

CHAYO GROUP CHAYO TB

THAILAND / ASSET MANAGEMENT COMPANIES

BUY

UNCHANGED

Solid start, with more to come

- Record high 1Q22 NP of THB73m from solid AMC and lending.
- Expect stronger NP growth in 2Q22, with potential for bank JV(s).
- Maintain BUY with our 2022 GGM-based TP of THB16.6.

TARGET PRICE	THB16.60
CLOSE	THB11.60
UP/DOWNSIDE	+43.1%
PRIOR TP	THB16.60
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-6.3%

Record high 1Q22 net profit as expected

CHAYO posted a record high 1Q22 net profit of THB73m (+12% y-y, +49% q-q), with solid performance all around, including asset management (AMC) and lending. The company continued to increase its NPL portfolio, especially unsecured NPLs, which provided more stable and recurring cash collection. Also, the company was able to sell some medium-value NPAs for a total value of cTHB90m. Accordingly, its cash collection was strong at THB157m (+38% y-y, +20% q-q). Regarding its lending business, the loan portfolio rose to THB383m in 1Q22 vs THB339m in 4Q21, raising its interest income to THB13m from THB7m in 4Q21. Regarding its reported NPL acquisitions in 1Q22, CHAYO's total investment cost was THB29m.

Solid performance should continue in 2Q22

In 2Q22, we expect CHAYO's net profit (excluding gains from the settlement of big-plot NPLs) to increase y-y and q-q. According to CHAYO, the company sees a limited impact from high inflation on the debt repayment ability of its clients and expects cash collection to continue to increase. Regarding the THB900m NPL settlement, CHAYO might book the profit in 2Q or 3Q22 depending on the cash settlement date. We expect a net-of-tax profit from this deal of cTHB200m.

Potential for new JV AMC with a bank(s) in 2H22

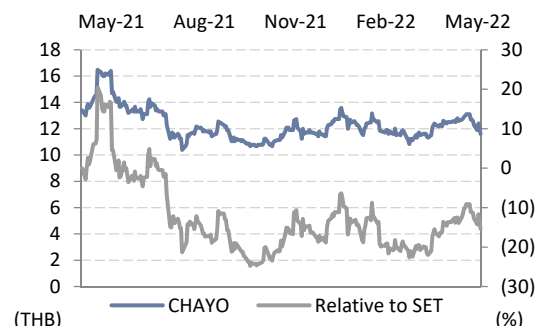
According to management, CHAYO is experimenting with debt collection for a bank(s), and there is a good chance that one or more banks will sign a JV AMC agreement with CHAYO to manage unsecured NPLs. The company expects the deal(s) to be completed within 2H22. Based on our assumptions, we expect that for every THB500m invested in unsecured NPL purchases, there should be a minor reduction in CHAYO's 2022 net profit. Therefore, we see a 2-10% upside to our forecasts for 2023-24.

Maintain BUY with our 2022 GGM-based TP of THB16.6

We increase our 2022 net profit forecast by 52% to reflect the settlement of THB900m in big-plot NPLs and maintain our 2023-24 net profit projections. We also maintain our BUY call with our 2022 GGM-based TP of THB16.6 as we are convinced that CHAYO's performance remains robust, with a 37% three-year CAGR from 2021-24 in its net profit outlook thanks to its hybrid portfolio of NPLs and smaller asset size than its peers, which gives it greater operational flexibility.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	268	657	574	777
Net profit	219	533	453	565
EPS (THB)	0.23	0.45	0.38	0.47
vs Consensus (%)	-	5.9	(6.6)	(39.0)
Core net profit	219	533	453	565
Core EPS (THB)	0.23	0.45	0.38	0.47
Chg. In EPS est. (%)	-	52.0	-	-
EPS growth (%)	3.5	96.6	(14.9)	24.6
Core P/E (x)	51.0	25.9	30.5	24.4
Dividend yield (%)	0.0	0.0	0.0	0.0
Price/book (x)	4.3	3.2	2.4	2.2
ROE (%)	11.8	15.5	8.9	9.2
ROA (%)	5.6	9.3	6.7	8.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.2)	(1.7)	(14.6)
Relative to country (%)	(1.9)	5.4	(15.3)
Mkt cap (USD m)	350		
3m avg. daily turnover (USD m)	2.1		
Free float (%)	21		
Major shareholder	Yasasin Family (37%)		
12m high/low (THB)	17.04/10.30		
Issued shares (m)	979		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

CHAYO is the smallest asset management company (AMC), in terms of assets, among the AMCs under our coverage. However, the small asset size doesn't diminish the attractiveness of the company, in our view, as we believe its small asset size allows CHAYO greater operational agility. Furthermore, its unique and well-balanced hybrid portfolio that includes unsecured and secured distressed assets should provide sustainable growth for CHAYO in both the short and long term.

We are convinced that CHAYO's performance remains robust, with a 37% three-year CAGR from 2021-24 in its net profit outlook thanks to its well-balanced hybrid portfolio of secured and unsecured NPLs and a smaller asset size than its peers, giving it greater operational flexibility.

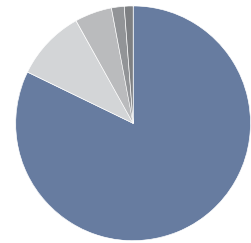
Company profile

CHAYO provides services related to debt collection, managing non-performing assets from purchases, transferring secured and non-secured non-performing assets from financial institutions and credit facility companies, providing call centre services, loans, and selling goods and/or providing services.

www.chayo555.com

Principal activities (revenue, 2021)

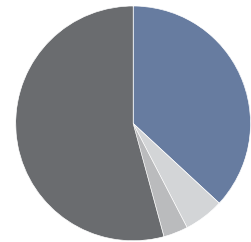
- NPLs management - 82.2 %
- NPAs management - 9.7 %
- Debt collection - 5.1 %
- Loan business - 1.7 %
- Other income - 1.2 %



Source: Chayo Group

Major shareholders

- Yasasin Family - 36.9 %
- Sereewattana Family - 5.5 %
- Rithnarong Boonmeechot - 3.4 %
- Others - 54.2 %



Source: Chayo Group

Catalysts

Potential catalysts to drive CHAYO's share price include:

- 1) The significant purchase of non-performing loans (NPLs);
- 2) The sale of big-value assets in the range of THB100m-150m;
- 3) 3) AMC JVs with banks.

Risks to our call

Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses.

Event calendar

Date	Event
Mid-Aug 2022	2Q22 results announcement

Key assumptions

	2022E (THB m)	2023E (THB m)	2024E (THB m)
Norm profit (THB m)	533	453	565
<i>Norm profit growth (%)</i>	143	(15)	25
Cash collection (THB m)	997	896	995
<i>Cash collection ratio (%)</i>	28.0	19.8	19.1
NPL and NPA purchases (THB m)	1,559	796	872
<i>NPL and NPA purchase growth (%)</i>	20	(49)	10
Cost to income (%)	26.4	32.0	29.2

Source: FSSIA estimates

Earnings sensitivity

		----- 2022E -----		
Cash collection ratio	±50bp	27.5	28.0	28.5
<i>% change in net profit</i>		(3.9)	-	3.9
Cost to income	±1ppt	25.4	26.4	27.4
<i>% change in net profit</i>		3.0	-	(3.0)

Source: FSSIA estimates

Record high 1Q22 net profit as expected

CHAYO posted a record high 1Q22 net profit of THB73m (+12% y-y, +49% q-q), which was in line with the Bloomberg consensus estimate. There was solid performance in all businesses, including asset management (AMC) and lending. As for its AMC business, the company continuously increased its NPL portfolio, especially unsecured NPLs, which provided more stable and recurring cash collection. Also, the company was able to sell some medium-value NPAs with a total value of cTHB90m. The pre-tax profit from the NPA side was THB16m. Cash collection was strong at THB157m (+38% y-y, +20% q-q). Regarding its lending business (c5% of total revenue), its loan portfolio rose to THB383m in 1Q22 vs THB336m in 4Q21. Thus, its interest income increased to THB13m from THB7m in 4Q21. Regarding its reported NPL acquisitions in 1Q22, CHAYO purchased only secured NPLs for a total investment cost of THB29m. Its 2022 total NPL acquisition target (CHAYO and CHAYO JV) is THB3b. The company will purchase NPLs more aggressively for the rest of the year, according to management.

Exhibit 1: CHAYO – 1Q22 earnings summary

	1Q21	4Q21	1Q22	----- Change -----		2021	2022E	Change	1Q22 comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(THB m)	(y-y%)	
Interest income									
- Interest income from NPLs	162	174	201	24	16	642	1,088	70	
- Interest income from loan	2	7	13	430	97	14	59	332	Higher NII from the surge in its loan portfolio
Total interest income	165	180	214	30	19	655	1,147	75	
Interest expense	26	37	24	(8)	(36)	113	96	(15)	
Net interest income	139	143	190	37	33	543	1,051	94	
Non-interest income									
- Gain on properties for sale	0	13	16	nm	22	76	94	23	Strong NPA sales
- Service income from debt collection	12	9	8	(33)	(9)	40	36	(10)	
- Others	3	28	1	(61)	(96)	34	36	6	
Total non-interest income	15	50	25	72	(49)	150	166	11	
Total operating income	154	193	215	40	12	693	1,217	76	
Operating expenses	51	86	74	46	(13)	247	322	30	
Pre-provision operating profit	103	107	141	37	32	446	895	101	
Expected credit loss	21	45	42	96	(7)	178	238	34	
Operating profit	81	62	99	22	59	268	657	145	
Income tax expenses	17	11	23	39	100	46	118	159	
Profit before minority interests	65	51	76	17	50	222	539	143	
Minority	0	2	4	738	70	3	6		
Normalised profit	64	49	73	12	49	219	533	143	
Extra items	0	0	0	nm	nm	0	0		
Net profit	64	49	73	12	49	219	533	143	In line with the BBG consensus estimate
Key financial highlights									
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(THB m)	(y-y %)	
Gross NPL (THB m)	1,531	2,569	2,586	69	1	2,569	3,780	47	
Gross NPA (THB m)	333	333	270	(19)	(19)	333	449	35	
NPL & NPA purchase (THB m)	109	783	29	(73)	(96)	1,295	1,559	20	
NPL & NPA cash collection (THB m)	114	131	157	38	20	514	997	94	
Cash collection/NPL & NPA (%)	25.2	20.6	21.9			22.1	28.0	6	
Key financial ratios									
	(x)	(x)	(x)			(x)	(x)		
Liabilities/equity (x)	0.9	0.5	0.5			0.5	0.3		
Interest-bearing debt/equity (x)	0.7	0.3	0.4			0.4	0.2		
ROA (%)	8.4	3.9	5.6			5.5	9.2		
ROE (%)	17.9	7.7	10.9			11.8	15.5		
Cost of funds (%)	7.5	14.9	7.8			7.4	7.3		
Cost to income (%)	33.1	44.5	34.5			35.7	26.4		

Sources: CHAYO; FSSIA's estimates

Increase in 2022E net profit to reflect big-plot NPL settlement

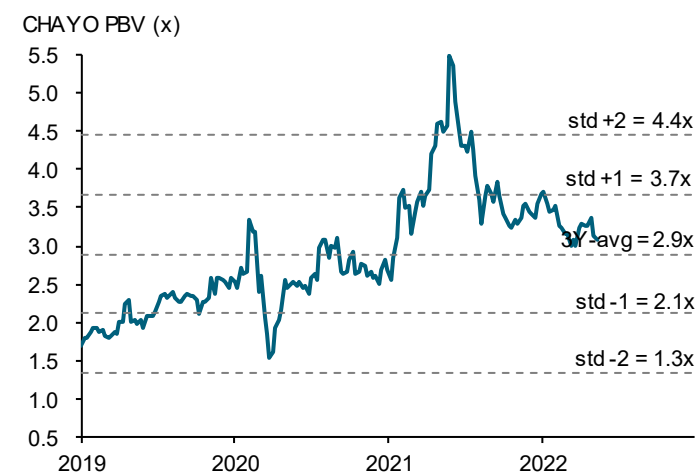
We increase our 2022 net profit forecast by 52% to reflect the sale of the big-plot NPL settlement. We maintain our 2023-24 net profit projections, with slight fine-tuning for some details. We also maintain our 2022 GGM-based TP of THB16.6 as the adjustment in 2022E net profit has an insignificant impact on CHAYO's book value.

Exhibit 2: Changes in key assumptions

	2022E			2023E			2024E		
	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Interest income	874	1,147	31.2	1,078	1,084	0.6	1,356	1,341	(1)
Interest expense	98	96	(1.4)	62	62	(1.3)	91	62	(32)
Net interest income	776	1,051	35.3	1,016	1,023	0.7	1,265	1,279	1
Non-interest income	178	166	(6.6)	184	184	(0.1)	109	173	60
Total operating income	954	1,217	27.5	1,199	1,206	0.6	1,374	1,452	6
Operating expense	334	322	(3.7)	401	386	(3.7)	440	425	(4)
Pre-operating profit before tax	620	895	44.3	798	820	2.7	934	1,028	10
Expected credit loss	175	238	36.3	222	247	11.3	228	251	10
Taxes expenses	89	118	32.7	111	108	(2.9)	141	141	(0)
Minority interest	6	6		13	13		0	71	
Norm. profit	351	533	52.0	453	453	(0.0)	565	565	0
Extraordinary items	0	0		0	0		0	0	
Net profit	351	533	52.0	453	453	(0.0)	565	565	0
EPS (THB)	0.29	0.45	52.0	0.38	0.38	(0.0)	0.47	0.47	0
Key statistic and ratio									
Leverage ratios (x)									
Liabilities / equity	0.27	0.26		0.10	0.10		0.23	0.22	
Interest-bearing debt / equity	0.24	0.23		0.07	0.07		0.21	0.18	
Profitability ratio (%)									
Cost of funds	7.40	7.30		7.60	7.50		8.00	7.50	
Cost to income	35.0	26.4		33.4	32.0		32.0	29.2	
Specific data for business									
NPL and NPA purchases (THB m)	1,559	1,559	-	796	796	-	872	872	-0.07
NPL and NPA cash collection (THB m)	726	997	37.5	894	896	0.2	969	995	2.68
Cash collection to gross NPLs and NPAs (%)	20.3	28.0		19.6	19.8		16.9	19.1	
Change y-y (%)									
Core profit (y-y %)	0.24	0.23		0.07	0.07		0.21	0.18	
NPL and NPA purchases (y-y %)									
NPL and NPA cash collection (y-y %)	7.40	7.30		7.60	7.50		8.00	7.50	

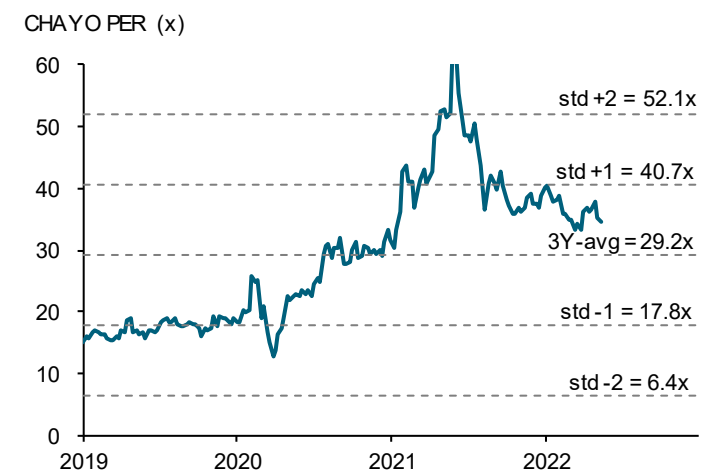
Sources: CHAYO; FSSIA estimates

Exhibit 3: CHAYO – one-year prospective P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 4: CHAYO – one-year prospective P/E



Sources: Bloomberg; FSSIA estimates

Exhibit 5: 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						21,155	16.5	21.0	21.5	17.4	16.4	17.0	3.1	2.7
Unsecured-loan lender						5,611	14.9	9.0	18.8	17.2	23.4	22.2	4.2	3.6
Aeon Thana Sinsap (Thailand)	AEONTS TB	HOLD	180.50	204.00	13	1,301	27.1	7.4	10.0	9.3	21.0	19.5	2.0	1.7
Krungthai Card	KTC TB	REDUCE	58.00	52.00	(10)	4,310	11.2	9.5	21.5	19.6	24.1	22.9	4.8	4.2
Auto-title lender						7,318	11.7	22.5	17.5	14.3	18.2	19.3	2.9	2.5
Muangthai Capital	MTC TB	BUY	40.50	55.00	36	2,475	9.3	25.5	15.9	12.7	19.9	21.0	2.9	2.4
Srisawad Corp	SAWAD TB	BUY	47.75	68.00	42	1,890	10.0	20.5	13.0	10.8	19.3	21.1	2.4	2.2
Saksiam Leasing	SAK TB	BUY	8.10	12.00	48	489	38.5	25.9	20.2	16.0	16.2	18.1	3.1	2.7
Ngern Tid Lor	TIDLOR TB	BUY	34.25	43.00	26	2,464	10.1	20.3	22.1	18.3	15.9	16.5	3.2	2.8
Truck lender						1,939	12.3	27.0	23.8	18.3	11.2	13.0	2.3	2.1
Micro Leasing	MICRO TB	BUY	6.30	10.70	70	170	45.1	26.8	21.7	17.1	13.2	15.0	2.7	2.4
Singer Thailand	SINGER TB	BUY	47.00	74.00	57	1,106	7.7	35.1	31.2	23.1	8.1	10.5	2.5	2.4
Ratchthani Leasing	THANI TB	BUY	4.06	4.80	18	663	11.5	13.6	12.1	10.6	15.9	16.7	1.9	1.7
Asset management						4,950	30.8	33.7	32.7	24.2	10.1	11.5	3.2	2.7
Bangkok Commercial Asset Mngt.	BAM TB	BUY	17.80	25.50	43	1,658	23.2	26.6	18.0	14.2	7.5	8.6	1.3	1.1
Chayo Group	CHAYO TB	BUY	11.60	16.60	43	350	96.6	(14.9)	25.9	30.5	15.5	8.9	3.2	2.4
JMT Network Services	JMT TB	BUY	68.50	80.00	17	2,834	28.3	43.1	41.4	28.9	11.0	13.6	4.2	3.7
Knight Club Capital Asset Mngt.	KCC TB	BUY	6.10	5.10	(16)	109	3.0	51.5	51.9	34.3	7.9	8.6	3.2	2.7
Other						1,164	4.1	8.5	7.3	6.8	8.0	8.2	0.6	0.5
Thanachart Capital	TCAP TB	HOLD	38.50	42.00	9	1,164	4.1	8.5	7.3	6.8	8.0	8.2	0.6	0.5
Hire purchase motorcycle						172	(9.5)	(4.0)	21.3	22.1	10.1	7.6	1.8	1.6
Next Capital	NCAP TB	HOLD	6.65	7.60	14	172	(9.5)	(4.0)	21.3	22.1	10.1	7.6	1.8	1.6

Share prices as of 11 May 2022

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

Source: FSSIA estimates

Financial Statements

Chayo Group

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	425	655	1,147	1,084	1,341
Interest expense	(53)	(113)	(96)	(62)	(62)
Net interest income	372	543	1,051	1,023	1,279
Net fees & commission	-	-	-	-	-
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	96	150	166	184	173
Non interest income	96	150	166	184	173
Total income	467	693	1,217	1,206	1,452
Staff costs	-	-	-	-	-
Other operating costs	(185)	(247)	(322)	(386)	(425)
Operating costs	(185)	(247)	(322)	(386)	(425)
Pre provision operating profit	282	446	895	820	1,028
Provision for bad and doubtful debt	(87)	(178)	(238)	(247)	(251)
Other provisions	-	-	-	-	-
Operating profit	195	268	657	574	777
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	195	268	657	574	777
Tax	(41)	(46)	(118)	(108)	(141)
Profit after tax	155	222	539	466	636
Minority interests	1	(3)	(6)	(13)	(71)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	155	219	533	453	565
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	155	219	533	453	565
Per share (THB)					
Recurring EPS *	0.22	0.23	0.45	0.38	0.47
Reported EPS	0.22	0.23	0.45	0.38	0.47
DPS	0.01	0.00	0.00	0.00	0.00
Growth					
Net interest income (%)	65.6	45.9	93.6	(2.7)	25.1
Non interest income (%)	13.4	57.3	10.6	10.3	(5.5)
Pre provision operating profit (%)	101.5	57.9	100.9	(8.4)	25.3
Operating profit (%)	39.4	37.2	145.4	(12.7)	35.4
Reported net profit (%)	39.7	41.1	143.3	(14.9)	24.6
Recurring EPS (%)	24.8	3.5	96.6	(14.9)	24.6
Reported EPS (%)	24.8	3.5	96.6	(14.9)	24.6
Income Breakdown					
Net interest income (%)	79.6	78.3	86.3	84.8	88.1
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	20.4	21.7	13.7	15.2	11.9
Operating performance					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	4.91	7.43	7.30	7.50	7.50
Net interest spread (%)	(4.91)	(7.43)	(7.30)	(7.50)	(7.50)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	39.6	35.7	26.4	32.0	29.2
Cost/assets(%)	8.0	6.3	5.5	5.5	5.6
Effective tax rate (%)	20.8	17.1	18.0	18.8	18.1
Dividend payout on recurring profit (%)	2.8	1.7	0.7	0.9	0.5
ROE (%)	14.7	11.8	15.5	8.9	9.2
ROE - COE (%)	3.9	1.0	4.7	(1.9)	(1.6)
ROA (%)	6.7	5.6	9.3	6.7	8.4
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Chayo Group; FSSIA estimates

Financial Statements

Chayo Group

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	1,573	2,569	3,780	4,238	4,889
Total provisions	(90)	(268)	(506)	(752)	(1,003)
interest in suspense	210	554	416	466	636
Net customer loans	1,693	2,856	3,689	3,952	4,521
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	2	1	2	3	3
Cash & equivalents	708	1,332	1,515	1,686	1,097
Other interesting assets	328	752	1,136	1,544	1,838
Tangible fixed assets	33	57	59	62	66
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	47	91	131	148	273
Total assets	2,811	5,090	6,533	7,395	7,798
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	1,570	1,468	1,174	470	1,174
Non interest bearing liabilities	94	164	180	198	218
Hybrid Capital	-	-	-	-	-
Total liabilities	1,664	1,632	1,355	668	1,393
Share capital	353	481	551	604	604
Reserves	778	2,106	3,749	5,233	5,801
Total equity	1,130	2,587	4,301	5,837	6,405
Minority interests	16	871	877	890	0
Total liabilities & equity	2,811	5,090	6,533	7,395	7,798
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	n/a	n/a	n/a	n/a	n/a
Average interest bearing liabilities	1,073	1,519	1,321	822	822
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)	n/a	n/a	n/a	n/a	n/a
Per share (THB)					
Book value per share	1.60	2.69	3.61	4.90	5.38
Tangible book value per share	1.60	2.69	3.61	4.90	5.38
Growth					
Gross customer loans	39.0	63.4	47.1	12.1	15.4
Average interest earning assets	-	-	-	-	-
Total asset (%)	54.0	81.1	28.4	13.2	5.4
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	40.2	50.8	65.8	78.9	82.1
Tangible equity/assets (%)	40.2	50.8	65.8	78.9	82.1
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Total provisions/gross loans (%)	5.7	10.4	13.4	15.4	20.5
Total provisions/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	52.7	51.0	25.9	30.5	24.4
Recurring P/E @ target price (x) *	75.5	72.9	37.1	43.6	35.0
Reported P/E (x)	52.7	51.0	25.9	30.5	24.4
Dividend yield (%)	0.1	0.0	0.0	0.0	0.0
Price/book (x)	7.2	4.3	3.2	2.4	2.2
Price/tangible book (x)	7.2	4.3	3.2	2.4	2.2
Price/tangible book @ target price (x)	10.4	6.2	4.6	3.4	3.1

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Chayo Group; 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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	MITLIB	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
Chayo Group	CHAYO TB	THB 11.60	BUY	Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses.
Muangthai Capital	MTC TB	THB 40.50	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.
Saksiam Leasing	SAK TB	THB 8.10	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.
Singer Thailand	SINGER TB	THB 47.00	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.
Micro Leasing	MICRO TB	THB 6.30	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) a slower-than-expected reduction in the cost of funds due to a shift toward more long-term loans.
Ratchthani Leasing	THANI TB	THB 4.06	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 17.80	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.
Ngern Tid Lor	TIDLOR TB	THB 34.25	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.
JMT Network Services	JMT TB	THB 68.50	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; and 2) the lower-than-expected acquisition of new bad debt.
Thanachart Capital	TCAP TB	THB 38.50	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 6.65	HOLD	Downside risks to our GGM-derived TP include 1) an economic slowdown; 2) deteriorating asset quality; and 3) tighter competition from new players. Upside risks to our TP include 1) strong demand for motorcycles; and 2) a higher rate cap than our base-case assumption of 28% p.a.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 180.50	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 47.75	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.

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 12-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.