

RATCHTHANI LEASING

THAILAND / DIVERSIFIED FINANCIALS

THANI TB

BUY

UNCHANGED

แนวโน้มที่สดใสรออยู่ข้างหน้า

- เราคาดว่า THANI จะรายงานกำไรสุทธิ 3Q22 อยู่ในเกณฑ์ดีที่ 496 ลบ. (+24% y-y, +1% q-q) จาก 1) ต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) ที่ลดลงจากการควบคุมคุณภาพสินทรัพย์ที่ดีในท่ามกลางสภาวะเงินเฟ้อที่อยู่ในระดับสูง; 2) ปริมาณสินเชื่อที่เพิ่มขึ้น; และ 3) รายได้ค่าธรรมเนียมที่สูงขึ้น
- เราเห็นว่าแนวโน้มน่าจะดีต่อเนื่องใน 4Q22
- เราคงเลือก THANI เป็นหนึ่งในหุ้นเด่นของเราที่ราคาเป้าหมายปี 2023 ที่ 5.2 บาท (GGM) จากการควบคุมคุณภาพสินทรัพย์ที่ดีและการประเมินมูลค่าที่อยู่ในระดับต่ำ

TARGET PRICE	THB5.20
CLOSE	THB4.30
UP/DOWNSIDE	+20.9%
PRIOR TP	THB5.20
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+1.0%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	2,143	2,408	2,666	2,949
Net profit	1,709	1,945	2,153	2,382
EPS (THB)	0.30	0.34	0.38	0.42
vs Consensus (%)	-	2.4	2.2	(0.9)
Core net profit	1,709	1,945	2,153	2,382
Core EPS (THB)	0.30	0.34	0.38	0.42
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(25.0)	13.8	10.7	10.6
Core P/E (x)	14.2	12.5	11.3	10.2
Dividend yield (%)	4.0	4.5	5.0	5.9
Price/book (x)	2.1	2.0	1.8	1.7
ROE (%)	15.3	16.2	16.7	17.2
ROA (%)	3.5	3.8	3.8	3.8

คาดการณ์กำไรสุทธิ 3Q22 จะอยู่ในเกณฑ์ดี

เราคาดว่า THANI จะรายงานกำไรสุทธิ 3Q22 อยู่ในเกณฑ์ดีที่ 496 ลบ. (+24% y-y, +1% q-q) กำไรสุทธิ 9M22 น่าจะคิดเป็น 74% ของประมาณการปี 2022 ของเรา เรายังไม่เห็น Downside ต่อประมาณการของเรา

คุณภาพสินทรัพย์ที่ดีน่าจะช่วยผลักดันกำไรสุทธิ 3Q22

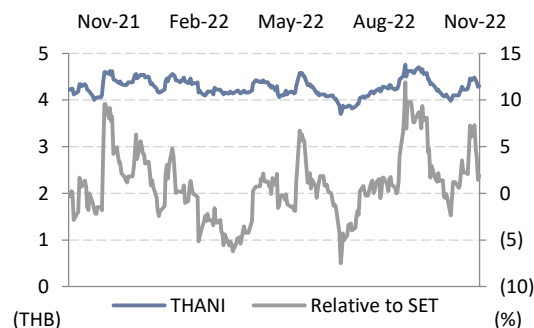
เราคาดว่ากำไร 3Q22 ของ THANI จะมีปัจจัยหนุน 3 ประการ ข้อแรกและสำคัญที่สุดเราเชื่อว่า Credit cost น่าจะลดลง 133 bps y-y มาอยู่ที่ 55 bps เนื่องจากเราคาดว่าบริษัท จะควบคุมคุณภาพสินทรัพย์ได้อย่างมีประสิทธิภาพมากกว่าเพื่อน นั่นคือคุณภาพ (NPL) น่าจะเพิ่มเพียงเล็กน้อยที่ 2% q-q พร้อมคาดว่าสัดส่วน NPL จะทรงตัวที่ 2.38% ข้อที่สองเราคาดว่าปริมาณสินเชื่อคงค้างจะเพิ่ม 8.5% y-y และ 2% q-q ปริมาณสินเชื่อใหม่จะแตะ 6.3 พัน ลบ. ลดลง 16% q-q จากปัจจัยด้านฤดูกาล แต่ยังเพิ่ม 19% y-y ข้อสุดท้ายเราคิดว่ารายได้ค่าธรรมเนียมน่าจะเพิ่ม 37% y-y และ 1% q-q ตามการเพิ่มของปริมาณสินเชื่อ บัณฑิตจึงกล่าวว่าจะช่วยชดเชยค่าใช้จ่ายดำเนินงานที่สูงขึ้นได้ทั้งหมดเนื่องจากบริษัท เร่งกระบวนการยัดถပ်บรรทุกเพื่อป้องกันการเสื่อมของคุณภาพสินทรัพย์

กำไรน่าจะโตต่อเนื่องใน 4Q22

เราคาดว่ากำไรสุทธิ 4Q22 จะปรับขึ้นต่อเนื่อง y-y และ q-q จาก 1) คุณภาพสินทรัพย์ที่ดีซึ่งน่าจะช่วยให้สำรองอยู่ในระดับต่ำต่อเนื่อง; และ 2) ฤดูสินเชื่อรถบรรทุกซึ่งจะทำให้ปริมาณสินเชื่อใหม่และอัตราการเติบโตของสินเชื่อเพิ่มขึ้น

คงแนะนำซื้อที่ราคาเป้าหมายปี 2023 ที่ 5.2 บาท (GGM)

เราแนะนำซื้อที่ราคาเป้าหมายเดิมที่ 5.2 บาท (GGM) ปัจจุบัน THANI เป็นหนึ่งในหุ้นเด่นของเราในกลุ่มการเงิน เราคิดว่า THANI จะสามารถจัดการกับผลกระทบจากอัตราดอกเบี้ยที่อาจปรับขึ้นและสภาวะเงินเฟ้อที่อยู่ในระดับสูงได้ ประกอบกับบริษัท จะกลับมาขยายสินเชื่อ เราเชื่อว่ากำไรสุทธิน่าจะค่อย ๆ เพิ่ม y-y ในช่วง 2H22 และอีก 11% ในปี 2023 เราเห็นว่าราคาหุ้นยังไม่ได้สะท้อนผลประโยชน์ที่เพิ่มขึ้นที่เราคาดไว้ในไตรมาสที่กำลังจะมาถึงโดย THANI มีการประเมินมูลค่าในระดับต่ำที่ 11.3x ของค่า 2023E P/E และ 1.8x ของค่า 2023E P/BV



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	5.4	3.4	1.9
Relative to country (%)	2.4	1.8	1.9
Mkt cap (USD m)	651		
3m avg. daily turnover (USD m)	1.9		
Free float (%)	21		
Major shareholder	Thanachart SPV1 Co., LTD (56%)		
12m high/low (THB)	4.78/3.64		
Issued shares (m)	5,663		

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 7 พฤศจิกายน 2022

Investment thesis

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

We maintain our BUY call as we believe THANI is still the market leader in the truck lending business, and we expect its bottom-line growth to accelerate in 2H22 and 2023.

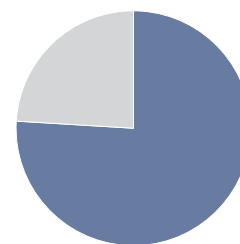
Company profile

Main businesses of the company are hire purchase loans, targeting new and used trucks, and financial leasing, as well as services related to its core businesses.

www.ratchthani.com

Principal activities (revenue, 2021)

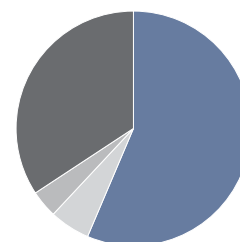
- Net interest income - 76.0 %
- Non-interest income - 24.0 %



Source: Ratchthani Leasing

Major shareholders

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



Source: Ratchthani Leasing

Catalysts

Potential share price catalysts for THANI include:

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

Risks to our call

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

Event calendar

Date	Event
10 November 2022	3Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	1,945	2,153	2,382
Net profit growth	13.8	10.7	10.6
NIM	4.94	4.88	4.87
Loan growth	10.0	8.0	12.0
Fee growth	24.0	10.0	8.0
Non-NII growth*	17.2	7.5	9.0
Credit cost (bp)	70	75	75
Cost to income*	20.7	17.8	17.2

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		2022E		
		8.0	10.0	12.0
Loan growth	±2ppt			
% change in net profit		(1.2)	-	1.2
NIM (%)	±5bp	4.89	4.94	4.99
% change in net profit		(1.1)	-	1.1
Credit cost (bp)	±10bp	60.0	70.0	80.0
% change in net profit		2.2	-	(2.2)

Source: FSSIA estimates

Healthy asset quality should drive 3Q22 net profit

We expect THANI to deliver a 3Q22 net profit of THB496m, up 24% y-y and 1% q-q, driven by three factors. First and most importantly, we believe THANI's credit cost should drop 133 bps y-y to 55 bps, as we expect the company to control its asset quality more effectively than its peers. NPLs should only slightly increase by 2% q-q, with an expected stable NPL ratio of 2.38%. Next, we expect a rise in outstanding loan volume by 8.5% y-y and 2% q-q, with the new lending volume reaching THB6.3b, down 16% q-q from seasonality, but still up 19% y-y. Lastly, we think fee income should increase by 37% y-y and 1% q-q following the rise in loan volume. These positives should completely offset the company's higher OPEX as it continues to speed up its truck seizure process to prevent asset quality from declining.

3Q22E key highlights

- Due to the gradual resumption of its growth strategy, we expect THANI to deliver loan growth of 8.5% y-y and 2% q-q. New truck and luxury car hire purchases should be the key drivers.
- Its NIM should slightly decline to 4.98% from 5.01%, due to 1) a drop in its loan yield from a greater focus on the low-risk corporate segment; and 2) a rise in its cost of funds as the company increased its longer-term borrowing in anticipation of the rate hike in 3Q22.
- We expect OPEX to rise 31% y-y due to an increase in debt collection expenses. Its cost to income ratio should remain at a high level of 22.2%, up from 17.3% in 3Q21.

Exhibit 1: THANI – 3Q22 results preview

Year-end Dec 31	3Q21	2Q22	3Q22E			9M22E			2022E	Change	3Q22E comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	%22E	(THB m)	(y-y %)	
Net interest income	692	644	657	(5)	2	1,924	0	75	2,562	2	
Non-interest income	177	232	233	32	0	705	27	76	933	17	
Operating income	870	876	890	2	2	2,629	6	75	3,495	5	
Operating expenses	151	194	198	31	2	560	31	77	724	24	
PPOP before tax	719	682	693	(4)	1	2,069	1	75	2,771	2	
Expected credit loss	231	71	73	(69)	2	270	(43)	74	363	(38)	
Income tax	87	119	124	43	4	356	12	77	464	7	
Minority interest	0	0	0	(100)	(100)	0	(38)		0		
Normalised profit	401	492	496	24	1	1,443	15	74	1,945	14	
Extraordinary items	0	0	0			0			0		
Net profit	401	492	496	24	1	1,443	15	74	1,945	14	
EPS (THB)	0.07	0.09	0.09	24	1	0.25	15	74	0.34	14	
Asset quality ratio (%)											
NPLs (THB m)	2,109	1,244	1,269	(40)	2				1,360	(27)	
NPLs / loans	4.30	2.38	2.38						2.50		
Loan loss reserve/NPLs	70	117	112						108		
Credit cost (bps)	188	56	55						70		
Profitability ratio (%)									(%)		
Cost to income ratio	17.3	22.1	22.2						20.7		
Average yield	7.52	6.73	6.76						6.75		
Cost of funds (COF)	2.46	2.34	2.38						2.45		
Net interest margin (NIM)	5.64	5.01	4.98						4.94		
Non-int inc / total income	20.37	26.52	26.20						26.7		
Loan growth (%)											
y-y	(0.7)	6.4	8.5						10.0		
q-q	0.0	3.2	2.0								

Sources: THANI; FSSIA estimates

Exhibit 2: Peers comparison as of 4 November 2022

	BBG	Rec	--- Share price ---		Up (down)	Market	EPS growth		--- P/E ---		--- ROE ---		--- PBV ---	
	code		Current	Target	side	Cap	22E	23E	22E	23E	22E	23E	22E	23E
			(THB)	(THB)	(%)	(USD m)	(%)	(%)	(x)	(x)	(%)	(%)	(x)	(x)
Diversified financials						18,506	9.6	21.2	21.5	17.1	15.9	16.5	2.9	2.6
Unsecured-loan lender						5,109	19.6	7.9	17.9	16.6	24.5	22.9	4.2	3.6
Aeon Thana Sinsap (Thailand)	AEONTS TB	HOLD	160.50	188.00	17	1,073	19.0	7.0	9.5	8.9	19.8	18.5	1.8	1.5
Krungthai Card	KTC TB	BUY	58.50	65.00	11	4,035	19.8	8.1	20.2	18.6	25.8	24.1	4.8	4.2
Auto-title lender						5,806	10.4	20.3	14.8	12.3	18.0	19.0	2.5	2.1
Muangthai Capital	MTC TB	BUY	37.00	60.00	62	2,099	14.3	23.0	13.9	11.3	20.7	21.3	2.6	2.2
Srisawad Corp	SAWAD TB	BUY	42.50	62.00	46	1,561	0.8	19.3	12.6	10.6	17.8	19.4	2.1	2.0
Saksiam Leasing	SAK TB	BUY	6.70	9.70	45	376	23.1	26.3	18.8	14.9	14.5	16.4	2.6	2.3
Ngern Tid Lor	TIDLOR TB	BUY	26.50	37.00	40	1,771	11.4	16.9	16.9	14.4	15.6	16.3	2.5	2.2
Truck lender						2,125	(0.4)	27.9	23.1	17.7	9.9	11.5	1.9	1.8
Micro Leasing	MICRO TB	HOLD	4.38	4.00	(9)	110	(39.1)	39.1	35.9	25.8	5.7	7.6	2.0	1.9
Singer Thailand	SINGER TB	BUY	36.50	59.00	62	1,363	(4.1)	35.2	27.2	20.1	7.2	9.4	1.9	1.9
Ratchthani Leasing	THANI TB	BUY	4.30	5.20	21	651	13.8	10.7	12.5	11.3	16.2	16.7	2.0	1.8

Source: FSSIA estimates

Financial Statements

Ratchthani Leasing

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	3,516	3,430	3,501	3,871	4,323
Interest expense	(1,063)	(913)	(939)	(1,113)	(1,291)
Net interest income	2,452	2,517	2,562	2,758	3,032
Net fees & commission	316	380	471	518	559
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	431	417	463	486	534
Non interest income	747	796	933	1,003	1,093
Total income	3,199	3,313	3,495	3,761	4,125
Staff costs	(188)	(183)	(201)	(201)	(211)
Other operating costs	(350)	(402)	(523)	(470)	(499)
Operating costs	(538)	(585)	(724)	(671)	(709)
Pre provision operating profit	2,662	2,729	2,771	3,090	3,416
Provision for bad and doubtful debt	(338)	(586)	(363)	(424)	(467)
Other provisions	-	-	-	-	-
Operating profit	2,324	2,143	2,408	2,666	2,949
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	2,324	2,143	2,408	2,666	2,949
Tax	(464)	(434)	(464)	(513)	(568)
Profit after tax	1,860	1,709	1,945	2,153	2,382
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,860	1,709	1,945	2,153	2,382
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	1,860	1,709	1,945	2,153	2,382
Per share (THB)					
Recurring EPS *	0.40	0.30	0.34	0.38	0.42
Reported EPS	0.40	0.30	0.34	0.38	0.42
DPS	0.17	0.17	0.19	0.21	0.25
Growth					
Net interest income (%)	(3.0)	2.6	1.8	7.7	9.9
Non interest income (%)	6.8	6.6	17.2	7.5	9.0
Pre provision operating profit (%)	0.2	2.5	1.6	11.5	10.5
Operating profit (%)	(5.7)	(7.8)	12.4	10.7	10.6
Reported net profit (%)	(5.3)	(8.1)	13.8	10.7	10.6
Recurring EPS (%)	(22.6)	(25.0)	13.8	10.7	10.6
Reported EPS (%)	(22.6)	(25.0)	13.8	10.7	10.6
Income Breakdown					
Net interest income (%)	76.7	76.0	73.3	73.3	73.5
Net fees & commission (%)	9.9	11.5	13.5	13.8	13.6
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	13.5	12.6	13.2	12.9	13.0
Operating performance					
Gross interest yield (%)	7.04	7.05	6.75	6.85	6.95
Cost of funds (%)	2.70	2.49	2.45	2.65	2.75
Net interest spread (%)	4.34	4.56	4.30	4.20	4.20
Net interest margin (%)	4.9	5.2	4.9	4.9	4.9
Cost/income(%)	16.8	17.6	20.7	17.8	17.2
Cost/assets(%)	1.1	1.2	1.4	1.2	1.1
Effective tax rate (%)	19.9	20.2	19.3	19.3	19.3
Dividend payout on recurring profit (%)	42.2	56.3	56.0	56.0	60.0
ROE (%)	20.1	15.3	16.2	16.7	17.2
ROE - COE (%)	9.3	4.5	5.4	5.9	6.4
ROA (%)	3.7	3.5	3.8	3.8	3.8
RORWA (%)	-	-	-	-	-
* Pre-exceptional, pre-goodwill and fully diluted					

Sources: Ratchthani Leasing; FSSIA estimates

Financial Statements

Ratchthani Leasing

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	47,976	49,396	54,336	58,682	65,724
Total provisions	(1,228)	(1,485)	(1,468)	(1,569)	(1,739)
interest in suspense	0	0	0	0	0
Net customer loans	46,748	47,911	52,868	57,114	63,985
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	1,044	476	202	400	483
Other interesting assets	-	-	-	-	-
Tangible fixed assets	147	165	200	257	345
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	579	671	520	697	896
Total assets	48,518	49,223	53,789	58,468	65,709
Customer deposits	0	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	36,691	36,512	40,165	43,836	50,062
Non interest bearing liabilities	1,008	1,145	1,202	1,262	1,325
Hybrid Capital	-	-	-	-	-
Total liabilities	37,699	37,657	41,367	45,098	51,387
Share capital	5,663	5,663	5,663	5,663	5,663
Reserves	5,156	5,904	6,759	7,706	8,659
Total equity	10,819	11,567	12,422	13,369	14,322
Minority interests	0	0	0	0	0
Total liabilities & equity	48,518	49,223	53,789	58,468	65,709
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	49,955	48,686	51,866	56,509	62,203
Average interest bearing liabilities	39,439	36,602	38,339	42,001	46,949
Tier 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	1,500	1,863	1,360	1,496	1,646
Per share (THB)					
Book value per share	1.91	2.04	2.19	2.36	2.53
Tangible book value per share	1.91	2.04	2.19	2.36	2.53
Growth					
Gross customer loans	(7.6)	3.0	10.0	8.0	12.0
Average interest earning assets	(0.6)	(2.5)	6.5	9.0	10.1
Total asset (%)	(4.6)	1.5	9.3	8.7	12.4
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	nm	nm	nm	nm	nm
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	22.3	23.5	23.1	22.9	21.8
Tangible equity/assets (%)	22.3	23.5	23.1	22.9	21.8
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	(26.8)	24.2	(27.0)	10.0	10.0
NPL/gross loans (%)	3.1	3.8	2.5	2.5	2.5
Total provisions/gross loans (%)	2.6	3.0	2.7	2.4	2.6
Total provisions/NPL (%)	81.9	79.7	107.9	104.8	105.7
Valuation					
Recurring P/E (x) *	10.7	14.2	12.5	11.3	10.2
Recurring P/E @ target price (x) *	12.9	17.2	15.1	13.7	12.4
Reported P/E (x)	10.7	14.2	12.5	11.3	10.2
Dividend yield (%)	4.0	4.0	4.5	5.0	5.9
Price/book (x)	2.3	2.1	2.0	1.8	1.7
Price/tangible book (x)	2.3	2.1	2.0	1.8	1.7
Price/tangible book @ target price (x)	2.7	2.5	2.4	2.2	2.1

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Ratchthani Leasing; 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	BDM5	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	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEOIL	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	MTSIB	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	WIJK
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	TIPIPP	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	SEAOL	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:

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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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Rawisara Suwanumphai FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Ratchthani Leasing	THANI TB	THB 4.30	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) changes in financial regulations from the Bank of Thailand.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 160.50	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 58.50	BUY	Downside risks are: 1) regulatory actions to curb industry growth; and 2) deteriorating asset quality.
Muangthai Capital	MTC TB	THB 37.00	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Srisawad Corp	SAWAD TB	THB 42.50	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 6.70	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 26.50	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank and Auto X (subsidiary of SCB); 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.
Micro Leasing	MICRO TB	THB 4.38	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
Singer Thailand	SINGER TB	THB 36.50	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.

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 04-Nov-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.