

25 OCTOBER 2021

THAILAND / BANKS

BANGKOK BANK BBL TB

HOLD

UNCHANGED

TARGET PRICE	THB134.00
CLOSE	THB122.00
UP/DOWNSIDE	+9.8%
PRIOR TP	THB128.00
CHANGE IN TP	+4.7%
TP vs CONSENSUS	-6.5%

Short-term gain, long-term pain

3Q21 results beat due to strong loan growth and fee income

BBL reported a 3Q21 net profit of THB6,909m (+72% y-y, +9% q-q). BBL had strong core operations, with a 33% y-y and 6% q-q rise in its PPOP, supported by two factors. First, its loan volume jumped 4.3% q-q and 6.6% YTD due to a rise in the corporate and international segments. Second, its fee income surged 7% q-q thanks to a rise in loan-related fees following an increase in its loan volume. Regarding asset quality, its NPLs slightly rose by 1% q-q in 3Q21 thanks to the relapse of some SMEs and corporates. BBL retained its conservative risk management measures by utilising its solid top line to set aside a huge ECL. Thus, its reported coverage ratio increased to 199% in 3Q21 from 190% in 2Q21.

2022 top line growth momentum to slow down vs 2H21E

We expect BBL to deliver solid core operations in 4Q21, supported by 1) a rise in its loan volume; 2) an increase in its fee income; and 3) a plummet y-y in its OPEX (seasonal increase q-q) from the abnormally high expenses related to developing working systems. Thus, we expect its 4Q21 net profit to surge 150% y-y (partly from the low base) and -13% q-q. In 2022, we expect its net profit to moderately increase by 9% y-y, driven mainly by a drop in its credit cost. However, we expect its top line growth momentum to slow down compared with 2H21. Thus, we are not thrilled about the bank's earnings growth prospects.

Ageing strategies lead to lower competitive advantage

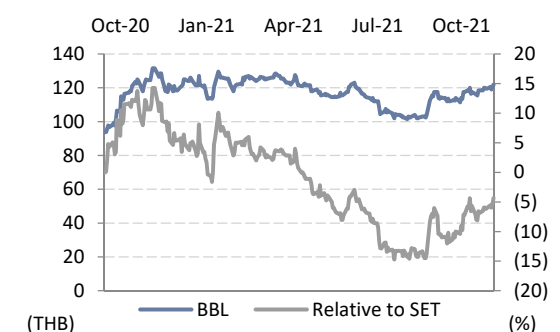
We still prefer SCB and KBANK to BBL for three reasons. First, BBL is still sticking with the traditional banking framework. It applies an asset-heavy strategy with lower digital investment to expand its business. This requires a huge amount of capital but provides lower returns and takes a longer time for shareholders to harvest earnings. Second, we see less hidden value in BBL vs the other four big banks, as most of its business is in low risk-reward segments like corporate clients. Third, it has always set aside provisions prudently. When the economy recovers, we think that its overly conservative strategy will deteriorate its profitability.

Maintain HOLD with revised 2022 GGM-based TP of THB134

We revise up our TP to THB134 on our EPS forecast increases for 2021-23 by 8.4%/7.1%/8.1%. We maintain our HOLD call as we think its medium-term ROE and net profit growth will continue to be lower than SCB's and KBANK's. Its cheap valuation and most defensive balance sheet in the banking space are not enough to catch our attention.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	25,573	33,612	36,955	38,718
Net profit	17,181	26,915	29,229	30,623
EPS (THB)	9.00	14.10	15.31	16.04
vs Consensus (%)	-	5.9	0.9	(7.0)
Core net profit	21,181	26,915	29,229	30,623
Core EPS (THB)	11.10	14.10	15.31	16.04
Chg. In EPS est. (%)	-	8.4	7.1	8.1
EPS growth (%)	(40.9)	27.1	8.6	4.8
Core P/E (x)	11.0	8.7	8.0	7.6
Dividend yield (%)	2.0	3.3	4.1	5.7
Price/book (x)	0.5	0.5	0.5	0.5
ROE (%)	4.8	5.9	6.2	6.2
ROA (%)	0.6	0.7	0.7	0.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.0	19.6	27.7
Relative to country (%)	5.5	13.0	(5.7)
Mkt cap (USD m)	6,974		
3m avg. daily turnover (USD m)	47.9		
Free float (%)	76		
Major shareholder	Thai NVDR (24%)		
12m high/low (THB)	134.50/92.75		
Issued shares (m)	1,909		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

We maintain our HOLD call. After the pandemic ends, we think it will lack the foundation to generate solid interest income and non-interest income growth. Moreover, we believe its overly conservative strategy will lead to a lower profitability margin in the long run. Therefore, among the big banks, we prefer KBANK and SCB to BBL.

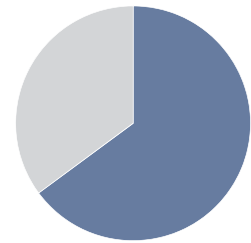
Company profile

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

Principal activities (revenue, 2020)

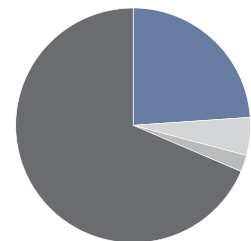
- Net interest income - 64.9 %
- Non-interest income - 35.1 %



Source: Bangkok Bank

Major shareholders

- Thai NVDR - 23.9 %
- Social Security Office - 5.2 %
- UOB Kay Hian (Hong Kong) Limited - 2.3 %
- Others - 68.6 %



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 its NIM and potential new regulations from the Bank of Thailand on debt-servicing programs. The upside risk would be better-than-expected synergies with Permata.

Event calendar

Date	Event
Jan 2022	4Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Net profit (THB m)	26,915	29,229	30,623
Net profit growth	56.7	8.6	4.8
NIM	2.09	2.03	1.95
Loan growth	5.5	4.0	3.0
Fee growth	14.1	2.0	2.0
Non-NII growth*	20.3	(11.0)	3.0
Credit cost (bp)	130	100	86
Cost to income*	50.4	52.0	52.7

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		2021E		
Loan growth	±2ppt	3.50	5.50	7.50
% change in net profit		(1.3)	0.0	1.3
NIM (%)	±5bp	2.04	2.09	2.14
% change in net profit		(5.0)	0.0	5.0
Credit cost (bp)	±10bp	120	130	140
% change in net profit		3.3	0.0	(3.3)

Source: FSSIA estimates

3Q21 results beat due to strong loan growth and fee income

BBL reported a 3Q21 net profit of THB6,909m (+72% y-y, +9% q-q), which was higher than Bloomberg consensus' estimate by 13% and our forecast by 10% due to the better-than-expected loan growth and fee income. BBL had strong core operations, with a 33% y-y and 6% q-q rise in its pre-provision operating profit (PPOP), supported by two factors. First, its loan volume jumped 4.3% q-q and 6.6% YTD due to a rise in the corporate and international segments. There was strong demand for corporate term loans, according to management. Second, its fee income surged 7% q-q thanks to a rise in loan-related fees following an increase in its loan volume. Regarding asset quality, its non-performing loans (NPLs) slightly rose by 1% q-q in 3Q21 thanks to the relapse of some SMEs and corporates. BBL retained its conservative risk management measures by utilising its solid top line to set aside a huge expected credit loss (ECL). Thus, its reported coverage ratio increased to 199% in 3Q21 from 190% in 2Q21.

Exhibit 1: BBL – 3Q21/9M21 results summary

Year-end Dec 31	3Q20	2Q21	3Q21		9M21			2021E		3Q21 comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y %)	%21E	(THB m)	(y-y %)
Net interest income	19,852	20,027	20,705	4	3	60,440	5	74	81,433	6
Non-interest income*	9,569	13,796	13,725	43	(1)	38,687	28	77	50,162	20
Operating income*	29,421	33,823	34,430	17	2	99,127	13	75	131,595	11
Operating expenses	15,427	16,289	15,879	3	(3)	47,930	15	72	66,366	7
PPOP before tax*	13,994	17,534	18,551	33	6	51,197	11	78	65,229	15
Provision	5,668	9,810	9,870	74	1	26,006	8	82	31,634	1
Income tax	212	1,263	1,663	683	32	4,672	45	75	6,215	55
Minority interest	97	104	110			330	18		465	
Normalised profit	8,017	6,357	6,909	(14)	9	20,189	7	75	26,915	27
Extraordinary items	(4,000)	0	0			0			0	
Net profit	4,017	6,357	6,909	72	9	20,189	37	75	26,915	57
EPS (THB)	2.10	3.33	3.62	72	9	10.58	37	75	14.10	57
Asset quality ratio										
Gross NPLs (THB m)	107,743	111,035	112,433	4	1				120,066	15
NPL ratios (%)	4.09	3.70	3.70						4.23	
LLR/NPLs (%)	178	190	199						175	
Credit cost (bp)	96	164	160						130	
Profitability ratio										
Cost to income ratio*	52.4	48.2	46.1						50.4	
Average yield	3.2	2.8	2.8						2.9	
Cost of fund	1.2	0.9	0.9						0.9	
Net interest margin (NIM)	2.1	2.0	2.0						2.1	
Non-int inc/total income	32.5	40.8	39.9						38.1	
Liquidity ratio										
Loan to deposit ratio	83.9	79.4	80.8						79.9	
Capital adequacy ratio										
CAR	17.6	18.4	19.7						17.8	
CET 1/ Risk assets	14.2	15.1	15.3						15.4	
Tier 2 / Risk assets	2.6	2.5	3.6						2.4	
Loan growth										
Year-to-date	14.8	2.2	6.6							
y-y	18.3	2.8	6.6						5.5	
q-q	0.6	2.2	4.3							

Higher than BBG's consensus estimate by 13%

Strong loan growth from corporate and international segments

*Including share of profits from associates

Sources: BBL; FSSIA estimates

Net profit and TP revisions

We revise up our net profit forecasts for 2021-23 by 8.4%/7.1%/8.1% to reflect our higher loan growth, lower cost of fund, and higher fee income assumptions.

1. We increase our 2021 loan growth assumption to 5.5% from 4.5% to reflect the strong demand from the corporate segment;
2. We raise our 2021-23 NIM assumptions to 2.09%/2.03%/1.95% from 2.07%/1.97%/1.92% to reflect our lower cost of fund estimates;
3. We increase our 2021-23 Non-NII assumptions by 10.1%/3.2%/1.8% to reflect the better-than-expected fee income.

Exhibit 2: BBL – change of key assumptions

	2021E				2022E			2023E		
	2020 (THB m)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Net interest income	77,047	78,373	81,433	3.9	78,424	85,390	8.9	78,329	83,817	7.0
Non-interest income*	41,682	45,547	50,162	10.1	43,275	44,653	3.2	45,172	45,980	1.8
Operating income*	118,729	123,920	131,595	6.2	121,699	130,044	6.9	123,500	129,797	5.1
Operating expenses	61,974	64,600	66,366	2.7	65,010	67,621	4.0	65,766	68,416	4.0
PPOP before tax*	56,755	59,321	65,229	10.0	56,689	62,422	10.1	57,734	61,381	6.3
Expected credit loss (Reversal)	31,196	28,332	31,634	11.7	22,214	25,485	14.7	21,944	22,682	3.4
Tax expenses	4,014	5,733	6,215	8.4	6,723	7,203	7.1	6,979	7,546	8.1
Minority interest	364	429	465	8.4	472	505	7.1	490	530	8.1
Normalised profit	21,181	24,827	26,915	8.4	27,281	29,229	7.1	28,321	30,623	8.1
Extraordinary items	(4,000)	0	0		0	0		0	0	
Net profit	17,181	24,827	26,915	8.4	27,281	29,229	7.1	28,321	30,623	8.1
EPS (THB)	9.0	13.0	14.1	8.4	14.3	15.3	7.1	14.8	16.0	8.1
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	104,405	120,066	120,066	0.0	123,668	123,668	0.0	131,088	131,088	0.0
Gross NPLs/Loans (%)	3.9	4.3	4.2		4.2	4.2		4.4	4.3	
Loan loss reserve/NPLs (%)	177.7	172.0	174.7		174.5	179.7		173.3	178.6	
Credit cost (bps)	141	117	130		88	100		84	86	
Profitability ratio (%)										
Cost to income ratio*	52.2	52.1	50.4		53.4	52.0		53.3	52.7	
Average yield	3.30	2.90	2.89		2.82	2.82		2.92	2.89	
Cost of funds	1.22	0.97	0.93		0.99	0.94		1.17	1.12	
Net interest margin (NIM)	2.26	2.07	2.09		1.97	2.03		1.92	1.95	
Loan growth (%)										
y-y	14.9	4.5	5.5		4.0	4.0		3.0	3.0	

*Including share of profits from associates

Source: FSSIA estimates

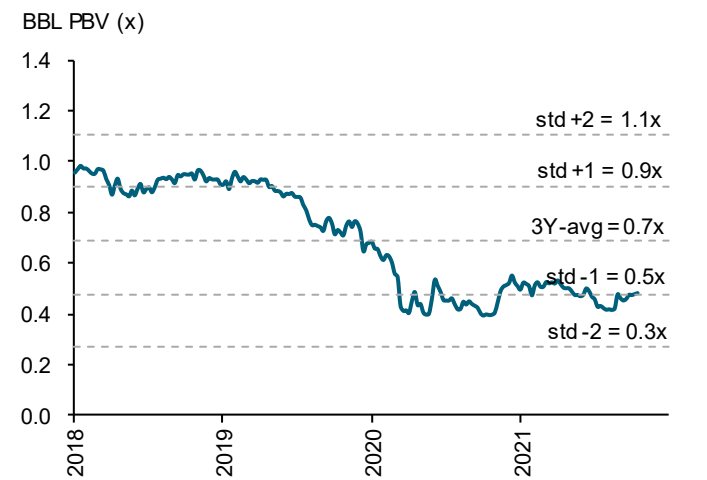
We revise up our 2022 GGM-based TP to THB134 from THB128, as we 1) increase our EPS forecast, leading to a higher book value; and 2) revise up our target 2022 P/BV to 0.53x from 0.5x as a result of our higher average long-term ROE target of 5.5% from 5.3%.

Exhibit 3: BBL – GGM-derived target price

Target price	THB 134 (from THB128)
Recommendation	HOLD (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Cost to equity (%)	8.1 (unchanged)
Terminal growth (%)	2.5 (from 2.3)
ROE target (%)	5.5 (from 5.3)
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 its NIM and potential new regulations from the Bank of Thailand on debt-servicing programs. The upside risk would be better-than-expected synergies with Permata.

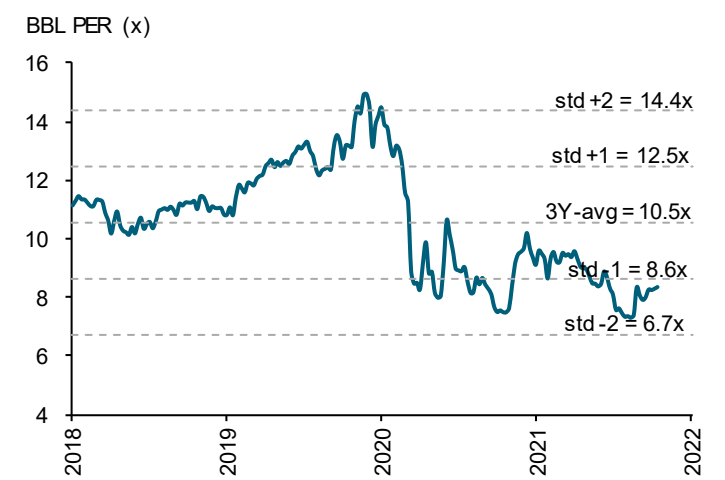
Source: FSSIA estimates

Exhibit 4: BBL – one-year forward rolling P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 5: BBL – one-year forward rolling P/E



Sources: Bloomberg; FSSIA estimates

Exhibit 6: Peers comparison

Company name	BBG code	Rec	--- Share price ---		Up side (%)	Market Cap (USD m)	EPS growth		----- PE -----		---- ROE ----		--- PBV ---	
			Current (THB)	Target (THB)			21E (%)	22E (%)	21E (x)	22E (x)	21E (%)	22E (%)	21E (x)	22E (x)
Bangkok Bank	BBL TB	HOLD	122.00	134.00	10	6,974	27.1	8.6	8.7	8.0	5.9	6.2	0.5	0.5
Kasikornbank	KBANK TB	BUY	141.50	172.00	22	10,040	18.8	10.1	9.6	8.7	7.6	7.7	0.7	0.7
Kiatnakin Bank	KKP TB	BUY	59.00	68.00	15	1,496	8.2	20.9	9.0	7.5	11.6	13.0	1.0	0.9
Krung Thai Bank	KTB TB	HOLD	11.80	12.20	3	4,939	21.5	5.5	8.1	7.7	5.8	5.8	0.5	0.4
Siam Commercial Bank	SCB TB	BUY	124.00	160.00	29	12,609	28.7	8.9	12.0	11.0	8.3	8.6	1.0	0.9
Tisco Financial	TISCO TB	BUY	93.00	110.00	18	2,230	6.7	9.0	11.5	10.6	16.1	16.7	1.8	1.7
TMBThanachart	TTB TB	BUY	1.13	1.40	24	3,270	(1.1)	32.1	10.9	8.2	4.8	6.1	0.5	0.5
Coverage						41,557	20.2	10.8	10.0	9.0	7.0	7.4	0.7	0.6

Share prices as of 21 Oct 2021
Sources: Company data; 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	112,625	118,818	124,350
Interest expense	(41,494)	(35,477)	(31,191)	(33,428)	(40,533)
Net interest income	71,071	77,047	81,433	85,390	83,817
Net fees & commission	28,505	24,711	28,189	28,752	29,327
Foreign exchange trading income	7,848	0	0	0	0
Securities trading income	19,765	13,570	18,335	12,006	12,480
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	50,178	44,671	46,000
Total income	133,653	118,743	131,611	130,061	129,816
Staff costs	(26,726)	(30,959)	(34,984)	(36,034)	(36,754)
Other operating costs	(28,237)	(31,015)	(31,382)	(31,587)	(31,662)
Operating costs	(54,963)	(61,974)	(66,366)	(67,621)	(68,416)
Pre provision operating profit	78,690	56,769	65,245	62,440	61,400
Provision for bad and doubtful debt	(32,351)	(31,196)	(31,634)	(25,485)	(22,682)
Other provisions	-	-	-	-	-
Operating profit	46,339	25,573	33,612	36,955	38,718
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	33,596	36,938	38,699
Tax	(10,219)	(4,014)	(6,215)	(7,203)	(7,546)
Profit after tax	36,212	17,545	27,380	29,735	31,153
Minority interests	(397)	(364)	(465)	(505)	(530)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	35,816	17,181	26,915	29,229	30,623
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	35,816	21,181	26,915	29,229	30,623
Per share (THB)					
Recurring EPS *	18.76	11.10	14.10	15.31	16.04
Reported EPS	18.76	9.00	14.10	15.31	16.04
DPS	7.00	2.50	4.00	5.00	7.00
Growth					
Net interest income (%)	(0.4)	8.4	5.7	4.9	(1.8)
Non interest income (%)	25.3	(33.4)	20.3	(11.0)	3.0
Pre provision operating profit (%)	18.9	(27.9)	14.9	(4.3)	(1.7)
Operating profit (%)	4.9	(44.8)	31.4	9.9	4.8
Reported net profit (%)	1.4	(52.0)	56.7	8.6	4.8
Recurring EPS (%)	1.4	(40.9)	27.1	8.6	4.8
Reported EPS (%)	1.4	(52.0)	56.7	8.6	4.8
Income Breakdown					
Net interest income (%)	53.2	64.9	61.9	65.7	64.6
Net fees & commission (%)	21.3	20.8	21.4	22.1	22.6
Foreign exchange trading income (%)	5.9	-	-	-	-
Securities trading income (%)	14.8	11.4	13.9	9.2	9.6
Dividend income (%)	2.8	1.7	1.6	1.7	1.8
Other income (%)	2.0	1.2	1.1	1.3	1.4
Operating performance					
Gross interest yield (%)	3.59	3.30	2.89	2.82	2.89
Cost of funds (%)	1.58	1.22	0.93	0.94	1.12
Net interest spread (%)	2.01	2.08	1.96	1.88	1.77
Net interest margin (%)	2.3	2.3	2.1	2.0	1.9
Cost/income(%)	41.1	52.2	50.4	52.0	52.7
Cost/assets(%)	1.7	1.8	1.7	1.6	1.6
Effective tax rate (%)	22.0	18.6	18.5	19.5	19.5
Dividend payout on recurring profit (%)	37.3	22.5	28.4	32.7	43.6
ROE (%)	8.5	4.8	5.9	6.2	6.2
ROE - COE (%)	(0.8)	(4.5)	(3.4)	(3.1)	(3.1)
ROA (%)	1.1	0.6	0.7	0.7	0.7
RORWA (%)	1.5	0.8	1.0	1.0	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	2019	2020	2021E	2022E	2023E
Gross customer loans	2,061,309	2,368,238	2,498,491	2,598,431	2,676,384
Total provisions	(174,276)	(185,567)	(209,705)	(222,198)	(234,174)
interest in suspense	4,013	6,431	7,495	7,276	7,494
Net customer loans	1,891,046	2,189,102	2,296,281	2,383,509	2,449,704
Bank loans	472,349	519,036	768,319	747,670	729,563
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	649,434	759,394	890,391	915,031	940,407
Cash & equivalents	58,090	73,886	28,050	34,002	41,305
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	148,802	125,505	128,520	131,033
Total assets	3,216,743	3,765,023	4,183,510	4,284,014	4,367,758
Customer deposits	2,370,792	2,810,863	3,127,720	3,259,997	3,308,897
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	284,550	362,583	417,305	356,603	362,779
Non interest bearing liabilities	133,284	199,267	179,340	184,720	190,262
Hybrid Capital	-	-	-	-	-
Total liabilities	2,788,627	3,372,713	3,724,365	3,801,321	3,861,938
Share capital	19,088	19,088	19,088	19,088	19,088
Reserves	408,663	429,925	438,799	462,282	485,345
Total equity	427,751	449,014	457,887	481,371	504,434
Minority interests	365	1,233	1,258	1,322	1,386
Total liabilities & equity	3,216,743	3,822,960	4,183,510	4,284,014	4,367,758
Supplementary items					
Risk weighted assets (RWA)	2,393,700	2,743,525	2,894,418	3,010,195	3,100,501
Average interest earning assets	3,137,674	3,414,880	3,901,934	4,209,166	4,303,742
Average interest bearing liabilities	2,621,123	2,914,394	3,347,985	3,557,750	3,619,923
Tier 1 capital	406,529	431,380	444,838	465,274	485,655
Total capital	478,740	502,065	515,523	535,959	556,340
Gross non performing loans (NPL)	79,149	104,405	120,066	123,668	131,088
Per share (THB)					
Book value per share	224.09	235.21	239.86	252.16	264.24
Tangible book value per share	224.09	235.21	239.86	252.16	264.24
Growth					
Gross customer loans	(1.0)	14.9	5.5	4.0	3.0
Average interest earning assets	2.4	8.8	14.3	7.9	2.2
Total asset (%)	3.2	17.0	11.1	2.4	2.0
Risk weighted assets (%)	1.0	14.6	5.5	4.0	3.0
Customer deposits (%)	1.9	18.6	11.3	4.2	1.5
Leverage & capital measures					
Customer loan/deposits (%)	79.8	77.9	73.4	73.1	74.0
Equity/assets (%)	13.3	11.9	10.9	11.2	11.5
Tangible equity/assets (%)	13.3	11.9	10.9	11.2	11.5
RWA/assets (%)	74.4	72.9	69.2	70.3	71.0
Tier 1 CAR (%)	17.0	15.7	15.4	15.5	15.7
Total CAR (%)	20.0	18.3	17.8	17.8	17.9
Asset Quality					
Change in NPL (%)	(1.2)	31.9	15.0	3.0	6.0
NPL/gross loans (%)	3.8	4.4	4.8	4.8	4.9
Total provisions/gross loans (%)	8.5	7.8	8.4	8.3	8.7
Total provisions/NPL (%)	220.2	177.7	174.7	179.7	178.6
Valuation					
Recurring P/E (x) *	6.5	11.0	8.7	8.0	7.6
Recurring P/E @ target price (x) *	7.1	12.1	9.5	8.8	8.4
Reported P/E (x)	6.5	13.6	8.7	8.0	7.6
Dividend yield (%)	5.7	2.0	3.3	4.1	5.7
Price/book (x)	0.5	0.5	0.5	0.5	0.5
Price/tangible book (x)	0.5	0.5	0.5	0.5	0.5
Price/tangible book @ target price (x)	0.6	0.6	0.6	0.5	0.5

* 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	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
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	AMANAH	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	TTB	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.

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Bank	BBL TB	THB 122.00	HOLD	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 its NIM and potential new regulations from the Bank of Thailand on debt-servicing programs. The upside risk would be better-than-expected synergies with Permata.
Kasikornbank	KBANK TB	THB 141.50	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.
Kiatnakin Bank	KKP TB	THB 59.00	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
Krung Thai Bank	KTB TB	THB 11.80	HOLD	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. The upside risk is the better-than-expected ability to control cost of funds.
Siam Commercial Bank	SCB TB	THB 124.00	BUY	Downside risks to our SOTP-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 its NIM.
Tisco Financial	TISCO TB	THB 93.00	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; 2) the impact of new regulations from the Bank of Thailand on debt-servicing programs; and 3) the slow expansion of its high-yield auto cash portfolio.
TMBThanachart Bank	TTB TB	THB 1.13	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 Finansia 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 Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 21-Oct-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

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.