

**HOLD** (From: BUY)**TP: Bt 23.50** (From: Bt 32.00)

Change in Recommendation

Upside : 8.3%

# Srisawad Corporation Pcl (SAWAD TB)

## Fairly priced

We downgrade SAWAD to HOLD, as we see it as fairly valued at 7x PE against a moderate 2026-28F EPS CAGR of 7%. Also, its dividend payout ratio fell to 23% in 2025 vs. a 53% average over 2020-22 despite similarly conservative loan growth, implying a less attractive 2026F yield of 3.0%.

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### Fairly priced in a moderate growth cycle

We downgrade SAWAD to HOLD from Buy with a lower DDM-based 12-month TP (2026F base year) of Bt23.5 from Bt32.0. **First**, its earnings outlook is moderate with a 7% EPS CAGR over 2026-28F. This is after our 3-4% p.a. earnings cuts in 2026-28F to reflect slower loan growth and higher credit costs. **Second**, we cut our payout ratio assumption to 23% from 45% in 2026-28F, after SAWAD paid only 23% in 2025 despite its loan portfolio declining 1% — well below the 53% average over 2020-22 when growth was similarly modest. This reflects the company's more conservative balance sheet strategy. Our dividend yield estimate falls to only 3.3% in 2026F. **Third**, with a more moderate earnings outlook and lower dividend yield, we see SAWAD as fairly priced at 7x 2026F PE.

### Moderate earnings outlook

We estimate 4/9/9% EPS growth for 2026-28F. SAWAD is cautious on its loan growth outlook amid the Middle East conflict and continued soft consumption. We project 4/5/6% loan growth and expect the company to maintain high credit costs of 215/210/200bps in those three years. Although we expect an economic turnaround, the drivers are more investment-driven than domestic consumption, which should continue to grow more moderately in the high household debt environment. SAWAD's 1Q26 earnings grew 22% y-y and 1% q-q. We expect 1% y-y growth but a -4% q-q earnings drop in 2Q26F. Soft earnings are pressured by higher credit costs and rising losses on repossessed-asset sales, as SAWAD plans to conservatively accelerate debt collection amid higher NPL formation risk.

### Lower payout brings down yield and ROE

We cut our dividend payout ratio assumption for 2026-28F to 23% from 45% previously, following SAWAD's actual 2025 payout ratio of 23%. This was despite the company's loan portfolio declining by 1% in 2025, compared with an average payout ratio of 53% p.a. during 2020-22, a period when loan growth was also conservative. We believe this reflects management's preference for a more conservative cash preservation strategy. We then estimate only a 3.3% yield in 2026F, which is less attractive than Tidlor Holdings Pcl (TIDLOR TB, BUY, Bt17.8) at 4.1% and Krungthai Card Pcl (KTC TB, BUY, Bt29) at 6.3%. While the lower payout should strengthen its balance sheet, with IBD/E falling to 1.2x in 2028F from 1.7x in 2025, we expect ROE to decline to 12.9% from 14.2% over the same period.

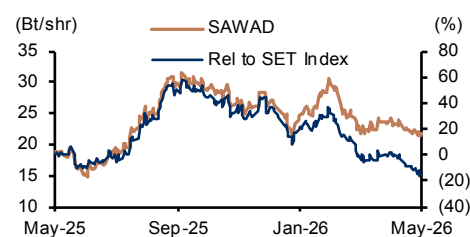
### Lock-phone business still very small

SAWAD's new lock-phone hire-purchase business has attractive characteristics of high loan yields (30–40% effective interest rates) and strong asset quality with NPLs below 1%. That is supported by a 30% down payment and a remote device-locking system, but the business remains too small (<1% of the loan portfolio) to support loan growth and NIM.

### COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Pre Provision Profit	8,595	9,085	9,834	10,558
Net profit	5,021	5,235	5,709	6,234
Consensus NP	—	5,356	5,864	6,444
Diff frm cons (%)	—	(2.3)	(2.6)	(3.3)
Norm profit	5,021	5,235	5,709	6,234
Prev. Norm profit	—	5,379	5,968	6,521
Chg frm prev (%)	—	(2.7)	(4.3)	(4.4)
Norm EPS (Bt)	3.02	3.15	3.44	3.75
Norm EPS grw (%)	(9.6)	4.3	9.1	9.2
Norm PE (x)	7.2	6.9	6.3	5.8
P/BV (x)	1.0	0.9	0.8	0.7
Div yield (%)	3.2	3.3	3.6	4.0
ROE (%)	14.2	13.3	13.1	12.9
ROA (%)	4.7	4.9	5.2	5.4

### PRICE PERFORMANCE



### COMPANY INFORMATION

Price as of 22-May-26 (Bt)	21.70
Market Cap (US\$ m)	1,104.5
Listed Shares (m shares)	1,661.5
Free Float (%)	44.1
Avg. Daily Turnover (US\$ m)	10.0
12M Price H/L (Bt)	31.50/14.90
Sector	Finance
Major Shareholder	Kaewbootta Family 30.82%

Sources: Bloomberg, Company data, ttb wealth estimates

## Moderate earnings outlook

*Lower earnings due to slower growth and higher credit costs*

We lower our 2026-28F net profit estimates for Sawad Corporation Pcl (SAWAD TB) by 3-4% p.a. to reflect slower loan growth and higher credit costs amid the Middle East conflict and weak domestic economic conditions. We also lower our DDM-based 12-month TP, using a 2026F base year, to Bt23.5/share from Bt32.0 previously.

### Ex 1: Earnings Revisions And Assumption Changes

	2024	2025	2026F	2027F	2028F
<b>Normalized profit (Bt bn)</b>					
- New	5.05	5.02	5.23	5.71	6.23
- Old			5.38	5.97	6.52
- Change (%)			(2.68)	(4.34)	(4.41)
<b>Normalized EPS (Bt/share)</b>					
- New	3.34	3.02	3.15	3.44	3.75
- Old			3.24	3.59	3.92
- Change (%)			(2.68)	(4.34)	(4.41)
<b>Loan growth (%)</b>					
- New	(4.03)	(0.98)	4.00	5.00	6.00
- Old			5.00	8.00	6.00
- Change (ppt)			(1.00)	(3.00)	0.00
<b>NIM (%)</b>					
- New	15.62	14.68	15.09	15.52	15.67
- Old			15.12	15.43	15.57
- Change (ppt)			(0.03)	0.09	0.10
<b>Cost-to-income ratio (%)</b>					
- New	52.18	47.69	46.80	46.04	45.49
- Old			49.69	49.48	48.83
- Change (ppt)			(2.89)	(3.44)	(3.34)
<b>Credit costs (%)</b>					
- New	2.01	2.14	2.15	2.10	2.00
- Old			1.90	1.80	1.80
- Change (ppt)			0.25	0.30	0.20
<b>NPLs (Bt bn)</b>					
- New	3.34	3.60	3.84	3.94	4.05
- Old			3.76	3.81	4.01
- Change (%)			1.97	3.34	0.88

Sources: Company data, ttb wealth estimates

## Ex 2: 12-month DDM-based Valuation Using A Base Year Of 2026F

(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	Terminal value
Dividend of common shares	1,163	1,204	1,313	1,434	2,051	2,198	2,351	4,587	4,858	5,415	7,387
Dividend payment	1,163	1,204	1,313	1,434	2,051	2,198	2,351	4,587	4,858	5,415	66,870
PV of dividend	1,163	990	979	970	1,258	1,223	1,186	2,098	2,016	2,038	25,166
Risk-free rate (%)	2.5										
Market risk premium (%)	8.0										
Beta	1.0										
WACC (%)	10.3										
Cost of equity	10.3										
Terminal growth (%)	2.0										
Equity value	39,089										
No. of shares (m)	1,662										
<b>Equity value / share (Bt)</b>	<b>23.5</b>										

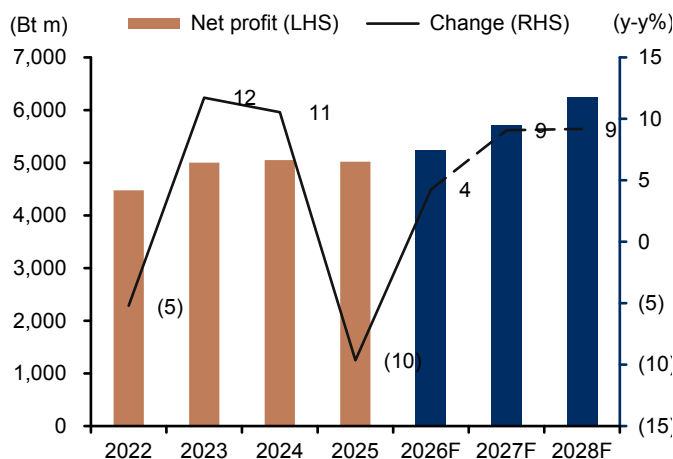
Sources: Company data, ttb wealth estimates

Following our revisions, we expect SAWAD to deliver only 4% y-y earnings growth in 2026F, below the ~8% y-y growth of title-loan peers. We believe the company's earnings growth profile is becoming less attractive as loan expansion slows while credit costs remain elevated.

We estimate loan growth of 4/5/6% and expect credit costs to remain elevated at 215/210/200bps over 2026–28F. While we expect the economy to recover, growth will likely be driven more by investment than domestic consumption, which looks set to remain subdued amid high household debt.

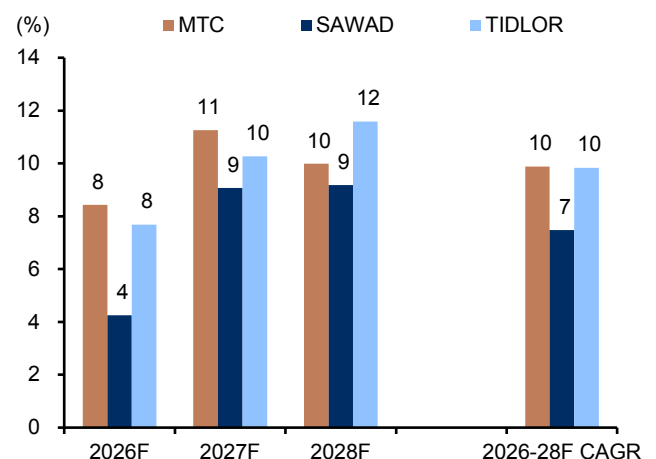
For 2Q26F, we expect earnings to decline q-q, while still increasing y-y, pressured mainly by higher credit costs and rising losses on sales. The Middle East conflict could weaken borrowers' repayment ability and lead to an uptick in NPL formation. As a result, we expect SAWAD to accelerate debt collection efforts and loan write-offs in 2Q26, which would likely keep credit costs elevated and result in higher losses on repossessed asset sales.

## Ex 3: SAWAD's Net Profit Growth



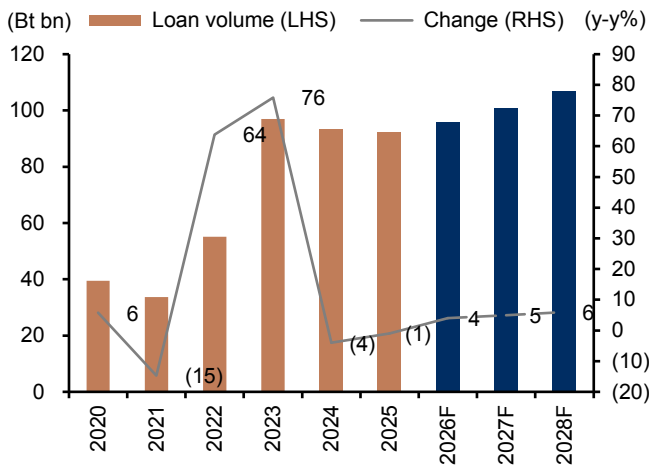
Sources: Company data, ttb wealth estimates

## Ex 4: Comparing Title Lenders' Net Profit Growth



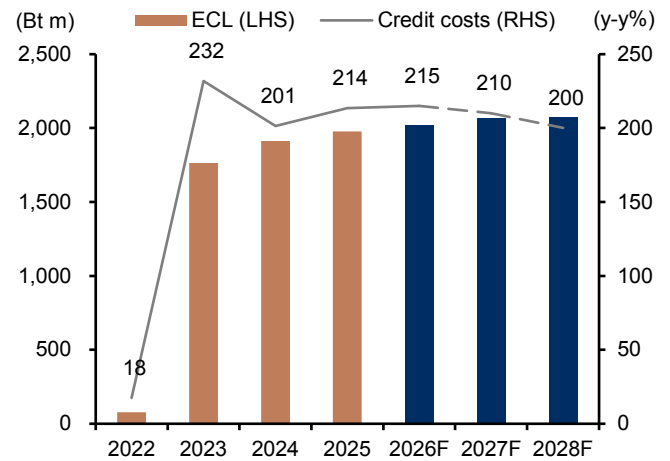
Sources: Company data, ttb wealth estimates

Ex 5: SAWAD's Loan Growth



Sources: Company data, ttb wealth estimates

Ex 6: SAWAD's Credit Costs



Sources: Company data, ttb wealth estimates

### Lower payout brings down yield

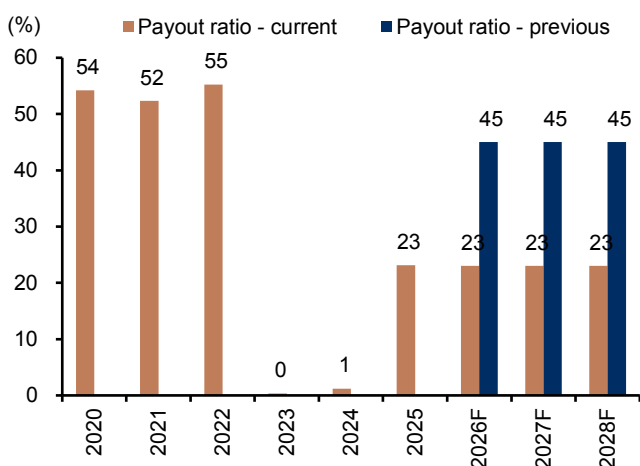
**Cutting our dividend payout assumptions**

We cut our dividend payout ratio assumption to 23% for 2026-28F from 45% previously, following the disappointing 2025 payout ratio of only 23%, despite a 1% y-y loan contraction. This was well the historical average of 53% during 2020–22, when loan growth was also conservative. We believe the lower payout reflects management’s preference to preserve cash for future growth and navigate uncertainty.

**2026F dividend yield of 3.3%**

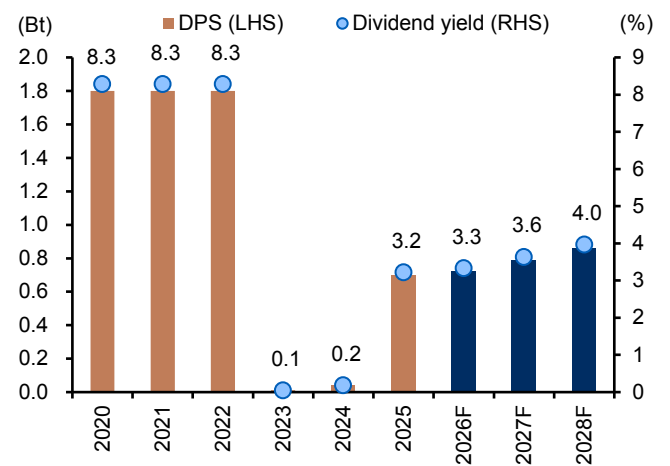
The income appeal of SAWAD diminishes as a result. Given only a 3.3% dividend yield in 2026F, SAWAD no longer competes effectively with Tidor Holdings Pcl (TIDLOR TB, BUY, Bt17.8) at 4.1% and Krungthai Card Pcl (KTC TB, BUY, Bt29) at 6.3%.

Ex 7: Change In Dividend Payout Ratio Assumptions



Sources: Company data, ttb wealth estimates

Ex 8: DPS And Dividend Yield

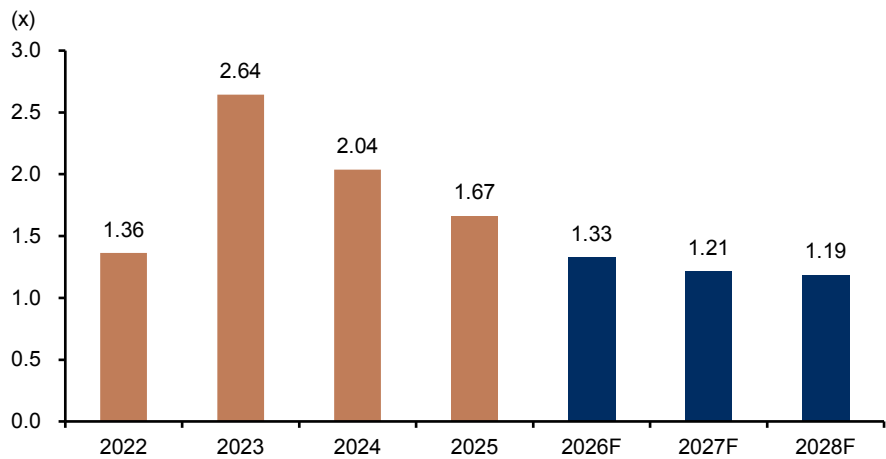


Sources: Company data, ttb wealth estimates

**Conservative capital strategy limits shareholder returns and valuation upside**

While a lower payout ratio would strengthen SAWAD’s balance sheet amid uncertain conditions, we think the company is becoming overly conservative. We expect IBD/E to stay low at only 1.2-1.3x in 2026–28F, below its historical level and peers. This suggests SAWAD is not fully leveraging its financial position to support earnings growth and shareholder returns.

**Ex 9: Lower IBD/E Ratio**



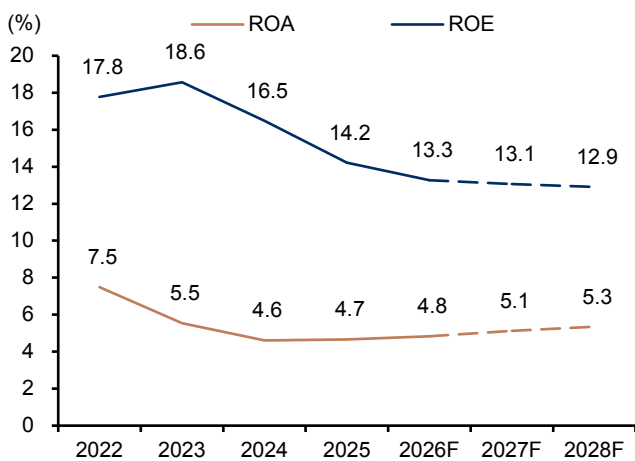
Sources: Company data, ttb wealth estimates

**Declining ROE**

*2028F ROE = 12.9%, down from 14.2% in 2025*

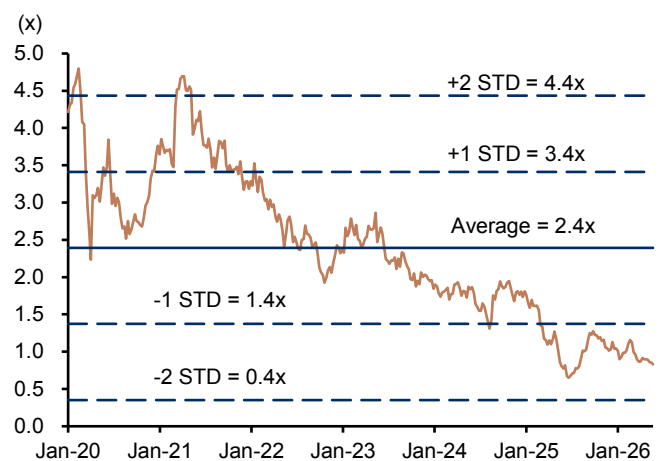
We expect the lower payout ratio to gradually dilute ROE over time, as retained earnings increase the equity base while earnings growth looks set to remain modest. We now estimate ROE to decline from 14.2% in 2025 to 12.9% in 2028F, compared with our previous expectation of an improvement to 14.6%. As a result, we see more limited upside potential despite SAWAD trading at only 7x PE and 0.9x P/BV in 2026F. While sub-book valuations may appear attractive, they are typically compelling only when ROE is expected to recover or improve over time.

**Ex 10: Downward Trend In ROE**



Sources: Company data, ttb wealth estimates

**Ex 11: STD – P/BV**



Sources: Bloomberg, ttb wealth estimates

## Lock-phone business still very small

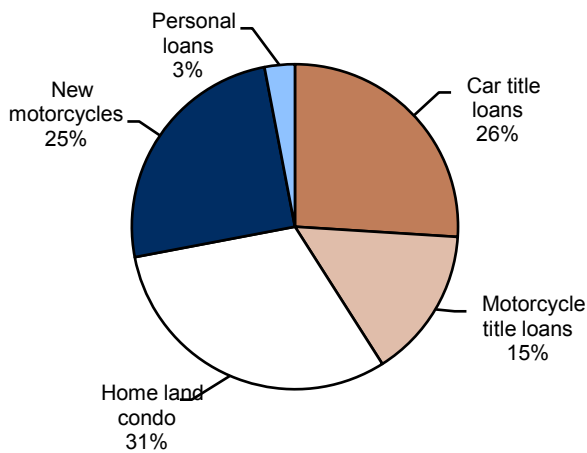
*High-yield lock-phone lending has strong asset quality but limited scale*

SAWAD has operated a mobile phone hire-purchase (lock-phone) business for approximately 18 months through its financial subsidiary. We view this as an attractive business: loan yields are high at an effective interest rate of 30–40%, and asset quality is strong, with NPLs below 1% — well below SAWAD's overall portfolio — supported by a 30% down payment requirement and remote device-locking technology that provides an effective enforcement mechanism against delinquency.

The business initially focused on iPhone lending, with an average ticket size of ~Bt30,000 and loan durations of 12–18 months. More recently, SAWAD has expanded into Android handsets and signed partnerships with six major smartphone manufacturers — realme, Huawei, HONOR, Infinix, Nubia, and TECNO — to broaden coverage across 7,000+ partner stores nationwide.

However, the business is still very small, accounting for less than 1% of total loans, so it does not meaningfully affect earnings. We see it as a medium-term option rather than a near-term growth driver, with any material impact likely only from 2028F onward.

**Ex 12: Loan Breakdown In 1Q26**



Source: Company data

**Ex 13: Lock-Phone Business – The Highest Loan Yield**

	Loan yield (%)
Car title loans	22-24%
Motorcycle title loans	24%
Home/land condo	15-20%
New motorcycles	23%
Personal loans	20-25%
Lock-phone	30-40%

Sources: Company data, ttb wealth estimates

## Valuation Comparison

### Ex 14: Valuation Comparison With Regional Peers

Name	BBG code	Market	EPS growth		PE		P/BV		ROE		Div. yield	
			26F	27F	26F	27F	26F	27F	26F	27F	26F	27F
Finvolution Group	FINV US	China	na	17.4	0.6	0.5	0.1	0.1	11.6	12.2	47.5	54.6
Mahindra & Mahindra Fin Secs	MMFS IN	India	3.0	14.2	14.2	12.4	1.6	1.5	12.6	12.5	2.3	2.6
Bajaj Finance Ltd	BAF IN	India	0.8	29.1	29.7	23.0	5.0	4.2	18.5	19.9	0.6	0.7
Manappuram Finance Ltd	MGFL IN	India	(10.2)	116.2	30.4	14.1	2.0	1.7	7.3	12.5	0.9	1.2
GMO Payment Gateway Inc.	3769 JP	Japan	11.2	21.5	27.7	22.8	5.3	4.6	20.5	22.7	2.0	2.4
Infomart Corp.	2492 JP	Japan	52.2	33.3	29.1	21.8	6.7	5.8	25.4	28.4	1.8	2.2
Ally Financial Inc	ALLY US	US	118.7	23.0	8.2	6.6	0.9	0.8	10.9	12.4	2.9	3.0
World Acceptance Corp	WRLD US	US	1.4	55.4	22.4	14.4	na	na	na	na	na	na
Navient Corp	NAVI US	US	na	31.3	11.6	8.8	0.3	0.3	2.7	3.4	7.7	7.7
SLM Corp	SLM US	US	(10.5)	7.4	7.0	6.5	1.7	1.5	26.0	24.8	2.4	2.6
Asia Sermkij Leasing *	ASK TB	Thailand	(3.7)	19.5	12.2	10.2	0.6	0.6	4.8	5.5	4.1	4.9
Bangkok Commercial Asset Mgt.*	BAM TB	Thailand	(3.0)	16.8	11.8	10.1	0.5	0.5	3.9	4.5	6.8	7.9
Chayo Group	CHAYO TB	Thailand	na	2.2	4.3	4.2	0.3	0.3	5.1	4.1	0.0	0.0
JMT Network Services *	JMT TB	Thailand	22.9	2.2	12.4	12.1	0.6	0.6	4.6	4.6	4.8	4.9
Krungthai Card *	KTC TB	Thailand	1.6	2.7	9.5	9.2	1.7	1.6	17.9	17.7	6.3	6.5
Muangthai Capital *	MTC TB	Thailand	8.4	11.3	8.1	7.3	1.2	1.1	15.8	15.4	1.8	2.0
Saksiam Leasing *	SAK TB	Thailand	18.1	11.7	6.4	5.7	0.9	0.8	14.6	15.0	7.1	7.9
Srisawad Corporation *	SAWAD TB	Thailand	4.3	9.1	6.9	6.3	0.9	0.8	13.3	13.1	3.3	3.6
Ratchthani Leasing *	THANI TB	Thailand	3.6	13.5	8.5	7.5	0.7	0.7	8.4	9.2	6.5	7.4
Tidlor Holdings *	TIDLOR TB	Thailand	7.7	10.3	9.7	8.8	1.4	1.3	14.8	14.9	4.1	4.5
<b>Average</b>			<b>13.3</b>	<b>22.4</b>	<b>13.5</b>	<b>10.6</b>	<b>1.7</b>	<b>1.5</b>	<b>12.6</b>	<b>13.3</b>	<b>5.9</b>	<b>6.7</b>

Source: Bloomberg

Note: \* ttb wealth estimates using normalized EPS growth

Based on 22 May 2026 closing price

## COMPANY DESCRIPTION

Srisawad Corporation Pcl (SAWAD) is a holding company. Its main subsidiaries are Srisawad Capital (SCAP) and Srisawad 2014. The group provides title loans, motorcycle hire-purchase (HP) loans, personal secured loans, and other related financial products. SAWAD offers its products and services to retail clients nationwide via its branches. SAWAD exited a JV with the Government Savings Bank (GSB), and Fast Money (FM) became its subsidiary to provide motorcycle-title loans starting in 2Q23.

Source: ttb wealth

## COMPANY RATING



### Rating Scale

<b>Excellent</b>	<b>5</b>
<b>Good</b>	<b>4</b>
<b>Fair</b>	<b>3</b>
<b>Weak</b>	<b>2</b>
<b>Very Weak</b>	<b>1</b>
<b>None</b>	<b>0</b>

Source: ttb wealth; \*CG Rating

## TTB WEALTH'S SWOT ANALYSIS

### S — Strength

- Well-recognized brand
- Expertise and considerable experience in running its business
- Extensive branch coverage
- Economies of scale

### O — Opportunity

- Increasing cross-selling fees
- Expansion into neighbouring countries

### W — Weakness

- Reliant on external funding
- Complicated organization structure
- Sophisticated product pricing structure

### T — Threat

- High household debts and more sophisticated behaviour of borrowers
- Faster depreciation of vehicle resale prices
- Changes in regulations.

## CONSENSUS COMPARISON

	Consensus	ttb wealth	Diff
<b>Target price (Bt)</b>	28.90	23.50	-19%
<b>Net profit 26F (Bt m)</b>	5,356	5,235	-2%
<b>Net profit 27F (Bt m)</b>	5,864	5,709	-3%
<b>Consensus REC</b>	<b>BUY: 16</b>	<b>HOLD: 4</b>	<b>SELL: 3</b>

## HOW ARE WE DIFFERENT FROM THE STREET?

- We believe our significantly lower TP is driven by more conservative dividend payout ratio assumptions and lower earnings forecasts.

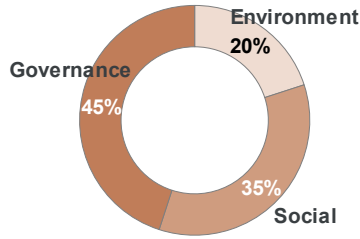
## RISKS TO OUR INVESTMENT CASE

- We factor in lower repossession losses and provisions as a result of an aggressive balance sheet clean-up over 2023-24. Should any circumstances adversely affect these key drivers, this would pose a downside risk to our numbers.
- If the company can grow lock-phone loans faster than our expectations, this should provide upside to both NIM and loan growth.

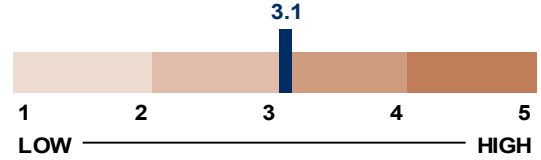
Sources: Bloomberg consensus, ttb wealth estimates

Source: ttb wealth

**ESG Weighting**



**ESG Rating**



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
<b>SAWAD</b>	<b>YES</b>	<b>AA</b>	-	<b>3.15</b>	<b>0</b>	<b>56.06</b>	<b>5.0</b>

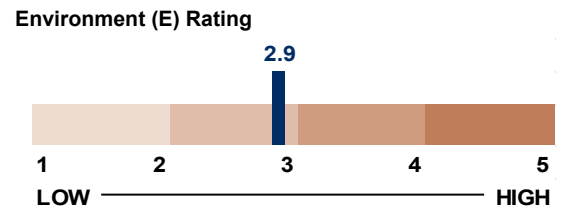
Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI) MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)  
 Note: Please see third party on "terms of use" toward the back of this report.



**ESG Summary**

- SAWAD is one of Thailand's leading consumer finance companies. Its loan portfolio as of 2025 was Bt92bn, with a mix of 31% land title loans, 26% car title loans, 25% motorcycle hire-purchase, and 15% motorcycle title loans.
- We assign SAWAD a decent ESG score of 3.2, in line with the sector average of 3.2. The company's ESG profile is balanced, with Environment (E) as the relative standout vs. peers, Social (S) performing in line with the sector, and Governance (G) as the main drag.
- SAWAD's E score of 2.9 is moderate but above the sector average of 2.6. The company stands out among peers by setting concrete net-zero targets (2050) with clear interim milestones, adopting the TCFD framework, and running practical clean energy and resource efficiency initiatives.
- SAWAD's good S score of 3.6 is in line with the sector average of 3.6. The company's social profile is built on genuine financial inclusion — serving over 5,800 branches, achieving 98% customer satisfaction, and actively supporting borrowers during the 2025 southern Thailand floods. Employee well-being metrics are strong, and its financial literacy programs are well-aligned with its core lending purpose.
- We assign a decent G score of 3.0 (below the sector's 3.2). While the company demonstrates strong anti-corruption practices and solid risk management, the score is constrained by its board structure and recurring customer complaints regarding interest rate charges, despite no proven violations.

We assign SAWAD a moderate Environmental (E) score of 2.9, above the sector average of 2.6. While its direct environmental footprint remains limited given its consumer finance business model, it shows a clear commitment through structured climate targets, operational initiatives, and improved disclosure, positioning it modestly ahead of peers.



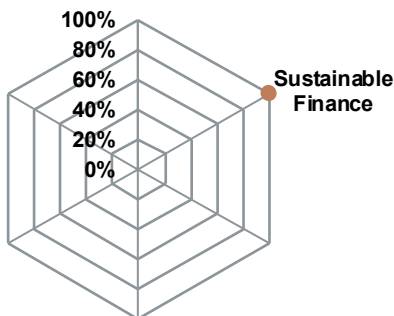
ENVIRONMENT

Our Comments

- Sustainable Finance

- We assign an E score of 2.9 to SAWAD, placing it above the sector average of 2.6. Like other consumer finance companies, SAWAD's direct environmental footprint is relatively limited given the absence of physical manufacturing. However, the company stands out for setting concrete, time-bound emissions-reduction targets and building a more structured climate management framework.
- **Climate strategy and targets:** SAWAD has set relatively ambitious decarbonization targets, aiming for Net Zero by 2050, with interim goals to reduce Scope 1 and 2 emissions by 50% by 2030 and Scope 3 by 2035. The adoption of the TCFD framework strengthens its approach to identifying and managing both physical (e.g., floods impacting borrowers) and transition risks.
- **Energy efficiency and clean energy adoption:** The company has implemented practical initiatives such as solar rooftop installations at branch kiosks, a sustainable head office design, and the gradual adoption of EVs for operations. These efforts demonstrate a tangible move toward reducing energy consumption and carbon footprint, although the scale remains relatively small.
- **Resource efficiency and circular practices:** SAWAD applies the 3R principles (Reduce, Reuse, Recycle) across its operations. Initiatives under the "Srisawad Rak Lok" program, along with e-waste partnerships and digitalization (e-receipts, paperless processes), have contributed to measurable reductions in waste and paper usage.
- **Room for further development:** Despite good operational efforts, SAWAD lacks green financing products or a clear sustainable lending framework, limiting its ability to contribute meaningfully to the broader low-carbon transition through its loan portfolio.

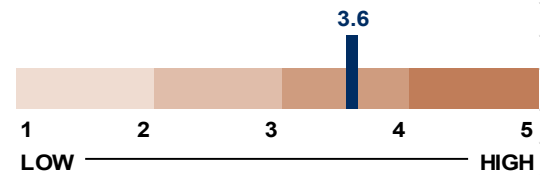
SCALE WEIGHTING



Sources: ttb wealth, Company data

We assign a good Social (S) score of 3.6 to SAWAD, in line with the sector average. The company demonstrates a strong, well-executed social framework, particularly in employee well-being and financial inclusion, though its differentiation from peers remains limited.

Social (S) Rating



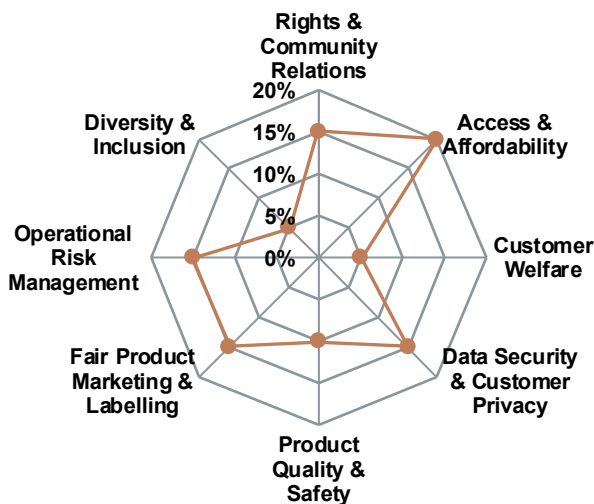
SOCIAL

Our Comments

- Human Rights & Community Relations
- Access & Affordability
- Customer Welfare
- Data Security & Customer Privacy
- Product Quality & Safety
- Fair Product Marketing & Labelling
- Operational Risk Management
- Diversity & Inclusion

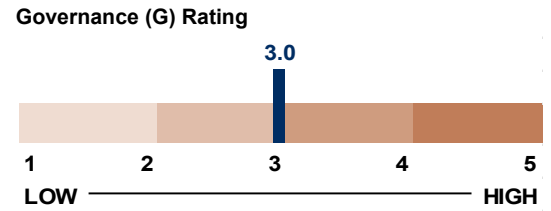
- We assign an S score of 3.6 to SAWAD, which is in line with the sector average of 3.6. SAWAD has a solid and well-rounded social profile, with clear strengths in financial inclusion and employee care. Strong customer satisfaction scores and a wide branch network demonstrate real on-the-ground impact.
- **Leadership in financial inclusion and customer support:** With 5,800+ branches nationwide, SAWAD plays a key role in expanding access to credit for underserved communities. Its mobile app enhances accessibility and convenience, while high customer satisfaction (98%) and strict PDPA compliance strengthen trust. The company also demonstrated responsibility through debt relief measures during the 2025 southern Thailand floods.
- **Strong employee well-being and human rights practices:** SAWAD aligns with the UN Guiding Principles on Business and Human Rights (UNGP) and achieved zero human rights complaints in 2025. High employee engagement (82%), zero workplace accidents, and comprehensive welfare programs (e.g. vaccination campaigns, maternity support) reflect a good standard of workforce management.
- **Financial literacy programs:** SAWAD's "Srisawad Financial Mentor for Communities" program sends Stock Exchange of Thailand-certified employees into communities to teach financial planning, debt management, and savings to students, vendors, and retirees. This initiative is directly tied to SAWAD's core purpose as a lender.
- **Broader CSR is active but lacks measurable outcomes:** SAWAD runs a range of community activities — including road safety campaigns, hospital donations, educational support, and partnerships with foundations supporting underprivileged children. These are positive efforts, but most are one-off in nature and do not come with data on reach or impact. Publishing clearer outcome metrics would strengthen its credibility.

SCALE WEIGHTING



Sources: ttb wealth, Company data

We assign SAWAD a decent Governance (G) score of 3.0, slightly below the sector average of 3.2. While the company demonstrates strong governance frameworks and solid execution, some concerns around board independence and customer-related issues weigh on its overall score.



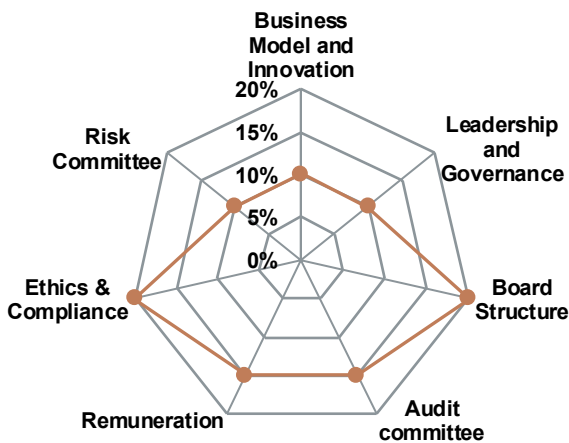
GOVERNANCE & SUSTAINABILITY

Our Comments

- Business Model and Innovation
- Leadership and Governance
- Board Structure:
- Audit committee:
- Remuneration:
- Ethics & Compliance:
- Risk Committee:

- We assign a G score of 3.0, which is slightly below the sector average of 3.2. SAWAD has a solid governance foundation of strong anti-corruption standards and improved risk management practices. However, the score is weighed down by recurring customer complaints about interest rate overcharging and board independence.
- **Board structure is adequate but not yet optimal:** The independent board ratio is below optimal. SAWAD's board has 12 members, of which only 5 are independent directors (42% of the board). This exceeds the regulatory minimum of one-third but is below the best practice ratio of two-thirds.
- **Robust risk management and cybersecurity:** SAWAD maintains a proactive risk framework, with dedicated oversight on credit, operational, and cyber risks. Its 24/7 cybersecurity monitoring and conservative lending practices (e.g., a low LTV of 30-70%) support strong risk control and asset quality.
- **Strong ethics and anti-corruption practices:** The company enforces a strict zero-tolerance policy on corruption, supported by CAC certification, a no-gift policy, and full employee participation in ethics training. Whistleblowing channels are well-established, with no reported cases of corruption in 2025.
- **Interest rate complaints:** SAWAD has faced customer lawsuits over interest rate overcharging. Although the company won these cases, the fact that such disputes keep occurring suggests there may be room to improve how it communicates loan terms, documents pricing, and trains front-line staff on compliance. This is the main reason why SAWAD's G score sits below the peer average despite its otherwise solid governance framework.

SCALE WEIGHTING



Sources: ttb wealth, Company data

## INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Interest Income	18,027	16,459	16,781	17,636	18,608
Interest Expenses	3,181	2,866	2,596	2,389	2,367
<b>Net Interest Income</b>	<b>14,846</b>	<b>13,593</b>	<b>14,185</b>	<b>15,247</b>	<b>16,241</b>
% of total income	83%	83%	83%	84%	84%
Fee income	595	619	570	587	616
Gains frm loans rec. / purchase of loans	0	0	0	0	0
Insurance commission income	1,315	1,333	1,260	1,298	1,362
Other non-interest income	1,109	884	1,061	1,093	1,148
<b>Non-interest Income</b>	<b>3,019</b>	<b>2,836</b>	<b>2,892</b>	<b>2,978</b>	<b>3,127</b>
% of total income	17%	17%	17%	16%	16%
<b>Total Income</b>	<b>17,865</b>	<b>16,429</b>	<b>17,076</b>	<b>18,225</b>	<b>19,368</b>
Operating Expenses	9,322	7,835	7,991	8,391	8,810
<b>Pre-provisioning Profit</b>	<b>8,544</b>	<b>8,595</b>	<b>9,085</b>	<b>9,834</b>	<b>10,558</b>
Bad debt expenses	1,913	1,978	2,021	2,063	2,073
<b>Pre-tax Profit</b>	<b>6,631</b>	<b>6,617</b>	<b>7,064</b>	<b>7,771</b>	<b>8,485</b>
Income Tax	1,385	1,347	1,483	1,632	1,782
<b>After Tax Profit</b>	<b>5,246</b>	<b>5,271</b>	<b>5,581</b>	<b>6,139</b>	<b>6,703</b>
Equity Income	0	0	0	0	0
Minority Interest	(194)	(250)	(346)	(430)	(469)
Extraordinary Items	0	0	0	0	0
<b>NET PROFIT</b>	<b>5,052</b>	<b>5,021</b>	<b>5,235</b>	<b>5,709</b>	<b>6,234</b>
<b>Normalized Profit</b>	<b>5,052</b>	<b>5,021</b>	<b>5,235</b>	<b>5,709</b>	<b>6,234</b>
EPS (Bt)	3.34	3.02	3.15	3.44	3.75
Normalized EPS (Bt)	3.34	3.02	3.15	3.44	3.75

2026-28F EPS growth at only a 7% CAGR

## BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Cash and ST investments	5,814	6,046	4,433	4,247	3,746
Other current assets	2,537	2,982	0	0	0
<b>Total current assets</b>	<b>8,351</b>	<b>9,028</b>	<b>4,433</b>	<b>4,247</b>	<b>3,746</b>
<b>Gross loans</b>	<b>93,077</b>	<b>92,169</b>	<b>95,855</b>	<b>100,648</b>	<b>106,687</b>
Provisions	2,235	2,114	2,122	2,072	2,332
<b>Net loans</b>	<b>91,763</b>	<b>90,986</b>	<b>94,787</b>	<b>99,683</b>	<b>105,529</b>
Fixed assets	2,505	2,469	694	701	708
Other assets	5,290	5,190	7,232	7,355	7,483
<b>Total assets</b>	<b>107,909</b>	<b>107,674</b>	<b>107,147</b>	<b>111,986</b>	<b>117,466</b>
Short term borrow ing	31,923	28,746	29,020	29,982	31,029
Others current liabilities	2,229	2,418	0	0	0
<b>Total current liabilities</b>	<b>34,820</b>	<b>31,810</b>	<b>29,699</b>	<b>30,695</b>	<b>31,742</b>
Long term borrow ing	35,597	33,657	30,418	29,698	29,155
<b>Total borrowings</b>	<b>67,520</b>	<b>62,403</b>	<b>59,438</b>	<b>59,680</b>	<b>60,184</b>
Lease liabilities	1,371	1,476	2,228	2,340	2,421
Other liabilities	2,716	3,036	691	780	875
<b>Total liabilities</b>	<b>71,607</b>	<b>66,915</b>	<b>62,358</b>	<b>62,800</b>	<b>63,480</b>
Minority interest	3,166	3,305	3,305	3,305	3,305
Shareholders' equity	33,137	37,454	41,485	45,881	50,681
<b>Total Liab. &amp; Equity</b>	<b>107,909</b>	<b>107,674</b>	<b>107,147</b>	<b>111,986</b>	<b>117,466</b>

Modest loan growth in 2026-28F

Sources: Company data, ttb wealth estimates

## FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	6.5	7.2	6.9	6.3	5.8
Normalized PE - at target price (x)	7.0	7.8	7.5	6.8	6.3
PE (x)	6.5	7.2	6.9	6.3	5.8
PE - at target price (x)	7.0	7.8	7.5	6.8	6.3
P/PPP (x)	3.8	4.2	4.0	3.7	3.4
P/PPP - at target price (x)	4.2	4.5	4.3	4.0	3.7
P/BV (x)	1.0	1.0	0.9	0.8	0.7
P/BV - at target price (x)	1.1	1.0	0.9	0.9	0.8
Dividend yield (%)	0.2	3.2	3.3	3.6	4.0
Normalized EPS	3.34	3.02	3.15	3.44	3.75
EPS	3.34	3.02	3.15	3.44	3.75
DPS	0.04	0.70	0.72	0.79	0.86
PPP/Share	5.66	5.17	5.47	5.92	6.35
BV/share	21.94	22.54	24.97	27.61	30.50
P/BV to ROE	0.06	0.07	0.07	0.06	0.06

*More conservative on dividend payment*

## FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
<b>Growth Rate (%)</b>					
Net interest income (NII)	10.2	(8.4)	4.4	7.5	6.5
Non-interest income (Non-II)	(4.8)	(6.1)	2.0	3.0	5.0
Operating expenses	12.6	(16.0)	2.0	5.0	5.0
Pre-provisioning profit (PPP)	2.1	0.6	5.7	8.2	7.4
Net profit	1.0	(0.6)	4.3	9.1	9.2
Normalized profit growth	1.0	(0.6)	4.3	9.1	9.2
EPS	10.5	(9.6)	4.3	9.1	9.2
Normalized EPS	10.5	(9.6)	4.3	9.1	9.2
Dividend payout ratio	1.2	23.2	23.0	23.0	23.0
Loan - gross	(4.0)	(1.0)	4.0	5.0	6.0
Loan - net	(4.4)	(0.8)	4.2	5.2	5.9
Borrowings	(9.4)	(7.6)	(4.8)	0.4	0.8
NPLs	11.3	7.9	6.5	2.7	2.7
Total assets	(3.2)	(0.2)	(0.5)	4.5	4.9
Total equity	17.6	13.0	10.8	10.6	10.5
<b>Operating Ratios (%)</b>					
Net interest margin (NIM)	15.6	14.7	15.1	15.5	15.7
Net interest spread	14.5	13.4	13.6	13.9	14.0
Yield on earnings assets	19.0	17.8	17.8	18.0	18.0
Avg cost of fund	4.5	4.4	4.3	4.0	4.0
NII / operating income	83.1	82.7	83.1	83.7	83.9
Non-II / operating income	16.9	17.3	16.9	16.3	16.1
Fee income / operating income	3.3	3.8	3.3	3.2	3.2
Normalized net margin	28.3	30.6	30.7	31.3	32.2
Others (late penalty & bad debt recoveries)	6.2	5.4	6.2	6.0	5.9
Cost-to-income	52.2	47.7	46.8	46.0	45.5
Credit cost - provision exp / loans	2.0	2.1	2.2	2.1	2.0
PPP / total assets	7.8	8.0	8.5	9.0	9.2
PPP / total equity	27.9	24.4	23.0	22.5	21.9
Avg assets/avg equity (leverage)	3.6	3.1	2.7	2.5	2.4
ROA	4.6	4.7	4.9	5.2	5.4
ROE	16.5	14.2	13.3	13.1	12.9

Sources: Company data, ttb wealth estimates

## FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
<b>Liquidity and Quality Ratio (%)</b>					
Gross Loan / Borrow ings	137.9	147.7	161.3	168.6	177.3
Net Loan / Borrow ings	135.9	145.8	159.5	167.0	175.3
Net Loan / Assets	85.0	84.5	88.5	89.0	89.8
Net Loan / Equity	276.9	242.9	228.5	217.3	208.2
S-T / L-T Borrow ings	47.3	46.1	48.8	50.2	51.6
Borrow ings / Liabilities	94.3	93.3	95.3	95.0	94.8
Interest-bearing Debt / Equity	203.8	166.6	143.3	130.1	118.8
Liabilities / Equity	216.1	178.7	150.3	136.9	125.3
Equity to Gross Loan	35.6	40.6	43.3	45.6	47.5
NPLs	3,337	3,602	3,836	3,937	4,045
NPLs / Total Loans (NPL Ratio)	3.6	3.9	4.0	3.9	3.8
Loan-Loss-Coverage (Provision / NPLs)	67.0	58.7	55.3	52.6	57.6

Sources: Company data, ttb wealth estimates

*Lower leverage*

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

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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

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Score range	Description
CCC - B	<b>LAGGARD:</b> A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	<b>AVERAGE :</b> A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
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90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
Below		N/A

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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.

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