

TISCO FINANCIAL TISCO TB  
THAILAND / BANKS

HOLD

UNCHANGED

## ผลประกอบการ 3Q22 ออกมาตามคาด

- กำไรสุทธิ 3Q22 ออกมาตามคาด โดยอยู่ที่ 1.8 พัน ลบ. (+14% y-y, -4% q-q)
- คาดกำไรสุทธิ 4Q22 จะเพิ่มเล็กน้อย y-y และ q-q
- ผลตอบแทนเงินปันผลอยู่ในระดับสูงแต่กำไรโตต่ำ; คงแนะนำถือ

|                 |           |
|-----------------|-----------|
| TARGET PRICE    | THB94.00  |
| CLOSE           | THB92.75  |
| UP/DOWNSIDE     | +1.3%     |
| PRIOR TP        | THB94.00  |
| CHANGE IN TP    | UNCHANGED |
| TP vs CONSENSUS | -10.8%    |

## 3Q22: การเติบโตของสินเชื่อและคุณภาพสินทรัพย์ดีตามคาด

TISCO รายงานกำไรสุทธิ 3Q22 ตามคาด โดยอยู่ที่ 1.8 พัน ลบ. (+14% y-y, -4% q-q) เราเห็นข้อดีสามประการจากผลประกอบการดังกล่าว ข้อแรก TISCO ได้ประโยชน์จากต้นทุนความเสี่ยงในการปล่อยสินเชื่อที่อยู่ในระดับต่ำที่ 23 bps ใน 3Q22 จากสำรองส่วนเกินที่บริษัทฯ ได้จัดสรรไว้เพื่อป้องกันความเสี่ยงจากความไม่แน่นอนต่าง ๆ และการควบคุมคุณภาพสินทรัพย์อย่างมีประสิทธิภาพผล ใน 3Q22 นี้ด้วยคุณภาพของบริษัทฯ ก่อนช่วงครึ่งปี q-q โดยมี coverage ratio อยู่ในระดับสูงที่ 248% ข้อสองส่วนต่างดอกเบี้ยปรับขึ้นเป็น 5.13% จาก 5.04% ใน 2Q22 จากพอร์ตสินเชื่อที่ให้ผลตอบแทนสูงที่เพิ่มขึ้น ข้อสุดท้ายเป็นครั้งแรกที่ปริมาณสินเชื่อเพิ่มสูงถึง 4.8% q-q จากสินเชื่อรถแลกเงินสด รถมือสอง SME และบริษัทฯ ในด้านลบรายได้ที่ไม่ใช้ดอกเบี้ยสุทธิลดลง q-q แม้ว่ารายได้ค่าธรรมเนียมจะเพิ่ม y-y และ q-q รายได้ที่ไม่ใช้ดอกเบี้ยสุทธิกลับถูกจุดจากกำไรจากการลงทุนที่ลดลงจากสถานะตลาดหุ้นที่ไม่เป็นใจ

## มุมมองเป็นกลางจากที่ประชุม

ในที่ประชุมนักวิเคราะห์ครั้งล่าสุด ผู้บริหารระบุว่าบริษัทฯ ยังไม่เห็นสัญญาณการเสื่อมของมูลค่าสินทรัพย์อย่างมีนัยสำคัญ ด้วยเหตุดังกล่าวต้นทุนความเสี่ยงในการปล่อยสินเชื่อของบริษัทฯ ในระยะสั้นถึงกลางจึงน่าจะอยู่ในระดับต่ำ ในด้านการเติบโตของสินเชื่อ TISCO คาดว่าสินเชื่อจะเพิ่มในอัตราที่ช้าลงใน 4Q22 จากความต้องการที่ลดลงของลูกค้าบริษัทฯ และ SME floorplan ในด้านผลตอบแทนสินเชื่อใน 4Q22 และปี 2023 ผู้บริหารเชื่อว่าตัวเลขดังกล่าวจะลดลงกว่าระดับในปัจจุบันจากต้นทุนในการระดมทุนที่สูงขึ้น TISCO เชื่อว่าธนาคารส่วนมากจะไม่แข่งโดยการเพิ่มเงินฝาก ในส่วนของเพดานอัตราดอกเบี้ยที่คณะกรรมการคุ้มครองผู้บริโภคอาจบังคับใช้กับสินเชื่อเช่าซื้อรถจักรยานยนต์ใหม่ (MHP) ปัจจุบันดังกล่าวอาจทำให้พอร์ตสินเชื่อ MHP ของบริษัทฯ (2% ของพอร์ตรวม) โตช้าลงในระยะ 1-2 ปีแรกหลังการบังคับใช้ อย่างไรก็ตาม ผู้ประกอบกิจการ MHP อาจจำเป็นต้องปรับโครงสร้างสินเชื่อของตน เช่น ลดค่า Commission ที่จ่ายให้กับผู้จัดจำหน่าย เรามีมุมมองเป็นกลางจากการประชุมดังกล่าว

## ผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) ที่ลดลงและปริมาณสินเชื่อที่ปรับตัวดีขึ้นน่าจะช่วยผลักดันผลประกอบการ 4Q22

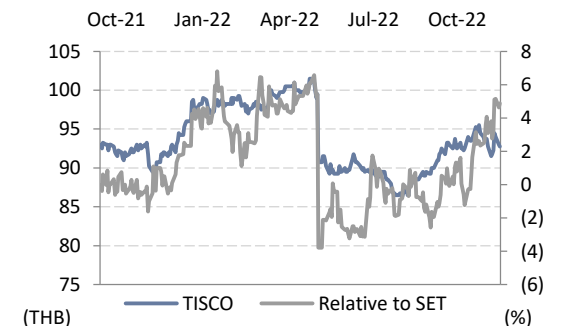
เราคาดว่ากำไรสุทธิของ TISCO ใน 4Q22 จะเพิ่มเล็กน้อย y-y และ q-q จาก 1) การเพิ่มของรายได้ดอกเบี้ยสุทธิตามการเพิ่มของปริมาณสินเชื่อและส่วนต่างดอกเบี้ยจากสินเชื่อที่โตดีขึ้น; และ 2) ECL ที่ลดลงจากสำรองที่มากพอ

## คงแนะนำถือเพื่อรับเงินปันผลที่ราคาเป้าหมายปี 2023 ที่ 94 บาท (GGM)

เราชอบ TISCO จากความเสี่ยงในด้านคุณภาพสินทรัพย์ที่อยู่ในระดับต่ำและอัตราผลตอบแทนเงินปันผลที่คาดว่าจะอยู่ที่ 8-9% ต่อปีในช่วงปี 2022-24 อย่างไรก็ตามเราคิดว่ากลยุทธ์การขยายสินเชื่อในระดับต่ำในช่วง 2-3 ปีที่ผ่านมาอาจจำกัดการเติบโตของกำไรสุทธิในปี 2023 ไว้ที่ 4% y-y เทียบกับการเติบโตของกำไรสุทธิรวมในปี 2023E ของธนาคารที่เราทำการศึกษาที่ 10% y-y ด้วยเหตุดังกล่าวเราคงแนะนำถือที่ราคาเป้าหมายที่ 94 บาท (GGM)

## KEY STOCK DATA

| YE Dec (THB m)       | 2021  | 2022E | 2023E | 2024E |
|----------------------|-------|-------|-------|-------|
| Operating profit     | 8,485 | 9,061 | 9,374 | 9,780 |
| Net profit           | 6,784 | 7,317 | 7,569 | 7,924 |
| EPS (THB)            | 8.47  | 9.14  | 9.45  | 9.90  |
| vs Consensus (%)     | -     | 3.4   | 5.6   | 5.5   |
| Core net profit      | 6,784 | 7,317 | 7,569 | 7,924 |
| Core EPS (THB)       | 8.47  | 9.14  | 9.45  | 9.90  |
| Chg. In EPS est. (%) | -     | -     | -     | -     |
| EPS growth (%)       | 11.9  | 7.8   | 3.5   | 4.7   |
| Core P/E (x)         | 10.9  | 10.1  | 9.8   | 9.4   |
| Dividend yield (%)   | 7.7   | 8.4   | 8.9   | 9.2   |
| Price/book (x)       | 1.8   | 1.7   | 1.7   | 1.6   |
| ROE (%)              | 16.8  | 17.4  | 17.4  | 17.6  |
| ROA (%)              | 2.6   | 3.0   | 3.0   | 3.1   |



| Share price performance        | 1 Month         | 3 Month | 12 Month |
|--------------------------------|-----------------|---------|----------|
| Absolute (%)                   | 0.3             | 7.2     | 0.5      |
| Relative to country (%)        | 6.2             | 6.9     | 5.1      |
| Mkt cap (USD m)                | 1,945           |         |          |
| 3m avg. daily turnover (USD m) | 8.4             |         |          |
| Free float (%)                 | 80              |         |          |
| Major shareholder              | Thai NVDR (11%) |         |          |
| 12m high/low (THB)             | 101.50/86.00    |         |          |
| Issued shares (m)              | 801             |         |          |

Sources: Bloomberg consensus; FSSIA estimates



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

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 12 ตุลาคม 2022

## Investment thesis

We maintain TISCO as our least preferred stock in the banking sector. We think TISCO's bottom line could be slightly hurt by an interest rate upturn. Additionally, we think it is less attractive than Kiatnakin Bank (KKP TB, BUY, TP THB82) as its lazy balance sheet strategy over the past several years will likely hinder its growth once the economy recovers. However, we recommend HOLD for its potentially superior dividend yield at 8-9% p.a. in 2022-24 and low asset quality risk.

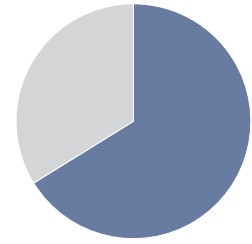
## Company profile

TISCO was the first Thai investment bank (in 1969) and the first finance company to be upgraded to a commercial bank (in 2005). At present, TISCO is a financial group holding company with a sustainable development operating framework. TISCO's businesses are both retail banking and corporate banking.

[www.tisco.co.th](http://www.tisco.co.th)

## Principal activities (revenue, 2021)

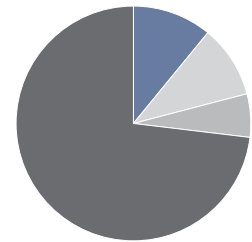
- Net interest income - 66.2 %
- Non-interest income - 33.8 %



Source: Tisco Financial

## Major shareholders

- Thai NVDR - 10.9 %
- CDIB & Partners Investment Holding - 10.0 %
- South East Asia UK (Type C) Nominees - 6.0 %
- Others - 73.1 %



Source: Tisco Financial

## Catalysts

Potential share price catalysts for TISCO include:

- A high-yield auto title loan volume recovery;
- A higher dividend payout ratio;
- Better operating cost control.

## Risks to our call

Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. An upside risk to our GGM-based TP would be lower-than-expected policy rate hikes.

## Event calendar

| Date         | Event                     |
|--------------|---------------------------|
| Mid-Jan 2023 | 4Q22 results announcement |

## Key assumptions

|                           | 2022E | 2023E | 2024E |
|---------------------------|-------|-------|-------|
|                           | (%)   | (%)   | (%)   |
| Net profit (THB m)        | 7,317 | 7,569 | 7,924 |
| Net profit growth (%)     | 7.8   | 3.5   | 4.7   |
| NIM (%)                   | 4.93  | 4.89  | 4.87  |
| Loan growth (%)           | 2.5   | 3.0   | 2.5   |
| Fee growth (%)            | 0.9   | 11.2  | 6.0   |
| Non-int-income growth (%) | (2.4) | 10.7  | 6.0   |
| Credit cost (bp)          | 45    | 60    | 65    |
| Cost to income (%)        | 45.6  | 44.4  | 43.6  |

Source: FSSIA estimates

## Earnings sensitivity

|                         |              | ----- 2022E ----- |             |             |
|-------------------------|--------------|-------------------|-------------|-------------|
|                         |              | 0.5               | 2.50        | 4.5         |
| <b>Loan growth (%)</b>  | <b>±2ppt</b> |                   |             |             |
| % change in net profit  |              | (1.3)             | -           | 1.3         |
| <b>NIM (%)</b>          | <b>±5bp</b>  | <b>4.88</b>       | <b>4.93</b> | <b>4.98</b> |
| % change in net profit  |              | (2.8)             | -           | 2.8         |
| <b>Credit cost (bp)</b> | <b>±10bp</b> | <b>35</b>         | <b>45</b>   | <b>55</b>   |
| % change in net profit  |              | 2.4               | -           | (2.4)       |
|                         |              |                   |             |             |
|                         |              |                   |             |             |

Source: FSSIA estimates



## 3Q22: Strong loan growth and healthy asset quality as expected

TISCO reported an in-line 3Q22 net profit of THB1,771m (+14% y-y, -4% q-q). We see three positives from its results. First, TISCO benefitted from a low credit cost level of 23 bps in 3Q22 vs 49 bps in 3Q21 due to the excess provisions it set aside to survive uncertainties and its effective asset quality control. Its NPLs were relatively stable q-q in 3Q22, implying an NPL ratio of 2.1%. Its coverage ratio remained at a high level of 248%. Second, there was an uptick in its NIM to 5.13% from 5.04% in 2Q22 following a rise in its high-yield portfolios. Lastly, this was the first time that its loan volume increased strongly by 4.8% q-q from auto cash, used cars, SMEs and the corporate segment. On the negative side, its non-NII fell q-q. Although its core fee income increased y-y and q-q, its non-NII was dragged down by a lower gain on investments from the unfavourable capital market conditions. Its 9M22 net profit accounts for 74% of our 2022 forecast.

### 3Q22 key highlights

- NII rose by 4% y-y and 4% q-q due to a rise in loan volume by 4.3% y-y and 4.8% q-q, together with an improvement in its NIM to 5.13%;
- Net fee income increased by 12% y-y and 5% q-q, mainly from higher bancassurance fees following a rise in its loan volume;
- TISCO's loans under the forbearance program amounted to 5.0% of total loans, of which 1.5% were from the retail segment. These numbers moderately declined from 6.3% and 2.4% in 2Q22, respectively.

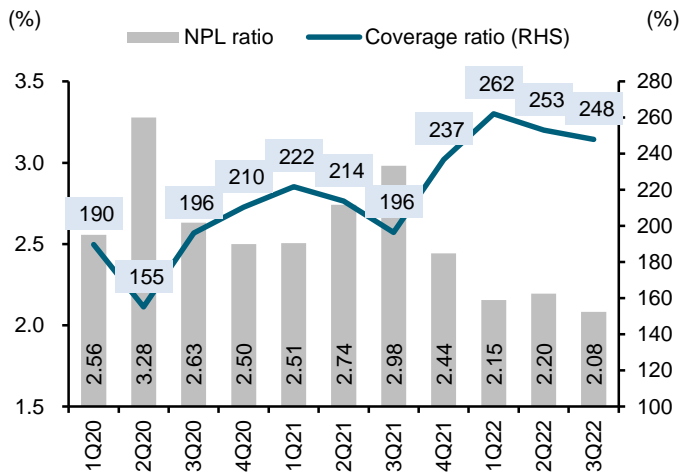
### Exhibit 1: TISCO – summary of 3Q22 operations

| Year end Dec 31               | 3Q21         | 2Q22         | 3Q22         |           | 9M22       |              |             | 2022E     |              | Comments   |                                |
|-------------------------------|--------------|--------------|--------------|-----------|------------|--------------|-------------|-----------|--------------|------------|--------------------------------|
|                               | (THB m)      | (THB m)      | (THB m)      | (y-y%)    | (q-q%)     | (THB m)      | (y-y %)     | %22E      | (THB m)      | (y-y %)    |                                |
| Net interest income           | 3,093        | 3,107        | 3,221        | 4         | 4          | 9,389        | 0           | 77        | 12,148       | (3)        |                                |
| Non-interest income*          | 1,085        | 1,457        | 1,257        | 16        | (14)       | 4,072        | (12)        | 65        | 6,221        | (2)        |                                |
| Operating income              | 4,178        | 4,564        | 4,478        | 7         | (2)        | 13,461       | (4)         | 73        | 18,369       | (2)        |                                |
| Operating expenses            | 1,968        | 2,125        | 2,155        | 10        | 1          | 6,379        | 5           | 76        | 8,374        | 1          |                                |
| <b>PPOP before tax*</b>       | <b>2,209</b> | <b>2,439</b> | <b>2,323</b> | <b>5</b>  | <b>(5)</b> | <b>7,082</b> | <b>(10)</b> | <b>71</b> | <b>9,995</b> | <b>(5)</b> |                                |
| Provision                     | 254          | 140          | 119          | (53)      | (15)       | 344          | (79)        | 37        | 925          | (55)       |                                |
| Income tax                    | 395          | 451          | 433          | 10        | (4)        | 1,323        | 6           | 76        | 1,750        | 3          |                                |
| Minority interest             | 0            | 0            | 0            |           |            | 0            | 25          |           | 3            | 632        |                                |
| <b>Normalised profit</b>      | <b>1,560</b> | <b>1,848</b> | <b>1,771</b> | <b>14</b> | <b>(4)</b> | <b>5,415</b> | <b>9</b>    | <b>74</b> | <b>7,317</b> | <b>8</b>   |                                |
| Extraordinary items           | 0            | 0            | 0            |           |            | 0            |             |           | 0            |            |                                |
| <b>Net profit</b>             | <b>1,560</b> | <b>1,848</b> | <b>1,771</b> | <b>14</b> | <b>(4)</b> | <b>5,415</b> | <b>9</b>    | <b>74</b> | <b>7,317</b> | <b>8</b>   | In line with the BBG consensus |
| EPS (THB)                     | 1.95         | 2.31         | 2.21         | 14        | (4)        | 6.76         | 9           | 74        | 9.14         | 8          |                                |
| <b>Asset quality ratio</b>    |              |              |              |           |            |              |             |           |              |            |                                |
| Gross NPLs                    | 6,094        | 4,464        | 4,442        | (27)      | (0)        |              |             |           | 5,205        | 5          |                                |
| NPL ratios (%)                | 2.98         | 2.20         | 2.08         |           |            |              |             |           | 2.50         |            |                                |
| Coverage ratio (%) - Reported | 196          | 253          | 248          |           |            |              |             |           | 205          |            |                                |
| Credit cost (bp)              | 49           | 28           | 23           |           |            |              |             |           | 45           |            |                                |
| <b>Profitability ratio</b>    | <b>(%)</b>   | <b>(%)</b>   | <b>(%)</b>   |           |            |              |             |           | <b>(%)</b>   |            |                                |
| Cost to income ratio*         | 47.1         | 46.5         | 48.1         |           |            |              |             |           | 45.6         |            |                                |
| Average yield                 | 5.80         | 5.86         | 5.97         |           |            |              |             |           | 5.8          |            |                                |
| Cost of fund                  | 1.12         | 1.06         | 1.08         |           |            |              |             |           | 1.1          |            |                                |
| Net interest margin (NIM)     | 4.92         | 5.04         | 5.13         |           |            |              |             |           | 4.93         |            |                                |
| Non-int inc/total income      | 26.0         | 31.9         | 28.1         |           |            |              |             |           | 33.9         |            |                                |
| <b>Liquidity ratio</b>        | <b>(%)</b>   | <b>(%)</b>   | <b>(%)</b>   |           |            |              |             |           | <b>(%)</b>   |            |                                |
| Loan to deposit ratio         | 121.1        | 120.4        | 116.8        |           |            |              |             |           | 117.7        |            |                                |
| <b>Loan growth</b>            | <b>(%)</b>   | <b>(%)</b>   | <b>(%)</b>   |           |            |              |             |           | <b>(%)</b>   |            |                                |
| y-y                           | (9.1)        | (5.0)        | 4.3          |           |            |              |             |           | 2.5          |            |                                |
| q-q                           | (4.5)        | (0.1)        | 4.8          |           |            |              |             |           |              |            |                                |

\*Including share of profits from associates

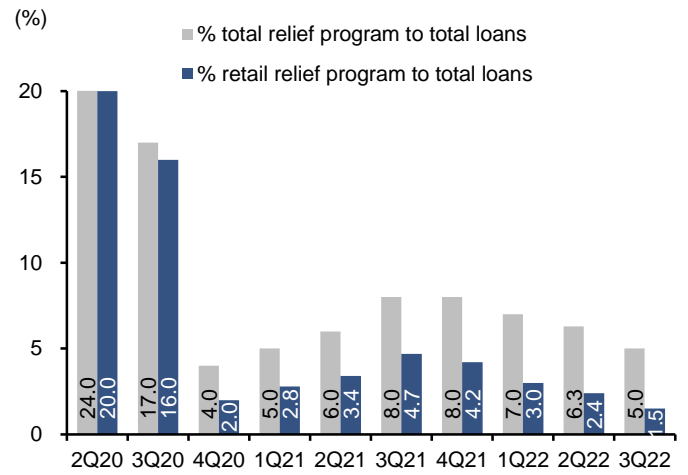
Source: TISCO; FSSIA estimates

**Exhibit 2: NPL ratio and coverage ratio**



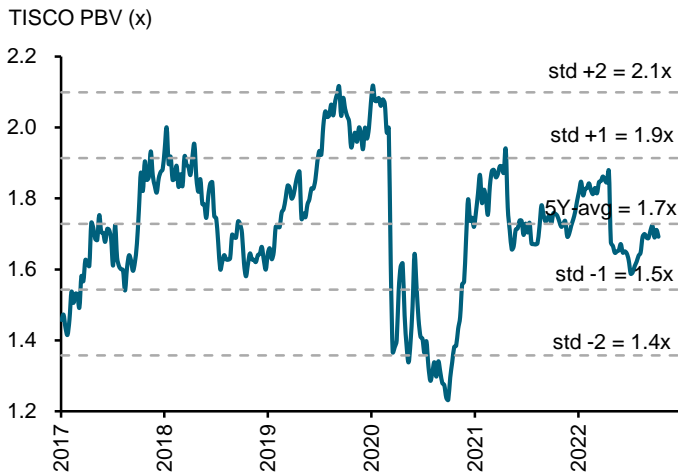
Sources: TISCO; FSSIA's compilation

**Exhibit 3: TISCO's forbearance program**



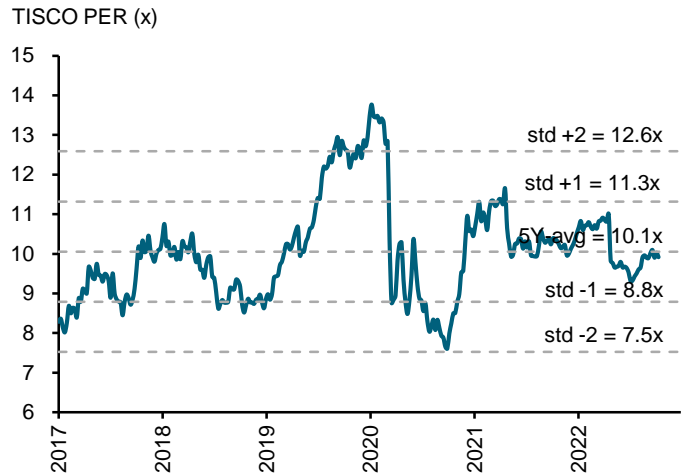
Sources: TISCO; FSSIA's compilation

**Exhibit 4: TISCO – one-year forward rolling P/BV**



Sources: Bloomberg; FSSIA estimates

**Exhibit 5: TISCO – one-year forward rolling P/E**



Sources: Bloomberg; FSSIA estimates

**Exhibit 6: Peers comparison**

|                    | BBG code | Rec  | --- Share price --- |              | Up side (%) | Market Cap (USD m) | EPS growth  |            | --- P/E --- |            | -- DivYld -- |            | --- ROE --- |            | --- PBV --- |            |
|--------------------|----------|------|---------------------|--------------|-------------|--------------------|-------------|------------|-------------|------------|--------------|------------|-------------|------------|-------------|------------|
|                    |          |      | Current (THB)       | Target (THB) |             |                    | 22E (%)     | 23E (%)    | 22E (x)     | 23E (x)    | 22E (%)      | 23E (%)    | 22E (%)     | 23E (%)    | 22E (x)     | 23E (x)    |
| <b>Coverage</b>    |          |      |                     |              |             | <b>37,455</b>      | <b>17.6</b> | <b>9.9</b> | <b>8.5</b>  | <b>7.7</b> | <b>4.4</b>   | <b>5.1</b> | <b>8.5</b>  | <b>8.7</b> | <b>0.7</b>  | <b>0.7</b> |
| Bangkok Bank       | BBL TB   | BUY  | 136.00              | 170.00       | 25          | 6,800              | 15.2        | 11.5       | 8.5         | 7.6        | 3.7          | 4.8        | 6.0         | 6.4        | 0.5         | 0.5        |
| Kasikornbank       | KBANK TB | BUY  | 143.50              | 192.00       | 34          | 8,906              | 10.6        | 12.9       | 8.1         | 7.2        | 3.1          | 3.5        | 8.5         | 9.0        | 0.7         | 0.6        |
| Kiatnakin Bank     | KKP TB   | BUY  | 68.50               | 82.00        | 20          | 1,519              | 19.8        | 9.5        | 7.7         | 7.0        | 5.8          | 6.6        | 14.2        | 14.3       | 1.0         | 1.0        |
| Krung Thai Bank    | KTB TB   | BUY  | 16.70               | 20.00        | 20          | 6,114              | 43.6        | 9.6        | 7.5         | 6.9        | 4.6          | 5.1        | 8.3         | 8.5        | 0.6         | 0.6        |
| SCB X              | SCB TB   | BUY  | 103.50              | 134.00       | 29          | 9,129              | 9.8         | 6.6        | 9.0         | 8.4        | 4.8          | 5.8        | 8.6         | 8.5        | 0.7         | 0.7        |
| Tisco Financial    | TISCO TB | HOLD | 92.75               | 94.00        | 1           | 1,945              | 7.8         | 3.5        | 10.1        | 9.8        | 8.4          | 8.9        | 17.4        | 17.4       | 1.7         | 1.7        |
| TMBThanachart Bank | TTB TB   | BUY  | 1.20                | 1.40         | 17          | 3,042              | 20.3        | 12.1       | 9.2         | 8.2        | 4.9          | 5.5        | 5.8         | 6.3        | 0.5         | 0.5        |

Share prices as of 11 Oct 2022  
Source: FSSIA estimates

## Financial Statements

### Tisco Financial

| Profit and Loss (THB m) Year Ending Dec | 2020    | 2021    | 2022E   | 2023E   | 2024E   |
|---|---------|---------|---------|---------|---------|
| Interest Income                         | 16,757  | 14,792  | 14,313  | 15,006  | 15,449  |
| Interest expense                        | (3,659) | (2,332) | (2,165) | (2,754) | (2,894) |
| Net interest income                     | 13,098  | 12,460  | 12,148  | 12,252  | 12,555  |
| Net fees & commission                   | 5,146   | 5,615   | 5,668   | 6,303   | 6,681   |
| Foreign exchange trading income         | 0       | 0       | 0       | 0       | 0       |
| Securities trading income               | 270     | 410     | 158     | 166     | 167     |
| Dividend income                         | 59      | 70      | 84      | 92      | 101     |
| Other income                            | 333     | 274     | 303     | 318     | 344     |
| Non interest income                     | 5,808   | 6,369   | 6,212   | 6,879   | 7,292   |
| Total income                            | 18,906  | 18,829  | 18,360  | 19,131  | 19,847  |
| Staff costs                             | (5,288) | (5,727) | (5,787) | (5,897) | (6,009) |
| Other operating costs                   | (2,723) | (2,553) | (2,587) | (2,594) | (2,648) |
| Operating costs                         | (8,012) | (8,280) | (8,374) | (8,491) | (8,657) |
| Pre provision operating profit          | 10,894  | 10,549  | 9,986   | 10,640  | 11,190  |
| Provision for bad and doubtful debt     | (3,331) | (2,064) | (925)   | (1,267) | (1,410) |
| Other provisions                        | -       | -       | -       | -       | -       |
| Operating profit                        | 7,563   | 8,485   | 9,061   | 9,374   | 9,780   |
| Recurring non operating income          | (2)     | 7       | 9       | 10      | 10      |
| Associates                              | (2)     | 7       | 9       | 10      | 10      |
| Goodwill amortization                   | -       | -       | -       | -       | -       |
| Non recurring items                     | 0       | 0       | 0       | 0       | 0       |
| Profit before tax                       | 7,562   | 8,492   | 9,070   | 9,383   | 9,790   |
| Tax                                     | (1,498) | (1,708) | (1,750) | (1,811) | (1,865) |
| Profit after tax                        | 6,064   | 6,785   | 7,319   | 7,572   | 7,925   |
| Minority interests                      | 0       | 0       | (3)     | (3)     | (2)     |
| Preferred dividends                     | -       | -       | -       | -       | -       |
| Other items                             | -       | -       | -       | -       | -       |
| Reported net profit                     | 6,063   | 6,784   | 7,317   | 7,569   | 7,924   |
| Non recurring items & goodwill (net)    | -       | -       | 0       | 0       | 0       |
| Recurring net profit                    | 6,063   | 6,784   | 7,317   | 7,569   | 7,924   |
| <b>Per share (THB)</b>                  |         |         |         |         |         |
| Recurring EPS *                         | 7.57    | 8.47    | 9.14    | 9.45    | 9.90    |
| Reported EPS                            | 7.57    | 8.47    | 9.14    | 9.45    | 9.90    |
| DPS                                     | 6.30    | 7.15    | 7.75    | 8.25    | 8.50    |
| <b>Growth</b>                           |         |         |         |         |         |
| Net interest income (%)                 | 2.4     | (4.9)   | (2.5)   | 0.9     | 2.5     |
| Non interest income (%)                 | (12.4)  | 9.7     | (2.5)   | 10.7    | 6.0     |
| Pre provision operating profit (%)      | 7.3     | (3.2)   | (5.3)   | 6.6     | 5.2     |
| Operating profit (%)                    | (16.4)  | 12.2    | 6.8     | 3.4     | 4.3     |
| Reported net profit (%)                 | (16.6)  | 11.9    | 7.8     | 3.5     | 4.7     |
| Recurring EPS (%)                       | (16.6)  | 11.9    | 7.8     | 3.5     | 4.7     |
| Reported EPS (%)                        | (16.6)  | 11.9    | 7.8     | 3.5     | 4.7     |
| <b>Income Breakdown</b>                 |         |         |         |         |         |
| Net interest income (%)                 | 69.3    | 66.2    | 66.2    | 64.0    | 63.3    |
| Net fees & commission (%)               | 27.2    | 29.8    | 30.9    | 32.9    | 33.7    |
| Foreign exchange trading income (%)     | -       | -       | -       | -       | -       |
| Securities trading income (%)           | 1.4     | 2.2     | 0.9     | 0.9     | 0.8     |
| Dividend income (%)                     | 0.3     | 0.4     | 0.5     | 0.5     | 0.5     |
| Other income (%)                        | 1.8     | 1.5     | 1.7     | 1.7     | 1.7     |
| <b>Operating performance</b>            |         |         |         |         |         |
| Gross interest yield (%)                | 5.84    | 5.69    | 5.81    | 5.99    | 6.00    |
| Cost of funds (%)                       | 1.56    | 1.13    | 1.13    | 1.41    | 1.45    |
| Net interest spread (%)                 | 4.28    | 4.56    | 4.68    | 4.58    | 4.55    |
| Net interest margin (%)                 | 4.6     | 4.8     | 4.9     | 4.9     | 4.9     |
| Cost/income(%)                          | 42.4    | 44.0    | 45.6    | 44.4    | 43.6    |
| Cost/assets(%)                          | 2.8     | 3.2     | 3.4     | 3.4     | 3.3     |
| Effective tax rate (%)                  | 19.8    | 20.1    | 19.3    | 19.3    | 19.1    |
| Dividend payout on recurring profit (%) | 83.2    | 84.4    | 84.8    | 87.3    | 85.9    |
| ROE (%)                                 | 15.4    | 16.8    | 17.4    | 17.4    | 17.6    |
| ROE - COE (%)                           | 4.6     | 6.0     | 6.6     | 6.6     | 6.8     |
| ROA (%)                                 | 2.1     | 2.6     | 3.0     | 3.0     | 3.1     |
| RORWA (%)                               | 3.3     | 3.8     | 4.1     | 4.2     | 4.2     |

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

Sources: Tisco Financial; FSSIA estimates

## Financial Statements

### Tisco Financial

| Balance Sheet (THB m) Year Ending Dec  | 2020           | 2021           | 2022E          | 2023E          | 2024E          |
|--|----------------|----------------|----------------|----------------|----------------|
| Gross customer loans                   | 224,812        | 202,950        | 208,023        | 214,264        | 219,621        |
| Total provisions                       | (11,826)       | (11,736)       | (10,685)       | (9,916)        | (9,679)        |
| interest in suspense                   | 1,902          | 1,713          | 1,560          | 1,500          | 1,537          |
| <b>Net customer loans</b>              | <b>214,888</b> | <b>192,926</b> | <b>198,899</b> | <b>205,848</b> | <b>211,479</b> |
| Bank loans                             | 38,212         | 30,489         | 28,510         | 26,839         | 30,436         |
| Government securities                  | -              | -              | -              | -              | -              |
| Trading securities                     | -              | -              | -              | -              | -              |
| Investment securities                  | 12,931         | 10,933         | 11,505         | 11,896         | 12,303         |
| Cash & equivalents                     | 1,220          | 1,103          | 1,856          | 1,359          | 461            |
| Other interesting assets               | -              | -              | -              | -              | -              |
| Tangible fixed assets                  | 3,837          | 3,654          | 3,716          | 3,779          | 3,843          |
| Associates                             | -              | -              | -              | -              | -              |
| Goodwill                               | -              | -              | -              | -              | -              |
| Other intangible assets                | -              | -              | -              | -              | -              |
| Other assets                           | 4,355          | 4,509          | 4,611          | 4,710          | 4,816          |
| <b>Total assets</b>                    | <b>275,443</b> | <b>243,616</b> | <b>249,096</b> | <b>254,429</b> | <b>263,338</b> |
| Customer deposits                      | 203,473        | 166,542        | 176,793        | 180,328        | 179,889        |
| Bank deposits                          | -              | -              | -              | -              | -              |
| Other interest bearing liabilities     | 19,918         | 23,317         | 16,864         | 17,201         | 21,591         |
| Non interest bearing liabilities       | 12,590         | 12,559         | 12,559         | 12,559         | 12,936         |
| Hybrid Capital                         | -              | -              | -              | -              | -              |
| <b>Total liabilities</b>               | <b>235,981</b> | <b>202,418</b> | <b>206,215</b> | <b>210,089</b> | <b>214,416</b> |
| Share capital                          | 8,007          | 8,007          | 8,006          | 8,006          | 8,006          |
| Reserves                               | 31,452         | 33,187         | 34,871         | 36,331         | 37,750         |
| <b>Total equity</b>                    | <b>39,459</b>  | <b>41,194</b>  | <b>42,877</b>  | <b>44,337</b>  | <b>45,757</b>  |
| Minority interests                     | 3              | 3              | 3              | 4              | 4              |
| <b>Total liabilities &amp; equity</b>  | <b>275,443</b> | <b>243,616</b> | <b>249,096</b> | <b>254,429</b> | <b>260,176</b> |
| <b>Supplementary items</b>             |                |                |                |                |                |
| Risk weighted assets (RWA)             | 185,168        | 174,636        | 179,002        | 184,372        | 188,982        |
| Average interest earning assets        | 287,129        | 260,164        | 246,205        | 250,518        | 257,679        |
| Average interest bearing liabilities   | 234,728        | 206,625        | 191,758        | 195,593        | 199,505        |
| Tier 1 capital                         | 32,369         | 32,421         | 33,747         | 34,985         | 36,126         |
| Total capital                          | 40,478         | 40,481         | 41,807         | 43,044         | 44,186         |
| Gross non performing loans (NPL)       | 5,618          | 4,957          | 5,205          | 5,465          | 5,739          |
| <b>Per share (THB)</b>                 |                |                |                |                |                |
| Book value per share                   | 49.28          | 51.45          | 53.55          | 55.38          | 57.15          |
| Tangible book value per share          | 49.28          | 51.45          | 53.55          | 55.38          | 57.15          |
| <b>Growth</b>                          |                |                |                |                |                |
| Gross customer loans                   | (7.4)          | (9.7)          | 2.5            | 3.0            | 2.5            |
| Average interest earning assets        | (4.7)          | (9.4)          | (5.4)          | 1.8            | 2.9            |
| Total asset (%)                        | (7.7)          | (11.6)         | 2.2            | 2.1            | 3.5            |
| Risk weighted assets (%)               | (0.2)          | (5.7)          | 2.5            | 3.0            | 2.5            |
| Customer deposits (%)                  | (5.8)          | (18.2)         | 6.2            | 2.0            | (0.2)          |
| <b>Leverage &amp; capital measures</b> |                |                |                |                |                |
| Customer loan/deposits (%)             | 105.6          | 115.8          | 112.5          | 114.2          | 117.6          |
| Equity/assets (%)                      | 14.3           | 16.9           | 17.2           | 17.4           | 17.4           |
| Tangible equity/assets (%)             | 14.3           | 16.9           | 17.2           | 17.4           | 17.4           |
| RWA/assets (%)                         | 67.2           | 71.7           | 71.9           | 72.5           | 71.8           |
| Tier 1 CAR (%)                         | 17.5           | 18.6           | 18.9           | 19.0           | 19.1           |
| Total CAR (%)                          | 21.9           | 23.2           | 23.4           | 23.3           | 23.4           |
| <b>Asset Quality</b>                   |                |                |                |                |                |
| Change in NPL (%)                      | (3.7)          | (11.8)         | 5.0            | 5.0            | 5.0            |
| NPL/gross loans (%)                    | 2.5            | 2.4            | 2.5            | 2.6            | 2.6            |
| Total provisions/gross loans (%)       | 5.3            | 5.8            | 5.1            | 4.5            | 4.4            |
| Total provisions/NPL (%)               | 210.5          | 236.7          | 205.3          | 181.4          | 168.7          |
| <b>Valuation</b>                       |                |                |                |                |                |
| Recurring P/E (x) *                    | 12.2           | 10.9           | 10.1           | 9.8            | 9.4            |
| Recurring P/E @ target price (x) *     | 12.4           | 11.1           | 10.3           | 9.9            | 9.5            |
| Reported P/E (x)                       | 12.2           | 10.9           | 10.1           | 9.8            | 9.4            |
| Dividend yield (%)                     | 6.8            | 7.7            | 8.4            | 8.9            | 9.2            |
| Price/book (x)                         | 1.9            | 1.8            | 1.7            | 1.7            | 1.6            |
| Price/tangible book (x)                | 1.9            | 1.8            | 1.7            | 1.7            | 1.6            |
| Price/tangible book @ target price (x) | 1.9            | 1.8            | 1.8            | 1.7            | 1.6            |

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

Sources: Tisco Financial; 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   | PPPM   | 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

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#### Rawisara Suwanumchai 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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| Company            | Ticker   | Price      | Rating | Valuation & Risks   |
|--------------------|----------|------------|--------|---|
| Tisco Financial    | TISCO TB | THB 92.75  | HOLD   | Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. An upside risk to our GGM-based TP would be lower-than-expected policy rate hikes. |
| Kasikornbank       | KBANK TB | THB 143.50 | BUY    | Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.  |
| Kiatnakin Bank     | KKP TB   | THB 68.50  | BUY    | Downside risks to our GGM-based target price include weakening asset quality and lower fee income.  |
| Krung Thai Bank    | KTB TB   | THB 16.70  | BUY    | Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.  |
| SCB X              | SCB TB   | THB 103.50 | BUY    | Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.  |
| Tisco Financial    | TISCO TB | THB 92.75  | HOLD   | Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. An upside risk to our GGM-based TP would be lower-than-expected policy rate hikes. |
| TMBThanachart Bank | TTB TB   | THB 1.20   | BUY    | Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.  |

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

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All share prices are as at market close on 11-Oct-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.