

Key takeaways from analyst meeting

สรุปภาพรวมการประชุม analyst ในวันที่ 11 กันยายน 2566 ของเราเกี่ยวกับการเติบโตของสินเชื่อที่ให้ผลตอบแทนสูง (แต่อยู่ในระดับที่ต่ำกว่าก่อนหน้า) สินเชื่อขนาดใหญ่ประเภทอัตราดอกเบี้ยลอยตัวที่เพิ่มขึ้นตามอัตราดอกเบี้ยที่ปรับขึ้น ผลกระทบของต้นทุนในการระดมเงินฝากที่สูงขึ้นต่อประมาณการส่วนต่างดอกเบี้ย (NIM) ในปี 2024 และหนี้ด้อยคุณภาพ (NPL) ที่กำลังเพิ่มขึ้นในระดับต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) ที่สามารถจัดการได้ นอกจากนี้เรายังได้รับข้อมูลเพิ่มเติมประกอบด้วย:

(-) สินเชื่อ 4Q23 อาจโตน้อยกว่าคาดการณ์จากการควบคุมสินเชื่อที่เข้มงวดมากขึ้นโดยเฉพาะอย่างยิ่งในกลุ่มสินเชื่อเช่าซื้อและสินเชื่อทะเบียนรถจักรยานยนต์จากสถานะเศรษฐกิจที่อ่อนแอและหนี้ครัวเรือนที่อยู่ในระดับสูง TISCO ระบุว่าสินเชื่อทะเบียนรถยนต์จะโต 30% y-y ในประมาณการปี 2023 แต่จนถึงบัดนี้ตัวเลขการเติบโตยังอยู่ที่เพียงประมาณ 10% y-y ซึ่งอาจทำให้การเติบโตของสินเชื่อรวมในปี 2023 ต่ำกว่าเกณฑ์สูงที่ 5-10% y-y (เรคาดไว้ที่ 8% y-y) ในปี 2024 TISCO คาดว่ากลุ่มสินเชื่อขนาดใหญ่และสินเชื่อที่ให้ผลตอบแทนสูงจะเป็นปัจจัยหนุนการเติบโตอย่างต่อเนื่อง อย่างไรก็ตามทิศทางยังมีความจำเป็นต้องจับตามูลสินเชื่อเช่าซื้ออย่างใกล้ชิดส่วนมากจากการแข่งขันที่ดุเดือดในอุตสาหกรรม

(+/-) แนวโน้ม NIM ใน 4Q23-2024: TISCO เปิดเผยว่า NIM ที่ดีกว่าคาดใน 3Q23 เกิดขึ้นบางส่วนจากสภาพคล่องจำนวนมากที่ธนาคารฯ เตรียมไว้สำหรับ 1) การจ่ายเงินปันผลระหว่างกาลและ 2) สินเชื่อขนาดใหญ่ที่มีกำหนดเบิก แม้ TISCO จะคาดว่าต้นทุนในการระดมเงินฝากจะปรับขึ้นอย่างต่อเนื่องใน 4Q23 ผลตอบแทนที่สูงขึ้นจากอัตราดอกเบี้ยเงินกู้ที่ปรับขึ้นครั้งล่าสุดที่ 25bp ในตอนต้นเดือน ต.ค. 2023 น่าจะช่วยชดเชยปัจจัยดังกล่าวได้และช่วยหนุน NIM ให้สูงกว่าคาด อย่างไรก็ตามเราคาดว่าประมาณการ NIM ของเราในปี 2024 ไว้ที่ 4.90% โดยน่าจะลดลงจากในช่วง 9M23 ที่ 5.17% (ลดลง 27bp) จากต้นทุนในการระดมเงินฝากที่เพิ่มขึ้นอย่างต่อเนื่องซึ่งน่าจะยาวถึง 2-3 ไตรมาส

(+) Credit cost ใน 4Q23-2024 น่าจะปรับขึ้นแต่ยังอยู่ในระดับต่ำเมื่อเทียบกับระดับก่อนโควิด TISCO คาดว่า Credit cost จะแตะ 30bp ในประมาณการ 4Q23 และค่อย ๆ ปรับขึ้นเป็น 50bp ในประมาณการปี 2024 ธนาคารฯ ตั้งใจลดสัดส่วนสำรองต่อหนี้ด้อยคุณภาพ (Coverage ratio) เป็น 150-160% จาก 206% ใน 3Q23 เพื่อสะท้อนคุณภาพสินทรัพย์ในปัจจุบัน

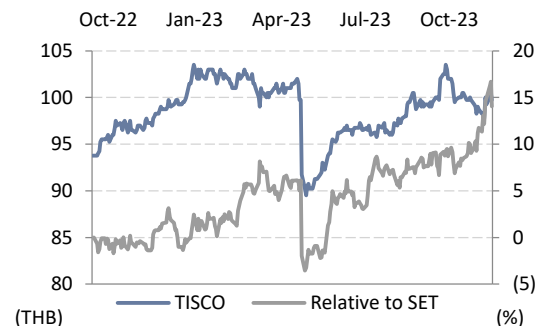
(+) แนวโน้มกำไร 4Q23-2024 – เรายังมีความมั่นใจเกี่ยวกับแนวโน้มธุรกิจ 4Q23 การเติบโตของรายได้ดอกเบี้ยสุทธิและการขยาย NIM จะเป็นปัจจัยหนุนสำคัญที่ช่วยผลักดันกำไรของธนาคารฯ โดยอาจช่วยชดเชยการชะลอตัวของรายได้ที่ไม่ใช่ดอกเบี้ยที่เกิดขึ้นตั้งแต่ต้นปี 2023 โดยเฉพาะอย่างยิ่งค่าธรรมเนียมในธุรกิจธนาคารซึ่งนับเป็นส่วนสำคัญของค่าธรรมเนียมรวมสอดคล้องกับการชะลอตัวของสินเชื่อเช่าซื้อรถยนต์ใหม่ แนวโน้มกำไรในปี 2024 มีปัจจัยกดดันหลายประการจาก 1) การชะลอตัวของรายได้ดอกเบี้ยสินเชื่อ, 2) ต้นทุนในการระดมเงินฝากที่ปรับขึ้นพร้อม NIM ที่ลดลงและ 3) Credit cost ที่ปรับขึ้น เราเชื่อว่าธนาคารฯ จะสามารถบริหารให้กำไรโตขึ้นเล็กน้อยในปี 2024 ในขณะที่ธนาคารฯ ชี้แจงว่าอาจมี Upside จากอัตราดอกเบี้ยเงินปันผลที่สูงขึ้นถ้าการเติบโตของสินเชื่อลดลง (เรคาดไว้ที่ 84%)

เราแนะนำซื้อและราคาเป้าหมายที่ 111 บาท (GGM) ซึ่งคิดเป็นค่า P/BV ที่ 2.02x เราชอบ TISCO จาก 1) การบริหารผลกระทบที่มีต่อ NIM ได้อย่างมีประสิทธิภาพโดยการขยายกลุ่มสินเชื่อที่ให้ผลตอบแทนสูง; 2) กลยุทธ์ในการตั้งสำรองผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) ตั้งแต่ต้นในช่วงการระบาดโควิด; และ 3) ผลตอบแทนเงินปันผลต่อปีที่เราคาดว่าจะอยู่ในระดับที่น่าสนใจที่ประมาณ 8-9% ในช่วงปี 2023-25

TARGET PRICE	THB111.00
CLOSE	THB99.75
UP/DOWNSIDE	+11.3%
TP vs CONSENSUS	+3.0%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Operating profit	8,988	9,327	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 (%)	-	0.6	2.2	2.3
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)	11.1	10.7	10.1	9.6
Dividend yield (%)	7.8	8.0	8.3	8.5
Price/book (x)	1.9	1.8	1.8	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 (%)	(0.3)	3.6	7.5
Relative to country (%)	5.9	6.1	15.3
Mkt cap (USD m)	2,195		
3m avg. daily turnover (USD m)	9.1		
Free float (%)	80		
Major shareholder	Thai NVDR (11%)		
12m high/low (THB)	104.00/89.50		
Issued shares (m)	801		

Sources: Bloomberg consensus; FSSIA estimates



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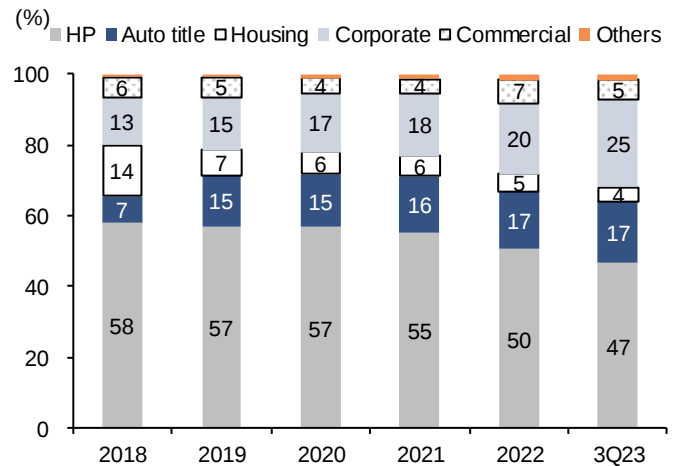
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Exhibit 1: Key financial guidance

		TISCO	FSSIA
	2022	2023E	2023E
Loan growth	7.9%	5-10%	8%
NPL ratio (gross)	2.1%	< 2.5%	2%
Net interest margin	5.1%	~ 4.6%	5%
Net fee income growth	-9.5%	Stable	1%
Cost to income	47.1%	~ 50%	48%
Credit cost (bp)	34	34	30

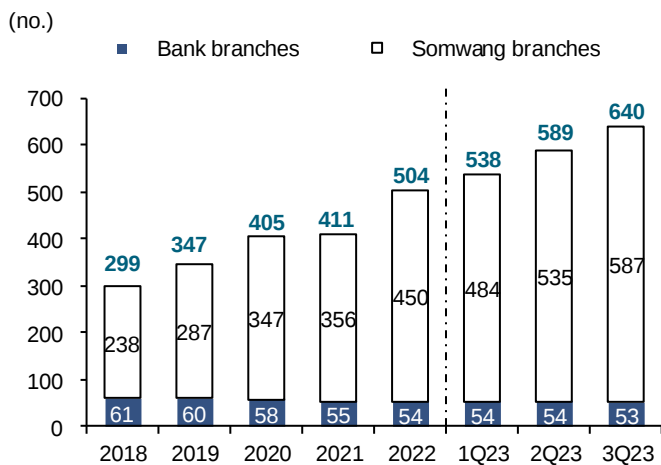
Sources: TISCO; FSSIA estimates

Exhibit 2: Loan breakdown



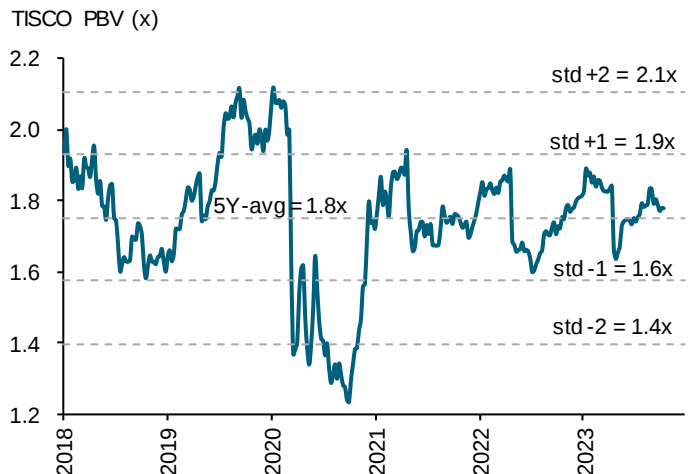
Sources: TISCO; FSSIA's compilation

Exhibit 3: TISCO's branch network



Sources: TISCO; FSSIA's compilation

Exhibit 4: One-year forward rolling P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 5: TISCO's 3Q23 operation summary

	3Q22	2Q23	3Q23	--- Change ---		9M22	9M23	Change	% of	2023E	Change
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y %)	23E	(THB m)	(y-y %)
Net interest income	3,221	3,420	3,557	4.0	10.4	9,389	10,463	11.4	77.8	13,451	5.6
Non-interest income	1,257	1,324	1,250	(5.6)	(0.5)	4,072	4,048	(0.6)	71.7	5,643	0.6
Total operating income	4,478	4,743	4,807	1.3	7.3	13,461	14,511	7.8	76.0	19,094	4.1
Total operating expenses	2,153	2,378	2,329	(2.1)	8.1	6,377	7,144	12.0	78.7	9,083	5.3
PPOP before tax	2,325	2,366	2,478	4.8	6.6	7,084	7,367	4.0	73.6	10,011	3.1
Expected credit loss	119	63	147	132.4	23.6	344	420	22.1	61.4	683	(5.4)
Net profit	1,773	1,854	1,874	1.1	5.7	5,417	5,590	3.2	74.9	7,462	3.3
EPS (THB)	2.21	2.32	2.34	1.1	5.7	6.77	6.98	3.2	74.9	9.32	3.3
NPL ratio (%)*	2.08	2.20	2.25			2.08	2.25			2.13	
Coverage ratio (%)*	248	224	206			248	206			231	
Credit cost (bp)	22.8	11.2	25.4			22.0	25.2			30.0	
Cost to income ratio	48.1	50.1	48.4			47.4	49.2			47.6	
NIM (%)*	5.14	5.01	5.20			5.00	5.27			4.89	
Loan/deposit & borrowing (LDBR)	107.8	108.0	109.1			107.8	109.1			108.2	
Loan growth - q-q	4.8	4.7	0.6								
Loan growth - y-y	4.3	13.4	8.7			4.3	8.7			8.0	

* 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	92	93	93
Dividend income	70	73	77	81	85
Other income	281	363	337	355	373
Non interest income	6,376	5,607	5,643	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	9,327	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	9,327	9,851	10,425
Tax	(1,708)	(1,766)	(1,865)	(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)	0.6	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	0.5	0.4
Dividend income (%)	0.4	0.4	0.4	0.4	0.4
Other income (%)	1.5	2.0	1.8	1.8	1.7
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	2,081	2,172	1,800	1,890	1,985
Investment securities	8,852	4,863	5,088	5,325	5,573
Cash & equivalents	1,103	1,005	1,249	1,129	1,000
Other interesting assets	-	-	-	-	-
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	328,633
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	14,962	15,757	16,230	15,094	13,886
Non interest bearing liabilities	12,837	12,405	16,042	19,159	21,822
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	36,948	38,298
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	328,633
Supplementary items					
Risk weighted assets (RWA)	174,636	188,747	203,164	217,855	233,705
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	43,939	45,289
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) *	11.8	11.1	10.7	10.1	9.6
Recurring P/E @ target price (x) *	13.1	12.3	11.9	11.3	10.7
Reported P/E (x)	11.8	11.1	10.7	10.1	9.6
Dividend yield (%)	7.2	7.8	8.0	8.3	8.5
Price/book (x)	1.9	1.9	1.8	1.8	1.7
Price/tangible book (x)	1.9	1.9	1.8	1.8	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

Tisco Financial Group PCL (TISCO TB)

FSSIA ESG rating

★ ★ ★

Exhibit 6: FSSIA ESG score implication

53.0 /100

Rating	Score	Implication
★★★★★	80-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	60-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	40-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	20-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 7: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings					Bloomberg		
	ESG score	DJSI	SET THSI	THSI	CG score	GM level	Thai CAC	Morningstar	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	62.0	5.34	4.40	4.39	5	5	4	Medium	51.88	BBB	20.70	58.88	65.53	3.72	42.79
Coverage	59.2	5.15	4.13	4.13	5	5	4	Medium	52.06	BBB	16.73	57.46	62.63	3.39	46.63
BBL	53.2	--	Y	Y	5	5	5	Medium	6.84	--	3.63	7.33	8.38	2.19	89.86
KBANK	76.1	Y	Y	Y	5	5	5	Medium	7.77	AA	5.75	9.18	10.38	4.05	96.12
KTB	54.2	--	Y	Y	5	5	5	Medium	6.70	BBB	4.25	8.08	8.00	2.12	87.36
SCB	55.3	Y	Y	Y	5	5	4	High	--	A	--	--	10.75	3.43	0.00
KKP	54.0	--	Y	Y	5	5	5	Medium	6.60	BBB	--	9.68	3.25	2.18	87.36
TISCO	53.0	--	Y	Y	5	5	5	Medium	7.68	--	--	8.28	3.63	3.57	81.10
TTB	55.8	--	Y	Y	5	5	5	Medium	6.75	--	4.50	7.51	8.88	3.20	87.36

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 8: ESG score by Bloomberg

FY ending Dec 31	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores										
BESG ESG score	—	—	2.48	2.46	3.70	3.73	3.72	3.69	3.78	3.57
BESG environmental pillar score	—	—	0.00	0.00	0.00	0.00	0.00	0.08	0.08	0.08
BESG social pillar score	—	—	2.88	2.94	6.10	6.14	6.29	5.96	6.16	6.16
BESG governance pillar score	—	—	5.54	5.29	5.28	5.36	5.08	5.25	5.32	4.47
ESG disclosure score	26.48	27.27	42.20	43.38	44.93	45.75	42.97	42.97	44.21	44.21
Environmental disclosure score	0.85	0.85	18.24	19.57	22.41	23.07	23.07	23.07	26.79	26.79
Social disclosure score	12.82	12.82	27.12	29.32	31.14	32.95	24.61	24.61	24.61	24.61
Governance disclosure score	65.62	68.00	81.10	81.10	81.10	81.10	81.10	81.10	81.10	81.10
Environmental										
Emissions reduction initiatives	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	No	No	No	Yes	Yes
GHG scope 2 location-based	—	—	—	—	4	4	4	4	3	3
Biodiversity policy	Yes	Yes	No	No	No	No	No	No	No	No
Energy efficiency policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Waste reduction policy	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Environmental supply chain management	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

Exhibit 9: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Social										
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	No	No	No	No	No	No
Quality assurance and recall policy	n/a	n/a	No	No	No	No	No	No	No	No
Consumer data protection policy	n/a	n/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Community spending	—	—	26	26	33	39	—	—	—	—
Number of customer complaints	—	—	1,461	645	611	879	—	—	—	—
Equal opportunity policy	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pct women in workforce	—	—	62	63	63	64	64	65	65	65
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fatalities - employees	—	—	—	0	1	0	0	0	0	0
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No	No	No
Number of employees - CSR	4,146	4,245	4,250	4,525	4,986	4,837	5,031	5,013	4,879	5,090
Employee turnover pct	—	—	11	10	15	7	6	4	5	7
Total hours by firm - employee training	—	—	88,528	93,260	99,022	161,266	132,667	123,069	106,216	99,102
Social supply chain management	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Governance										
Board size	12	12	12	12	12	11	12	12	13	13
Number of independent directors (ID)	7	6	6	7	6	6	6	6	7	5
No. of women on board	4	4	4	5	5	5	3	3	3	3
No. of non-executive directors on board	8	8	8	8	8	8	8	8	9	9
Company conducts board evaluations	n/a	n/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	8	8	6	7	6	7	7	8	8	7
Board meeting attendance pct	—	98	93	97	94	99	100	96	99	94
Board duration (years)	—	—	1	1	1	1	1	1	1	1
Director share ownership guidelines	n/a	n/a	No	No	No	No	No	No	No	No
Age of the youngest director	36	37	38	39	40	41	42	43	46	47
Age of the oldest director	65	68	69	70	71	72	73	74	75	76
No. of executives / company managers	28	33	41	40	36	40	39	39	38	39
No. of female executives	14	17	18	17	14	17	18	15	16	15
Executive share ownership guidelines	n/a	n/a	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3	3	3	3	3	3
Audit committee meetings	13	13	12	12	12	12	14	14	12	12
Audit meeting attendance %	100	100	100	97	100	100	100	100	100	100
Size of compensation committee	3	3	4	3	3	3	4	4	4	4
No. of ID on compensation committee	1	1	1	2	2	2	3	3	3	2
No. of compensation committee meetings	6	5	7	8	6	6	4	5	7	9
Compensation meeting attendance %	89	87	75	89	83	100	100	95	100	100
Size of nomination committee	3	3	4	3	3	3	4	4	4	4
No. of nomination committee meetings	6	5	7	8	6	6	4	5	7	9
Nomination meeting attendance %	89	87	75	89	83	100	100	95	100	100
Sustainability governance										
Verification type	No	No	No	No	No	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology		Rating											
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.		Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.											
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.		To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > 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.											
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.		Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).											
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating 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.)</i>		The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.											
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>		The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.											
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>		A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>		NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+
NEGL	Low	Medium	High	Severe										
0-10	10-20	20-30	30-40	40+										
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.		The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.											
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.													
	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities										
	AA	7.143-8.570												
	A	5.714-7.142	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers										
	BBB	4.286-5.713												
	BB	2.857-4.285	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks										
	B	1.429-2.856												
	CCC	0.000-1.428												
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.													
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>													
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.													
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.												

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

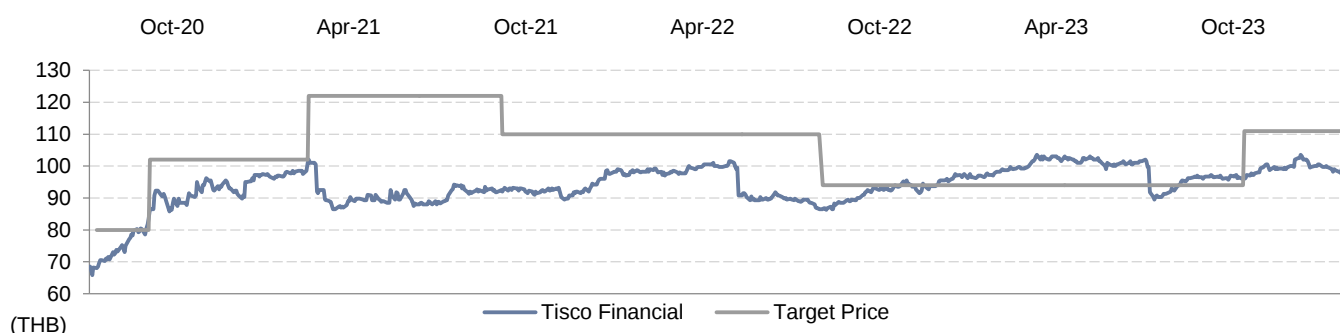
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History of change in investment rating and/or target price

Tisco Financial (TISCO TB)



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

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 99.75	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-2023 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.