

BUY (Unchanged)

Change in Numbers

TP: Bt 123.00 (From: Bt 118.00)**Upside : 10.8%****26 SEPTEMBER 2024**

SCB X Pcl (SCB TB)

Turnaround in sight

SCBx is a BUY for its high dividend yield and the reduced risk of large corporate defaults. We expect improved resilience among self-employed retail borrowers. Supported by lower provisions and the higher yields of consumer finance subsidiaries, we estimate its earnings growth to rebound by 14% in 2025-26F.

**SARACHADA SORNSONG**

662-779-9119

sarachada.sor@thanachartsec.co.th

Easing concerns

Our concerns about the group's asset quality are easing. A key corporate client involved in power plants, battery, and EV-related businesses successfully rescheduled its short-term bank loans into five-year long-term loans and deferred debenture settlement by another year. This reduces the risk of cross-default to SCB bank, its main lender. Additionally, we expect improved resilience among self-employed retail borrowers in the restructuring program and stronger debt collection from Card X as the economy improves. We keep our credit cost assumption of 1.84% this year but lower it to 1.7% in 2025F and 1.57% in 2026F.

NIM cushions

SCB's proactive funding and liquidity management supported its NIM in 1H24. With 8% exposure to fixed-rate retail loans and 7% to consumer finance loans via Gen 2 subsidiaries, the bank looks well-positioned to mitigate the impact of declining interest rates. We also expect strong loan growth from Gen 2 Auto X's title loans and improve lending momentum of Card X's personal loans in 2025. We project SCBx's NIM to remain stable at 3.66-3.67% for 2024-25F.

Earnings growth turnaround

Due to extra provisions and impairment expenses, we estimate a 5.2% profit contraction for SCBx in 2024. However, we expect a strong rebound with 14% annual profit growth in 2025 and 2026, driven by 1) loan growth increasing to 3% annually from 1.9% in 2024, 2) stable NIM, 3) lower provisions as extra provisions phase out, and 4) reduced operating expenses following the closure of the Robinhood application. With our base year rolled over to 2025F, we lift our DDM-based 12-month TP to Bt123 (from Bt118), based on a 12% cost of equity.

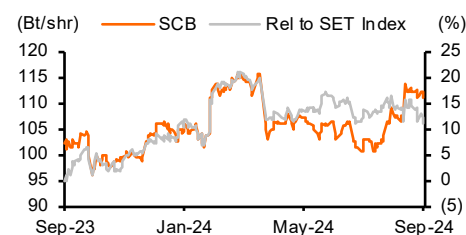
Still the highest dividend yield; BUY

SCBx's successful transformation into a holding company has unlocked its dividend payment potential. Last year, the group raised its dividend payout ratio to 80%, and it is committed to maintaining this level going forward. Along with the announced interim dividend of Bt2 per share, we estimate a final dividend of Bt8 per share, resulting in a dividend yield exceeding 9%, the highest in the sector. We maintain our BUY rating on SCBx.

COMPANY VALUATION

Y/E Dec (Bt m)	2023A	2024F	2025F	2026F
Pre Provision Profit	98,905	97,431	101,217	107,626
Net profit	43,521	41,256	46,950	54,032
Consensus NP	—	41,710	44,281	48,787
Diff frm cons (%)	—	(1.1)	6.0	10.7
Norm profit	43,521	41,256	46,950	54,032
Prev. Norm profit	—	41,256	44,932	54,063
Chg frm prev (%)	—	0.0	4.5	(0.1)
Norm EPS (Bt)	12.9	12.3	13.9	16.0
Norm EPS grw (%)	15.9	(5.2)	13.8	15.1
Norm PE (x)	8.6	9.1	8.0	6.9
P/BV (x)	0.8	0.8	0.8	0.7
Div yield (%)	9.3	9.0	10.0	11.6
ROE (%)	9.3	8.6	9.6	10.7
ROA (%)	1.3	1.2	1.3	1.5

PRICE PERFORMANCE



COMPANY INFORMATION

Price: as of 25-Sep-24 (Bt)	111.00
Market Cap (US\$ m)	11,433
Listed Shares (m shares)	3,367.1
Free Float (%)	76.4
Avg. Daily Turnover (US\$ m)	31.1
12M Price H/L (Bt)	115.50/96.00
Sector	BANK
Major Shareholder	HM King Maha Vajiralongkorn
	Bodindradebayavarangkun 23.58%

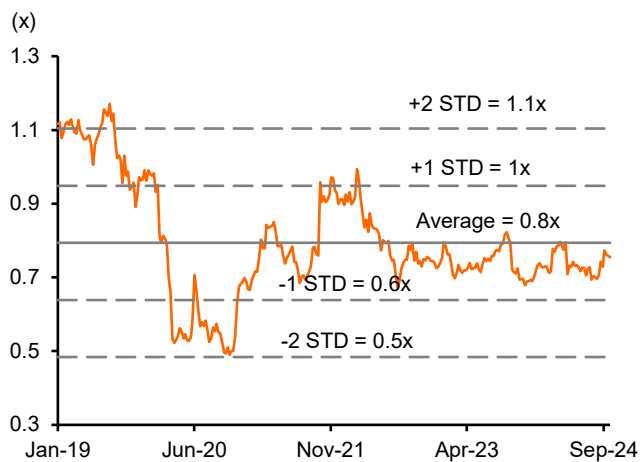
Sources: Bloomberg, Company data, Thanachart estimates



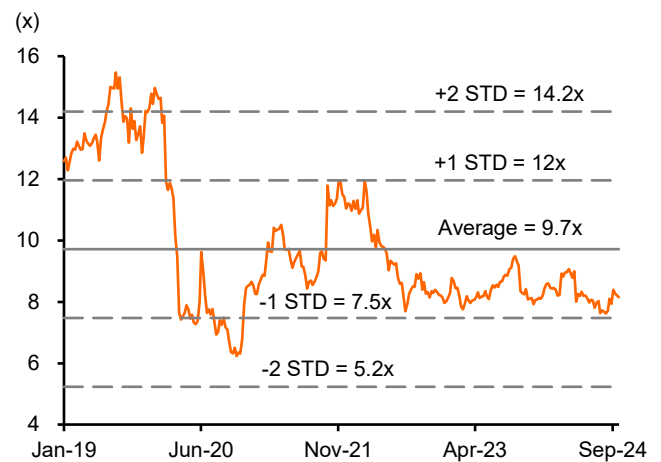
Ex 1: Earnings Revisions

	2019	2020	2021	2022	2023	2024F	2025F	2026F
Net profits (Bt bn)								
- New	40.44	27.22	35.59	37.55	43.52	41.26	46.95	54.03
- Old						41.26	44.93	54.06
- Change (%)						0.00	4.49	(0.06)
Loan growth (%)								
- New	(1.25)	6.69	2.07	3.27	2.08	1.88	2.96	2.86
- Old						1.88	2.96	2.86
- Change (ppt)						0.00	0.00	0.00
NIM (%)								
- New	3.23	3.10	2.89	3.19	3.62	3.66	3.67	3.84
- Old						3.66	3.67	3.84
- Change (ppt)						0.00	(0.00)	(0.00)
Provisioning expenses (Bt bn)								
- New	27.11	46.65	42.02	33.83	43.60	45.42	43.24	41.02
- Old						45.42	45.77	41.02
- Change (%)						0.00	(5.53)	0.00
Net fee income (Bt bn)								
- New	29.67	36.59	40.20	37.15	32.72	31.70	32.54	33.52
- Old						31.70	32.54	33.52
- Change (%)						0.00	0.00	0.00
Non-interest income (Bt bn)								
- New	42.64	47.95	54.61	46.28	46.00	44.39	45.04	46.38
- Old						44.39	45.04	46.38
- Change (%)						0.00	0.00	0.00
OPEX (Bt bn)								
- New	70.54	64.33	63.56	69.87	71.78	73.82	73.44	77.54
- Old						73.82	73.44	77.54
- Change (%)						0.00	0.00	0.00

Sources: Company data, Thanachart estimates

Ex 2: STD P/BV

Sources: Bloomberg, Thanachart estimates

Ex 3: STD PE

Sources: Bloomberg; Thanachart estimates

Ex 4: 12-month DDM-based TP Calculation Using A Base Year Of 2025F

(Bt m)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	Terminal Value
Dividend of common shares	33,671	37,560	43,225	46,460	48,382	50,249	52,255	54,403	56,700	59,156	59,156
Dividend payment	33,671	37,560	43,225	46,460	48,382	50,249	52,255	54,403	56,700	59,156	548,340
PV of dividend	33,671	29,675	30,355	28,992	26,835	24,773	22,199	20,445	18,856	17,409	161,369
Risk-free rate (%)	3.0										
Market risk premium (%)	8.0										
Beta	1.2										
WACC (%)	12.5										
Cost of equity	12.5										
Terminal growth (%)	2.0										
Equity value	414,579										
No. of shares (m)	3,367										
Equity value / share (Bt)	123.0										

Sources: Company data, Thanachart estimates

COMPANY DESCRIPTION

Siam Commercial Bank (SCB) was Thailand's first home-grown bank, established in 1906 under Royal Charter and listed on the SET in 1976. The company has undergone a major business reorganization plan to transform the bank into SCBx, an investment holding company. The business transfer was completed in 4Q22. As a banking entity, it has divided its business operating platform into three generations. They are 1) Gen 1: SCB Bank; 2) Gen 2: Consumer and digital finance services; and 3) Gen 3: Platform and digital assets.

Source: Thanachart

COMPANY RATING



Rating Scale

Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: Thanachart; *CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Leading position in retail products.
- Strong deposit franchise.
- Healthy balance sheet.

O — Opportunity

- Successful penetration of unsecured, digital/machine lending.
- Wealth management
- Non-bank service fees.

W — Weakness

- New structure has increased its exposure to higher-risk segments.
- Increasing exposure to digital assets, for which the business outlook remains unsettled.

T — Threat

- Global economic recession.
- New accounting standards and regulations.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	111.43	123.00	10%
Net profit 24F (Bt m)	41,710	41,256	-1%
Net profit 25F (Bt m)	44,281	46,950	6%
Consensus REC	BUY: 14	HOLD: 12	SELL: 2

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2024F earnings are lower than the Street's, which we attribute to us factoring in a slower pace of credit cost reduction for SCBx.
- As we expect a larger cut in provisions and continued high dividend payments, our earnings for 2025F and TP are higher than the Bloomberg consensus numbers.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- Our BUY rating is premised on its commitment to pay high dividends. Should SCBx cut its dividend payout ratio to less than what we presently assume, this would present a major downside risk to our TP and BUY recommendation.
- In the event that asset-quality risk is greater than we forecast, leading to higher-than-expected provisions, this would present the key downside risk to our earnings estimates and TP.

Source: Thanachart

INCOME STATEMENT

*Hit by one-off expenses
and a slower pace of
credit cost reduction*

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
Interest and Dividend Income	126,993	161,121	167,383	169,123	176,852
Interest Expenses	19,127	36,439	40,521	39,505	38,063
Net Interest Income	107,865	124,682	126,862	129,618	138,789
% of total income	70.0%	73.0%	74.1%	74.2%	75.0%
Gain on Investment	54	68	70	70	70
Fee Income	37,148	32,723	31,700	32,541	33,517
Gain on Exchange	6,669	8,828	9,000	9,180	9,364
Others	2,262	4,234	3,400	3,000	3,150
Non-interest Income	46,283	46,003	44,385	45,036	46,376
% of total income	30.0%	27.0%	25.9%	25.8%	25.0%
Total Income	154,148	170,686	171,247	174,654	185,165
Operating Expenses	69,874	71,781	73,816	73,437	77,538
Pre-provisioning Profit	84,274	98,905	97,431	101,217	107,626
Provisions	33,829	43,600	45,418	43,236	41,023
Pre-tax Profit	50,445	55,305	52,013	57,981	66,604
Income Tax	13,592	11,955	11,131	11,596	13,321
After Tax Profit	36,853	43,351	40,882	46,385	53,283
Equity Income	273	418	618	818	1,018
Minority Interest	421	(247)	(243)	(253)	(269)
Extraordinary Items	0	0	0	0	0
NET PROFIT	37,546	43,521	41,256	46,950	54,032
Normalized Profit	37,546	43,521	41,256	46,950	54,032
EPS (Bt)	11.2	12.9	12.3	13.9	16.0
Normalized EPS (Bt)	11.2	12.9	12.3	13.9	16.0

BALANCE SHEET

*Caution in lending
practices leads to weak
loan growth*

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
ASSETS:					
Liquid Items	569,309	477,473	520,000	529,000	546,000
cash & cash equivalents	47,254	40,676	35,000	34,000	33,000
interbank & money market	522,056	436,797	485,000	495,000	513,000
Securities under resale agreeme	0	0	0	0	0
Investments	390,671	386,162	347,820	347,920	348,020
Net loans	2,247,848	2,301,044	2,340,243	2,409,079	2,476,593
Gross and accrued interest	2,396,738	2,450,030	2,495,093	2,568,985	2,640,867
Provisions for doubtful	148,890	148,985	154,850	159,906	164,274
Fixed assets - net	68,898	71,919	74,784	72,374	68,285
Other assets	177,726	202,124	208,188	214,433	220,866
Total assets	3,454,452	3,438,722	3,491,034	3,572,806	3,659,764
LIABILITIES:					
Liquid Items	2,748,576	2,677,324	2,714,221	2,804,694	2,897,116
Deposit	2,555,800	2,442,860	2,457,758	2,526,230	2,596,652
Interbank & money market	181,347	221,459	241,459	261,459	281,459
Liability payable on demand	11,429	13,005	15,005	17,005	19,005
Borrowings	71,996	109,911	120,642	100,409	80,204
Other liabilities	167,268	167,754	165,754	163,754	161,754
Total liabilities	2,987,840	2,954,989	3,000,617	3,068,858	3,139,075
Minority interest	5,380	5,651	5,894	6,147	6,416
Shareholders' equity	461,232	478,082	484,523	497,801	514,273
Preferred capital	-	-	-	-	-
Paid-in capital	33,671	33,671	33,671	33,671	33,671
Share premium	11,019	11,019	11,019	11,019	11,019
Surplus/ Others	21,955	20,833	20,833	20,833	20,833
Retained earnings	394,587	412,559	418,999	432,278	448,749
Liabilities & equity	3,454,452	3,438,722	3,491,034	3,572,806	3,659,764

Sources: Company data, Thanachart estimates

VALUATION

FY ending Dec	2022A	2023A	2024F	2025F	2026F
Normalized PE (x)	10.0	8.6	9.1	8.0	6.9
Normalized PE - at target price (x)	11.0	9.5	10.0	8.8	7.7
PE (x)	10.0	8.6	9.1	8.0	6.9
PE - at target price (x)	11.0	9.5	10.0	8.8	7.7
P/PPP (x)	4.4	3.8	3.8	3.7	3.5
P/PPP - at target price (x)	4.9	4.2	4.3	4.1	3.8
P/BV (x)	0.8	0.8	0.8	0.8	0.7
P/BV - at target price (x)	0.9	0.9	0.9	0.8	0.8
Dividend yield (%)	6.0	9.3	9.0	10.0	11.6
Market cap / net loans (x)	0.2	0.2	0.2	0.2	0.2
Market cap / deposit (x)	0.1	0.2	0.2	0.1	0.1
(Bt)					
Normalized EPS	11.2	12.9	12.3	13.9	16.0
EPS	11.2	12.9	12.3	13.9	16.0
DPS	6.7	10.3	10.0	11.2	12.8
PPP/Share	25.0	29.4	28.9	30.1	32.0
BV/Share	137.0	142.0	143.9	147.8	152.7

Highest dividend yield in the sector

FINANCIAL RATIOS

FY ending Dec	2022A	2023A	2024F	2025F	2026F
Growth Rate (%)					
Net interest income (NII)	13.3	15.6	1.7	2.2	7.1
Non-interest income (Non-II)	(15.3)	(0.6)	(3.5)	1.5	3.0
Operating expenses	9.9	2.7	2.8	(0.5)	5.6
Pre-provisioning profit (PPP)	(2.3)	17.4	(1.5)	3.9	6.3
Net profit	5.5	15.9	(5.2)	13.8	15.1
Normalized profit growth	5.5	15.9	(5.2)	13.8	15.1
EPS	5.5	15.9	(5.2)	13.8	15.1
Normalized EPS	5.5	15.9	(5.2)	13.8	15.1
Dividend payout ratio	60.0	80.0	81.6	80.0	80.0
Loan - gross	3.3	2.1	1.9	3.0	2.9
Loan - net	3.8	2.4	1.7	2.9	2.8
Deposit	3.6	(4.4)	0.6	2.8	2.8
NPLs	(12.6)	1.6	(0.0)	2.6	1.9
Total assets	4.2	(0.5)	1.5	2.3	2.4
Total equity	4.6	3.7	1.3	2.7	3.3
Operating Ratios (%)					
Net interest margin (NIM)	3.2	3.6	3.7	3.7	3.8
Net interest spread	4.7	5.3	5.2	5.3	5.5
Yield on earnings assets	3.9	4.9	5.1	5.0	5.1
Avg cost of fund	0.7	1.3	1.4	1.4	1.3
NII / operating income	70.0	73.0	74.1	74.2	75.0
Non-II / operating income	30.0	27.0	25.9	25.8	25.0
Fee income / operating income	24.1	19.2	18.5	18.6	18.1
Normalized net margin	24.4	25.5	24.1	26.9	29.2
Cost-to-income	45.3	42.1	43.1	42.0	41.9
Credit cost - provision exp / loans	1.4	1.8	1.8	1.7	1.6
PPP / total assets	2.5	2.9	2.8	2.9	3.0
PPP / total equity	18.7	21.1	20.2	20.6	21.3
ROA	1.1	1.3	1.2	1.3	1.5
ROE	8.3	9.3	8.6	9.6	10.7

NIM support from exposures to fixed interest rate retail and consumer finance loans

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

	FY ending Dec	2022A	2023A	2024F	2025F	2026F
<i>Efficient management of excess liquidity</i>	Liquidity and Quality Ratio (%)					
	Loan-to-deposit	93.0	99.3	100.6	100.8	100.8
	Loan-to-deposit & S-T borrowing	93.0	99.3	100.6	100.7	100.8
	Net loan / assets	65.1	66.9	67.0	67.4	67.7
	Net loan / equity	487.4	481.3	483.0	483.9	481.6
	Investment / assets	11.3	11.2	10.0	9.7	9.5
	Deposit / liabilities	85.5	82.7	81.9	82.3	82.7
	Liabilities / equity	647.8	618.1	619.3	616.5	610.4
	Net interbank lender (Bt m)	340,708	215,338	243,541	233,541	231,541
	Tier 1 CAR	17.7	17.6	17.3	17.5	17.7
	Tier 2 CAR	1.1	1.1	1.9	1.8	1.8
	Total CAR	18.9	18.8	19.2	19.3	19.5
	NPLs (Bt m)	95,329	96,832	96,809	99,343	101,258
	NPLs / Total loans (NPL Ratio)	4.0	4.0	3.9	3.9	3.8
Loan-Loss-Coverage	156.2	153.9	160.0	161.0	162.2	

Sources: Company data, Thanachart estimates

ESG Information - Third Party Terms

www.Settrade.com

SETTRADE: You acknowledge that the use of data, information or service displayed and/or contained in this website may require third party's data, content or software which is subject to the terms of third party provider. By accessing and/or using of such certain data, you acknowledge and agree to comply with and be bound by the applicable third party terms specified below.

ESG Scores by Third Party data from www.SETTRADE.com

1. MSCI (CCC- AAA)
2. ESG Book (0-100)
3. Refinitiv (0-100)
4. S&P Global (0-100)
5. Moody's ESG Solutions (0-100)
6. SET ESG Rating (BBB-AAA)

SETESG Index (SETESG)

The SETESG Index reflects the price movement of stock of companies that have sustainable business practices which consider environmental, social and governance (ESG) aspect.

SET Index, SET50 Index, SET100 Index and all indices calculated by the Stock Exchange of Thailand ("SET") (collectively called "SET Index Series") are the registered trademarks/service marks solely owned by, and proprietary to SET. Any unauthorized use of SET Index Series is strictly prohibited. All information provided is for information purposes only and no warranty is made as to its fitness for purpose, satisfactory quality or otherwise. Every effort has been made to ensure that all information given is accurate, but no responsibility or liability (including in negligence) can be accepted by SET for errors or omissions or for any losses arising from the use of this information.

SET ESG Index (SET ESG)

Currently, long-term investment guidelines abroad are beginning to focus on investing in companies that have sustainable business practices. which considers environmental, social and governance factors (Environmental, Social and Governance or ESG) of the company in making investment decisions along with analyzing the company's financial data.

Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

ESG Book's Disclaimer

Arabesque S-Ray GmbH, also trading as "ESG Book", is a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated in Frankfurt am Main and organised under the laws of Germany with registered number HRB 113087 in the commercial register of the local court with its seat and business address at Zeppelinallee 15, 60325 Frankfurt am Main, Germany (hereinafter "ESG Book"). ESG Book, with its UK branch and local subsidiaries, is a provider of sustainability data and advisory services and operates the sustainability data platform ESG Book. ESG Book does not offer any regulated financial services nor products. This document is provided on a confidential basis by ESG Book and is for information purposes only; accordingly, it is not a solicitation or an offer to buy any security or instrument or to participate in any trading activities nor should it be construed as a recommendation or advice on the merits of investing in any financial product. THIRD PARTY INFORMATION. Certain information contained in this document has been obtained from sources outside ESG Book. While such information is believed to be reliable for the purposes used herein, no representations are made as to the accuracy or completeness thereof and neither ESG Book nor its affiliates take any responsibility for such information. To the extent this document contains any links to third party websites, such links are provided as a convenience and for informational purposes only; they do not constitute an endorsement or an approval by ESG Book of any of the products, services or opinions of the corporations or organization or individual operating such third party websites. ESG Book bears no responsibility for the accuracy, legality or content of the external site or for that of subsequent links. RELIANCE – ESG Book makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and accepts no liability for any loss, of whatever kind, howsoever arising, in relation thereto, and nothing contained herein should be relied upon. CONFIDENTIALITY. This document contains highly confidential information regarding ESG Book's strategy and organization. Your acceptance of this document constitutes your agreement to keep confidential all the information contained in this document, as well as any information derived by you from the information contained in this document and not disclose any such information to any other person. This document may not be copied, reproduced, in any way used or disclosed or transmitted, in whole or in part, to any other person.

MSCI ESG Research LLC

"Certain information @2021 MSCI ESG Research LLC. Reproduced by permission"

"Although [User ENTITY NAME's] information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, non of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages."

Score range	Description
CCC - B	LAGGARD: A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	AVERAGE : A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	LEADER: A company leading its industry in managing the most significant ESG risks and opportunities

The Dow Jones Sustainability Indices (DJSI)

The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognized that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. The family was launched in 1999 as the first global sustainability benchmark and tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. Created jointly by S&P Dow Jones Indices and SAM, the DJSI combine the experience of an established index provider with the expertise of a specialist in Sustainable Investing to select the most sustainable companies from across 61 industries. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for investors who wish to encourage companies to improve their corporate sustainability practices.

S&P Global Market Intelligence

Copyright © 2021, S&P Global Market Intelligence (and its affiliates as applicable). Reproduction of any information, opinions, views, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We identify five categories of ESG risk severity that could impact a company's enterprise value

Moody's ESG Solutions

© 2022 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS,

ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody's.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJJK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJJK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJJK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

Additional terms for Hong Kong only: Any Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the Hong Kong Securities and Futures Ordinance ("SFO") is issued by Vigeo Eiris Hong Kong Limited, a company licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities in Hong Kong. This Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the SFO is intended for distribution only to "professional investors" as defined in the SFO and the Hong Kong Securities and Futures (Professional Investors) Rules. This Second Party Opinion or other opinion must not be distributed to or used by persons who are not professional investors.

MJJK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJJK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJJK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY550,000,000.

MJJK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

Refinitiv ESG

These Terms of Use govern your access or use of the ESG information and materials on the Refinitiv website and any AI powered voice assistance software ("Refinitiv ESG Information"). 2020© Refinitiv. All rights reserved. Refinitiv ESG Information is proprietary to Refinitiv Limited and/or its affiliates ("Refinitiv").

The Refinitiv ESG Information is for general informational and non-commercial purposes only. Reproduction, redistribution or any other form of copying or transmission of the Refinitiv ESG Information is prohibited without Refinitiv's prior written consent.

All warranties, conditions and other terms implied by statute or common law including, without limitation, warranties or other terms as to suitability, merchantability, satisfactory quality and fitness for a particular purpose, are excluded to the maximum extent permitted by applicable laws. The Refinitiv ESG Information is provided "as is" and Refinitiv makes no express or implied warranties, representations or guarantees concerning the accuracy, completeness or currency of the information in this service or the underlying Third Party Sources (as defined below). You assume sole responsibility and entire risk as to the suitability and results obtained from your use of the Refinitiv ESG Information.

The Refinitiv ESG Information does not amount to financial, legal or other professional advice, nor does it constitute: (a) an offer to purchase shares in the funds referred to; or (b) a recommendation relating to the sale and purchase of instruments; or (c) a recommendation to take any particular legal, compliance and/or risk management decision. Investors should remember that past performance is not a guarantee of future results.

The Refinitiv ESG Information will not be used to construct or calculate and index or a benchmark, used to create any derivative works or used for commercial purposes. Refinitiv's disclaimer in respect of Benchmark Regulations applies to the Refinitiv ESG Information.

No responsibility or liability is accepted by Refinitiv its affiliates, officers, employees or agents (whether for negligence or otherwise) in respect of the Refinitiv ESG Information, or for any inaccuracies, omissions, mistakes, delays or errors in the computation and compilation of the Refinitiv ESG Information (and Refinitiv shall not be obliged to advise any person of any error therein). For the avoidance of doubt, in no event will Refinitiv have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of the Refinitiv ESG Information.

You agree to indemnify, defend and hold harmless Refinitiv from and against any claims, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable legal and experts' fees and costs, as incurred, arising in any manner out of your use of, or inability to use, any Information contained on the Refinitiv web site or obtained via any AI powered voice assistance software.

You represent to us that you are lawfully able to enter into these Terms of Use. If you are accepting these Terms of Use for and on behalf of an entity such as the company you work for, you represent to us that you have legal authority to bind that entity.

By accepting these Terms of Use you are also expressly agreeing to the following Refinitiv's website Terms of Use.

Refinitiv ESG scores are derived from third party publicly available sources ("Third Party Sources") and are formulated on the basis of Refinitiv own transparent and objectively applied methodology. Refinitiv's ESG Information methodology can be accessed here.

Score range	Description	
0 to 25	First Quartile	Scores within this range indicates poor relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly.
> 25 to 50	Second Quartile	Scores within this range indicates satisfactory relative ESG performance and moderate degree of transparency in reporting material ESG data publicly.
> 50 to 75	Third Quartile	Scores within this range indicates good relative ESG performance and above average degree of transparency in reporting material ESG data publicly.
> 75 to 100	Fourth Quartile	Score within this range indicates excellent relative ESG performance and high degree of transparency in reporting material ESG data publicly.

CG Report : by Thai Institute of Directors Association (Thai IOD), Established in December 1999, the Thai IOD is a membership organization that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

90-100	▲▲▲▲▲	Excellent
80-89	▲▲▲▲	Very Good
70-79	▲▲▲	Good
60-69	▲▲	Satisfactory
50-59	▲	Pass
Below		N/A

General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued Derivative Warrants underlying securities before making investment decisions.

Note: Thanachart Capital Pcl (TCAP) holds an 89.96% of Thanachart Securities (TNS). TCAP holds a 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 combinedly hold a 60% stake in THANI.

Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 24.35% of the shareholding in TMBThanachart Bank Pcl.

Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED (PRG) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of Srisawad Corporation Public Company Limited (SAWAD) No. 4/2024 (B.E. 2567) tranche 1-3 which its maturity at 2027-29 (B.E. 2570-72), therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED No. 7/2024 (B.E. 2567) tranche 1-3 which its maturity at 2026-28 (B.E. 2569-71)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Disclosure of Interest of Thanachart Securities

Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: Euroasia Total Logistics Pcl (ETL TB).

Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. 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 the market price and the formal recommendation.

For sectors, an "Overweight" sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. "Underweight" is used when we have SELLs on majority of the stocks we cover by market cap. "Neutral" is used when there are relatively equal weightings of BUYs and SELLs.

Thanachart Securities Pcl.

Research Team

18 Floor, MBK Tower

444 Phayathai Road, Pathumwan Road, Bangkok 10330

Tel: 662 - 779-9119

Email: thanachart.res@thanachartsec.co.th

Pimpaka Nichgaroon, CFA

Head of Research, Strategy
pimpaka.nic@thanachartsec.co.th

Nuttapop Prasitsuksant

Telecom, Utilities
nuttapop.pra@thanachartsec.co.th

Rata Limsuthiwanoom

Auto, Industrial Estate, Media, Prop. Fund
rata.lim@thanachartsec.co.th

Siriporn Arunothai

Small Cap, Healthcare, Hotel
siriporn.aru@thanachartsec.co.th

Sittichet Rungrassameephat

Analyst, Retail Market Strategy
sittichet.run@thanachartsec.co.th

Adisak Phupiphathirungul, CFA

Retail Market Strategy
adisak.phu@thanachartsec.co.th

Pattadol Bunnak

Electronics, Food & Beverage, Shipping
pattadol.bun@thanachartsec.co.th

Saksid Phadthananarak

Construction, Transportation
saksid.pha@thanachartsec.co.th

Yupapan Polpornprasert

Energy, Petrochemical
yupapan.pol@thanachartsec.co.th

Thaloengsak Kucharoenpaisan

Analyst, Retail Market Strategy
thaloengsak.kuc@thanachartsec.co.th

Pattarawan Wangmingmat

Senior Technical Analyst
pattarawan.wan@thanachartsec.co.th

Phannarai Tiyapittayarut

Property, Retail
phannarai.von@thanachartsec.co.th

Sarachada Sornsong

Bank, Finance
sarachada.sor@thanachartsec.co.th

Witchanan Tambamroong

Technical Analyst
witchanan.tam@thanachartsec.co.th

Nariporn Klangpremsitt, CISA

Analyst, Retail Market Strategy
nariporn.kla@thanachartsec.co.th