise in insurance brokerage fees. All of these positives were able to completely offset a rise in OPEX due to an increase in legal expenses following an accelerated vehicle confiscation process.

More bullish view on THANI due to strong asset quality

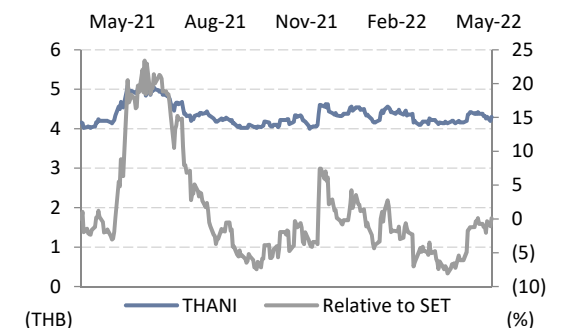
We have a more bullish view on THANI's performance due to its efficient asset quality management. The company was able to increase its coverage ratio to 101% in 1Q22, which was higher than its 2022 target of 85-90%. Therefore, we believe the need for extra provisions to increase its coverage ratio is diminished. Besides, with its healthy asset quality, we think THANI might resume its balance sheet expansion more aggressively. Accordingly, we think its 2Q22 net profit should increase y-y and q-q. We think this trend should continue throughout 2022.

Share price has not reflected improving performance

We reiterate our BUY call with an unchanged TP of THB4.8. We think its share price still has not reflected the improving performance that we expect in the coming quarters, especially 2H22. THANI's valuation is undemanding at 12.8x 2022E P/E and 2.0x 2022E P/BV. On top of that, we believe THANI should be one of the largest beneficiaries of the rising truck demand, especially for new trucks. In 4M22, the total number of registered trucks increased by 6% y-y, with a 13% rise in new trucks and a 1% decline in used trucks.

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 (%)	-	(1.2)	2.7	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)	14.2	12.8	11.2	10.3
Dividend yield (%)	4.0	4.4	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



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	3.9	(2.7)	1.4
Relative to country (%)	7.9	2.1	(0.7)
Mkt cap (USD m)	705		
3m avg. daily turnover (USD m)	2.5		
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 reiterate our BUY call with an unchanged TP of THB4.8. We think its share price still has not reflected the improving performance that we expect in the coming quarters, especially 2H22. On top of that, we believe THANI should be one of the largest beneficiaries of the rising truck demand, especially for new trucks. In 4M22, the total number of registered trucks increased by 6% y-y, with a 13% rise in new trucks and a 1% decline in used trucks.

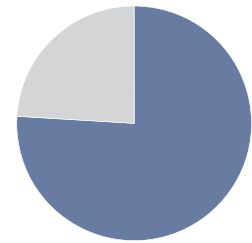
Company profile

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)

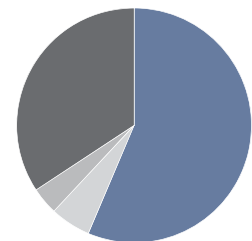
- Net interest income - 76.0 %
- Non-interest income - 24.0 %



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
27 May 2022	Opportunity day
Mid-Aug 2022	2Q22 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

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 with very healthy asset quality in 1Q22

THANI reported a 1Q22 net profit of THB455m (+7% y-y, flat q-q), which was slightly higher than our expectation and the Bloomberg consensus estimate by 5% due to higher fee income and lower provisions. We saw an improvement in THANI's performance in most items, especially its asset quality. First, its NPLs plummeted by 19% q-q, implying an NPL ratio of 2.99% in 1Q22 from 3.77% in 4Q21, due to its more stringent debt collection process. Also, THANI set a management overlay of THB55m. Thus, its coverage ratio surged to 101%, higher than its 2022 target of 85%. Second, its loan volume rose 2.5% q-q, with new lending of around THB6.5b. Third, fee income increased moderately due to a rise in insurance brokerage fees. All of these positives were able to completely offset a rise in OPEX due to an increase in legal expenses following an accelerated vehicle confiscation process.

1Q22 key highlights

- NII increased by 2% y-y and 5% q-q following a rise in its loan volume by 4.5% y-y and 2.5% q-q due to a strong demand for trucks and luxury cars. Also, in Feb-22, THANI started to lend to car dealers, with outstanding loans of THB48m.
- NIM improved to 5.0% from 4.8% in 4Q21 due to a rise in its loan yield and a lower cost of funds.
- Its NPLs went down significantly by 19% y-y, accounting for an NPL ratio of 2.99% vs 3.77% in 4Q21.
- Its credit cost increased to 101 bps from 80 bps in 4Q21 as THANI set a THB55m management overlay to cushion against uncertainties in the future.

Exhibit 1: THANI – 1Q22 results summary

Year-end Dec 31	1Q21	4Q21	1Q22	---- Change ----		2022E	Change	1Q22 comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	
Net interest income	613	596	624	2	5	2,616	4	Strong demand for trucks, especially new trucks
Non-interest income	189	240	239	26	(0)	848	6	
Operating income	803	835	863	8	3	3,464	5	
Operating expenses	141	156	169	20	8	590	1	
PPOP before tax*	661	680	694	5	2	2,874	5	
Expected credit loss	106	109	126	18	16	514	(12)	
Income tax	128	117	113	(12)	(3)	454	5	
Minority interest	0	(0)	0			0		
Normalised profit	427	454	455	7	0	1,906	11	
Extraordinary items	0	0	0			0		
Net profit	427	454	455	7	0	1,906	11	Beat BBG consensus by 5%
EPS (THB)	0.08	0.08	0.08	7	0	0.34	11	
Asset quality ratio	(%)	(%)	(%)			(%)		
NPLs (THB m)	1,563	1,863	1,514	(3)	(19)	2,087	12	
NPLs / Loans	3.22	3.77	2.99			3.91		
Loan loss reserve/NPLs	79	80	101			88		
Credit cost (bps)	88	88	101			100		
Profitability ratio	(%)	(%)	(%)			(%)		
Cost to income ratio	17.6	18.6	19.6			17.0		
Average yield	7.0	6.7	6.7			6.9		
Cost of fund	2.5	2.4	2.4			2.5		
Net interest margin (NIM)	5.1	4.8	5.0			5.1		
Non-int income / total income	23.6	28.7	27.7			24.5		
Loan growth	(%)	(%)	(%)			(%)		
y-y	(6.2)	3.0	4.5			8.0		
q-q	1.0	0.6	2.5					

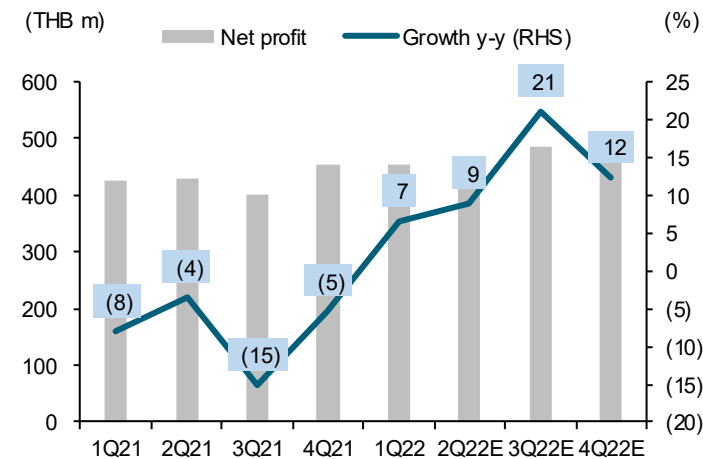
*Excluding share of profits from associates

Sources: THANI; FSSIA estimates

Brighter earnings growth momentum lies ahead

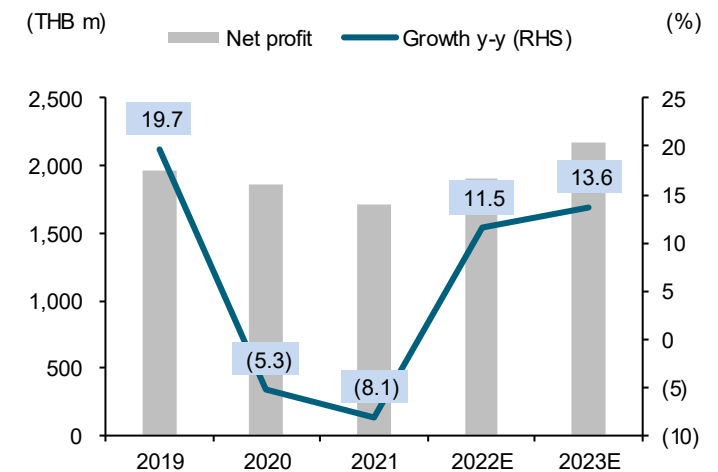
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Exhibit 2: Quarterly net profit growth



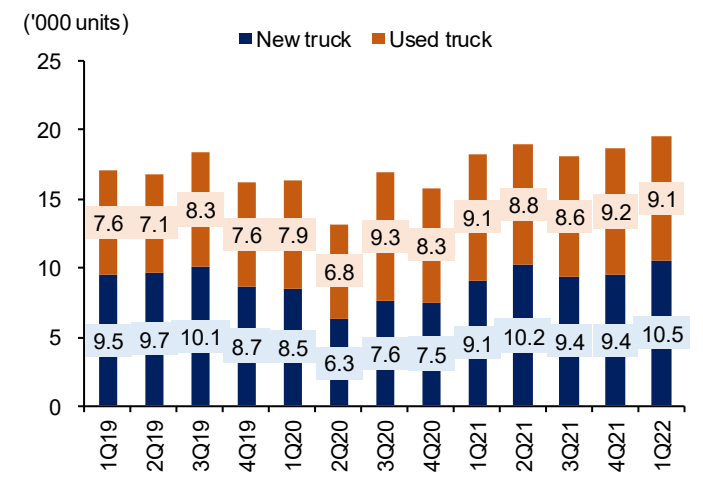
Sources: THANI; FSSIA estimates

Exhibit 3: Yearly net profit growth



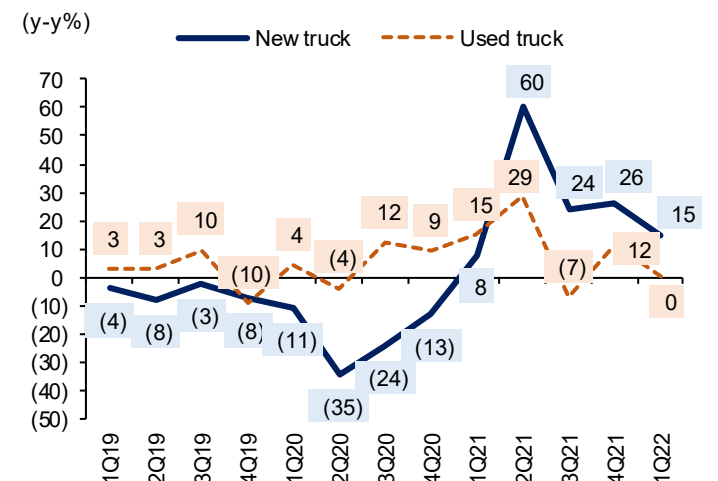
Sources: THANI; FSSIA estimates

Exhibit 4: The number of new registered trucks and used registered trucks



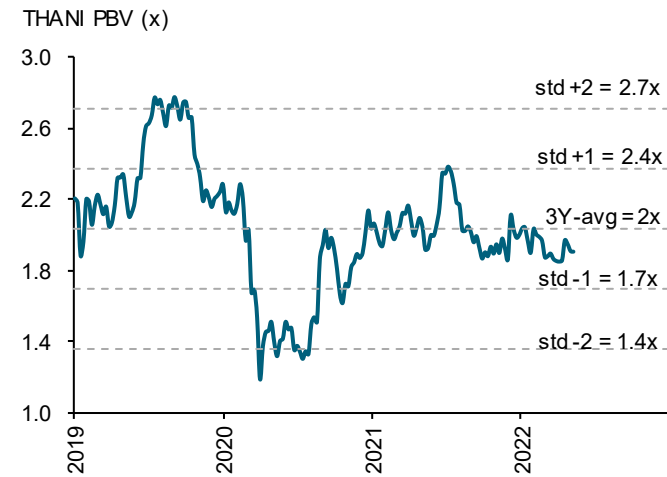
Sources: Department of Land Transport (DLT); FSSIA's compilation

Exhibit 5: The increase in new registered trucks has outpaced registered used trucks since 2Q21



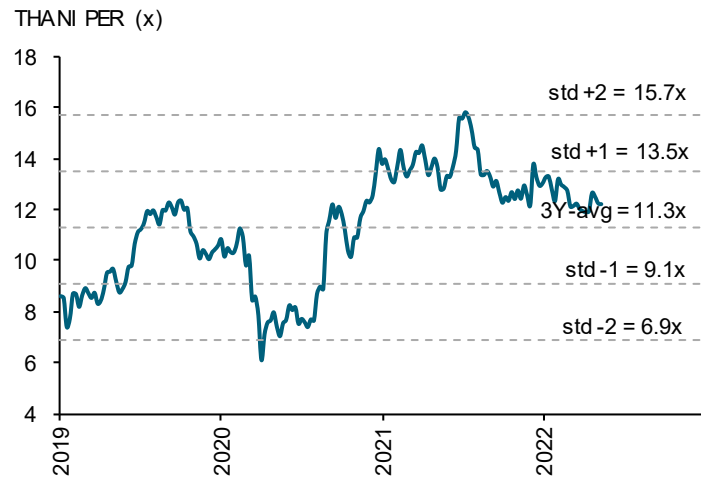
Sources: DLT; FSSIA's compilation

Exhibit 6: THANI – prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 7: THANI – prospective P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 8: Key valuations of diversified financials 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						22,567	16.7	22.0	23.4	18.6	16.2	16.9	3.3	2.9
Unsecured-loan lender						5,664	15.0	9.0	18.8	17.3	23.3	22.1	4.2	3.6
Aeon Thana Sinsap (Thailand)	AEONTS TB	HOLD	184.50	204.00	11	1,335	27.1	7.4	10.2	9.5	21.0	19.5	2.0	1.7
Krungthai Card	KTC TB	REDUCE	58.00	52.00	(10)	4,329	11.2	9.5	21.5	19.6	24.1	22.9	4.8	4.2
Auto-title lender						8,026	14.2	23.0	18.8	15.2	18.1	19.3	3.1	2.7
Muangthai Capital	MTC TB	BUY	45.75	55.00	20	2,807	9.3	25.5	17.9	14.3	19.9	21.0	3.3	2.8
Srisawad Corp	SAWAD TB	BUY	51.00	68.00	33	2,027	10.0	20.5	13.8	11.5	19.3	21.1	2.6	2.3
Saksiam Leasing	SAK TB	BUY	8.45	12.00	42	513	38.5	25.9	21.0	16.7	16.2	18.1	3.2	2.8
Ngern Tid Lor	TIDLOR TB	BUY	35.25	43.00	22	2,548	18.6	20.1	21.1	17.6	16.1	16.9	3.2	2.8
Truck lender						2,154	12.1	27.3	27.0	20.7	11.1	12.9	2.5	2.4
Micro Leasing	MICRO TB	BUY	6.80	10.70	57	184	45.1	26.8	23.4	18.4	13.2	15.0	3.0	2.6
Singer Thailand *	SINGER TB	BUY	53.50	74.00	38	1,265	7.7	35.1	35.5	26.3	8.1	10.5	2.8	2.7
Ratchthani Leasing	THANI TB	BUY	4.30	4.80	12	705	11.5	13.6	12.8	11.2	15.9	16.7	2.0	1.8
Asset management						5,328	27.8	36.0	37.2	27.0	9.8	11.7	3.6	3.1
Bangkok Commercial Asset Mngt.	BAM TB	BUY	18.30	25.50	39	1,712	23.2	26.6	18.5	14.6	7.5	8.6	1.4	1.2
Chayo Group	CHAYO TB	BUY	12.40	16.60	34	375	44.4	17.2	37.4	31.9	10.6	9.4	3.3	2.6
JMT Network Services	JMT TB	BUY	78.00	80.00	3	3,240	28.3	43.1	47.1	32.9	11.0	13.6	4.8	4.2
Knight Club Capital Asset Mngt.	KCC TB	BUY	7.25	5.10	(30)	130	3.0	51.5	61.7	40.7	7.9	8.6	3.8	3.2
Other						1,207	4.1	8.5	7.6	7.0	8.0	8.2	0.6	0.6
Thanachart Capital	TCAP TB	HOLD	39.75	42.00	6	1,207	4.1	8.5	7.6	7.0	8.0	8.2	0.6	0.6
Hire purchase motorcycle						190	1.3	(2.6)	20.9	21.4	11.3	8.6	2.0	1.7
Next Capital	NCAP TB	BUY	7.30	10.30	41	190	1.3	(2.6)	20.9	21.4	11.3	8.6	2.0	1.7

Share prices as of 10 May 2022

* SINGER's target price is 2023 GGM-based

Source: 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) *	10.7	14.2	12.8	11.2	10.3
Recurring P/E @ target price (x) *	11.9	15.9	14.3	12.6	11.5
Reported P/E (x)	10.7	14.2	12.8	11.2	10.3
Dividend yield (%)	4.0	4.0	4.4	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	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**

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
Ratchthani Leasing	THANI TB	THB 4.30	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.
Muangthai Capital	MTC TB	THB 45.75	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.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 184.50	HOLD	Downside risks to our GGM-derived TP include 1) intense competition; 2) regulatory actions to curb industry growth; and 3) deteriorating asset quality. The upside risk is stronger-than-expected asset quality.
Krungthai Card	KTC TB	THB 58.00	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.
Srisawad Corp	SAWAD TB	THB 51.00	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Saksiam Leasing	SAK TB	THB 8.45	BUY	Downside risks to our GGM-derived TP include 1) competition from existing and new players; 2) regulatory changes by the Bank of Thailand (BoT); and 3) a slower-than-expected reduction in its cost of funds due to a shift toward more long-term loans.
Ngern Tid Lor	TIDLOR TB	THB 35.25	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 6.80	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 53.50	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.
Bangkok Commercial Asset Mngt.	BAM TB	THB 18.30	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 12.40	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 78.00	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.
Knight Club Capital Asset Management	KCC TB	THB 7.25	BUY	Downside risks to our GGM-based TP include 1) lower cash collection due to the slow economic recovery; and 2) lower-than-expected bad debt acquisition.
Thanachart Capital	TCAP TB	THB 39.75	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 7.30	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

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All share prices are as at market close on 10-May-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.