

SRISAWAD CORP

SAWAD TB

THAILAND / FINANCE & SECURITIES

BUY

UNCHANGED

3Q23 results at first glance

| | |
|-----------------|----------|
| TARGET PRICE | THB51.00 |
| CLOSE | THB44.50 |
| UP/DOWNSIDE | +14.6% |
| TP vs CONSENSUS | -7.0% |

กำไรสุทธิ 3Q23 ต่ำกว่าที่เราคาด 3% และที่ตลาดคาด 6%

SAWAD รายงานกำไรสุทธิ 3Q23 อยู่ที่ 1.39 พัน ลบ. (+21% q-q, +17% y-y) โดยได้ปัจจัยหนุนจาก 1) รายได้ดอกเบี้ยสุทธิที่เพิ่มอย่างมีนัยสำคัญหลังรวมงบการเงินของ Fast Money (FM) ในงวดนี้ (ตอนแรกรับรู้เป็นส่วนแบ่งกำไรจาก บ.ร่วม); และ 2) ผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) ที่ลดลงเนื่องจากบริษัทฯ ไม่ได้บันทึกรายการพิเศษในไตรมาสนี้

กำไรก่อนหักสำรอง (PPOP) ลดลงเล็กน้อย q-q แต่เพิ่มอย่างมีนัยสำคัญ y-y คุณภาพสินทรัพย์มีสัญญาณอ่อนแอลงแต่ยังอยู่ในเป้าหมายการของบริษัทฯ กำไรสุทธิ 9M23 อยู่ที่ 3.73 พัน ลบ. (+14.4% y-y) ซึ่งคิดเป็น 70% ของประมาณการทั้งปีของเรา เรคาดประมาณการปี 2023-25 และคำแนะนำซื้อที่ราคาเป้าหมายปี 2023 ที่ 51 บาท (GGM) (ราคาเป้าหมายปี 2024 อยู่ที่ 58 บาท) คิดเป็นค่า P/BV ที่ 2.21x

Highlights

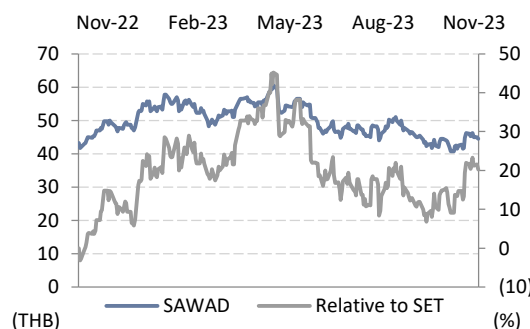
(+) การเติบโตของสินเชื่อ ใน 3Q23 การเติบโตของสินเชื่อดีกว่าคาดเล็กน้อยโดยอยู่ที่ 6.3% q-q, 93.5% y-y, และ 67.6% YTD การเติบโต q-q อยู่ในระดับปกติเนื่องจากอยู่บนฐานเดียวกันซึ่งรวม FM สินเชื่อโตขึ้นจากสินเชื่อทะเบียนทรัพย์สินประเภทต่าง ๆ และสินเชื่อบุคคล (60% ของสินเชื่อรวม) ซึ่งเพิ่มขึ้น 6% q-q ในขณะที่สินเชื่อเช่าซื้อ (40% ของสินเชื่อรวม) และการปล่อยผ่านบริษัทย่อย SCAP) เพิ่มในอัตราเดียวกันที่ 6% q-q ในรอบ 9M23 สินเชื่อโต 67.6% y-y (39.7% ไม่รวม FM) ยังอยู่ในเป้าหมายการปี 2023 ของบริษัทฯ ที่กว่า 30% y-y (ไม่รวม FM)

(+) Interest spread ใน 3Q23 Spread ปรับตัวดีขึ้น 212bp q-q เป็น 16.82% สูงกว่าที่คาดมาก แม้ว่าต้นทุนในการระดมเงินกู้จะเร่งตัวขึ้นตามหนี้มีดอกเบี้ยที่เพิ่ม 9.6% q-q ผลตอบแทนสินเชื่อที่เพิ่มขึ้นสามารถช่วยหักล้างผลกระทบดังกล่าวได้ จากการปรับอัตราดอกเบี้ยสินเชื่อทะเบียนรถจักรยานยนต์ใหม่ของ FM เป็น 18% ต่อปีจากเดิมที่ 15% ต่อปี บริษัทฯ ยังมีต้นทุนในการระดมเงินกู้ที่ต่ำกว่าธนาคารออมสินเพื่อปล่อยสินเชื่อให้ FM ตามเงื่อนไขที่กำหนด ในรอบ 9M23 Interest spread อยู่ที่ 17.45% สูงกว่าประมาณการปี 2023 ของเราที่ 15.53%

(-) รายได้ค่าธรรมเนียม ใน 3Q23 รายได้ค่าธรรมเนียมใกล้เคียงกับที่เราคาดโดยลดลง 36.7% q-q และ 39.2% y-y ส่วนมากจากผลกระทบของการควมรวม FM ซึ่งทำให้ค่าธรรมเนียมบริหารของ FM กลายเป็นรายได้ดอกเบี้ยแทน ในรอบ 9M23 รายได้ค่าธรรมเนียมอยู่ที่ 2.43 พัน ลบ. ลดลง 7.5% y-y และคิดเป็น 71% ของประมาณการทั้งปีของเรา

KEY STOCK DATA

| YE Dec (THB m) | 2022 | 2023E | 2024E | 2025E |
|----------------------|-------|-------|-------|-------|
| Operating profit | 5,924 | 7,137 | 8,119 | 9,579 |
| Net profit | 4,476 | 5,340 | 6,303 | 7,439 |
| EPS (THB) | 3.26 | 3.89 | 4.59 | 5.42 |
| vs Consensus (%) | - | 5.9 | 6.5 | 10.6 |
| Recurring net profit | 4,476 | 5,340 | 6,303 | 7,439 |
| Core EPS (THB) | 3.26 | 3.89 | 4.59 | 5.42 |
| EPS growth (%) | (5.2) | 19.3 | 18.0 | 18.0 |
| Core P/E (x) | 13.7 | 11.4 | 9.7 | 8.2 |
| Dividend yield (%) | 4.0 | 4.0 | 4.5 | 5.4 |
| Price/book (x) | 2.4 | 2.1 | 1.9 | 1.6 |
| ROE (%) | 17.8 | 19.7 | 20.7 | 21.4 |
| ROA (%) | 8.1 | 6.1 | 5.1 | 5.0 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|-------------------------|---------|----------|
| Absolute (%) | 0.0 | (7.8) | 1.7 |
| Relative to country (%) | 4.7 | 2.2 | 19.1 |
| Mkt cap (USD m) | 1,694 | | |
| 3m avg. daily turnover (USD m) | 14.9 | | |
| Free float (%) | 45 | | |
| Major shareholder | Kaewbootta Family (28%) | | |
| 12m high/low (THB) | 61.00/40.50 | | |
| Issued shares (m) | 1,373 | | |

Sources: Bloomberg consensus; FSSIA estimates



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(-) Cost-to-income ratio: The 3Q23 cost-to-income ratio was much higher than expected at 53.62% compared to 45.46% in 2Q23. The key pressure was primarily due to increased SCAP administrative expenses, aligning with the increase in marketing and personnel expenses according to the rapid loan growth of SCAP. Although SCAP has reduced the commission expenses for its dealers since 1Q23, it should take one to two quarters to readily see positive results, according to SAWAD's guidance. The 9M23 cost-to-income ratio was 49.66%, still higher than our 2023 forecast of 47.07%.

(-) Asset quality: 3Q23 stage 2 loans (7.7% vs. 6.6% of total in 2Q23) and the NPL ratio (2.78% vs 2.65% in 2Q23) accelerated in line with SAWAD's guidance, resulting from aggressive lending growth. 3Q23 credit cost was down to 1.41%, slightly below our expectation, due to no extra items and management overlay (THB220m in 2Q23) booked this quarter. However, the 3Q23 coverage ratio dropped to 50.22% (vs. 51.28% in 2Q23), resulting from the higher NPL acceleration than the setting up of credit cost.

(+) 4Q23 outlook: We are positive about SAWAD's operations in 4Q23, supported by the approaching loan high season and the positive impact expected from the decline of SCAP's cost-to-income ratio.

Exhibit 1: SAWAD – 3Q23 operations summary

| | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 | ----- Change ----- | | 9M23 | Change | % of | 2023E | Change |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------------|-------------|---------------|-------------|-----------|---------------|-----------|
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q%) | (y-y%) | (THB m) | (y-y%) | 23E | (THB m) | (y-y%) |
| Interest income | 2,307 | 2,830 | 3,108 | 3,444 | 4,647 | 34.9 | 101.4 | 11,198 | 88.2 | 73 | 15,287 | 74 |
| Interest expense | (235) | (277) | (344) | (482) | (690) | 43.1 | 193.3 | (1,517) | 159.6 | 68 | (2,242) | 160 |
| Net interest income | 2,072 | 2,552 | 2,763 | 2,961 | 3,956 | 33.6 | 91.0 | 9,681 | 80.4 | 74 | 13,045 | 65 |
| Other income | 995 | 899 | 868 | 956 | 605 | (36.7) | (39.2) | 2,429 | (7.5) | 71 | 3,400 | (4) |
| Total income | 3,067 | 3,452 | 3,632 | 3,917 | 4,562 | 16.5 | 48.7 | 12,110 | 51.5 | 74 | 16,445 | 44 |
| Operating expenses | (1,642) | (1,692) | (1,778) | (1,776) | (2,447) | 37.7 | 49.0 | (6,001) | 60.0 | 78 | (7,741) | 42 |
| Pre-provision operating profit | 1,425 | 1,760 | 1,853 | 2,140 | 2,115 | (1.2) | 48.4 | 6,109 | 44.0 | 70 | 8,704 | 45 |
| Expected credit loss | 121 | (148) | (208) | (575) | (316) | (45.2) | n/a | (1,099) | n/a | 70 | (1,567) | 1,905 |
| Profit after ECL | 1,546 | 1,611 | 1,646 | 1,565 | 1,800 | 15.0 | 16.4 | 5,010 | 16.2 | 70 | 7,137 | 20 |
| Operating profit | 1,546 | 1,611 | 1,646 | 1,565 | 1,800 | 15.0 | 16.4 | 5,010 | 16.2 | 70 | 7,137 | 20 |
| Income tax | (295) | (292) | (325) | (342) | (375) | 9.6 | 27.4 | (1,042) | 29.4 | 68 | (1,534) | 40 |
| NCI | (66) | (106) | (120) | (76) | (37) | n/a | n/a | (234) | (4.2) | 89 | (262) | (25) |
| Net profit | 1,186 | 1,213 | 1,200 | 1,146 | 1,387 | 21.0 | 17.0 | 3,734 | 14.4 | 70 | 5,340 | 19 |
| EPS (THB) | 0.86 | 0.88 | 0.87 | 0.83 | 1.01 | 21.0 | 17.0 | 2.72 | 14.4 | 70 | 3.89 | 19 |
| NPL | 1,264 | 1,385 | 1,606 | 2,303 | 2,527 | 9.7 | 99.9 | 2,527 | 99.9 | | 2,996 | 116 |
| Loans | 47,763 | 55,147 | 64,475 | 86,983 | 92,429 | 6.3 | 93.5 | 92,429 | 93.5 | | 101,572 | 84 |
| Interest bearing debt | 32,269 | 36,467 | 44,441 | 69,155 | 76,686 | 10.9 | 137.6 | 76,686 | 137.6 | | 79,350 | 118 |
| Key ratios | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 | | | 9M23 | | | 2023E | |
| | (%) | (%) | (%) | (%) | (%) | | | (%) | | | (%) | |
| Yield on loans | 20.85 | 22.00 | 20.78 | 18.19 | 20.72 | | | 21.30 | | | 19.51 | |
| Cost of funds | 3.27 | 3.36 | 3.53 | 3.49 | 3.90 | | | 3.85 | | | 3.98 | |
| Spread | 17.58 | 18.64 | 17.25 | 14.70 | 16.82 | | | 17.45 | | | 15.53 | |
| Cost to income | 50.89 | 48.99 | 49.19 | 45.46 | 53.62 | | | 49.66 | | | 47.07 | |
| Credit cost | (1.09) | 1.15 | 1.39 | 3.04 | 1.41 | | | 2.09 | | | 2.00 | |
| NPL / Loan | 2.65 | 2.51 | 2.49 | 2.65 | 2.78 | | | 2.78 | | | 2.95 | |
| LLR / Loan | 1.16 | 1.19 | 1.18 | 1.36 | 1.37 | | | 1.37 | | | 1.62 | |
| Coverage ratio | 43.96 | 47.37 | 47.38 | 51.28 | 50.22 | | | 50.22 | | | 55.07 | |
| D/E (x) | 1.31 | 1.40 | 1.62 | 2.55 | 2.69 | | | 2.69 | | | 2.61 | |
| IBD/E (x) | 1.16 | 1.26 | 1.48 | 2.42 | 2.55 | | | 2.55 | | | 2.48 | |
| S/T debt/IBD (x) | 49.51 | 48.44 | 51.24 | 16.68 | 16.03 | | | 16.03 | | | 41.98 | |
| ROA | 7.83 | 7.27 | 6.47 | 5.08 | 5.23 | | | 5.70 | | | 5.78 | |
| ROE | 19.50 | 19.36 | 18.28 | 17.49 | 21.15 | | | 19.37 | | | 19.70 | |
| Loan growth q-q | 17.21 | 15.46 | 16.91 | 34.91 | 6.26 | | | | | | | |
| Loan growth y-y | 41.95 | 63.80 | 79.78 | 113.46 | 93.52 | | | 93.52 | | | 84.18 | |
| Loan growth YTD | 41.86 | 63.80 | 16.91 | 57.73 | 67.60 | | | 67.60 | | | | |

Sources: SAWAD; FSSIA estimates

Exhibit 2: SAWAD – Staged loans and ECL

| | 2020 | 2021 | 2022 | 2Q23 | 3Q23 | 2020 | 2021 | 2022 | 2Q23 | 3Q23 |
|-----------------------------------|---------|---------|---------|---------|---------|--------------------------------------|---------|---------|---------|---------|
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) |
| Loans and accrued interest | | | | | | Staged loans % of total loans | | | | |
| Stage 1 | 26,914 | 29,562 | 50,271 | 79,089 | 82,948 | 68.2% | 87.7% | 91.0% | 90.8% | 89.6% |
| Stage 2 | 11,064 | 2,879 | 3,614 | 5,722 | 7,089 | 28.0% | 8.5% | 6.5% | 6.6% | 7.7% |
| Stage 3 | 1,480 | 1,249 | 1,385 | 2,303 | 2,527 | 3.8% | 3.7% | 2.5% | 2.6% | 2.7% |
| Total | 39,459 | 33,689 | 55,270 | 87,115 | 92,565 | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Expected credit loss (ECL) | | | | | | ECL % of stage loans | | | | |
| Stage 1 | 249 | 73 | 171 | 349 | 282 | 0.9% | 0.2% | 0.3% | 0.4% | 0.3% |
| Stage 2 | 785 | 369 | 238 | 386 | 444 | 7.1% | 12.8% | 6.6% | 6.7% | 6.3% |
| Stage 3 | 154 | 166 | 247 | 446 | 544 | 10.4% | 13.3% | 17.9% | 19.4% | 21.5% |
| Total | 1,188 | 609 | 656 | 1,181 | 1,269 | 3.0% | 1.8% | 1.2% | 1.4% | 1.4% |
| LLR / Loans | | | | | | (%) | | | | |
| Stage 1 | 0.9 | 0.2 | 0.3 | 0.4 | 0.3 | | | | | |
| Stage 2 | 7.1 | 12.8 | 6.6 | 6.7 | 6.3 | | | | | |
| Stage 3 | 10.4 | 13.3 | 17.9 | 19.4 | 21.5 | | | | | |
| Total | 3.0 | 1.8 | 1.2 | 1.4 | 1.4 | | | | | |
| NPL / TL | 3.75% | 3.71% | 2.51% | 2.64% | 2.73% | | | | | |
| NPL vs. Stage 2 loans / TL | 31.79% | 12.25% | 9.05% | 9.21% | 10.39% | | | | | |
| LLR / NPL | 80.25% | 48.76% | 47.37% | 51.28% | 50.22% | | | | | |
| LLR / (NPL vs. Stage 2 loans) | 9.47% | 14.75% | 13.12% | 14.72% | 13.20% | | | | | |

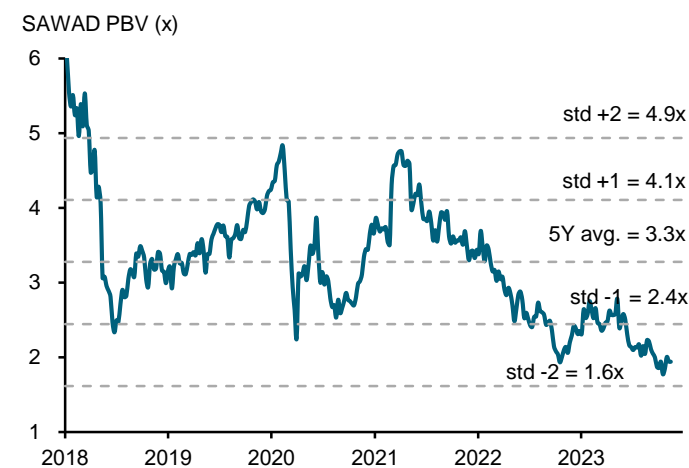
Sources: SAWAD; FSSIA's compilation

Exhibit 3: GGM-derived TP

| Gordon growth model | |
|----------------------------|-------------|
| Sustainable ROE | 20.7% |
| g | 5.0% |
| ROE-g | 15.7% |
| Beta | 1.60 |
| Risk free rate | 2.5% |
| Risk premium | 6.0% |
| COE | 12.10% |
| COE-g | 7.10% |
| ROE-g/COE-g | 2.21 |

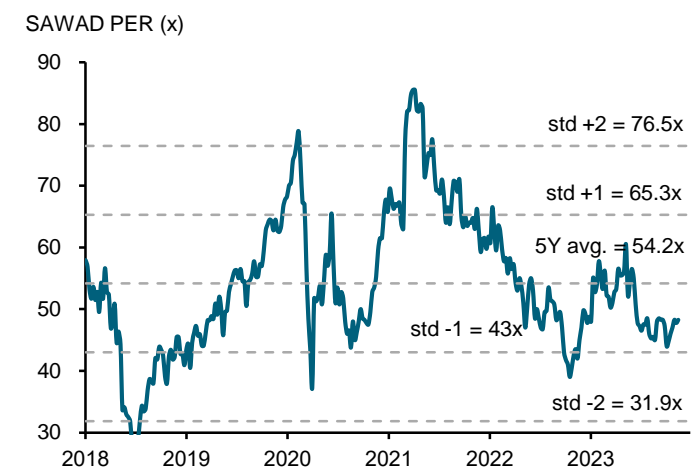
Sources: FSSIA estimates

Exhibit 4: SAWAD – one-year prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 5: SAWAD – one-year prospective PER band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Srisawad Corp

| Profit and Loss (THB m) Year Ending Dec | 2021 | 2022 | 2023E | 2024E | 2025E |
|---|---------|---------|---------|---------|----------|
| Interest Income | 6,855 | 8,780 | 15,287 | 21,752 | 26,523 |
| Interest expense | (791) | (862) | (2,242) | (3,489) | (4,445) |
| Net interest income | 6,065 | 7,918 | 13,045 | 18,263 | 22,077 |
| Net fees & commission | 1,516 | 1,215 | 3,000 | 2,300 | 2,484 |
| Foreign exchange trading income | - | - | - | - | - |
| Securities trading income | - | - | - | - | - |
| Dividend income | - | - | - | - | - |
| Other income | 1,831 | 2,312 | 400 | 480 | 576 |
| Non interest income | 3,347 | 3,527 | 3,400 | 2,780 | 3,060 |
| Total income | 9,411 | 11,445 | 16,445 | 21,043 | 25,137 |
| Staff costs | (3,476) | (5,442) | (7,741) | (9,996) | (11,714) |
| Other operating costs | - | - | - | - | - |
| Operating costs | (3,476) | (5,442) | (7,741) | (9,996) | (11,714) |
| Pre provision operating profit | 5,936 | 6,002 | 8,704 | 11,048 | 13,423 |
| Expected credit loss | 455 | (78) | (1,567) | (2,929) | (3,844) |
| Other provisions | - | - | - | - | - |
| Operating profit | 6,391 | 5,924 | 7,137 | 8,119 | 9,579 |
| Recurring non operating income | 0 | 0 | 0 | 0 | 0 |
| Associates | 0 | 0 | 0 | 0 | 0 |
| Goodwill amortization | - | - | - | - | - |
| Non recurring items | 0 | 0 | 0 | 0 | 0 |
| Profit before tax | 6,391 | 5,924 | 7,137 | 8,119 | 9,579 |
| Tax | (1,352) | (1,097) | (1,534) | (1,746) | (2,060) |
| Profit after tax | 5,038 | 4,827 | 5,602 | 6,373 | 7,520 |
| Non-controlling interest | (316) | (351) | (262) | (70) | (80) |
| Preferred dividends | - | - | - | - | - |
| Other items | - | - | - | - | - |
| Reported net profit | 4,722 | 4,476 | 5,340 | 6,303 | 7,439 |
| Non recurring items & goodwill (net) | - | - | 0 | 0 | 0 |
| Recurring net profit | 4,722 | 4,476 | 5,340 | 6,303 | 7,439 |
| Per share (THB) | | | | | |
| Recurring EPS * | 3.44 | 3.26 | 3.89 | 4.59 | 5.42 |
| Reported EPS | 3.44 | 3.26 | 3.89 | 4.59 | 5.42 |
| DPS | 1.80 | 1.80 | 1.80 | 2.00 | 2.40 |
| Growth | | | | | |
| Net interest income (%) | (16.5) | 30.6 | 64.7 | 40.0 | 20.9 |
| Non interest income (%) | 18.4 | 5.4 | (3.6) | (18.2) | 10.1 |
| Pre provision operating profit (%) | (5.8) | 1.1 | 45.0 | 26.9 | 21.5 |
| Operating profit (%) | 6.8 | (7.3) | 20.5 | 13.8 | 18.0 |
| Reported net profit (%) | 4.7 | (5.2) | 19.3 | 18.0 | 18.0 |
| Recurring EPS (%) | 4.7 | (5.2) | 19.3 | 18.0 | 18.0 |
| Reported EPS (%) | 4.7 | (5.2) | 19.3 | 18.0 | 18.0 |
| Income Breakdown | | | | | |
| Net interest income (%) | 64.4 | 69.2 | 79.3 | 86.8 | 87.8 |
| Net fees & commission (%) | 16.1 | 10.6 | 18.2 | 10.9 | 9.9 |
| Foreign exchange trading income (%) | - | - | - | - | - |
| Securities trading income (%) | - | - | - | - | - |
| Dividend income (%) | - | - | - | - | - |
| Other income (%) | 19.5 | 20.2 | 2.4 | 2.3 | 2.3 |
| Operating performance | | | | | |
| Gross interest yield (%) | 18.75 | 19.77 | 19.51 | 19.31 | 19.32 |
| Cost of funds (%) | 4.26 | 3.26 | 3.98 | 4.07 | 4.26 |
| Net interest spread (%) | 14.49 | 16.51 | 15.53 | 15.24 | 15.06 |
| Net interest margin (%) | 16.6 | 17.8 | 16.6 | 16.2 | 16.1 |
| Cost/income(%) | 36.9 | 47.6 | 47.1 | 47.5 | 46.6 |
| Cost/assets(%) | 6.8 | 9.1 | 8.4 | 7.9 | 7.8 |
| Effective tax rate (%) | 21.2 | 18.5 | 21.5 | 21.5 | 21.5 |
| Dividend payout on recurring profit (%) | 52.3 | 55.2 | 46.3 | 43.6 | 44.3 |
| ROE (%) | 20.2 | 17.8 | 19.7 | 20.7 | 21.4 |
| ROE - COE (%) | 8.1 | 5.7 | 7.6 | 8.6 | 9.3 |
| ROA (%) | 9.9 | 8.1 | 6.1 | 5.1 | 5.0 |
| RORWA (%) | - | - | - | - | - |

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Srisawad Corp; FSSIA estimates

Financial Statements

Srisawad Corp

| Balance Sheet (THB m) Year Ending Dec | 2021 | 2022 | 2023E | 2024E | 2025E |
|--|---------------|---------------|----------------|----------------|----------------|
| Gross customer loans | 33,668 | 55,147 | 101,572 | 123,747 | 150,823 |
| Allowance for expected credit loss | (736) | (748) | (2,273) | (3,076) | (4,559) |
| interest in suspense | 386 | 664 | 979 | 1,190 | 1,450 |
| Net customer loans | 33,318 | 55,063 | 100,277 | 121,862 | 147,714 |
| Bank loans | - | - | - | - | - |
| Government securities | - | - | - | - | - |
| Trading securities | - | - | - | - | - |
| Investment securities | 3,296 | 3,019 | 3,321 | 3,653 | 4,018 |
| Cash & equivalents | 2,689 | 2,823 | 1,716 | 1,098 | 1,440 |
| Other interesting assets | - | - | - | - | - |
| Tangible fixed assets | 611 | 598 | 710 | 781 | 859 |
| Associates | - | - | - | - | - |
| Goodwill | 1,113 | 1,372 | 980 | 1,000 | 1,020 |
| Other intangible assets | 622 | 961 | 1,463 | 1,463 | 1,463 |
| Other assets | 8,317 | 5,646 | 6,901 | 6,770 | 7,477 |
| Total assets | 49,967 | 69,482 | 115,368 | 136,627 | 163,991 |
| Customer deposits | 170 | 0 | 0 | 0 | 0 |
| Bank deposits | - | - | - | - | - |
| Other interest bearing liabilities | 18,973 | 36,467 | 79,350 | 95,601 | 116,872 |
| Non interest bearing liabilities | 3,849 | 4,011 | 4,046 | 4,763 | 5,599 |
| Hybrid Capital | - | - | - | - | - |
| Total liabilities | 22,992 | 40,477 | 83,396 | 100,364 | 122,471 |
| Share capital | 1,373 | 1,373 | 1,373 | 1,373 | 1,373 |
| Reserves | 23,325 | 24,289 | 27,173 | 31,005 | 35,698 |
| Total equity | 24,698 | 25,662 | 28,546 | 32,378 | 37,071 |
| Non-controlling interest | 2,277 | 3,342 | 3,426 | 3,885 | 4,449 |
| Total liabilities & equity | 49,967 | 69,482 | 115,368 | 136,627 | 163,991 |
| Supplementary items | | | | | |
| Risk weighted assets (RWA) | n/a | n/a | n/a | n/a | n/a |
| Average interest earning assets | 36,559 | 44,408 | 78,360 | 112,659 | 137,285 |
| Average interest bearing liabilities | 18,541 | 26,421 | 56,332 | 85,716 | 104,352 |
| CET 1 capital | n/a | n/a | n/a | n/a | n/a |
| Total capital | 0 | 0 | 0 | 0 | 0 |
| Gross non performing loans (NPL) | 1,249 | 1,385 | 2,996 | 3,836 | 4,977 |
| Per share (THB) | | | | | |
| Book value per share | 17.99 | 18.69 | 20.79 | 23.58 | 27.00 |
| Tangible book value per share | 16.72 | 16.99 | 19.01 | 21.79 | 25.19 |
| Growth | | | | | |
| Gross customer loans | (14.7) | 63.8 | 84.2 | 21.8 | 21.9 |
| Average interest earning assets | (3.0) | 21.5 | 76.5 | 43.8 | 21.9 |
| Total asset (%) | (3.9) | 39.1 | 66.0 | 18.4 | 20.0 |
| Risk weighted assets (%) | - | - | - | - | - |
| Customer deposits (%) | (96.8) | nm | nm | nm | nm |
| Leverage & capital measures | | | | | |
| Customer loan/deposits (%) | 19,610.5 | - | - | - | - |
| Equity/assets (%) | 49.4 | 36.9 | 24.7 | 23.7 | 22.6 |
| Tangible equity/assets (%) | 46.0 | 33.6 | 22.6 | 21.9 | 21.1 |
| RWA/assets (%) | - | - | - | - | - |
| CET 1 CAR (%) | - | - | - | - | - |
| Total CAR (%) | - | - | - | - | - |
| Asset Quality (FSSIA's calculation) | | | | | |
| Change in NPL (%) | (15.6) | 10.9 | 116.3 | 28.0 | 29.7 |
| NPL/gross loans (%) | 3.7 | 2.5 | 3.0 | 3.1 | 3.3 |
| Allowance for ECL/gross loans (%) | 2.2 | 1.4 | 2.2 | 2.5 | 3.0 |
| Allowance for ECL/NPL (%) | 58.9 | 54.0 | 75.9 | 80.2 | 91.6 |
| Valuation | | | | | |
| Recurring P/E (x) * | 12.9 | 13.7 | 11.4 | 9.7 | 8.2 |
| Recurring P/E @ target price (x) * | 14.8 | 15.6 | 13.1 | 11.1 | 9.4 |
| Reported P/E (x) | 12.9 | 13.7 | 11.4 | 9.7 | 8.2 |
| Dividend yield (%) | 4.0 | 4.0 | 4.0 | 4.5 | 5.4 |
| Price/book (x) | 2.5 | 2.4 | 2.1 | 1.9 | 1.6 |
| Price/tangible book (x) | 2.7 | 2.6 | 2.3 | 2.0 | 1.8 |
| Price/tangible book @ target price (x) | 3.0 | 3.0 | 2.7 | 2.3 | 2.0 |

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Srisawad Corp; FSSIA estimates

Srisawad Corp PCL (SAWAD TB)

FSSIA ESG rating

46.52 /100
Exhibit 6: FSSIA ESG score implication

| Rating | Score | Implication |
|--------|---------|--|
| ★★★★★ | >79-100 | Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability. |
| ★★★★☆ | >59-79 | A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers. |
| ★★★☆☆ | >39-59 | 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. |
| ★★☆☆☆ | >19-39 | 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 ESG score | Domestic ratings | | | | | | Global ratings | | | | | | Bloomberg | |
|----------|-----------------|------------------|----------|------|----------|-----------|-----------|----------------------|----------|------|---------|-----------|------------|-----------|------------------|
| | | DJSI | SET THSI | THSI | CG score | AGM level | Thai CAC | Morningstar ESG risk | ESG Book | MSCI | Moody's | Refinitiv | S&P Global | ESG score | Disclosure score |
| SET100 | 69.20 | 5.34 | 4.40 | 4.40 | 4.76 | 4.65 | 3.84 | Medium | 51.76 | BBB | 20.87 | 58.72 | 63.91 | 3.72 | 28.17 |
| Coverage | 67.12 | 5.11 | 4.15 | 4.17 | 4.83 | 4.71 | 3.53 | Medium | 52.04 | BB | 16.97 | 56.85 | 62.09 | 3.40 | 31.94 |
| MTC | 68.21 | -- | Y | Y | 5.00 | 5.00 | Certified | Low | 42.19 | AA | -- | 58.09 | 42.00 | 3.31 | -- |
| SAWAD | 46.52 | -- | Y | Y | 4.00 | 5.00 | -- | Medium | 43.97 | BB | -- | 20.18 | 13.00 | 1.93 | 40.04 |
| TIDLOR | 36.71 | -- | -- | -- | 4.00 | 4.00 | Certified | Medium | 37.03 | -- | -- | 23.69 | 19.00 | 1.66 | -- |
| SAK | 45.28 | -- | Y | Y | 4.00 | 4.00 | Certified | High | 40.10 | -- | -- | 43.87 | -- | 2.02 | 36.23 |
| TK | 15.00 | -- | -- | -- | 5.00 | 5.00 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| HENG | 20.00 | -- | -- | -- | 5.00 | 5.00 | Certified | -- | -- | -- | -- | -- | -- | -- | -- |
| S11 | 13.00 | -- | -- | -- | 4.00 | 4.00 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| NCAP | 18.00 | -- | -- | -- | 4.00 | 4.00 | Certified | -- | -- | -- | -- | -- | -- | -- | -- |

Sources: SETTRADE.com; FSSIA's compilation
Exhibit 8: ESG score by Bloomberg

| FY ending Dec 31 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| ESG financial materiality scores - ESG score | 1.69 | 1.77 | 1.67 | 1.70 | 1.93 | 1.77 | 1.90 | 1.93 |
| BESG environmental pillar score | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| BESG social pillar score | 0.84 | 0.87 | 0.74 | 0.87 | 1.07 | 1.07 | 1.27 | 1.33 |
| BESG governance pillar score | 4.42 | 4.66 | 4.62 | 4.39 | 4.77 | 4.09 | 4.12 | 4.09 |
| ESG disclosure score | 23.59 | 28.37 | 28.51 | 29.45 | 29.45 | 29.45 | 38.34 | 40.04 |
| Environmental disclosure score | 0.00 | 0.00 | 0.42 | 0.42 | 0.42 | 0.42 | 16.79 | 17.12 |
| Social disclosure score | 11.22 | 11.22 | 11.22 | 11.67 | 11.67 | 11.67 | 21.98 | 21.74 |
| Governance disclosure score | 59.42 | 73.72 | 73.72 | 76.10 | 76.10 | 76.10 | 76.10 | 81.10 |
| Environmental | | | | | | | | |
| Emissions reduction initiatives | No | No | No | No | No | No | Yes | Yes |
| Climate change policy | No | No | No | No | No | No | No | Yes |
| Climate change opportunities discussed | No | No | No | No | No | No | No | No |
| Risks of climate change discussed | No | No | No | No | No | No | Yes | Yes |
| GHG scope 1 | -- | -- | -- | -- | -- | -- | -- | -- |
| GHG scope 2 location-based | -- | -- | -- | -- | -- | -- | -- | -- |
| GHG Scope 3 | -- | -- | -- | -- | -- | -- | -- | -- |
| Carbon per unit of production | -- | -- | -- | -- | -- | -- | -- | -- |
| Biodiversity policy | No | No | No | No | No | No | No | No |
| Energy efficiency policy | No | No | Yes | Yes | Yes | Yes | Yes | Yes |
| Total energy consumption | -- | -- | -- | -- | -- | -- | -- | -- |
| Renewable energy use | -- | -- | -- | -- | -- | -- | -- | -- |
| Electricity used | -- | -- | -- | -- | -- | -- | -- | -- |
| Fuel used - natural gas | -- | -- | -- | -- | -- | -- | -- | -- |

Sources: Bloomberg; FSSIA's compilation

Exhibit 9: ESG score by Bloomberg (cont.)

| FY ending Dec 31 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fuel used - crude oil/diesel | No | No | No | No | No | No | No | No |
| Waste reduction policy | No | No | No | No | No | No | Yes | Yes |
| Hazardous waste | — | — | — | — | — | — | — | — |
| Total waste | — | — | — | — | — | — | — | — |
| Waste recycled | — | — | — | — | — | — | — | — |
| Waste sent to landfills | — | — | — | — | — | — | — | — |
| Environmental supply chain management | No | No | No | No | No | No | Yes | Yes |
| Water policy | No | No | No | No | No | No | Yes | Yes |
| Water consumption | — | — | — | — | — | — | — | — |
| Social | | | | | | | | |
| Human rights policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Policy against child labor | No | No | No | No | No | No | No | No |
| Quality assurance and recall policy | No | No | No | No | No | No | No | No |
| Consumer data protection policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Equal opportunity policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Gender pay gap breakout | No | No | No | No | No | No | No | No |
| Pct women in workforce | — | — | — | — | — | — | — | 54 |
| Pct disabled in workforce | — | — | — | — | — | — | — | — |
| Business ethics policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Anti-bribery ethics policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Health and safety policy | No | No | No | Yes | Yes | Yes | Yes | Yes |
| Lost time incident rate - employees | — | — | — | — | — | — | — | — |
| Total recordable incident rate - employees | — | — | — | — | — | — | 10 | — |
| Training policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Fair remuneration policy | No | No | No | No | No | No | No | No |
| Number of employees – CSR | 4,085 | 5,590 | 6,137 | 7,016 | 8,907 | 7,580 | 6,808 | 9,745 |
| Employee turnover pct | — | — | — | — | — | — | 3 | 3 |
| Total hours spent by firm - employee training | — | — | — | — | — | — | 23,574 | 5,165 |
| Social supply chain management | No | No | No | No | No | No | Yes | Yes |
| Governance | | | | | | | | |
| Board size | 12 | 12 | 12 | 12 | 12 | 13 | 13 | 13 |
| No. of independent directors (ID) | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| No. of women on board | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| No. of non-executive directors on board | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Company conducts board evaluations | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| No. of board meetings for the year | 13 | 14 | 13 | 13 | 12 | 13 | 10 | 13 |
| Board meeting attendance pct | — | — | — | 88 | 88 | 88 | 98 | 92 |
| Board duration (years) | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Director share ownership guidelines | No | No | No | No | No | No | No | No |
| Age of the youngest director | — | — | — | — | — | — | — | 43 |
| Age of the oldest director | — | — | — | — | — | — | — | 76 |
| No. of executives / company managers | 9 | 8 | 8 | 4 | 5 | 5 | 5 | 5 |
| No. of female executives | 2 | 2 | 1 | 1 | 2 | 2 | 2 | 2 |
| Executive share ownership guidelines | No | No | No | No | No | No | No | No |
| Size of audit committee | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| No. of ID on audit committee | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Audit committee meetings | 5 | 5 | 5 | 5 | 4 | 4 | 5 | 6 |
| Audit meeting attendance % | — | 100 | 100 | 93 | 100 | 100 | 100 | 100 |
| Size of compensation committee | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| No. of ID on compensation committee | 2 | 3 | 2 | 2 | 2 | 2 | 2 | 2 |
| No. of compensation committee meetings | — | 2 | 4 | 2 | 3 | 3 | 3 | 3 |
| Compensation meeting attendance % | — | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Size of nomination committee | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| No. of nomination committee meetings | — | 2 | 4 | 2 | 3 | 3 | 3 | 3 |
| Nomination meeting attendance % | — | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Sustainability governance | | | | | | | | |
| Verification type | 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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </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. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table> | 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 | BBB | 4.286-5.713 | Average: | a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers | BB | 2.857-4.285 | B | 1.429-2.856 | CCC | 0.000-1.428 | Laggard: | lagging its industry based on its high exposure and failure to manage significant ESG risks |
| 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 | | | | | | | | | | | | | | | | | | | | |
| BBB | 4.286-5.713 | Average: | a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers | | | | | | | | | | | | | | | | | | |
| BB | 2.857-4.285 | | | | | | | | | | | | | | | | | | | | |
| B | 1.429-2.856 | | | | | | | | | | | | | | | | | | | | |
| CCC | 0.000-1.428 | Laggard: | lagging its industry based on its high exposure and failure to manage significant ESG risks | | | | | | | | | | | | | | | | | | |
| 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. | | | | | | | | | | | | | | | | | | | |

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**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

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

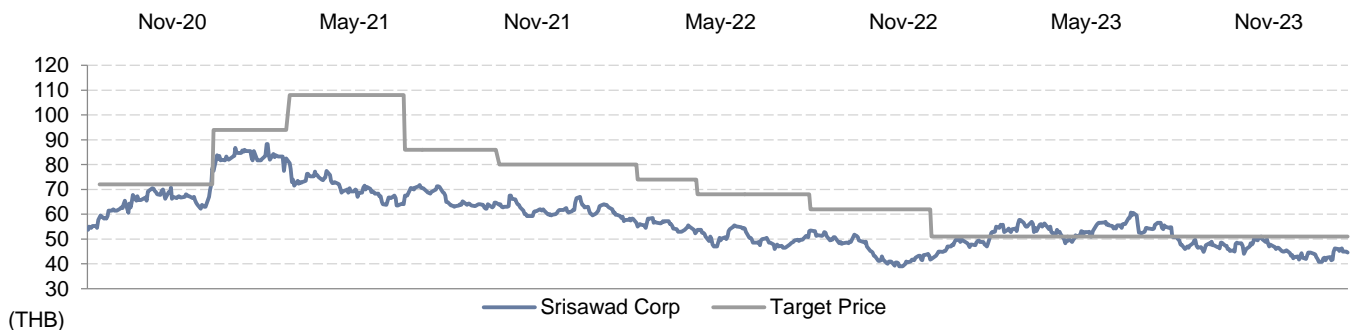
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History of change in investment rating and/or target price

Srisawad Corp (SAWAD TB)



| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 25-Nov-2020 | BUY | 72.00 | 17-Aug-2021 | BUY | 86.00 | 28-Apr-2022 | BUY | 68.00 |
| 04-Mar-2021 | BUY | 94.00 | 05-Nov-2021 | BUY | 80.00 | 04-Aug-2022 | BUY | 62.00 |
| 07-May-2021 | BUY | 108.00 | 07-Mar-2022 | BUY | 74.00 | 17-Nov-2022 | BUY | 51.00 |

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

Price and TP are in local currency

Source: FSSIA estimates

| Company | Ticker | Price | Rating | Valuation & Risks |
|---------------|----------|-----------|--------|---|
| Srisawad Corp | SAWAD TB | THB 44.50 | BUY | Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board. |

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

All share prices are as at market close on 14-Nov-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.