

SAKSAM LEASING SAK TB

THAILAND / DIVERSIFIED FINANCIALS

BUY

Decent 2Q22, as expected

- Decent 2Q22 NP of THB166m (+21% y-y, +1% q-q).
- Expect stronger net profit momentum growth in 2H22, supported by a continued rise in loan volume and a lower cost to income level.
- Maintain BUY at a TP of THB9.7 on the expected solid net profit growth in 2023.

| | |
|-----------------|---------|
| TARGET PRICE | THB9.70 |
| CLOSE | THB7.15 |
| UP/DOWNSIDE | +35.7% |
| TP vs CONSENSUS | +5.3% |

KEY STOCK DATA

| YE Dec (THB m) | 2021 | 2022E | 2023E | 2024E |
|--------------------|--------|-------|-------|-------|
| Operating profit | 758 | 935 | 1,178 | 1,437 |
| Net profit | 608 | 748 | 945 | 1,150 |
| EPS (THB) | 0.29 | 0.36 | 0.45 | 0.55 |
| vs Consensus (%) | - | 2.9 | 4.7 | 2.8 |
| Core net profit | 608 | 748 | 945 | 1,150 |
| Core EPS (THB) | 0.29 | 0.36 | 0.45 | 0.55 |
| EPS growth (%) | (17.7) | 23.1 | 26.3 | 21.7 |
| Core P/E (x) | 24.7 | 20.0 | 15.9 | 13.0 |
| Dividend yield (%) | 1.6 | 1.5 | 1.9 | 2.3 |
| Price/book (x) | 3.1 | 2.8 | 2.5 | 2.2 |
| ROE (%) | 12.9 | 14.5 | 16.4 | 17.7 |
| ROA (%) | 6.6 | 7.0 | 7.1 | 7.1 |

Neutral view from SAK's 2Q22 results

SAK reported a 2Q22 net profit of THB166m (+21% y-y, +1% q-q), in line with our expectation. Its 1H22 net profit accounted for 44% of our 2022E net profit projection. We read the overall performance as neutral.

Strong loan growth, but high NPLs in 2Q22

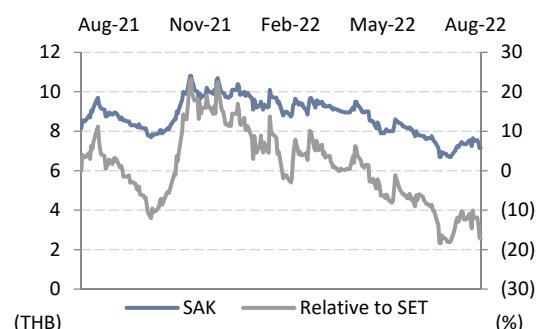
There was mixed performance in this quarter, in our view. On the positive side, the company delivered strong loan growth of 8% q-q due to the resumption of business activity and agricultural seasonality. However, we see two main negatives. First, its non-performing loans (NPLs) increased substantially by 20% q-q, implying an NPL ratio of 2.5%, up from 2.3% in 1Q22, due to the end of the forbearance program and the highly inflationary environment. Hence, SAK set a higher credit cost of 155 bps in 2Q22 from 130 bps in 1Q22. Second, its cost to income rose to 53.5% from 52.4% in 1Q22, as SAK continued to front-load its branch expansion, adding 171 new branches in 1H22 from its 2022 target of 200 branches. The aggressive branch expansion should benefit the company in 2H22.

Stronger performance expected in 2H22

We think SAK's net profit in 2H22 will increase y-y and h-h, driven by two factors. First, we expect its loan volume to increase continuously from ample demand and new loan generation from its new branches. Second, we think its cost to income ratio should slightly decline q-q as SAK has already front-loaded its branch expansion in 1H22. We believe these positives should offset a minimal rise in its cost of funds from future rate hikes and an increase in its expected credit loss due to further asset deterioration.

Maintain BUY at a 2023 GGM-based TP of THB9.7

We reiterate our BUY call with an unchanged GGM-based TP of THB9.7. We think SAK should deliver the strongest 2023 net profit growth at 26% y-y, driven mainly by its solid loan growth and economies of scale.



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|------------------------|---------|----------|
| Absolute (%) | 4.4 | (14.4) | (16.9) |
| Relative to country (%) | (0.5) | (16.4) | (21.4) |
| Mkt cap (USD m) | 427 | | |
| 3m avg. daily turnover (USD m) | 0.5 | | |
| Free float (%) | 21 | | |
| Major shareholder | Boonsalee Family (67%) | | |
| 12m high/low (THB) | 11.00/6.55 | | |
| Issued shares (m) | 935 | | |

Sources: Bloomberg consensus; FSSIA estimates



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Strong loan growth, but higher NPLs in 2Q22 as expected

SAK reported a 2Q22 net profit of THB166m (+21% y-y, +1% q-q), in line with our expectation. There was mixed performance in this quarter, in our view. On the positive side, the company delivered strong loan growth of 8% q-q due to the resumption of business activity and agricultural seasonality. However, we see two main negatives. First, its NPLs increased substantially by 20% q-q, implying an NPL ratio of 2.5%, up from 2.3% in 1Q22, due to the end of the forbearance program and high inflation. Hence, SAK set its credit cost higher at 155 bps in 2Q22, up from 130 bps in 1Q22. Second, its cost to income rose to 53.5% from 52.4% in 1Q22, as SAK continued to front-load its branch expansion, adding 171 new branches in 1H22 from its 2022 target of 200 branches. The aggressive branch expansion should benefit the company in 2H22.

2Q22 Highlights

- NII increased 25% y-y and 6% q-q, supported by a rise in its loan volume.
- Its cost of funds started to rise from 2.9% in 1Q22 to 3.1% due to the increase in its long-term liability.
- SAK recognised THB2.9m in revenue from its drone project.
- Its NPLs went up significantly by 20% q-q from a rise in unsecured NPLs due to the highly inflationary environment.

Exhibit 1: SAK – 2Q22 results review

| Year-end Dec 31 | 2Q21 | 1Q22 | 2Q22 | ---- Change ---- | | ----- 1H22 ----- | | | 2022E | Change | 2Q22 Comments |
|----------------------------|------------|------------|------------|------------------|----------|------------------|-----------|-----------|--------------|-----------|---------------------------|
| | (THB m) | (THB m) | (THB m) | (y-y%) | (q-q%) | (THB m) | (y-y %) | %22E | (THB m) | (y-y %) | |
| Net interest income | 417 | 490 | 520 | 25 | 6 | 1,009 | 29 | 46 | 2,196 | 27 | |
| Non-interest income | 3 | 4 | 7 | 123 | 67 | 12 | 75 | 88 | 13 | 0 | |
| Operating income | 420 | 494 | 527 | 25 | 7 | 1,021 | 29 | 46 | 2,209 | 27 | |
| Operating expenses | 238 | 259 | 282 | 19 | 9 | 541 | 19 | 50 | 1,071 | 16 | |
| PPOP before tax | 183 | 235 | 245 | 34 | 4 | 480 | 43 | 42 | 1,138 | 38 | |
| Provision | 12 | 29 | 37 | 216 | 27 | 66 | 298 | 33 | 203 | 219 | |
| Income tax | 34 | 42 | 42 | 24 | 1 | 83 | 33 | 45 | 187 | 24 | |
| Minority interest | 0 | 0 | 0 | | | 0 | | | 0 | | |
| Normalised profit | 137 | 164 | 166 | 21 | 1 | 330 | 29 | 44 | 748 | 23 | |
| Extraordinary items | 0 | 0 | 0 | | | 0 | | | 0 | | |
| Net profit | 137 | 164 | 166 | 21 | 1 | 330 | 29 | 44 | 748 | 23 | In line with our forecast |
| EPS (THB) | 0.07 | 0.08 | 0.08 | 21 | 1 | 0.16 | 29 | 44 | 0.36 | 23 | |
| Asset quality ratio | | | | | | | | | | | |
| Gross NPLs (THB m) | 167 | 211 | 253 | 52 | 20 | | | | 277 | 45 | |
| NPL ratios (%) | 2.14 | 2.29 | 2.54 | | | | | | 2.42 | | |
| LLR/NPLs (%) | 104 | 111 | 105 | | | | | | 130 | | |
| Credit cost (bp) | 64 | 130 | 155 | | | | | | 200 | | |
| Profitability ratio | | | | | | | | | | | |
| Cost to income ratio | 56.5 | 52.4 | 53.5 | | | | | | 48.5 | | |
| Average yield | 23.9 | 23.2 | 23.4 | | | | | | 23.2 | | |
| Cost of funds | 2.7 | 2.9 | 3.1 | | | | | | 3.0 | | |
| Net interest margin (NIM) | 22.8 | 21.8 | 21.8 | | | | | | 21.7 | | |
| Non-int inc/total income | 0.8 | 0.9 | 1.4 | | | | | | 38.5 | | |
| Loan growth | | | | | | | | | | | |
| y-y | 25.3 | 32.9 | 28.0 | | | | | | 30.0 | | |
| q-q | 12.2 | 4.5 | 8.0 | | | | | | | | |

Source: SAK; FSSIA estimates

Financial Statements

Saksiam Leasing

| Profit and Loss (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|--------|--------|---------|---------|---------|
| Interest Income | 1,607 | 1,834 | 2,351 | 2,977 | 3,624 |
| Interest expense | (131) | (104) | (155) | (241) | (337) |
| Net interest income | 1,476 | 1,731 | 2,196 | 2,736 | 3,287 |
| Net fees & commission | 2 | 5 | 5 | 5 | 6 |
| Foreign exchange trading income | - | - | - | - | - |
| Securities trading income | - | - | - | - | - |
| Dividend income | 0 | 0 | 0 | 0 | 0 |
| Other income | 5 | 8 | 8 | 10 | 12 |
| Non interest income | 7 | 13 | 13 | 15 | 17 |
| Total income | 1,482 | 1,744 | 2,209 | 2,751 | 3,304 |
| Staff costs | - | - | - | - | - |
| Other operating costs | (788) | (922) | (1,071) | (1,303) | (1,509) |
| Operating costs | (788) | (922) | (1,071) | (1,303) | (1,509) |
| Pre provision operating profit | 695 | 822 | 1,138 | 1,448 | 1,795 |
| Provision for bad and doubtful debt | 6 | (64) | (203) | (271) | (358) |
| Other provisions | - | - | - | - | - |
| Operating profit | 700 | 758 | 935 | 1,178 | 1,437 |
| 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 | 700 | 758 | 935 | 1,178 | 1,437 |
| Tax | (138) | (151) | (187) | (233) | (287) |
| Profit after tax | 562 | 608 | 748 | 945 | 1,150 |
| Minority interests | 0 | 0 | 0 | 0 | 0 |
| Preferred dividends | - | - | - | - | - |
| Other items | - | - | - | - | - |
| Reported net profit | 562 | 608 | 748 | 945 | 1,150 |
| Non recurring items & goodwill (net) | - | - | 0 | 0 | 0 |
| Recurring net profit | 562 | 608 | 748 | 945 | 1,150 |
| Per share (THB) | | | | | |
| Recurring EPS * | 0.35 | 0.29 | 0.36 | 0.45 | 0.55 |
| Reported EPS | 0.35 | 0.29 | 0.36 | 0.45 | 0.55 |
| DPS | 0.18 | 0.12 | 0.11 | 0.14 | 0.16 |
| Growth | | | | | |
| Net interest income (%) | 4.2 | 17.3 | 26.9 | 24.6 | 20.1 |
| Non interest income (%) | (77.2) | 96.0 | 0.4 | 14.1 | 14.6 |
| Pre provision operating profit (%) | 27.0 | 18.3 | 38.4 | 27.3 | 23.9 |
| Operating profit (%) | 62.3 | 8.3 | 23.3 | 26.0 | 22.0 |
| Reported net profit (%) | 62.4 | 8.1 | 23.1 | 26.3 | 21.7 |
| Recurring EPS (%) | 51.7 | (17.7) | 23.1 | 26.3 | 21.7 |
| Reported EPS (%) | 51.7 | (17.7) | 23.1 | 26.3 | 21.7 |
| Income Breakdown | | | | | |
| Net interest income (%) | 99.5 | 99.2 | 99.4 | 99.5 | 99.5 |
| Net fees & commission (%) | 0.1 | 0.3 | 0.2 | 0.2 | 0.2 |
| Foreign exchange trading income (%) | - | - | - | - | - |
| Securities trading income (%) | - | - | - | - | - |
| Dividend income (%) | - | - | - | - | - |
| Other income (%) | 0.3 | 0.5 | 0.4 | 0.3 | 0.3 |
| Operating performance | | | | | |
| Gross interest yield (%) | 24.35 | 23.97 | 23.20 | 23.10 | 22.80 |
| Cost of funds (%) | 3.20 | 2.46 | 2.95 | 3.30 | 3.55 |
| Net interest spread (%) | 21.15 | 21.51 | 20.25 | 19.80 | 19.25 |
| Net interest margin (%) | 22.4 | 22.6 | 21.7 | 21.2 | 20.7 |
| Cost/income(%) | 53.1 | 52.9 | 48.5 | 47.3 | 45.7 |
| Cost/assets(%) | 9.9 | 10.1 | 10.0 | 9.8 | 9.3 |
| Effective tax rate (%) | 19.8 | 19.9 | 20.0 | 19.8 | 20.0 |
| Dividend payout on recurring profit (%) | 52.2 | 40.0 | 30.0 | 30.0 | 30.0 |
| ROE (%) | 15.4 | 12.9 | 14.5 | 16.4 | 17.7 |
| ROE - COE (%) | 4.6 | 2.1 | 3.7 | 5.6 | 6.9 |
| ROA (%) | 7.1 | 6.6 | 7.0 | 7.1 | 7.1 |
| RORWA (%) | - | - | - | - | - |

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Saksiam Leasing; FSSIA estimates

Financial Statements

Saksiam Leasing

| Balance Sheet (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|--|--------------|--------------|---------------|---------------|---------------|
| Gross customer loans | 6,497 | 8,812 | 11,456 | 14,319 | 17,470 |
| Total provisions | (162) | (208) | (359) | (565) | (818) |
| interest in suspense | 72 | 81 | 137 | 172 | 210 |
| Net customer loans | 6,406 | 8,685 | 11,234 | 13,926 | 16,861 |
| Bank loans | - | - | - | - | - |
| Government securities | - | - | - | - | - |
| Trading securities | - | - | - | - | - |
| Investment securities | 1,600 | 0 | 0 | 0 | 0 |
| Cash & equivalents | 307 | 307 | 119 | 307 | 133 |
| Other interesting assets | - | - | - | - | - |
| Tangible fixed assets | 113 | 129 | 148 | 169 | 194 |
| Associates | - | - | - | - | - |
| Goodwill | - | - | - | - | - |
| Other intangible assets | - | - | - | - | - |
| Other assets | 352 | 407 | 384 | 424 | 573 |
| Total assets | 8,778 | 9,530 | 11,885 | 14,827 | 17,762 |
| Customer deposits | 0 | 0 | 0 | 0 | 0 |
| Bank deposits | - | - | - | - | - |
| Other interest bearing liabilities | 4,072 | 4,354 | 6,173 | 8,438 | 10,554 |
| Non interest bearing liabilities | 198 | 269 | 282 | 296 | 311 |
| Hybrid Capital | - | - | - | - | - |
| Total liabilities | 4,270 | 4,623 | 6,455 | 8,735 | 10,865 |
| Share capital | 2,096 | 2,096 | 2,096 | 2,096 | 2,096 |
| Reserves | 2,412 | 2,796 | 3,319 | 3,980 | 4,785 |
| Total equity | 4,508 | 4,892 | 5,415 | 6,076 | 6,881 |
| Minority interests | 0 | 15 | 15 | 16 | 16 |
| Total liabilities & equity | 8,778 | 9,530 | 11,885 | 14,827 | 17,762 |
| Supplementary items | | | | | |
| Risk weighted assets (RWA) | n/a | n/a | n/a | n/a | n/a |
| Average interest earning assets | 6,598 | 7,654 | 10,134 | 12,887 | 15,895 |
| Average interest bearing liabilities | 4,102 | 4,213 | 5,263 | 7,306 | 9,496 |
| 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) | 143 | 191 | 277 | 332 | 415 |
| Per share (THB) | | | | | |
| Book value per share | 2.83 | 2.33 | 2.58 | 2.90 | 3.28 |
| Tangible book value per share | 2.83 | 2.33 | 2.58 | 2.90 | 3.28 |
| Growth | | | | | |
| Gross customer loans | (3.0) | 35.6 | 30.0 | 25.0 | 22.0 |
| Average interest earning assets | 7.1 | 16.0 | 32.4 | 27.2 | 23.3 |
| Total asset (%) | 22.6 | 8.6 | 24.7 | 24.7 | 19.8 |
| Risk weighted assets (%) | - | - | - | - | - |
| Customer deposits (%) | nm | nm | nm | nm | nm |
| Leverage & capital measures | | | | | |
| Customer loan/deposits (%) | - | - | - | - | - |
| Equity/assets (%) | 51.4 | 51.3 | 45.6 | 41.0 | 38.7 |
| Tangible equity/assets (%) | 51.4 | 51.3 | 45.6 | 41.0 | 38.7 |
| RWA/assets (%) | - | - | - | - | - |
| Tier 1 CAR (%) | - | - | - | - | - |
| Total CAR (%) | - | - | - | - | - |
| Asset Quality | | | | | |
| Change in NPL (%) | 48.1 | 33.2 | 45.0 | 20.0 | 25.0 |
| NPL/gross loans (%) | 2.2 | 2.2 | 2.4 | 2.3 | 2.4 |
| Total provisions/gross loans (%) | 2.5 | 2.4 | 3.1 | 3.2 | 4.7 |
| Total provisions/NPL (%) | 113.3 | 108.9 | 129.7 | 170.2 | 197.1 |
| Valuation | | | | | |
| Recurring P/E (x) * | 20.3 | 24.7 | 20.0 | 15.9 | 13.0 |
| Recurring P/E @ target price (x) * | 27.5 | 33.5 | 27.2 | 21.5 | 17.7 |
| Reported P/E (x) | 20.3 | 24.7 | 20.0 | 15.9 | 13.0 |
| Dividend yield (%) | 2.6 | 1.6 | 1.5 | 1.9 | 2.3 |
| Price/book (x) | 2.5 | 3.1 | 2.8 | 2.5 | 2.2 |
| Price/tangible book (x) | 2.5 | 3.1 | 2.8 | 2.5 | 2.2 |
| Price/tangible book @ target price (x) | 3.4 | 4.2 | 3.8 | 3.3 | 3.0 |

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Saksiam 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 | WIK |
| AMARIN | BR | DOHOME | ICN | KTIS | MTI | PSG | SFLEX | STGT | TNP | WP |
| APCO | BROOK | DV8 | IFS | KUMWEL | NBC | PSTC | SFP | STOWER | TOG | XO |
| APCS | CBG | EASON | IMH | KUN | NCAP | PT | SFT | STPI | TPA | XPG |
| APURE | CEN | EFORL | IND | KWC | NCH | QLT | SGF | SUC | TPAC | YUASA |
| AQUA | CGH | ERW | INET | KWM | NETBAY | RBF | SIAM | SWC | TPCS | |
| ASAP | CHARAN | ESSO | INSET | L&E | NEX | RCL | SINGER | SYNEX | TPS | |
| ASEFA | CHAYO | ESTAR | INSURE | LDC | NINE | RICHY | SKE | TAE | TRITN | |
| ASIA | CHG | ETE | IRC | LEO | NRF | RML | SKN | TAKUNI | TRT | |
| ASIAN | CHOTI | FE | IRCP | LHK | NTV | ROJNA | SKR | TBSP | TSE | |
| GOOD LEVEL – Score range 70-79 | | | | | | | | | | |
| A | BGT | CITY | GIFT | JTS | MDX | PK | SGP | SUPER | TQR | YGG |
| AI | BH | CMAN | GLOCON | JUBILE | MJD | PLE | SICT | SVOA | TTI | ZIGA |
| AIE | BIG | CMO | GREEN | KASET | MORE | PPM | SIMAT | TC | TYCN | |
| AJ | BLAND | CMR | GSC | KCM | MUD | PRAKIT | SISB | TCCC | UKEM | |
| ALPHAX | BM | CPT | GTB | KK | NC | PRAPAT | SK | THMUI | UMS | |
| AMC | BROCK | CRANE | HTECH | KKC | NDR | PRECHA | SMART | TNH | UNIQ | |
| APP | BSBM | CSR | HUMAN | KWI | NFC | PTL | SOLAR | TNR | UPA | |
| AQ | BSM | D | IHL | KYE | NNCL | RJH | SPACK | TOPP | UREKA | |
| ARIN | BTNC | EKH | IIG | LEE | NOVA | RP | SPG | TPCH | VIBHA | |
| AS | BYD | EMC | INGRS | LPH | NPK | RPH | SQ | TPIPL | W | |
| AU | CAZ | EP | INOX | MATI | NUSA | RSP | SSP | TIPIP | WIN | |
| B52 | CCP | F&D | JAK | M-CHAI | PAF | SABUY | STARK | TPLAS | WORK | |
| BEAUTY | CGD | FMT | JR | MCS | PF | SF | STC | TPOLY | WPH | |

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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

Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd

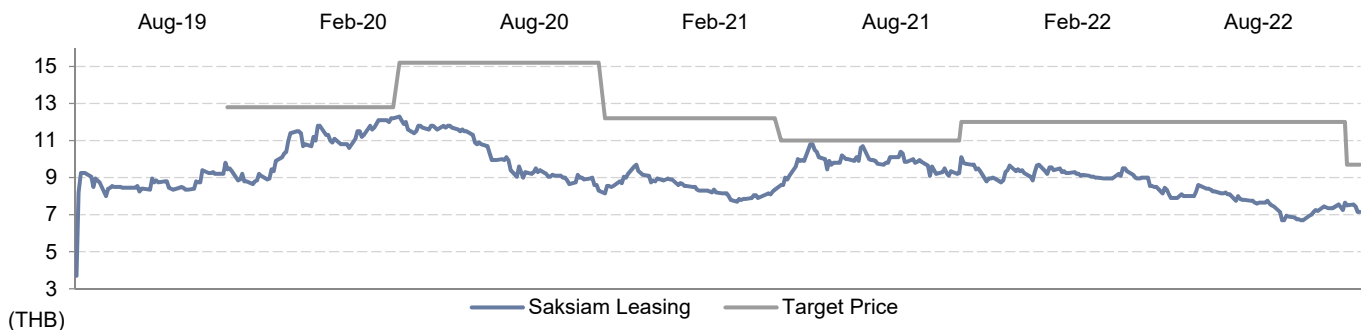
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History of change in investment rating and/or target price

Saksiam Leasing (SAK TB)



| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 16-Feb-2021 | BUY | 12.80 | 13-Aug-2021 | BUY | 12.20 | 01-Feb-2022 | BUY | 12.00 |
| 07-May-2021 | BUY | 15.20 | 05-Nov-2021 | BUY | 11.00 | 04-Aug-2022 | BUY | 9.70 |

Yuvanart Suwanumphai started covering this stock from 16-Feb-2021

Price and TP are in local currency

Source: FSSIA estimates

| Company | Ticker | Price | Rating | Valuation & Risks |
|-----------------|--------|----------|--------|--|
| Saksiam Leasing | SAK TB | THB 7.15 | BUY | Downside risks to our GGM-derived TP include 1) competition from existing and new players; 2) regulatory changes by the Bank of Thailand (BoT); and 3) a slower-than-expected reduction in its cost of funds due to a shift toward more long-term loans. |

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

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All share prices are as at market close on 11-Aug-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.