

23 APRIL 2021

THAILAND / BANKS

## BANGKOK BANK BBL TB

BUY  
UNCHANGED

TARGET PRICE	THB170.00
CLOSE	THB123.50
UP/DOWNSIDE	+37.7%
PRIOR TP	THB162.00
CHANGE IN TP	+4.9%
TP vs CONSENSUS	+13.4%

## แนวโน้มที่สดใสรออยู่ข้างหน้า

ผลประกอบการ 1Q21: สูงเกินคาดจากค่าใช้จ่ายในการดำเนินงานและรายได้ค่าธรรมเนียม

BBL รายงานกำไรสุทธิ 1Q21 ที่ 6.92 พัน ลบ. (-10% y-y, +189% q-q) สูงกว่าที่เราและตลาดคาด 26% และ 35% ตามลำดับจากค่าใช้จ่ายในการดำเนินงานที่ลดลงและรายได้ค่าธรรมเนียมที่สูงขึ้น กำไรดังกล่าวฟื้นตัวดี q-q จาก 1) รายได้ค่าธรรมเนียมที่สูงขึ้นส่วนมากจากค่าธรรมเนียมกองทุนรวมและค่าธรรมเนียมจากรุทกหลักทรัพย์; 2) ผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) ที่ลดลงเนื่องจาก BBL จัดสรรสำรองเชิงรุกในปี 2020; และ 3) ค่าใช้จ่ายในการดำเนินงานตามฤดูกาลที่ลดลง ในด้านคุณภาพสินทรัพย์ หนี้ต่อคุณภาพเพิ่มขึ้น 4% q-q จากการกลับมาของหนี้ต่อคุณภาพในสินเชื่อบริษัทและ SME อย่างไรก็ดี BBL ยังมีสัดส่วนสำรองที่ดีโดยอยู่ที่ 187% ของหนี้ต่อคุณภาพ

## สำรองมากพอสำหรับหนี้ต่อคุณภาพที่กำลังจะเกิดขึ้น

ECL ที่ลดลงต่อเนื่อง q-q ใน 1Q21 ยืนยันมุมมองของเราที่ว่า BBL มีสำรองมากพอที่จะจัดการกับหนี้ต่อคุณภาพที่คาดว่าจะเพิ่มขึ้นในอนาคต ในฐานะธนาคารที่รอบคอบเช่นที่เคยเป็นในอดีต เราเชื่อว่า BBL จะรายงานต้นทุนสินเชื่อเพิ่มขึ้นเล็กน้อยใน 2Q21 สำหรับสำรองเพื่อรองรับผลกระทบจากการแพร่ระบาดไวรัส Covid ในรอบที่ 3 ต่อเศรษฐกิจ อย่างไรก็ตาม เราคาดว่าสำรองจะแตะผันผวนรายไตรมาส เนื่องจาก BBL ยังมีสัดส่วนสำรองต่อหนี้ต่อคุณภาพที่สูงสุดเป็นอันดับสองที่ 187% นอกจากนี้การเพิ่มของหนี้ต่อคุณภาพของ BBL จะเกิดขึ้นในอัตราที่น้อยกว่าธนาคารขนาดใหญ่รายอื่น เนื่องจากจากข้อมูลของบริษัท ลูกค้านำบริษัทส่วนมาก (41% ของสินเชื่อรวม) ยังสามารถชำระหนี้ได้ตามปกติ โดย ธนาคารฯ ยังยืนยันเป้า ECL สำหรับปี 2021 ที่ประมาณ 22 พัน ลบ.

## การฟื้นตัวจะเกิดขึ้นตลอดปีนี้

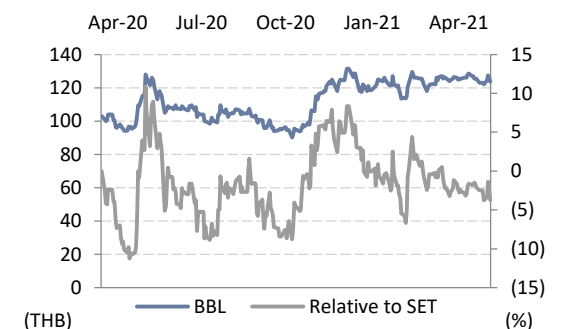
เราคาดว่า BBL จะรายงานกำไรสุทธิในระดับสูงตลอดปีนี้ส่วนมากจาก ECL ที่กำลังลดลงเป็นหลัก โดยคาดว่าจะอยู่ที่ 47% y-y นอกจากนี้เรายังคาดว่ากำไรสุทธิ 2Q21 จะโตอย่างเห็นได้ชัด โดยคาดว่าจะอยู่ที่เกือบ 100% y-y จาก ECL ที่ลดลงอย่างมีนัยสำคัญจากการจัดสรรสำรองพิเศษเชิงรุกใน 2Q20 และปี 2020 นอกจากนี้เรายังคาดว่าด้วยรายได้ค่าธรรมเนียมจะเพิ่มต่อเนื่อง y-y จากฐานที่ต่ำและการฟื้นตัวของกิจกรรมทางเศรษฐกิจ บัญชีดังกล่าวอาจช่วยชดเชยรายได้ดอกเบี้ยสุทธิที่คาดว่าจะลดลงตามการลดลงของส่วนต่างดอกเบี้ย

## คงคำแนะนำซื้อหลังปรับราคาเป้าหมายไปในปี 2022 ที่ 170 บาท (GGM)

เราคงคำแนะนำซื้อหลังปรับราคาเป้าหมายไปในปี 2022 ที่ 170 บาท (GGM) ราคาเป้าหมายดังกล่าวคิดเป็น 0.68x ของค่า 2022E P/BV ใกล้เคียงกับค่าเฉลี่ย 3 ปีย้อนหลัง ราคาหุ้นของ BBL ยังปรับขึ้นน้อยกว่าธนาคารอื่นโดยเพิ่มขึ้นเพียง 8% YTD เทียบกับ SETBANK ซึ่งเพิ่มขึ้น 17% YTD เราเชื่อว่ารายได้ค่าธรรมเนียมที่สูงขึ้นและสำรองที่มากพอจะเป็นปัจจัยบวกที่ทำให้ราคาหุ้นปรับขึ้นทันธนาคารอื่น

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	25,573	32,118	36,512	39,350
Net profit	17,181	25,296	28,758	30,992
EPS (THB)	9.00	13.25	15.06	16.24
vs Consensus (%)	-	(3.5)	(2.8)	(8.5)
Core net profit	21,181	25,296	28,758	30,992
Core EPS (THB)	11.10	13.25	15.06	16.24
Chg. In EPS est. (%)	-	0.0	0.0	0.0
EPS growth (%)	(40.9)	19.4	13.7	7.8
Core P/E (x)	11.1	9.3	8.2	7.6
Dividend yield (%)	2.0	3.2	4.0	5.7
Price/book (x)	0.5	0.5	0.5	0.5
ROE (%)	4.8	5.6	6.1	6.3
ROA (%)	0.6	0.7	0.8	0.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.0)	1.2	18.2
Relative to country (%)	(2.1)	(3.3)	(4.9)
Mkt cap (USD m)	7,523		
3m avg. daily turnover (USD m)	57.5		
Free float (%)	76		
Major shareholder	Thai NVDR (24%)		
12m high/low (THB)	134.50/90.00		
Issued shares (m)	1,909		

Sources: Bloomberg consensus; FSSIA estimates



Yuvanart Suwanumphai

yuvanart.suw@fssia.com  
+66 2611 3554

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 23 เมษายน 2021

## Investment thesis

We maintain our BUY call on BBL due to it having one of the most defensive balance sheets and one of the least demanding valuations among our coverage, with its currently traded 2021E P/BV at 0.5x.

BBL's loan growth is largely driven by private sector investments, as corporate loans accounted for 41% and SMEs accounted for 23% of the total as of end-2020. Also, its large share of international loans (23% of total) should provide opportunities for the bank to benefit from increased trade/investments in ASEAN Economics Community (AEC) markets.

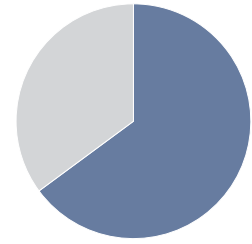
## Company profile

Bangkok Bank is a leading bank in Thailand and a major regional bank in Southeast Asia. It is a market leader in corporate and business banking, with a large retail customer base.

[www.bangkokbank.com](http://www.bangkokbank.com)

## Principal activities (revenue, 2020)

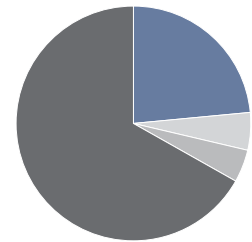
- Net interest income - 64.9 %
- Non-interest income - 35.1 %



Source: Bangkok Bank

## Major shareholders

- Thai NVDR - 23.5 %
- South East Asia UK (Type C) Nominees Limited - 5.2 %
- Social Security Office - 4.5 %
- Others - 66.8 %



Source: Bangkok Bank

## Catalysts

Potential share price catalysts for BBL include:

- Lower credit cost from better-than-expected new NPLs;
- The return of foreign fund flows into the Thai stock market.

## Risks to our call

Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves 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.

## Event calendar

Date	Event
20-21 July 2021	2Q21 results announcement

## Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Net profit (THB m)	25,296	28,758	30,992
Net profit growth	47.2	13.7	7.8
NIM	2.10	2.09	2.13
Loan growth	3.0	3.0	3.0
Fee growth	1.6	7.0	7.0
Non-NII growth*	(6.4)	5.2	5.3
Credit cost (bp)	95	80	80
Cost to income*	52.7	52.9	52.2

\*Including share of profits from associates

Source: FSSIA estimates

## Earnings sensitivity

		----- 2021E -----		
		1.00	3.00	5.00
<b>Loan growth</b>	<b>±2ppt</b>			
% change in net profit		(1.5)	-	1.5
<b>NIM (%)</b>	<b>±5bp</b>			
% change in net profit		(5.0)	-	5.0
<b>Credit cost (bp)</b>	<b>±10bp</b>			
% change in net profit		4.4	-	(4.4)

Source: FSSIA estimates



## 1Q21 results: Higher than expected due to OPEX and fee income

BBL reported a 1Q21 net profit of THB6,923m (-10% y-y, +189% q-q), 26% and 35% higher than our forecast and Bloomberg's consensus estimate, respectively, due to lower OPEX and higher fee income.

The strong net profit recovery q-q was driven by 1) an increase in fee income due largely to mutual fund and brokerage fees; 2) a decline in expected credit losses (ECL), as BBL proactively setting aside provisions in 2020; and 3) a contraction in seasonal OPEX. Nevertheless, its NII was not outstanding, with a stable loan volume and NIM.

Regarding its asset quality, its NPLs increased slightly by 4% q-q due to the re-entry of NPLs in the corporate and SME segments. However, BBL still had a strong NPL cushion with its 187% coverage ratio.

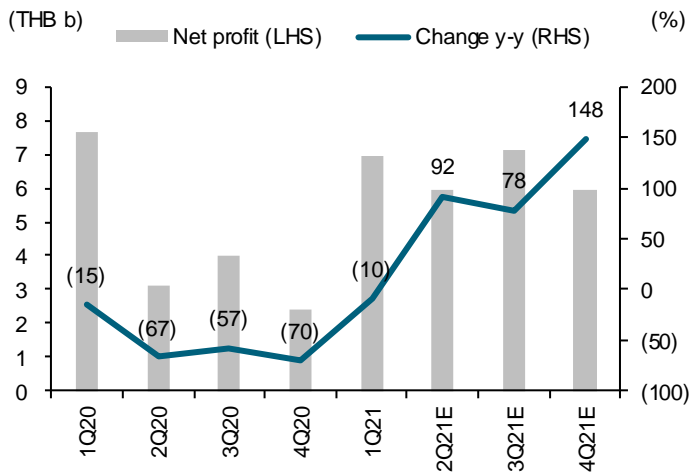
### Exhibit 1: BBL – summary of 1Q21 results

Year-end Dec 31	1Q20	4Q20	1Q21	----- Change -----		2021E	Change	Comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	
Net interest income	19,820	19,264	19,707	(1)	2	77,223	0	
Non-interest income*	6,575	11,364	11,166	70	(2)	39,005	(6)	Strong fee income y-y, q-q
Operating income*	26,394	30,628	30,873	17	1	116,228	(2)	
Operating expenses	11,377	20,144	15,761	39	(22)	61,291	(1)	
<b>PPOP before tax*</b>	<b>15,017</b>	<b>10,484</b>	<b>15,112</b>	<b>1</b>	<b>44</b>	<b>54,937</b>	<b>(3)</b>	
Provision	5,087	7,203	6,327	24	(12)	22,836	(27)	
Income tax	2,169	799	1,747	(19)	119	6,420	60	
Minority interest	91	85	116	28	37	385		
<b>Normalised profit</b>	<b>7,671</b>	<b>2,398</b>	<b>6,923</b>	<b>(10)</b>	<b>189</b>	<b>25,296</b>	<b>19</b>	
Extraordinary items	0	0	0			0		
<b>Net profit</b>	<b>7,671</b>	<b>2,398</b>	<b>6,923</b>	<b>(10)</b>	<b>189</b>	<b>25,296</b>	<b>47</b>	<b>Beat BBG consensus by 35%</b>
EPS (THB)	4.02	1.26	3.63	(10)	189	13.25	47	
<b>Asset quality ratio</b>								
Gross NPLs	85,240	104,405	108,470	27	4	128,221	22.8	
NPL ratios (%)	3.48	3.90	3.70			4.63		
LLR/NPLs (%)	204	182	187			157		
Credit cost (bp)	97	122	107			95		
<b>Profitability ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>			<b>(%)</b>		
Cost to income ratio	43.1	65.8	51.1			52.7		
Average yield (%)	3.53	2.96	2.90			3.0		
Cost of funds (%)	1.30	1.03	0.97			1.0		Efficient cost of fund management
Net interest margin (NIM)	2.44	2.08	2.08			2.1		
Non-interest income / total income	24.9	37.1	36.2			33.6		
<b>Liquidity ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>			<b>(%)</b>		
Loan to deposit ratio	84.2	84.3	81.6			87.1		
<b>Capital adequacy ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>			<b>(%)</b>		
CAR	18.5	18.3	18.4			18.2		
CET 1/ Risk assets	15.7	14.9	15.0			15.7		
Tier - I/ Risk assets	2.8	2.6	2.5			2.5		
<b>Loan growth</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>			<b>(%)</b>		
y-y	4.2	14.9	12.0			3.0		
q-q	2.7	0.0	0.0					

\*Including share of profits from associates

Sources: BBL; FSSIA estimates

**Exhibit 2: BBL's earnings momentum**



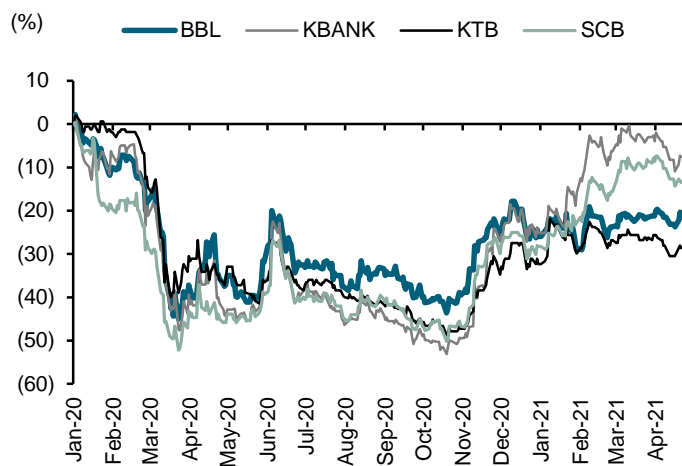
Source: FSSIA estimates

**Exhibit 3: GGM-derived target price**

Target price (THB)	THB 170 (from THB 162)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Terminal growth (%)	2.9 (unchanged)
ROE target (%)	6.2 (from 6.0)
Risk to TP	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves 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.

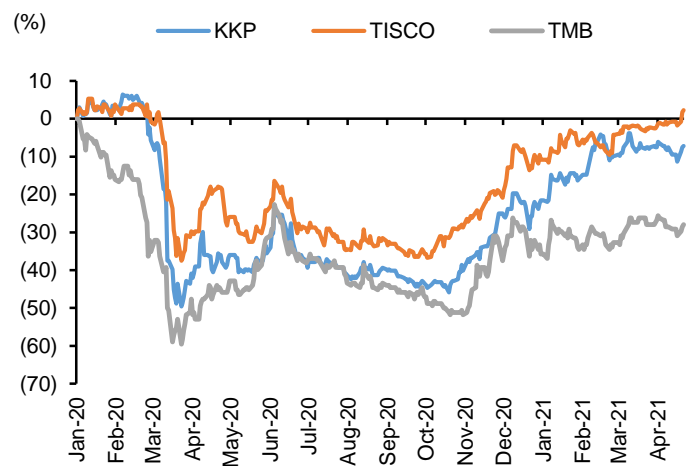
Source: FSSIA estimates

**Exhibit 4: Big banks' price performance since end-2019**



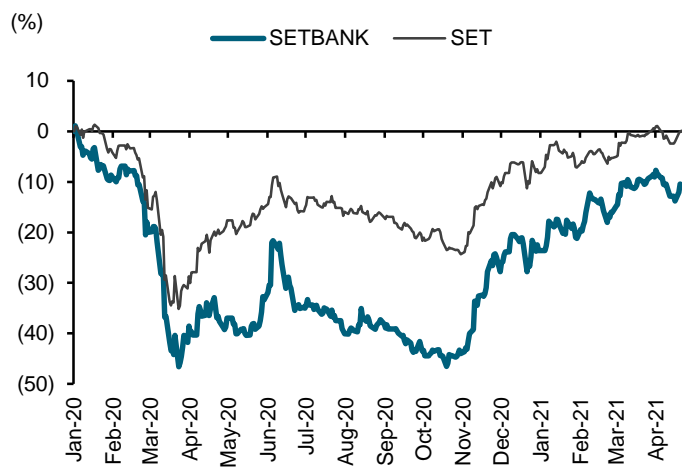
Sources: Bloomberg; FSSIA's compilation

**Exhibit 5: Auto lenders' price performance since end-2019**



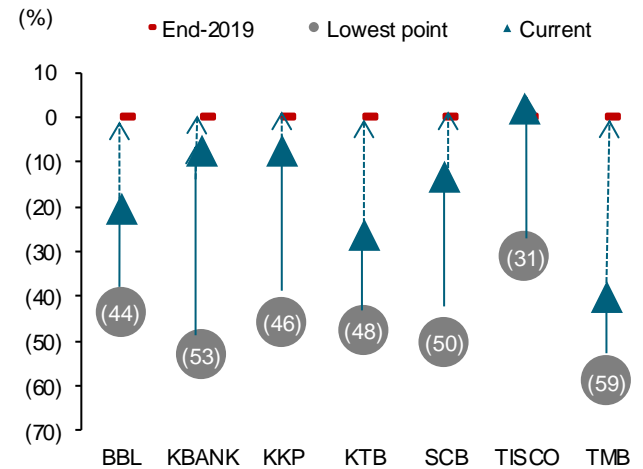
Sources: Bloomberg; FSSIA's compilation

**Exhibit 6: Index performance since end-2019**



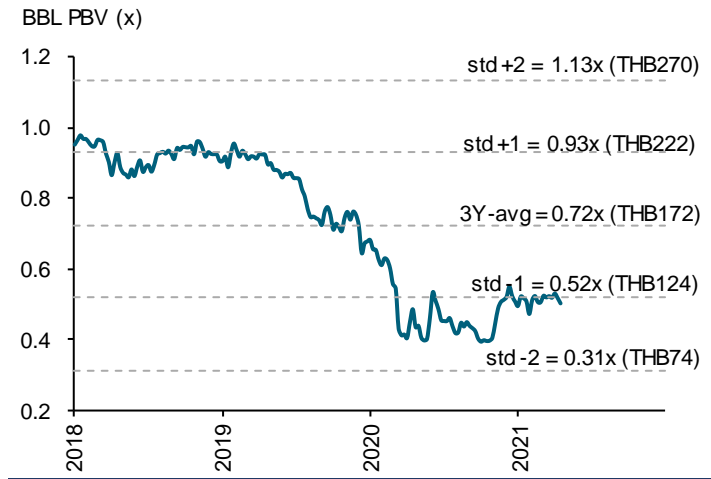
Sources: Bloomberg; FSSIA's compilation

**Exhibit 7: Comparing the current and lowest share price performance point in Oct-20 vs the end of 2019 (before Covid-19)**



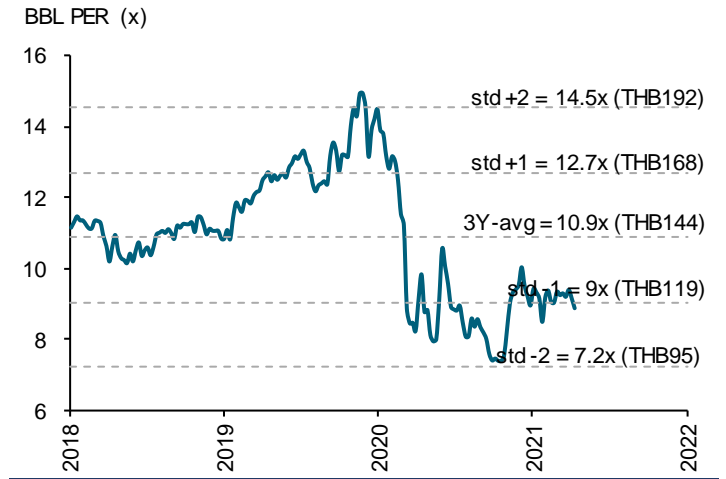
Sources: Bloomberg; FSSIA's compilation

**Exhibit 8: BBL – prospective P/BV band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 9: BBL – prospective P/E band**



Sources: Bloomberg; FSSIA estimates

## Financial Statements

Bangkok Bank

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	112,565	112,524	110,537	118,505	123,484
Interest expense	(41,494)	(35,477)	(33,314)	(40,034)	(41,756)
Net interest income	71,071	77,047	77,223	78,471	81,728
Net fees & commission	28,505	24,711	25,113	26,871	28,752
Foreign exchange trading income	7,848	0	0	0	0
Securities trading income	19,765	13,570	10,253	10,253	10,253
Dividend income	3,769	2,039	2,141	2,248	2,361
Other income	2,696	1,376	1,513	1,665	1,831
Non interest income	62,582	41,696	39,021	41,037	43,197
Total income	133,653	118,743	116,244	119,508	124,925
Staff costs	(26,726)	(30,959)	(31,579)	(33,158)	(34,815)
Other operating costs	(28,237)	(31,015)	(29,712)	(30,032)	(30,358)
Operating costs	(54,963)	(61,974)	(61,291)	(63,189)	(65,174)
Pre provision operating profit	78,690	56,769	54,953	56,319	59,751
Provision for bad and doubtful debt	(32,351)	(31,196)	(22,836)	(19,807)	(20,401)
Other provisions	-	-	-	-	-
Operating profit	46,339	25,573	32,118	36,512	39,350
Recurring non operating income	93	(14)	(16)	(18)	(19)
Associates	93	(14)	(16)	(18)	(19)
Goodwill amortization	-	-	-	-	-
Non recurring items	0	(4,000)	0	0	0
Profit before tax	46,431	21,559	32,102	36,494	39,330
Tax	(10,219)	(4,014)	(6,420)	(7,299)	(7,866)
Profit after tax	36,212	17,545	25,681	29,196	31,464
Minority interests	(397)	(364)	(385)	(438)	(472)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	35,816	17,181	25,296	28,758	30,992
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	35,816	21,181	25,296	28,758	30,992
<b>Per share (THB)</b>					
Recurring EPS *	18.76	11.10	13.25	15.06	16.24
Reported EPS	18.76	9.00	13.25	15.06	16.24
DPS	7.00	2.50	4.00	5.00	7.00
<b>Growth</b>					
Net interest income (%)	(0.4)	8.4	0.2	1.6	4.1
Non interest income (%)	25.3	(33.4)	(6.4)	5.2	5.3
Pre provision operating profit (%)	18.9	(27.9)	(3.2)	2.5	6.1
Operating profit (%)	4.9	(44.8)	25.6	13.7	7.8
Reported net profit (%)	1.4	(52.0)	47.2	13.7	7.8
Recurring EPS (%)	1.4	(40.9)	19.4	13.7	7.8
Reported EPS (%)	1.4	(52.0)	47.2	13.7	7.8
<b>Income Breakdown</b>					
Net interest income (%)	53.2	64.9	66.4	65.7	65.4
Net fees & commission (%)	21.3	20.8	21.6	22.5	23.0
Foreign exchange trading income (%)	5.9	-	-	-	-
Securities trading income (%)	14.8	11.4	8.8	8.6	8.2
Dividend income (%)	2.8	1.7	1.8	1.9	1.9
Other income (%)	2.0	1.2	1.3	1.4	1.5
<b>Operating performance</b>					
Gross interest yield (%)	3.59	3.30	3.01	3.16	3.22
Cost of funds (%)	1.58	1.22	1.04	1.24	1.27
Net interest spread (%)	2.01	2.08	1.97	1.92	1.95
Net interest margin (%)	2.3	2.3	2.1	2.1	2.1
Cost/income(%)	41.1	52.2	52.7	52.9	52.2
Cost/assets(%)	1.7	1.8	1.6	1.6	1.6
Effective tax rate (%)	22.0	18.6	20.0	20.0	20.0
Dividend payout on recurring profit (%)	37.3	22.5	30.2	33.2	43.1
ROE (%)	8.5	4.8	5.6	6.1	6.3
ROE - COE (%)	(0.8)	(4.5)	(3.7)	(3.2)	(3.0)
ROA (%)	1.1	0.6	0.7	0.8	0.8
RORWA (%)	1.5	0.8	0.9	1.0	1.1

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Bangkok Bank; FSSIA estimates

## Financial Statements

### Bangkok Bank

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Gross customer loans	2,061,309	2,368,238	2,439,285	2,512,464	2,587,838
Total provisions	(174,276)	(185,567)	(201,085)	(205,817)	(205,516)
interest in suspense	4,013	6,431	6,830	7,035	7,246
<b>Net customer loans</b>	<b>1,891,046</b>	<b>2,189,102</b>	<b>2,245,030</b>	<b>2,313,681</b>	<b>2,389,568</b>
Bank loans	472,349	519,036	525,370	526,253	507,818
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	649,434	759,394	736,712	755,185	774,124
Cash & equivalents	58,090	73,886	52,196	36,264	33,038
Other interesting assets	-	-	-	-	-
Tangible fixed assets	50,117	74,804	74,963	75,282	75,746
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	95,706	206,738	207,770	211,909	216,118
<b>Total assets</b>	<b>3,216,743</b>	<b>3,822,960</b>	<b>3,842,042</b>	<b>3,918,575</b>	<b>3,996,412</b>
Customer deposits	2,370,792	2,810,863	2,799,511	2,904,634	2,948,204
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	284,550	362,583	405,669	348,624	353,853
Non interest bearing liabilities	133,284	199,267	179,340	184,720	190,262
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>2,788,627</b>	<b>3,372,713</b>	<b>3,384,520</b>	<b>3,437,978</b>	<b>3,492,319</b>
Share capital	19,088	19,088	19,088	19,088	19,088
Reserves	408,663	429,925	437,180	460,192	483,624
<b>Total equity</b>	<b>427,751</b>	<b>449,014</b>	<b>456,268</b>	<b>479,280</b>	<b>502,712</b>
Minority interests	365	1,233	1,253	1,317	1,381
<b>Total liabilities &amp; equity</b>	<b>3,216,743</b>	<b>3,822,960</b>	<b>3,842,042</b>	<b>3,918,575</b>	<b>3,996,412</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	2,393,700	2,743,525	2,825,830	2,910,605	2,997,923
Average interest earning assets	3,137,674	3,414,880	3,674,018	3,747,635	3,831,841
Average interest bearing liabilities	2,621,123	2,914,394	3,189,313	3,229,219	3,277,658
Tier 1 capital	406,529	431,380	444,028	463,419	483,749
Total capital	478,740	502,065	514,713	534,104	554,434
Gross non performing loans (NPL)	79,149	104,405	128,221	125,657	121,887
<b>Per share (THB)</b>					
Book value per share	224.09	235.21	239.01	251.07	263.34
Tangible book value per share	224.09	235.21	239.01	251.07	263.34
<b>Growth</b>					
Gross customer loans	(1.0)	14.9	3.0	3.0	3.0
Average interest earning assets	2.4	8.8	7.6	2.0	2.2
Total asset (%)	3.2	18.8	0.5	2.0	2.0
Risk weighted assets (%)	1.0	14.6	3.0	3.0	3.0
Customer deposits (%)	1.9	18.6	(0.4)	3.8	1.5
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	79.8	77.9	80.2	79.7	81.1
Equity/assets (%)	13.3	11.7	11.9	12.2	12.6
Tangible equity/assets (%)	13.3	11.7	11.9	12.2	12.6
RWA/assets (%)	74.4	71.8	73.6	74.3	75.0
Tier 1 CAR (%)	17.0	15.7	15.7	15.9	16.1
Total CAR (%)	20.0	18.3	18.2	18.4	18.5
<b>Asset Quality</b>					
Change in NPL (%)	(1.2)	31.9	22.8	(2.0)	(3.0)
NPL/gross loans (%)	3.8	4.4	5.3	5.0	4.7
Total provisions/gross loans (%)	8.5	7.8	8.2	8.0	7.9
Total provisions/NPL (%)	220.2	177.7	156.8	163.8	168.6
<b>Valuation</b>					
Recurring P/E (x) *	6.6	11.1	9.3	8.2	7.6
Recurring P/E @ target price (x) *	9.1	15.3	12.8	11.3	10.5
Reported P/E (x)	6.6	13.7	9.3	8.2	7.6
Dividend yield (%)	5.7	2.0	3.2	4.0	5.7
Price/book (x)	0.6	0.5	0.5	0.5	0.5
Price/tangible book (x)	0.6	0.5	0.5	0.5	0.5
Price/tangible book @ target price (x)	0.8	0.7	0.7	0.7	0.6

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Bangkok Bank; FSSIA estimates



## Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## 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 2020

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

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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 Suwanumphai FSS International Investment Advisory Securities Co., Ltd

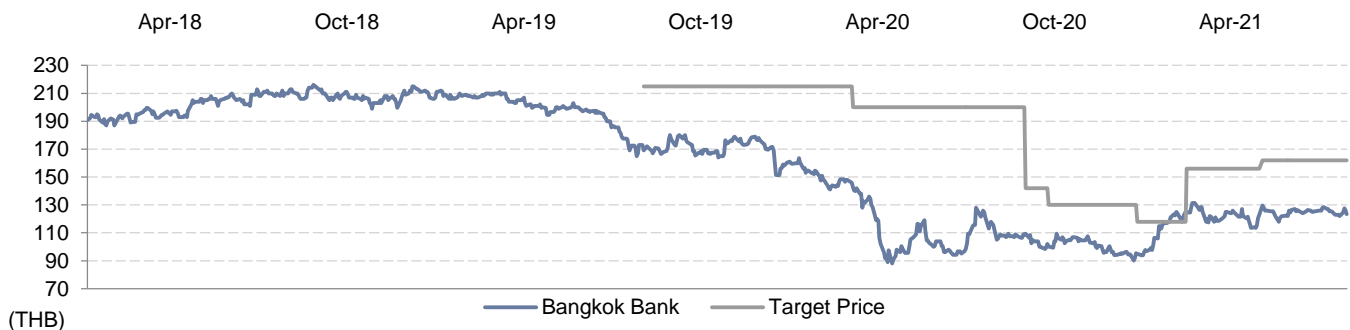
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

### History of change in investment rating and/or target price

#### Bangkok Bank (BBL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Aug-2019	BUY	215.00	16-Jul-2020	BUY	142.00	03-Dec-2020	BUY	156.00
18-Feb-2020	BUY	200.00	05-Aug-2020	BUY	130.00	05-Feb-2021	BUY	162.00
02-Apr-2020	BUY	200.00	21-Oct-2020	BUY	118.00			

Yuvanart Suwanumphai started covering this stock from 16-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Bank	BBL TB	THB 123.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves 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.

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 Finasia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 22-Apr-2021 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.