

6 MARCH 2025

EQUITY RESEARCH - TRANSFER OF COVERAGE

SCB X SCB TB

THAILAND / BANKING

FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating ★★★★★

HOLD

UNCHANGED

TARGET PRICE	THB130.00
CLOSE	THB122.00
UP/DOWNSIDE	+6.6%
PRIOR TP	THB112.00
CHANGE IN TP	+16.1%
TP vs CONSENSUS	+0.4%

Asset quality remains uncertain

- Despite high dividend payout ratio of 80% and ROE up to 9.9%, we have concerns about SCB's asset quality on NPL & formation rate.
- Recent household debt deleveraging will push more difficulties to private consumption and reduce loan growth for SCB, we believe.
- Maintain HOLD rating with a new TP of THB130.

High dividend but asset quality has issues

Despite a high dividend payout ratio of 80% for 2025-27E and ROE up to 9.9%, we are concerned about SCB's asset quality with a higher NPL ratio and higher NPL formation rate in 4Q24. With this overhang issue, we expect SCB's credit cost for 2025 to be 164bp vs SCB's target of 150-170bp and 176bp in 2024. Sensitivity-wise, for every 10bp increase in credit cost, SCB's 2025E net profit would drop 5.2%, all else being equal.

Conservative stance for retail loans

As of 4Q24, retail loans such as housing, auto HP, unsecured loans and title loans contributed around 50% of SCB's total loans – a considerably high proportion compared to peers. However, SCB EIC (Economic Intelligence Center) sees the recently lower household debt-to-GDP ratio or deleveraging progress as mainly coming from low nominal GDP growth. This will push more difficulties to private consumption and weaken domestic demand further, we believe. Thus, SCB has targeted loan growth of only 1-3% in 2025 (vs FSSIA's estimate of 1%) to reflect the conservative stance, especially on the retail loan segment.

Alarming signs from higher NPLs and NPL formation rate

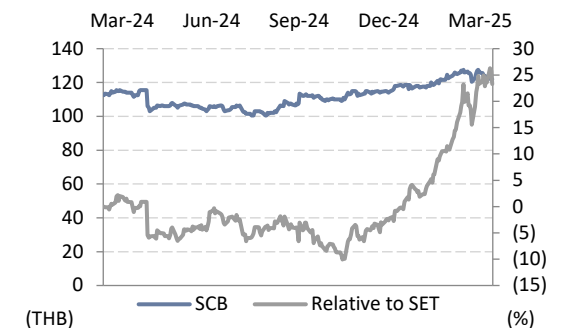
In 4Q24, SCB was the only bank under our coverage that recorded a higher NPL formation rate vs peers' stable or lower-trending NPL formation rate. This could be a concerning sign for SCB's asset quality outlook in 2025, in our view, coupled with the 'unhealthy' household debt deleveraging progress. In detail, our key concerns are corporate loans and mortgages, which are collateralized loans. This would prolong NPLs in the balance sheet, as it requires a long process of litigation and legal execution for cash collection or debt settlement.

Raised forecast by 6-7%; maintain HOLD with a TP of THB130

We have raised our 2025-26 forecast by 6-7% on the back of 1) lower loan loss provisions to 164bp from 190bp; and 2) lower OPEX and better profitability after the divestment of 'Purple Venture' or the Robinhood application, which generated a loss of around THB2b per year. We raise our GGM-based 2025 TP to THB130 (from THB112 previously), which implies 0.88x P/BV (COE: 10%, ROE: 9%). With the concerns over asset quality and OPEX overrun vs the high dividend yield of c9%, our HOLD rating for SCB is justified, we think. With this report, we transfer coverage of SCB to Nathapol Pongsukcharoenkul.

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Operating profit	56,803	59,277	61,513	65,012
Net profit	43,943	46,165	47,906	50,632
EPS (THB)	13.05	13.71	14.23	15.04
vs Consensus (%)	-	10.8	5.6	6.5
Recurring net profit	43,943	46,165	47,906	50,632
Core EPS (THB)	13.05	13.71	14.23	15.04
Chg. In EPS est. (%)	-	7.4	6.6	-
EPS growth (%)	1.0	5.1	3.8	5.7
Core P/E (x)	9.3	8.9	8.6	8.1
Dividend yield (%)	8.6	9.0	9.3	9.9
Price/book (x)	0.8	0.8	0.8	0.8
ROE (%)	9.1	9.4	9.5	9.9
ROA (%)	1.3	1.3	1.4	1.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.6)	3.4	8.9
Relative to country (%)	2.8	24.3	22.7
Mkt cap (USD m)	12,205		
3m avg. daily turnover (USD m)	29.4		
Free float (%)	53		
Major shareholder	King Rama X (24%)		
12m high/low (THB)	128.00/100.00		
Issued shares (m)	3,367		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

- Despite a high dividend payout ratio of 80% for 2025-27E and ROE up to 9.9%, we are concerned about SCB's asset quality with a higher NPL ratio and higher NPL formation rate in 4Q24. With this overhang issue, we expect SCB's credit cost for 2025 to be 164bp vs SCB's target of 150-170bp and 176bp in 2024.
- Retail loans such as housing, auto HP, unsecured loans and title loans contribute around 50% of SCB's total loans, which is a considerably high proportion compared to peers. However, the recently lower household debt-to-GDP ratio or deleveraging progress has mainly come from low nominal GDP growth. This will push more difficulties to private consumption, weakening domestic demand and reducing retail loan growth further, we believe.

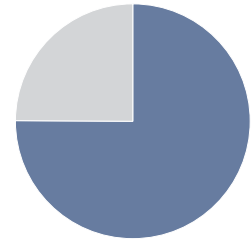
Company profile

Siam Commercial Bank or SCB was the first commercial bank in Thailand, established in 1906. After reorganization from SCB bank to SCBX in 2021, SCBX has positioned itself as a prominent financial technology leader in the ASEAN region and has transitioned beyond traditional banking to become a diversified tech-driven conglomerate.

www.scb.co.th

Principal activities (revenue, 2024)

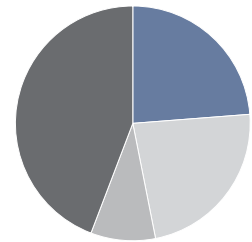
- Net interest income - 75.1 %
- Non-interest income - 24.9 %



Source: SCB X

Major shareholders

- King Rama X - 23.8 %
- Vayupak Fund - 23.1 %
- Thai NVDR - 8.9 %
- Others - 44.2 %



Source: SCB X

Catalysts

- Higher loan demand for retail and corporate loans.
- Lower-than-expected impact from interest rate cuts.
- A lower credit cost from asset quality improvement.
- Controllable OPEX, even for new investment projects.
- A better-than-expected non-NII from wealth management, bancassurance, and credit card business.

Risks to our call

Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. Upside risks comprise 1) the faster-than-expected recovery of EA operations and financial stability; and 2) a reduction in Thai household debt.

Event calendar

Date	Event
April 2025	1Q25 results announcement

Key assumptions

Key assumptions (%)	2025E	2026E	2027E
Loan growth	1.00	2.10	2.40
NIM	3.85	3.85	3.88
Cost-to-income ratio	42.19	42.17	41.78
Credit cost	1.64	1.61	1.58
NPL ratio	4.11	4.10	4.08
ROE	9.36	9.53	9.88

Source: FSSIA estimates

Earnings sensitivity

		2025E		
Loan growth (%)	±1ppt	0.00	1.00	2.00
% change in net profit		(0.7)		0.7
NIM (%)	±5bp	3.80	3.85	3.90
% change in net profit		(3.6)		3.6
Cost-to-income ratio (%)	±1ppt	41.19	42.19	43.19
% change in net profit		3.7		(3.7)
Credit cost (bp)	±10bp	154	164	174
% change in net profit		5.2		(5.2)

Source: FSSIA estimates

Asset quality remains uncertain; stay for high dividend for a while

Maintain HOLD with a new TP of THB130

Despite a high dividend payout ratio of 80% for 2025-26E, we are concerned about SCB's asset quality with a higher NPL ratio and higher NPL formation rate in 4Q24. With this overhang issue, we believe that SCB has limited room to lower its credit cost y-y in 2025. We conservatively expect SCB's credit cost for 2025 to be 164bp vs SCB's target of 150-170bp and 176bp in 2024. Sensitivity-wise, for every 10bp increase in credit cost, SCB's net profit in 2025E would be negatively impacted by 5.2%, all else being equal.

Nonetheless, we have raised our 2025-26 forecast by 6-7% on the back of 1) lower loan loss provisions to 164bp from 190bp; and 2) lower OPEX and better profitability after the divestment of 'Purple Venture' or the Robinhood application, which generated a loss of around THB2b per year. We conservatively project SCB's loan growth to be around 1-2% for 2025-26 on the back of moderate conditions among retail loans (mortgages, auto hire-purchase, and unsecured loans).

We expect SCB's cost-to-income ratio to be around 42% in 2025-26, which is at SCB's lower bound target of 42-44%. Nonetheless, the risk of OPEX overrun exists, in our view, as SCB plans to establish a virtual bank in Thailand (partnered with KakaoBank Korea and WeBank China), is finalizing its Home Credit Vietnam (HCVN) acquisition, and investing in technologies and data transformation. Sensitivity-wise, for every 1ppt increase in the cost-to-income ratio, SCB's net profit in 2025E would be negatively impacted by 3.7%, all else being equal.

As a result, we expect SCB to post net profit growth of around 4-5% y-y for 2025-26, which is in line with the industry's projected net profit growth during the same period. After our earnings revisions, we raise our GGM-based 2025 TP to THB130 (from THB112 previously), which implies 0.88x 2025E P/BV (COE of 10.0%, ROE of 9.0%).

SCB is now trading at 0.9x 2025E P/BV vs our ROE projection of 9.4-9.5% in 2025-26. Nonetheless, with the downside risks of deteriorating asset quality, higher credit cost, OPEX overrun, and the risk of a lower NIM if there is a further policy interest rate cut in 2025, we maintain our HOLD call for SCB.

We forecast SCB's dividend payout ratio to be at 80% for 2025-26, which is one of the highest payout ratios among Thai banks. At the current price, SCB now offers an 8.4% 2H24 dividend yield with the XD date on 16 April 2025. We think it would be fair for investors to stay with SCB for the high dividend yield at this moment and wait until the XD date on 16 April.

We maintain our HOLD rating for SCB with a new GGM-based 2025 TP of THB130.

Exhibit 1: 2025-26 earnings revisions

	--- Revised forecast ---		--- Previous forecast ---		----- Change -----	
	2025E	2026E	2025E	2026E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Net Interest Income	126,582	128,134	133,622	138,632	-5.3%	-7.6%
Non-Interest Income	44,671	46,633	48,617	49,869	-8.1%	-6.5%
PPOP	99,006	101,075	102,947	106,603	-3.8%	-5.2%
Loan loss provisions	39,729	39,562	47,848	49,044	-17.0%	-19.3%
Net profit	46,165	47,906	42,995	44,921	7.4%	6.6%
Key ratios					(ppt)	(ppt)
NIM (%)	3.85	3.85	3.83	3.86	0.02	(0.01)
Cost to income (%)	42.19	42.17	43.50	43.40	(1.31)	(1.23)
ROA (%)	1.32	1.35	1.20	1.20	0.12	0.15
ROE (%)	9.36	9.53	8.80	9.00	0.56	0.53
Credit cost (%)	1.64	1.61	1.90	1.90	(0.26)	(0.29)
Loan growth (%)	1.00	2.10	2.50	2.50	(1.50)	(0.40)
Net profit growth (%)	5.06	3.77	4.40	4.50	0.66	(0.73)

Source: FSSIA estimates

Exhibit 2: SCB – GGM based 2025 TP

Target price calculation based on Gordon Growth Model (GGM)			
Sustainable ROE	9.0%	Cost of Equity (COE) calculation	
COE	10.0%	Risk Free Rate	3.0%
Long-term growth (g)	2.0%	Market Risk Premium	7.0%
Derived P/BV multiple (x)	0.88	Equity Beta (x)	1.00
		COE	10.0%
Dec 2025E BV per share (THB)	148		
Derived fair value (THB)	130		

Source: FSSIA estimates

Exhibit 3: SCB's target price sensitivity

ROE	Growth rate assumption				
	0.0%	1.0%	2.0%	3.0%	4.0%
7.0%	103.5	98.6	92.4	84.5	73.9
8.0%	118.3	115.0	110.9	105.6	98.6
9.0%	133.1	131.4	130.0	126.7	123.2
10.0%	147.9	147.9	147.9	147.9	147.9
11.0%	162.6	164.3	166.3	169.0	172.5

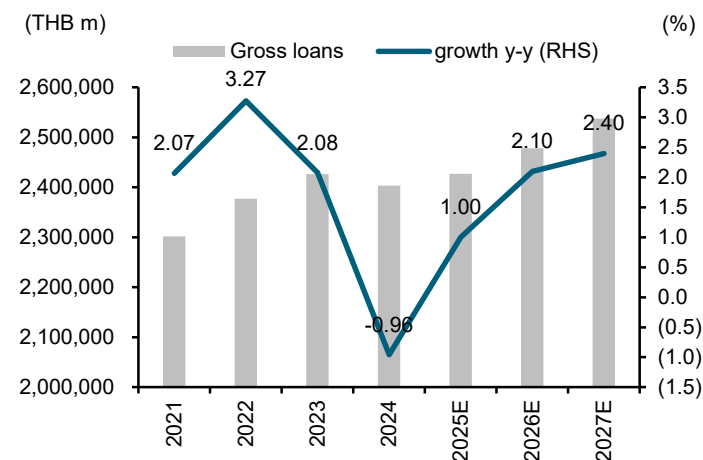
Source: FSSIA estimates

Exhibit 4: 2025: SCB's key targets vs FSSIA's estimates

Consolidated	2024 Actual	2025E SCB's target	2025E FSSIA	Comments
Total loan growth	-1%	1-3%	1%	Moderate growth from core banking business and consumer finance group.
NIM	3.97%	3.6-3.8%	3.85%	Based on one policy interest rate cut in 2025E with impact on mortgage.
Net fee income growth	-6%	2-4%	3%	Driven by wealth management and credit card business.
Cost-to-income ratio	42.3%	42-44%	42.2%	Expect an improvement after sale of Robinhood application in 3Q24.
Credit cost (bp)	176	150-170	164	The improvement should be driven by lower credit cost at CardX, but we are conservative on core banking business.

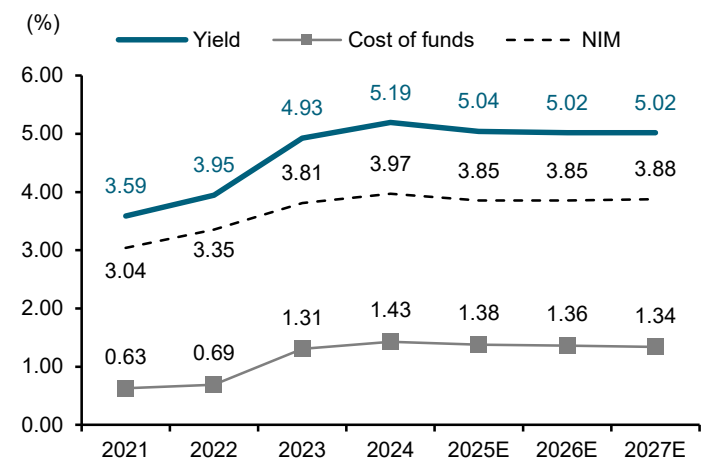
Sources: SCB, FSSIA estimates

Exhibit 5: SCB's loan growth



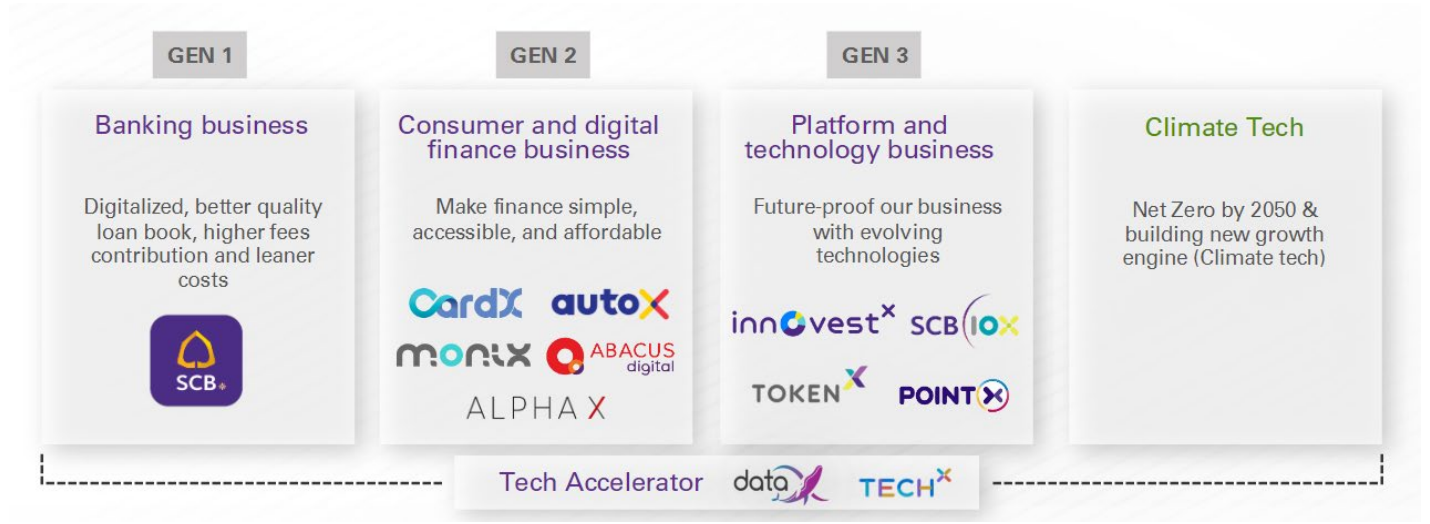
Sources: SCB, FSSIA estimates

Exhibit 6: Yield, cost of funds and NIM



Sources: SCB, FSSIA estimates

Exhibit 7: Business structure under SCBX group



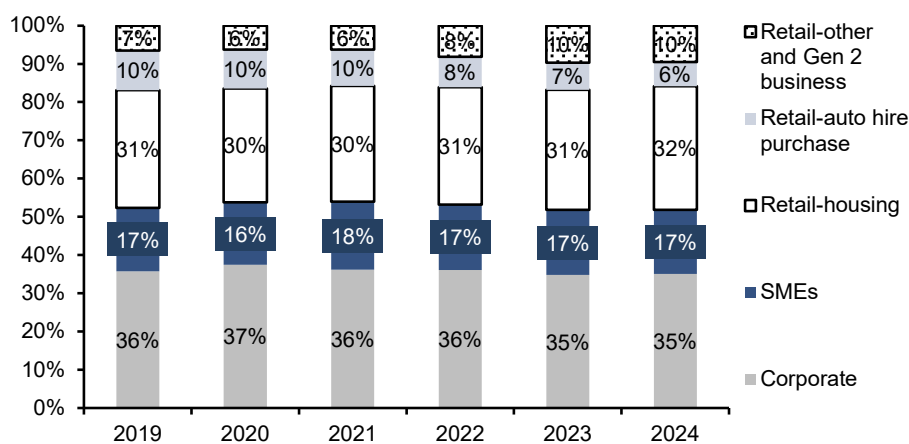
Source: SCB

Exhibit 8: SCBX group's 2024 performance by business or Generation

Unit: THB b	Banking services	Consumer and digital financial services	Platforms and digital assets	Inter-transaction and others	Group total
	Gen 1	Gen 2	Gen 3		
Loans	2,272.0	172.0	3.0	(44.0)	2,403.0
% growth y-y	-2.1%	4.2%			
Operating income	143.9	29.0	5.3	(5.8)	172.4
Net profit	49.2	0.8	(2.8)	(3.3)	43.9
Cost-to-income ratio (%)	39%	44%	129%	41.7% (excluding impact from Robinhood divestment)	
Credit cost (bp)	120 (stable y-y vs 2023)	900 (improved from 1035 in 2023)			176

Sources: SCB, FSSIA compilation

Exhibit 9: SCB's loan segmentation



Sources: SCB, FSSIA compilation

High proportion of retail loans; more prudent new lending

As of 4Q24 (see exhibit above), retail loans such as housing and auto HP, plus Gen 2 business like unsecured loans and title loans contributed around 50% of SCB's total loans, which is a considerably high proportion compared to peers.

However, SCB EIC (Economic Intelligence Center) has raised concerns over the persistently high household debt in Thailand (89% to GDP as of 4Q24, down from 92% in 2023) (source: Bank of Thailand (BOT)). SCB EIC sees the recently lower household debt-to-GDP ratio or deleveraging progress as mainly coming from low nominal GDP growth and the contraction of the household debt balance. By these factors, this could be considered as an 'unhealthy' deleveraging progress, we believe, as it implies low economic growth and low liquidity among households, which will push more difficulties to private consumption and weaken domestic demand further.

With the abovementioned view, SCB has targeted loan growth of only 1-3% in 2025 (vs FSSIA's estimates of 1%) to reflect the conservative stance on the economic outlook, especially on the retail loan segment. In addition, with a higher NPL ratio and higher NPL formation rate q-q in 4Q24, we believe this is another reason for SCB's conservative loan growth target.

The conservative stance on retail loans is also in line with the results from BOT's credit conditions survey in Jan-25. For retail and household debt, there is demand for loans but all financial institutions are continuing to tighten credit standards. This is due to concerns over the economic outlook with a subdued GDP growth trajectory, risk of collateral value, and the deteriorating debt serviceability problem, not only for the low-income group (THB10-30K per month) but also the middle-income group (30-50K per month) (source: SCB EIC).

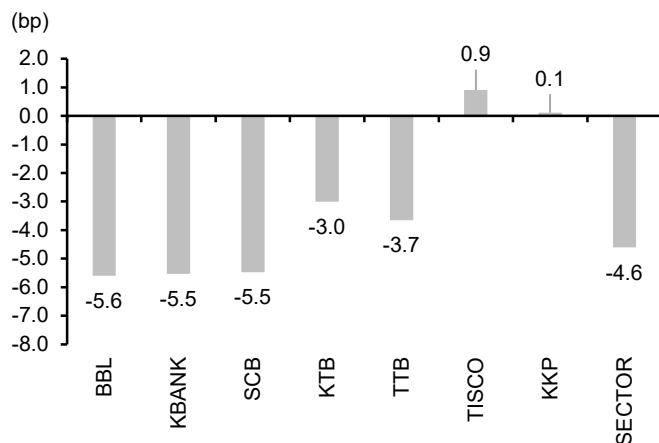
NIM impact from one policy interest rate cut has been factored in

Our SCB earnings forecast is based on one policy interest rate cut in 2025E to 2.0%. As SCB has a mortgage proportion at 32% of total loans and a corporate loan proportion at 35% of total loans, which are both quoted as floating interest rate, the negative impact from the rate cut on SCB is inevitable, we believe. We expect SCB's NIM to decline to 3.85% in 2025 from 3.97% in 2024.

The negative impact of a lower interest rate for SCB, in our view, could be mitigated by 1) a high proportion of CASA at 78% of total deposits; and 2) expansion to high-yield loan segments like CardX (credit card, unsecured loans) and AutoX (auto title loans).

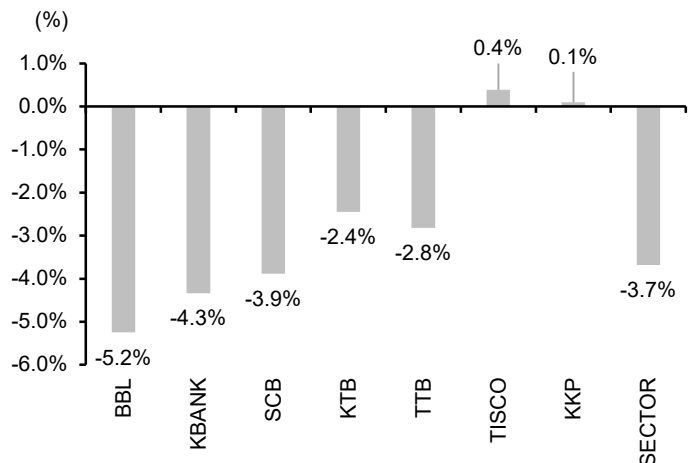
In the case of a further policy interest rate cut by 25bp from our base case, our sensitivity analysis suggests that the negative impact on SCB's NIM would be around 5.5bp, with a net profit impact of 3.9% for 2025E.

Exhibit 10: Impact on NIM from 25bp policy interest rate cut



Sources: Banks' company data, FSSIA estimates

Exhibit 11: Impact on 2025E net profit from 25bp policy interest rate cut

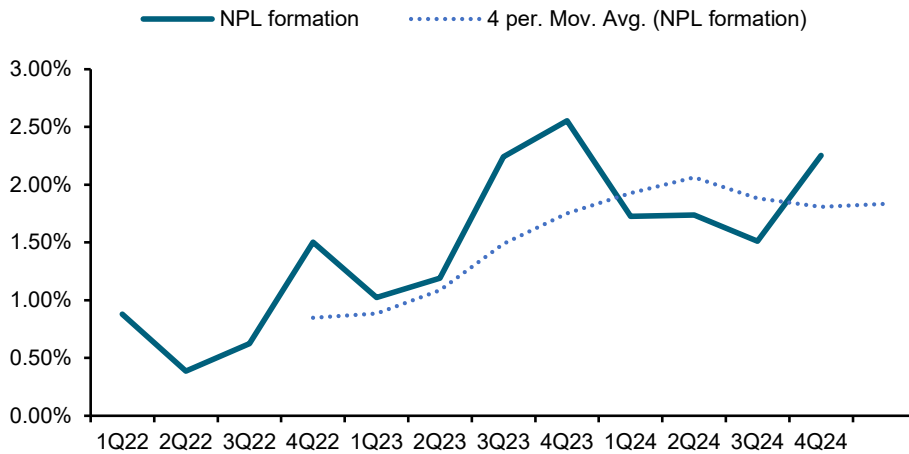


Sources: Banks' company data, FSSIA estimates

Not a promising asset quality outlook

In 4Q24, SCB was the only bank under our coverage that recorded a higher NPL formation rate vs peers' stable or lower-trending NPL formation rate. This could be a concerning sign for SCB's asset quality outlook in 2025, in our view, coupled with the 'unhealthy' household debt deleveraging progress.

Exhibit 12: SCB's NPL formation – the only bank that had a rising trend in 4Q24



Sources: SCB, FSSIA compilation

In detail, according to SCB's quarterly data (see figure below), all segments reported a higher NPL ratio q-q in 4Q24, including corporate, SME and retail loans (mortgage, auto HP). Our key concerns are corporate loans and mortgages, which are collateralized loans. The default of such collateralized loans would imply significant weakness in debt serviceability and prolonged NPLs in the balance sheet, as it requires a long process of litigation and legal execution for cash collection or debt settlement. This is not positive for SCB, we believe.

Exhibit 13: SCB's NPL and NPL formation rate by segment

NPL ratio by segment	2021	2022	2023	3Q24	4Q24
Corporate	4.4%	3.0%	2.1%	1.7%	1.9%
SME	11.6%	10.7%	10.8%	10.4%	10.7%
Retail	2.4%	2.3%	2.7%	3.0%	3.3%
Mortgage	2.8%	2.3%	2.7%	3.1%	3.4%
Auto hire-purchase (HP)	1.5%	2.2%	2.7%	2.8%	2.9%
Unsecured loans, CardX	1.4%	3.1%	5.6%	5.5%	4.9%
Auto title loans, AutoX	n.a.	0.1%	0.8%	1.7%	1.4%

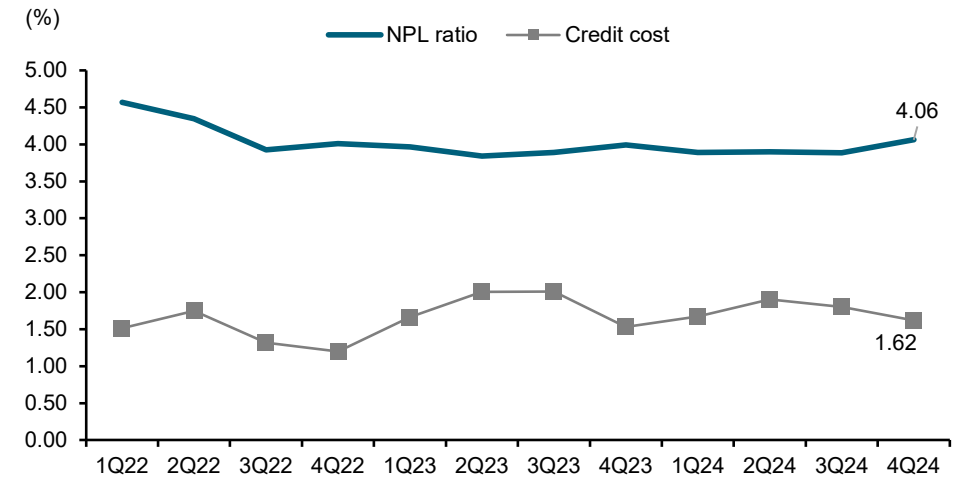
NPL formation rate (Bank only)	2021	2022	2023	3Q24	4Q24
Total	2.1%	1.9%	2.2%	0.56%	0.63%
Corporate	0.7%	0.4%	0.2%	0.07%	0.18%
SME	4.0%	2.7%	4.0%	0.99%	1.14%
Mortgage	2.1%	1.8%	2.6%	0.73%	0.83%
Auto hire-purchase (HP)	3.7%	6.9%	9.4%	2.05%	1.70%

The highlights indicate increases in the ratios over the given periods.

Sources: SCB, FSSIA compilation

In addition, we saw rising NPL formation rates q-q for SCB in 4Q24 from all segments (corporate, SME, retail mortgage). This affirms our concern over SCB's asset quality over the next 1-2 years.

On the positive side, SCB has cleaned up the unsecured NPLs (credit card and personal loans) in its subsidiary Cardx (under Gen 2 business). The results have been reflected via 1) a lower NPL ratio to 4.9% in Dec-24 from 5.6% in Dec-23; and 2) a lower credit cost to 900bp in 2024 vs 1035bp in 2023. Note that peers' average credit cost for credit card and personal loans is around 800bp +/-.

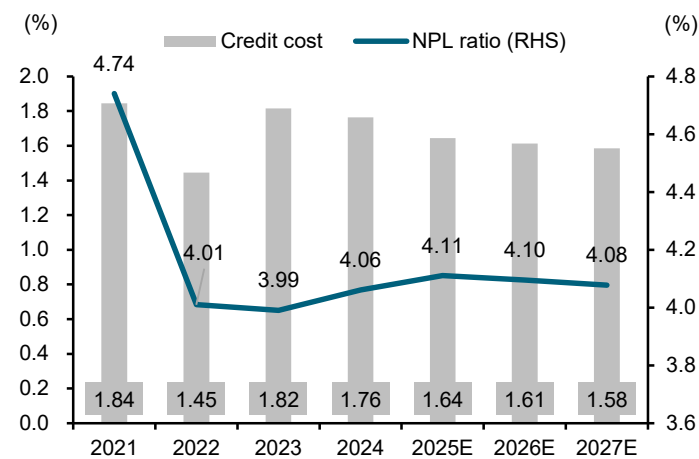
Exhibit 14: Rising NPL ratio but lower credit cost for SCB in 4Q24

Sources: SCB, FSSIA compilation

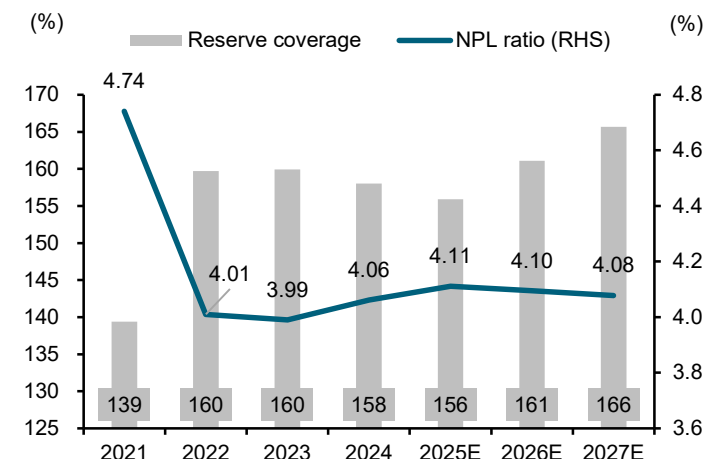
The successful NPL cleanup at CardX (4.2% of SCB's total loans) will support a lower credit cost trend in 2025E, we believe. Nonetheless, the concern about corporate loans and mortgage loans for SCB (in terms of both NPL ratio and NPL formation rate) remains, in our view.

We conservatively expect SCB's credit cost for 2025 to be 164bp vs SCB's target of 150-170bp and 176bp in 2024. Sensitivity-wise, for every 10bp increase in credit cost, SCB's net profit in 2025E would be negatively impacted by 5.2%, all else being equal.

Meanwhile, we expect the NPL ratio for SCB to be around 4.1% over 2025-27, and the NPL coverage ratio to be around 156-166% over the same period, which is roughly in line with the industry average.

Exhibit 15: Expect credit cost at 164bp for 2025

Sources: SCB, FSSIA estimates

Exhibit 16: Expect NPL ratio for SCB around 4.1% for 2025-27

Sources: SCB, FSSIA estimates

Already high dividend payout ratio at 80%

For its 2024 financial performance, SCB has announced a high dividend payout ratio of 80%; which is one of the highest levels among Thai banks.

We expect SCB to maintain the 80% payout ratio for 2025-27, supported by a high CET1 ratio of c18% and a CAR ratio of c19% over the same period, which are much higher than SCB's targets of 16% for CET and 18% for CAR. The high dividend payout ratio for SCB since 2023 is aiming to enhance better capital management and ROE generation. On the positive side, the high dividend payout ratio will benefit SCB's shareholders.

SCB aims for double-digit ROE in the medium term (around 2026-28E). Based on our projection, SCB's ROE could be up to 9.9% in 2027, even though we have factored in an 80% dividend payout ratio. In our view, SCB has managed its capital base well. However, raising dividend payouts further may not be a good option, in our view, as it will create regulatory risk, as the BOT allows up to a 100% dividend payout ratio with internal monitoring for 90% beyond.

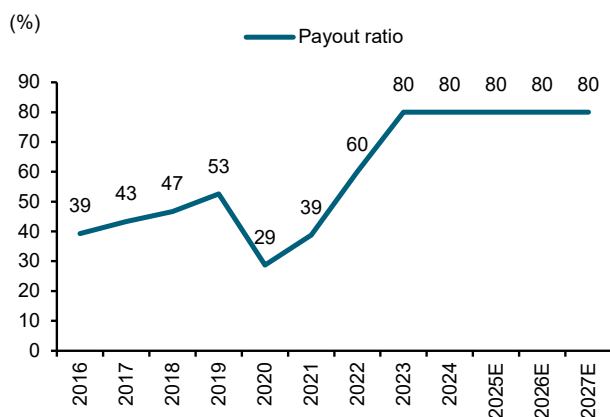
Thus, to enhance ROE to 10%, we believe SCB has to enhance income and profitability from all Gen1 (core banking business mainly from private wealth management which is an asset-lite business) and Gen2 business (more profitability from CardX and AutoX after heavy investment and balance sheet cleanup in the past three years) and break even from Gen3 (digital assets and platforms vs loss of THB3b in 2024).

Exhibit 17: Banks' dividend payout ratio comparison – SCB stays high at 80%

2024A	Dividend payout ratio	Dividend yield	XD Date	ROE	CET1	CAR ratio	Comments
BBL	36%	5.7%	23-Apr-25	8.3%	17.0%	20.4%	*** Need further actions, in our view.
KBANK	46%	6.2%	17-Apr-25	8.9%	17.5%	19.6%	Raised payout from 36%, No treasury stock
SCB	80%	8.4%	16-Apr-25	9.1%	17.8%	18.9%	High payout already
KTB	49%	6.7%	16-Apr-25	10.4%	18.8%	20.8%	Raised payout ratio from 33%, positive surprise
TTB	60%	6.8%	25-Apr-25	9.0%	16.9%	19.3%	Treasury stock during 2025-27E
TISCO	90%	7.8%	25-Apr-25	16.1%	17.0%	18.6%	High payout already
KKP	68%	7.1%	2-May-25	8.1%	13.1%	16.6%	Raised payout ratio for capital optimization, positive surprise

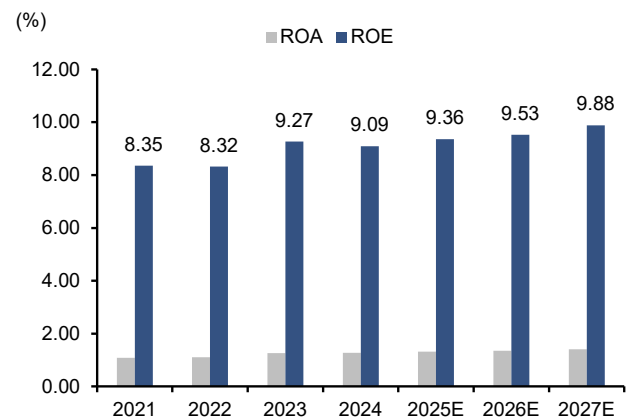
Sources: Banks' company data, FSSIA compilation

Exhibit 18: Expect 80% dividend payout ratio for SCB



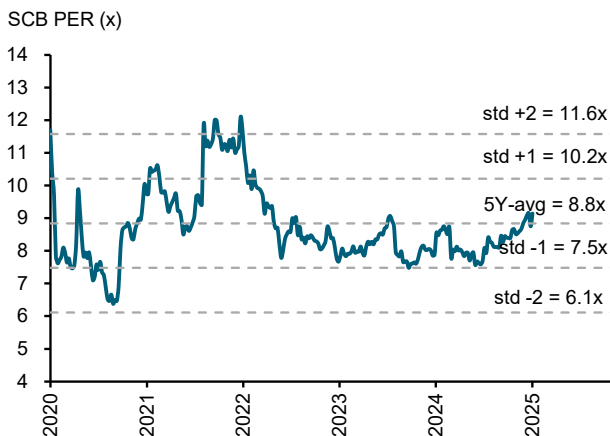
Sources: SCB, FSSIA estimates

Exhibit 19: ROA and ROE



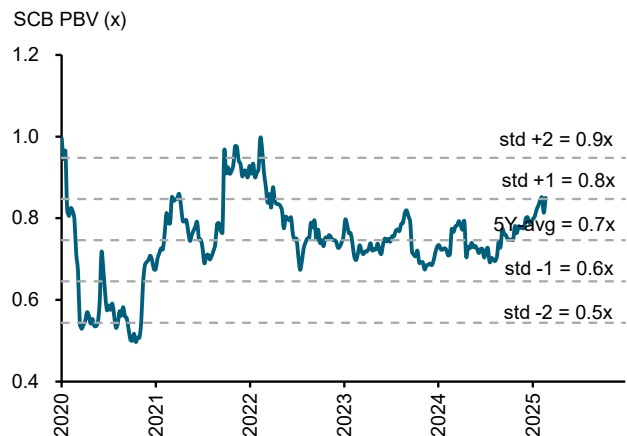
Sources: SCB, FSSIA estimates

Exhibit 20: SCB – one-year prospective P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 21: SCB – one-year prospective P/BV band



Sources: Bloomberg, FSSIA estimates

Exhibit 22: Peer regional banks comparison, as of 5 March 2025

Company name	BBG code	Share price (LCY)	Target price (LCY)	Up side (%)	Market Cap. (USD m)	----- PE ----- 25E (x)	26E (x)	---- PBV ---- 25E (x)	26E (x)	----- ROE ----- 25E (%)	26E (%)	---- Div yld ---- 25E (x)	26E (x)
Thailand													
Bangkok Bank	BBL TB	148.50	194.00	31	8,422	6.0	5.6	0.5	0.5	8.3	8.3	6.0	6.4
Kasikornbank	KBANK TB	151.50	186.00	23	10,665	7.0	6.5	0.6	0.6	8.9	9.1	6.5	7.0
Krung Thai Bank	KTB TB	22.70	23.50	4	9,426	8.2	6.6	0.7	0.5	8.8	8.6	4.0	4.2
SCB X	SCB TB	122.00	130.00	7	12,205	8.9	8.6	0.8	0.8	9.4	9.5	9.0	9.3
TMBThanachart Bank	TTB TB	1.93	2.52	31	5,571	8.1	7.3	0.7	0.7	9.4	10.0	7.4	8.2
Kiatnakin Bank	KKP TB	57.50	50.30	(13)	1,414	10.0	9.0	0.7	0.7	7.5	7.9	4.8	5.3
Tisco Financial Group	TISCO TB	97.75	98.00	0	2,326	11.4	11.1	1.8	1.7	15.6	15.9	7.9	8.2
Thailand weighted average					7,147	8.5	7.8	0.8	0.8	9.7	9.9	6.5	6.9
Hong Kong													
Industrial & Comm Bank of China	1398 HK	5.62	n/a	n/a	317,511	5.3	5.2	0.5	0.4	9.3	8.9	5.9	6.1
China Construction Bank	939 HK	6.78	n/a	n/a	221,988	4.7	4.5	0.5	0.4	10.1	9.8	6.4	6.6
HSBC Holdings	5 HK	91.90	n/a	n/a	205,338	8.9	8.4	1.1	1.1	12.9	12.9	5.7	6.0
Bank of China	3988 HK	4.53	n/a	n/a	207,417	5.6	5.3	0.5	0.5	9.0	8.8	5.8	5.8
Hong Kong average					238,064	6.1	5.8	0.6	0.6	10.3	10.1	6.0	6.1
China													
Industrial & Comm Bank of China	601398 CH	6.87	n/a	n/a	317,975	6.8	6.6	0.6	0.6	9.3	9.0	4.5	4.7
Agricultural Bank of China	601288 CH	5.16	n/a	n/a	244,259	6.5	6.2	0.6	0.6	9.8	9.6	4.8	5.0
China Construction Bank	601939 CH	8.64	n/a	n/a	222,312	6.4	6.1	0.6	0.6	10.0	9.6	4.8	4.9
Bank of China	601988 CH	5.47	n/a	n/a	207,720	7.2	6.9	0.6	0.6	9.0	8.7	4.5	4.6
China average					248,067	6.7	6.5	0.6	0.6	9.5	9.2	4.6	4.8
South Korea													
KB Financial Group	105560 KS	76,600	n/a	n/a	21,467	5.3	5.0	0.5	0.5	9.5	9.3	4.3	4.6
Shinhan Financial Group	055550 KS	44,650	n/a	n/a	16,119	4.6	4.3	0.4	0.4	8.9	8.8	5.0	5.4
Hana Financial Group	086790 KS	57,800	n/a	n/a	11,831	4.3	4.0	0.4	0.4	9.2	9.0	6.2	6.7
Industrial Bank of Korea	024110 KS	15,340	n/a	n/a	8,496	4.5	4.4	0.4	0.4	8.3	8.2	7.2	7.7
South Korea average					14,478	4.7	4.4	0.4	0.4	9.0	8.8	5.7	6.1
Indonesia													
Bank Central Asia	BBCA IJ	9,000	n/a	n/a	68,865	19.1	17.7	3.9	3.6	21.4	21.2	3.4	3.7
Bank Rakyat Indonesia Persero	BBRI IJ	3,840	n/a	n/a	36,843	10.0	9.0	1.8	1.7	18.6	19.8	8.5	9.0
Bank Mandiri Persero	BMRI IJ	4,860	n/a	n/a	28,304	7.9	7.3	1.5	1.4	19.7	19.7	7.5	8.1
Bank Negara Indonesia Persero	BBNI IJ	4,460	n/a	n/a	10,624	7.4	6.7	1.0	0.9	14.1	14.4	7.2	8.5
Bank Syariah Indonesia	BRIS IJ	2,570	n/a	n/a	7,391	14.6	12.3	2.3	2.0	16.9	17.4	1.1	1.7
Indonesia average					30,405	11.8	10.6	2.1	1.9	18.1	18.5	5.6	6.2
Malaysia													
Malayan Banking	MAY MK	10.58	n/a	n/a	28,765	12.0	11.5	1.3	1.3	11.0	11.1	6.1	6.3
Public Bank	PBK MK	4.63	n/a	n/a	20,243	12.0	11.4	1.5	1.4	12.6	12.6	4.9	5.2
CIMB Group Holdings	CIMB MK	7.80	n/a	n/a	18,291	10.1	9.5	1.1	1.0	11.3	11.3	5.8	6.1
Hong Leong Bank	HLBK MK	21.30	n/a	n/a	10,325	9.8	9.1	1.1	1.0	11.5	11.6	3.6	4.0
RHB Bank	RHBBANK MK	6.94	n/a	n/a	6,810	9.2	8.8	0.9	0.8	9.8	9.8	6.3	6.5
Malaysia average					16,887	10.6	10.1	1.2	1.1	11.3	11.3	5.4	5.6
Singapore													
DBS Group Holdings	DBS SP	45.62	n/a	n/a	98,804	11.8	11.5	1.9	1.8	16.3	16.2	6.6	6.6
Oversea-Chinese Banking	OCBC SP	17.17	n/a	n/a	58,173	10.3	10.0	1.3	1.2	12.8	12.5	5.6	5.6
United Overseas Bank	UOB SP	38.16	n/a	n/a	48,501	10.1	9.6	1.3	1.2	13.1	13.1	5.6	5.3
Singapore average					68,493	10.7	10.4	1.5	1.4	14.1	14.0	5.9	5.8
Regional average (excl. Thailand)					97,775	8.6	8.1	1.1	1.0	12.2	12.1	5.5	5.8
Total average (incl. Thailand)					77,950	8.6	8.0	1.0	1.0	11.6	11.7	5.7	6.0

Sources: Bloomberg; FSSIA estimates

Financial Statements

SCB X

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Interest Income	161,121	169,320	165,563	166,947	169,880
Interest expense	(36,439)	(39,896)	(38,981)	(38,813)	(38,640)
Net interest income	124,682	129,424	126,582	128,134	131,240
Net fees & commission	32,723	31,144	32,078	33,492	34,966
Foreign exchange trading income	8,828	8,904	9,349	9,817	10,307
Securities trading income	68	(264)	0	0	0
Dividend income	150	285	299	314	330
Other income	4,651	2,882	2,945	3,011	3,077
Non interest income	46,421	42,950	44,671	46,633	48,680
Total income	171,103	172,373	171,253	174,766	179,920
Staff costs	(33,796)	(35,707)	(35,350)	(36,057)	(36,778)
Other operating costs	(37,984)	(37,270)	(36,897)	(37,635)	(38,388)
Operating costs	(71,781)	(72,977)	(72,247)	(73,692)	(75,166)
Pre provision operating profit	99,323	99,397	99,006	101,075	104,755
Expected credit loss	(43,600)	(42,594)	(39,729)	(39,562)	(39,742)
Other provisions	-	-	-	-	-
Operating profit	55,723	56,803	59,277	61,513	65,012
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	-
Profit before tax	55,723	56,803	59,277	61,513	65,012
Tax	(11,955)	(12,224)	(12,448)	(12,918)	(13,653)
Profit after tax	43,768	44,579	46,829	48,595	51,360
Non-controlling interest	(247)	(636)	(664)	(689)	(728)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	43,521	43,943	46,165	47,906	50,632
Non recurring items & goodwill (net)	-	-	-	-	-
Recurring net profit	43,521	43,943	46,165	47,906	50,632
Per share (THB)					
Recurring EPS *	12.93	13.05	13.71	14.23	15.04
Reported EPS	12.93	13.05	13.71	14.23	15.04
DPS	10.34	10.44	10.97	11.38	12.03
Growth					
Net interest income (%)	15.6	3.8	(2.2)	1.2	2.4
Non interest income (%)	(0.3)	(7.5)	4.0	4.4	4.4
Pre provision operating profit (%)	17.5	0.1	(0.4)	2.1	3.6
Operating profit (%)	9.9	1.9	4.4	3.8	5.7
Reported net profit (%)	15.9	1.0	5.1	3.8	5.7
Recurring EPS (%)	15.9	1.0	5.1	3.8	5.7
Reported EPS (%)	15.9	1.0	5.1	3.8	5.7
Income Breakdown					
Net interest income (%)	72.9	75.1	73.9	73.3	72.9
Net fees & commission (%)	19.1	18.1	18.7	19.2	19.4
Foreign exchange trading income (%)	5.2	5.2	5.5	5.6	5.7
Securities trading income (%)	0.0	(0.2)	-	-	-
Dividend income (%)	0.1	0.2	0.2	0.2	0.2
Other income (%)	2.7	1.7	1.7	1.7	1.7
Operating performance					
Gross interest yield (%)	4.93	5.19	5.04	5.02	5.02
Cost of funds (%)	1.31	1.43	1.38	1.36	1.34
Net interest spread (%)	3.62	3.76	3.66	3.66	3.68
Net interest margin (%)	3.8	4.0	3.9	3.9	3.9
Cost/income(%)	42.0	42.3	42.2	42.2	41.8
Cost/assets(%)	2.1	2.1	2.1	2.1	2.1
Effective tax rate (%)	21.5	21.5	21.0	21.0	21.0
Dividend payout on recurring profit (%)	80.0	80.0	80.0	80.0	80.0
ROE (%)	9.3	9.1	9.4	9.5	9.9
ROE - COE (%)	(0.7)	(0.9)	(0.6)	(0.5)	(0.1)
ROA (%)	1.3	1.3	1.3	1.4	1.4
RORWA (%)	1.9	1.9	1.9	2.0	2.1

* Pre-exceptional, pre-goodwill and fully diluted

Sources: SCB X; FSSIA estimates

Financial Statements

SCB X

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Gross customer loans	2,426,563	2,403,379	2,427,413	2,478,388	2,537,870
Allowance for expected credit loss	(148,985)	(147,643)	(155,589)	(163,501)	(171,450)
interest in suspense	23,467	24,867	25,002	25,527	26,140
Net customer loans	2,301,045	2,280,603	2,296,826	2,340,415	2,392,560
Bank loans	436,797	553,169	553,169	553,169	553,169
Government securities	-	-	-	-	-
Trading securities	92,534	114,352	114,352	114,352	114,352
Investment securities	386,162	314,837	317,985	321,165	324,377
Cash & equivalents	40,676	43,801	65,093	59,872	47,157
Other interesting assets	-	-	-	-	-
Tangible fixed assets	45,988	45,208	46,112	47,035	47,975
Associates	1,970	1,842	1,842	1,842	1,842
Goodwill	21,692	21,211	21,211	21,211	21,211
Other intangible assets	-	-	-	-	-
Other assets	111,859	111,515	112,503	113,525	114,583
Total assets	3,438,723	3,486,539	3,529,094	3,572,585	3,617,226
Customer deposits	2,442,860	2,473,626	2,498,362	2,523,346	2,548,579
Bank deposits	221,459	229,839	229,839	229,839	229,839
Other interest bearing liabilities	109,911	106,745	111,015	115,455	120,073
Non interest bearing liabilities	180,759	181,493	185,685	190,044	194,578
Hybrid Capital	-	-	-	-	-
Total liabilities	2,954,989	2,991,702	3,024,900	3,058,684	3,093,069
Share capital	33,671	33,671	33,671	33,671	33,671
Reserves	444,411	454,965	464,198	473,779	483,905
Total equity	478,082	488,636	497,869	507,450	517,576
Non-controlling interest	5,651	6,201	6,326	6,452	6,581
Total liabilities & equity	3,438,722	3,486,539	3,529,094	3,572,585	3,617,226
Supplementary items					
Risk weighted assets (RWA)	2,358,515	2,396,562	2,420,416	2,471,245	2,530,554
Average interest earning assets	3,269,732	3,260,454	3,284,976	3,325,644	3,384,069
Average interest bearing liabilities	2,791,687	2,792,219	2,824,712	2,853,927	2,883,565
CET 1 capital	417,536	427,000	435,427	444,172	453,414
Total capital	443,680	453,364	462,846	472,687	483,070
Gross non performing loans (NPL)	96,832	97,610	99,785	101,495	103,490
Per share (THB)					
Book value per share	141.99	145.12	147.86	150.71	153.72
Tangible book value per share	135.54	138.82	141.56	144.41	147.42
Growth					
Gross customer loans	2.1	(1.0)	1.0	2.1	2.4
Average interest earning assets	1.7	(0.3)	0.8	1.2	1.8
Total asset (%)	(0.5)	1.4	1.2	1.2	1.2
Risk weighted assets (%)	2.3	1.6	1.0	2.1	2.4
Customer deposits (%)	(4.4)	1.3	1.0	1.0	1.0
Leverage & capital measures					
Customer loan/deposits (%)	94.2	92.2	91.9	92.8	93.9
Equity/assets (%)	13.9	14.0	14.1	14.2	14.3
Tangible equity/assets (%)	13.3	13.4	13.5	13.6	13.7
RWA/assets (%)	68.6	68.7	68.6	69.2	70.0
CET 1 CAR (%)	17.7	17.8	18.0	18.0	17.9
Total CAR (%)	18.8	18.9	19.1	19.1	19.1
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	1.6	0.8	2.2	1.7	2.0
NPL/gross loans (%)	4.0	4.1	4.1	4.1	4.1
Allowance for ECL/gross loans (%)	6.1	6.1	6.4	6.6	6.8
Allowance for ECL/NPL (%)	153.9	151.3	155.9	161.1	165.7
Valuation					
Recurring P/E (x) *	9.4	9.3	8.9	8.6	8.1
Recurring P/E @ target price (x) *	10.1	10.0	9.5	9.1	8.6
Reported P/E (x)	9.4	9.3	8.9	8.6	8.1
Dividend yield (%)	8.5	8.6	9.0	9.3	9.9
Price/book (x)	0.9	0.8	0.8	0.8	0.8
Price/tangible book (x)	0.9	0.9	0.9	0.8	0.8
Price/tangible book @ target price (x)	1.0	0.9	0.9	0.9	0.9

* Pre-exceptional, pre-goodwill and fully diluted

Sources: SCB X; FSSIA estimates

SCB X PCL (SCB TB)

FSSIA ESG rating


62.57 /100

Exhibit 23: 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 24: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET ESG	SET ESG Rating	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
BBL	62.08	--	Y	Y	5.00	5.00	Certified	Medium	54.70	--	29.00	58.68	67.00	2.19	60.06
KBANK	84.17	Y	Y	Y	5.00	5.00	Certified	Medium	62.19	AA	46.00	73.83	83.00	4.05	59.77
KTB	63.10	--	Y	Y	5.00	5.00	Certified	Medium	53.59	BBB	34.00	64.64	64.00	2.12	61.33
SCB	62.57	Y	Y	Y	5.00	4.00	--	High	--	A	--	--	86.00	3.43	--
KKP	62.96	--	Y	Y	5.00	5.00	Certified	Medium	52.81	BBB	--	77.56	26.00	2.18	45.90
TISCO	61.17	--	Y	Y	5.00	5.00	Certified	Medium	61.41	--	--	66.13	29.00	3.57	44.21
TTB	63.69	--	Y	Y	5.00	5.00	Certified	Medium	53.98	--	36.00	56.17	71.00	3.20	52.96

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 25: 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	1.85	1.83	2.65	3.04	2.65	2.83	2.89	3.43
BESG environmental pillar score	0.00	0.00	0.00	0.00	0.00	0.00	0.08	—
BESG social pillar score	2.02	2.25	4.19	5.21	4.05	4.19	4.24	—
BESG governance pillar score	4.25	3.66	3.88	3.91	4.11	4.66	4.64	—
ESG disclosure score	45.82	48.25	49.39	50.60	53.91	53.91	52.24	—
Environmental disclosure score	28.21	28.78	29.60	29.60	35.82	35.82	35.82	—
Social disclosure score	21.74	28.48	31.08	34.70	32.13	32.13	32.13	—
Governance disclosure score	87.36	87.36	87.36	87.36	93.62	93.62	88.62	—
Environmental								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	Yes	Yes	Yes	Yes
GHG scope 1	0	0	9	11	11	10	3	7
GHG scope 2 location-based	25	22	22	20	18	13	11	43
GHG Scope 3	—	3	14	15	14	10	8	0
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	Yes	No	No	No	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	51	53	52	50	45	34	29	104
Renewable energy use	—	—	—	—	—	—	—	—
Electricity used	51	52	52	50	45	34	29	86
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 26: 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	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	—
Total waste	—	—	—	—	4	4	3	3
Waste recycled	—	—	—	—	1	1	1	1
Waste sent to landfills	—	—	—	—	4	3	2	2
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	—	0
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	Yes	Yes	Yes	Yes	Yes	Yes
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	68	69	71	71	70	71	73	68
Pct disabled in workforce	—	—	—	—	—	—	—	0
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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	—	—
Total recordable incident rate - employees	—	—	—	0	0	0	0	0
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	24,106	26,652	27,493	26,751	25,953	23,899	22,051	29,015
Employee turnover pct	14	10	11	12	14	10	11	17
Total hours spent by firm - employee training	1,306,990	1,679,080	1,704,570	1,899,320	1,764,800	1,171,050	992,295	1,537,800
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	17	16	16	17	17	15	17	16
No. of independent directors (ID)	9	9	9	9	10	9	9	8
No. of women on board	3	3	3	1	2	2	4	3
No. of non-executive directors on board	13	13	14	14	16	14	13	15
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	12	16	17	20	16	15	13	18
Board meeting attendance pct	95	91	90	89	91	96	99	99
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	44	45	46	50	51	52	—	47
Age of the oldest director	83	84	85	86	74	75	—	77
No. of executives / company managers	8	12	17	17	13	17	18	10
No. of female executives	1	3	6	5	3	6	7	2
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	4	5	3	3	3	3	3	3
No. of ID on audit committee	4	5	3	3	3	3	3	3
Audit committee meetings	14	12	12	13	13	14	14	12
Audit meeting attendance %	96	91	94	95	97	98	100	100
Size of compensation committee	5	5	5	4	4	3	4	4
No. of ID on compensation committee	3	3	3	2	2	3	3	4
No. of compensation committee meetings	9	11	12	12	13	16	24	14
Compensation meeting attendance %	88	93	93	91	92	95	98	100
Size of nomination committee	5	5	5	4	4	3	4	4
No. of nomination committee meetings	9	11	12	12	13	16	24	14
Nomination meeting attendance %	88	93	93	91	92	95	98	100
Sustainability governance								
Verification type	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG 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. SETESG Index is extended from the SET ESG Ratings 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. <table><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></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	
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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

ANALYST(S) CERTIFICATION

Nathapol Pongsukcharoenkul FSS International Investment Advisory Securities Co., Ltd

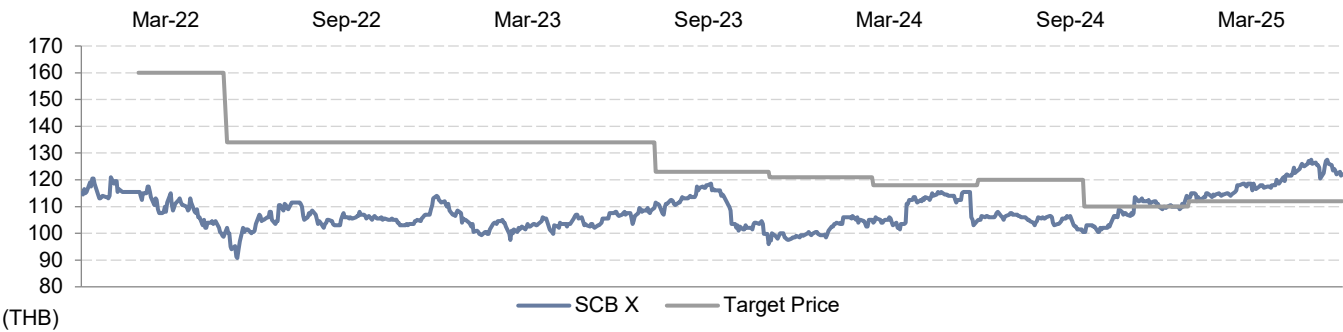
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

SCB X (SCB TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
22-Apr-2022	BUY	160.00	24-Oct-2023	BUY	121.00	23-Jul-2024	HOLD	110.00
08-Jul-2022	BUY	134.00	22-Jan-2024	BUY	118.00	22-Oct-2024	HOLD	112.00
17-Jul-2023	BUY	123.00	22-Apr-2024	BUY	120.00			

Nathapol Pongsukcharoenkul started covering this stock from 06-Mar-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SCB X	SCB TB	THB 122.00	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. Upside risks comprise 1) the faster-than-expected recovery of EA operations and financial stability; and 2) a reduction in Thai household debt.

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 05-Mar-2025 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.