13 [illegible] 2563

FINANSIA
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Company Note

BAY (BAYTB)

[illegible]

Current	Previous	Close	2020 TP	Exp Return	THAI CAC	CG 2019
BUY	BUY	28.25	35.00	+ 24%	Certified	5

Consolidated earnings

BT (mn)	2018	2019	2020E	2021E
Loans (Bt bn)	1,676	1,822	1,905	2,057
Growth (%)	8	9	5	8
PPOP (Bt m)	57,839	69,439	60,188	63,366
Growth (%)	11	20	-13	5
Net profit (Bt m)	24,813	32,749	26,213	27,260
EPS (Bt)	3.37	4.45	3.56	3.71
EPS (Bt)- Fully diluted	3.37	4.45	3.56	3.71
Growth (%)	7	32	-20	4
PE (x)	9.8	7.4	9.3	8.9
PE (x) - Fully diluted	9.8	7.4	9.3	8.9
DPS (Bt)	1.00	1.00	1.00	1.00
Yield (%)	3.0	3.0	3.0	3.0
BVPS (Bt)	32.79	36.59	39.09	41.78
P/BV (x)	1.0	0.9	0.8	0.8
Par (Bt)	10	10	10	10

Source: Company data, FSS estimates

Share data

Sector	Banking
Close (12/ 02/20 20)	28.25
SET Index	1,539.84
Foreign limit/actual (%)	25.00/ 25.00
Paid up shares (million)	7,355.76
Free float (%)	23.11
Market cap (Bt m)	207,800.27
Avg daily T/O (Bt m) (20 20 YTD)	11.47
hi, lo, avg (Bt) (20 20 YTD)	30.50, 27.75, 29.08

Source: Setsmarts

[illegible] 2020 [illegible]

[illegible] 2020 [illegible] GDP Growth [illegible] 2.3% [illegible] 5-7% [illegible] 3-5% [illegible] 2020 [illegible] 2.6 [illegible] -20% [illegible] 2% Y-Y [illegible] -3% Y-Y [illegible] 47-48% [illegible] 2020 [illegible] 35.5 [illegible] Prospective LT ROE [illegible] BAY [illegible] 2H19 [illegible] 0.60 [illegible] -0.02% [illegible] 2020 [illegible]

[illegible] NPL [illegible] NPL [illegible] SME [illegible] NPL [illegible] TFRS9 [illegible] BAY [illegible] SME [illegible]

[illegible] 2020 [illegible] 2.6 [illegible] -20% Y-Y [illegible]

[illegible] MRR [illegible] SME [illegible] MRR [illegible] Credit cost [illegible] NPL [illegible] BAY [illegible] Y-Y [illegible]

[illegible]

[illegible] PBV [illegible] Prospective LT ROE [illegible] BAY [illegible] Free Float [illegible]

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Income Statement (Consolidated)

(Bt mn)	2017	2018	2019	2020E	2021E
Interest and dividend	94,998	107,132	110,455	114,397	121,127
Interest costs	26,463	31,803	34,032	36,039	38,534
Net interest income	68,535	75,328	76,423	78,357	82,594
Non-interest income	31,945	34,251	45,185	35,450	36,638
Operating Income	100,480	109,579	121,608	113,808	119,231
Operating costs	48,210	51,741	52,169	53,620	55,865
PPOP	52,270	57,839	69,439	60,188	63,366
Provision	22,970	26,180	28,203	26,672	28,791
Optg. Profit after Provns.	29,300	31,658	41,236	33,516	34,575
Net non-operating items	6,573	6,632	16,324	6,500	6,500
Pre-tax profit	29,300	31,658	41,236	33,516	34,575
Tax charge	5,739	6,467	8,105	6,703	6,915
Profit after tax	23,209	24,813	32,749	26,213	27,260
Extraordinary items					
Net profit	22,858	24,434	32,366	25,613	26,860

Balance Sheet (Consolidated)

(Bt mn)	2017	2018	2019	2020E	2021E
Gross loans	1,554,321	1,676,344	1,822,360	1,905,111	2,056,523
Accrued interest	3,917	4,326	4,484	5,000	5,000
LLR	55,476	61,360	67,384	72,775	78,597
Net loans & accrued	1,498,845	1,614,984	1,754,976	1,837,336	1,982,926
Gross cash	38,244	34,679	33,830	30,000	30,000
Interbank assets	330,797	245,553	331,431	300,000	300,000
Investments	86,157	137,369	130,292	120,000	120,000
Foreclosed properties	3,685	3,478	3,500	3,000	3,000
Fixed assets	26,401	26,239	29,029	24,000	24,000
Other assets	104,642	111,319	76,532	75,000	100,000
Total assets	2,088,772	2,173,622	2,359,592	2,389,336	2,559,926
Customer deposits	1,319,229	1,426,348	1,566,885	1,645,229	1,776,847
Interbank liabilities	279,721	244,097	252,121	220,000	225,000
Short term borrowings	142,866	155,650	175,667	180,000	185,000
Long term borrowings	0	0	0	0	0
Other liabilities	120,969	103,809	92,803	53,896	63,008
Total liability	1,862,785	1,929,904	2,087,476	2,099,125	2,249,855
Paid up Capital	73,558	73,558	73,558	73,558	73,558
Share premium	56,375	55,030	57,191	56,879	56,879
Appropriated reserves	5,007	5,891	6,871	7,657	8,475
Unappropriated reserves	90,191	108,159	133,171	151,197	170,239
Minority interests	857	1,081	1,326	920	920
Shareholders' funds	225,131	242,637	270,790	289,291	309,151

Important Ratios (Consolidated)

	2017	2018	2019	2020E	2021E
Growth (%)					
Gross loans	7.0	7.9	8.7	4.5	7.9
Total assets	10.9	4.1	8.6	1.3	7.1
Net interest income	10.6	9.9	1.5	2.5	5.4
Non-interest income	8.3	7.2	31.9	-21.5	3.3
Operating costs	-11.9	-7.3	-0.8	-2.8	-4.2
Provision costs	-7.8	-14.0	-7.7	5.4	-7.9
Pre-Provision profit	8.0	10.7	20.1	-13.3	5.3
Net profit	8.2	6.9	32.5	-20.9	4.9
Profitability (%)					
Operating cost / income	47.98	47.22	42.90	47.11	46.85
Gross loans / deposits	123.0	122.9	122.1	115.8	115.7
Average earnings yield	5.06	5.32	5.09	4.96	5.05
Average funding cost	1.59	1.78	1.78	1.78	1.82
Net interest margin	3.65	3.74	3.52	3.40	3.44
Fee income / Revenue	26.2	26.5	24.4	27.1	26.9
Non interest inc. / Income	31.8	31.3	37.2	31.1	30.7
Optg. income/Total Assets	4.8	5.0	5.2	4.8	4.7
Optg. costs/Total Assets	2.31	2.38	2.21	2.24	2.18
ROA	1.2	1.2	1.4	1.1	1.1
ROE	10.7	10.6	12.8	9.4	9.1
Asset quality (%)					
NPLs / Total loans	2.1	2.1	2.0	2.1	2.0
NPLs / Total assets	1.8	1.8	1.6	1.7	1.6
Provision expense / Loans	1.5	1.6	1.5	1.4	1.4
Loan Loss Reserves / NPLs	148.4	160.8	160.8	163.9	167.1
Capitalization (%)					
Tier 1	12.0	12.0	12.0	12.0	12.3
Tier 2	3.7	3.7	3.7	3.3	3.1
Total CAR	15.7	15.7	15.7	15.3	15.4
Per share data (Bt /share)					
Shares in issue (million)	7,400	7,400	7,400	7,400	7,400
Reported EPS	3.16	3.37	4.45	3.56	3.71
Pre-Provision EPS	7.11	7.86	9.44	8.18	8.61
BVPS	30.42	32.79	36.59	39.09	41.78
DPS	0.90	1.00	1.00	1.00	1.00
DPS/EPS (%)	28.5	29.7	22.5	28.1	27.0
Valuations (x)					
P/E	10.4	9.8	7.4	9.3	8.9
Normalized P/E	14.6	13.4	13.2	12.3	11.7
P/BV	1.1	1.0	0.9	0.8	0.8
Dividend yield (%)	2.7	3.0	3.0	3.0	3.0

Source: Company data, FSS research

BUY	10%
HOLD	0% - 10%
SELL	
TRADING BUY	
OVERWEIGHT	
NEUTRAL	
UNDERWEIGHT	

DISCLAIMER :

Market Maker, Derivative Warrants

AAV, ADVANC, AEONTS, AMATA, ANAN, AOT, AP, BANPU, BBL, BCH, BCP, BCPG, BDMS, BEAUTY, BEC, BEM, BGRIM, BH, BJC, BLAND, BPP, BTS, CBG, CENTEL, CHG, CK, CKP, COM7, CPALL, CPF, CPN, DELTA, DTAC, EA, EGCO, EPG, ERW, ESSO, GFPT, GLOBAL, GPSC, GULF, GUNKUL, HANA, HMPRO, INTUCH, IRPC, IVL, JAS, JMT, KBANK, KCE, KKP, KTB, KTC, LH, MAJOR, MBK, MEGA, MINT, MTC, ORI, OSP, PLANB, PRM, PSH, PSL, PTG, PTT, PTTEP, PTTGC, QH, RATCH, ROBINS, RS, SAWAD, SCB, SCC, SGP, SIRI, SPALI, SPRC, STA, STEC, SUPER, TASCO, TCAP, THAI, THANI, TISCO, TKN, TMB, TOA, TOP, TPIPP, TRUE, TTW, TU, TVO, WHA SET50 Future

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Thai Institute of Directors Association (IOD) - Corporate Governance Report Rating 2019

[illegible]	[illegible]	[illegible]
100-90		[illegible]
80-89		[illegible]
70-79		[illegible]
60-69		[illegible]
50-59		[illegible]
<50	no logo given	n/a

[illegible] N/R [illegible]

IOD (IOD Disclaimer)

[illegible]

[illegible] (THAI CAC) [illegible]

1 [illegible] CG Score [illegible]

2 [illegible] Thai CAC [illegible]

([illegible])

- [illegible] CAC [illegible]

- [illegible] CAC [illegible]