

5 AUGUST 2020

THAILAND / BANKS

BANGKOK BANK BBL TB

BUY

UNCHANGED

TARGET PRICE	THB130.00
CLOSE	THB100.00
UP/DOWNSIDE	+30.0%
PRIOR TP	THB142.00
CHANGE IN TP	-8.5%
TP vs CONSENSUS	+1.5%

จุดต่ำสุดได้ผ่านไปแล้ว

เป้าหมาย: ECL สูงขึ้นตามคาด

BBL ให้เป้าหมายทางการเงินใหม่สำหรับ 2020 โดยหนึ่งในรายการเปลี่ยนแปลงสำคัญคือผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (Expected Credit Loss หรือ ECL) แม้ผู้บริหารจะระบุว่า ECL ในปีนี้จะเพิ่มเป็น 28พัน ลบ. จาก 15-20พัน ลบ. เพื่อเป็นกันชนสำหรับความไม่แน่นอนในอนาคต เรากลับมีมุมมองที่เป็นกลางต่อตัวเลขที่เพิ่มขึ้นดังกล่าว เราเชื่อว่าตัวเลขดังกล่าวสอดคล้องกับคาดการณ์ของตลาดที่ว่า BBL จะเพิ่มประมาณการสำหรับ ECL หลังการประกาศผลการดำเนินงานใน 2Q20

การบริหารความเสี่ยงเชิงรุกช่วยให้กำไรสุทธิฟื้นจากจุดต่ำสุดใน 2Q20

แม้ว่าสินเชื่อที่ไม่ก่อให้เกิดรายได้ (NPL) ของ BBL ในช่วงที่เหลือของปีนี้อาจเพิ่มขึ้นจากระดับปัจจุบันตามการชะลอตัวทางเศรษฐกิจ เรามองว่ากำไรสุทธิได้ผ่านจุดต่ำสุดไปแล้วใน 2Q20 ใน 3Q20-4Q20 เราคาดว่ากำไรสุทธิจะลดลงในอัตราที่ต่ำลง y-y โดยมากมาจาก ECL ที่เพิ่มขึ้นในอัตราที่ลดลง BBL ได้ทำการจัดสรร ECL เชิงรุกก่อน NPL จะเพิ่มตามคาด นอกจากนี้เรายังคาดว่า BBL จะรายงานกำไรสุทธิเพิ่มขึ้น 17% y-y ใน 2021 จากการลดลงของ ECL การเพิ่มขึ้นของความต้องการสินเชื่อ โดยเฉพาะในตลาดสินเชื่อบริษัทขนาดใหญ่ และการเพิ่มขึ้นของรายได้ค่าธรรมเนียมตามการฟื้นตัวของกิจกรรมทางธุรกิจ

Permata: รอให้เกิด Synergies

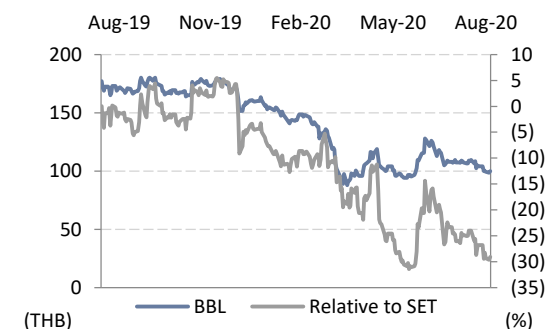
BBL ซื้อหุ้น 89.12% ใน PT Bank Permata Tbk (BNLI IJ) สำเร็จเมื่อวันที่ 20 พ.ค. 2020 และอยู่ระหว่างทำข้อเสนอหุ้นส่วนที่เหลือ BBL คาดว่าจะใช้เครือข่ายของ Permata สำหรับลูกค้าบริษัทขนาดใหญ่ของธนาคารฯ ในอินโดนีเซีย ผู้บริหารเชื่อว่าใช้เวลาประมาณหนึ่งปีก่อน Synergies จากการซื้อดังกล่าวจะเห็นผล อย่างไรก็ตาม เราคาดว่าธนาคารฯ อาจต้องรอเป็นเวลา 2-3 ปี โดยอิงจากการควบรวมกิจการในอดีต กล่าวคือเมื่อ Thanachart Bank (TBANK, not listed) ควบรวมกิจการกับ Siam City Bank ใน เม.ย. 2010 TBANK ต้องรอถึง 3 ปีกว่าจะได้ประโยชน์จาก Synergies และเห็นกำไรเพิ่มขึ้น ดังนั้นเราจึงคาดว่า Permata จะยังไม่มีส่วนสำคัญในการสร้างกำไรสุทธิให้กับ BBL ใน 2020-2021

คงคำแนะนำซื้อหลังลดราคาเป้าหมายเป็น 130 บาท

เราปรับลดประมาณการกำไรต่อหุ้นใน 2020-22 ลง 16.2%/13.5%/7.1% ตามลำดับเพื่อสะท้อน ECL ที่สูงขึ้นและรายได้ค่าธรรมเนียมที่ลดลง ซึ่งทำให้เราปรับลดราคาเป้าหมายจาก 142 เป็น 130 บาท (GGM) อย่างไรก็ตามเรายังคงคำแนะนำซื้อและยังมองว่า BBL เป็นหุ้นเด่นของเรา เนื่องจากเราเชื่อว่า Valuation ของหุ้นอยู่ในระดับต่ำ ในขณะที่ ROE มีแนวโน้มเพิ่มสูงขึ้น นอกจากนี้เรายังมองว่าผลประโยชน์ของการควบรวมกิจการของธนาคารฯ ได้ผ่านจุดต่ำสุดไปแล้วใน 2Q20 และคาดว่ากำไรจากการดำเนินงานจะฟื้นตัว 17% y-y ใน 2021

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Operating profit	46,339	28,957	33,709	37,568
Net profit	35,816	23,165	26,994	30,084
EPS (THB)	18.76	12.13	14.14	15.76
vs Consensus (%)	-	(16.0)	(13.8)	(14.9)
Core net profit	35,816	23,165	26,994	30,084
Core EPS (THB)	18.76	12.13	14.14	15.76
Chg. In EPS est. (%)	-	(16.2)	(13.5)	(7.1)
EPS growth (%)	1.4	(35.3)	16.5	11.4
Core P/E (x)	5.3	8.2	7.1	6.3
Dividend yield (%)	7.0	4.0	7.0	7.0
Price/book (x)	0.4	0.4	0.4	0.4
ROE (%)	8.5	5.3	6.0	6.4
ROA (%)	1.1	0.7	0.7	0.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.0)	(3.8)	(43.7)
Relative to country (%)	(4.1)	(6.0)	(28.7)
Mkt cap (USD m)	6,141		
3m avg. daily turnover (USD m)	48.3		
Free float (%)	76		
Major shareholder	Thai NVDR (24%)		
12m high/low (THB)	183.50/88.00		
Issued shares (m)	1,909		

Sources: Bloomberg consensus; FSSIA estimates



Yuvanart Suwanumphai

yuvanart.suw@fssia.com
+66 2611 3554

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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 5 สิงหาคม 2020

Financial Statements

Bangkok Bank

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Interest Income	110,781	112,565	112,732	120,963	127,700
Interest expense	(39,405)	(41,494)	(36,276)	(40,428)	(45,881)
Net interest income	71,376	71,071	76,456	80,535	81,819
Net fees & commission	27,590	28,505	24,197	25,406	26,677
Foreign exchange trading income	8,300	7,848	0	0	0
Securities trading income	8,009	19,765	8,818	8,818	8,818
Dividend income	3,781	3,769	3,392	3,562	3,740
Other income	2,267	2,696	1,045	1,149	1,264
Non interest income	49,947	62,582	37,451	38,935	40,498
Total income	121,323	133,653	113,907	119,470	122,317
Staff costs	(28,774)	(26,726)	(27,260)	(28,623)	(30,055)
Other operating costs	(26,391)	(28,237)	(28,304)	(28,985)	(29,697)
Operating costs	(55,165)	(54,963)	(55,565)	(57,608)	(59,751)
Pre provision operating profit	66,158	78,690	58,343	61,862	62,566
Provision for bad and doubtful debt	(21,965)	(32,351)	(29,386)	(28,153)	(24,998)
Other provisions	-	-	-	-	-
Operating profit	44,194	46,339	28,957	33,709	37,568
Recurring non operating income	78	93	102	112	123
Associates	78	93	102	112	123
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	44,271	46,431	29,059	33,821	37,691
Tax	(8,554)	(10,219)	(5,637)	(6,527)	(7,274)
Profit after tax	35,717	36,212	23,421	27,293	30,417
Minority interests	(387)	(397)	(257)	(299)	(333)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	35,330	35,816	23,165	26,994	30,084
Non-recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	35,330	35,816	23,165	26,994	30,084
Per share (THB)					
Recurring EPS *	18.51	18.76	12.13	14.14	15.76
Reported EPS	18.51	18.76	12.13	14.14	15.76
DPS	6.50	7.00	4.00	7.00	7.00
Growth					
Net interest income (%)	7.1	(0.4)	7.6	5.3	1.6
Non-interest income (%)	9.4	25.3	(40.1)	4.0	4.0
Pre provision operating profit (%)	4.5	18.9	(25.9)	6.0	1.1
Operating profit (%)	7.9	4.9	(37.5)	16.4	11.4
Reported net profit (%)	7.0	1.4	(35.3)	16.5	11.4
Recurring EPS (%)	7.0	1.4	(35.3)	16.5	11.4
Reported EPS (%)	7.0	1.4	(35.3)	16.5	11.4
Income Breakdown					
Net interest income (%)	58.8	53.2	67.1	67.4	66.9
Net fees & commission (%)	22.7	21.3	21.2	21.3	21.8
Foreign exchange trading income (%)	6.8	5.9	-	-	-
Securities trading income (%)	6.6	14.8	7.7	7.4	7.2
Dividend income (%)	3.1	2.8	3.0	3.0	3.1
Other income (%)	1.9	2.0	0.9	1.0	1.0
Operating performance					
Gross interest yield (%)	3.62	3.59	3.25	3.22	3.36
Cost of funds (%)	1.24	1.30	1.11	1.20	1.32
Net interest spread (%)	2.38	2.29	2.14	2.02	2.04
Net interest margin (%)	2.3	2.3	2.2	2.1	2.2
Cost/income(%)	45.5	41.1	48.8	48.2	48.8
Cost/assets(%)	1.8	1.7	1.6	1.5	1.6
Effective tax rate (%)	19.3	22.0	19.4	19.3	19.3
Dividend payout on recurring profit (%)	35.1	37.3	33.0	49.5	44.4
ROE (%)	8.7	8.5	5.3	6.0	6.4
ROE - COE (%)	(0.6)	(0.8)	(4.0)	(3.3)	(2.9)
ROA (%)	1.2	1.1	0.7	0.7	0.8
RORWA (%)	1.5	1.5	0.9	0.9	1.0

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Bangkok Bank; FSSIA estimates

Financial Statements

Bangkok Bank

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Gross customer loans	2,083,160	2,061,309	2,391,118	2,462,852	2,536,737
Total provisions	(153,003)	(174,276)	(192,902)	(234,600)	(244,378)
interest in suspense	5,624	4,013	6,695	6,896	7,103
Net customer loans	1,935,781	1,891,046	2,204,912	2,235,147	2,299,462
Bank loans	450,700	472,349	593,541	539,141	538,355
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	558,395	649,434	771,390	754,056	774,858
Cash & equivalents	62,394	58,090	52,458	78,604	63,376
Other interesting assets	-	-	-	-	-
Tangible fixed assets	53,171	50,117	73,473	73,810	74,286
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	56,309	95,706	134,044	133,499	136,023
Total assets	3,116,750	3,216,743	3,829,818	3,814,257	3,886,360
Customer deposits	2,326,470	2,370,792	2,829,278	2,830,726	2,873,187
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	260,434	284,550	377,133	360,753	366,899
Non-interest bearing liabilities	116,688	133,284	179,934	161,941	166,799
Hybrid Capital	-	-	-	-	-
Total liabilities	2,703,591	2,788,627	3,386,345	3,353,419	3,406,885
Share capital	19,088	19,088	19,088	19,088	19,088
Reserves	393,726	408,663	424,006	441,356	459,977
Total equity	412,814	427,751	443,095	460,445	479,066
Minority interests	345	365	378	393	409
Total liabilities & equity	3,116,750	3,216,743	3,829,818	3,814,257	3,886,360
Supplementary items					
Risk weighted assets (RWA)	2,369,794	2,393,700	3,004,641	3,094,780	3,187,624
Average interest earning assets	3,063,581	3,137,674	3,469,571	3,756,049	3,803,000
Average interest bearing liabilities	3,178,445	3,194,257	3,266,306	3,364,296	3,465,225
Tier 1 capital	390,309	406,463	426,474	440,100	455,276
Total capital	426,503	478,674	498,685	512,311	527,487
Gross non-performing loans (NPL)	80,137	79,149	113,975	156,145	153,022
Per share (THB)					
Book value per share	216.25	224.07	232.11	241.20	250.95
Tangible book value per share	216.25	224.07	232.11	241.20	250.95
Growth					
Gross customer loans	4.0	(1.0)	16.0	3.0	3.0
Average interest earning assets	3.5	2.4	10.6	8.3	1.2
Total asset (%)	1.3	3.2	19.1	(0.4)	1.9
Risk weighted assets (%)	2.8	1.0	25.5	3.0	3.0
Customer deposits (%)	0.7	1.9	19.3	0.1	1.5
Leverage & capital measures					
Customer loan/deposits (%)	83.2	79.8	77.9	79.0	80.0
Equity/assets (%)	13.2	13.3	11.6	12.1	12.3
Tangible equity/assets (%)	13.2	13.3	11.6	12.1	12.3
RWA/assets (%)	76.0	74.4	78.5	81.1	82.0
Tier 1 CAR (%)	16.5	17.0	14.2	14.2	14.3
Total CAR (%)	18.0	20.0	16.6	16.6	16.5
Asset Quality					
Change in NPL (%)	(8.3)	(1.2)	44.0	37.0	(2.0)
NPL/gross loans (%)	3.8	3.8	4.8	6.3	6.0
Total provisions/gross loans (%)	7.3	8.5	8.1	9.2	9.6
Total provisions/NPL (%)	190.9	220.2	169.2	150.2	159.7
Valuation					
Recurring P/E (x) *	5.4	5.3	8.2	7.1	6.3
Recurring P/E @ target price (x) *	7.0	6.9	10.7	9.2	8.2
Reported P/E (x)	5.4	5.3	8.2	7.1	6.3
Dividend yield (%)	35.1	37.3	33.0	49.5	44.4
Price/book (x)	0.5	0.4	0.4	0.4	0.4
Price/tangible book (x)	0.5	0.4	0.4	0.4	0.4
Price/tangible book @ target price (x)	0.6	0.6	0.6	0.5	0.5

Sources: Bangkok Bank; FSSIA estimates

Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GGP	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					
VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANA
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENDEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KBS	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PNR	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMP	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIIK	XO	YUASA	ZEN	ZMICO						
GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MG	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						
Score Range	Number of Logo					Description				
90-100						Excellent				
80-89						Very Good				
70-79						Good				
60-69						Satisfactory				
50-59						Pass				
Less than 50	No logo given					-				

Disclaimer:

The disclosure of the survey results 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 evaluation 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 results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator

CERTIFIED										
ADVANC	AIE	AKP	AMANAHA	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIIK
DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Yuvanart Suwanumchai FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Bank	BBL TB	THB 100.00	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a second wave of the COVID-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.
Tisco Financial	TISCO TB	THB 67.00	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a second wave of the COVID-19 pandemic affecting loan growth and asset quality; 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs; and 3) the slow expansion of its high yield auto cash portfolio.
Kasikornbank	KBANK TB	THB 83.00	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a second wave of the COVID-19 pandemic affecting to loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.
Kiatnakin Bank	KKP TB	THB 38.50	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
Krung Thai Bank	KTB TB	THB 9.95	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a second wave of the COVID-19 pandemic affecting loan growth and asset quality; 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs. The upside risk is the better-than expected ability to control cost of funds.
Siam Commercial Bank	SCB TB	THB 67.25	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a second wave of the COVID-19 pandemic affecting loan growth and asset quality; 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.
TMB Bank	TMB TB	THB 0.95	HOLD	Upside risks to our GGM-based target price are M&A completions and long-term synergy to be earned. The downside risk is the impact from a prolonged weak macro outlook on loan growth and asset quality.
Thanachart Capital	TCAP TB	THB 34.50	HOLD	Upside risks to our GGM-based target price are M&A completions and long-term synergy gained, leading to a higher contribution to its earnings. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality which could lead to higher provisions for both TMB and THANI.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

All share prices are as at market close on 04-Aug-2020 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

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 market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.