

15 NOVEMBER 2021

THAILAND / DIVERSIFIED FINANCIALS

## SRISAWAD CORP SAWAD TB

BUY  
UNCHANGED

TARGET PRICE	THB80.00
CLOSE	THB63.00
UP/DOWNSIDE	+27.0%
TP vs CONSENSUS	+1.9%

## รายได้ที่ไม่ใช่ดอกเบี้ยสุทธิ (Non-NII) ที่ดีอาจช่วยให้กำไรสุทธิรอด

## กำไรต่ำกว่าคาดจากการด้อยค่าของรถยัด

SAWAD รายงานกำไรสุทธิ 3Q21 ที่ 1.11 พัน ลบ. (-8% y-y, +1% q-q) ซึ่งต่ำกว่าที่เราคาด 8% จากการด้อยค่าของรถยัดที่สูงเกินคาดในระหว่างไตรมาส ในรอบ 9M21 กำไรสุทธิคิดเป็น 73% ของประมาณการปี 2021 ของเรา เราเห็นความเสี่ยงของจำกัดและมั่นใจว่า SAWAD จะสามารถรายงานผลประกอบการที่ดีขึ้นใน 4Q21

## ผลประกอบการ 3Q21 ดีขึ้นเล็กน้อย

ผลประกอบการฟื้นตัวเล็กน้อย q-q จาก 1) Non-NII ที่ดีประกอบด้วยค่าธรรมเนียมในการรับชำระหนี้จาก Fast Money (FM, not listed), ค่านายหน้าขายประกัน, และหนี้เสียรับคืน; 2) รายการกลับผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) จากปริมาณสินเชื่อที่ลดลงของ Srisawad Finance (BFIT TB, not rated); และ 3) ปริมาณสินเชื่อที่เพิ่มในระดับปานกลาง (+3.3% q-q) ในด้านคุณภาพสินทรัพย์ หนี้ด้อยคุณภาพ (NPL) ลดลง 3% q-q เนื่องจากบริษัทฯ เริ่มยึดรถยนต์เพิ่มขึ้นหลังมาตรการผ่อนผันสินเชื่อสูงสุด หมายเหตุ FM ให้ผลขาดทุน 10 ลบ. แต่ SAWAD เทียบกับที่เคยให้กำไร 4 ลบ. ใน 2Q21 จากค่าใช้จ่ายในการดำเนินงาน (OPEX) ที่อยู่ในระดับสูง

## คาด 4Q21 ดีพอใช้ก่อนการฟื้นตัวในระดับสูงในปี 2022

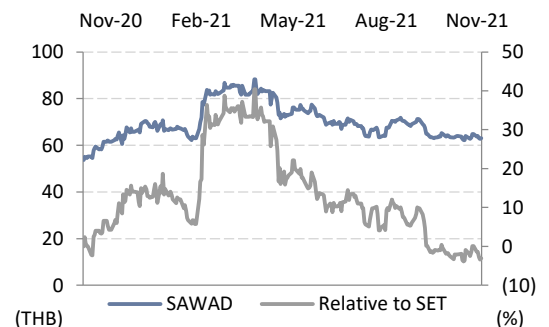
ใน 4Q21 เราคาดว่ากำไรของ SAWAD จะค่อย ๆ เพิ่ม q-q จากปัจจัยผลักดัน 3 ประการ ข้อแรกเราคิดว่าปริมาณสินเชื่อจะเพิ่มในระดับปานกลาง q-q หลังการปล่อยสินเชื่อด้วยความระมัดระวังมา 6 ไตรมาสติดต่อกัน เราคาดว่า SAWAD จะเริ่มกลับสู่เส้นทางของการเติบโต ข้อสองเราคาดว่า Non-NII จะเพิ่มจาก 1) ค่าธรรมเนียมในการรับชำระหนี้จาก FM; และ 2) ค่านายหน้าขายประกัน SAWAD จะต่อสัญญาการเป็นตัวแทนขายประกันกับ Generali Thailand (not listed) และ Chubb Samaggi Insurance (not listed) ซึ่งน่าจะทำให้ค่าธรรมเนียมจากการเป็นตัวแทน (Channelling Fee) เพิ่มสูงขึ้น ข้อสุดท้ายเราคาดว่าบริษัทฯ จะประหยัด OPEX ได้จากการย้ายพนักงานบางส่วนไปขึ้นอยู่กับ FM ในปี 2022 เราคิดว่ากำไรจากการดำเนินงานอาจเพิ่ม 21% y-y จากปริมาณสินเชื่อที่โตดีขึ้นและรายได้ค่าธรรมเนียมที่สูงขึ้น

## คำแนะนำซื้อสำหรับการลงทุนระยะยาว

เราลงคำแนะนำซื้อที่ราคาเป้าหมาย 80 บาท ในกลุ่มผู้ประกอบการสินเชื่อทะเบียนรถยนต์ SAWAD เป็นหุ้นที่เราชอบมากที่สุด เนื่องจากเราเชื่อว่าบริษัทฯ จะรอดพ้นจากการเปลี่ยนแปลงทางโครงสร้างในอุตสาหกรรมสินเชื่อทะเบียนรถยนต์จากรูปแบบการทำธุรกิจที่มีการกระจายความเสี่ยงสูงกว่า กล่าวคือ 1) การขยายฐานลูกค้าเป้าหมายโดยเข้าเป็นพันธมิตรกับ Government Savings Bank; และ 2) การขยายกิจการเข้าสู่ธุรกิจอื่น เช่น ตัวแทนขายประกันและบริหารสินทรัพย์

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	5,983	6,171	7,190	8,399
Net profit	4,508	4,875	5,664	6,686
EPS (THB)	3.32	3.59	4.17	4.92
vs Consensus (%)	-	(0.1)	4.2	7.3
Core net profit	4,508	4,697	5,664	6,686
Core EPS (THB)	3.32	3.46	4.17	4.92
EPS growth (%)	17.2	4.2	20.6	18.0
Core P/E (x)	19.0	18.2	15.1	12.8
Dividend yield (%)	2.9	2.8	3.3	3.9
Price/book (x)	3.9	3.5	3.1	2.8
ROE (%)	22.3	20.2	22.0	23.1
ROA (%)	9.8	9.4	10.2	10.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.9)	(0.8)	16.7
Relative to country (%)	(1.4)	(6.9)	(4.6)
Mkt cap (USD m)	2,636		
3m avg. daily turnover (USD m)	19.8		
Free float (%)	67		
Major shareholder	Kaewbootta Family (33%)		
12m high/low (THB)	94.25/52.75		
Issued shares (m)	1,373		

Sources: Bloomberg consensus; FSSIA estimates



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## Missed earnings expectations due to repossessed car impairment

SAWAD reported a 3Q21 net profit of THB1,112m (-8% y-y, +1% q-q), which was 6% lower than Bloomberg's consensus expectation and 8% below our forecast due to the higher-than-expected repossessed car impairment in the quarter. Its performance recovered q-q due to 1) strong Non-NII, including debt servicing fees from FM, insurance commission fees, and bad debt recovery; 2) an ECL reversal thanks to the decline in BFIT's loan volume; and 3) a moderate rise in loan volume by 3.3% q-q. Regarding asset quality, its NPLs went down by 3% q-q as the company began to seize more cars after the relief measures ended. Note that FM generated a loss of THB10m for SAWAD vs a profit of THB4m in 2Q21 due to high OPEX.

### 3Q21 key highlights

- SAWAD's total loan volume increased moderately by 3.3% in 3Q21 q-q vs 1.8% q-q in 2Q21, driven by its car title loans and its new motorcycle hire purchase lending. Motorcycle hire purchases amounted to THB4.9b (+16% q-q). Meanwhile, its land title loans declined q-q due to its conservative lending strategy as a result of the prolonged Covid pandemic. Regarding motorbike title loans, which were booked at FM, the company did not provide any loan volume details.
- Its loan yield declined to 19.6% from 20.1% in 2Q21. We think it was dragged down by the repricing of its higher-yield portfolio, which was lent before the interest rate cap mandate by the Bank of Thailand came into effect in Aug-20, resulting in a lower yield.
- SAWAD was able to deliver strong Non-NII (+13% y-y, flat q-q), supported by 1) debt servicing fees from FM; 2) insurance commission fees; and 3) bad debt recovery.
- Its OPEX increased 9% q-q thanks mainly to the impairment of repossessed cars and Covid-related expenses.

### Exhibit 1: SAWAD – summary of 3Q21 results

Year-end Dec 31	3Q20	2Q21	3Q21		9M21		2021E	Change	3Q21 comments		
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	%21E	(THB m)	(y-y %)	
Net interest income	1,730	1,415	1,436	(17)	2	4,532	(16)	76	6,000	(17)	
Non-interest income*	734	835	831	13	(0)	2,349	18	75	3,117	10	
Operating income*	2,464	2,250	2,267	(8)	1	6,881	(7)	75	9,117	(10)	
Operating expenses	962	793	863	(10)	9	2,572	(13)	81	3,191	(16)	
<b>PPOP before tax</b>	<b>1,502</b>	<b>1,457</b>	<b>1,404</b>	<b>(7)</b>	<b>(4)</b>	<b>4,309</b>	<b>(4)</b>	<b>73</b>	<b>5,926</b>	<b>(6)</b>	
Expected credit loss	(97)	(48)	(101)	4	110	(323)	(289)	132	(245)	(176)	
Income tax	316	315	307	(3)	(3)	1,000	17	81	1,234	4	
Minority interest	79	84	86			232	(2)		240	(15)	
<b>Normalised profit</b>	<b>1,204</b>	<b>1,106</b>	<b>1,112</b>	<b>(8)</b>	<b>1</b>	<b>3,400</b>	<b>6</b>	<b>72</b>	<b>4,697</b>	<b>4</b>	
Extraordinary items	0	0	0			178			178		
<b>Net profit</b>	<b>1,204</b>	<b>1,106</b>	<b>1,112</b>	<b>(8)</b>	<b>1</b>	<b>3,579</b>	<b>11</b>	<b>73</b>	<b>4,875</b>	<b>8</b>	
EPS (THB)	0.88	0.81	0.81	(8)	1	2.61	10	73	3.59	8	
<b>Asset quality ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>						<b>(%)</b>		
NPLs (THB m)	1,764	1,532	1,480	(16)	(3)				1,554	5	More stringent debt collection processes
NPLs / loans	4.50	4.70	4.40						4.33		
Loan loss reserve / NPLs	75	69	64						62		
Credit cost (bps)	(100)	(59)	(122)						(65)		Reversal from BFIT
<b>Profitability ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>						<b>(%)</b>		
Cost to income ratio	39.1	35.2	38.1						35.0		
Average yield	20.2	20.1	19.6						18.2		
Cost of funds	3.5	3.5	3.5						3.5		
Net interest margin (NIM)	17.8	17.5	17.3						15.9		
Non-int inc / total income	29.8	37.1	36.7						38.4		
<b>Loan growth</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>						<b>(%)</b>		
y-y	13.2	(15.4)	(14.2)						(9.0)		
q-q	1.9	1.8	3.3								

\*Including share of profits from associates

Sources: SAWAD; FSSIA estimates

## Financial Statements

### Srisawad Corp

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	7,239	8,166	6,857	8,279	9,986
Interest expense	(828)	(903)	(857)	(906)	(1,112)
Net interest income	6,411	7,263	6,000	7,373	8,874
Net fees & commission	1,936	1,315	1,591	1,973	2,091
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	3	2	0	0	0
Other income	615	1,510	1,525	1,619	1,788
Non interest income	2,554	2,827	3,117	3,592	3,880
Total income	8,965	10,090	9,117	10,965	12,753
Staff costs	(1,785)	(1,869)	(1,159)	(1,136)	(1,283)
Other operating costs	(1,747)	(1,918)	(2,032)	(2,235)	(2,492)
Operating costs	(3,532)	(3,787)	(3,191)	(3,371)	(3,775)
Pre provision operating profit	5,433	6,304	5,926	7,594	8,978
Provision for bad and doubtful debt	(552)	(321)	245	(404)	(579)
Other provisions	-	-	-	-	-
Operating profit	4,881	5,983	6,171	7,190	8,399
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	178	0	0
Profit before tax	4,881	5,983	6,349	7,190	8,399
Tax	(952)	(1,192)	(1,234)	(1,366)	(1,554)
Profit after tax	3,929	4,791	5,115	5,824	6,846
Minority interests	(172)	(283)	(240)	(160)	(160)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	3,756	4,508	4,875	5,664	6,686
Non recurring items & goodwill (net)	-	-	(178)	0	0
Recurring net profit	3,756	4,508	4,697	5,664	6,686
<b>Per share (THB)</b>					
Recurring EPS *	2.83	3.32	3.46	4.17	4.92
Reported EPS	2.90	3.32	3.59	4.17	4.92
DPS	1.43	1.80	1.80	2.09	2.46
<b>Growth</b>					
Net interest income (%)	26.3	13.3	(17.4)	22.9	20.4
Non interest income (%)	22.5	10.7	10.2	15.3	8.0
Pre provision operating profit (%)	32.1	16.0	(6.0)	28.2	18.2
Operating profit (%)	31.0	22.6	3.1	16.5	16.8
Reported net profit (%)	35.7	20.0	8.1	16.2	18.0
Recurring EPS (%)	17.5	17.2	4.2	20.6	18.0
Reported EPS (%)	17.6	14.5	8.1	16.2	18.0
<b>Income Breakdown</b>					
Net interest income (%)	71.5	72.0	65.8	67.2	69.6
Net fees & commission (%)	21.6	13.0	17.5	18.0	16.4
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	0.0	0.0	-	-	-
Other income (%)	6.9	15.0	16.7	14.8	14.0
<b>Operating performance</b>					
Gross interest yield (%)	21.34	21.28	18.20	20.50	20.70
Cost of funds (%)	3.45	3.62	3.47	3.45	3.50
Net interest spread (%)	17.89	17.66	14.73	17.05	17.20
Net interest margin (%)	18.9	18.9	15.9	18.3	18.4
Cost/income(%)	39.4	37.5	35.0	30.7	29.6
Cost/assets(%)	8.3	7.8	6.1	5.9	5.7
Effective tax rate (%)	19.5	19.9	19.4	19.0	18.5
Dividend payout on recurring profit (%)	50.3	54.2	51.9	50.0	50.0
ROE (%)	24.8	22.3	20.2	22.0	23.1
ROE - COE (%)	14.0	11.5	9.4	11.2	12.3
ROA (%)	9.3	9.8	9.4	10.2	10.4
RORWA (%)	-	-	-	-	-

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Srisawad Corp; FSSIA estimates

## Financial Statements

### Srisawad Corp

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Gross customer loans	37,294	39,450	35,899	44,874	51,605
Total provisions	(813)	(1,312)	(959)	(1,184)	(1,505)
interest in suspense	3	206	179	224	258
<b>Net customer loans</b>	<b>36,485</b>	<b>38,344</b>	<b>35,119</b>	<b>43,915</b>	<b>50,359</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	551	0	0	0	0
Cash & equivalents	1,649	1,838	1,022	435	2,433
Other interesting assets	-	-	-	-	-
Tangible fixed assets	1,411	1,306	1,216	1,139	1,072
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	5,366	10,519	15,413	16,035	16,451
<b>Total assets</b>	<b>45,462</b>	<b>52,007</b>	<b>52,771</b>	<b>61,522</b>	<b>70,315</b>
Customer deposits	6,348	5,234	2,617	2,617	2,617
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	17,518	20,731	20,791	26,522	31,775
Non interest bearing liabilities	1,403	1,972	2,958	3,106	3,262
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>25,270</b>	<b>27,937</b>	<b>26,367</b>	<b>32,246</b>	<b>37,654</b>
Share capital	1,336	1,373	1,373	1,373	1,373
Reserves	17,052	20,712	23,006	25,838	29,181
<b>Total equity</b>	<b>18,388</b>	<b>22,085</b>	<b>24,379</b>	<b>27,211</b>	<b>30,554</b>
Minority interests	1,803	1,985	2,025	2,065	2,107
<b>Total liabilities &amp; equity</b>	<b>45,462</b>	<b>52,007</b>	<b>52,771</b>	<b>61,522</b>	<b>70,315</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	33,930	38,372	37,674	40,387	48,240
Average interest bearing liabilities	23,974	24,916	24,687	26,274	31,766
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)	1,429	1,480	1,554	1,865	2,144
<b>Per share (THB)</b>					
Book value per share	14.19	16.27	17.96	20.04	22.51
Tangible book value per share	14.19	16.27	17.96	20.04	22.51
<b>Growth</b>					
Gross customer loans	22.0	5.8	(9.0)	25.0	15.0
Average interest earning assets	24.8	13.1	(1.8)	7.2	19.4
Total asset (%)	15.9	14.4	1.5	16.6	14.3
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	(12.8)	(17.6)	(50.0)	-	-
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	574.7	732.6	1,341.9	1,678.0	1,924.3
Equity/assets (%)	40.4	42.5	46.2	44.2	43.5
Tangible equity/assets (%)	40.4	42.5	46.2	44.2	43.5
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality</b>					
Change in NPL (%)	26.7	3.6	5.0	20.0	15.0
NPL/gross loans (%)	3.8	3.8	4.3	4.2	4.2
Total provisions/gross loans (%)	2.2	3.3	2.7	2.3	2.9
Total provisions/NPL (%)	56.9	88.7	61.7	63.5	70.2
<b>Valuation</b>					
Recurring P/E (x) *	22.2	19.0	18.2	15.1	12.8
Recurring P/E @ target price (x) *	28.2	24.1	23.1	19.2	16.2
Reported P/E (x)	21.7	19.0	17.5	15.1	12.8
Dividend yield (%)	2.3	2.9	2.8	3.3	3.9
Price/book (x)	4.4	3.9	3.5	3.1	2.8
Price/tangible book (x)	4.4	3.9	3.5	3.1	2.8
Price/tangible book @ target price (x)	5.6	4.9	4.5	4.0	3.6

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Srisawad Corp; FSSIA estimates

## Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

### Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd

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

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### History of change in investment rating and/or target price

#### Srisawad Corp (SAWAD TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-Nov-2018	BUY	52.00	16-Jul-2020	BUY	68.00	20-May-2021	BUY	108.00
11-Mar-2019	BUY	58.00	03-Aug-2020	BUY	68.00	17-Aug-2021	BUY	86.00
17-Jun-2019	BUY	65.00	25-Nov-2020	BUY	72.00	05-Nov-2021	BUY	80.00
20-Nov-2019	HOLD	65.00	04-Mar-2021	BUY	94.00			
02-Apr-2020	HOLD	65.00	07-May-2021	BUY	108.00			

Yuvanart Suwanumphai started covering this stock from 16-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Srisawad Corp	SAWAD TB	THB 63.00	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.

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 Finasia 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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 12-Nov-2021 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.