

BANGKOK BANK

 THAILAND / BANKING

BBL TB

BUY

 UNCHANGED

ผลประกอบการ 2Q23

TARGET PRICE	THB197.00
CLOSE	THB164.00
UP/DOWNSIDE	+20.1%
TP vs CONSENSUS	+6.3%

ผลประกอบการ 2Q23: กำไรสูงกว่าที่เราคาด 13%

BBL รายงานกำไรสุทธิ 2Q23 เท่ากับ 11.3 พัน ลบ. สูงกว่าที่เราคาด 13% และสูงกว่าที่ตลาดคาด 11% กำไรเติบโตเชิงรุกถึง 11.5% q-q และ 62.2% y-y จากการเติบโตของรายได้ทุกกลุ่มที่สูงกว่าคาด กำไร 1H23 คิดเป็น 56% ของประมาณการกำไรทั้งปี 23 ของเรา.

Highlights

- (+) รายได้ดอกเบี้ยสุทธิเท่ากับ 31.5 พัน ลบ. สูงกว่าคาด โตถึง 5% q-q และ 34% y-y หนุนด้วยการเติบโตของสินเชื่อ และ NIM ที่เพิ่มขึ้นมากกว่าคาดมาอยู่ที่ 2.83% (+10bp จาก 1Q23 โดยมี Yield เพิ่มขึ้นถึง 25bp แต่ต้นทุนดอกเบี้ยจ่ายเพิ่มเพียง 17bp จาก 1Q23) โดยรวมแล้ว NIM ใน 1H23 เพิ่มมาที่ 2.81% ยังสอดคล้องกับประมาณการ NIM ปี 23 ที่เราคาดไว้ที่ 2.82%
- (+) รายได้ดอกเบี้ยสุทธิเท่ากับ 31.5 พัน ลบ. สูงกว่าคาด โตถึง 5% q-q และ 34% y-y หนุนด้วยการเติบโตของสินเชื่อ และ NIM ที่เพิ่มขึ้นมากกว่าคาดมาอยู่ที่ 2.83% (+10bp จาก 1Q23 โดยมี Yield เพิ่มขึ้นถึง 25bp แต่ต้นทุนดอกเบี้ยจ่ายเพิ่มเพียง 17bp จาก 1Q23) โดยรวมแล้ว NIM ใน 1H23 เพิ่มมาที่ 2.81% ยังสอดคล้องกับประมาณการ NIM ปี 23 ที่เราคาดไว้ที่ 2.82%
- (+) รายได้ที่มีขีดดอกเบี้ยเท่ากับ THB10.9b สูงกว่าคาด โตถึง 7% q-q และ 3% y-y แม้รายได้ค่าธรรมเนียมจะเป็นตัวจุดโดยลดลงมากกว่าคาดถึง 8% q-q และ 2% y-y (จากธุรกิจหลักทรัพย์ที่ตกต่ำตามสภาวะตลาดหุ้น) แต่หักล้างไปด้วยการเพิ่มขึ้นของรายได้อื่นๆ ได้แก่ FVTPL ซึ่งสูงกว่าคาดมาก
- (-) ค่าใช้จ่ายดำเนินงานเท่ากับ 20.1 พัน ลบ. สูงกว่าคาด เพิ่มขึ้น 7% q-q และ 15% y-y ตามการเติบโตของธุรกิจโดยมี cost-to-income ratio เพิ่มขึ้นเล็กน้อยมาอยู่ที่ 47.4% ซึ่งยังสอดคล้องกับประมาณการปี 23 ที่เราคาดไว้ที่ 48.5% แต่สูงกว่าเป้าหมายของ BBL ที่คาดไว้ว่าจะอยู่ในระดับ 50% ต่ำ
- (+) คุณภาพสินทรัพย์: แม้ว่า Credit cost จะเพิ่มขึ้นมากกว่าคาดในงวดนี้มาอยู่ที่ 133bp (เราคาดไว้ที่ 120bp) จาก 127bp ใน 1Q23 การบริหารจัดการ NPL เชิงรุก (TDR/ตัดจำหน่าย/ขาย) ช่วยทำให้สัดส่วน NPLs ratio ลดลงมาที่ 2.90% จาก 3.09% ใน 1Q23 ขณะที่ Coverage ratio (LLR/NPL) เพิ่มขึ้นมาที่ 287% จาก 265% ใน 1Q23 (ใช้ตัวเลขธนาคารฯ เพราะไม่มีการเปิดเผยตัวเลข NPL Stage 3 และสำรองสำหรับสินเชื่อ Stage 3) โดยรวม Credit cost ใน 1H23 มีค่าเฉลี่ยเท่ากับ 130bp สูงกว่าเล็กน้อยเมื่อเทียบกับประมาณการปี 23 ของเราที่คาดไว้ที่ 127bp และสูงกว่ามากเมื่อเทียบกับเป้าหมายของธนาคารฯ ที่ราว 100bp

แนวโน้มใน 2H23: เราคาดว่าผลการดำเนินงาน 3Q23 จะยังแข็งแกร่งโดยเฉพาะ NIM ที่น่าจะเพิ่มอย่างมีนัยสำคัญจากการปรับลดอัตราดอกเบี้ยเงินฝากออมทรัพย์ลงในช่วงปลาย 2Q23 ส่วนแนวโน้ม 4Q23 อาจกลับไปอ่อนตัวอีกครั้งจากการเร่งตัวของค่าใช้จ่ายดำเนินงานเมื่อเข้าช่วงฤดูการ

เรายังยืนยันมุมมองเชิงบวกต่อ BBL จากแนวโน้มการเติบโตของธุรกิจในระยะยาวจากการดำเนินงานของธุรกิจทั้งในและต่างประเทศ



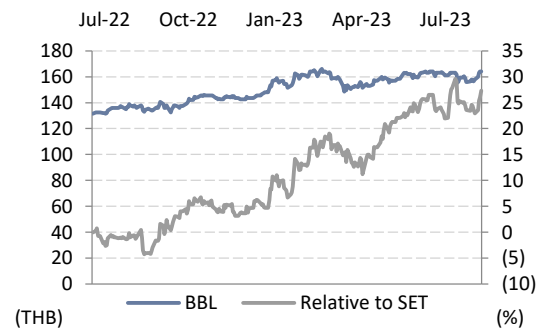
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KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Operating profit	37,229	47,982	51,895	54,599
Net profit	29,306	37,924	41,031	43,170
EPS (THB)	15.35	19.87	21.50	22.62
vs Consensus (%)	-	(0.4)	(4.8)	(6.0)
Recurring net profit	29,306	37,924	41,031	43,170
Core EPS (THB)	15.35	19.87	21.50	22.62
EPS growth (%)	10.6	29.4	8.2	5.2
Core P/E (x)	10.7	8.3	7.6	7.3
Dividend yield (%)	2.7	3.5	3.8	4.0
Price/book (x)	0.6	0.6	0.5	0.5
ROE (%)	5.9	7.2	7.3	7.3
ROA (%)	0.7	0.8	0.9	0.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.5	3.5	29.1
Relative to country (%)	1.6	6.0	31.3
Mkt cap (USD m)	9,153		
3m avg. daily turnover (USD m)	32.1		
Free float (%)	76		
Major shareholder	Thai NVDR (23%)		
12m high/low (THB)	166.50/127.00		
Issued shares (m)	1,909		

Sources: Bloomberg consensus; FSSIA estimates

Exhibit 1: BBL - 2Q23 operations summary

Year-end Dec 31	2Q22	1Q23	2Q23	--- Change ---		1H23	Change	%of	2022	2023E	Change
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	23E	(THB m)	(THB m)	(y-y%)
Net interest income	23,526	30,078	31,487	5	34	61,565	36	48	102,223	127,331	25
Non-interest income	10,666	10,215	10,956	7	3	21,171	6	63	36,672	33,482	(9)
<i>Fee income - net</i>	6,726	7,122	6,571	(8)	(2)	13,693	0	50	27,508	27,626	0
Total operating income	34,192	40,293	42,443	5	24	82,736	27	51	138,895	160,813	16
Total operating expenses	17,435	18,850	20,111	7	15	38,961	18	50	69,019	77,831	13
PPOP before tax	16,757	21,443	22,333	4	33	43,776	35	53	69,876	82,982	19
Expected credit loss	8,354	8,474	8,880	5	6	17,354	17	50	32,647	35,000	7
Income tax	1,319	2,728	2,047	(25)	55	4,774	49	50	7,484	9,596	28
Non-controlling interest	123	112	112	0	(9)	224	(8)	49	440	462	5
Net profit	6,961	10,129	11,294	11	62	21,423	52	56	29,306	37,924	29
EPS (THB)	3.65	5.31	5.92	11	62	11.22	52	56	15.35	19.87	29
Key ratios	2Q22	1Q23	2Q23	--- Change ---		1H23	Change		2022	2023E	Change
Asset quality ratio	(%)	(%)	(%)	(q-q%)	(y-y%)	(%)	(y-y %)		(%)	(%)	(y-y%)
Gross NPLs (THB m)	105,046	98,359	93,285	(5)	(11)	93,285	(11)		97,188	102,047	5
<i>Change (% from prior period)</i>	2.6	1.2	(5.2)			(11.2)			(3.9)	5.0	
NPL ratios (%) - reported	3.40	3.09	2.90			2.90			3.06		
NPL ratio (%)*	3.96	3.73	n/a			n/a			3.62	3.62	
Coverage ratio (%) - reported	233	265	287			287			255		
Coverage ratio (%)*	225	255	n/a			n/a			251	252	
Credit cost (bp)	128	127	133			130			124	127	
Profitability ratio	(%)	(%)	(%)						(%)	(%)	
Cost to income ratio	51.0	46.8	47.4			47.1			49.7	48.4	
Average yield (%)	2.96	4.01	4.26			4.17			3.21	3.90	
Cost of funds (%)	0.93	1.53	1.70			1.63			1.01	1.29	
NIM (%) - reported	2.24	2.84	2.91			2.81			2.42		
NIM (%)*	2.18	2.73	2.83			2.81			2.36	2.82	
Non-interest income/total income (%)	31.2	25.4	25.8			25.6			26.4	20.8	
Loan growth	(%)	(%)	(%)						(%)	(%)	
q-q	2.5	(1.6)	2.2								
y-y	9.6	2.0	1.7						3.6	5	
Year-to-date	2.5	(1.6)	0.6			0.6					

* FSSIA's calculation

Sources: BBL; FSSIA estimates

Financial Statements

Bangkok Bank

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Interest Income	114,313	139,088	175,894	190,768	203,027
Interest expense	(32,156)	(36,865)	(48,563)	(53,254)	(57,464)
Net interest income	82,156	102,223	127,331	137,515	145,563
Net fees & commission	29,209	27,508	27,626	27,903	28,182
Foreign exchange trading income	17,868	5,155	2,010	2,010	2,010
Securities trading income	1,225	(1,454)	(2,026)	0	0
Dividend income	2,252	2,306	2,422	2,543	2,670
Other income	1,831	3,156	3,450	3,668	3,900
Non interest income	52,385	36,672	33,482	36,123	36,762
Total income	134,541	138,895	160,813	173,638	182,325
Staff costs	(35,003)	(34,794)	(37,229)	(39,835)	(41,429)
Other operating costs	(32,263)	(34,225)	(40,601)	(45,408)	(48,297)
Operating costs	(67,266)	(69,019)	(77,831)	(85,243)	(89,726)
Pre provision operating profit	67,275	69,876	82,982	88,395	92,599
Expected credit loss	(34,134)	(32,647)	(35,000)	(36,500)	(38,000)
Other provisions	-	-	-	-	-
Operating profit	33,141	37,229	47,982	51,895	54,599
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	33,141	37,229	47,982	51,895	54,599
Tax	(6,189)	(7,484)	(9,596)	(10,379)	(10,920)
Profit after tax	26,952	29,746	38,386	41,516	43,679
Non-controlling interest	(445)	(440)	(462)	(485)	(509)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	26,507	29,306	37,924	41,031	43,170
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	26,507	29,306	37,924	41,031	43,170
Per share (THB)					
Recurring EPS *	13.89	15.35	19.87	21.50	22.62
Reported EPS	13.89	15.35	19.87	21.50	22.62
DPS	3.50	4.50	5.80	6.30	6.60
Growth					
Net interest income (%)	6.6	24.4	24.6	8.0	5.9
Non interest income (%)	25.7	(30.0)	(8.7)	7.9	1.8
Pre provision operating profit (%)	27.5	3.9	18.8	6.5	4.8
Operating profit (%)	53.7	12.3	28.9	8.2	5.2
Reported net profit (%)	54.3	10.6	29.4	8.2	5.2
Recurring EPS (%)	54.3	10.6	29.4	8.2	5.2
Reported EPS (%)	54.3	10.6	29.4	8.2	5.2
Income Breakdown					
Net interest income (%)	61.1	73.6	79.2	79.2	79.8
Net fees & commission (%)	21.7	19.8	17.2	16.1	15.5
Foreign exchange trading income (%)	13.3	3.7	1.2	1.2	1.1
Securities trading income (%)	0.9	(1.0)	(1.3)	-	-
Dividend income (%)	1.7	1.7	1.5	1.5	1.5
Other income (%)	1.4	2.3	2.1	2.1	2.1
Operating performance					
Gross interest yield (%)	2.87	3.21	3.90	4.00	4.04
Cost of funds (%)	0.95	1.01	1.29	1.35	1.38
Net interest spread (%)	1.92	2.20	2.61	2.65	2.66
Net interest margin (%)	2.1	2.4	2.8	2.9	2.9
Cost/income(%)	50.0	49.7	48.4	49.1	49.2
Cost/assets(%)	1.7	1.6	1.7	1.8	1.8
Effective tax rate (%)	18.7	20.1	20.0	20.0	20.0
Dividend payout on recurring profit (%)	25.2	29.3	29.2	29.3	29.2
ROE (%)	5.6	5.9	7.2	7.3	7.3
ROE - COE (%)	(4.1)	(3.8)	(2.5)	(2.4)	(2.4)
ROA (%)	0.7	0.7	0.8	0.9	0.9
RORWA (%)	1.0	1.0	1.3	1.3	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	2021	2022	2023E	2024E	2025E
Gross customer loans	2,588,339	2,682,691	2,816,826	2,957,667	3,105,550
Allowance for expected credit loss	(219,801)	(243,474)	(257,474)	(270,249)	(283,549)
interest in suspense	7,489	10,138	5,352	5,620	5,901
Net customer loans	2,376,027	2,449,355	2,564,704	2,693,037	2,827,902
Bank loans	801,212	766,074	804,378	836,553	886,747
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	889,306	926,608	1,028,534	1,100,532	1,166,564
Cash & equivalents	62,552	52,433	55,459	56,022	50,810
Other interesting assets	-	-	-	-	-
Tangible fixed assets	74,476	73,909	78,111	82,433	86,887
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	129,707	153,373	155,115	156,944	158,864
Total assets	4,333,281	4,421,752	4,686,301	4,925,521	5,177,773
Customer deposits	3,156,940	3,210,896	3,371,440	3,540,012	3,717,013
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	480,061	458,593	519,760	557,752	599,115
Non interest bearing liabilities	201,688	245,122	247,596	250,096	252,623
Hybrid Capital	-	-	-	-	-
Total liabilities	3,838,688	3,914,610	4,138,796	4,347,860	4,568,750
Share capital	19,088	19,088	19,088	19,088	19,088
Reserves	473,639	486,258	526,440	556,400	587,544
Total equity	492,727	505,346	545,529	575,488	606,632
Non-controlling interest	1,865	1,796	1,976	2,173	2,390
Total liabilities & equity	4,333,281	4,421,752	4,686,301	4,925,521	5,177,773
Supplementary items					
Risk weighted assets (RWA)	2,863,700	3,008,228	3,116,390	3,275,472	3,443,219
Average interest earning assets	3,989,281	4,327,116	4,512,556	4,772,245	5,026,806
Average interest bearing liabilities	3,397,538	3,658,397	3,757,909	3,942,673	4,164,812
CET 1 capital	433,699	447,199	474,052	503,057	533,629
Total capital	536,656	551,307	578,160	607,165	637,737
Gross non performing loans (NPL)	101,103	97,188	102,047	107,150	112,507
Per share (THB)					
Book value per share	258.13	264.74	285.79	301.49	317.80
Tangible book value per share	258.13	264.74	285.79	301.49	317.80
Growth					
Gross customer loans	9.5	3.6	5.0	5.0	5.0
Average interest earning assets	15.9	8.5	4.3	5.8	5.3
Total asset (%)	13.5	2.0	6.0	5.1	5.1
Risk weighted assets (%)	4.6	5.0	3.6	5.1	5.1
Customer deposits (%)	12.3	1.7	5.0	5.0	5.0
Leverage & capital measures					
Customer loan/deposits (%)	75.3	76.3	76.1	76.1	76.1
Equity/assets (%)	11.4	11.4	11.6	11.7	11.7
Tangible equity/assets (%)	11.4	11.4	11.6	11.7	11.7
RWA/assets (%)	66.1	68.0	66.5	66.5	66.5
CET 1 CAR (%)	15.1	14.9	15.2	15.4	15.5
Total CAR (%)	18.7	18.3	18.6	18.5	18.5
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	(3.2)	(3.9)	5.0	5.0	5.0
NPL/gross loans (%)	3.9	3.6	3.6	3.6	3.6
Allowance for ECL/gross loans (%)	8.5	9.1	9.1	9.1	9.1
Allowance for ECL/NPL (%)	217.4	250.5	252.3	252.2	252.0
Valuation					
Recurring P/E (x) *	11.8	10.7	8.3	7.6	7.3
Recurring P/E @ target price (x) *	14.2	12.8	9.9	9.2	8.7
Reported P/E (x)	11.8	10.7	8.3	7.6	7.3
Dividend yield (%)	2.1	2.7	3.5	3.8	4.0
Price/book (x)	0.6	0.6	0.6	0.5	0.5
Price/tangible book (x)	0.6	0.6	0.6	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

Public disclosures related to sustainable development evaluation of Thai listed companies

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) **Sustainability Investment List (THSI)** by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

CG Score by the Thai Institute of Directors Association (Thai IOD)¹

The **CG Score** indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the [Thai IOD website](#) in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The **five underlying categories and weighting** used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

AGM Checklist by the Thai Investors Association (TIA)²

The "**AGM Checklist**" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The **Checklist** contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC)³

A **CAC certified member** is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member **start with** by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the **CAC Council** for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

Sustainability Investment (THSI)⁴ by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (**THSI**) quantifies responsibility in **E**nvironmental, and **S**ocial issues, by managing business with transparency in **G**overnance. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >150 by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: **E**conomic (CG, risk management, customer relation management, supply chain management, and innovation); **E**nvironmental (environmental management, eco-efficiency, and climate risk); **S**ocial (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices⁵ (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the **THSI list**, the SET further developed a sustainability **SETTHSI Index** in June 2018 from selected THSI companies whose 1) market capitalisation > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.

Sources: [SEC](#); [Thai IOD](#); [Thai CAC](#); [SET](#); FSSIA's compilation

Disclaimer:

¹ Thai Institute of Directors Association ([Thai IOD](#)) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

² Thai Investors Association ([TIA](#)) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

³ Thai Private Sector Collective Action against Corruption ([CAC](#)) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

⁴ Sustainability Investment List ([THSI](#)), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

⁵ Dow Jones Sustainability Indices – [Wikipedia](#) – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Usanee Liurut, CISA FSS International Investment Advisory Securities Co., Ltd

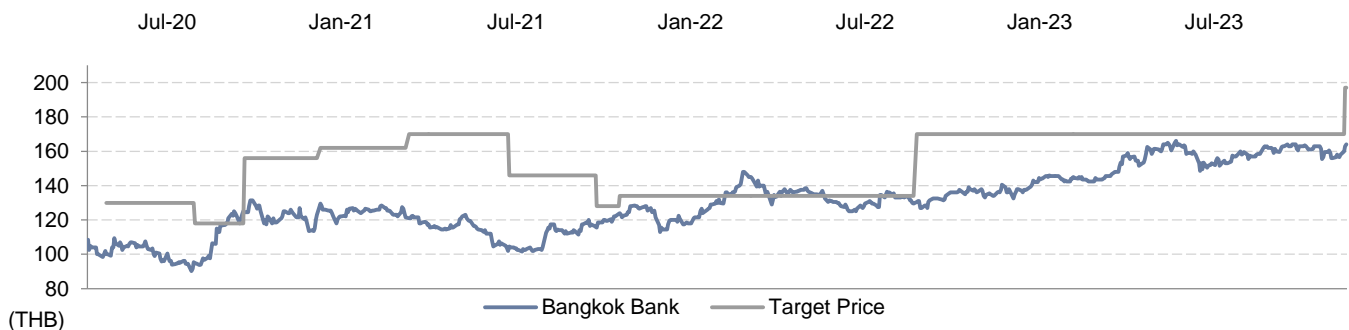
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History of change in investment rating and/or target price

Bangkok Bank (BBL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Aug-2020	BUY	130.00	23-Apr-2021	BUY	170.00	08-Jul-2022	BUY	170.00
21-Oct-2020	BUY	118.00	21-Jul-2021	BUY	146.00	17-Jul-2023	BUY	197.00
03-Dec-2020	BUY	156.00	05-Oct-2021	HOLD	128.00			
05-Feb-2021	BUY	162.00	25-Oct-2021	HOLD	134.00			

Usanee Liurut, CISA started covering this stock from 17-Jul-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Bank	BBL TB	THB 164.00	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.

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 20-Jul-2023 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.