

TISCO FINANCIAL TISCO TB
THAILAND / BANKINGBUY
UNCHANGED

ประเด็นเก็บตกสำคัญจากที่ประชุมนักวิเคราะห์

TARGET PRICE	THB111.00
CLOSE	THB96.00
UP/DOWNSIDE	+15.6%
TP vs CONSENSUS	+3.0%

ประเด็นสำคัญ

ข้อความโดยรวมจากผู้บริหารในวันนี้ยืนยันมุมมองของเราเกี่ยวกับการเติบโตของสินเชื่อที่ให้ผลตอบแทนสูง สินเชื่อประเภท (อัตราดอกเบี้ยลอยตัว) ที่เพิ่มขึ้นพร้อมอัตราดอกเบี้ยที่สูงขึ้น ต้นทุนในการระดมทุนที่สูงขึ้นซึ่งจะกระทบส่วนต่างดอกเบี้ย (NIM) ในช่วง 2H23 และหนี้ต่อคุณภาพ (NPL) ที่เพิ่มขึ้นภายใต้ต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) ในระดับที่จัดการได้โดยเราได้ข้อมูลใหม่ประกอบด้วย

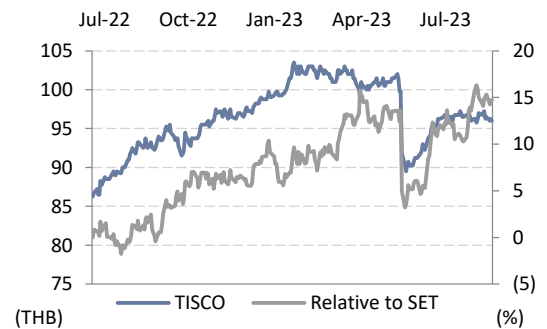
- (-) Cost of funds ที่เพิ่มขึ้นน่าจะผลักดัน NIM ให้ลดลงในช่วง 2H23 โดยจะได้รับแรงกดดันจากมุมมองของบริษัท ที่คาดว่าอัตราดอกเบี้ยนโยบาย (Repurchase rate) จะได้ขึ้นเป็น 2.50% ณ สิ้นปี 2023 (จากที่เคยคาดไว้ก่อนหน้านี้ที่ 2%) ซึ่งน่าจะกดดัน NIM อย่างต่อเนื่องในปี 2024 เราคงประมาณการ NIM ในปี 2024 ไว้ที่ 4.90% ซึ่งน่าจะทรงตัวในระดับเดียวกับกับประมาณการในช่วง 2H23 ที่ 4.90% (ลดลง 27bp เมื่อเทียบกับ 5.17% ในช่วง 1H23)
- (+) Credit cost น่าจะทรงตัวในระดับต่ำมากเช่นเดียวกับในช่วง 1H23 ที่มีค่าเฉลี่ยเท่ากับ 20bp (1Q-2Q23 อยู่ที่ 28bp และ 11bp ตามลำดับ) TISCO ตั้งใจที่จะลดสัดส่วนสำรองหนี้ต่อหนี้ต่อคุณภาพ (Coverage ratio) เป็น 150-160% จาก 224% ใน 2Q23 เพื่อสะท้อนคุณภาพสินทรัพย์ในปัจจุบันซึ่งน่าจะเป็นผลดีต่อ Credit cost ในอีก 2 ปีข้างหน้า (ภายใต้สมมติฐานของเราซึ่งใช้ Coverage ratio 2Q23 ปัจจุบันที่ 224% ก่อนลดลงเหลือ 150% และคาดว่า NPL จะเพิ่มเป็น 3%)
- (+) สินเชื่อสมทบเงินสั่งได้โต 5.3% q-q ใน 2Q23 และคิดเป็น 64% ของสินเชื่อจำนวนทะเบียนรวม ในระหว่างไตรมาส "สมหวัง" เปิดสำนักงานปล่อยสินเชื่อใหม่ 51 แห่งซึ่งทำให้มีจำนวนสาขา รวม 535 สาขาทั่วประเทศ ตัวเลขสาขาเปิดใหม่รวมในช่วง 1H23 ที่ 85 สาขาต่ำกว่าเป้าหมายปี 2023 ที่ 200 สาขา (เพื่อให้ถึง 650 สาขาภายในสิ้นปี 2023 และ 1,000 สาขาใน 2-3 ปีข้างหน้า) อยู่เล็กน้อย ผู้บริหารอ้างว่าตัวเลขที่ต่ำกว่าเป้าหมายเกิดจากนโยบายที่ต้องการติดตามตัวเลขลูกค้าที่เข้ามาติดต่อและส่วนแบ่งรายได้จากแต่ละสาขาอย่างใกล้ชิด

แนวโน้ม 2H23 – เรายังมั่นใจเกี่ยวกับแนวโน้มธุรกิจของบริษัท ในช่วง 2H23 ส่วนแบ่งรายได้ส่วนมากยังน่าจะมาจากธุรกิจธนาคาร (คิดเป็น 70% ของรายได้จากการดำเนินงานรวมในช่วง 1H23) TISCO น่าจะรายงานสินเชื่อโตในกลุ่มที่ให้ผลตอบแทนสูงพร้อม Credit cost ที่อยู่ในระดับต่ำ แม้ว่าผลกระทบจากอัตราดอกเบี้ยที่ปรับขึ้นน่าจะเพิ่มขึ้นในช่วง 2H23 เราเชื่อว่าธนาคาร จะสามารถจัดการให้ผลประกอบการโดยรวมใกล้เคียงกับเป้าหมายการของบริษัท และประมาณการปี 2023 ของเรา

เราแนะนำให้ซื้อที่ราคาเป้าหมาย 111 บาท (GGM) ซึ่งคิดเป็นค่า P/BV ที่ 2.02x เราชอบ TISCO โดยมีเหตุผลประกอบด้วย 1) การบริหารผลกระทบที่มีต่อ NIM ได้อย่างมีประสิทธิภาพ โดยการเพิ่มกลุ่มสินเชื่อที่ให้ผลตอบแทนสูง; 2) กลยุทธ์การจัดสรรสำรองไว้ตั้งแต่ต้นเพื่อรับมือกับผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) ในช่วงการแพร่ระบาดโควิด; และ 3) ผลตอบแทนในรูปเงินปันผลต่อปีคาดว่าจะอยู่ในระดับที่น่าสนใจที่ประมาณ 8-9% ในช่วงปี 2023-25

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Operating profit	8,988	9,328	9,851	10,425
Net profit	7,222	7,462	7,881	8,340
EPS (THB)	9.02	9.32	9.84	10.42
vs Consensus (%)	-	0.1	1.3	1.8
Recurring net profit	7,222	7,462	7,881	8,340
Core EPS (THB)	9.02	9.32	9.84	10.42
EPS growth (%)	6.4	3.3	5.6	5.8
Core P/E (x)	10.6	10.3	9.8	9.2
Dividend yield (%)	8.1	8.3	8.6	8.9
Price/book (x)	1.8	1.8	1.7	1.7
ROE (%)	17.2	17.2	17.8	18.3
ROA (%)	2.8	2.7	2.7	2.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.8)	(5.4)	10.7
Relative to country (%)		3.2	14.8
Mkt cap (USD m)	2,201		
3m avg. daily turnover (USD m)	11.9		
Free float (%)	80		
Major shareholder	Thai NVDR (11%)		
12m high/low (THB)	104.00/86.00		
Issued shares (m)	801		

Sources: Bloomberg consensus; FSSIA estimates



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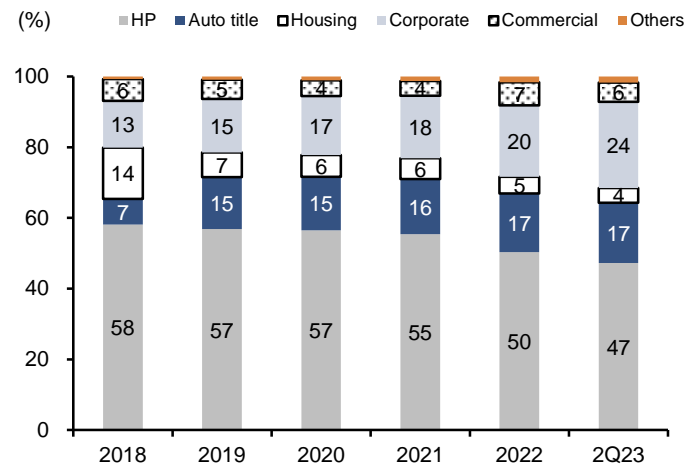
บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 13 กรกฎาคม 2023

Exhibit 1: Key financial guidance

	TISCO		FSSIA
	2022	2023E	2023E
Loan growth	7.9%	5-10%	8.0%
NPL ratio (gross)	2.09%	< 2.5%	2.1%
Net interest margin	5.09%	~ 4.6%	4.89%
Net fee income growth	-9.5%	Stable	1.1%
Cost to income	47.1%	~ 50%	47.6%
Credit cost (bp)	34	34	30

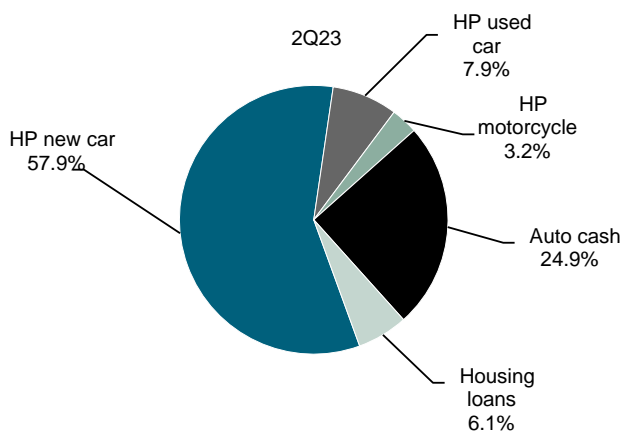
Sources: TISCO; FSSIA estimates

Exhibit 2: Loan breakdown



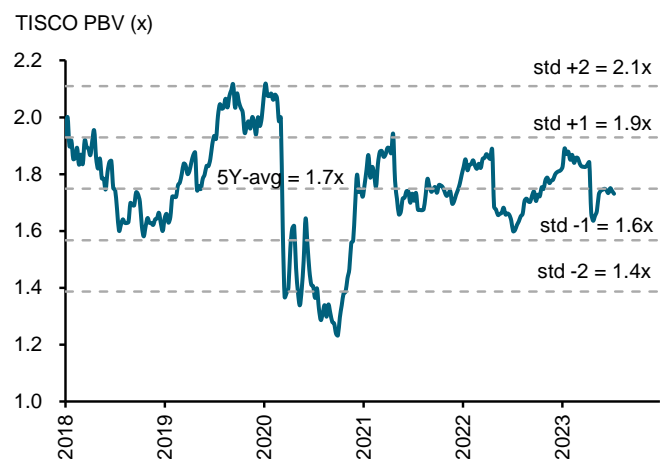
Sources: TISCO; FSSIA's compilation

Exhibit 3: Retail loan breakdown, 2Q23



Sources: TISCO; FSSIA's compilation

Exhibit 4: One-year forward rolling P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 5: TISCO's 2Q23 operations summary

Year end Dec 31	2Q22	1Q23	2Q23	---- Change ----		1H23	Change	%of	2022	2023E	Change
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y %)	23E	(THB m)	(THB m)	(y-y %)
Net interest income	3,107	3,287	3,420	10	4	6,707	9	50	12,734	13,451	6
Non-interest income	1,457	1,384	1,324	(9)	(4)	2,707	(4)	48	5,607	5,644	1
Total operating income	4,564	4,671	4,743	4	2	9,414	5	49	18,341	19,094	4
Total operating expenses	2,125	2,282	2,378	12	4	4,659	10	51	8,630	9,083	5
PPOP before tax	2,439	2,389	2,366	(3)	(1)	4,755	(0)	47	9,711	10,011	3
Expected credit loss	140	155	63	(55)	(59)	218	(3)	32	723	683	(5)
Net profit	1,848	1,793	1,854	0	3	3,646	0	49	7,222	7,462	3
EPS (THB)	2.31	2.24	2.32	0	3	4.55	0	49	9.02	9.32	3
NPL ratio (%)*	2.20	2.13	2.20			2.20			2.09	2.13	
Coverage ratio (%)*	253	248	224			224			259	231	
Credit cost (bp)	28	28	11			20			34	30	
Cost to income ratio	46.5	48.9	50.1			49.5			47.1	47.6	
NIM (%)*	5.05	4.89	5.01			5.11			5.00	4.89	
Loan/deposit & borrowing (LDBR)	109.3	106.0	108.0			108.0			107.3	108.2	
Loan growth - y-y	(5.0)	8.1	13.4						7.9	8.0	
q-q	(0.1)	0.5	4.7								

* FSSIA's calculation

Sources: TISCO; FSSIA estimates

Financial Statements

Tisco Financial

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Interest Income	14,792	14,904	17,002	18,382	19,821
Interest expense	(2,332)	(2,171)	(3,551)	(3,914)	(4,248)
Net interest income	12,460	12,734	13,451	14,467	15,573
Net fees & commission	5,615	5,081	5,137	5,189	5,240
Foreign exchange trading income	0	0	0	0	0
Securities trading income	410	89	89	90	90
Dividend income	70	73	77	81	85
Other income	281	363	340	358	377
Non interest income	6,376	5,607	5,644	5,717	5,792
Total income	18,836	18,341	19,094	20,184	21,365
Staff costs	(5,727)	(6,107)	(6,351)	(6,605)	(6,869)
Other operating costs	(2,552)	(2,523)	(2,732)	(2,990)	(3,274)
Operating costs	(8,279)	(8,630)	(9,083)	(9,595)	(10,143)
Pre provision operating profit	10,557	9,711	10,011	10,589	11,222
Expected credit loss	(2,064)	(723)	(683)	(738)	(797)
Other provisions	-	-	-	-	-
Operating profit	8,493	8,988	9,328	9,851	10,425
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	8,493	8,988	9,328	9,851	10,425
Tax	(1,708)	(1,766)	(1,866)	(1,970)	(2,085)
Profit after tax	6,785	7,222	7,462	7,881	8,340
Non-controlling interest	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	0	0	0	0	0
Reported net profit	6,785	7,222	7,462	7,881	8,340
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	6,785	7,222	7,462	7,881	8,340
Per share (THB)					
Recurring EPS *	8.47	9.02	9.32	9.84	10.42
Reported EPS	8.47	9.02	9.32	9.84	10.42
DPS	7.15	7.75	8.00	8.25	8.50
Growth					
Net interest income (%)	(4.9)	2.2	5.6	7.6	7.6
Non interest income (%)	9.8	(12.1)	0.7	1.3	1.3
Pre provision operating profit (%)	(3.1)	(8.0)	3.1	5.8	6.0
Operating profit (%)	12.3	5.8	3.8	5.6	5.8
Reported net profit (%)	11.9	6.4	3.3	5.6	5.8
Recurring EPS (%)	11.9	6.4	3.3	5.6	5.8
Reported EPS (%)	11.9	6.4	3.3	5.6	5.8
Income Breakdown					
Net interest income (%)	66.1	69.4	70.4	71.7	72.9
Net fees & commission (%)	29.8	27.7	26.9	25.7	24.5
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	2.2	0.5	0.5	0.4	0.4
Dividend income (%)	0.4	0.4	0.4	0.4	0.4
Other income (%)	1.5	2.0	1.8	1.8	1.8
Operating performance					
Gross interest yield (%)	5.70	5.86	6.18	6.23	6.25
Cost of funds (%)	1.13	1.09	1.63	1.67	1.69
Net interest spread (%)	4.57	4.77	4.55	4.56	4.56
Net interest margin (%)	4.8	5.0	4.9	4.9	4.9
Cost/income(%)	44.0	47.1	47.6	47.5	47.5
Cost/assets(%)	3.2	3.4	3.3	3.2	3.2
Effective tax rate (%)	20.1	19.6	20.0	20.0	20.0
Dividend payout on recurring profit (%)	84.4	85.9	85.8	83.8	81.6
ROE (%)	16.8	17.2	17.2	17.8	18.3
ROE - COE (%)	6.0	6.4	6.4	7.0	7.5
ROA (%)	2.6	2.8	2.7	2.7	2.6
RORWA (%)	3.8	4.0	3.8	3.7	3.7

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Tisco Financial; FSSIA estimates

Financial Statements

Tisco Financial

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Gross customer loans	202,950	219,004	236,524	255,446	275,882
Allowance for expected credit loss	(11,740)	(11,845)	(11,628)	(12,566)	(13,563)
interest in suspense	1,713	1,722	1,892	2,044	2,207
Net customer loans	192,922	208,881	226,788	244,924	264,526
Bank loans	30,489	40,272	42,165	44,105	46,178
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	2,891	3,045	2,699	2,816	2,938
Cash & equivalents	1,103	1,005	1,249	1,129	1,001
Other interesting assets	8,043	3,990	4,189	4,399	4,619
Tangible fixed assets	2,781	2,786	2,926	3,072	3,225
Associates	-	-	-	-	-
Goodwill	131	100	100	100	100
Other intangible assets	-	-	-	-	-
Other assets	5,262	5,334	5,571	5,802	6,047
Total assets	243,622	265,414	285,687	306,346	328,634
Customer deposits	166,542	188,266	202,386	219,589	238,693
Bank deposits	8,081	6,195	7,187	7,546	7,923
Other interest bearing liabilities	15,236	16,014	16,692	15,602	14,445
Non interest bearing liabilities	12,563	12,148	15,580	18,651	21,263
Hybrid Capital	-	-	-	-	-
Total liabilities	202,422	222,623	241,845	261,387	282,324
Share capital	8,007	8,007	8,007	8,007	8,007
Reserves	33,191	34,782	35,832	36,949	38,299
Total equity	41,197	42,788	43,839	44,955	46,305
Non-controlling interest	3	3	4	4	4
Total liabilities & equity	243,622	265,414	285,687	306,346	328,634
Supplementary items					
Risk weighted assets (RWA)	174,636	188,747	203,164	217,856	233,706
Average interest earning assets	259,356	254,501	275,059	295,259	317,251
Average interest bearing liabilities	205,845	199,901	218,010	234,015	251,365
CET 1 capital	32,421	32,372	36,410	37,326	38,476
Total capital	40,481	38,920	42,823	43,940	45,290
Gross non performing loans (NPL)	4,957	4,577	5,034	5,638	6,315
Per share (THB)					
Book value per share	51.45	53.44	54.75	56.15	57.83
Tangible book value per share	51.29	53.32	54.63	56.02	57.71
Growth					
Gross customer loans	(9.7)	7.9	8.0	8.0	8.0
Average interest earning assets	(9.4)	(1.9)	8.1	7.3	7.4
Total asset (%)	(11.6)	8.9	7.6	7.2	7.3
Risk weighted assets (%)	(5.7)	8.1	7.6	7.2	7.3
Customer deposits (%)	(18.2)	13.0	7.5	8.5	8.7
Leverage & capital measures					
Customer loan/deposits (%)	115.8	111.0	112.1	111.5	110.8
Equity/assets (%)	16.9	16.1	15.3	14.7	14.1
Tangible equity/assets (%)	16.9	16.1	15.3	14.6	14.1
RWA/assets (%)	71.7	71.1	71.1	71.1	71.1
CET 1 CAR (%)	18.6	17.2	17.9	17.1	16.5
Total CAR (%)	23.2	20.6	21.1	20.2	19.4
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	(11.8)	(7.7)	10.0	12.0	12.0
NPL/gross loans (%)	2.4	2.1	2.1	2.2	2.3
Allowance for ECL/gross loans (%)	5.8	5.4	4.9	4.9	4.9
Allowance for ECL/NPL (%)	236.8	258.8	231.0	222.9	214.8
Valuation					
Recurring P/E (x) *	11.3	10.6	10.3	9.8	9.2
Recurring P/E @ target price (x) *	13.1	12.3	11.9	11.3	10.7
Reported P/E (x)	11.3	10.6	10.3	9.8	9.2
Dividend yield (%)	7.4	8.1	8.3	8.6	8.9
Price/book (x)	1.9	1.8	1.8	1.7	1.7
Price/tangible book (x)	1.9	1.8	1.8	1.7	1.7
Price/tangible book @ target price (x)	2.2	2.1	2.0	2.0	1.9

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Tisco Financial; FSSIA estimates

Public disclosures related to sustainable development evaluation of Thai listed companies

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) **Sustainability Investment List (THSI)** by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

CG Score by the Thai Institute of Directors Association (Thai IOD)¹

The **CG Score** indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the [Thai IOD website](#) in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The **five underlying categories and weighting** used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

AGM Checklist by the Thai Investors Association (TIA)²

The "**AGM Checklist**" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The **Checklist** contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC)³

A **CAC certified member** is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member **start with** by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the **CAC Council** for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

Sustainability Investment (THSI)⁴ by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (**THSI**) quantifies responsibility in **E**nvironmental, and **S**ocial issues, by managing business with transparency in **G**overnance. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >15% by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: **E**conomic (CG, risk management, customer relation management, supply chain management, and innovation); **E**nvironmental (environmental management, eco-efficiency, and climate risk); **S**ocial (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices⁵ (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the **THSI list**, the SET further developed a sustainability **SETTHSI Index** in June 2018 from selected THSI companies whose 1) market capitalisation > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.

Sources: [SEC](#); [Thai IOD](#); [Thai CAC](#); [SET](#); FSSIA's compilation

Disclaimer:

¹ Thai Institute of Directors Association ([Thai IOD](#)) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

² Thai Investors Association ([TIA](#)) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

³ Thai Private Sector Collective Action against Corruption ([CAC](#)) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

⁴ Sustainability Investment List ([THSI](#)), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

⁵ Dow Jones Sustainability Indices – [Wikipedia](#) – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Usanee Liurut, CISA FSS International Investment Advisory Securities Co., Ltd

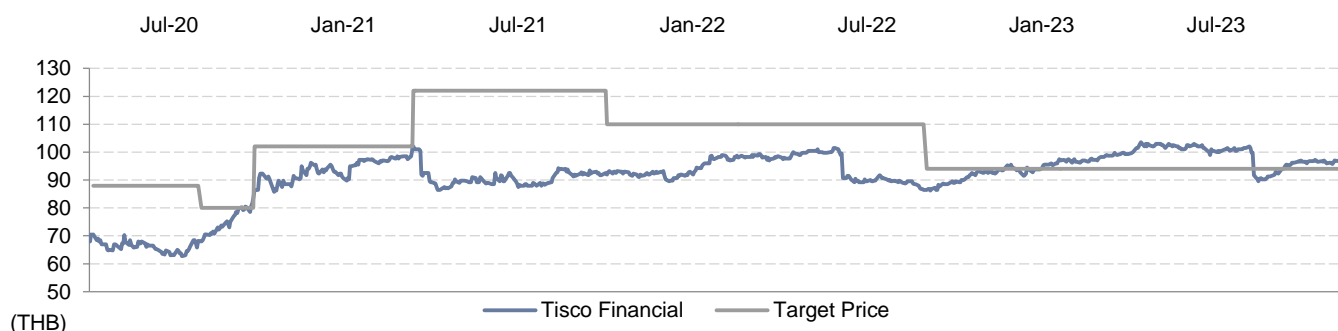
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History of change in investment rating and/or target price

Tisco Financial (TISCO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Jul-2020	BUY	88.00	20-Apr-2021	BUY	122.00	11-Jul-2023	BUY	111.00
16-Oct-2020	BUY	80.00	05-Oct-2021	BUY	110.00			
03-Dec-2020	BUY	102.00	08-Jul-2022	HOLD	94.00			

Usanee Liurut, CISA started covering this stock from 11-Jul-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Tisco Financial	TISCO TB	THB 96.00	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

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 12-Jul-2023 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.