

MICRO LEASING MICRO TB

THAILAND / DIVERSIFIED FINANCIALS

BUY

UNCHANGED

การเติบโตในอัตราเร่งในช่วง 2H22

- กำไรสุทธิ 1Q22 โตต่ำโดยอยู่ที่ 52 ลบ. ตามคาด เนื่องจากสำรองที่อยู่ในระดับสูงกักเซาะสินเชื่อที่โตดี
- คาดกำไรสุทธิจะโตดีขึ้นในไตรมาสถัด ๆ ไปโดยเฉพาะอย่างยิ่งในช่วง 2H22
- คงแนะนำซื้อที่ราคาเป้าหมายปี 2022 ที่ 10.7 บาท (GGM)

TARGET PRICE	THB10.70
CLOSE	THB6.65
UP/DOWNSIDE	+60.9%
PRIOR TP	THB10.70
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-3.3%

ผลประกอบการ 1Q22 ออกมาตามคาด

MICRO รายงานกำไรสุทธิ 1Q22 ในระดับต่ำที่ 52 ลบ. (+1% y-y, +17% q-q) กำไรดังกล่าวใกล้เคียงกับประมาณการของตลาดและของเราและคิดเป็น 19% ของประมาณการกำไรสุทธิในปี 2022 ของเรา

สำรองที่อยู่ในระดับสูงบดบังสินเชื่อที่โตดีใน 1Q22

ผลประกอบการของ MICRO ใน 1Q22 มีทั้งดีและเสีย ในด้านดีบริษัท สามารถแย่งส่วนแบ่งตลาดจากผู้ประกอบการท้องถิ่นได้อย่างต่อเนื่อง โดยมีส่วนแบ่งสินเชื่อใหม่ในตลาดรถบรรทุกมือสองเพิ่มขึ้น 10% จาก 8.9% ใน 2021 ซึ่งทำให้ปริมาณสินเชื่อเพิ่ม 46% y-y และ 9% q-q นอกจากนี้รายได้ค่าธรรมเนียมยังเพิ่มตามปริมาณสินเชื่อที่สูงขึ้น อย่างไรก็ตามปัจจัยบวกดังกล่าวกลับถูกจุดรั้งโดยผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้นที่ปรับตัวสูงขึ้น เนื่องจากหนี้ด้อยคุณภาพเพิ่ม 21% q-q คิดเป็นสัดส่วนหนี้ด้อยคุณภาพที่ 3.9% เพิ่มขึ้นจาก 3.5% ใน 4Q21 ส่วนมากมาจากการสิ้นสุดของโครงการพักชำระหนี้ นอกจากนี้ MICRO ยังต้องเร่งกระบวนการตัดจำหน่ายหนี้เพื่อรับประโยชน์ทางภาษีมาตั้งแต่ 2Q21 จากการเปลี่ยนแปลงกฎหมายที่เกี่ยวข้องกับเกณฑ์ในการตัดจำหน่ายหนี้ด้อยคุณภาพ ปัจจุบันดังกล่าวทำให้ต้นทุนความเสี่ยงในการปล่อยสินเชื่อเพิ่มขึ้น 397 bps จาก 285 bps ใน 1Q21

คาดการณ์กำไรสุทธิจะโตดีขึ้นในไตรมาสถัด ๆ ไป

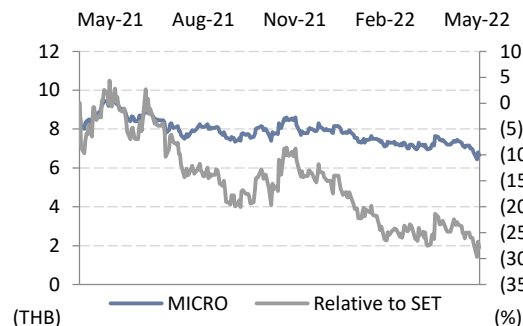
เราคาดว่ากำไรสุทธิของ MICRO ใน 2Q22 จะเพิ่มเล็กน้อย y-y และ q-q จากสินเชื่อที่โตดี เราเชื่อว่าบริษัท น่าจะพยายามแย่งส่วนแบ่งตลาดจากผู้ประกอบการท้องถิ่นอย่างต่อเนื่องผ่านการขยายสาขาและความสัมพันธ์ที่ดีกับผู้จัดการจำหน่ายรถยนต์ กำไรสุทธิน่าจะโตอย่างโดดเด่นในช่วง 2H22 ตามการขยายสินเชื่อและหนี้เสียรับคืนที่เพิ่มขึ้น เราคิดว่าผลประกอบการของ MICRO ได้รับผลกระทบจากสำรองที่เพิ่มขึ้นจากกระบวนการตัดจำหน่ายหนี้ที่เร็วขึ้นและเห็นว่า MICRO น่าจะรับรู้กำไรใน 3Q22 จากหนี้เสียรับคืนที่สูงขึ้น

คงแนะนำซื้อที่ราคาเป้าหมายปี 2022 ที่ 10.7 บาท (GGM)

แม้ว่ากำไรสุทธิของ MICRO จะอยู่ในระดับที่ไม่น่าสนใจในระยะสั้น เรายังคงมุมมองเชิงบวกที่ราคาเป้าหมายปี 2022 ที่ 10.7 บาท (GGM) เราคิดว่ากำไรสุทธิน่าจะปรับตัวสูงขึ้นในช่วง 2H22 MICRO ยังขยายสาขาและสร้างสัมพันธ์ที่ดีกับผู้จัดการจำหน่ายอย่างต่อเนื่อง เราเชื่อว่าบริษัท จะได้ส่วนแบ่งตลาดเพิ่มขึ้นจากคู่แข่งในระดับท้องถิ่นและคาดว่ากำไรสุทธิของ MICRO จะโตในอัตรา 29% CAGR ในช่วง 3 ปีนับตั้งแต่ปี 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 (%)	-	7.4	3.4	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)	33.2	22.9	18.0	15.4
Dividend yield (%)	1.2	0.9	1.1	1.9
Price/book (x)	3.2	2.9	2.6	2.3
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 (%)	(8.3)	(10.1)	(29.6)
Relative to country (%)	(4.6)	(5.4)	(31.1)
Mkt cap (USD m)	180		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	21		
Major shareholder	Auchyawat Family (57%)		
12m high/low (THB)	9.90/6.40		
Issued shares (m)	935		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 12 พฤษภาคม 2022

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.

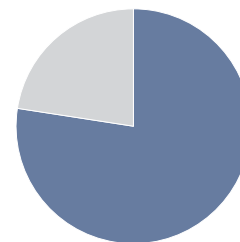
Company profile

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)

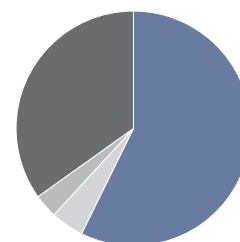
- Net interest income - 77.4 %
- Non-interest income - 22.6 %



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-Aug 2022	2Q22 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		
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 1Q22 net profit growth as expected

MICRO reported an unimpressive 1Q22 net profit of THB52m (+1% y-y, +17% q-q), which was in line with the Bloomberg forecast and ours. MICRO's 1Q22 performance was a mixed bag. On the positive side, the company continued to compete for market share with local operators, gaining a 10% share of new lending in the used truck market in 1Q22, up from 8.9% in 2021. As a result, its loan volume surged by 46% y-y and 9% q-q. Moreover, its fee income rose following a surge in its loan volume. As for the negative side, its NPLs increased 21% q-q, implying an NPL ratio of 3.9%, up from 3.5% in 4Q21, due mainly to the end of the forbearance program. On top of that, 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 resulted in an increase in its credit cost to 397 bps in 1Q22 vs 285 bps in 1Q21.

1Q22 key highlights

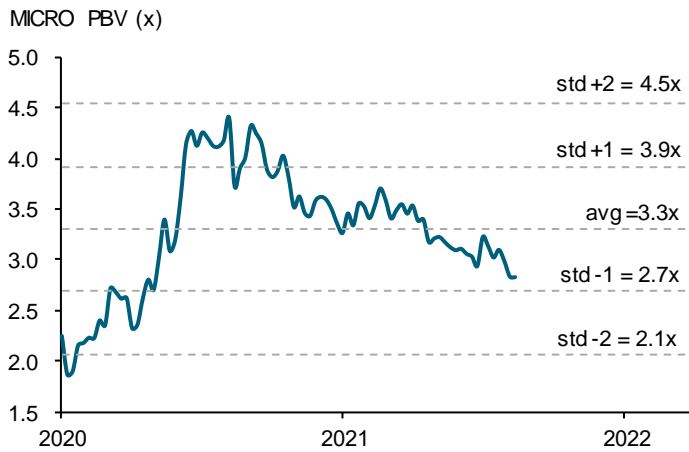
- MICRO posted outstanding loan growth of 46% y-y and 9% q-q due to gaining more market share from local competitors following its branch expansion and IT implementation.
- Its NIM declined to 12.9% from 13.8% in 4Q21 as the company lent more towards newer truck models, which command a lower yield than older trucks.

Exhibit 1: MICRO – 1Q22 results summary

Year-end Dec 31	1Q21 (THB m)	4Q21 (THB m)	1Q22 (THB m)	----- Change ----- (y-y%) (q-q%)		2021 (THB m)	2022E (THB m)	Change (y-y %)	1Q22 comments
Net interest income	97	124	128	31	3	441	587	33	
Non-interest income	29	29	37	27	28	128	165	28	Higher fee income following a rise in loan volume
Operating income	127	153	165	30	8	569	752	32	
Operating expenses	43	50	60	37	19	186	229	23	
PPOP before tax	83	103	105	26	2	383	523	36	
Provision	19	47	39	105	(16)	156	183	18	Accelerated its write-off process to receive tax benefits and increase NPLs
Income tax	13	12	14	10	15	40	68	70	
Minority interest	0	0	0			0	0		
Normalised profit	51	44	52	1	17	187	272	45	
Extraordinary items	0	0	0			0	0		
Net profit	51	44	52	1	17	187	272	45	In line with BBG consensus
EPS (THB)	0.05	0.05	0.06	1	17	0.20	0.29	45	
Asset quality ratio									
Gross NPLs (THB m)	103	132	159	54	21	132	177	34	
NPL ratios (%)	3.64	3.47	3.85			3.47	3.58		
LLR/NPLs (%)	108	123	109			123	115		
Credit cost (bp)	285	520	397			491	419		
Profitability ratio (%)									
Cost to income ratio	34.3	32.7	36.2			32.7	30.5		
Average yield	16.0	16.4	15.6			15.9	15.8		
Cost of fund	4.4	5.2	5.2			7.4	5.5		
Net interest margin (NIM)	14.5	13.8	12.9			13.9	13.4		
Non-int inc/total income	23.2	19.0	22.6			22.6	21.9		
Loan growth (%)									
y-y	34.6	49.3	45.6			49.3	30.0		
q-q	11.6	12.1	8.8						Gained more market share from local operators

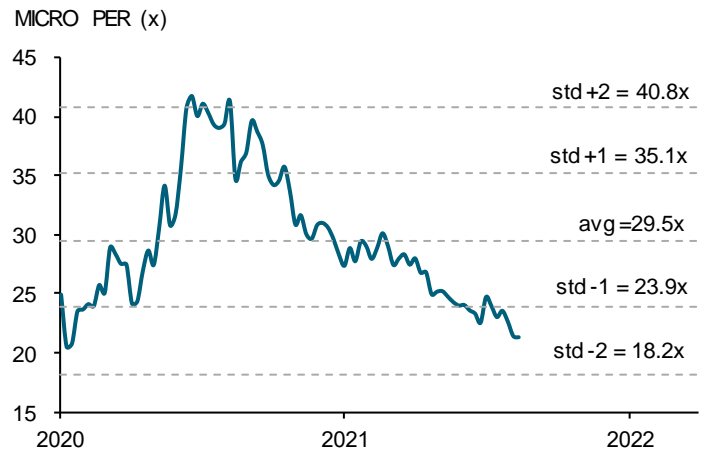
Sources: MICRO; FSSIA estimates

Exhibit 2: MICRO – prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 3: MICRO – prospective P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 4: Key valuations of diversified financials under coverage

	BBG code	Rec	---Share price ---		Up	Market	EPS growth		---- P/E ----		--- ROE ---		--- PBV ---	
			Current	Target	side	Cap	22E	23E	22E	23E	22E	23E	22E	23E
			(THB)	(THB)	(%)	(USD m)	(%)	(%)	(x)	(x)	(%)	(%)	(x)	(x)
Diversified financials						22,093	16.7	21.8	22.6	18.1	16.3	17.0	3.2	2.8
Unsecured-loan lender						5,670	15.0	9.0	18.9	17.3	23.4	22.1	4.2	3.7
Aeon Thana Sinsap (Thailand)	AEONTS TB	HOLD	184.50	204.00	11	1,332	27.1	7.4	10.2	9.5	21.0	19.5	2.0	1.7
Krungthai Card	KTC TB	REDUCE	58.25	52.00	(11)	4,338	11.2	9.5	21.6	19.7	24.1	22.9	4.9	4.2
Auto-title lender						7,889	14.2	22.9	18.5	15.0	18.1	19.3	3.0	2.6
Muangthai Capital	MTC TB	BUY	44.50	55.00	24	2,725	9.3	25.5	17.5	13.9	19.9	21.0	3.2	2.7
Srisawad Corp	SAWAD TB	BUY	50.25	68.00	35	1,993	10.0	20.5	13.6	11.3	19.3	21.1	2.5	2.3
Saksiam Leasing	SAK TB	BUY	8.35	12.00	44	505	38.5	25.9	20.8	16.5	16.2	18.1	3.2	2.8
Ngern Tid Lor	TIDLOR TB	BUY	35.25	43.00	22	2,543	18.6	20.1	21.1	17.6	16.1	16.9	3.2	2.8
Knight Club Capital Asset Mngt.	KCC TB	BUY	6.90	5.10	(26)	124	3.0	51.5	58.8	38.8	7.9	8.6	3.6	3.1
Truck lender						2,092	12.1	27.4	26.5	20.3	11.0	12.9	2.5	2.3
Micro Leasing	MICRO TB	BUY	6.65	10.70	61	180	45.1	26.8	22.9	18.0	13.2	15.0	2.9	2.6
Singer Thailand	SINGER TB	BUY	52.50	74.00	41	1,239	7.7	35.1	34.8	25.8	8.1	10.5	2.8	2.6
Ratchthani Leasing	THANI TB	BUY	4.12	4.80	17	674	11.5	13.6	12.2	10.8	15.9	16.7	1.9	1.7
Asset management						5,080	27.7	35.7	34.9	25.3	9.8	11.6	3.3	2.9
Bangkok Commercial Asset Mngt.	BAM TB	BUY	18.20	25.50	40	1,699	23.2	26.6	18.4	14.5	7.5	8.6	1.4	1.2
Chayo Group	CHAYO TB	BUY	12.10	16.60	37	365	44.4	17.2	36.5	31.1	10.6	9.4	3.2	2.5
JMT Network Services	JMT TB	BUY	72.75	80.00	10	3,015	28.3	43.1	44.0	30.7	11.0	13.6	4.5	3.9
Other						1,181	4.1	8.5	7.4	6.8	8.0	8.2	0.6	0.5
Thanachart Capital	TCAP TB	HOLD	39.00	42.00	8	1,181	4.1	8.5	7.4	6.8	8.0	8.2	0.6	0.5
Hire purchase motorcycle						181	1.3	(2.6)	19.9	20.4	11.3	8.6	1.9	1.6
Next Capital	NCAP TB	BUY	6.95	10.30	48	181	1.3	(2.6)	19.9	20.4	11.3	8.6	1.9	1.6

Share prices as of 11 May 2022

* SINGER's target price is 2023 GGM-based TP

Source: FSSIA estimates

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) *	37.6	33.2	22.9	18.0	15.4
Recurring P/E @ target price (x) *	60.5	53.4	36.8	29.0	24.8
Reported P/E (x)	37.6	33.2	22.9	18.0	15.4
Dividend yield (%)	1.0	1.2	0.9	1.1	1.9
Price/book (x)	2.8	3.2	2.9	2.6	2.3
Price/tangible book (x)	2.8	3.2	2.9	2.6	2.3
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	ICHI	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	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		
VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIIK	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	HL	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	AMANA	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	SEAOL	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
Micro Leasing	MICRO TB	THB 6.65	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.
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.
Krunghthai Card	KTC TB	THB 58.25	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 44.50	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Srisawad Corp	SAWAD TB	THB 50.25	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 8.35	BUY	Downside risks to our GGM-derived TP include 1) competition from existing and new players; 2) regulatory changes by the Bank of Thailand (BoT); and 3) a slower-than-expected reduction in its cost of funds due to a shift toward more long-term loans.
Ngern Tid Lor	TIDLOR TB	THB 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.
Singer Thailand	SINGER TB	THB 52.50	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.
Ratchthani Leasing	THANI TB	THB 4.12	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 18.20	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 12.10	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 72.75	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 39.00	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 6.95	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 11-May-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE**Stock ratings**

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.