

SINGER THAILAND

THAILAND / DIVERSIFIED FINANCIALS

SINGER TB

BUY

UNCHANGED

TARGET PRICE	THB59.00
CLOSE	THB41.00
UP/DOWNSIDE	+43.9%
PRIOR TP	THB74.00
CHANGE IN TP	-20.3%
TP vs CONSENSUS	-0.7%

Resilient amid the storm

- Expect a record high 2Q22 NP of THB254m from solid loan growth.
- Limited impact from rate hikes; inflation likely manageable.
- Lower NP forecasts by 7-11% in 2022-24; maintain BUY.

Expect a record high net profit in 2Q22

We expect SINGER to report a record high net profit in 2Q22 of THB254m (+39% y-y, +18% q-q) based on solid loan growth of 10% q-q, especially from truck title loans. Also, we think its home appliance sales should increase 10% y-y and 21% q-q following its aggressive franchise expansion to 5,000, up from 4,200 in 1Q22. We note that the rise in home appliance sales should still fall short of the company's target due to the slowdown in air conditioner sales as the rainy season arrived earlier than usual. We believe the company will maintain healthy asset quality in 2Q22, with a 5% q-q increase in NPLs. We think SINGER could see a smaller impact from energy prices on its asset quality vs its peers as around 60% of its car-for-cash (C4C) clients are SMEs and corporates.

Limited impact from rate hikes due to sufficient cash

We believe SINGER should have sufficient cash to run its business until 2023 from its THB11b capital increase in 2021 and a potential cTHB4b-5b in additional funds, based on our calculation, from the spin-off of its subsidiary. On top of that, due to the company's rating upgrade, we think SINGER's cost of funds should be lower than its current rate by 5-10 bps when it resumes issuing debentures in 2024. Therefore, we believe SINGER faces a limited impact from potential rate hikes.

Manageable impact from high inflation

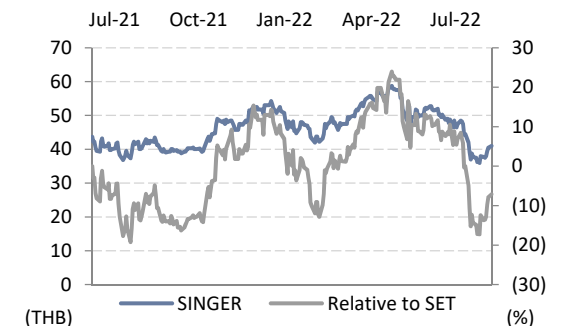
We expect inflation to have a moderate impact on its home appliance sales (c57% of total revenue) due to the lower spending power of its clients, potentially resulting in slower sales growth. However, we think the rise in energy prices should have a limited impact on its C4C business's asset quality due to its high concentration of medium to large-scale business debtors. We think these segments can pass through the costs from rising energy prices to their customers. Thus, we foresee the overall impact from high inflation on SINGER to be manageable.

Maintain BUY with a lower 2023 GGM-based TP of THB59

We lower our 2022/23/24 net profit forecasts by 11%/11%/7% and lower our TP to THB59 from THB74. We reiterate our BUY call as we think SINGER will deliver robust earnings growth, supported by its strong capital base and unique business model of accelerating its loan portfolio by targeting market niches with lower competition. The recent drop in its share price provides an opportunity to accumulate, in our view.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	902	1,384	1,903	2,482
Net profit	701	1,107	1,522	1,985
EPS (THB)	1.40	1.34	1.81	2.37
vs Consensus (%)	-	(4.3)	(6.3)	(2.4)
Core net profit	701	1,107	1,522	1,985
Core EPS (THB)	1.40	1.34	1.81	2.37
Chg. In EPS est. (%)	-	(11.0)	(10.9)	(6.5)
EPS growth (%)	28.6	(4.1)	35.2	30.4
Core P/E (x)	29.3	30.5	22.6	17.3
Dividend yield (%)	0.3	2.0	2.7	1.4
Price/book (x)	2.2	2.2	2.1	1.9
ROE (%)	7.9	7.2	9.4	11.5
ROA (%)	4.2	4.8	6.7	7.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(13.7)	(30.2)	(6.2)
Relative to country (%)	(13.2)	(25.1)	(7.1)
Mkt cap (USD m)	918		
3m avg. daily turnover (USD m)	5.8		
Free float (%)	21		
Major shareholder	JAYMART Public Company (26%)		
12m high/low (THB)	59.25/35.50		
Issued shares (m)	811		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

SINGER is one of the major players in electrical and home appliance sales and providing instalment loans. It started its auto title loan business, focusing on trucks, in 2017 under the name "Rod Tum Ngern". After unlocking its source of funds via a recent capital increase, the company expects to become the leader in truck title loans within three to four years.

We expect SINGER to deliver strong net profit growth supported by 1) remarkable loan growth; 2) an increase in electrical and home appliance sales; and 3) a stable gross profit margin for its electrical products and home appliances due to competitive dealer pricing policies.

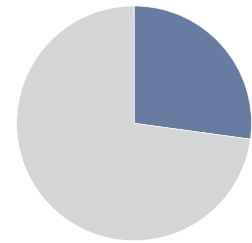
Company profile

Singer Thailand PCL operates two business lines: 1) the distribution of various electrical products and appliances, together with commercial appliances under the "Singer" brand through its outlets and sales representatives; and 2) a loan provider. SINGER offers loans for more than 90% of its electrical products and appliances. SINGER entered the auto title loan market in 2017, specialising in trucks for fleets.

www.singerthai.co.th

Principal activities (revenue, 2021)

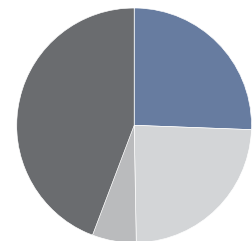
- Net interest income - 27.2 %
- Non-interest income - 72.8 %



Source: Singer Thailand

Major shareholders

- JAYMART Public Company - 25.6 %
- U City Public Company - 24.1 %
- Kara Family - 6.1 %
- Others - 44.2 %



Source: Singer Thailand

Catalysts

Potential share price catalysts for SINGER include: 1) stronger demand for truck title loans; and 2) a rise in home appliance sales.

Risks to our call

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.

Event calendar

Date	Event
10 August 2022	2Q22 results announcement

Key assumptions

Year to Dec	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	1,107	1,522	1,985
Net profit growth	58.1	37.5	30.4
NIM	13.62	14.42	14.42
Loan growth	39.3	30.0	29.6
Credit cost (bp)	220	240	240
Revenue from sales of goods growth	13.0	19.0	18.0
Gross margin of sales business	47.0	46.0	47.0
SG&A to revenue ratio	32.2	30.6	30.1

Source: FSSIA estimates

Earnings sensitivity

Year to Dec		2022E		
Loan growth	±2ppt	37.3	39.3	41.3
	<i>% change in net profit</i>	<i>(1.1)</i>	<i>-</i>	<i>1.1</i>
NIM (%)	±5bp	13.57	13.62	13.67
	<i>% change in net profit</i>	<i>(0.4)</i>	<i>-</i>	<i>0.4</i>
Credit cost (bps)	±10bp	210.0	220.0	230.0
	<i>% change in net profit</i>	<i>1.0</i>	<i>-</i>	<i>(1.0)</i>

Source: FSSIA estimates

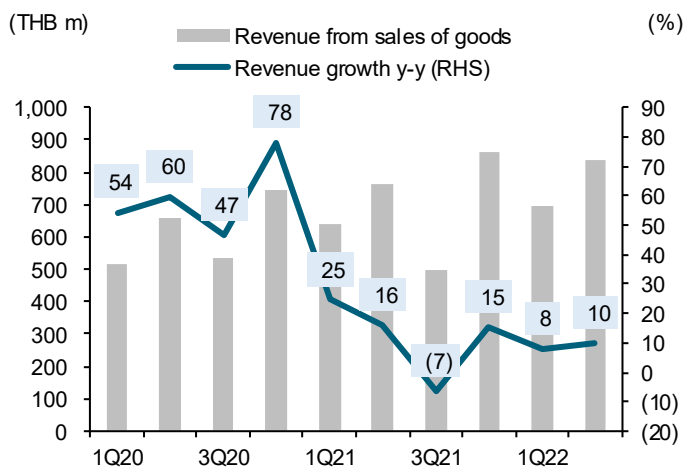
Expect a record high net profit in 2Q22

We expect SINGER to report a record high net profit in 2Q22 of THB254m (+39% y-y, +18% q-q). The strong performance would come from its solid loan growth of 10% q-q, especially in truck title loans. Also, we think its home appliance sales should increase 10% y-y and 21% q-q following its aggressive franchise expansion to 5,000 franchises from 4,200 in 1Q22. We note that the rise in home appliance sales should still be lower than the company's target due to the slowdown in air conditioner sales as the rainy season came earlier than usual. As for asset quality, we believe the company should maintain healthy asset quality in 2Q22, with a 5% q-q expected increase in NPLs. We think SINGER could see a smaller impact from high energy prices vs its peers as around 60% of its C4C clients are SMEs and corporates.

2Q22E key highlights

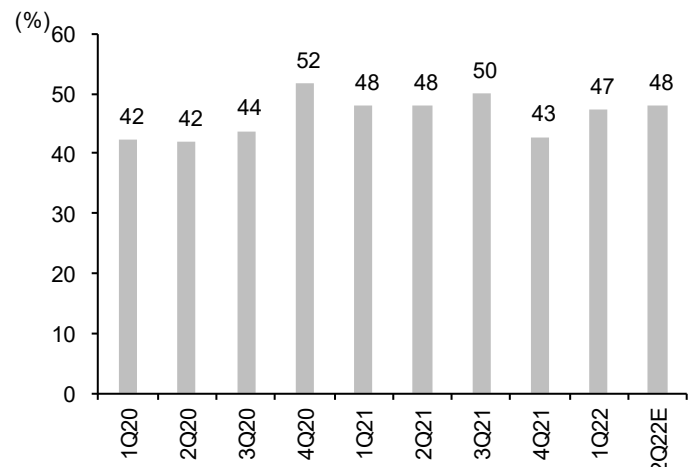
- In 2Q22, total loan volume should rise by 58% y-y and 10% q-q, supported by a rise in auto title loan volumes, especially for the truck segment. Its clients still need cash to run their businesses and for consumption purposes, in our view.
- Revenue from the sale of goods should grow by 10% y-y, which is slightly below the company's target due to the slowdown in air conditioner sales as the rainy season came earlier than usual. However, its sales of fuel station vending machines and freezers should continue to perform well due to the increase in its sales channels.
- 2Q22 NPLs are likely to increase by 5% q-q, implying an NPL ratio of 3.6%.

Exhibit 1: Home appliance sales



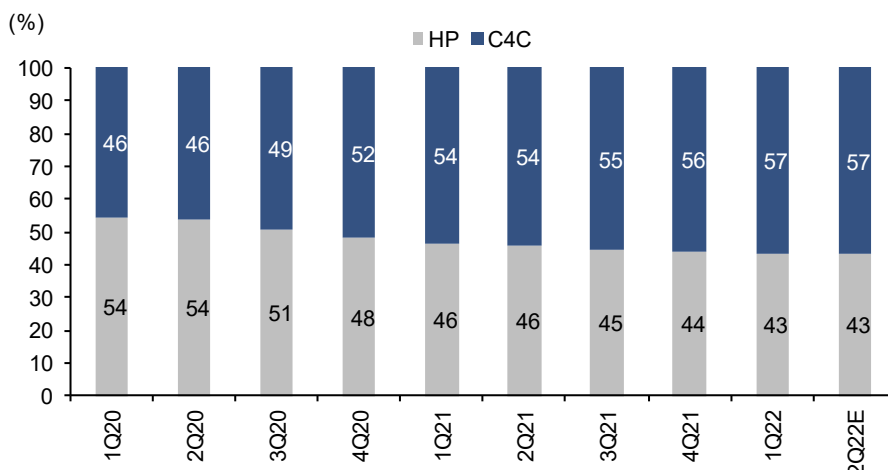
Source: SINGER

Exhibit 2: Home appliance gross margin



Source: SINGER

Exhibit 3: Loan portfolio mix



Source: SINGER

Exhibit 4: SINGER's 2Q22 results preview

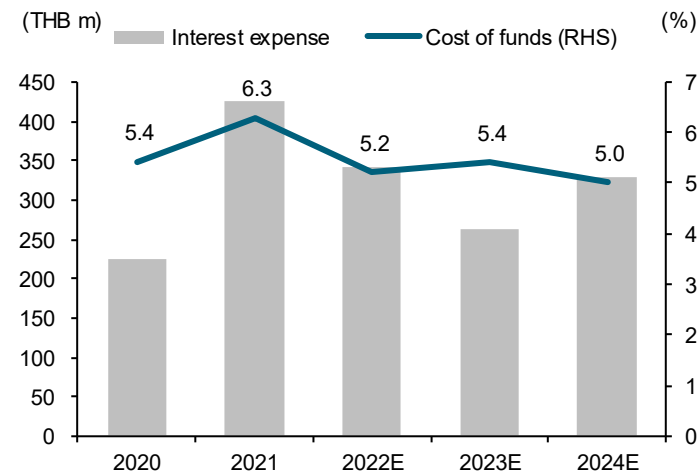
Year-end Dec 31	2Q21	1Q22	2Q22E		1H22E			2022E	Change	2Q22E comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	%22E	(THB m)	
Net interest income	261	339	427	64	26	766	50	43	1,782	66
Non-interest income	787	749	870	11	16	1,618	11	49	3,297	14
Operating income	1,047	1,088	1,297	24	19	2,384	21	47	5,079	28
Operating expenses	809	767	922	14	20	1,689	13	50	3,407	17
PPOP before tax	239	320	375	57	17	695	50	42	1,672	59
Expected credit loss	8	54	61	629	14	115	119	40	288	90
Income tax	48	51	60	25	17	111	26	40	277	nm.
Minority interest	0	0	0			0			0	
Normalised profit	183	215	254	39	18	469	45	42	1,107	58
Extraordinary items	0	0	0			0			0	
Net profit	183	215	254	39	18	469	45	42	1,107	58
EPS (THB)	0.37	0.27	0.31	(15)	18	0.58	(14)	43	1.34	(4)
Asset quality ratio (%)										
NPLs (THB m)	352	469	492	40	5				572	35
NPLs / loans	4.12	3.80	3.64						3.75	
Loan loss reserve/NPLs	78	58	64						65	
Credit cost (bps)	42	185	190						220	
Profitability ratio (%)										
Cost to income ratio	77.2	70.6	71.1						67.1	
Average yield	18.0	15.9	16.5						16.2	
Cost of funds (COF)	6.2	6.1	5.6						5.2	
Net interest margin (NIM)	13.0	11.7	13.2						13.6	
Non-int inc / total income	75.1	68.8	67.1						64.9	
Loan growth (%)										
y-y	84.1	64.2	58.2						39.3	
q-q	14.0	12.7	9.8							

Sources: SINGER; FSSIA estimates

Limited impact from rate hikes due to sufficient cash

Without raising new debts, we believe SINGER should have sufficient cash to run its business until 2023 from its THB11b capital increase in 2021 and potentially cTHB4b-5b more, based on our calculation, from the spin-off of its 100%-owned subsidiary SG Capital. On top of that, due to the company's rating upgrade to BBB from BBB- by Thai Rating and Information Services (TRIS), we think SINGER's cost of funds should be 5-10 bps lower than its current rate when it resumes issuing debentures in 2024. Therefore, we believe SINGER's impact from rate hikes should be more limited than for other diversified financials under our coverage.

Exhibit 5: Cost of funds



Sources: SINGER; FSSIA estimates

Exhibit 6: Use of funds as estimated by FSSIA

Use of funds	2022E (THB m)	2023E (THB m)
Debenture repayment	1,500	1,800
Net lending	3,200	3,400
Other working capital	500	500
Total cash out per year	5,200	5,700
Accumulated cash out	5,200	10,900

Sources: SINGER; FSSIA estimates

Exhibit 7: SINGER's outstanding debentures

No.	Issued date	Maturity date	Amount (THB m)	Int. rate (%)	Rating
1	25-Jul-19	25-Jul-22	1,500	6.00	BBB-
2	28-May-20	28-May-23	800	5.90	BBB-
3	11-Sep-20	11-Sep-23	1,000	5.80	BBB-
4	17-Dec-20	17-Mar-24	1,000	5.75	BBB-
5	24-Mar-21	24-Sep-24	2,000	5.75	BBB-
6	06-Aug-21	06-Feb-25	1,700	5.70	BBB-

Source: ThaiBMA

Net profit and TP revisions

We lower our 2022/23/24 net profit forecasts by 11%/11%/7% to reflect:

- 1) our lower loan growth assumption in 2022 to 39% y-y from 42% y-y as we think the company might be more selective in its new lending due to the highly inflationary environment;
- 2) our lower NIM assumptions in 2022/23/24 to 13.6%/14.4% 14.4% from 14.1%/14.5%/14.5% as we think its future portfolio mix might be geared more toward the low-yield C4C portfolio;
- 3) our lower non-NII assumptions in 2022/23/24 by 11%/11%/11% due largely to potentially lower electric and home appliance sales based on the lower spending power of its clients amid high inflation.

Exhibit 8: Changes in key assumptions

	-----2022E-----				-----2023E-----			-----2024E-----		
	2021 (THB m)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Net interest income	1,074	1,863	1,782	(4.4)	2,611	2,525	(3.3)	3,364	3,276	(2.6)
Non-interest income	2,882	3,685	3,297	(10.5)	4,306	3,846	(10.7)	5,106	4,541	(11.1)
Operating income	3,956	5,548	5,079	(8.5)	6,916	6,372	(7.9)	8,469	7,817	(7.7)
Operating expenses	2,903	3,702	3,407	(8.0)	4,350	4,049	(6.9)	5,259	4,790	(8.9)
PPOP before tax	1,054	1,846	1,672	(9.4)	2,567	2,323	(9.5)	3,211	3,027	(5.7)
Expected credit loss (Reversal)	152	291	288	(1.2)	431	420	(2.6)	557	545	(2.0)
Tax expenses	201.66	311	277	(11.0)	427	381	(10.9)	531	496	(6.5)
Minority interest	-	0	-		0	-		-	-	
Normalised profit	701	1,244	1,107	(11.0)	1,708	1,522	(10.9)	2,123	1,985	(6.5)
Extraordinary items	-	0	-		0	-		-	-	
Net profit	701	1,244	1,107	(11.0)	1,708	1,522	(10.9)	2,123	1,985	(6.5)
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	422	572	572	0.0	772	772	0.0	965	965	0.0
Gross NPLs / Loans (%)	3.9	3.7	3.8		3.8	3.9		3.71	3.76	
Loan loss reserve/NPLs (%)	65	65	65		71	70		81	80	
Credit cost (bps)	172	220	220		240	240		240	240	
Profitability ratio (%)										
Cost to income ratio*	73.4	66.7	67.1		62.9	63.5		62.1	61.3	
Average yield	17.0	16.7	16.2		16.0	15.9		15.9	15.9	
Cost of funds	6.3	5.2	5.2		5.4	5.4		5.0	5.0	
Net interest margin (NIM)	12.2	14.1	13.6		14.5	14.4		14.5	14.4	
Loan growth (%)										
y-y	63.7	42.2	39.3		31.2	30.0		27.3	29.6	

Sources: SINGER; FSSIA estimates

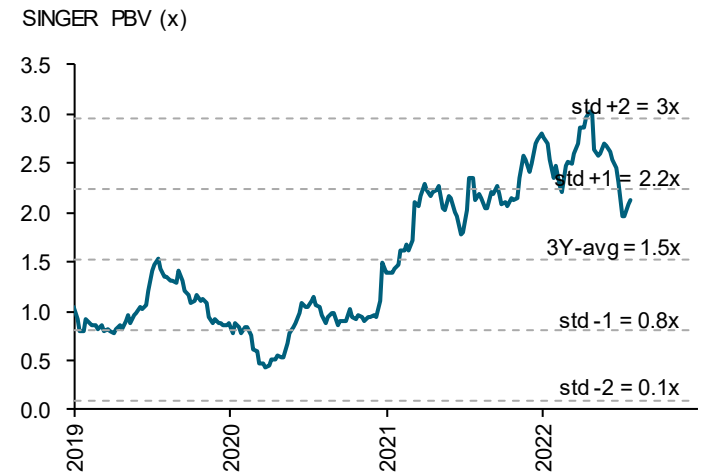
We lower our 2023 GGM-based TP to THB59 from THB74 as we 1) lower our EPS forecast, leading to a lower book value; and 2) revise down our target 2023 P/BV from 3.7x to 3.0x to reflect the decrease in our average long-term ROE target from 11% to 10.0%. Our target price implies 32.5x 2023E P/E.

Exhibit 9: SINGER – GGM-derived target price

Target price (THB)	59 (from 74)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Cost to equity (%)	9.6 (unchanged)
Terminal growth (%)	9.5 (from 10.4)
ROE target (%)	10.0 (from 11.0)
Target P/BV (x)	3.0 (from 3.7)
Implied P/E (x)	32.5 (from 36.3)

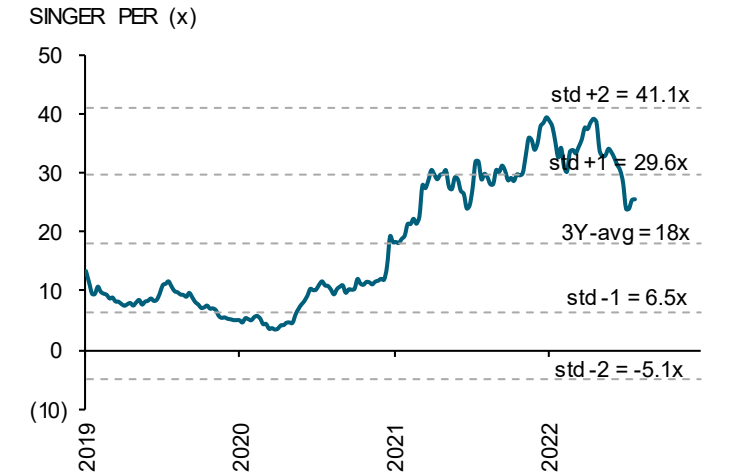
Source: FSSIA estimates

Exhibit 10: SINGER – prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: SINGER – prospective P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Key valuations of diversified financials under our 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						19,898	13.3	20.7	22.6	18.2	16.1	16.6	3.1	2.7
Unsecured-loan lender						5,103	12.9	7.3	18.6	17.3	23.1	21.7	4.1	3.6
Aeon Thana Sinsap (Thailand)	AEONTS TB	HOLD	162.00	188.00	16	1,106	19.0	7.0	9.6	9.0	19.8	18.5	1.8	1.6
Krungthai Card	KTC TB	HOLD	56.75	60.00	6	3,997	11.2	7.4	21.0	19.6	24.1	22.5	4.7	4.1
Auto-title lender						6,971	11.5	22.8	17.1	13.9	18.4	19.6	2.9	2.5
Muangthai Capital	MTC TB	BUY	47.50	55.00	16	2,751	9.3	25.5	18.6	14.9	19.9	21.0	3.4	2.9
Srisawad Corp	SAWAD TB	BUY	49.75	68.00	37	1,866	10.0	20.5	13.5	11.2	19.3	21.1	2.5	2.2
Saksiam Leasing	SAK TB	BUY	7.45	12.00	61	427	38.5	25.9	18.6	14.7	16.2	18.1	2.8	2.5
Ngern Tid Lor	TIDLOR TB	BUY	28.25	43.00	52	1,927	10.1	20.3	18.2	15.1	15.9	16.5	2.7	2.3
Truck lender						1,682	1.0	26.2	23.4	18.0	10.5	12.1	2.1	2.0
Micro Leasing	MICRO TB	HOLD	5.20	5.50	6	133	0.4	39.0	25.8	18.6	9.3	11.9	2.3	2.1
Singer Thailand	SINGER TB	BUY	41.00	59.00	44	918	(4.1)	35.2	30.5	22.6	7.2	9.4	2.2	2.1
Ratchthani Leasing	THANI TB	BUY	4.08	4.80	18	631	8.6	10.6	12.5	11.3	15.5	16.0	1.9	1.7
Asset management						4,877	23.4	33.5	37.9	27.9	9.5	10.8	3.4	3.0
Bangkok Commercial Asset Mngt.	BAM TB	BUY	17.00	25.50	50	1,501	23.2	26.6	17.1	13.5	7.5	8.6	1.3	1.1
Chayo Group	CHAYO TB	BUY	10.80	16.60	54	315	96.6	(14.9)	24.1	28.4	15.5	8.9	3.0	2.2
JMT Network Services	JMT TB	BUY	74.00	92.00	24	2,950	16.4	41.5	49.3	34.8	10.0	12.3	4.6	4.0
Knight Club Capital Asset Mngt.	KCC TB	BUY	6.60	5.10	(23)	112	3.0	51.5	56.2	37.1	7.9	8.6	3.5	2.9
Other						1,096	4.1	8.5	7.3	6.7	8.0	8.2	0.6	0.5
Thanachart Capital	TCAP TB	HOLD	38.25	42.00	10	1,096	4.1	8.5	7.3	6.7	8.0	8.2	0.6	0.5
Hire purchase motorcycle						170	(9.5)	(4.0)	14.7	15.3	10.1	7.6	1.3	1.1
Next Capital	NCAP TB	HOLD	4.60	7.60	65	170	(9.5)	(4.0)	14.7	15.3	10.1	7.6	1.3	1.1

* KTC, MICRO, SINGER, and THANI's target prices are 2023 GGM-based

Share prices as of 11 May 2022

Source: FSSIA estimates

Financial Statements

Singer Thailand

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	1,005	1,499	2,124	2,789	3,606
Interest expense	(225)	(425)	(342)	(263)	(330)
Net interest income	781	1,074	1,782	2,525	3,276
Net fees & commission	34	52	54	54	59
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	-	-	-	-	-
Other income	2,516	2,830	3,243	3,792	4,482
Non interest income	2,551	2,882	3,297	3,846	4,541
Total income	3,331	3,956	5,079	6,372	7,817
Staff costs	-	-	-	-	-
Other operating costs	(2,698)	(2,903)	(3,407)	(4,049)	(4,790)
Operating costs	(2,698)	(2,903)	(3,407)	(4,049)	(4,790)
Pre provision operating profit	633	1,054	1,672	2,323	3,027
Provision for bad and doubtful debt	(194)	(152)	(288)	(420)	(545)
Other provisions	-	-	-	-	-
Operating profit	439	902	1,384	1,903	2,482
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	439	902	1,384	1,903	2,482
Tax	4	(202)	(277)	(381)	(496)
Profit after tax	443	701	1,107	1,522	1,985
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	443	701	1,107	1,522	1,985
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	443	701	1,107	1,522	1,985
Per share (THB)					
Recurring EPS *	1.09	1.40	1.34	1.81	2.37
Reported EPS	1.09	1.40	1.34	1.81	2.37
DPS	0.24	0.13	0.81	1.09	0.59
Growth					
Net interest income (%)	32.3	37.6	65.9	41.7	29.7
Non interest income (%)	40.9	13.0	14.4	16.7	18.1
Pre provision operating profit (%)	12.0	66.5	58.7	38.9	30.3
Operating profit (%)	181.7	105.6	53.4	37.5	30.4
Reported net profit (%)	166.6	58.0	58.1	37.5	30.4
Recurring EPS (%)	136.7	28.6	(4.1)	35.2	30.4
Reported EPS (%)	136.7	28.6	(4.1)	35.2	30.4
Income Breakdown					
Net interest income (%)	23.4	27.2	35.1	39.6	41.9
Net fees & commission (%)	1.0	1.3	1.1	0.9	0.8
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	75.5	71.5	63.8	59.5	57.3
Operating performance					
Gross interest yield (%)	19.55	17.03	16.24	15.93	15.87
Cost of funds (%)	5.42	6.28	5.20	5.40	5.00
Net interest spread (%)	14.13	10.75	11.04	10.53	10.87
Net interest margin (%)	15.2	12.2	13.6	14.4	14.4
Cost/income(%)	81.0	73.4	67.1	63.5	61.3
Cost/assets(%)	35.6	17.4	14.6	17.9	18.8
Effective tax rate (%)	(1.0)	22.4	20.0	20.0	20.0
Dividend payout on recurring profit (%)	21.9	9.5	60.0	60.0	25.0
ROE (%)	17.2	7.9	7.2	9.4	11.5
ROE - COE (%)	6.4	(2.9)	(3.6)	(1.4)	0.7
ROA (%)	5.8	4.2	4.8	6.7	7.8
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Singer Thailand; FSSIA estimates

Financial Statements

Singer Thailand

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	6,677	10,932	15,225	19,791	25,650
Total provisions	(287)	(273)	(370)	(543)	(767)
interest in suspense	17	30	43	49	64
Net customer loans	6,407	10,689	14,898	19,297	24,947
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	403	10,353	4,660	2	2
Cash & equivalents	715	1,227	809	1,305	892
Other interesting assets	-	-	-	-	-
Tangible fixed assets	433	475	520	570	625
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	1,297	1,457	1,498	1,586	1,795
Total assets	9,255	24,201	22,385	22,761	28,261
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	5,442	8,073	5,082	4,676	8,525
Non interest bearing liabilities	1,002	1,289	1,384	1,557	1,718
Hybrid Capital	-	-	-	-	-
Total liabilities	6,445	9,362	6,466	6,233	10,244
Share capital	413	800	828	828	828
Reserves	2,398	14,039	15,092	15,700	17,189
Total equity	2,810	14,839	15,920	16,529	18,017
Minority interests	0	0	0	0	0
Total liabilities & equity	9,255	24,201	22,385	22,761	28,261
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	5,142	8,804	13,078	17,508	22,720
Average interest bearing liabilities	4,146	6,758	6,578	4,879	6,601
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)	292	422	572	772	965
Per share (THB)					
Book value per share	6.17	18.30	18.97	19.70	21.47
Tangible book value per share	6.17	18.30	18.97	19.70	21.47
Growth					
Gross customer loans	85.1	63.7	39.3	30.0	29.6
Average interest earning assets	45.4	71.2	48.5	33.9	29.8
Total asset (%)	56.7	161.5	(7.5)	1.7	24.2
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	30.4	61.3	71.1	72.6	63.8
Tangible equity/assets (%)	30.4	61.3	71.1	72.6	63.8
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	(12.7)	44.7	35.4	35.0	25.0
NPL/gross loans (%)	4.4	3.9	3.8	3.9	3.8
Total provisions/gross loans (%)	4.3	2.5	2.4	2.1	3.0
Total provisions/NPL (%)	98.4	64.6	64.7	70.3	79.6
Valuation					
Recurring P/E (x) *	37.7	29.3	30.5	22.6	17.3
Recurring P/E @ target price (x) *	54.2	42.1	44.0	32.5	24.9
Reported P/E (x)	37.7	29.3	30.5	22.6	17.3
Dividend yield (%)	0.6	0.3	2.0	2.7	1.4
Price/book (x)	6.6	2.2	2.2	2.1	1.9
Price/tangible book (x)	6.6	2.2	2.2	2.1	1.9
Price/tangible book @ target price (x)	9.6	3.2	3.1	3.0	2.7

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Singer Thailand; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

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Company	Ticker	Price	Rating	Valuation & Risks
Singer Thailand	SINGER TB	THB 41.00	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.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 162.00	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 56.75	HOLD	Upside risks to our GGM-derived TP include: 1) stronger-than-expected cost of funds controlling; and 2) better-than-expected bad debt recovery. Downside risks are: 1) regulatory actions to curb industry growth; and 2) deteriorating asset quality.
Muangthai Capital	MTC TB	THB 47.50	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 49.75	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.
Saksiam Leasing	SAK TB	THB 7.45	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 28.25	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.
Knight Club Capital Asset Management	KCC TB	THB 6.60	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.
Micro Leasing	MICRO TB	THB 5.20	HOLD	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) higher-than-expected policy rate hikes. Upside risks include 1) efficient asset quality control; and 2) the faster ramping up of its new businesses, including new motorcycle hire purchase loans, truck title loans, and insurance brokerage
Ratchthani Leasing	THANI TB	THB 4.08	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 17.00	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 10.80	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 74.00	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.
Thanachart Capital	TCAP TB	THB 38.25	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 4.60	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.

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 25-Jul-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.