

# SRISAWAD CORP

# SAWAD TB

THAILAND / FINANCE & SECURITIES

## BUY

UNCHANGED

TARGET PRICE	THB35.00
CLOSE	THB28.25
UP/DOWNSIDE	+23.9%
PRIOR TP	THB31.00
CHANGE IN TP	+12.9%
TP vs CONSENSUS	+14.5%

## Strong 4Q25E core profit

- 4Q25 profit may fall q-q, but core profit continues to grow.
- We raise 2025–27 earnings on more aggressive loan growth and stable credit costs, lifting profit growth to a 6.4% CAGR.
- Maintain BUY with a new 2026 TP of THB35 and expected dividend yields of 4–5% p.a.

### 4Q25 profit may fall q-q, but core profit continues to grow

We expect 4Q25 net profit of THB1.28b, down 3.3% q-q but still up 4.4% y-y. Excluding an estimated FVTPL loss from THAI shares of cTHB20m (net of tax), core profit should reach THB1.3b, growing 2.3% q-q and 6.1% y-y, supported by 1) expected loan growth of 1.2% q-q (though still down 1.2% y-y), driven mainly by auto title loans, while hire purchase loans contract slightly, and 2) a stable spread of 13.44% after a sharp 30bp contraction in 3Q25, as lower funding costs offset declining yields. These positives should offset pressures from higher cost-to-income ratio and credit cost. Overall, we forecast FY2025 net profit at THB4.97b, down 1.6% y-y, due to sluggish loan growth, margin compression, and higher credit costs.

### Asset quality remains sound with no major concerns

Overall asset quality remains manageable, despite a slight uptick in NPLs to 3.93% from 3.90% in 3Q25, in line with new loan expansion. SAWAD views the southern flooding as a normal seasonal event with no special impact. Meanwhile, we expect credit cost to rise 20bps q-q to 2.28% alongside business expansion, with a coverage ratio of 61.5%.

### Forecasts revised up on a more positive business outlook

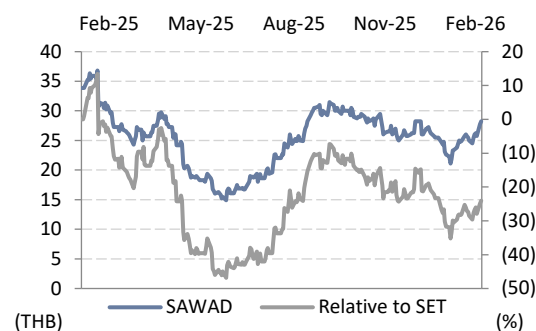
We raise our 2025–27 earnings forecasts by 3.7–5.2% to reflect a more positive business outlook, driven by 1) more aggressive loan growth in 2026–27, led by auto title loans, 2) stable credit costs (including a declining trend of repossessed vehicle losses), at 2.00% versus a previously rising trajectory, and 3) a lower cost-to-income ratio of 47.50–48.25%, mainly due to lower losses from repossessed vehicles. While we expect the cost of funds to decline by more than 25bps in 2026 and a further 17bps in 2027, this benefit will partly be offset by lower loan yields as the company would cut pricing to stimulate loan growth. Following the revision, we expect net profit over 2025–27 to grow at a 6.4% CAGR.

### Maintain BUY with a new 2026 TP of THB35

We reiterate BUY and raise our 2026 TP to THB35 from THB31, based on a GGM PBV of 1.32x. After a sharp correction in 2025, the stock now trades at an attractive PBV of 1.1x versus a 2026 ROE of 14.0%, alongside an expected dividend yield of 4–5% p.a. With this report, we transfer SAWAD coverage to Usanee Liurut.

## KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Operating profit	6,631	6,573	7,153	7,894
Net profit	5,052	4,973	5,472	6,094
EPS (THB)	3.34	2.99	3.29	3.67
vs Consensus (%)	-	(1.4)	(2.5)	(1.2)
Recurring net profit	5,052	4,973	5,472	6,094
Core EPS (THB)	3.34	2.99	3.29	3.67
Chg. In EPS est. (%)	0.0	3.7	5.2	3.8
EPS growth (%)	(8.1)	(10.5)	10.1	11.3
Core P/E (x)	8.4	9.4	8.6	7.7
Dividend yield (%)	0.4	4.2	4.7	5.2
Price/book (x)	1.3	1.3	1.2	1.1
ROE (%)	16.5	14.1	14.0	14.3
ROA (%)	4.8	4.9	5.2	5.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	25.0	(4.2)	(13.1)
Relative to country (%)	11.1	(11.3)	(21.7)
Mkt cap (USD m)	1,508		
3m avg. daily turnover (USD m)	9.6		
Free float (%)	45		
Major shareholder	Kaewbootta Family (30%)		
12m high/low (THB)	37.96/14.80		
Issued shares (m)	1,662		

Sources: Bloomberg consensus; FSSIA estimates



**Usanee Liurut, CISA**

Fundamental Investment Analyst on Capital Market; License no. 017928  
usanee.l@fssia.com, +66 2646 9758

**Peemapon Nunthakunatip**

Research Assistant

## Investment thesis

- The 2026 business outlook should shift back to more aggressive growth after a contraction over 2024–25E, under management guidance for loan growth of 10–15% y-y (vs. our forecast of 8.9% y-y). SAWAD will continue to focus on auto title loans while remaining cautious on motorcycle hire-purchase loans (SCAP). Asset quality concerns have eased significantly, with credit costs expected to stabilize.
- The declining funding cost trend at SAWAD allows the company to stimulate loan growth through promotional campaigns and should also support wider spreads in 2026–27E.
- We favor SAWAD at the current share price, which has corrected and now reflects asset quality having passed its trough. The stock trades below its 5-year average PBV of 2x, supporting our BUY recommendation, alongside an expected dividend yield of 4–5% p.a.

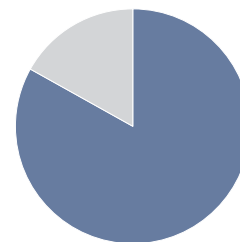
## Company profile

SAWAD provides loan services to retail customers. Its business operations can be classified into four main categories: 1) auto title loans against all types of used vehicles, homes, and land; 2) unsecured personal loans; 3) motorcycle hire-purchase; and 4) asset management.

[www.meebaanmeerod.com](http://www.meebaanmeerod.com)

## Principal activities (revenue, 9M25)

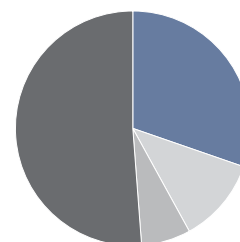
- Net interest income - 83.1 %
- Non-interest income - 16.9 %



Source: Srisawad Corp

## Major shareholders (as of 7 Oct 25)

- Kaewbootta Family - 30.3 %
- UBS AG Singapore Branch - 11.7 %
- THANI NVDR - 6.8 %
- Others - 51.2 %



Source: Srisawad Corp

## Catalysts

- 1) Better-than-expected loan growth.
- 2) Better-than-expected spread.
- 3) Lower-than-expected NPLs and credit costs.
- 4) Lower-than-expected operating expenses.

## Risks to our call

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.

## Event calendar

Date	Event
27 Feb 2026	4Q25 earnings announcement

## Key assumptions

	2025E (%)	2026E (%)	2027E (%)
Loan growth	-1.2%	8.9%	9.4%
Hire purchase	-29.9%	19.8%	-6.0%
Loan	6.9%	2.7%	16.1%
Spread	13.29	13.50	13.56
Credit cost	2.10	2.00	2.00
NPL ratio	3.93	3.88	3.93
Cost-to-income-ratio	48.25	48.00	47.50

Source: FSSIA estimates

## Earnings sensitivity

		----- 2026E -----	
<b>Loan growth</b>	<b>±2ppt</b>	6.92	<b>8.92</b> 10.92
% change in net profit		(0.8)	0.8
<b>Interest spread (%)</b>	<b>±5bp</b>	13.45	<b>13.50</b> 13.55
% change in net profit		(0.2)	0.2
<b>Cost-to-income ratio</b>	<b>±1ppt</b>	47.00	<b>48.00</b> 49.00
% change in net profit		2.5	(2.5)
<b>Credit cost (bp)</b>	<b>±10bp</b>	1.90	<b>2.00</b> 2.10
% change in net profit		1.4	(1.4)

Source: FSSIA estimates

## Exhibit 1: SAWAD – Revision table

	New			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Net profit	4,973	5,472	6,094	4,796	5,201	5,870	3.7%	5.2%	3.8%
EPS (THB)	2.99	3.29	3.67	2.89	3.13	3.53	3.7%	5.2%	3.8%
EPS growth	(1.57)	10.05	11.35	(13.70)	8.46	12.86			
Target price (THB)		35.00			31.00			12.9%	
Target PBV (x)		1.32			1.25				
Expected long term ROE		14.3%			12.5%				
Expected long term growth		5.0%			1.0%				
<b>Key assumptions</b>									
Gross loans	91,914	100,111	109,472	93,524	99,305	106,439	-1.7%	0.8%	2.8%
Interest bearing debts	61,913	64,801	72,242	67,520	60,768	62,591	-8.3%	6.6%	15.4%
Administrative expenses	7,945	8,375	9,038	8,383	8,804	9,170	-5.2%	-4.9%	-1.4%
Loan growth	(1.25)	8.92	9.35	0.35	6.18	7.18			
Cost to income ratio	48.25	48.00	47.50	50.44	49.57	47.68			
Yields	17.81	17.77	17.67	17.80	17.85	17.90			
Cost of funds	4.52	4.27	4.10	4.39	4.28	4.25			
Spread	13.29	13.50	13.56	13.41	13.57	13.65			
Credit cost	2.10	2.00	2.00	2.17	2.30	2.39			
NPL ratio	3.93	3.88	3.93	3.95	3.90	3.90			
No. of shares (m shares)	1,662	1,662	1,662	1,662	1,662	1,662	0.0%	0.0%	0.0%

Source: FSSIA estimates

## Exhibit 2: SAWAD – GGM 2026 TP

GGM	New	Previous
Sustainable ROE	14.3%	12.5%
g	5.0%	1.0%
ROE-g	9.3%	13.1%
Beta	1.50	1.20
Risk free rate	3.0%	3.0%
Risk premium	6.0%	6.0%
COE	12.0%	10.2%
COE-g	7.0%	7.6%
ROE-g/COE-g	1.32	1.25
BVS	26.76	24.72
<b>Fair value</b>	<b>35.0</b>	<b>31.0</b>

Source: FSSIA estimates

## Exhibit 3: SAWAD – Outstanding and maturity of existing debentures, as of 10 February 2026

	Outstanding debenture				Maturity during quarter					
	1Q (THB m)	2Q (THB m)	3Q (THB m)	4Q (THB m)	1Q (THB m)	2Q (THB m)	3Q (THB m)	4Q (THB m)	Total (THB m)	
<b>2025</b>	44,235	37,282	38,200	40,258	<b>2025</b>	2,857	6,953	4,082	2,093	<b>15,985</b>
<b>2026</b>	38,258	31,906	28,655	27,138	<b>2026</b>	2,000	6,353	3,251	1,518	<b>13,120</b>
<b>2027</b>	25,135	20,741	19,159	16,851	<b>2027</b>	2,003	4,395	1,581	2,308	<b>10,286</b>
<b>2028</b>	16,851	12,783	9,736	6,388	<b>2028</b>	-	4,069	3,046	3,348	<b>10,463</b>

Sources: ThaiBMA; FSSIA's compilation

## Exhibit 4: SAWAD – 4Q25 earnings preview

	4Q24	1Q25	2Q25	3Q25	4Q25E	----- Change -----		2025E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
Interest income	4,292	4,054	4,139	4,126	4,152	0.6%	-3.3%	16,471	-8.6%
Interest expenses	(786)	(728)	(715)	(717)	(710)	-1.0%	-9.6%	(2,871)	-9.8%
Net interest income	3,507	3,326	3,424	3,408	3,442	1.0%	-1.8%	13,600	-8.4%
Other income	740	721	659	764	720	-5.8%	-2.7%	2,864	-5.1%
Total operating income	4,247	4,047	4,083	4,173	4,162	-0.3%	-2.0%	16,464	-7.8%
SG&A	(2,225)	(2,175)	(1,878)	(1,932)	(1,960)	1.4%	-11.9%	(7,945)	-14.8%
PPOP	2,022	1,872	2,205	2,240	2,202	-1.7%	8.9%	8,520	-0.3%
Expected credit losses	(402)	(421)	(535)	(470)	(520)	10.6%	29.2%	(1,947)	1.8%
<b>Net profit</b>	<b>1,225</b>	<b>1,100</b>	<b>1,270</b>	<b>1,323</b>	<b>1,280</b>	<b>-3.3%</b>	<b>4.4%</b>	<b>4,973</b>	<b>-1.6%</b>
EPS (THB)	0.74	0.66	0.76	0.80	0.77	-3.3%	4.4%	2.99	-10.5%
Loans	93,077	90,397	90,146	90,810	91,914	1.2%	-1.2%	91,914	-1.2%
Borrowings	68,913	66,417	61,778	61,698	61,913	0.3%	-10.2%	61,913	-10.2%
<b>Key ratios</b>	<b>4Q24</b>	<b>1Q25</b>	<b>2Q25</b>	<b>3Q25</b>	<b>4Q25E</b>			<b>2025E</b>	
	(%)	(%)	(%)	(%)	(%)			(%)	
Yield on loan	18.16	17.68	18.34	18.24	18.18			17.81	
Cost of funds	4.59	4.43	4.60	4.80	4.74			4.52	
Spread	13.57	13.25	13.74	13.44	13.44			13.29	
Cost to Income Ratio	52.39	53.74	46.00	46.31	47.09			48.25	
Credit cost	1.70	1.84	2.37	2.08	2.28			2.10	
NPL / Loan	3.59	3.77	3.78	3.90	3.93			3.93	
LLR / Loan	2.40	2.30	2.43	2.43	2.42			2.42	
Coverage Ratio	66.96	61.02	64.31	62.35	61.52			61.52	

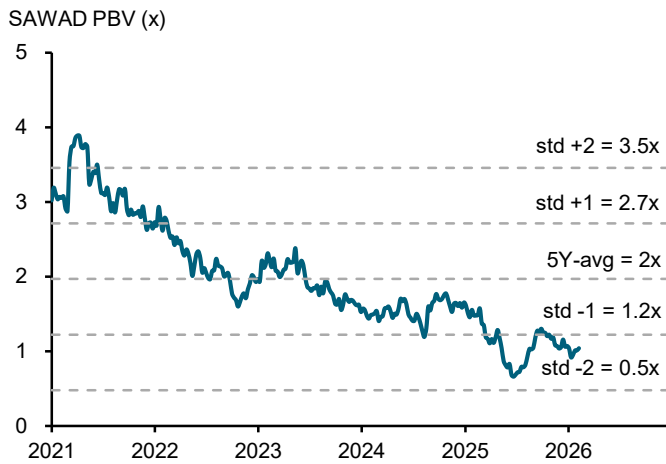
Sources: SAWAD; FSSIA estimates

## Exhibit 5: SAWAD – Staged loan

	2022	2023	2024	3Q25		2022	2023	2024	3Q25
	(THB m)	(THB m)	(THB m)	(THB m)		(%)	(%)	(%)	(%)
<b>Staged loans</b>									
Stage 1	50,271	86,099	79,968	78,783		91.0	88.7	85.8	86.7
Stage 2	3,614	8,012	9,893	8,561		6.5	8.3	10.6	9.4
Stage 3	1,385	2,998	3,337	3,544		2.5	3.1	3.6	3.9
Total	55,270	97,109	93,198	90,889		100.0	100.0	100.0	100.0
<b>Allowance for ECL</b>									
Stage 1	171	324	360	355		0.3	0.4	0.5	0.5
Stage 2	238	566	622	516		6.6	7.1	6.3	6.0
Stage 3	247	716	1,004	1,017		17.9	23.9	30.1	28.7
Total	656	1,605	1,987	1,888		1.2	1.7	2.1	2.1
<b>LLR/ Loans</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>					
Stage 1	0.3	0.4	0.5	0.5					
Stage 2	6.6	7.1	6.3	6.0					
Stage 3	17.9	23.9	30.1	28.7					
Total	1.2	1.7	2.1	2.1					
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>					
NPL / TL	2.5	3.1	3.6	3.9					
NPL vs. Stage 2 loans / TL	9.0	11.3	14.2	13.3					
LLR / NPL	47	54	60	53					
LLR / (NPL vs. Stage 2)	13	15	15	16					

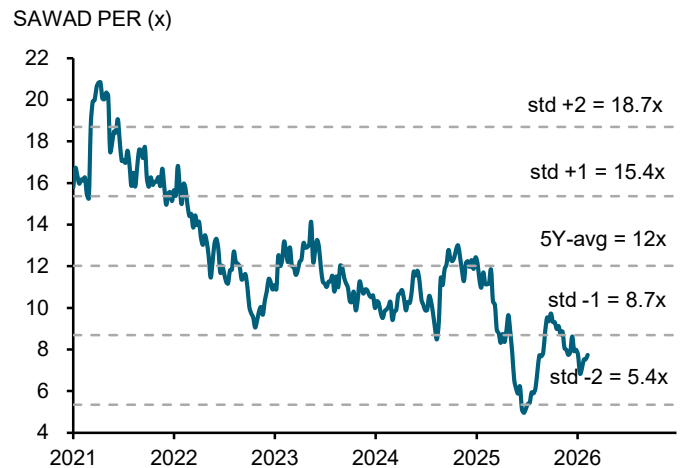
Sources: SAWAD; FSSIA compilation

**Exhibit 6: SAWAD – One year prospective PBV**



Sources: Bloomberg; FSSIA compilation

**Exhibit 7: SAWAD – One year prospective PER**



Sources: Bloomberg; FSSIA compilation

**Exhibit 8: Peer comparisons, as of 10 February 2026**

Company name	BBG code	Rec	Share price (LCY)	Target price (LCY)	Up side (%)	PE		PBV		ROE		Div yld	
						25E (x)	26E (x)	25E (x)	26E (x)	25E (%)	26E (%)	25E (x)	26E (x)
<b>Auto title</b>													
Muangthai Capital	MTC TB	BUY	37.50	46.00	22.7	11.9	10.4	1.9	1.6	16.7	16.5	0.8	0.9
Srisawad Corp	SAWAD TB	BUY	28.25	35.00	23.9	9.4	8.6	1.3	1.2	14.1	14.0	4.2	4.7
Ngern Tid Lor	TIDLOR TB	BUY	18.90	23.00	21.7	10.6	9.3	1.5	1.4	15.8	15.8	3.8	4.3
<b>Unsecured finance</b>													
Krungthai Card	KTC TB	BUY	30.25	35.00	15.7	10.1	9.9	1.8	1.6	18.4	17.0	4.5	4.5
<b>Hire-purchase truck</b>													
Asia Sermkij Leasing	ASK TB	HOLD	7.95	6.80	(14.5)	9.4	9.9	0.5	0.5	4.7	4.7	5.3	5.1
Ratchthani Leasing	THANI TB	HOLD	1.81	1.60	(11.6)	10.0	10.4	0.8	0.8	8.0	7.4	4.9	4.7
<b>AMCs</b>													
Bangkok Commercial Asset Mgmt.	BAM TB	HOLD	7.50	7.50	0.0	11.0	14.9	0.5	0.5	5.0	3.6	6.4	4.6
JMT Network services	JMT TB	HOLD	9.85	9.00	(8.6)	12.2	9.8	0.5	0.5	4.2	5.1	4.9	6.1
<b>Average</b>						<b>10.6</b>	<b>10.4</b>	<b>1.1</b>	<b>1.0</b>	<b>10.9</b>	<b>10.5</b>	<b>4.3</b>	<b>4.3</b>

Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Srisawad Corp

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Interest Income	15,743	18,027	16,471	17,065	18,512
Interest expense	(2,266)	(3,181)	(2,871)	(2,624)	(2,731)
Net interest income	13,477	14,846	13,600	14,442	15,781
Net fees & commission	3,171	3,019	2,864	3,007	3,247
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	-	-	-	-	-
Other income	26	1	1	0	0
Non interest income	3,197	3,019	2,864	3,007	3,247
Total income	16,674	17,865	16,464	17,448	19,028
Staff costs	(8,282)	(9,322)	(7,945)	(8,375)	(9,038)
Other operating costs	-	-	-	-	-
Operating costs	(8,282)	(9,322)	(7,945)	(8,375)	(9,038)
Pre provision operating profit	8,392	8,544	8,520	9,073	9,990
Expected credit loss	(1,763)	(1,913)	(1,947)	(1,920)	(2,096)
Other provisions	-	-	-	-	-
Operating profit	6,629	6,631	6,573	7,153	7,894
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	6,629	6,631	6,573	7,153	7,894
Tax	(1,375)	(1,385)	(1,377)	(1,502)	(1,658)
Profit after tax	5,253	5,246	5,196	5,651	6,236
Non-controlling interest	(253)	(194)	(223)	(178)	(143)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	5,000	5,052	4,973	5,472	6,094
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	5,000	5,052	4,973	5,472	6,094
<b>Per share (THB)</b>					
Recurring EPS *	3.64	3.34	2.99	3.29	3.67
Reported EPS	3.64	3.34	2.99	3.29	3.67
DPS	0.11	0.10	1.20	1.32	1.47
<b>Growth</b>					
Net interest income (%)	70.2	10.2	(8.4)	6.2	9.3
Non interest income (%)	(9.4)	(5.5)	(5.1)	5.0	8.0
Pre provision operating profit (%)	39.8	1.8	(0.3)	6.5	10.1
Operating profit (%)	11.9	0.0	(0.9)	8.8	10.4
Reported net profit (%)	11.7	1.0	(1.6)	10.1	11.3
Recurring EPS (%)	11.7	(8.1)	(10.5)	10.1	11.3
Reported EPS (%)	11.7	(8.1)	(10.5)	10.1	11.3
<b>Income Breakdown</b>					
Net interest income (%)	80.8	83.1	82.6	82.8	82.9
Net fees & commission (%)	19.0	16.9	17.4	17.2	17.1
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	0.2	0.0	0.0	-	-
<b>Operating performance</b>					
Gross interest yield (%)	20.70	18.97	17.81	17.77	17.67
Cost of funds (%)	4.18	4.53	4.52	4.27	4.10
Net interest spread (%)	16.52	14.44	13.29	13.50	13.57
Net interest margin (%)	17.7	15.6	14.7	15.0	15.1
Cost/income(%)	49.7	52.2	48.3	48.0	47.5
Cost/assets(%)	9.2	8.5	7.4	7.7	7.6
Effective tax rate (%)	20.7	20.9	21.0	21.0	21.0
Dividend payout on recurring profit (%)	3.1	3.1	40.0	40.0	40.0
ROE (%)	18.6	16.5	14.1	14.0	14.3
ROE - COE (%)	6.6	4.5	2.1	2.0	2.3
ROA (%)	5.8	4.8	4.9	5.2	5.2
RORWA (%)	-	-	-	-	-

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

Sources: Srisawad Corp; FSSIA estimates

## Financial Statements

### Srisawad Corp

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Gross customer loans	96,981	93,077	91,914	100,111	111,780
Allowance for expected credit loss	(1,830)	(2,235)	(2,221)	(2,479)	(2,783)
interest in suspense	845	921	1,020	769	887
<b>Net customer loans</b>	<b>95,996</b>	<b>91,763</b>	<b>90,713</b>	<b>98,400</b>	<b>109,883</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	2,573	2,105	2,000	2,200	2,420
Cash & equivalents	3,962	5,814	5,019	4,796	4,740
Other interesting assets	-	-	-	-	-
Tangible fixed assets	764	757	690	759	835
Associates	-	-	-	-	-
Goodwill	1,416	1,345	1,320	1,346	1,373
Other intangible assets	1,209	1,206	1,235	1,272	1,310
Other assets	5,545	4,919	4,911	4,193	4,559
<b>Total assets</b>	<b>111,465</b>	<b>107,909</b>	<b>105,889</b>	<b>112,966</b>	<b>125,121</b>
Customer deposits	0	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	75,983	68,913	61,913	64,801	72,242
Non interest bearing liabilities	4,285	2,694	3,140	3,697	4,367
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>80,268</b>	<b>71,607</b>	<b>65,053</b>	<b>68,497</b>	<b>76,610</b>
Share capital	1,373	1,510	1,662	1,662	1,662
Reserves	26,804	31,626	35,774	39,057	42,713
<b>Total equity</b>	<b>28,177</b>	<b>33,137</b>	<b>37,435</b>	<b>40,719</b>	<b>44,375</b>
Non-controlling interest	3,020	3,166	3,400	3,750	4,136
<b>Total liabilities &amp; equity</b>	<b>111,465</b>	<b>107,909</b>	<b>105,889</b>	<b>112,966</b>	<b>125,121</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	76,064	95,029	92,495	96,012	104,791
Average interest bearing liabilities	54,261	70,244	63,491	61,456	66,579
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)	2,998	3,337	3,610	3,880	4,300
<b>Per share (THB)</b>					
Book value per share	20.52	21.94	22.53	24.51	26.71
Tangible book value per share	18.61	20.25	20.99	22.93	25.09
<b>Growth</b>					
Gross customer loans	75.9	(4.0)	(1.2)	8.9	11.7
Average interest earning assets	71.3	24.9	(2.7)	3.8	9.1
Total asset (%)	60.4	(3.2)	(1.9)	6.7	10.8
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	nm	nm	nm	nm	nm
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	25.3	30.7	35.4	36.0	35.5
Tangible equity/assets (%)	22.9	28.3	32.9	33.7	33.3
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality (FSSIA's calculation)</b>					
Change in NPL (%)	116.4	11.3	8.2	7.5	10.8
NPL/gross loans (%)	3.1	3.6	3.9	3.9	3.8
Allowance for ECL/gross loans (%)	1.9	2.4	2.4	2.5	2.5
Allowance for ECL/NPL (%)	61.0	67.0	61.5	63.9	64.7
<b>Valuation</b>					
Recurring P/E (x) *	7.8	8.4	9.4	8.6	7.7
Recurring P/E @ target price (x) *	9.6	10.5	11.7	10.6	9.5
Reported P/E (x)	7.8	8.4	9.4	8.6	7.7
Dividend yield (%)	0.4	0.4	4.2	4.7	5.2
Price/book (x)	1.4	1.3	1.3	1.2	1.1
Price/tangible book (x)	1.5	1.4	1.3	1.2	1.1
Price/tangible book @ target price (x)	1.9	1.7	1.7	1.5	1.4

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

Sources: Srisawad Corp; FSSIA estimates

# Srisawad Corp PCL (SAWAD TB)

**FSSIA ESG rating**

**48.81 /100**
**Exhibit 9: 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	<b>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.</b>
★★	>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 10: 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
MTC	62.94	--	Y	AA	5.00	4.00	Certified	Low	49.80	AA	--	61.83	52.00	--	--
SAK	39.83	--	Y	A	5.00	4.00	Certified	--	--	--	--	53.16	16.00	2.79	48.53
SAWAD	48.81	--	Y	AA	5.00	4.00	Declared	Medium	56.00	BB	--	33.63	30.00	--	--
TIDLOR	21.94	--	--	--	4.00	4.00	Declared	--	--	--	--	--	30.00	1.46	52.82

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
**Exhibit 11: ESG score by Bloomberg**

FY ending Dec 31	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>ESG financial materiality scores - ESG score</b>	<b>1.67</b>	<b>1.70</b>	<b>1.93</b>	<b>1.77</b>	<b>1.90</b>	<b>2.15</b>	<b>3.44</b>	<b>—</b>
BESG environmental pillar score	0.00	0.00	0.00	0.00	0.00	2.06	4.33	—
BESG social pillar score	0.74	0.87	1.07	1.07	1.27	1.31	3.31	—
BESG governance pillar score	4.62	4.39	4.77	4.09	4.12	3.88	3.38	—
<b>ESG disclosure score</b>	<b>28.51</b>	<b>29.45</b>	<b>29.45</b>	<b>29.45</b>	<b>38.34</b>	<b>48.47</b>	<b>49.41</b>	<b>—</b>
Environmental disclosure score	0.42	0.42	0.42	0.42	16.79	37.24	37.24	—
Social disclosure score	11.22	11.67	11.67	11.67	21.98	26.93	29.78	—
Governance disclosure score	73.72	76.10	76.10	76.10	76.10	81.10	81.10	—
<b>Environmental</b>								
Emissions reduction initiatives	No	No	No	No	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	No	No	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	—	—	—	—	—	2	1	0
GHG scope 2 location-based	—	—	—	—	—	5	3	7
GHG Scope 3	—	—	—	—	—	0	0	0
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—	—	11	6	3
Renewable energy use	—	—	—	—	—	—	—	—
Electricity used	—	—	—	—	—	2	1	3
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 12: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	No	No	No	No	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	0
Total waste	—	—	—	—	—	0	0	0
Waste recycled	—	—	—	—	—	0	0	0
Waste sent to landfills	—	—	—	—	—	—	—	—
Environmental supply chain management	No	No	No	No	Yes	Yes	Yes	Yes
Water policy	No	No	No	No	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	0	0	0
<b>Social</b>								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	No	No	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	—	—	—	—	—	54	52	55
Pct disabled in workforce	—	—	—	—	—	1	1	1
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	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	0	0
Total recordable incident rate - employees	—	—	—	—	10	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	6,137	7,016	8,907	7,580	6,808	11,512	9,994	11,177
Employee turnover pct	—	—	—	—	3	32	40	35
Total hours spent by firm - employee training	—	—	—	—	23,574	5,165	96,462	100,593
Social supply chain management	No	No	No	No	Yes	Yes	Yes	Yes
<b>Governance</b>								
<b>Board size</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>12</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
No. of women on board	1	1	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	13	12	13	10	13	13	10
Board meeting attendance pct	—	88	88	88	98	93	93	97
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	44	45
Age of the oldest director	—	—	—	—	—	76	77	78
<b>No. of executives / company managers</b>	<b>8</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>3</b>
No. of female executives	1	1	2	2	2	2	2	2
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	5	5	4	4	5	6	5	5
Audit meeting attendance %	100	93	100	100	100	100	100	100
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	2	2	2	2	2	2	2	2
No. of compensation committee meetings	4	2	3	3	3	3	2	2
Compensation meeting attendance %	100	100	100	100	100	100	100	100
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	4	2	3	3	3	3	2	2
Nomination meeting attendance %	100	100	100	100	100	100	100	100
<b>Sustainability governance</b>								
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.																			
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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> 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&amp;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 &amp; 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><b>AAA</b></td> <td>8.571-10.000</td> <td rowspan="3"><b>Leader:</b></td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td rowspan="3"><b>Average:</b></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><b>BB</b></td> <td>2.857-4.285</td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities																		
<b>AA</b>	7.143-8.570																				
<b>A</b>	5.714-7.142																				
<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																		
<b>BB</b>	2.857-4.285																				
<b>B</b>	1.429-2.856																				
<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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) "SETESG". 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

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

Finansia Syrus Securities Public Company Limited and FSS International Investment Advisory Securities Company Limited are subsidiaries of Finansia X Public Company Limited, with shared directors or executives.

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.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

### 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
11-Oct-2023	BUY	51.00	19-Aug-2024	HOLD	37.00	19-Aug-2025	HOLD	25.50
17-Nov-2023	BUY	54.00	07-Jan-2025	HOLD	45.50	17-Nov-2025	BUY	31.00
13-Feb-2024	HOLD	45.00	03-Mar-2025	HOLD	36.00			
29-Feb-2024	HOLD	40.00	07-May-2025	HOLD	30.50			

Usanee Liurut, CISA started covering this stock from 11-Feb-2026

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Srisawad Corp	SAWAD TB	THB 28.25	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. Upside risks include 1) a faster-than-expected decline in losses on sales of repossessed cars for SCAP; and 2) an interest rate downtrend could push its interest spread.

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 10-Feb-2026 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.