

SRISAWAD CORP

SAWAD TB

THAILAND / DIVERSIFIED FINANCIALS

BUY

UNCHANGED

TARGET PRICE	THB80.00
CLOSE	THB60.25
UP/DOWNSIDE	+32.8%
PRIOR TP	THB80.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+7.8%

Diversification helps survival

- Expect a moderate 4Q21 NP of THB1.2b (-7% y-y, +8% q-q).
- Swimming into new (blue ocean) home appliance hire purchase.
- Maintain BUY with GGM-based TP of THB80.

Expect a moderate 4Q21 net profit

We expect SAWAD to report a moderate 4Q21 net profit of THB1.2b (-7% y-y, +8% q-q). We see three positives: 1) OPEX savings from reallocating some of its staff to work under Fast Money (not listed); 2) a rise in its insurance brokerage commission fees thanks to the renewal of brokerage insurance partnership contracts; and 3) a drop in its NPLs by 3% q-q following a rise in car seizures. Thanks to better asset quality and a continued decline in Srisawad Finance (BFIT TB, not rated)'s portfolio, we expect SAWAD to release ECL continuously in 4Q21. However, we estimate its loan volume to be flat q-q in 4Q21 vs 6% q-q for the auto title loan sector overall, due to the increase in its NPL write-offs.

Targets spin-off of SCAP in 2022

In 2021, SAWAD aggressively expanded its new motorcycle hire purchase (MHP) loans via its 65% holding in subsidiary Srisawad Capital (SCAP). We believe SCAP – operated by Mr. Vichit Payuhanaveechai, CEO – can expand its loan portfolio aggressively. With Mr. Vichit's vision and experience, we believe that SCAP could be more successful in its business operations. SAWAD targets an IPO for SCAP within 2022.

Good move to home appliance HP, but contribution still small

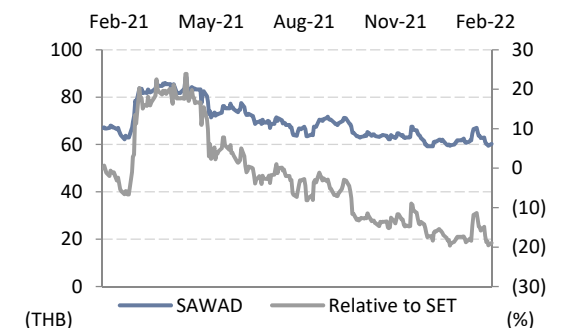
In addition to its MHP, SAWAD started a new home appliance hire purchase (HAHP) business on 26 Jan-22. SAWAD will utilise its branches to sell HA and provide loans to clients. Its partner, Power Buy – a business unit of Central Retail Corp (CRC TB, BUY, TP THB40), will be responsible for the delivery and installation of the products. SAWAD will receive: 1) profits from selling HA; and 2) interest income from lending, with an interest rate charge of c40-50% p.a. SAWAD targets a THB2b loan volume in 2022. We see this as a good opportunity to expand its business. The demand for HAHP in Thailand is very large. However, thanks to the small ticket size, we think monitoring asset quality is key. Also, as 2022 is the first year of operations, we do not expect a significant contribution from this.

Maintain BUY for long-term investment

We reiterate our BUY call with 2022 GGM-based TP of THB80. Among auto title loan lenders, SAWAD is our most preferred stock as we believe it should survive the disruption in the auto title loan industry due to its more diversified business model.

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 (%)	-	3.3	7.5	9.8
Core net profit	4,508	4,697	5,664	6,686
Core EPS (THB)	3.32	3.46	4.17	4.92
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	17.2	4.2	20.6	18.0
Core P/E (x)	18.1	17.4	14.4	12.2
Dividend yield (%)	3.0	3.0	3.5	4.1
Price/book (x)	3.7	3.4	3.0	2.7
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 (%)	(2.4)	(5.9)	(10.1)
Relative to country (%)	(1.9)	(7.3)	(20.0)
Mkt cap (USD m)	2,483		
3m avg. daily turnover (USD m)	16.3		
Free float (%)	67		
Major shareholder	Kaewbootta Family (33%)		
12m high/low (THB)	94.25/58.50		
Issued shares (m)	1,373		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

SAWAD has a solid market position as the third largest lender in the title loan market. We expect its market position to remain relatively strong over the next few years, as it plans to continuously expand its loan portfolio by opening approximately 300 new branches per year. Additionally, SAWAD has transformed its business from a grassroots lending operator into a one-stop financial services provider. Moreover, the company is accelerating its ROE via its astute deal-making and solid financial structure by partnering with Government Savings Bank (GSB, not listed) and not consolidating the JV to its financial statement.

Among auto title loan lenders, SAWAD is our most preferred stock as we believe it should survive the disruption in the auto title loan industry due to its more diversified business model.

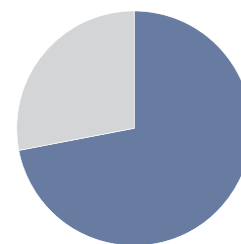
Company profile

SAWAD provides loan services to retail customers under the brand "Srisawad Ngern Sod Tun Jai". Its business operations can be classified into four main categories: 1) secured loans against all types of used vehicles, homes, and land; 2) unsecured personal loans; 3) asset management; and 4) debt collection services.

www.meebaanmeerod.com

Principal activities (revenue, 2020)

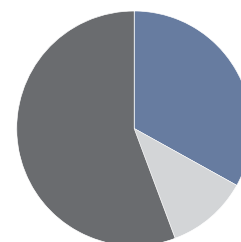
- Net interest income - 72.0 %
- Non-interest income - 28.0 %



Source: Srisawad Corp

Major shareholders

- Kaewbootta Family - 33.1 %
- Thai NVDR - 11.2 %
- Others - 55.7 %



Source: Srisawad Corp

Catalysts

Potential share price catalysts for SAWAD include:

- The synergy between SAWAD and Government Savings Bank;
- The success of home appliance hire purchase business;
- The spin-off of Srisawad Capital (SCAP; not listed)'s business.

Risks to our call

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.

Event calendar

Date	Event
End Feb 2022	4Q21 results announcement

Key assumptions

Year to Dec	2021E	2022E	2023E
	(%)	(%)	(%)
Net profit (THB m)	4,875	5,664	6,686
Net profit growth	8.1	16.2	18.0
NIM	15.93	18.26	18.40
Fee growth	21.0	24.0	6.0
Non-NII growth*	10.2	15.3	8.0
Credit cost (bp)	(65)	100	120
Cost to income*	35.0	30.7	29.6

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		----- 2021E -----		
		±5bp	15.88	15.93
NIM (%)				
% change in net profit		(0.4)	-	0.4
Credit cost (bp)	±10bp	(75.0)	(65.0)	(55.0)
% change in net profit		0.4	-	(0.4)

Source: FSSIA estimates

Expect a moderate 4Q21 net profit

We expect SAWAD to report a moderate 4Q21 net profit of THB1.2b (-7% y-y, +8% q-q). We see three positives: 1) OPEX savings from reallocating some of its staff to work under Fast Money; 2) a rise in its insurance brokerage commission fees thanks to a renewal of its brokerage insurance partnership with Generali Thailand (not listed) and Chubb Samaggi Insurance (not listed); and 3) a drop in its non-performing loans (NPLs) by 3% q-q following its more stringent debt collection processes and a rise in car seizures. Thanks to its better asset quality and a continued decline in Srisawad Finance's portfolio, we expect SAWAD to release its expected credit loss (ECL) continuously. However, we estimate its loan volume to be flat q-q vs 6% q-q for the auto title loan sector, due to the increase in its NPL write-offs. We expect its motorcycle hire purchase loans to rise, and its car and land title loans to reduce q-q. Note that we expect Fast Money to generate a loss of THB8m in 4Q21 for SAWAD vs a loss of THB10m in 3Q21 due to high OPEX.

Exhibit 1: SAWAD – 4Q21/2021 results forecast

Year-end Dec 31	4Q20	3Q21	4Q21E	---- Change ----		2021E	Change	4Q21E comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y %)	
Net interest income	1,836	1,436	1,476	(20)	3	6,000	(17)	
Non-interest income*	829	831	873	5	5	3,117	10	
Operating income*	2,665	2,267	2,349	(12)	4	9,117	(10)	
Operating expenses	841	863	841	0	(3)	3,191	(16)	
PPOP before tax*	1,824	1,404	1,508	(17)	7	5,926	(6)	
Provision	150	(101)	(67)	(145)	(33)	(245)	(176)	Rundown of BFIT's portfolio and better asset quality
Income tax	337	307	316	(6)	3	1,234	4	
Minority interest	47	86	60			240	(15)	
Normalised profit	1,289	1,112	1,200	(7)	8	4,697	4	
Extraordinary items	0	0	0			178		
Net profit	1,289	1,112	1,200	(7)	8	4,875	8	
EPS (THB)	0.94	0.81	0.87	(7)	8	3.59	8	
Asset quality ratio								
Gross NPLs (THB m)	1,480	1,480	1,430	(3)	(3)			
NPL ratios (%)	3.75	4.40	4.25					
LLR/NPLs (%)	89	64	56					
Credit cost (bp)	152	(122)	(80)					
Profitability ratio (%)								
Cost to income ratio*	31.6	38.1	35.8					
Average yield	21.0	19.6	19.6					
Cost of fund	3.4	3.5	3.5					
Net interest margin (NIM)	18.7	17.3	17.5					
Non-int inc/total income	31.1	36.7	37.2					
Loan growth (%)								
Year-to-date	5.8	(14.7)	(14.7)					
y-y	5.8	(14.2)	(14.7)					Deconsolidated Fast Money's portfolio and adopted a conservative lending strategy
q-q	0.6	3.3	0.0					

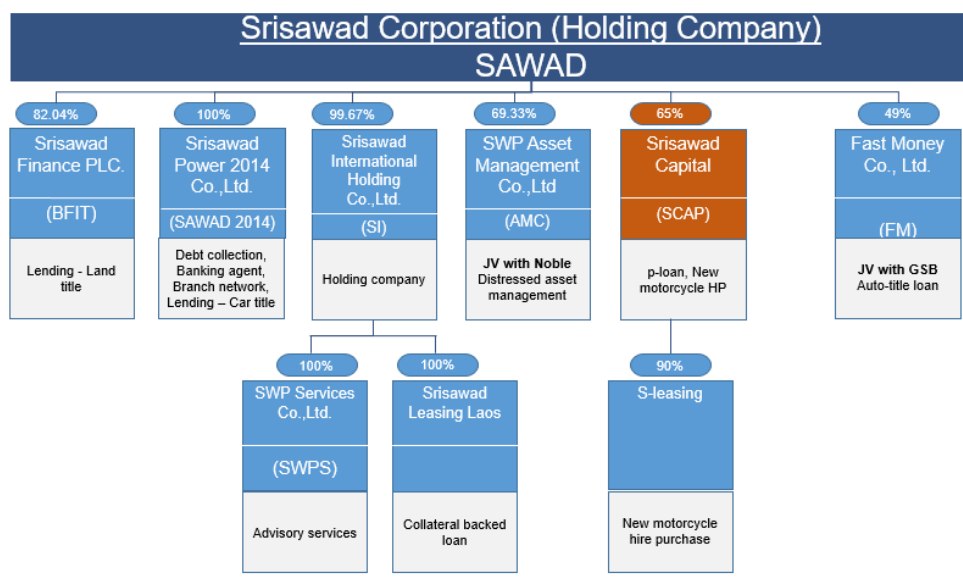
*Including share of profits from associates

Source: SAWAD; FSSIA estimates

Targets spin-off of SCAP in 2022

In 2021, SAWAD aggressively expanded its new MHP lending via its 65% holding subsidiary, SCAP. We expect SCAP's portfolio volume to reach THB6b in 2021 from THB0.2m in 2020.

Exhibit 2: SAWAD's organisational structure



Source: FSSIA's expectation

SCAP will run two main businesses, including: 1) new motorcycle hire purchase loans; and 2) unsecured personal loans targeting middle-income earners.

SCAP is operated by professional executives. Mr. Vichit Payuhanaveechai, SCAP's managing director, has more than 30 years of experience in the finance field which includes outstanding achievements at various leading financial organisations, i.e. SUMMIT Capital Leasing – one of the leaders in motorbike hire purchase loans – Bank of Ayudhya (BAY TB, not rated), HSBC, etc. We believe SCAP will expand its loan portfolio aggressively. With the CEO's vision and experience, we believe that SCAP will be successful in its business operations. SAWAD targets an IPO for SCAP within 2022.

Regarding the impact from the potential interest rate charge cap at 20% for MHP by the Office of the Consumer Protection Board (OCPB), we see a manageable downside risk to our 2022E net profit of c5-6%. In our communications with the management of many listed companies, many have said that there is a chance that the OCPB might increase the cap rate.

Exhibit 3: SCAP's motorcycle hire purchase loan characteristics

	SCAP
Yearly interest rate charge - EIR basis (%)	30-35
Loan duration (years)	2-3
Monthly instalment (THB)	3,500 - 4,000
Loan-to-value (%)	90 - 100
Ticket size (THB)	50,000
Channel	Motorcycle dealers

Sources: SAWAD; FSSIA estimates

Exhibit 4: SCAP's unsecured personal loan characteristics

	SCAP
Type of unsecured p-loan	- Traditional monthly instalment - Cash card
Yearly interest rate charge - EIR basis (%)	Up to 26
Target clients	- Middle income/office workers - Its target clients' profile would be between KTC and AEONTS' clients

Sources: SAWAD; FSSIA estimates

Good move to home appliance HP, but contribution still small

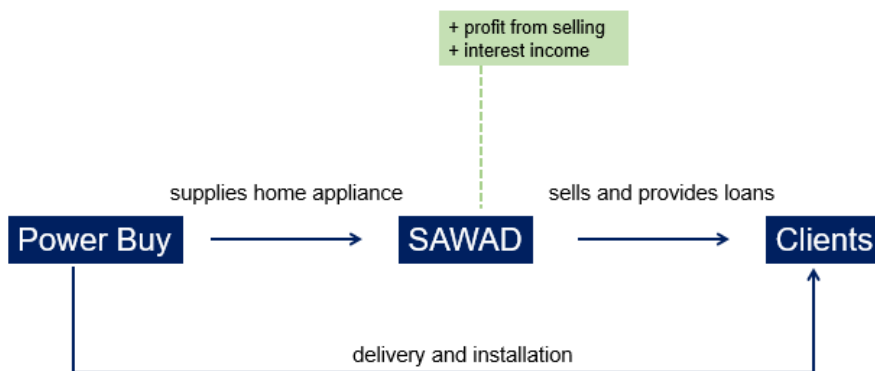
In addition to its MHP, SAWAD started a new HAHP business on 26 Jan-22. SAWAD will utilise its branches to sell HA and provide loans to clients who cannot afford to pay in cash. SAWAD plans to hold very little HA inventory at its branches and will sell online or via brochures instead. Its partner, Power Buy, a business unit of CRC, will be responsible for the delivery and installation of the products. SAWAD will receive: 1) profits from selling HA; and 2) interest income from lending, with an interest rate charge of c40-50% p.a. SAWAD targets THB2b in loan volume in 2022. It will gradually launch HAHP at its Bangkok branches first, then expand to include full coverage at its nationwide branches in the three to four months after.

Exhibit 5: Home appliance hire purchase loan characteristics

	HAHP
Yearly interest rate charge - EIR basis (%)	40-50
Loan duration (years)	1-2
Loan-to-value (%)	100
Channel	SAWAD's branches

Sources: SAWAD; FSSIA estimates

Exhibit 6: Home appliance work flow



Sources: SAWAD; FSSIA estimates

Large demand for HA lending within a fragmented market

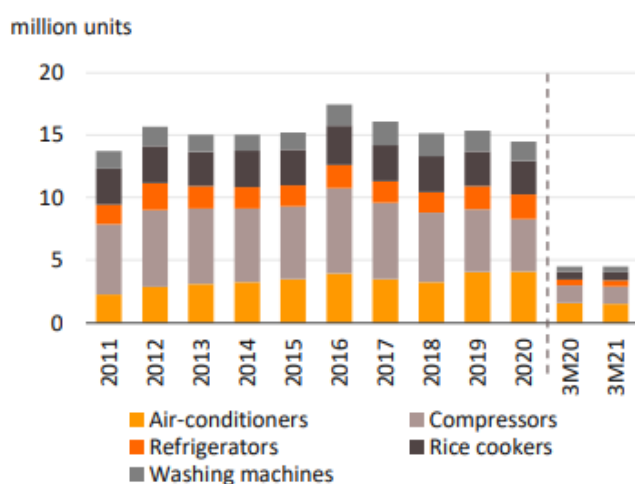
We see large demand for home appliances (HA) in Thailand, especially within the next one to two years after the economic recovery from Covid-19. According to Krungsri's research, domestic electric HA sales should increase 2-3% p.a. in 2021-24, due to: 1) a recovery in the property market; 2) new product types and marketing campaigns by HA producers; and 3) the expected increase in temperature from climate change.

Exhibit 7: Major electrical appliance manufacturers of white goods in Thailand

Company	Nationality	Major products
Sharp Appliances (Thailand) Co., Ltd.	Japanese	Microwave oven, refrigerator, air conditioner, washing machine, air-purifier
Kang Yong Electric PCL (KYE TB, not rated)	Japanese	Fan, refrigerator, water pump, washing machine, air conditioner
Thai Toshiba Electric Industries Co., Ltd.	Japanese	Refrigerator, rice cooker, hot pot, electric pan, microwave oven, freezer, fan, air-purifier
Thai Samsung Electronics Co.	Korean	Washing machine, refrigerator, microwave oven, air conditioner
LG Electronics (Thailand) Co., Ltd.	Korean	Washing machine, air conditioner, microwave oven, compressor
Haier Electric (Thailand) PCL	Chinese	Washing machine, refrigerator, freezer, air conditioner
Electrolux Thailand Co., Ltd.	Swedish	Washing machine, refrigerator, dryer, dishwasher
Fisher & Paykel Appliances (Thailand) Co., Ltd.	New Zealand	Washing machine, refrigerator, dryer, dishwasher
Beko Thai Co., Ltd.	Turkish	Washing machine, refrigerator

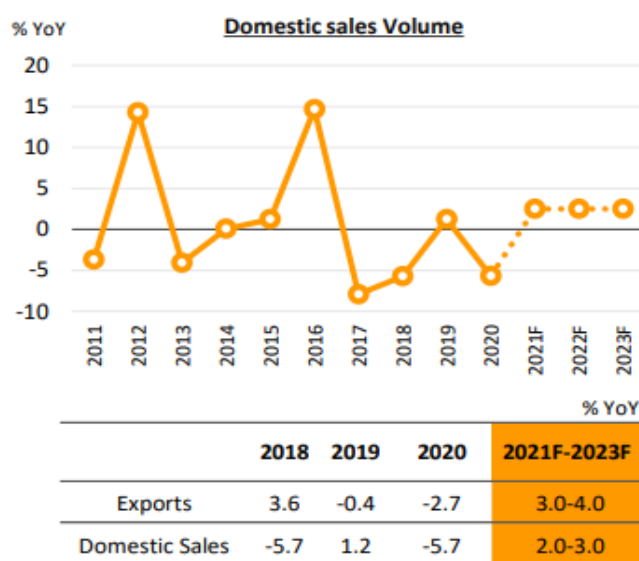
Sources: E&E Intelligence Unit; Krungsri Research

Exhibit 8: Domestic electric appliance sales by product



Sources: Office of Industrial Economics (OIE) survey of the domestic sales volume of Thai-made electrical goods; Krungsri Research

Exhibit 9: Domestic sales volume growth



Sources: OIE; Ministry of Commerce (MOC), Forecast by Krungsri Research

In Thailand, the purchase of HA is often done on an installment plan. For mid- to high-income consumers, credit card operators typically offer 0% interest on a six to 10-month installment plan. Low-income earners, on the other hand, often cannot afford to pay the full price in cash and many local HA sellers provide vendor financing for their customers. We think the HAHP market is very fragmented, with few players establishing a national presence. One of the biggest players is Siamchai (not listed), which has branches nationwide. Singer Thailand (SINGER TB, BUY, TP THB51) also has a presence nationwide, however, SINGER sells only its own brand. Other players only operate regionally or provincially.

Exhibit 10: Siamchai's advertisement



Source: Siamchai's website

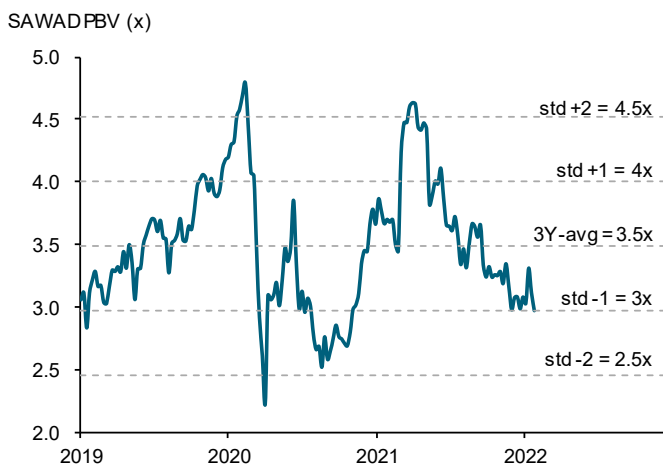
Exhibit 11: Siamchai's mobile application



Source: Siamchai's website

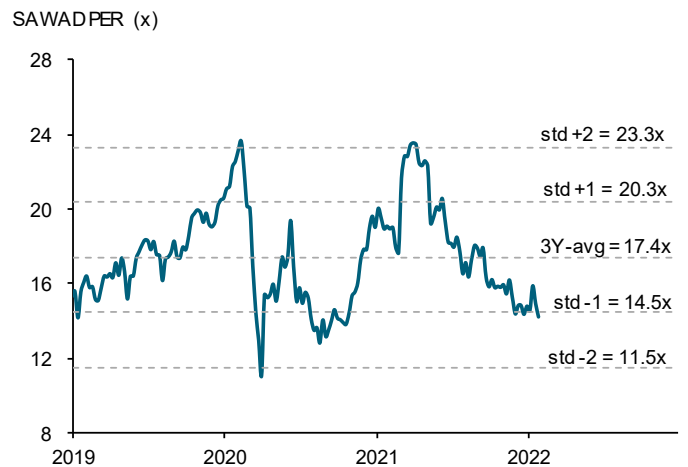
Therefore, we think that SAWAD could penetrate this market, supported by their nationwide networks. However, we think asset quality management is the key to monitoring performance. Due to the relatively small loan size and the current industry practice of requiring only an ID card to be considered for the credit application approval process, asset quality control is an important factor that must be monitored. We expect SAWAD to provide more details on this new business direction at their post-4Q21 results analyst meetings.

Exhibit 12: SAWAD – one-year rolling prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 13: SAWAD – one-year rolling prospective P/E band



Sources: Bloomberg; 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
Per share (THB)					
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
Growth					
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
Income Breakdown					
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
Operating performance					
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
Net customer loans	36,485	38,344	35,119	43,915	50,359
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
Total assets	45,462	52,007	52,771	61,522	70,315
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	-	-	-	-	-
Total liabilities	25,270	27,937	26,367	32,246	37,654
Share capital	1,336	1,373	1,373	1,373	1,373
Reserves	17,052	20,712	23,006	25,838	29,181
Total equity	18,388	22,085	24,379	27,211	30,554
Minority interests	1,803	1,985	2,025	2,065	2,107
Total liabilities & equity	45,462	52,007	52,771	61,522	70,315
Supplementary items					
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
Per share (THB)					
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
Growth					
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)	-	-
Leverage & capital measures					
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 (%)	-	-	-	-	-
Asset Quality					
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
Valuation					
Recurring P/E (x) *	21.3	18.1	17.4	14.4	12.2
Recurring P/E @ target price (x) *	28.2	24.1	23.1	19.2	16.2
Reported P/E (x)	20.8	18.1	16.8	14.4	12.2
Dividend yield (%)	2.4	3.0	3.0	3.5	4.1
Price/book (x)	4.2	3.7	3.4	3.0	2.7
Price/tangible book (x)	4.2	3.7	3.4	3.0	2.7
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	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	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
11-Mar-2019	BUY	58.00	16-Jul-2020	BUY	68.00	07-May-2021	BUY	108.00
17-Jun-2019	BUY	65.00	25-Nov-2020	BUY	72.00	17-Aug-2021	BUY	86.00
20-Nov-2019	HOLD	65.00	04-Mar-2021	BUY	94.00	05-Nov-2021	BUY	80.00

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 60.25	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 31-Jan-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.