

MICRO LEASING MICRO TB

THAILAND / DIVERSIFIED FINANCIALS

HOLD

Tough road ahead

- MICRO reported a weak 3Q22 net profit of THB8m (-81% y-y, -58% q-q), dragged down by poor asset quality.
- MICRO should continue to perform poorly in 4Q22-1H23. We expect its quarterly net profit to return to normal in 2H23 onward.
- Maintain HOLD at a 2023 GGM-based TP of THB4.0.

| | |
|-----------------|---------|
| TARGET PRICE | THB4.00 |
| CLOSE | THB4.34 |
| UP/DOWNSIDE | -7.8% |
| TP vs CONSENSUS | -12.1% |

Feeble 3Q22 net profit

We have a negative view of MICRO's 3Q22 net profit, which at THB8m (-81% y-y, -58% q-q), was slightly below our expectation of THB13m due to higher ECL. Its 9M22 net profit accounts for 69% of our 2022 forecast.

NPLs and OPEX were key drags on 3Q22 performance

The weak performance came from 1) an ECL increase that was up 109% y-y and 27% q-q, following a continued substantial increase in NPLs by 6% q-q, implying an NPL ratio of 4.61%, up from 4.58% in 2Q22; and 2) a noticeable rise in OPEX by 72% y-y and 7% q-q due mainly to higher debt collection expenses from a high asset deterioration rate and OPEX from its new subsidiary, Micro Plus Leasing. As for loan growth, MICRO selectively lent new loans to control asset quality. Accordingly, its loan volume increased at a slower rate of 5.3% q-q in 3Q22 compared with 10% q-q in 2Q22.

Quarterly net profit should get back on track in 2H23

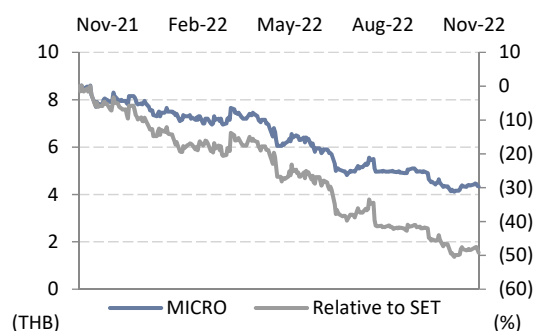
We think it will take at least one to two quarters for MICRO to solve its asset quality problem, which should result in higher provisions. On top of that, we expect Micro Plus to deliver a red bottom line until 1H23 from its high OPEX and elevated ECL following the start of business. Hence, we think MICRO will continue to perform poorly in 4Q22-1H23. However, its quarterly net profit should get back on track at around THB45m-50m per quarter in 2H23.

Maintain HOLD with a new 2023 GGM-based TP of THB4.0

We maintain our HOLD call with an unchanged 2023 GGM-based TP of THB4.0. Although MICRO's share price has slumped substantially by 47% YTD, we still see limited catalysts to drive it higher in the short term. We think a good time to come back to MICRO would be in 1Q23 or 2Q23.

KEY STOCK DATA

| YE Dec (THB m) | 2021 | 2022E | 2023E | 2024E |
|--------------------|------|--------|--------|-------|
| Operating profit | 227 | 126 | 207 | 283 |
| Net profit | 187 | 114 | 159 | 215 |
| EPS (THB) | 0.20 | 0.12 | 0.17 | 0.23 |
| vs Consensus (%) | - | (6.3) | (12.8) | 1.3 |
| Core net profit | 187 | 114 | 159 | 215 |
| Core EPS (THB) | 0.20 | 0.12 | 0.17 | 0.23 |
| EPS growth (%) | 13.3 | (39.1) | 39.1 | 35.3 |
| Core P/E (x) | 21.6 | 35.5 | 25.5 | 18.9 |
| Dividend yield (%) | 1.8 | 0.6 | 0.8 | 1.6 |
| Price/book (x) | 2.1 | 2.0 | 1.9 | 1.8 |
| ROE (%) | 9.9 | 5.7 | 7.6 | 9.6 |
| ROA (%) | 5.5 | 2.2 | 2.8 | 3.1 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|---------|------------------------|-----------|
| Absolute (%) | (0.5) | (12.5) | (46.1) |
| Relative to country (%) | (5.0) | (13.3) | (46.2) |
| Mkt cap (USD m) | | | 113 |
| 3m avg. daily turnover (USD m) | | | 0.1 |
| Free float (%) | | | 21 |
| Major shareholder | | Auchyawat Family (58%) | |
| 12m high/low (THB) | | | 8.85/4.06 |
| Issued shares (m) | | | 935 |

Sources: Bloomberg consensus; FSSIA estimates



Rawisara Suwanumchai

rawisara.suw@fssia.com
+66 2611 3554

NPLs and OPEX led to a weak 3Q22 performance

MICRO delivered a feeble net profit in 3Q22 at THB8m (-81% y-y, -58% q-q), which was slightly below our expectation of THB13m due to higher ECL. Its weak performance came from 1) an ECL increase by 109% y-y and 27% q-q, following a continued substantial increase in NPLs by 6% q-q, implying an NPL ratio of 4.61% from 4.58% in 2Q22; and 2) a noticeable rise in OPEX by 72% y-y and 7% q-q due mainly to higher debt collection expenses from a high asset deterioration rate and OPEX from its new subsidiary, Micro Plus Leasing. As for loan growth, MICRO selectively lent new loans to control asset quality. Accordingly, its loan volume increased at a slower rate of 5.3% q-q in 3Q22 compared with 10% q-q in 2Q22.

3Q22 key highlights

- MICRO posted slower loan growth of 41.4% y-y and 5.3% q-q, which we think was lower than its potential growth rate due to the company's desire to control its asset quality.
- Its NIM increased to 12.8% from 12.3% in 2Q22 following a rise in its high-yield motorcycle hire-purchase portfolio to THB307m (6% of total loans).
- Cost to income rose to 44.1% in 3Q22 from 32.6% in 3Q21 from higher debt collection expenses and OPEX from Micro Plus Leasing.

Exhibit 1: MICRO – summary of 3Q22 operations

| Year-end Dec 31 | 3Q21 | 2Q22 | 3Q22 | | | 9M22 | | | 2022 | Change | 3Q22 comments |
|----------------------------|------------|------------|------------|-------------|-------------|------------|-------------|-----------|------------|-------------|---------------|
| | (THB m) | (THB m) | (THB m) | (y-y %) | (q-q %) | (THB m) | (y-y %) | %22E | (THB m) | (y-y %) | |
| Net interest income | 114 | 134 | 149 | 32 | 12 | 411 | 30 | 74 | 556 | 26 | |
| Non-interest income | 32 | 41 | 35 | 12 | (14) | 114 | 21 | 72 | 158 | 23 | |
| Operating income | 145 | 175 | 185 | 27 | 6 | 524 | 28 | 73 | 714 | 25 | |
| Operating expenses | 47 | 76 | 81 | 72 | 7 | 217 | 60 | 75 | 289 | 55 | |
| PPOP before tax* | 98 | 99 | 103 | 6 | 5 | 307 | 12 | 72 | 425 | 11 | |
| Expected credit loss | 47 | 77 | 98 | 109 | 27 | 215 | 105 | 72 | 299 | 92 | |
| Income tax | 11 | 5 | 2 | (79) | (59) | 22 | (22) | 86 | 25 | (37) | |
| Minority interest | 0 | (3) | (5) | | | (8) | | | (13) | | |
| Normalised profit | 40 | 19 | 8 | (81) | (58) | 78 | (45) | 69 | 114 | (39) | |
| Extraordinary items | 0 | 0 | 0 | | | 0 | | | 0 | | |
| Net profit | 40 | 19 | 8 | (81) | (58) | 78 | (45) | 69 | 114 | (39) | |
| EPS (THB) | 0.04 | 0.02 | 0.01 | (81) | (58) | 0.08 | (45) | 69 | 0.12 | (39) | |
| Asset quality ratio | (%) | (%) | (%) | | | | | | (%) | | |
| NPLs (THB m) | 118 | 208 | 220 | 87 | 6 | | | | 251 | 90 | |
| NPLs / Loans | 3.48 | 4.58 | 4.61 | | | | | | 4.89 | | |
| Loan loss reserve/NPLs | 117 | 98 | 99 | | | | | | 102 | | |
| Credit cost (bps) | 577 | 713 | 842 | | | | | | 670 | | |
| Profitability ratio | (%) | (%) | (%) | | | | | | (%) | | |
| Cost to income ratio | 32.6 | 43.6 | 44.1 | | | | | | 40.4 | | |
| Average yield | 16.0 | 15.5 | 16.1 | | | | | | 15.5 | | |
| Cost of fund | 4.8 | 5.6 | 5.6 | | | | | | 5.5 | | |
| Net interest margin (NIM) | 13.9 | 12.3 | 12.8 | | | | | | 12.5 | | |
| Non-int inc/total income | 21.7 | 23.5 | 19.1 | | | | | | 22.1 | | |
| Loan growth | (%) | (%) | (%) | | | | | | (%) | | |
| y-y | 49.7 | 45.1 | 41.4 | | | | | | 35.0 | | |
| q-q | 8.0 | 10.0 | 5.3 | | | | | | | | |

Sources: MICRO; FSSIA estimates

Financial Statements

Micro Leasing

| Profit and Loss (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|-------|-------|--------|-------|-------|
| Interest Income | 356 | 504 | 691 | 902 | 1,135 |
| Interest expense | (48) | (63) | (136) | (202) | (270) |
| Net interest income | 308 | 441 | 556 | 700 | 865 |
| Net fees & commission | 78 | 120 | 150 | 199 | 255 |
| Foreign exchange trading income | - | - | - | - | - |
| Securities trading income | - | - | - | - | - |
| Dividend income | 0 | 0 | 0 | 0 | 0 |
| Other income | 20 | 9 | 8 | 9 | 9 |
| Non interest income | 98 | 128 | 158 | 208 | 264 |
| Total income | 406 | 569 | 714 | 908 | 1,130 |
| Staff costs | (153) | (186) | (289) | (361) | (422) |
| Other operating costs | - | - | - | - | - |
| Operating costs | (153) | (186) | (289) | (361) | (422) |
| Pre provision operating profit | 253 | 383 | 425 | 547 | 708 |
| Provision for bad and doubtful debt | (77) | (156) | (299) | (340) | (425) |
| Other provisions | - | - | - | - | - |
| Operating profit | 176 | 227 | 126 | 207 | 283 |
| Recurring non operating income | 0 | 0 | 0 | 0 | 0 |
| Associates | 0 | 0 | 0 | 0 | 0 |
| Goodwill amortization | - | - | - | - | - |
| Non recurring items | 0 | 0 | 0 | 0 | 0 |
| Profit before tax | 176 | 227 | 126 | 207 | 283 |
| Tax | (41) | (40) | (25) | (41) | (57) |
| Profit after tax | 135 | 187 | 101 | 165 | 226 |
| Minority interests | 0 | 0 | 13 | (7) | (11) |
| Preferred dividends | - | - | - | - | - |
| Other items | - | - | - | - | - |
| Reported net profit | 135 | 187 | 114 | 159 | 215 |
| Non recurring items & goodwill (net) | - | - | 0 | 0 | 0 |
| Recurring net profit | 135 | 187 | 114 | 159 | 215 |
| Per share (THB) | | | | | |
| Recurring EPS * | 0.18 | 0.20 | 0.12 | 0.17 | 0.23 |
| Reported EPS | 0.18 | 0.20 | 0.12 | 0.17 | 0.23 |
| DPS | 0.07 | 0.08 | 0.02 | 0.03 | 0.07 |
| Growth | | | | | |
| Net interest income (%) | 26.5 | 43.2 | 26.1 | 25.9 | 23.7 |
| Non interest income (%) | 104.8 | 30.5 | 23.0 | 31.6 | 27.3 |
| Pre provision operating profit (%) | 56.6 | 51.2 | 11.0 | 28.7 | 29.4 |
| Operating profit (%) | 27.0 | 29.1 | (44.4) | 63.7 | 36.7 |
| Reported net profit (%) | 21.9 | 38.8 | (39.1) | 39.1 | 35.3 |
| Recurring EPS (%) | 11.8 | 13.3 | (39.1) | 39.1 | 35.3 |
| Reported EPS (%) | 11.8 | 13.3 | (39.1) | 39.1 | 35.3 |
| Income Breakdown | | | | | |
| Net interest income (%) | 75.8 | 77.4 | 77.9 | 77.1 | 76.6 |
| Net fees & commission (%) | 19.2 | 21.1 | 21.0 | 22.0 | 22.6 |
| Foreign exchange trading income (%) | - | - | - | - | - |
| Securities trading income (%) | - | - | - | - | - |
| Dividend income (%) | - | - | - | - | - |
| Other income (%) | 5.0 | 1.5 | 1.1 | 0.9 | 0.8 |
| Operating performance | | | | | |
| Gross interest yield (%) | 15.53 | 15.90 | 15.50 | 15.65 | 15.75 |
| Cost of funds (%) | 5.30 | 4.59 | 5.50 | 5.70 | 5.70 |
| Net interest spread (%) | 10.23 | 11.31 | 10.00 | 9.95 | 10.05 |
| Net interest margin (%) | 13.4 | 13.9 | 12.5 | 12.1 | 12.0 |
| Cost/income(%) | 37.6 | 32.7 | 40.4 | 39.7 | 37.3 |
| Cost/assets(%) | 6.3 | 5.5 | 6.2 | 6.1 | 5.8 |
| Effective tax rate (%) | 23.3 | 17.6 | 20.0 | 20.0 | 20.0 |
| Dividend payout on recurring profit (%) | 38.1 | 38.4 | 20.0 | 20.0 | 30.0 |
| ROE (%) | 9.3 | 9.9 | 5.7 | 7.6 | 9.6 |
| ROE - COE (%) | (1.5) | (0.9) | (5.1) | (3.2) | (1.2) |
| ROA (%) | 5.5 | 5.5 | 2.2 | 2.8 | 3.1 |
| RORWA (%) | - | - | - | - | - |

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Micro Leasing; FSSIA estimates

Financial Statements

Micro Leasing

| Balance Sheet (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|--|--------------|--------------|--------------|--------------|--------------|
| Gross customer loans | 2,542 | 3,796 | 5,124 | 6,406 | 8,007 |
| Total provisions | (98) | (162) | (256) | (372) | (517) |
| interest in suspense | 0 | 0 | 0 | 0 | 0 |
| Net customer loans | 2,444 | 3,634 | 4,869 | 6,034 | 7,490 |
| Bank loans | - | - | - | - | - |
| Government securities | - | - | - | - | - |
| Trading securities | - | - | - | - | - |
| Investment securities | 0 | 0 | 0 | 0 | 0 |
| Cash & equivalents | 128 | 142 | 101 | 88 | 59 |
| Other interesting assets | - | - | - | - | - |
| Tangible fixed assets | 7 | 11 | 19 | 32 | 53 |
| Associates | - | - | - | - | - |
| Goodwill | - | - | - | - | - |
| Other intangible assets | - | - | - | - | - |
| Other assets | 176 | 248 | 335 | 410 | 417 |
| Total assets | 2,755 | 4,034 | 5,323 | 6,563 | 8,019 |
| Customer deposits | 0 | 0 | 0 | 0 | 0 |
| Bank deposits | - | - | - | - | - |
| Other interest bearing liabilities | 823 | 1,929 | 3,002 | 4,100 | 5,359 |
| Non interest bearing liabilities | 109 | 147 | 293 | 308 | 354 |
| Hybrid Capital | - | - | - | - | - |
| Total liabilities | 932 | 2,076 | 3,295 | 4,408 | 5,714 |
| Share capital | 935 | 935 | 935 | 935 | 935 |
| Reserves | 888 | 1,023 | 1,093 | 1,220 | 1,370 |
| Total equity | 1,823 | 1,958 | 2,028 | 2,155 | 2,305 |
| Minority interests | 0 | 0 | 0 | 0 | 0 |
| Total liabilities & equity | 2,755 | 4,034 | 5,323 | 6,563 | 8,019 |
| Supplementary items | | | | | |
| Risk weighted assets (RWA) | n/a | n/a | n/a | n/a | n/a |
| Average interest earning assets | 2,289 | 3,169 | 4,460 | 5,765 | 7,206 |
| Average interest bearing liabilities | 905 | 1,376 | 2,465 | 3,551 | 4,730 |
| Tier 1 capital | n/a | n/a | n/a | n/a | n/a |
| Total capital | 0 | 0 | 0 | 0 | 0 |
| Gross non performing loans (NPL) | 97 | 132 | 251 | 313 | 391 |
| Per share (THB) | | | | | |
| Book value per share | 2.39 | 2.09 | 2.17 | 2.30 | 2.47 |
| Tangible book value per share | 2.39 | 2.09 | 2.17 | 2.30 | 2.47 |
| Growth | | | | | |
| Gross customer loans | 24.8 | 49.3 | 35.0 | 25.0 | 25.0 |
| Average interest earning assets | 29.4 | 38.4 | 40.7 | 29.3 | 25.0 |
| Total asset (%) | 30.1 | 46.4 | 31.9 | 23.3 | 22.2 |
| Risk weighted assets (%) | - | - | - | - | - |
| Customer deposits (%) | nm | nm | nm | nm | nm |
| Leverage & capital measures | | | | | |
| Customer loan/deposits (%) | - | - | - | - | - |
| Equity/assets (%) | 66.2 | 48.5 | 38.1 | 32.8 | 28.7 |
| Tangible equity/assets (%) | 66.2 | 48.5 | 38.1 | 32.8 | 28.7 |
| RWA/assets (%) | - | - | - | - | - |
| Tier 1 CAR (%) | - | - | - | - | - |
| Total CAR (%) | - | - | - | - | - |
| Asset Quality | | | | | |
| Change in NPL (%) | 6.6 | 35.8 | 90.0 | 25.0 | 25.0 |
| NPL/gross loans (%) | 3.8 | 3.5 | 4.9 | 4.9 | 4.9 |
| Total provisions/gross loans (%) | 3.9 | 4.3 | 5.0 | 4.6 | 6.5 |
| Total provisions/NPL (%) | 100.9 | 122.9 | 102.1 | 118.7 | 132.0 |
| Valuation | | | | | |
| Recurring P/E (x) * | 24.5 | 21.6 | 35.5 | 25.5 | 18.9 |
| Recurring P/E @ target price (x) * | 22.6 | 20.0 | 32.7 | 23.5 | 17.4 |
| Reported P/E (x) | 24.5 | 21.6 | 35.5 | 25.5 | 18.9 |
| Dividend yield (%) | 1.6 | 1.8 | 0.6 | 0.8 | 1.6 |
| Price/book (x) | 1.8 | 2.1 | 2.0 | 1.9 | 1.8 |
| Price/tangible book (x) | 1.8 | 2.1 | 2.0 | 1.9 | 1.8 |
| Price/tangible book @ target price (x) | 1.7 | 1.9 | 1.8 | 1.7 | 1.6 |

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Micro 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 | 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 | DRS | SCM | SUSCO | TOA | VIH |
| AMATAV | BTS | DTAC | HANA | LHFG | NVD | PSL | SDC | SUTHA | TOP | WACOAL |
| ANAN | BTW | DUSIT | HARN | LIT | NWR | PTG | SEAFCO | 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 | PPP | 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 | 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 | 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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Rawisara Suwanumphai FSS International Investment Advisory Securities Co., Ltd

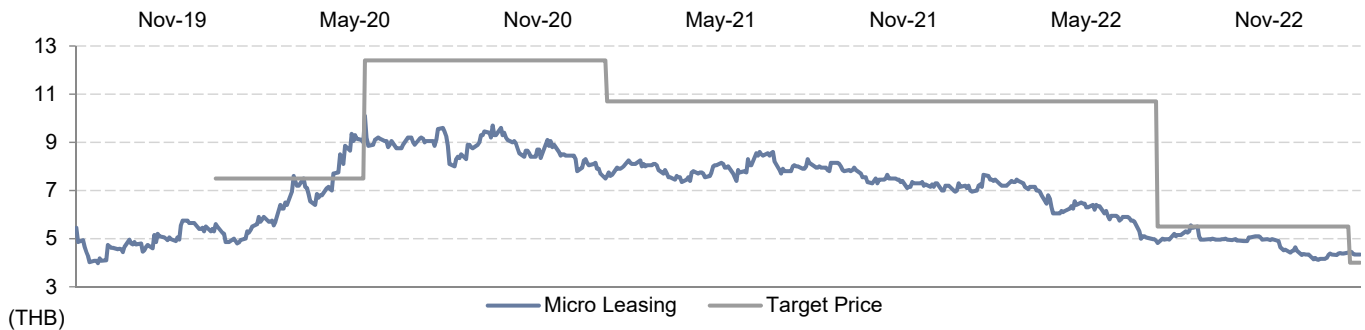
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Micro Leasing (MICRO TB)



| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 23-Dec-2020 | BUY | 7.50 | 16-Aug-2021 | BUY | 10.70 | 07-Nov-2022 | HOLD | 4.00 |
| 23-Mar-2021 | BUY | 12.40 | 14-Jul-2022 | HOLD | 5.50 | | | |

Rawisara Suwanumphai started covering this stock from 23-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

| Company | Ticker | Price | Rating | Valuation & Risks |
|---------------|----------|----------|--------|--|
| Micro Leasing | MICRO TB | THB 4.34 | 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 |

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 14-Nov-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.