

# AEON Thana Sinsap

(AEONTS.BK/AEONTS TB)\*

## Outperform Upgraded

Price as of 5 Sep 2024	136.0
12M target price (Bt/shr)	157.5
Unchanged/Revised up(down)(%)	25.1
Upside/downside (%)	15.0

### Key messages

AEONTS ส่งสัญญาณว่าแนวโน้มผลการดำเนินงานใน 2Q67F (สิ้นสุดเดือนสิงหาคม) จะเป็นเช่นเดียวกับไตรมาสก่อนหน้า ในขณะที่การขยาย NPL จะทำให้มีรายได้พิเศษเข้ามาใน 2Q67F ช่วยหนุนกำไรพื้นฐาน เราคาดว่าผลประกอบการรายไตรมาสของ AEONTS จะทยอยฟื้นตัวขึ้นจาก 2Q67F ไปจนถึงสิ้นปีจากผลของมาตรการรพท. และมาตรการกระตุ้นเศรษฐกิจในการอัดฉีดเม็ดเงินของรัฐบาล ทั้งนี้ เนื่องจากกลยุทธ์ของ AEONTS เน้นกลุ่มลูกค้าระดับล่างของบริษัทจึงน่าจะได้อานิสงส์ตั้งแต่การฟื้นตัวของเศรษฐกิจจากหลายรอบแรก เราปรับเพิ่ม(re-rate) PE เป็น 14x (จากเดิม 11.5x) ทำให้ได้ราคาเป้าหมายปี 2567F ใหม่ที่ 157.5 บาท (เพิ่มขึ้นจากเดิมที่ 125 บาท) และ ปรับคำแนะนำเป็นซื้อ

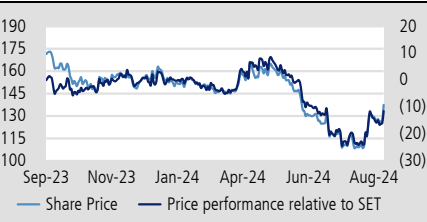
### Trading data

Mkt cap (Btbn/US\$bn)	34,375/1,011		
Outstanding shares (mn)	250		
Foreign ownership (mn)	n.a.		
3M avg. daily trading (mn)	0/36		
52-week trading range (Bt)	108/173		
Performance (%)	3M	6M	12M
Absolute	-6.8	-6.5	-18.6
Relative	-11.6	-7.7	-10.3

### Quarterly EPS

	1Q-	2Q-	3Q-	4Q-
	May	Aug	Nov	Feb
2022	4.5	3.6	4.4	2.8
2023	2.5	3.4	2.8	4.4
2024	2.1			

### Share price chart



Source: SET

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## ผลประกอบการ 2Q67F จะดีขึ้นเล็กน้อย

### Event

ประมาณการ 2Q67F, ปรับเพิ่มคำแนะนำ

### Impact

#### บันทึกรายได้พิเศษจากการขาย NPL

AEONTS ส่งสัญญาณว่าแนวโน้มผลการดำเนินงานใน 2Q67F (สิ้นสุดเดือนสิงหาคม) จะเป็นเช่นเดียวกับไตรมาสก่อนหน้า โดย NPL เกิดใหม่ยังคงเกือบเท่าระดับเดิม ในขณะที่สินเชื่อที่อยู่ในโหมดหดตัว เพราะมีการลดชำระคืนหนี้สูงกว่ายอดขายสินเชื่อใหม่ โดยคาดว่าสินเชื่อรวมจะลดลงประมาณ 1% QoQ และ 4% YoY ในขณะที่คาดว่า margin จะทรงตัวทั้ง QoQ และ YoY ทั้งนี้ เราคาดว่าสินเชื่อรวมจะหดตัวแม้ว่าสินเชื่อในกลุ่ม CLMV จะขยายตัวอย่างแข็งแกร่ง เพราะสินเชื่อในประเทศหดตัวอย่างหนัก เนื่องจากบริษัทขายสินเชื่ออย่างระมัดระวัง โดยคาดว่าสินเชื่อบัตรเครดิตจะลดลง 10% YoY และ คาดว่าสินเชื่อบุคคล (P-loan) จะลดลง 2% YoY

#### NPL มีทิศทางลดลงเพราะการขาย NPL ใน 2Q67 และการ write-off หนี้เสียใน 3Q67

เนื่องจากการขาย NPL ในตลาดไม่ค่อยดี AEONTS จึงชะลอการขาย NPL ในช่วง 3 ไตรมาสที่ผ่านมา ซึ่งทำให้ NPL พลิกกลับมาสูงขึ้น แต่ในไตรมาสนี้ในที่สุดบริษัทตัดสินใจขาย NPL ออกมาประมาณ 2-3 พันล้านบาท ทำให้สามารถบันทึกกำไรจากการขาย NPL ได้บ้าง อย่างไรก็ตาม เนื่องจากการขายหนี้เสียเผชิญแรงกดดันด้านราคา ดังนั้น กำไรจากการขาย NPL จึงมีแนวโน้มลดลง และ คาดว่าอยู่ที่ประมาณ 140-150 ล้านบาทใน 2Q67F จากที่มีกำไร 167 ล้านบาทใน 2Q66

#### คาดว่าผลประกอบการ 2Q67F จะดีขึ้นเพราะ credit cost ลดลง และ กำไรจากการขาย NPL

บริษัทบอกว่ายอดเก็บเงินสดดีขึ้นเล็กน้อยในช่วงเดือนมิถุนายน-กรกฎาคม 2567 แต่กลับมามีแนวโน้มลดลงเพราะภาวะน้ำท่วมในเดือนสิงหาคม ส่งผลให้ credit cost ยังอยู่ในระดับสูง แต่ลดลงจาก 1Q67 เล็กน้อย โดยเราใช้สมมติฐานว่า credit cost ใน 2Q67F จะอยู่ที่ 8.5% (ลดลงจาก 9.1% ใน 1Q67) ทั้งนี้ เมื่อรวมกำไรจากการขาย NPL เราคาดว่ากำไรสุทธิใน 2Q67 จะอยู่ที่ 699 ล้านบาท (+33% QoQ แต่ -11% YoY) และ คาดว่ากำไรสุทธิในงวด 1H67 จะอยู่ที่ 1.2 พันล้านบาท (-16%) คิดเป็นประมาณ 45% ของประมาณการกำไรเต็มปีของเรา

#### ปรับเพิ่มคำแนะนำเป็นซื้อ และปรับเพิ่มราคาเป้าหมายปี 2567F เป็น 157.5 บาท (PE 14x)

เราคาดว่า AEONTS จะได้อานิสงส์ทางอ้อมจากการฟื้นตัวของเศรษฐกิจจากหลาย หลังจากที่รัฐบาลเริ่มดำเนินนโยบายกระตุ้นเศรษฐกิจในเดือนตุลาคม โดยผลประกอบการของบริษัทผ่านจุดต่ำสุดไปแล้ว และ คาดว่าจะขึ้นไปทีละไตรมาส ซึ่งจะเป็นโอกาสให้เข้าเก็งกำไรได้จากแนวโน้มการเติบโตของกำไรในงวด 2H67 เรา re-rate PE เป็น 14x เพื่อสะท้อนถึงแนวโน้มกำไรที่เพิ่มขึ้น และ โหมเมนต์ดีของการฟื้นตัวของกำไรจากเศรษฐกิจจากหลายในปี 2568F ทำให้ได้ราคาเป้าหมายปี 2567F ใหม่ที่ 157.5 บาท (เพิ่มขึ้นจากเดิมที่ 125 บาท) และ ปรับเพิ่มคำแนะนำเป็นซื้อ

### Risks

เศรษฐกิจฟื้นตัวช้า, ความเสี่ยงด้านการกำกับดูแลคดี yield สินเชื่อ, NPLs เพิ่มขึ้น.

### Key financials and valuations

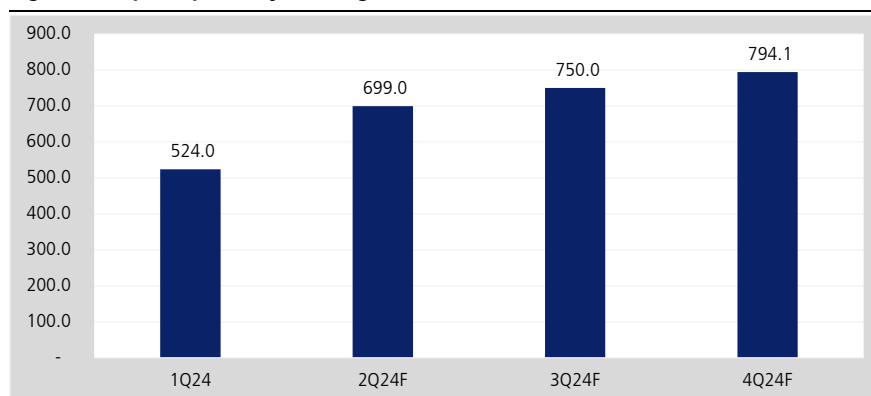
	2020	2021	2022	2023	2024F	2025F
	Feb-21	Feb-22	Feb-23	Feb-24	Feb-25F	Feb-26F
Pre-provision profit (Btmn)	10,882	11,203	12,213	11,402	11,422	12,196
Pretax profit (Btmn)	4,647	4,574	4,950	4,161	3,559	4,132
Net profit (Btmn)	3,690	3,553	3,815	3,259	2,767	3,206
EPS (Bt)	14.76	14.21	15.26	13.04	11.07	12.82
DPS (Bt)	4.50	5.15	5.50	6.50	6.00	6.00
EPS Growth (%)	(7.2)	(3.7)	7.4	(14.6)	(15.1)	15.9
Dividend yield (%)	2.3	2.7	3.0	3.5	3.3	4.6
D/E (%)	4.1	3.5	3.1	2.8	2.7	2.6
P/E (X)	13.5	13.2	11.9	12.3	11.1	9.6
P/BV (X)	2.9	2.4	2.0	1.6	1.1	1.1
ROAA (%)	4.0	4.0	4.1	3.5	2.9	3.2
ROAE (%)	19.5	19.2	17.9	13.8	10.8	11.5

Source: Company data, KGI Securities Research

**Figure 1: Key assumptions**

	2021	2022	2023	2024F	2025F
	Feb-22A	Feb-23A	Feb-24A	Feb-25F	Feb-26F
Loan (Bt bn)	91,028	93,937	91,305	95,312	99,555
Credit card (Bt bn)	39,324	43,474	41,162	43,632	46,250
P-Loan (Bt bn)	45,695	44,878	43,421	44,290	45,176
Hire purchase	5,891	5,511	6,647	7,312	8,043
Others	117	73	73	78	86
<b>Loan by country</b>					
Domestic	85,508	88,769	84,756	88,146	91,672
CLMV	4,992	5,168	6,549	7,174	7,861
<b>Growth by country</b>					
All country	4.1%	3.2%	-2.8%	4.4%	4.5%
Domestic	4.6%	3.8%	-4.5%	4.0%	4.0%
CLMV	-9.9%	3.5%	26.7%	9.5%	9.6%
<b>Loan yield</b>					
All country	20.1%	20.4%	20.3%	20.1%	20.1%
Domestic	20.7%	20.4%	20.1%	20.1%	20.1%
CLMV	24.3%	25.7%	23.1%	23.5%	24.5%
Cost of fund	2.7	2.9	3.4	3.4	3.4
Loan spread	17.3	17.5	16.9	16.7	16.7
Bad debt write-off	7,649	8,583	9,596	10,222	10,483
Credit cost	728	773	793	825	810
LLR	10,951	10,125	8,288	8,578	8,960
LLR/loan ratio	12.0	10.8	9.1	9.0	9.0
NPL ratio	4.9	5.7	5.0	5.6	5.6
NPL coverage	247	190	183	161	161
Cost-to-income ratio	38.3	37.0	38.5	38.0	37.0
Effective tax rate	21.9%	20.1%	19.8%	20.0%	20.0%
ROA	4.0	4.1	3.5	2.9	3.2
ROE	19.2	17.9	13.8	10.8	11.5
D/E	3.5	3.1	2.8	2.7	2.6

Source: KGI Securities Research

**Figure 2: Expect quarterly earnings to continue to rise in FY2024F**


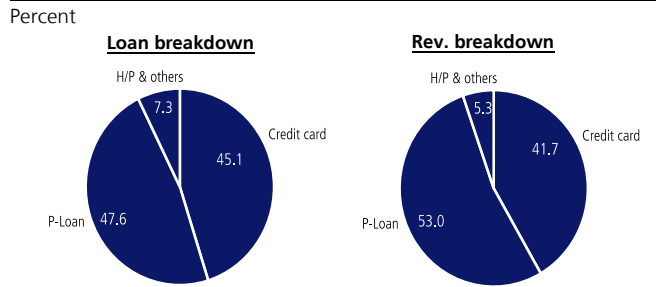
Source: KGI Securities Research

**Figure 3: Company profile**

AEON Thana Sinsap (AEONTS) is a lending company. Its business segments consist of retail finance (credit card, personal loan, hire-purchase loan) and other business (debt collection and insurance brokerage services). Outside of Thailand it has business operation in Cambodia, Laos, and Myanmar. 71% of AEONTS's customer base are in provincial areas and 29% are in Bangkok.

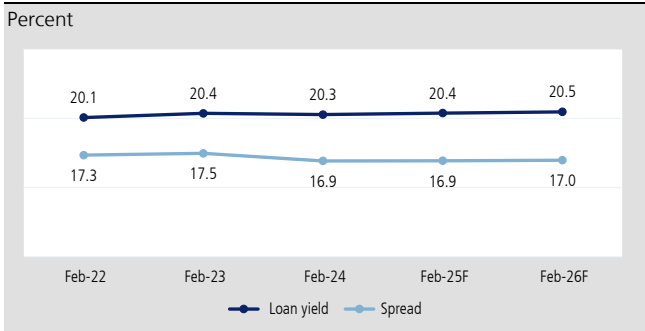
Source: Company data, KGI Securities Research

**Figure 4: Loan breakdown (personal loans and credit card)**



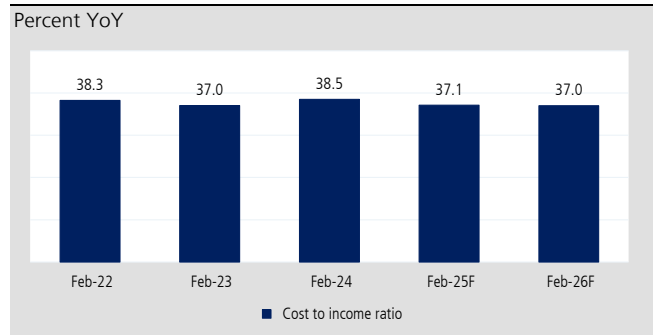
Source: Company data, KGI Securities Research

**Figure 5: Loan yield and spread**



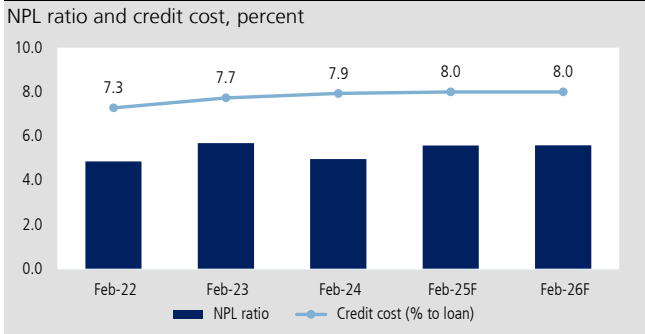
Source: Company data, KGI Securities Research

**Figure 6: Cost to income ratio**



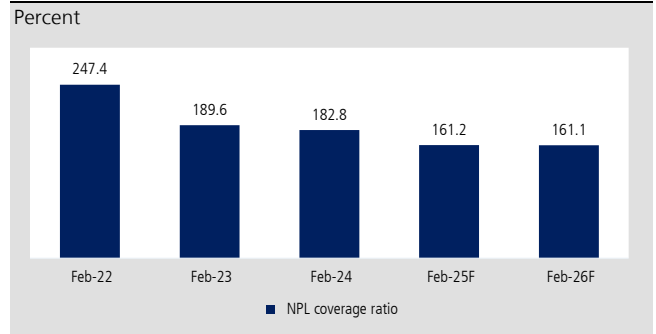
Source: Company data, KGI Securities Research

**Figure 7: Asset quality (NPL ratio and credit cost)**



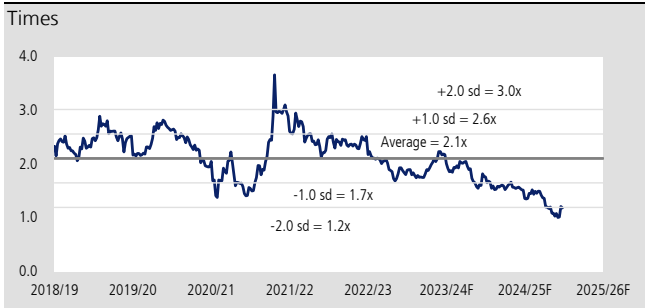
Source: Company data, KGI Securities Research

**Figure 8: NPL coverage**



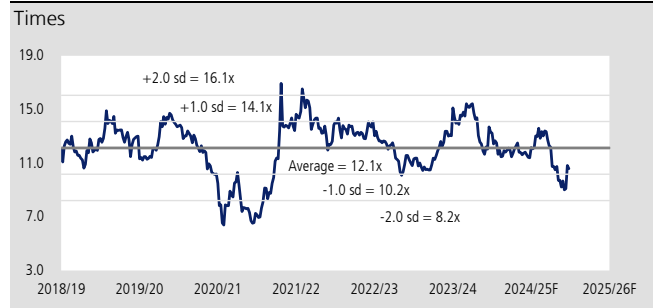
Source: Company data, KGI Securities Research

**Figure 9: PBV**



Source: Company data, KGI Securities Research

**Figure 10: PER**



Source: KGI Securities Research

**Quarterly Income Statement**

	May-22	Aug-22	Nov-22	Feb-23	May-23	Aug-23	Nov-23	Feb-24	May-24	May-24F	% chg		1H23	1H24F	% chg
											QoQ	YoY			
<b>Income Statement (Bt mn)</b>															
Interest income	4,705	4,761	4,803	4,786	4,726	4,770	4,650	4,622	4,657	4,587	-1%	-4%	9,495	9,244	-3%
Credit card	1,810	1,878	1,960	1,993	1,951	1,968	1,989	1,910	1,898	1,860	-2%	-5%	3,919	3,758	-4%
Personal loan	2,628	2,629	2,589	2,538	2,534	2,554	2,411	2,451	2,475	2,445	-1%	-4%	5,089	4,920	-3%
Hire-purchase	267	253	254	255	240	248	249	261	283	282	0%	14%	488	565	16%
Interest Expense	437	469	476	523	527	574	511	550	558	565	1%	-2%	1,101	1,123	2%
<b>Interest income-net</b>	<b>4,268</b>	<b>4,292</b>	<b>4,328</b>	<b>4,263</b>	<b>4,199</b>	<b>4,196</b>	<b>4,139</b>	<b>4,072</b>	<b>4,098</b>	<b>4,022</b>	<b>-2%</b>	<b>-4%</b>	<b>8,394</b>	<b>8,120</b>	<b>-3%</b>
Collection service income	56	54	55	60	55	58	55	53	51	55	7%	-6%	113	106	-6%
Commission income	179	162	176	172	170	160	157	156	158	160	1%	0%	330	318	-4%
Gain on sale of written-off	105	0	300	0	0	167	0	0	0	150			167	150	-10%
Other income	439	498	486	535	509	521	543	594	641	611	-5%	17%	1,030	1,252	22%
<b>Pre-provision income</b>	<b>4,943</b>	<b>5,007</b>	<b>5,044</b>	<b>5,029</b>	<b>4,932</b>	<b>4,935</b>	<b>4,894</b>	<b>4,875</b>	<b>4,949</b>	<b>4,848</b>	<b>-2%</b>	<b>-2%</b>	<b>9,867</b>	<b>9,797</b>	<b>-1%</b>
Operating expenses	2,033	1,985	2,039	2,060	2,029	2,070	2,114	2,181	2,187	2,206	1%	7%	4,099	4,392	7%
<b>Pre-provision profit</b>	<b>2,910</b>	<b>3,022</b>	<b>3,005</b>	<b>2,969</b>	<b>2,903</b>	<b>2,865</b>	<b>2,780</b>	<b>2,694</b>	<b>2,762</b>	<b>2,642</b>	<b>-4%</b>	<b>-8%</b>	<b>5,769</b>	<b>5,404</b>	<b>-6%</b>
Provision	1,563	1,851	1,884	1,964	2,094	1,949	1,899	1,298	2,089	1,900	-9%	-3%	4,043	3,989	-1%
<b>Pre-tax profit</b>	<b>1,450</b>	<b>1,170</b>	<b>1,421</b>	<b>909</b>	<b>805</b>	<b>1,082</b>	<b>881</b>	<b>1,394</b>	<b>672</b>	<b>892</b>	<b>33%</b>	<b>-18%</b>	<b>1,887</b>	<b>1,564</b>	<b>-17%</b>
Income tax	291	239	286	182	161	218	171	273	132	178	35%	-18%	379	311	-18%
<b>Net profit</b>	<b>1,115</b>	<b>904</b>	<b>1,104</b>	<b>692</b>	<b>617</b>	<b>842</b>	<b>706</b>	<b>1,094</b>	<b>524</b>	<b>699</b>	<b>33%</b>	<b>-17%</b>	<b>1,459</b>	<b>1,223</b>	<b>-16%</b>
EPS (Bt)	4.46	3.61	4.42	2.77	2.47	3.37	2.82	4.37	2.10	2.80	<b>33%</b>	<b>-17%</b>	5.84	4.89	-16%
<b>Profitability (%)</b>															
Loan yield	20.48	20.40	20.32	20.25	20.14	20.32	19.80	19.96	20.38	20.38					
Spread	17.83	17.63	17.54	17.13	16.90	16.75	16.64	16.51	16.84	16.77					
Cost of funds (%)	2.65	2.77	2.78	3.13	3.24	3.57	3.16	3.46	3.55	3.62					
Cost to income ratio (%)	37.1	36.2	35.0	37.1	37.2	36.5	39.1	40.2	39.7	39.6					
Effective tax rate (%)	20.1	20.4	20.1	20.0	20.0	20.2	19.4	19.6	19.7	20.0					
ROAA	4.9	3.8	4.6	2.9	2.6	3.6	3.0	4.7	2.2	2.2					
ROAE	21.7	16.9	20.4	12.4	10.7	14.3	11.9	18.2	8.4						
Loan (Bt bn)	92.7	94.0	95.1	93.9	93.8	94.0	93.9	91.3	91.5	90.6	-1%	-4%			
Credit card	40.8	42.2	43.4	43.5	43.6	43.9	43.5	41.2	40.2	39.6	-2%	-10%			
P-Loan	46.2	46.2	46.0	44.9	44.4	44.0	44.0	43.4	43.6	43.2	-1%	-2%			
Hire purchase	5.6	5.5	5.6	5.5	5.7	6.0	6.3	6.6	7.6	7.9	4%	31%			
<b>Asset quality</b>															
LLR	10,772	10,669	10,470	10,125	10,199	10,086	9,487	8,288	8,289	8,988					
Credit card	3,733	3,774	3,644	3,625	3,736	3,641	3,069	2,713	2,598	3,075					
Personal loan	6,280	6,210	6,261	6,000	5,906	5,892	5,813	5,091	5,156	5,774					
Hire-purchase	759	684	565	500	557	553	606	483	535	639					
LLR/loans (%)	11.6	11.4	11.0	10.8	10.9	10.7	10.1	9.08	9.06	10.0					
<b>NPL</b>	<b>4,912</b>	<b>5,149</b>	<b>5,340</b>	<b>5,340</b>	<b>5,541</b>	<b>5,810</b>	<b>5,854</b>	<b>4,534</b>	<b>4,931</b>	<b>4,721</b>	<b>-4%</b>	<b>-19%</b>			
NPL ratio (%)	5.3	5.5	5.6	5.7	5.9	6.2	6.2	5.0	5.4	5.2					
Coverage ratio (%)	219	207	196	190	184	174	162	183	168	160					
Credit cost (%)	6.7	7.9	7.9	8.4	8.9	8.3	8.1	5.7	9.1	8.4					
Net credit cost (%)	5.1	6.1	6.2	6.3	7.0	6.4	6.1	3.5	6.8	6.2					
Bad debt recovery	385	410	406	494	441	451	468	488	525	515					
Bad debt write-off	1,859	2,079	2,214	2,431	2,155	2,196	2,631	2,615	2,178	2,410					

Source: Company data, KGI Securities Research

**Balance Sheet**

	Feb-21 Ending Feb-22	Feb-22 Ending Feb-23	Feb-23 Ending Feb-24	Feb-24F Ending Feb-25	Feb-25F Ending Feb-26
<b>Loans outstanding</b>	<b>91,028</b>	<b>93,937</b>	<b>91,305</b>	<b>95,312</b>	<b>99,555</b>
Loans growth	4.1	3.2	(2.8)	4.4	4.5
Loans by categories					
Credit card	43	46	45	46	46
Personal loan	50	48	48	46	45
Hire-purchase	6	6	7	8	8
<b>Asset quality</b>					
LLR	10,951	10,125	8,288	8,578	8,960
Credit card	3,880	3,625	2,713	3,431	3,584
Personal loan	6,279	6,000	5,091	4,718	4,928
Hire-purchase	792	500	483	429	448
LLR/loans	12.0	10.8	9.1	9.0	9.0
NPL	4,427	5,340	4,534	5,323	5,562
NPL ratio	4.9	5.7	5.0	5.6	5.6
Coverage ratio (LLR/NPL)	247.4	189.6	182.8	161.2	161.1
Credit cost	728.3	773.1	793.0	825.0	810.0
Net credit cost	569.6	571.9	592.6	590.5	607.8
<b>Profitability</b>					
Loan yield	20.1	20.6	20.3	20.1	20.1
Credit card	17.1	18.5	18.5	18.5	18.5
Personal loan	22.8	22.9	22.5	22.5	22.5
Hire-purchase	18.3	18.0	16.4	16.5	16.5
Spread	17.3	17.5	16.9	16.7	16.7
<b>Cost</b>					
SG&A	7,832	8,117	8,394	8,687	8,862
Cost to income ratio	38.3	37.0	38.5	38.0	37.0

Source: KGI Securities Research

**Profit and Loss**

Year to Feb 28 (Btmn)	Feb-21	Feb-22	Feb-23	Feb-24F	Feb-25F
Interest Income	17,903	19,055	18,767	18,789	19,613
Credit card	6,462	7,642	7,819	7,891	8,238
Personal loan	10,368	10,385	9,950	9,864	10,297
Hire-purchase	1,073	1,029	998	1,033	1,079
Interest Expense	1,745	1,904	2,162	2,251	2,353
<b>Interest income-net</b>	<b>16,158</b>	<b>17,151</b>	<b>16,605</b>	<b>16,538</b>	<b>17,260</b>
Collection service income	210	226	221	250	250
Commission income	682	689	643	650	650
Other income	1,997	2,362	2,334	2,670	2,898
Pre-provision income	19,047	20,428	19,803	20,109	21,058
Operating expenses	7,832	8,117	8,394	8,687	8,862
<b>Pre-provision profit</b>	<b>10,323</b>	<b>11,396</b>	<b>10,545</b>	<b>10,522</b>	<b>11,296</b>
Provision	6,629	7,263	7,240	7,863	8,064
<b>Pre-tax profit</b>	<b>4,574</b>	<b>4,950</b>	<b>4,161</b>	<b>3,559</b>	<b>4,132</b>
Income tax	1,000	996	824	712	826
<b>Net profit</b>	<b>3,553</b>	<b>3,815</b>	<b>3,259</b>	<b>2,767</b>	<b>3,206</b>
EPS (Bt)	14.21	15.26	13.04	11.07	12.82

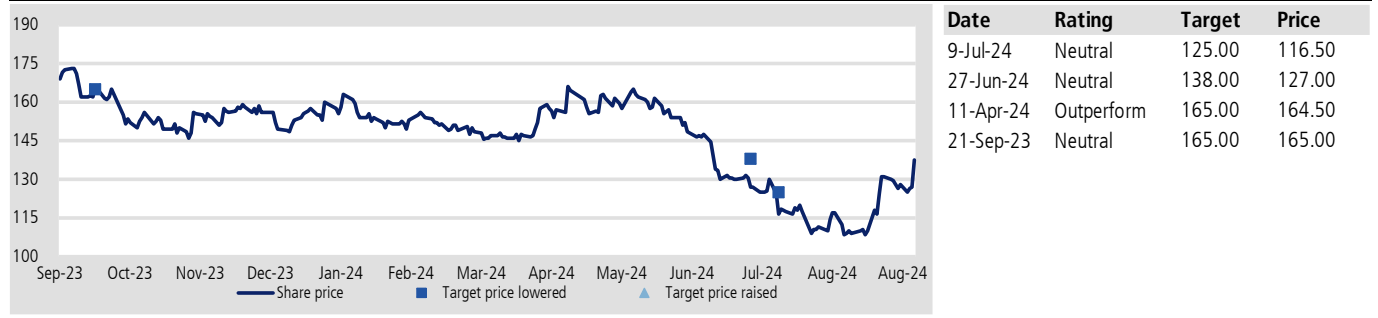
Source: KGI Securities Research

**Key Ratios**

Year to 28 Feb(Btmn)	Feb-21	Feb-22	Feb-23	Feb-24F	Feb-25F
<b>Growth (YoY %)</b>					
Loans	4.1	3.2	(2.8)	4.4	4.4
Borrowings/Debentures	4.5	1.0	(4.9)	7.6	4.5
Total Assets	3.5	5.2	(2.9)	6.6	4.5
Total Equity	16.6	14.7	7.2	9.3	9.2
<b>Growth (YoY %)</b>					
Net Interest Income	(2.0)	6.1	(3.2)	(0.4)	4.4
Total Revenue	(2.4)	7.4	(1.6)	1.8	4.7
Loan Loss Provision	6.8	9.6	(0.3)	8.6	2.6
Operating Expense	(5.7)	3.6	3.4	3.5	2.0
Pre-provision Profit	(0.8)	7.3	(3.1)	1.5	4.7
Net Profit	(3.7)	7.4	(14.6)	(15.1)	15.9
EPS	(3.7)	7.4	(14.6)	(15.1)	15.9
<b>Profitability (%)</b>					
Yield on loans	20.1	20.6	20.3	20.1	20.1
Cost of Funds	2.7	2.9	3.4	3.4	3.4
Net Interest Margin	18.1	18.5	17.9	17.7	17.7
Bad debt recovery/Rev	6.8	7.6	8.4	9.3	9.8
Cost/Income Ratio	38.3	37.0	38.5	38.0	38.0
ROAA	4.0	4.1	3.5	2.9	3.2
ROAE	19.2	17.9	13.8	10.8	11.5
<b>Capital Adequacy(%)</b>					
Assets/Equity (x)	4.5	4.2	3.8	3.7	3.5
D/E (x)	3.5	3.1	2.8	2.7	2.6
<b>Asset Quality (%)</b>					
NPL Ratio	4.9	5.7	5.0	5.6	5.6
<b>Per Share Data (Bt)</b>					
EPS	14.21	15.26	13.04	11.07	12.82
DPS	5.2	5.5	6.5	6.0	6.0

Source: KGI Securities Research

**AEON Thana Sinsap - Recommendation & target price history**



Source: KGI Securities Research

## Company's ESG details

### Environment

The company has joined as a member in Greenhouse Gas Reduction workforce in Aeon Financial Services Group, Japan, which established goals and short-term and long-term action plans to reduce greenhouse gas emissions to Zero CO2 Society as follows;

- 35% reduction within the year 2030
- Zero CO2 by the year 2040

The company has implemented environmental development through strategic plans. The Digitalization Roadmap since 2017 and implementation of resource management in business operations, which are;

1. Reducing the use of paper and plastic;
2. Waste management; and
3. Management of electrical energy, water, and fuel energy.

### Social

The company conducts business in accordance to human rights principles, based on its philosophy which places importance on peace, human beings and society, and aims to conduct business with responsibility to both customers; via the development of financial products and services regularly to enhance the financial service accessibility and the use of financial services with safety and fairness, and employees; via our Human Resources Management policy to treat employees equally through recruiting, providing a safe working environment and good occupational healthy environment, performance appraisal, employee development, layoffs, and retirement processes.

In addition, the company supports various social projects through AEON Thailand Foundation with the following objectives:

1. Promote and support forest conservation;
2. Promote education, including granting scholarships and/or donations to students and/or schools;
3. Develop Thai society and promote and support general public interests;
4. Conduct or cooperate with other charitable organizations. for public benefit; and
5. Do not engage in any political activities.

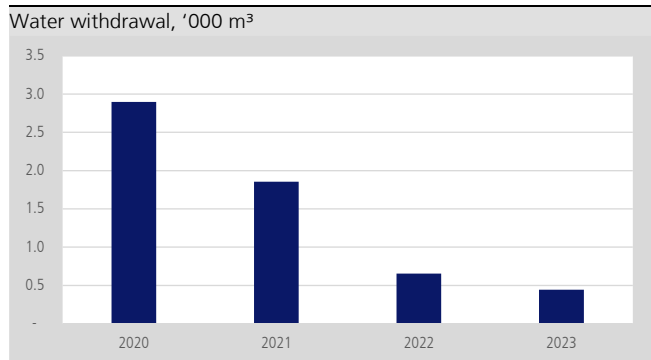
### Governance

The company is aware of the industry risks, so it places importance on technology development and management as well as financial innovations in response to customer needs by focusing on providing personal loan services responsibly and to achieve customer satisfaction. In addition, the company develops corporate governance and risk management continuously to maintain credibility and trust of all stakeholders. Besides operating under the supervision of the SEC/SET, Bank of Thailand, related laws and regulations, the company also complies ISO world-class standards to control various operational processes to ensure that the company conducts business with transparency and fairness for stakeholders' confidence.

The company maintains annual "Very Good" CG scoring From Thai Institute of Directors Association (IOD)

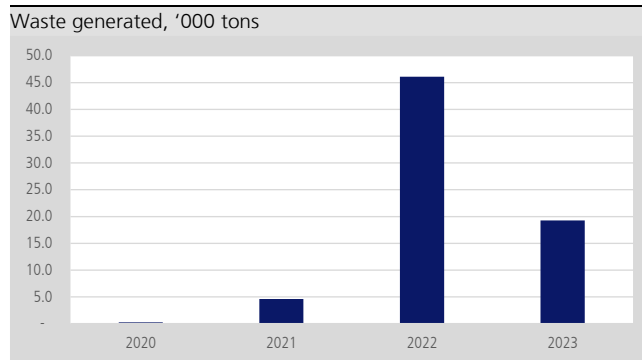
Source: Company data, KGI Securities Research

### Total water withdraw



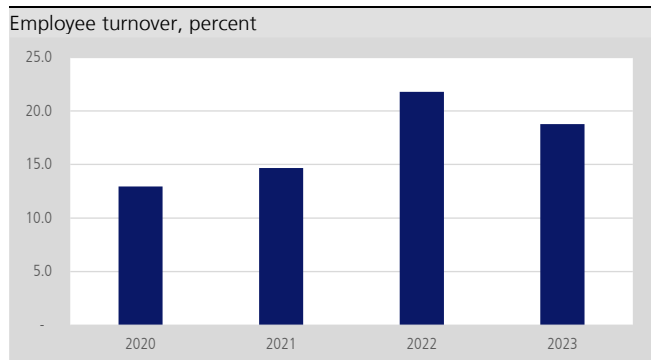
Source: Company data, SETSMART, KGI Securities Research

### Total waste



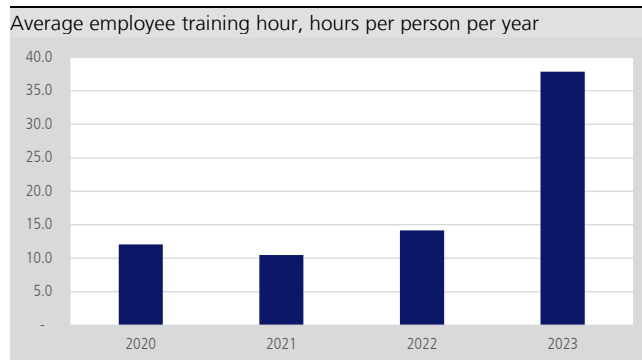
Source: Company data, SETSMART, KGI Securities Research

### Employee turnover



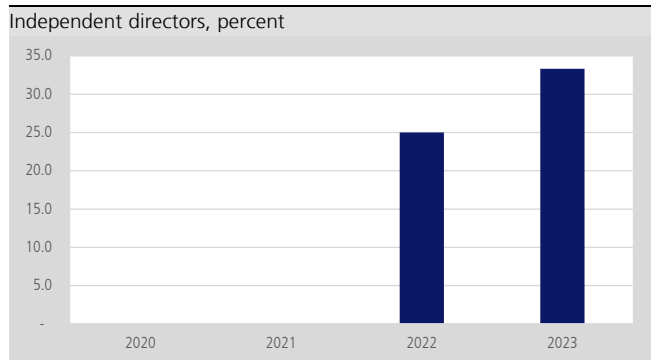
Source: Company data, SETSMART, KGI Securities Research

### Average employee training hours



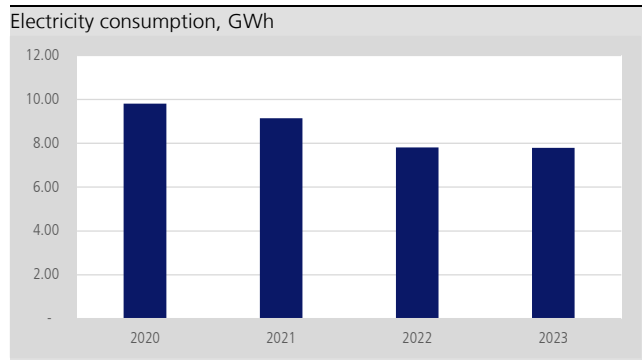
Source: Company data, SETSMART, KGI Securities Research

### Proportion of independent directors



Source: Company data, SETSMART, KGI Securities Research

### Total electricity consumption



Source: Company data, SETSMART, KGI Securities Research



# SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	KTC	KRUNGTHAI CARD	AAA
AMATA	AMATA CORPORATION	AAA	LH	LAND AND HOUSES	A
AOT	AIRPORTS OF THAILAND	A	MAJOR	MAJOR CINEPLEX GROUP	AA
AP	AP (THAILAND)	AA	MEGA	MEGA LIFESCIENCES	A
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	MINT	MINOR INTERNATIONAL	AA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMEN	AA	MTC	MUANGTHAI CAPITAL	A
BANPU	BANPU	AAA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BBGI	BBGI	AA	ORI	ORIGIN PROPERTY	AA
BBL	BANGKOK BANK	AA	OSP	OSOTSPA	AA
BCH	BANGKOK CHAIN HOSPITAL	AA	PLANB	PLAN B MEDIA	AA
BCP	BANGCHAK CORPORATION	AAA	PSH	PRUKSA HOLDING	BBB
BCPG	BCPG	AA	PTT	PTT	AAA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
BGRIM	B.GRIMM POWER	AAA	RATCH	RATCH GROUP	AA
BPP	BANPU POWER	AAA	RBF	R&B FOOD SUPPLY	BBB
BTS	BTS GROUP HOLDINGS	AA	SAK	SAKSIAM LEASING	A
CBG	CARABAO GROUP	A	SAPPE	SAPPE	BBB
CENTEL	CENTRAL PLAZA HOTEL	A	SAT	SOMBOON ADVANCE TECHNOLOGY	AA
CK	CH. KARNCHANG	A	SAWAD	SRISAWAD CORPORATION	BBB
CKP	CK POWER	AAA	SCB	SCB X	AA
COM7	COM7	A	SCC	THE SIAM CEMENT	AAA
CPALL	CP ALL	AAA	SCCC	SIAM CITY CEMENT	AA
CPAXT	CP AXTRA	AAA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	A
CPN	CENTRAL PATTANA	AA	SICT	SILICON CRAFT TECHNOLOGY	A
EGCO	ELECTRICITY GENERATING	AA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
ERW	THE ERWAN GROUP	A	SNC	SNC FORMER	A
GFPT	GFPT	BBB	SPALAI	SUPALAI	AA
GLOBAL	SIAM GLOBAL HOUSE	AA	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION	A
GPSC	GLOBAL POWER SYNERGY	AA	STGT	SRI TRANG GLOVES (THAILAND)	AAA
GULF	GULF ENERGY DEVELOPMENT	AA	TCAP	THANACHART CAPITAL	A
HANA	HANA MICROELECTRONICS	AA	TFG	THAIFOODS GROUP	A
HENG	HENG LEASING AND CAPITAL	A	THCOM	THAICOM	AAA
HMPRO	HOME PRODUCT CENTER	AA	TISCO	TISCO FINANCIAL GROUP	AAA
INTUCH	INTOUCH HOLDINGS	AA	TOP	THAI OIL	AAA
IRPC	IRPC	AA	TTB	TMBTHANACHART BANK	AA
IVL	INDORAMA VENTURES	AA	UBE	UBON BIO ETHANOL	A
KBANK	KASIKORNBANK	AAA	VGI	VGI	AA
KEX	KERRY EXPRESS (THAILAND)	BBB	WHA	WHA CORPORATION	AAA
KKP	KIATNAKIN PHATRA BANK	BBB	WHAUP	WHA UTILITIES AND POWER	AAA
KTB	KRUNG THAI BANK	AAA	ZEN	ZEN CORPORATION GROUP	AA

Source: www.setsustainability.com

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# Corporate Governance Report of Thai Listed Companies



## Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GFPT	GFPT	SAK	SAKSIAM LEASING
ADVANC	ADVANCED INFO SERVICE	GGC	GLOBAL GREEN CHEMICALS	SAPPE	SAPPE
AEONTS	AEON THANA SINSAP (THAILAND)	GLOBAL	SIAM GLOBAL HOUSE	SAT	SOMBOON ADVANCE TECHNOLOGY
AMA	AMA MARINE	GPSC	GLOBAL POWER SYNERGY	SCB	SCB X
AMATA	AMATA CORPORATION	GULF	GULF ENERGY DEVELOPMENT	SCC	THE SIAM CEMENT
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	SCCC	SIAM CITY CEMENT
AOT	AIRPORTS OF THAILAND	HENG	HENG LEASING AND CAPITAL	SCGP	SCG PACKAGING
AP	AP (THAILAND)	HMPRO	HOME PRODUCT CENTER	SEAFCO	SEAFCO
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	INTUCH	INTOUCH HOLDINGS	SFT	SHRINKFLEX (THAILAND)
BAM	BANGKOK COMMERCIAL ASSET MANAGEMEN	IRPC	IRPC	SHR	S HOTELS AND RESORTS
BANPU	BANPU	ITC	i-Tail Corporation	SICT	SILICON CRAFT TECHNOLOGY
BBGI	BBGI	IVL	INDORAMA VENTURES	SMPC	SAHAMITR PRESSURE CONTAINER
BBL	BANGKOK BANK	KBANK	KASIKORNBANK	SNC	SNC FORMER
BCH	BANGKOK CHAIN HOSPITAL	KCE	KCE ELECTRONICS	SNNP	SRINANAPORN MARKETING
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SPALI	SUPALAI
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPRC	STAR PETROLEUM REFINING
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BEC	BEC WORLD	KTC	KRUNGTHAI CARD	STGT	SRI TRANG GLOVES (THAILAND)
BEM	BANGKOK EXPRESSWAY AND METRO	LH	LAND AND HOUSES	SUN	SUNSWEET
BGRIM	B.GRIMM POWER	LPN	L.P.N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	M	MK RESTAURANT GROUP	TACC	T.A.C. CONSUMER
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	TCAP	THANACHART CAPITAL
BTS	BTS GROUP HOLDINGS	MBK	MBK	TFG	THAIFOODS GROUP
CBG	CARABAO GROUP	MEGA	MEGA LIFESCENCES	THCOM	THAICOM
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TIDLOR	NGERN TID LOR
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	TKN	TAOKAENOI FOOD & MARKETING
COM7	COM7	ORI	ORIGIN PROPERTY	TOP	THAI OIL
CPALL	CP ALL	OSP	OSOTSPA	TTB	TMBTHANACHART BANK
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	UBE	UBON BIO ETHANOL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	VGI	VGI
CPN	CENTRAL PATTANA	PTT	PTT	WHA	WHA CORPORATION
DELTA	DELTA ELECTRONICS (THAILAND)	PTTEP	PTT EXPLORATION AND PRODUCTION	WHAUP	WHA UTILITIES AND POWER
DOHOM	DOHOME	PTTGC	PTT GLOBAL CHEMICAL	ZEN	ZEN CORPORATION GROUP
EGCO	ELECTRICITY GENERATING	QH	QUALITY HOUSES		
ERW	THE ERAWAN GROUP	RATCH	RATCH GROUP		



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BTG	BETAGRO	NTSC	Nutrition SC	TNP	THANAPIRIYA
EKH	EKACHAI MEDICAL CARE	PQS	Premier Quality Starch	XO	EXOTIC FOOD
HUMAN	HUMANICA	PYLON	PYLON		
JMART	JAYMART GROUP HOLDINGS	SINGER	SINGER THAILAND		



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	SAWAD	SRISAWAD CORPORATION	SPA	SIAM WELLNESS GROUP
JMT	JMT NETWORK SERVICES	SMD	SAINTMED		

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	NETBAY	NETBAY	SISB	SISB
CHG	CHULARAT HOSPITAL	PJW	PANJAWATTANA PLASTIC	TGE	THACHANG GREEN ENERGY
ESSO	ESSO (THAILAND)	PLT	Pilatus Marine	TPCH	TPC POWER HOLDING
LPH	LADPRAO GENERAL HOSPITAL	PTG	PTG ENERGY	TU	THAI UNION GROUP
MENA	MENA TRANSPORT	SFLEX	STARFLEX		

Source:www.thai-iod.com

**Disclaimer:** The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. 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 or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

## Anti-corruption Progress Indicator

### Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFSCO	SEAFSCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BPCG	BPCG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

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**KGI Locations**

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