

TISCO Financial Group

TISCO Financial Group
Public Company Limited

TISCO

Bloomberg
Reuters

TISCO TB
TISCO.BK



3Q23: In line with estimates

As expected, TISCO's 3Q23 results reflected weak loan growth, better NIM, rising NPLs and credit cost, weaker non-NII and easing cost to income ratio. We maintain our Outperform rating with an unchanged TP of Bt108 because of the attractive dividend yield.

3Q23: Results in line. TISCO reported 3Q23 net profit of Bt1.87bn (+6% QoQ, +1% YoY), in line with estimates.

Highlights.

- 1) Asset quality: NPLs rose 3% QoQ with a 5 bps QoQ rise in NPL ratio to 2.25% (from hire-purchase and title loans). Credit cost rose 14 bps QoQ to 0.25% in 3Q23, in line with our expectation and our 2023F of 0.25%. LLR coverage fell to 206% at 3Q23 from 224% at 2Q23.
- 2) Loan growth: +0.6% QoQ, +8.7% YoY, and 5.8% YTD, mostly corporate loans (+2.6% QoQ, +31.4% YoY, +29.8% YTD) and auto cash loans (+2.8% QoQ, +16.5% YoY, +11.2% YTD), that offset a contraction in HP loans (-0.9% QoQ, -1.1% YoY, -2.2% YTD), SME loans (-1.1% QoQ, +3.1% YoY, -12.1% YTD) and mortgage loans (-3% QoQ, -12.1% YoY, -8.8% YTD). We maintain our 2023F loan growth at 8%.
- 3) NIM: Better than expected, +19 bps QoQ (+6 bps YoY). Yield on earning assets rose 38 bps QoQ (+83 bps YoY) on a higher proportion of high-yield title loans and a decrease in excess liquidity. Cost of funds rose 22 bps QoQ (+94 bps YoY).
- 4) Non-NII: -6% QoQ (flat YoY) due to a Bt44mn loss on financial instruments (vs. Bt65mn gain in 2Q23). Fee income rose 4% QoQ (-5% YoY).
- 5) Cost to income ratio: -169 bps QoQ (+29 bps YoY) to 48.56% as opex fell 2% QoQ (+8% YoY).

Earnings outlook. 9M23 earnings accounted for 75% of our full-year forecast. We expect 4Q23F earnings to be stable QoQ and rise slightly YoY. We expect 2% earnings growth in 2023, underpinned by 8% loan growth, stable NIM, a 9 bps slip in credit cost and a 3% fall in non-NII.

Maintain Outperform with an unchanged TP. We maintain our Outperform rating with an unchanged TP of Bt108 because of an attractive dividend yield of 7.8%.

Key risks: 1) Asset quality risk from high inflation and global economic slowdown and 2) volatile capital market.

Forecasts and valuation

Year to 31 Dec	Unit	2021	2022	2023F	2024F	2025F
Pre-provision profit	(Bt mn)	10,550	9,656	9,733	10,460	11,324
Net profit	(Bt mn)	6,785	7,222	7,371	7,423	7,505
PPP/Sh	(Bt)	13.18	12.06	12.16	13.06	14.14
EPS	(Bt)	8.47	9.02	9.21	9.27	9.37
BVPS	(Bt)	51.45	53.44	52.95	50.51	48.04
DPS	(Bt)	7.15	7.70	7.82	7.88	7.97
P/PPP	(x)	7.59	8.29	8.23	7.66	7.07
PPP growth	(%)	(3.16)	(8.47)	0.80	7.47	8.26
P/E	(x)	11.80	11.09	10.86	10.79	10.67
EPS growth	(%)	11.89	6.44	2.06	0.72	1.09
P/BV	(x)	1.94	1.87	1.89	1.98	2.08
ROE	(%)	16.82	17.20	17.31	17.92	19.02
Dividend yield	(%)	7.15	7.70	7.82	7.88	7.97

Source: InnovestX Research

Tactical: OUTPERFORM

(3-month)

Stock data

Last close (Oct 12) (Bt)	100.00
Target price (Bt)	108.00
Mkt cap (Btbn)	80.06
Mkt cap (US\$mn)	2,212

Beta	L
Mkt cap (%) SET	0.45
Sector % SET	10.49
Shares issued (mn)	801
Par value (Bt)	10.00
12-m high / low (Bt)	104 / 89.5
Avg. daily 6m (US\$mn)	10.21
Foreign limit / actual (%)	49 / 45
Free float (%)	73.8
Dividend policy (%)	≥ 50

Share performance

(%)	1M	3M	12M
Absolute	0.0	3.9	6.7
Relative to SET	5.8	7.0	14.8

Source: SET, InnovestX Research

2022 Sustainability /ESG Score

Sustainability Index (THSI)	Included
-----------------------------	----------

ESG Bloomberg Rank in the sector

ESG Score Rank	8/11
Environmental Score Rank	6/11
Social Score Rank	7/11
Governance Score Rank	8/11

ESG comment

TISCO has a decent ESG score. It provides concrete targets on environmental and social issues with a decent board of directors.

Source: Bloomberg Finance L.P.

Analyst

Kittima Sattayapan, CFA

Fundamental Investment

Analyst on Securities

(66-2) 949-1003

kittima.sattayapan@scb.co.th

Our view on ESG

We view that TISCO provides concrete targets for environmental and social issues with a committed timeline, and actual performance relative to targets. We view TISCO's management and governance as satisfactory, with a decent board of directors.

ESG Disclosure Score

Bloomberg ESG Score	45.44 (2022)
Rank in Sector	8/11

Environmental Issue (E)

TISCO Group's 2023-2025 environmental goals:

- Power consumption of under 250 KW/Hour per square meter and over 3% reduction from 207.48 KW-Hour per square meter in 2022
- Water consumption of under 30,000 cubic meters per year and over 5% reduction from 30,320 cubic meters per year in 2022
- Paper consumption of under 100 tons per year and over 3% reduction from 83 tons (-24.55% from 2021) in 2022
- Greenhouse gas emissions from head office building of over 14% reduction from the base year (2017) vs. -19.37% in 2022
- Lending service for EV for over 10% of newly registered EVs vs. 1,325 EV cars or 13.69% of the newly registered EVs in 2022
- Support for large-scale environmentally friendly lending projects of over 20% of large-scale lending projects vs. 20.99% in 2022

Governance Issue (G)

- The Board of Directors consists of 13 members as of December 31, 2022. The board comprises of five independent directors (38% of the total number of directors), four executive directors (31%), and four non-executive directors (31%). There are three female members (27% of all board members).
- TISCO received the "Rising Star Sustainability Excellence Award" at the SET Awards 2022; Collective Action Against Corruption Membership (3rd Round); Thaipat Institute's 100 listed companies with outstanding ESG performance - the ESG 100 in 2022 (8th consecutive year); Thaipat Institute's Sustainability Disclosure in 2022 (4th consecutive year); Thai Investors Association's Excellent CG Scoring of Thai Listed Companies (16th consecutive year); and ASEAN Corporate Governance Scorecard 2021 Award (4th consecutive year) - ASEAN Asset Class CPLs.

	CG Rating 0-5	DJSI	SETTHSI	THSI
TISCO	5	No	Yes	Yes

Source: Thai Institute of Directors (IOD), SET

Social Issue (S)

TISCO Group's 2023-2025 social goals:

- Customer experience level of Net Promoter Score of 45% vs. 37% in 2022
- Educating interested customers and general public with financial knowledge of over 500,000 persons per year vs. 526,954 persons in 2022
- Building financial skills in the young generations to support growth in the "Somwang Ngern Sang Dai" brand of at least 1 project per year such as "Karn Ngern Som Wang Camp" Project in 2022
- Providing education opportunities to children at least 1 project per year such as TISCO Ruam Jai 12 Project in 2022
- Investment in communities (Bt45mn in 2022)
- Creating a happy organization with over 85% employee satisfaction (vs. 87% in 2022), over 90% retention rate (vs. 93.4% in 2022) and zero complaints related to labor issues and human rights.

ESG Disclosure Score

	2021	2022
ESG Disclosure Score	45.44	45.44
Environment	30.47	30.47
GHG Scope 1	0.27	0.26
GHG Scope 2 Location-Based	3.17	3.31
GHG Scope 3	—	—
Total Energy Consumption	—	—
Total Waste	—	—
Water Consumption	29.42	30.32
Social	24.61	24.61
Community Spending	—	—
Number of Customer Complaints	—	—
Pct Women in Management	—	—
Pct Women in Workforce	64.66	65.48
Number of Employees - CSR	4,532	5,090
Employee Turnover Pct	5.47	6.62
Total Hours Spent by Firm - Employee Training	99,704	99,102
Governance	81.10	81.10
Size of the Board	13	13
Number of Executives / Company Managers	38	39
Number of Non Executive Directors on Board	9	9
Number of Female Executives	16	15
Number of Women on Board	3	3
Number of Independent Directors	7	5

Source: Bloomberg Finance L.P.

Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance. To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg.

Financial statement

Profit and Loss Statement

FY December 31	Unit	2018	2019	2020	2021	2022	2023F	2024F	2024F
Interest & dividend income	(Btmn)	17,690	17,881	16,757	14,792	14,904	17,871	19,534	21,029
Interest expense	(Btmn)	5,076	5,089	3,659	2,332	2,171	4,178	4,873	5,389
Net interest income	(Btmn)	12,615	12,792	13,098	12,460	12,734	13,693	14,661	15,639
Non-interest income	(Btmn)	7,196	6,631	5,808	6,369	5,551	5,407	5,550	5,699
Non-interest expenses	(Btmn)	8,753	9,271	8,012	8,279	8,630	9,367	9,751	10,015
Pre-provision profit	(Btmn)	11,057	10,153	10,894	10,550	9,656	9,733	10,460	11,324
Provision	(Btmn)	2,701	1,109	3,331	2,064	723	569	1,230	1,992
Pre-tax profit	(Btmn)	8,356	9,044	7,563	8,486	8,933	9,164	9,230	9,331
Tax	(Btmn)	1,663	1,783	1,498	1,708	1,766	1,833	1,846	1,866
Equities & minority interest	(Btmn)	(323)	(9)	2	(7)	(55)	(40)	(40)	(40)
Core net profit	(Btmn)	7,016	7,270	6,063	6,785	7,222	7,371	7,423	7,505
Extra item	(Btmn)	0	0	0	0	0	0	0	0
Net profit	(Btmn)	7,016	7,270	6,063	6,785	7,222	7,371	7,423	7,505
EPS	(Bt)	8.76	9.08	7.57	8.47	9.02	9.21	9.27	9.37
DPS	(Bt)	7.00	7.75	6.30	7.15	7.70	7.82	7.88	7.97

Balance Sheet

FY December 31	Unit	2018	2019	2020	2021	2022	2023F	2024F	2024F
Cash	(Btmn)	1,192	1,103	1,220	1,103	1,005	1,021	1,198	1,292
Interbank assets	(Btmn)	54,071	45,300	38,212	30,489	40,272	40,272	40,272	40,272
Investments	(Btmn)	9,812	10,177	12,931	10,933	7,035	7,035	7,035	7,035
Gross loans	(Btmn)	240,654	242,963	224,812	202,950	219,004	236,524	255,446	275,882
Accrued interest receivable	(Btmn)	643	746	1,902	1,713	1,722	1,722	1,722	1,722
Loan loss reserve	(Btmn)	11,674	10,314	11,826	11,736	11,845	11,499	11,770	12,756
Net loans	(Btmn)	229,623	233,396	214,888	192,926	208,881	226,748	245,399	264,848
Total assets	(Btmn)	302,562	298,250	275,443	243,616	265,414	283,367	302,268	321,885
Deposits	(Btmn)	193,108	216,085	203,473	166,542	188,266	205,398	224,911	245,040
Interbank liabilities	(Btmn)	4,375	4,656	5,808	8,081	6,195	6,195	6,195	6,195
Borrowings	(Btmn)	55,557	25,017	12,826	14,962	15,757	15,757	15,757	15,757
Total liabilities	(Btmn)	264,731	259,054	235,981	202,418	222,623	240,970	261,819	283,418
Minority interest	(Btmn)	133	3	3	3	3	3	3	3
Paid-up capital	(Btmn)	8,007	8,007	8,007	8,007	8,007	8,007	8,007	8,007
Total Equities	(Btmn)	37,698	39,193	39,459	41,194	42,789	42,394	40,445	38,464
BVPS	(Bt)	47.08	48.95	49.28	51.45	53.44	52.95	50.51	48.04

Key Assumptions and Financial Ratios

	Unit	2018	2019	2020	2021	2022	2023F	2024F	2024F
Growth									
YoY loan growth	(%)	(4.27)	0.96	(7.47)	(9.72)	7.91	8.00	8.00	8.00
YoY non-NII growth	(%)	7.11	(7.85)	(12.41)	9.66	(12.83)	(2.61)	2.66	2.68
Profitability									
Yield on earn'g assets	(%)	5.81	5.93	5.83	5.69	5.84	6.50	6.66	6.72
Cost on int-bear'g liab	(%)	1.99	2.04	1.56	1.13	1.09	1.91	2.06	2.10
Spread	(%)	3.82	3.89	4.27	4.55	4.75	4.59	4.60	4.62
Net interest margin	(%)	4.14	4.24	4.56	4.79	4.99	4.98	5.00	5.00
ROE	(%)	19.41	18.91	15.42	16.82	17.20	17.31	17.92	19.02
ROA	(%)	2.32	2.42	2.11	2.61	2.84	2.69	2.54	2.40
Asset Quality									
NPLs/Total Loans	(%)	2.85	2.39	2.50	2.44	2.09	2.03	1.97	1.92
LLR/NPLs	(%)	169.77	176.77	210.48	236.74	258.82	239.78	233.89	241.24
Provision expense/Total loans	(%)	1.10	0.46	1.42	0.97	0.34	0.25	0.50	0.75
Liquidity									
Loans/Deposits & borrowings	(%)	96.78	100.77	103.94	111.82	107.34	106.95	106.14	105.78
Efficiency									
Cost to income ratio	(%)	44.19	47.73	42.38	43.97	47.19	49.04	48.25	46.93
Capital Fund									
Capital adequacy ratio	(%)	21.45	20.78	21.86	23.18	20.62	19.93	17.75	15.79
Tier-1	(%)	16.75	16.38	17.48	18.56	17.15	16.50	14.56	12.82
Tier-2	(%)	4.70	4.40	4.38	4.61	3.47	3.43	3.19	2.97

Financial statement

Profit and Loss Statement

FY December 31	Unit	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Interest & dividend income	(Btmn)	3,617	3,556	3,616	3,755	3,977	4,104	4,397	4,666
Interest expense	(Btmn)	510	495	510	533	633	847	978	1,110
Net interest income	(Btmn)	3,108	3,061	3,107	3,221	3,344	3,257	3,420	3,557
Non-interest income	(Btmn)	1,738	1,345	1,443	1,244	1,520	1,373	1,313	1,239
Non-interest expenses	(Btmn)	2,176	2,099	2,125	2,155	2,250	2,282	2,378	2,329
Earnings before tax & provision	(Btmn)	2,669	2,307	2,425	2,310	2,614	2,349	2,355	2,467
Provision	(Btmn)	412	85	140	119	379	125	63	147
Pre-tax profit	(Btmn)	2,257	2,221	2,285	2,191	2,235	2,223	2,292	2,320
Tax	(Btmn)	460	439	451	433	443	441	449	457
Equities & minority interest	(Btmn)	3	(13)	(15)	(13)	(14)	(10)	(10)	(11)
Core net profit	(Btmn)	1,794	1,795	1,848	1,771	1,806	1,793	1,854	1,874
Extra item	(Btmn)	0	0	0	0	0	0	0	0
Net profit	(Btmn)	1,794	1,795	1,848	1,771	1,806	1,793	1,854	1,874
EPS	(Bt)	2.24	2.24	2.31	2.21	2.26	2.24	2.32	2.34

Balance Sheet

FY December 31	Unit	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Cash	(Btmn)	1,103	1,094	1,021	980	1,005	1,047	948	798
Interbank assets	(Btmn)	30,489	32,511	32,554	34,337	40,272	45,791	37,582	34,626
Investments	(Btmn)	10,933	11,355	10,093	9,182	7,035	7,585	6,458	7,866
Gross loans	(Btmn)	202,950	203,553	203,341	213,188	219,004	220,099	230,494	231,794
Accrued interest receivable	(Btmn)	1,713	1,658	1,634	1,699	1,722	1,728	1,804	1,918
Loan loss reserve	(Btmn)	11,736	11,497	11,298	11,015	11,845	11,644	11,345	10,728
Net loans	(Btmn)	192,926	193,713	193,677	203,872	208,881	210,183	220,953	222,983
Total assets	(Btmn)	243,616	246,449	244,723	255,939	265,414	273,224	274,359	273,933
Deposits	(Btmn)	166,542	171,435	168,879	182,540	188,266	196,683	199,356	200,797
Interbank liabilities	(Btmn)	8,081	7,821	6,884	4,458	6,195	7,156	6,514	7,284
Borrowings	(Btmn)	14,962	11,227	17,127	15,137	15,757	10,966	13,986	11,676
Total liabilities	(Btmn)	202,418	203,450	205,472	214,915	222,623	228,624	234,146	233,454
Minority interest	(Btmn)	3	3	3	3	3	3	3	3
Paid-up capital	(Btmn)	8,007	8,007	8,007	8,007	8,007	8,007	8,007	8,007
Total Equities	(Btmn)	41,194	42,995	39,247	41,020	42,789	44,596	40,210	40,476
BVPS	(Bt)	51.45	53.70	49.02	51.23	53.44	55.70	50.22	50.55

Financial Ratios

		4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Growth									
YoY loan growth	(%)	(9.72)	(7.79)	(4.98)	4.30	7.91	8.13	13.35	8.73
YoY non-NII growth	(%)	1.78	(32.02)	(7.21)	13.23	(12.50)	2.14	(8.97)	(0.38)
Profitability									
Yield on earn'g assets	(%)	5.91	5.78	5.86	5.98	6.08	6.08	6.42	6.80
Cost on int-bear'g liab	(%)	1.07	1.04	1.06	1.08	1.23	1.60	1.80	2.02
Spread	(%)	4.84	4.74	4.80	4.90	4.86	4.49	4.62	4.78
Net interest margin	(%)	5.08	4.98	5.04	5.13	5.12	4.83	4.99	5.18
ROE	(%)	16.82	17.06	17.98	17.65	17.20	16.41	17.49	18.58
ROA	(%)	2.78	2.91	3.02	2.77	2.72	2.62	2.70	2.74
Asset Quality									
NPLs/Total Loans	(%)	2.44	2.15	2.20	2.08	2.09	2.13	2.20	2.25
LLR/NPLs	(%)	236.74	262.11	253.10	247.99	258.82	248.08	223.99	205.79
Provision expense/Total loans	(%)	0.81	0.17	0.28	0.23	0.70	0.23	0.11	0.25
Liquidity									
Loans/Deposits & borrowings	(%)	111.82	111.44	109.32	107.85	107.34	106.00	108.04	109.09
Efficiency									
Cost to income ratio	(%)	44.92	47.64	46.70	48.27	46.26	49.30	50.26	48.56
Capital Fund									
Capital adequacy ratio	(%)	23.18	22.40	22.14	21.49	20.62	20.64	20.19	19.90
Tier-1	(%)	18.56	18.39	18.18	17.62	17.15	17.17	16.86	16.60
Tier-2	(%)	4.61	4.01	3.97	3.87	3.47	3.47	3.33	3.30

Figure 1: Quarterly results

P & L (Bt mn)	3Q22	2Q23	3Q23	%YoY ch	%QoQ ch	9M22	9M23	% YoY ch	% full year
Interest income	3,755	4,397	4,666	24	6	10,927	13,168	21	74
Interest expense	533	978	1,110	108	13	1,538	2,935	91	70
Net interest income	3,221	3,420	3,557	10	4	9,389	10,233	9	75
Non-interest income	1,244	1,313	1,239	(0)	(6)	4,031	3,926	(3)	73
Operating expenses	2,155	2,378	2,329	8	(2)	6,379	6,988	10	75
Pre-provision profit	2,310	2,355	2,467	7	5	7,041	7,171	2	74
Provision	119	63	147	24	132	344	335	(3)	59
Pre-tax profit	2,191	2,292	2,320	6	1	6,697	6,836	2	75
Income tax	433	449	457	6	2	1,323	1,346	2	73
MI and equity	13	10	11	(15)	8	41	31	(24)	NA
Net profit	1,771	1,854	1,874	6	1	5,415	5,521	2	75
EPS (Bt)	2.21	2.32	2.34	6	1	6.76	6.90	2	75
B/S (Bt mn)	3Q22	2Q23	3Q23	%YoY ch	%QoQ ch	9M22	9M23	%YoY ch	% full year
Gross loans	213,188	230,494	231,794	8.7	0.6	213,188	231,794	9	NM
Deposits	182,540	199,356	200,797	10	1	182,540	200,797	10	NM
BVPS (Bt)	51.23	50.22	50.55	(1)	1	51.23	50.55	(1)	NM
Ratios (%)	3Q22	2Q23	3Q23	%YoY ch*	%QoQ ch*	9M22	9M23	YoY ch*	% full year
Yield on earn. asset	5.98	6.42	6.80	0.83	0.38	5.82	6.50	0.68	NM
Cost of funds	1.08	1.80	2.02	0.94	0.22	1.05	1.82	0.77	NM
Net interest margin	5.13	4.99	5.18	0.06	0.19	5.00	5.05	0.05	NM
Cost to income	48.27	50.26	48.56	0.29	(1.69)	47.53	-	(47.53)	NM
Credit cost	0.23	0.11	0.25	0.03	0.14	0.22	0.20	(0.02)	NM
NPLs/total loans	2.08	2.20	2.25	0.17	0.05	2.08	2.25	0.17	NM
LLR/NPLs	247.99	223.99	205.79	(42.20)	(18.21)	247.99	205.79	(42.20)	NM

Source: TISCO and InnovestX Research

Note: * Percentage points

Figure 2: Valuation summary (price as of Oct 12, 2023)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)		
					22A	23F	24F	22A	23F	24F	22A	23F	24F	22A	23F	24F	22A	23F	24F
BAY	Outperform	31.25	38.0	24.6	7.5	6.7	6.3	(9)	12	7	0.7	0.6	0.6	9	10	10	2.7	3.0	3.2
BBL	Outperform	169.50	210.0	27.7	11.0	7.1	6.6	11	55	7	0.6	0.6	0.6	6	9	9	2.7	3.8	4.1
KBANK	Neutral	127.50	143.0	15.4	8.4	7.7	7.2	(6)	10	7	0.6	0.6	0.5	7	8	8	3.1	3.3	3.5
KKP	Neutral	54.00	60.0	16.0	6.0	7.1	6.0	20	(15)	18	0.8	0.7	0.7	14	11	12	6.0	4.9	5.8
KTB	Outperform	19.60	25.0	32.0	8.1	6.7	6.4	56	21	5	0.7	0.7	0.6	9	10	10	3.5	4.5	4.7
SCB	No rec	104.00			9.3	8.3	7.7	6	13	8	0.8	0.7	0.7	8	9	9	6.4	7.3	7.8
TCAP	Neutral	49.75	54.0	15.4	10.9	8.6	8.3	0	27	3	0.9	0.8	0.7	8	9	9	6.2	6.8	7.2
TISCO	Outperform	100.00	108.0	15.8	11.1	10.9	10.8	6	2	1	1.9	1.9	2.0	17	17	18	7.7	7.8	7.9
TTB	Neutral	1.71	1.7	4.6	11.7	9.7	9.3	35	20	5	0.8	0.7	0.7	7	8	8	4.3	5.1	5.4
Average					9.3	8.1	7.6	6	18	7	0.9	0.8	0.8	10	10	10	4.7	5.2	5.5

Source: InnovestX Research

Disclaimer

The information in this report has been obtained from sources believed to be reliable. However, its accuracy or completeness is not guaranteed. Any opinions expressed herein reflect our judgment at this date and are subject to change without notice. This report is for information only. It is not to be construed as an offer, or solicitation of an offer to sell or buy any securities. We accept no liability for any loss arising from the use of this document. We or our associates may have an interest in the companies mentioned therein.

InnovestX Securities Company Limited ("INVX") is wholly owned by SCB X Public Company Limited ("SCBX") and The Siam Commercial Bank Public Company Limited ("SCB") is majority-owned by SCBX. Any information related to SCB is for sector comparison purpose.

This document is prepared by InnovestX Securities Company Limited ("INVX") which is wholly-owned by SCB X Public Company Limited ("SCBX"). The Siam Commercial Bank Public Company Limited, which is majority-owned by SCBX, acts as financial advisor of the SCG Chemicals Public Company Limited (SCGC). Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. INVX and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and INVX cannot guarantee the accuracy, completeness and/or correctness of the Information.

This document is prepared by InnovestX Securities Company Limited ("INVX") which is wholly-owned by SCB X Public Company Limited ("SCBX"). The Siam Commercial Bank Public Company Limited, which is majority-owned by SCBX, acts as financial advisor of the Big C Retail Company Limited (BRC), a subsidiary of Berli Jucker Public Company Limited. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. INVX and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and INVX cannot guarantee the accuracy, completeness and/or correctness of the Information.

This document is prepared by InnovestX Securities Company Limited ("INVX") which is wholly owned by SCB X Public Company Limited ("SCBX"). The Siam Commercial Bank Public Company Limited, which is majority-owned by SCBX, acts as financial advisor of the LH Hotel Leasehold Real Estate Investment Trust. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. INVX and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and INVX cannot guarantee the accuracy, completeness and/or correctness of the Information.

INVX reserves the right to modify the Information from time to time without notice and in its sole discretion. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

Futures and Options trading carry a high level of risk with the potential for substantial losses, and are not suitable for all persons. Before deciding to trade Futures and Options, you should carefully consider your financial position, investment objectives, level of experience, and risk appetite if Futures and Options trading are appropriate. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Futures and Options trading, and you are advised to rely on your own judgment while making investment decision and/or should seek advice from professional investment advisor if you have any doubts.

This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

© Copyright 2022 InnovestX Securities Co., Ltd. All right reserved.

CG Rating 2022 Companies with CG Rating**Companies with Excellent CG Scoring**

AAV, ADVANC, AF, AH, AIRA, AJ, AKP, AKR, ALLA, ALT, AMA, AMARIN, AMATA, AMATAV, ANAN, AOT, AP, APURE, ARIP, ASP, ASW, AUCTION, AWC, AYUD, BAFS, BAM, BANPU, BAY, BBL, BCP, BCPG, BDMS, BEM, BEYOND, BGC, BGRIM, BIZ, BKI, BOL, BPP, BRR, BTS, BTW, BWG, CENTEL, CFRESH, CGH, CHEWA, CHO, CIMBT, CK, CKP, CM, CNT, COLOR, COM7, COMAN, COTTO, CPALL, CPAXT, CPF, CPI, CPN, CRC, CSS, DDD, DELTA, DEMCO, DOHOME, DRT, DTAC, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ETC, ETE, FN, FNS, FPI, FPT, FSMART, FVC, GC, GEL, GFPT, GGC, GLAND, GLOBAL, GPI, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, ICC, ICHI, IIL, ILINK, ILM, IND, INTUCH, IP, IRC, IRPC, ITEL, IVL, JTS, JWD, K, KBANK, KCE, KEX, KGI, KKP, KSL, KTB, KTC, LALIN, LANN, LHF, LIT, LOXLEY, LPN, LRH, LST, MACO, MAJOR, MALEE, MBK, MC, MCOT, METCO, MFEC, MINT, MONO, MOONG, MSC, MST, MTC, MVP, NCL, NEP, NER, NKI, NOBLE, NSI, NVD, NYT, OISHI, OR, ORI, OSP, OTO, PAP, PCSGH, PDG, PDJ, PG, PHOL, PLANB, PLANET, PLAT, PORT, PPS, PR9, PREB, PRG, PRM, PSH, PSL, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QTC, RATCH, RBF, RS, S, S&J, SAAM, SABINA, SAMART, SAMTEL, SAT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SCN, SDC, SEAFCO, SEAOL, SE-ED, SELIC, SENA, SENX, SGF, SHR, SICT, SIRI, SIS, SITHAI, SMP, SNC, SONIC, SORKON, SPALI, SPI, SPRC, SPVI, SSC, SSSC, SST, STA, STEC, STGT, STI, SUN, SUSCO, SUTHA, SVI, SYMC, SYNTec, TACC, TASCO, TCAP, TEAM, TFMAMA, THANA, THANI, THCOM, THG, THIP, THRE, THREL, TIPCO, TISCO, TK, TKN, TKS, TKT, TMILL, TMT, TNDT, TNITY, TOA, TOP, TPBI, TQM, TRC, TRUE, TSC, TSR, TSTE, TSTH, TTA, TTB, TTCL, TTW, TU, TVDH, TVI, TVO, TWPC, U, UAC, UBIS, UPOIC, UV, VCOM, VGI, VIH, WACOAL, WAVE, WHA, WHAUP, WICE, WINNER, XPG, ZEN

Companies with Very Good CG Scoring

2S, 7UP, ABICO, ABM, ACE, ACG, ADB, ADD, AEONTS, AGE, AHC, AIE, AIT, ALUCON, AMANAH, AMR, APCO, APCS, AQUA, ARIN, ARROW, AS, ASAP, ASEFA, ASIA, ASIAN, ASIMAR, ASK, ASN, ATP30, B, BA, BC, BCH, BE8, BEC, SCAP, BH, BIG, BJC, BJCHI, BLA, BR, BRI, BROOK, BSM, BYD, CBG, CEN, CHARAN, CHAYO, CHG, CHOTI, CHOW, CI, CIG, CITY, CIVIL, CMC, CPL, CPW, CRANE, CRD, CSC, CSP, CV, CWT, DCC, DHOUSE, DITTO, DMT, DOD, DPAINT, DV8, EASON, EFORL, ERW, ESSO, ESTAR, FE, FLOYD, FORTH, FSS, FTE, GBX, GCAP, GENCO, GJS, GTB, GYT, HEALTH, HPT, HTC, HUMAN, HYDRO, ICN, IFS, IIG, IMH, INET, INGRS, INSET, INSURE, IRCP, IT, ITD, J, JAS, JCK, JCKH, JMT, JR, KBS, KCAR, KIAT, KISS, KK, KOOL, KTIS, KUMWEL, KUN, KWC, KWM, L&E, LDC, LEO, LH, LHK, M, MATCH, MBAX, MEGA, META, MFC, MGT, MICRO, MILL, MITSIB, MK, MODERN, MTI, NBC, NCAP, NCH, NDR, NETBAY, NEX, NINE, NATION, NNCL, NOVA, NPK, NRF, NTV, NUSA, NWR, OCC, OGC, ONEE, PACO, PATO, PB, PICO, PIMO, PIN, PJW, PL, PLE, PM, PMTA, PPP, PPPM, PRAPAT, PRECHA, PRIME, PRIN, PRINC, PROEN, PROS, PROUD, PSG, PSTC, PT, PTC, QLT, RCL, RICHY, RJH, ROJNA, RPC, RT, RWI, S11, SA, SABUY, SAK, SALEE, SAMCO, SANKO, SAPPE, SAWAD, SCI, SCP, SE, SECURE, SFLEX, SFP, SFT, SGP, SIAM, SINGER, SKE, SKN, SKR, SKY, SLP, SMART, SMD, SMT, SNNP, SNP, SO, SPA, SPD, SPCG, SR, SRICHA, SSF, SSP, STANLY, STC, STPI, SUC, SVOA, SVT, SWC, SYNEX, TAE, TAKUNI, TCC, TCMC, TFG, TFI, TFM, TGH, TIDLOR, TIGER, TIPH, TITLE, TM, TMC, TMD, TMI, TNL, TNP, TNR, TOG, TPA, TPAC, TPCS, TPIPL, TPIPP, TPLAS, TPS, TQR, TRITN, TRT, TRU, TRV, TSE, TVT, TWP, UBE, UEC, UKEM, UMI, UOBKH, UP, UPF, UTP, VIBHA, VL, VPO, VRANDA, WGE, WIIL, WIN, WINMED, WORK, WP, XO, YUASA, ZIGA

Companies with Good CG Scoring

A, A5, AI, ALL, ALPHAX, AMC, APP, AQ, AU, B52, BEAUTY, BGT, BLAND, BM, BROCK, BSBM, BTNC, CAZ, CCP, CGD, CMAN, CMO, CMR, CPANEL, CPT, CSR, CTW, D, DCON, EKH, EMC, EP, EVER, F&D, FMT, GIFT, GLOCON, GLORY, GREEN, GSC, HL, HTECH, IHL, INOX, JAK, JMART, JSP, JUBILE, KASET, KCM, KWI, KYE, LEE, LPH, MATI, M-CHAI, MCS, MDX, MENA, MJD, MORE, MUD, NC, NEWS, NFC, NSL, NV, PAF, PEACE, PF, PK, PPM, PRAKIT, PTL, RAM, ROCK, RP, RPH, RSP, SIMAT, SISB, SK, SOLAR, SPACK, SPG, SQ, STARK, STECH, SUPER, SVH, PTECH, TC, TCCC, TCJ, TEAM, THE, THMUI, TKC, TNH, TNPC, TOPP, TPCH, TPOLY, TRUBB, TTI, TYCN, UMS, UNIQ, UPA, UREKA, VARO, W, WFX, WPH, YGG, ZAA

Corporate Governance Report

The material contained in this publication is for general information only and is not intended as advice on any of the matters discussed herein. Readers and others should perform their own independent analysis as to the accuracy or completeness or legality of such information. The Thai Institute of Directors, its officers, the authors and editor make no representation or warranty as to the accuracy, completeness or legality of any of the information contained herein. By accepting this document, each recipient agrees that the Thai Institute of Directors Association, its officers, the authors and editor shall not have any liability for any information contained in, or for any omission from, this publication.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. InnovestX Securities Company Limited does not conform nor certify the accuracy of such survey result.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition (Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2021 to 27 October 2022) is publicized.

* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทที่มีส่วนดำเนินการกำหนดผลการดำเนินงาน เช่น การกระทำเกี่ยวกับหลักธรรมาภิบาล การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการให้ข้อมูล CGR ของระบอบกติกาส่งผลกระทบต่อ

Anti-corruption Progress Indicator**Certified (ได้รับรับรอง)**

2S, 7UP, AAI, ADVANC, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCO, AS, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BKI, BLA, BPP, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, COTTO, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CSC, DCC, DELTA, DEMCO, DIMET, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERW, ESTAR, ETC, ETE, FNS, FPI, FPT, FSMART, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HTC, ICC, ICHI, IFS, IIL, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITEL, IVL, JAS, JKN, JR, JTS, KASET, KBANK, KBS, KCAR, KCE, KGE, KGI, KKP, KSL, KTB, KTC, L&E, LANN, LHF, LHK, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NOK, NRF, NWR, OCC, OGC, OR, ORI, PAP, PATO, PB, PICO, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RML, RS, RWI, S&J, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SGC, SGP, SINGER, SIRI, SITHAI, SKR, SMT, SMK, SMPC, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SYMC, SYNTec, TAE, TAKUNI, TASCO, TCAP, TCMC, TFG, TFI, TFMAMA, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TRT, TRU, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UOBKH, UV, VCOM, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIIL, XO, YUASA, ZEN, ZIGA

Declared (ประกาศเจตนารมณ์)

ACE, ADB, ASW, BBGI, BRI, BTG, CAZ, CBG, CI, CV, DEXON, DMT, DOHOME, EKH, EVER, GLOBAL, GREEN, ICN, ITC, J, JMART, JMT, LEO, LH, MEGA, MENA, MITSIB, MODERN, NER, OSP, OTO, POLY, PQS, PRIME, PROEN, PRTR, RBF, RT, SA, SANKO, SENX, SFLEX, SIS, SKE, SM, SUPER, SVOA, SVT, TBN, TEGH, TGE, TIPH, TKN, TPLAS, TQM, TRUE, VARO, VIBHA, W, WIN, WPH, XPG

N/A

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALL, ALLA, ALPHAX, ALT, ALUCON, AMAR, AMARIN, AMC, AMR, ANAN, AOT, APCO, APEX, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCTION, AURA, B52, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BLAND, BLC, BLESS, BLISS, BM, BOL, BR, BROCK, BSM, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CGD, CH, CHARAN, CHASE, CHAYO, CHG, CHIC, CHO, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DITTO, DOD, DPAINT, DTCENT, DTCT, DV8, EASON, ECL, EE, EFORL, EMC, ESSO, F&D, FANCY, FE, FLOYD, FMT, FN, FORTH, FSX, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HEALTH, HFT, HL, HPT, HTECH, HUMAN, HYDRO, I2, IFEC, IHL, IIG, IMH, IND, INGRS, INSET, IP, IRC, IRPC, IT, ITD, ITNS, ITTHI, JAK, JCK, JCKH, JCT, JDF, JPARK, JSP, JUBILE, K, KAMART, KC, KCG, KCM, KDH, KEX, KIAT, KISS, KJL, KK, KKC, KLINIQ, KOOL, KTIS, KTM, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LDC, LEE, LIT, LOXLEY, LPH, LST, MACO, MANRIN, MASTER, MATI, MAX, M-CHAI, MCS, MDX, MEB, METCO, MGC, MGT, MICRO, MIDA, MJD, MK, ML, MORE, MOSHI, MTW, MUD, MVP, NC, NCH, NCL, NDR, NETBAY, NEW, NEWS, NEX, NFC, NNCL, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, PACE, PACO, PAF, PCC, PEACE, PERM, PF, PHG, PICO, PIN, PJW, PLE, PLT, PLUS, PMTA, POLAR, POMPUI, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRI, PRIN, PRO, PROUD, PSG, PSP, PTC, PTL, RAM, RCL, READY, RICHY, RJH, ROCK, ROH, ROJNA, RP, RPC, RPH, RSP, S, S11, SABUY, SAF, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWAD, SAWANG, SBNEXT, SCAP, SCB, SCI, SCP, SDC, SE, SEAFCO, SECURE, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SINO, SISB, SJWD, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNNP, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SRS, SSC, SSS, STANLY, STARK, STC, STEC, STECH, STHAI, STI, STP, STPI, SUC, SUN, SUTHA, SVR, SWC, SYNEX, TACC, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THL, THMUI, TIGER, TITLE, TK, TKC, TLI, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPP, TPS, TQR, TR, TRC, TRITN, TRUBB, TRV, TSE, TTI, TTT, TTW, TURTLE, TVH, TVT, TWP, TWZ, TYCN, UAC, UBA, UMI, UMS, UNIQ, UP, UPF, UPOIC, UREKA, UTP, UVAN, VL, VNG, VPO, VRANDA, WARRIX, WAVE, WFX, WGE, WINMED, WINNER, WORK, WORLD, WP, YGG, YONG, ZAA

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of July 25, 2023) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.