

BANGKOK BANK
THAILAND / BANKS

BBL TB

BUY

UNCHANGED

ธนาคารที่ปลอดภัยเหมือนเช่นเคย

- กำไรสุทธิ 2Q22 ออกมาตามคาดโดยอยู่ที่ 7 พัน ลบ. (+10% y-y, -2% q-q)
- คาดกระแสกำไรสุทธิที่ดีขึ้นใน 2H22 จากสำรองที่ลดลง ส่วนต่างดอกเบี้ยที่สูงขึ้น และสินเชื่อที่โตดีขึ้น
- คงแนะนำซื้อที่ราคาเป้าหมายปี 2023 ที่ 170 บาท (GGM)

| | |
|-----------------|-----------|
| TARGET PRICE | THB170.00 |
| CLOSE | THB130.50 |
| UP/DOWNSIDE | +30.3% |
| PRIOR TP | THB170.00 |
| CHANGE IN TP | UNCHANGED |
| TP vs CONSENSUS | +5.5% |

ผลประกอบการ 2Q22 ออกมาตามคาด

BBL รายงานกำไรสุทธิ 2Q22 ที่ 7 พัน ลบ. (+10% y-y, -2% q-q) ใกล้เคียงกับที่ตลาดและเรคาด กำไรสุทธิ 1H22 คิดเป็น 46% ของประมาณการกำไรสุทธิในปี 2022 ของเรา

กำไรสุทธิ 2Q22 ดีพอใช้จากส่วนต่างดอกเบี้ยและการเติบโตของสินเชื่อที่ดีขึ้น

ผลประกอบการของ BBL มีทั้งดีและเสีย ในด้านดีมีปัจจัยบวก 2 ประการ ข้อแรกและสำคัญที่สุดส่วนต่างดอกเบี้ย (NIM) เพิ่มขึ้น 16 bps y-y และ q-q เป็น 2.18% จากอัตราดอกเบี้ยลอยตัวในพอร์ตสินเชื่อต่างประเทศที่ปรับขึ้นตามการขึ้นอัตราดอกเบี้ยในตลาดโลก เราคิดว่า NIM น่าจะทรงตัวในระดับสูงอย่างต่อเนื่องในไตรมาสถัด ๆ ไป ข้อสองสินเชื่อโต 2.5% q-q จากความต้องการสินเชื่อบริษัทและต่างประเทศ ในอีกด้านเราเห็นปัจจัยลบ 2 ประการ ข้อแรกรายได้ค่าธรรมเนียมลดลงเล็กน้อย y-y และ q-q จากค่าธรรมเนียมในธุรกิจ Bancassurance, กองทุนรวม, และนายหน้าซื้อขายหลักทรัพย์ที่ลดลงจากสภาวะตลาดหุ้นที่ไม่เอื้ออำนวย ข้อสองแม้ว่าการควบคุมคุณภาพสินทรัพย์ที่ดีจะทำให้ NPL เพิ่มขึ้นเพียง 3% q-q BBL จัดสรรต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) ในระดับสูงถึง 128 bps เพิ่มขึ้นจาก 100 bps ใน 1Q22 เพื่อเป็นกันชนสำหรับความไม่แน่นอนในระดับมหภาค ซึ่งทำให้สัดส่วนสำรองต่อหนี้โดยคุณภาพ (Coverage ratio) เพิ่มขึ้นเป็น 233%

แนวโน้มดีในช่วง 2H22 และปี 2023

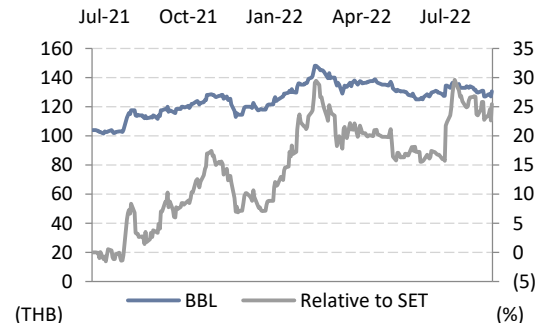
เราคาดว่ากำไรสุทธิ y-y และ h-h ใน 2H22 เราคิดว่า BBL จะจัดสรรสำรองลดลง y-y และ h-h ในช่วง 2H22 เนื่องจากธนาคารฯ มีกันชนจากสำรองมากพอแล้ว BBL คงเป้า ECL ไว้ที่ประมาณ 26 พัน ลบ. ในปี 2022 ซึ่งน่าจะหมายความว่า ECL ของธนาคารฯ ในช่วง 2H22 น่าจะอยู่ที่ประมาณ 11 พัน ลบ. ลดลงจาก 15 พัน ลบ. ในช่วง 1H22 นอกจากนี้เราคิดว่า NIM น่าจะอยู่ในช่วงขาขึ้นในท่ามกลางการขึ้นอัตราดอกเบี้ยในตลาดโลก ซึ่งน่าจะเป็นประโยชน์ต่อพอร์ตสินเชื่อต่างประเทศของธนาคารฯ ในปี 2023 NIM น่าจะปรับขึ้น เนื่องจากเราคาดว่า BBL จะเป็นหนึ่งในธนาคารแรก ๆ ที่ได้ประโยชน์จากการขึ้นอัตราดอกเบี้ยในอนาคตในไทย ด้วยเหตุดังกล่าวเราคาดว่ากำไรสุทธิปี 2023 จะปรับขึ้น 12% y-y

คงเลือกเป็นหุ้นเด่นที่ราคาเป้าหมายปี 2023 ที่ 170 บาท (GGM)

ในกลุ่มธนาคารที่เราทำการศึกษา เราคิดว่า BBL น่าจะได้ประโยชน์สูงสุดจากแนวโน้มอัตราดอกเบี้ยขาขึ้น นอกจากนี้ในท่ามกลางอัตราเงินเฟ้อที่สูงขึ้น เรามีความกังวลจำกัดเกี่ยวกับคุณภาพสินทรัพย์ของ BBL เนื่องจากพอร์ตของธนาคารฯ มีความเสี่ยงจากการกระจุกตัวต่ำ และมีกันชนจากสำรองที่มากพอ ด้วยเหตุดังกล่าวเราคงเลือก BBL เป็นหนึ่งในหุ้นเด่นและคงราคาเป้าหมายของเราที่ 170 บาท

KEY STOCK DATA

| YE Dec (THB m) | 2021 | 2022E | 2023E | 2024E |
|----------------------|--------|--------|--------|--------|
| Operating profit | 32,932 | 38,602 | 43,027 | 48,917 |
| Net profit | 26,506 | 30,538 | 34,035 | 38,687 |
| EPS (THB) | 13.89 | 16.00 | 17.83 | 20.27 |
| vs Consensus (%) | - | (0.5) | (0.6) | (4.3) |
| Core net profit | 26,506 | 30,538 | 34,035 | 38,687 |
| Core EPS (THB) | 13.89 | 16.00 | 17.83 | 20.27 |
| Chg. In EPS est. (%) | - | - | - | - |
| EPS growth (%) | 25.1 | 15.2 | 11.5 | 13.7 |
| Core P/E (x) | 9.4 | 8.2 | 7.3 | 6.4 |
| Dividend yield (%) | 2.7 | 3.8 | 5.0 | 5.4 |
| Price/book (x) | 0.5 | 0.5 | 0.5 | 0.4 |
| ROE (%) | 5.6 | 6.0 | 6.4 | 6.9 |
| ROA (%) | 0.7 | 0.7 | 0.8 | 0.9 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|-----------------|---------|----------|
| Absolute (%) | (3.7) | (3.3) | 27.9 |
| Relative to country (%) | (1.9) | 5.7 | 27.5 |
| Mkt cap (USD m) | 6,756 | | |
| 3m avg. daily turnover (USD m) | 32.0 | | |
| Free float (%) | 76 | | |
| Major shareholder | Thai NVDR (24%) | | |
| 12m high/low (THB) | 149.00/100.00 | | |
| Issued shares (m) | 1,909 | | |

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 22 กรกฎาคม 2022

Investment thesis

Among our covered banks, we think BBL should benefit the most from the interest rate uptrend. Also, amid the rise in the inflation rate, we have limited concerns about BBL's asset quality due to its portfolio with low concentration risk and sufficient provision cushion.

We, thus, reiterate BBL as one of our top picks and maintain our TP of THB170.

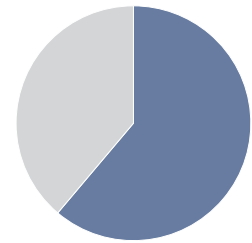
Company profile

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, 2021)

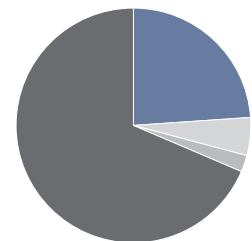
- Net interest income - 61.2 %
- Non-interest income - 38.8 %



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 affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.

Event calendar

| Date | Event |
|--------------------|---------------------------|
| 21/22 October 2022 | 3Q22 results announcement |

Key assumptions

| | 2022E | 2023E | 2024E |
|-----------------------|--------|--------|--------|
| | (%) | (%) | (%) |
| Net profit (THB m) | 30,538 | 34,035 | 38,687 |
| Net profit growth (%) | 15.2 | 11.5 | 13.7 |
| NIM (%) | 2.08 | 2.14 | 2.25 |
| Loan growth (%) | 4.0 | 3.0 | 3.0 |
| Fee growth (%) | 0.5 | 2.0 | 2.0 |
| Non-NII growth (%) | (9.0) | 3.2 | 2.9 |
| Credit cost (bp) | 100 | 98 | 95 |
| Cost to income (%) | 52.0 | 50.7 | 49.7 |

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

| | | ----- 2022E ----- | | |
|-------------------------|--------------|-------------------|-------------|-------------|
| Loan growth | ±2ppt | 2.0 | 4.0 | 6.0 |
| % change in net profit | | (2.0) | 0.0 | 2.0 |
| NIM (%) | ±5bp | 2.03 | 2.08 | 2.13 |
| % change in net profit | | (5.0) | 0.0 | 5.0 |
| Credit cost (bp) | ±10bp | 90 | 100 | 110 |
| % change in net profit | | 5.8 | 0.0 | (5.8) |
| | | | | |
| | | | | |

Source: FSSIA estimates

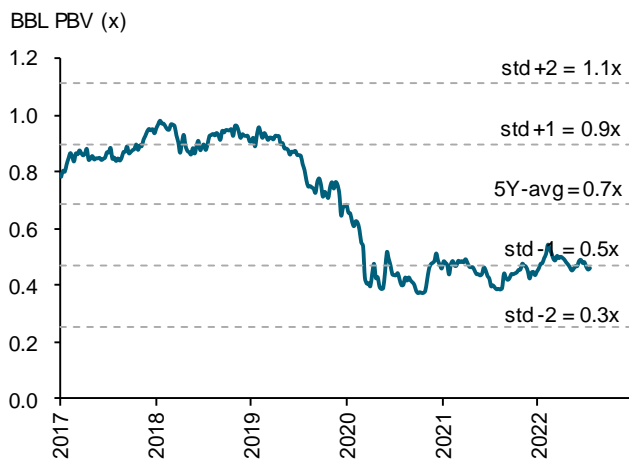
Exhibit 1: BBL – 2Q22 results review

| Year-end Dec 31 | 2Q21 | 1Q22 | 2Q22 | Change | | 1H22 | | | 2022E | Change | Comments |
|----------------------------|---------------|---------------|---------------|------------|------------|---------------|------------|-----------|----------------|------------|--|
| | (THB m) | (THB m) | (THB m) | (y-y%) | (q-q%) | (THB m) | (y-y %) | %22E | (THB m) | (y-y %) | |
| Net interest income | 20,027 | 21,747 | 23,526 | 17 | 8 | 45,273 | 14 | 50 | 90,148 | 10 | |
| Non-interest income* | 13,796 | 9,363 | 10,666 | (23) | 14 | 20,030 | (20) | 44 | 45,669 | (9) | |
| Operating income* | 33,823 | 31,110 | 34,192 | 1 | 10 | 65,302 | 1 | 48 | 135,817 | 1 | |
| Operating expenses | 16,289 | 15,507 | 17,435 | 7 | 12 | 32,941 | 3 | 47 | 70,584 | 5 | |
| PPOP before tax* | 17,534 | 15,604 | 16,757 | (4) | 7 | 32,361 | (1) | 50 | 65,233 | (3) | |
| Provision | 9,810 | 6,490 | 8,354 | (15) | 29 | 14,843 | (8) | 56 | 26,401 | (23) | |
| Income tax | 1,263 | 1,875 | 1,319 | 4 | (30) | 3,195 | 6 | 41 | 7,766 | 25 | |
| Minority interest | 104 | 121 | 123 | 18 | 2 | 244 | 11 | 46 | 528 | 19 | |
| Normalised profit | 6,357 | 7,118 | 6,961 | 10 | (2) | 14,079 | 6 | 46 | 30,538 | 15 | |
| Extraordinary items | 0 | 0 | 0 | | | 0 | | | 0 | | |
| Net profit | 6,357 | 7,118 | 6,961 | 10 | (2) | 14,079 | 6 | 46 | 30,538 | 15 | In line with BBG consensus |
| EPS (THB) | 3.33 | 3.73 | 3.65 | 10 | (2) | 7.38 | 6 | 46 | 16.00 | 15 | |
| Asset quality ratio | | | | | | | | | | | |
| Gross NPLs (THB m) | 111,035 | 102,342 | 105,046 | (5) | 3 | | | | 112,224 | 11 | |
| NPL ratios (%) | 3.70 | 3.30 | 3.40 | | | | | | 3.42 | | |
| LLR/NPLs (%) | 190 | 229 | 233 | | | | | | 210 | | |
| Credit cost (bps) | 164 | 100 | 128 | | | | | | 100 | | |
| Profitability ratio | | | | | | | | | | | |
| Cost to income ratio* | 48.2 | 49.8 | 51.0 | | | | | | 52.0 | | |
| Average yield (%) | 2.8 | 2.8 | 3.0 | | | | | | 2.9 | | |
| Cost of fund (%) | 0.9 | 0.9 | 0.9 | | | | | | 0.9 | | |
| Net interest margin (NIM) | 2.02 | 2.02 | 2.18 | | | | | | 2.08 | | |
| Non-int inc/total income | 40.8 | 30.1 | 31.2 | | | | | | 33.6 | | |
| Loan growth | | | | | | | | | | | |
| y-y | 2.8 | 9.2 | 9.6 | | | | | | 4.0 | | |
| q-q | 2.2 | (0.0) | 2.5 | | | | | | | | Driven by corporate and international segments |

*Including share of profits from associates

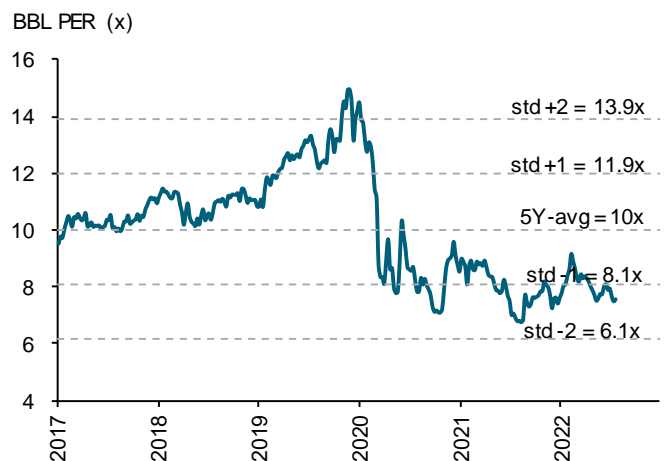
Source: BBL; FSSIA estimates

Exhibit 2: BBL – one-year forward rolling P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 3: BBL – one-year forward rolling P/E



Sources: Bloomberg; FSSIA estimates

Exhibit 4: Peers comparison

| Company name | BBG code | Rec | Share price | | Up side (%) | Market Cap (USD m) | EPS growth | | PE | | Div Yld | | ROE | | PBV | |
|--------------------|----------|------|---------------|--------------|-------------|--------------------|-------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | | Current (THB) | Target (THB) | | | 22E (%) | 23E (%) | 22E (x) | 23E (x) | 22E (%) | 23E (%) | 22E (%) | 23E (%) | 22E (x) | 23E (x) |
| Bangkok Bank | BBL TB | BUY | 130.50 | 170.00 | 30 | 6,756 | 15.2 | 11.5 | 8.2 | 7.3 | 3.8 | 5.0 | 6.0 | 6.4 | 0.5 | 0.5 |
| Kasikornbank | KBANK TB | BUY | 140.50 | 192.00 | 37 | 9,028 | 10.6 | 12.9 | 7.9 | 7.0 | 3.2 | 3.6 | 8.5 | 9.0 | 0.7 | 0.6 |
| Kiatnakin Bank | KKP TB | BUY | 63.00 | 82.00 | 30 | 1,447 | 19.8 | 9.5 | 7.0 | 6.4 | 6.3 | 7.1 | 14.2 | 14.3 | 1.0 | 0.9 |
| Krung Thai Bank | KTB TB | BUY | 15.00 | 18.20 | 21 | 5,686 | 26.6 | 9.7 | 7.7 | 7.0 | 4.6 | 5.0 | 7.4 | 7.6 | 0.5 | 0.5 |
| SCB X | SCB TB | BUY | 94.00 | 134.00 | 43 | 8,584 | 9.8 | 6.6 | 8.2 | 7.7 | 5.3 | 6.4 | 8.6 | 8.5 | 0.7 | 0.6 |
| Tisco Financial | TISCO TB | HOLD | 88.25 | 94.00 | 7 | 1,916 | 7.8 | 3.5 | 9.7 | 9.3 | 8.8 | 9.3 | 17.4 | 17.4 | 1.6 | 1.6 |
| TMBThanachart Bank | TTB TB | BUY | 1.18 | 1.40 | 19 | 3,092 | 20.3 | 12.1 | 9.1 | 8.1 | 5.0 | 5.6 | 5.8 | 6.3 | 0.5 | 0.5 |
| Coverage | | | | | | 36,509 | 14.8 | 10.0 | 8.1 | 7.4 | 4.6 | 5.3 | 8.4 | 8.6 | 0.7 | 0.6 |

Share prices as of 21 Jul 2022
Sources: Company data; FSSIA estimates

Financial Statements

Bangkok Bank

| Profit and Loss (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|----------|----------|----------|----------|----------|
| Interest Income | 112,524 | 114,312 | 125,020 | 142,344 | 154,255 |
| Interest expense | (35,477) | (32,156) | (34,872) | (47,248) | (51,785) |
| Net interest income | 77,047 | 82,156 | 90,148 | 95,096 | 102,470 |
| Net fees & commission | 24,711 | 29,209 | 29,346 | 29,932 | 30,531 |
| Foreign exchange trading income | 0 | 0 | 0 | 0 | 0 |
| Securities trading income | 13,570 | 19,093 | 11,946 | 12,482 | 13,045 |
| Dividend income | 2,039 | 2,252 | 2,364 | 2,482 | 2,482 |
| Other income | 1,376 | 1,622 | 1,784 | 1,962 | 2,159 |
| Non interest income | 41,696 | 52,176 | 45,440 | 46,859 | 48,217 |
| Total income | 118,743 | 134,331 | 135,587 | 141,956 | 150,687 |
| Staff costs | (30,959) | (35,003) | (37,103) | (37,978) | (39,497) |
| Other operating costs | (31,015) | (32,263) | (33,480) | (34,175) | (35,537) |
| Operating costs | (61,974) | (67,266) | (70,584) | (72,153) | (75,035) |
| Pre provision operating profit | 56,769 | 67,066 | 65,004 | 69,803 | 75,652 |
| Provision for bad and doubtful debt | (31,196) | (34,134) | (26,401) | (26,776) | (26,735) |
| Other provisions | - | - | - | - | - |
| Operating profit | 25,573 | 32,932 | 38,602 | 43,027 | 48,917 |
| Recurring non operating income | (14) | 209 | 230 | 253 | 278 |
| Associates | (14) | 209 | 230 | 253 | 278 |
| Goodwill amortization | - | - | - | - | - |
| Non recurring items | (4,000) | 0 | 0 | 0 | 0 |
| Profit before tax | 21,559 | 33,141 | 38,832 | 43,280 | 49,195 |
| Tax | (4,014) | (6,189) | (7,766) | (8,656) | (9,839) |
| Profit after tax | 17,545 | 26,952 | 31,066 | 34,624 | 39,356 |
| Minority interests | (364) | (445) | (528) | (589) | (669) |
| Preferred dividends | - | - | - | - | - |
| Other items | - | - | - | - | - |
| Reported net profit | 17,181 | 26,506 | 30,538 | 34,035 | 38,687 |
| Non recurring items & goodwill (net) | - | - | 0 | 0 | 0 |
| Recurring net profit | 21,181 | 26,506 | 30,538 | 34,035 | 38,687 |
| Per share (THB) | | | | | |
| Recurring EPS * | 11.10 | 13.89 | 16.00 | 17.83 | 20.27 |
| Reported EPS | 9.00 | 13.89 | 16.00 | 17.83 | 20.27 |
| DPS | 2.50 | 3.50 | 5.00 | 6.50 | 7.00 |
| Growth | | | | | |
| Net interest income (%) | 8.4 | 6.6 | 9.7 | 5.5 | 7.8 |
| Non interest income (%) | (33.4) | 25.1 | (12.9) | 3.1 | 2.9 |
| Pre provision operating profit (%) | (27.9) | 18.1 | (3.1) | 7.4 | 8.4 |
| Operating profit (%) | (44.8) | 28.8 | 17.2 | 11.5 | 13.7 |
| Reported net profit (%) | (52.0) | 54.3 | 15.2 | 11.5 | 13.7 |
| Recurring EPS (%) | (40.9) | 25.1 | 15.2 | 11.5 | 13.7 |
| Reported EPS (%) | (52.0) | 54.3 | 15.2 | 11.5 | 13.7 |
| Income Breakdown | | | | | |
| Net interest income (%) | 64.9 | 61.2 | 66.5 | 67.0 | 68.0 |
| Net fees & commission (%) | 20.8 | 21.7 | 21.6 | 21.1 | 20.3 |
| Foreign exchange trading income (%) | - | - | - | - | - |
| Securities trading income (%) | 11.4 | 14.2 | 8.8 | 8.8 | 8.7 |
| Dividend income (%) | 1.7 | 1.7 | 1.7 | 1.7 | 1.6 |
| Other income (%) | 1.2 | 1.2 | 1.3 | 1.4 | 1.4 |
| Operating performance | | | | | |
| Gross interest yield (%) | 3.30 | 2.88 | 2.88 | 3.20 | 3.39 |
| Cost of funds (%) | 1.22 | 0.94 | 0.94 | 1.25 | 1.34 |
| Net interest spread (%) | 2.08 | 1.94 | 1.94 | 1.95 | 2.05 |
| Net interest margin (%) | 2.3 | 2.1 | 2.1 | 2.1 | 2.3 |
| Cost/income(%) | 52.2 | 50.1 | 52.1 | 50.8 | 49.8 |
| Cost/assets(%) | 1.8 | 1.7 | 1.6 | 1.6 | 1.6 |
| Effective tax rate (%) | 18.6 | 18.7 | 20.0 | 20.0 | 20.0 |
| Dividend payout on recurring profit (%) | 22.5 | 25.2 | 31.3 | 36.5 | 34.5 |
| ROE (%) | 4.8 | 5.6 | 6.0 | 6.4 | 6.9 |
| ROE - COE (%) | (4.5) | (3.7) | (3.3) | (2.9) | (2.4) |
| ROA (%) | 0.6 | 0.7 | 0.7 | 0.8 | 0.9 |
| RORWA (%) | 0.8 | 1.0 | 1.1 | 1.1 | 1.3 |

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Bangkok Bank; FSSIA estimates

Financial Statements

Bangkok Bank

| Balance Sheet (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|--|------------------|------------------|------------------|------------------|------------------|
| Gross customer loans | 2,368,238 | 2,588,339 | 2,691,873 | 2,772,629 | 2,855,808 |
| Total provisions | (185,567) | (228,291) | (235,849) | (251,534) | (266,846) |
| interest in suspense | 6,431 | 15,978 | 17,497 | 18,854 | 19,991 |
| Net customer loans | 2,189,102 | 2,376,027 | 2,473,521 | 2,539,949 | 2,608,952 |
| Bank loans | 519,036 | 801,212 | 801,630 | 783,881 | 787,204 |
| Government securities | - | - | - | - | - |
| Trading securities | - | - | - | - | - |
| Investment securities | 759,394 | 889,306 | 913,722 | 938,858 | 964,741 |
| Cash & equivalents | 73,886 | 62,552 | 70,482 | 78,071 | 119,181 |
| Other interesting assets | - | - | - | - | - |
| Tangible fixed assets | 74,804 | 74,476 | 74,664 | 75,009 | 75,494 |
| Associates | - | - | - | - | - |
| Goodwill | - | - | - | - | - |
| Other intangible assets | - | - | - | - | - |
| Other assets | 148,802 | 129,707 | 133,732 | 136,255 | 140,569 |
| Total assets | 3,765,023 | 4,333,281 | 4,467,751 | 4,552,022 | 4,696,141 |
| Customer deposits | 2,810,863 | 3,156,940 | 3,398,940 | 3,449,925 | 3,496,687 |
| Bank deposits | - | - | - | - | - |
| Other interest bearing liabilities | 362,583 | 480,061 | 347,170 | 352,378 | 419,684 |
| Non interest bearing liabilities | 199,267 | 201,688 | 201,688 | 201,688 | 201,688 |
| Hybrid Capital | - | - | - | - | - |
| Total liabilities | 3,372,713 | 3,838,688 | 3,947,798 | 4,003,990 | 4,118,059 |
| Share capital | 19,088 | 19,088 | 19,088 | 19,088 | 19,088 |
| Reserves | 429,925 | 473,639 | 498,903 | 526,877 | 556,813 |
| Total equity | 449,014 | 492,727 | 517,992 | 545,965 | 575,902 |
| Minority interests | 1,233 | 1,865 | 1,961 | 2,067 | 2,180 |
| Total liabilities & equity | 3,822,960 | 4,333,281 | 4,467,751 | 4,552,022 | 4,696,141 |
| Supplementary items | | | | | |
| Risk weighted assets (RWA) | 2,743,525 | 2,859,316 | 2,973,689 | 3,062,900 | 3,154,787 |
| Average interest earning assets | 3,414,880 | 3,962,763 | 4,343,041 | 4,451,296 | 4,551,560 |
| Average interest bearing liabilities | 2,914,394 | 3,405,223 | 3,691,555 | 3,774,206 | 3,859,337 |
| Tier 1 capital | 431,380 | 457,469 | 477,401 | 500,142 | 524,095 |
| Total capital | 502,065 | 560,426 | 580,358 | 603,099 | 627,052 |
| Gross non performing loans (NPL) | 104,401 | 101,103 | 112,224 | 122,325 | 128,441 |
| Per share (THB) | | | | | |
| Book value per share | 235.21 | 258.11 | 271.35 | 286.00 | 301.68 |
| Tangible book value per share | 235.21 | 258.11 | 271.35 | 286.00 | 301.68 |
| Growth | | | | | |
| Gross customer loans | 14.9 | 9.3 | 4.0 | 3.0 | 3.0 |
| Average interest earning assets | 8.8 | 16.0 | 9.6 | 2.5 | 2.3 |
| Total asset (%) | 17.0 | 15.1 | 3.1 | 1.9 | 3.2 |
| Risk weighted assets (%) | 14.6 | 4.2 | 4.0 | 3.0 | 3.0 |
| Customer deposits (%) | 18.6 | 12.3 | 7.7 | 1.5 | 1.4 |
| Leverage & capital measures | | | | | |
| Customer loan/deposits (%) | 77.9 | 75.3 | 72.8 | 73.6 | 74.6 |
| Equity/assets (%) | 11.9 | 11.4 | 11.6 | 12.0 | 12.3 |
| Tangible equity/assets (%) | 11.9 | 11.4 | 11.6 | 12.0 | 12.3 |
| RWA/assets (%) | 72.9 | 66.0 | 66.6 | 67.3 | 67.2 |
| Tier 1 CAR (%) | 15.7 | 16.0 | 16.1 | 16.3 | 16.6 |
| Total CAR (%) | 18.3 | 19.6 | 19.5 | 19.7 | 19.9 |
| Asset Quality | | | | | |
| Change in NPL (%) | 31.9 | (3.2) | 11.0 | 9.0 | 5.0 |
| NPL/gross loans (%) | 4.4 | 3.9 | 4.2 | 4.4 | 4.5 |
| Total provisions/gross loans (%) | 7.8 | 8.8 | 8.8 | 8.8 | 9.3 |
| Total provisions/NPL (%) | 177.7 | 225.8 | 210.2 | 205.6 | 207.8 |
| Valuation | | | | | |
| Recurring P/E (x) * | 11.8 | 9.4 | 8.2 | 7.3 | 6.4 |
| Recurring P/E @ target price (x) * | 15.3 | 12.2 | 10.6 | 9.5 | 8.4 |
| Reported P/E (x) | 14.5 | 9.4 | 8.2 | 7.3 | 6.4 |
| Dividend yield (%) | 1.9 | 2.7 | 3.8 | 5.0 | 5.4 |
| Price/book (x) | 0.6 | 0.5 | 0.5 | 0.5 | 0.4 |
| Price/tangible book (x) | 0.6 | 0.5 | 0.5 | 0.5 | 0.4 |
| Price/tangible book @ target price (x) | 0.7 | 0.7 | 0.6 | 0.6 | 0.6 |

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Bangkok Bank; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

| EXCELLENT LEVEL – Score range 90-100 | | | | | | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|-------|--------|
| AAV | BCPG | CPALL | GCAP | K | MSC | PLANET | SAMART | SPI | THRE | TVD |
| ADVANC | BDMS | CPF | GFPT | KBANK | MST | PLAT | SAMTEL | SPRC | THREL | TVI |
| AF | BEM | CPI | GGC | KCE | MTC | PORT | SAT | SPVI | TIPCO | TVO |
| AH | BGC | CPN | GLAND | KKP | MVP | PPS | SC | SSSC | TISCO | TWPC |
| AIRA | BGRIM | CRC | GLOBAL | KSL | NCL | PR9 | SCB | SST | TK | U |
| AKP | BIZ | CSS | GPI | KTB | NEP | PREB | SCC | STA | TKT | UAC |
| AKR | BKI | DDD | GPSC | KTC | NER | PRG | SCCC | STEC | TMT | UBIS |
| ALT | BOL | DELTA | GRAMMY | LALIN | NKI | PRM | SCG | STI | TNDT | UV |
| AMA | BPP | DEMCO | GULF | LANNA | NOBLE | PROUD | SCGP | SUN | TNITY | VGI |
| AMATA | BRR | DRT | GUNKUL | LH | NSI | DRS | SCM | SUSCO | TOA | VIH |
| AMATAV | BTS | DTAC | HANA | LHFG | NVD | PSL | SDC | SUTHA | TOP | WACOAL |
| ANAN | BTW | DUSIT | HARN | LIT | NWR | PTG | SEAFCO | SVI | TPBI | WAVE |
| AOT | BWG | EA | HMPRO | LPN | NYT | PTT | SEAOIL | SYMC | TQM | WHA |
| AP | CENTEL | EASTW | ICC | MACO | OISHI | PTTEP | SE-ED | SYNTEC | TRC | WHAUP |
| ARIP | CFRESH | ECF | ICHI | MAJOR | OR | PTTGC | SELIC | TACC | TRU | WICE |
| ARROW | CHEWA | ECL | III | MAKRO | ORI | PYLON | SENA | TASCO | TRUE | WINNER |
| ASP | CHO | EE | ILINK | MALEE | OSP | Q-CON | SHR | TCAP | TSC | ZEN |
| AUCT | CIMBT | EGCO | ILM | MBK | OTO | QH | SIRI | TEAMG | TSR | |
| AWC | CK | EPG | INTUCH | MC | PAP | QTC | SIS | TFMAMA | TSTE | |
| AYUD | CKP | ETC | IP | MCOT | PCSGH | RATCH | SITHAI | TGH | TSTH | |
| BAFS | CM | FPI | IRPC | METCO | PDG | RS | SMK | THANA | TTA | |
| BANPU | CNT | FPT | ITEL | MFEC | PDJ | S | SMPC | THANI | TTB | |
| BAY | COM7 | FSMART | IVL | MINT | PG | S & J | SNC | THCOM | TTCL | |
| BBL | COMAN | GBX | JSP | MONO | PHOL | SAAM | SONIC | THG | TTW | |
| BCP | COTTO | GC | JWD | MOONG | PLANB | SABINA | SPALI | THIP | TU | |
| VERY GOOD LEVEL – Score range 80-89 | | | | | | | | | | |
| 2S | ASIMAR | CHOW | FLOYD | IT | LOXLEY | OCC | RPC | SKY | TCC | TVT |
| 7UP | ASK | CI | FN | ITD | LRH | OGC | RT | SLP | TCMC | TWP |
| ABICO | ASN | CIG | FNS | J | LST | PATO | RWI | SMIT | TEAM | UEC |
| ABM | ATP30 | CMC | FORTH | JAS | M | PB | S11 | SMT | TFG | UMI |
| ACE | B | COLOR | FSS | JCK | MATCH | PICO | SA | SNP | TFI | UOBKH |
| ACG | BA | CPL | FTE | JCKH | MBAX | PIMO | SAK | SO | TIGER | UP |
| ADB | BAM | CPW | FVC | JMART | MEGA | PJW | SALEE | SORKON | TITLE | UPF |
| AEONTS | BC | CRD | GEL | JMT | META | PL | SAMCO | SPA | TKN | UPOIC |
| AGE | BCH | CSC | GENCO | KBS | MFC | PM | SANKO | SPC | TKS | UTP |
| AHC | BEC | CSP | GJS | KCAR | MGT | PMTA | SAPPE | SPCG | TM | VCOM |
| AIT | BEYOND | CWT | GYT | KEX | MICRO | PPP | SAWAD | SR | TMC | VL |
| ALL | BFIT | DCC | HEMP | KGI | MILL | PPPM | SCI | SRICHA | TMD | VPO |
| ALLA | BJC | DCON | HPT | KIAT | MITSIB | PRIME | SCN | SSC | TMI | VRANDA |
| ALUCON | BJCHI | DHOUSE | HTC | KISS | MK | PRIN | SCP | SSF | TMILL | WGE |
| AMANAH | BLA | DOD | HYDRO | KOOL | MODERN | PRINC | SE | STANLY | TNL | WIJK |
| AMARIN | BR | DOHOME | ICN | KTIS | MTI | PSG | SFLEX | STGT | TNP | WP |
| APCO | BROOK | DV8 | IFS | KUMWEL | NBC | PSTC | SFP | STOWER | TOG | XO |
| APCS | CBG | EASON | IMH | KUN | NCAP | PT | SFT | STPI | TPA | XPG |
| APURE | CEN | EFORL | IND | KWC | NCH | QLT | SGF | SUC | TPAC | YUASA |
| AQUA | CGH | ERW | INET | KWM | NETBAY | RBF | SIAM | SWC | TPCS | |
| ASAP | CHARAN | ESSO | INSET | L&E | NEX | RCL | SINGER | SYNEX | TPS | |
| ASEFA | CHAYO | ESTAR | INSURE | LDC | NINE | RICHY | SKE | TAE | TRITN | |
| ASIA | CHG | ETE | IRC | LEO | NRF | RML | SKN | TAKUNI | TRT | |
| ASIAN | CHOTI | FE | IRCP | LHK | NTV | ROJNA | SKR | TBSP | TSE | |
| GOOD LEVEL – Score range 70-79 | | | | | | | | | | |
| A | BGT | CITY | GIFT | JTS | MDX | PK | SGP | SUPER | TQR | YGG |
| AI | BH | CMAN | GLOCON | JUBILE | MJD | PLE | SICT | SVOA | TTI | ZIGA |
| AIE | BIG | CMO | GREEN | KASET | MORE | PPM | SIMAT | TC | TYCN | |
| AJ | BLAND | CMR | GSC | KCM | MUD | PRAKIT | SISB | TCCC | UKEM | |
| ALPHAX | BM | CPT | GTB | KK | NC | PRAPAT | SK | THMUI | UMS | |
| AMC | BROCK | CRANE | HTECH | KKC | NDR | PRECHA | SMART | TNH | UNIQ | |
| APP | BSBM | CSR | HUMAN | KWI | NFC | PTL | SOLAR | TNR | UPA | |
| AQ | BSM | D | IHL | KYE | NNCL | RJH | SPACK | TOPP | UREKA | |
| ARIN | BTNC | EKH | IIG | LEE | NOVA | RP | SPG | TPCH | VIBHA | |
| AS | BYD | EMC | INGRS | LPH | NPK | RPH | SQ | TPIPL | W | |
| AU | CAZ | EP | INOX | MATI | NUSA | RSP | SSP | TIPIP | WIN | |
| B52 | CCP | F&D | JAK | M-CHAI | PAF | SABUY | STARK | TPLAS | WORK | |
| BEAUTY | CGD | FMT | JR | MCS | PF | SF | STC | TPOLY | WPH | |

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

| CERTIFIED | | | | | | | | | | |
|-----------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|
| 2S | BCH | CPALL | GC | K | MFC | PE | QLT | SNP | THCOM | TU |
| 7UP | BCP | CPF | GCAP | KASET | MFEC | PG | QTC | SORKON | THIP | TVD |
| ADVANC | BCPG | CPI | GEL | KBANK | MILL | PHOL | RATCH | SPACK | THRE | TVI |
| AF | BE8 | CPN | GFPT | KBS | MINT | PK | RML | SPALI | THREL | TVO |
| AI | BEYOND | CSC | GGC | KCAR | MONO | PL | RWI | SPC | TIDLOR | TWPC |
| AIE | BGC | DCC | GJS | KCE | MOONG | PLANB | S & J | SPI | TIPCO | U |
| AIRA | BGRIM | DELTA | GPI | KGI | MSC | PLANET | SAAM | SPRC | TISCO | UBE |
| AKP | BJCHI | DEMCO | GPSC | KKP | MST | PLAT | SABINA | SRICHA | TKS | UBIS |
| ALPHAX | BKI | DIMET | GSTEEL | KSL | MTC | PM | SAPPE | SSF | TKT | UEC |
| AMA | BLA | DRT | GUNKUL | KTB | MTI | PPP | SAT | SSP | TMD | UKEM |
| AMANAHA | BPP | DTAC | HANA | KTC | NBC | PPPM | SC | SSSC | TMILL | UOBKH |
| AMATA | BROOK | DUSIT | HARN | KWC | NEP | PPS | SCB | SST | TMT | UPF |
| AMATAV | BRR | EA | HEMP | KWI | NINE | PR9 | SCC | STA | TNITY | UV |
| AP | BSBM | EASTW | HENG | L&E | NKI | PREB | SCCC | STOWER | TNL | VGI |
| APCS | BTS | ECL | HMPRO | LANNA | NMG | PRG | SCG | SUSCO | TNP | VIH |
| AQUA | BWG | EGCO | HTC | LH | NNCL | PRINC | SCN | SVI | TNR | WACOAL |
| ARROW | CEN | EP | ICC | LHFG | NOBLE | PRM | SEAOIL | SYMC | TOG | WHA |
| AS | CENTEL | EPG | ICHI | LHK | NOK | PROS | SE-ED | SYNTEC | TOP | WHAUP |
| ASIAN | CFRESH | ERW | IFEC | LPN | NSI | PSH | SELIC | TAE | TOPP | WICE |
| ASK | CGH | ESTAR | IFS | LRH | NWR | PSL | SENA | TAKUNI | TPA | WIJK |
| ASP | CHEWA | ETE | ILINK | M | OCC | PSTC | SGP | TASCO | TPP | XO |
| AWC | CHOTI | FE | INET | MAKRO | OGC | PT | SINGER | TBSP | TRU | ZEN |
| AYUD | CHOW | FNS | INSURE | MALEE | ORI | PTG | SIRI | TCAP | TRUE | |
| B | CIG | FPI | INTUCH | MATCH | PAP | PTT | SITHAI | TCMC | TSC | |
| BAFS | CIMBT | FPT | IRC | MBAX | PATO | PTTEP | SKR | TFG | TSTE | |
| BAM | CM | FSMART | IRPC | MBK | PB | PTTGC | SMIT | TFI | TSTH | |
| BANPU | CMC | FSS | ITEL | MC | PCSGH | PYLON | SMK | TFMAMA | TTA | |
| BAY | COM7 | FTE | IVL | MCOT | PDG | Q-CON | SMPC | TGH | TTB | |
| BBL | COTTO | GBX | JKN | META | PDJ | QH | SNC | THANI | TTCL | |
| DECLARED | | | | | | | | | | |
| AJ | CHG | DDD | ETC | JR | MAJOR | NUSA | RS | SSS | TQM | YUASA |
| ALT | CPL | DHOUSE | FLOYD | JTS | NCAP | NYT | SAK | STECH | TSI | ZIGA |
| APCO | CPR | DOHOME | GULF | KEX | NCL | OR | SCGP | STGT | VARO | |
| B52 | CPW | ECF | III | KUMWEL | NOVA | PIMO | SCM | TKN | VCOM | |
| BEC | CRC | EKH | INOX | LDC | NRF | PLE | SIS | TMI | VIBHA | |

| 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) |

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

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ANALYST(S) CERTIFICATION

Yuvanart Suwanumchai FSS International Investment Advisory Securities Co., Ltd

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| Company | Ticker | Price | Rating | Valuation & Risks |
|--------------------|----------|------------|--------|---|
| Bangkok Bank | BBL TB | THB 130.50 | BUY | Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. |
| Kasikornbank | KBANK TB | THB 140.50 | BUY | Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. |
| Kiatnakin Bank | KKP TB | THB 63.00 | BUY | Downside risks to our GGM-based target price include weakening asset quality and lower fee income. |
| Krung Thai Bank | KTB TB | THB 15.00 | BUY | Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. |
| SCB X | SCB TB | THB 94.00 | BUY | Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. |
| Tisco Financial | TISCO TB | THB 88.25 | HOLD | Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. An upside risk to our GGM-based TP would be lower-than-expected policy rate hikes. |
| TMBThanachart Bank | TTB TB | THB 1.18 | BUY | Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. |

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

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All share prices are as at market close on 21-Jul-2022 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.