

6 OCTOBER 2021

SPOTLIGHT ON THAILAND

Published Reports

- Thailand Banks - The tide is turning
- BANGKOK BANK (BBL TB) - Ageing strategy amid rapid change; Downgrade to HOLD TP THB128.00
- KASIKORNBANK (KBANK TB) - In full swing to a transformation; Maintain BUY TP THB168.00
- KIATNAKIN BANK (KKP TB) - 2nd highest NP growth and div yield; Maintain BUY TP THB68.00
- KRUNG THAI BANK (KTB TB) - Behind the pack; Maintain HOLD TP THB12.20
- SIAM COMMERCIAL BANK (SCB TB) - The waking giant; Maintain BUY TP THB158.00
- TISCO FINANCIAL (TISCO TB) - Time for a sprint, not a marathon; Maintain BUY TP THB110.00
- TMBTHANACHART BANK (TTB TB) - Treasure chest should open next year; Maintain BUY TP THB1.40
- AEON THANA SINSAP (THAILAND) (AEONTS TB) - The heat is on; Downgrade to HOLD TP THB204.00
- Thailand Energy – Oil stations - Return of the price cap and subsidy for biodiesel

Economics

- COVID-19 cases as of 5 Oct globally reaches 236,534,486 with new 375,992 cases and 6,945 new deaths.
- Inflation forecast revised, Range narrowed from 0.7-1.7% to 0.8-1.2%
- S&P keeps Thailand's BBB+ rating
- Shippers keep growth outlook at 12%
- Measures set to assist SMEs

Corporate News

- Energy minister explains diesel pricing
- Operators fret over B500 tourist fee, Timeline of policy deemed unsuitable
- Indonesia targets greater solar capacity by 2030
- Riding out the storm ... in style, Asset World Corp's Wallapa Traisorat is ready for recovery with a pipeline of luxury hotels
- Pandemic dampens fuel consumption

Indices	Index as of 5-Oct-21	Change -1D (%)	Change YTD (%)	Net Foreign YTD (USD m)
Thailand SET	1,624	0.6	12.1	(2,412)
China SHCOMP	Closed	0.9	2.7	
Hong Kong HSI	24,104	0.3	(11.5)	
India SENSEX	59,745	0.8	25.1	9,180
Indonesia JCI	6,288	(0.9)	5.2	1,389
Korea KOSPI	2,962	(1.9)	3.1	(26,226)
MY FBMKLCI	1,530	0.5	(5.9)	(992)
PH PCOMP	6,981	0.3	(2.2)	(1,706)
SG FSSTI	3,068	(0.7)	7.9	
Taiwan TWSE	16,461	0.3	11.7	(18,789)
VN VNINDEX	1,355	1.1	22.7	(1,959)
MSCI Emerging	1,237	0.0	(4.2)	
Nikkei 225	27,822	(2.2)	1.4	
FTSE 100	7,077	0.9	9.5	
CAC 40	6,576	1.5	18.5	
DAX	15,194	1.1	10.8	
Dow Jones	34,315	0.9	12.1	
Nasdaq	14,434	1.3	12.0	
S&P 500	4,346	1.1	15.7	
Brent	82.56	1.6	59.4	
Dubai	79.48	3.3	58.2	
WTI	78.93	0.3	63.1	
GOLD	1,760.18	(0.0)	(7.3)	
Trade data	Buy	Sell	Net	Share (%)
(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Foreign	36,956	36,356	600	41
Retail	37,351	37,482	(131)	42
Prop Trade	9,141	8,898	244	10
Local Institution	5,521	6,234	(713)	7
Total Trade	88,969	88,969	0	100
Rates	Last close	1M ago	End last yr	1yr ago
	10/5/2021	9/6/2021	12/31/2020	10/5/2020
THB/USD	33.76	32.49	29.95	31.42
Inflation *	1.68	(0.02)	(0.27)	(0.70)
MLR **	5.31	5.31	5.31	5.31
1Y Fixed *	0.43	0.43	0.49	0.49
Govt bond 10Y	1.88	1.62	1.32	1.32
Commodity	Last close	1M ago	End last yr	1yr ago
(USD/bbl)	10/5/2021	9/3/2021	12/31/2020	10/5/2020
Brent	82.56	72.61	51.80	41.29
Dubai	79.48	71.26	50.23	38.52
WTI	78.93	69.29	48.52	40.67
Gold	1,760	1,823	1,898	1,878
Baltic Dry	5,267	3,944	1,366	2,071
(USD/ton)	01-Oct-21	24-Sep-21	25-Dec-20	02-Oct-20
Coal	204.97	180.41	84.45	56.23
% change	13.6	16.8	142.7	264.5

* chg y-y% last at end of most recent month end; *** Avg of 4 major banks;

Sources: Bloomberg, except coal from BANPU

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Published Reports

Thailand Banks - The tide is turning

Will the recent valuation re-rating of the banking sector continue?

In Sep-21, the banking sector significantly outperformed the SET index and finance sector. We are convinced that the banking sector's valuation should continue to re-rate, supported by three factors. Most recently and importantly, we believe that SCB's reimagining favours the banking sector overall in terms of encouraging its peers to break out of the traditional framework to generate a higher ROE and narrow the number of competitors, leaving only commercial banks and major non-banks to compete with each other. Second, banks should be one of the greatest beneficiaries of the country reopening theme. Lastly, we believe that the Bank of Thailand (BoT)'s recent guidance on comprehensive long-term debt restructuring (CDR) will minimise the risk of poor asset quality. We believe that the banking sector's valuation could gradually re-rate to at least its max P/BV rally level in Oct-20 to Apr-21 at 0.7x 2022E P/BV.

What are the key factors to be monitored?

Due to the more favourable medium to long-term growth trajectory, we believe that investors should pay less attention to the weak aggregate 3Q21E net profit of THB29.9b (+30% y-y, -16% q-q) for the banks under our coverage. We think there are two other essential factors to watch out for: 1) the CDR, which might make some noise for banks' share prices in the short term but could provide a brighter outlook in the long run; and 2) the potential transformation of the rest of the banks. We prefer banks that reform and expand their businesses via asset-light and digitally oriented strategies (vs asset heavy), as we believe that these would consume less capital and could shorten payback periods for shareholders. We have conducted a banking framework spectrum analysis of long-term competitiveness and found that KBANK and SCB are ahead of the pack, while BBL and KTB are behind.

What should investors do?

We reiterate our recommendation to gradually re-accumulate banks ahead of the expected recovery next year. SCB remains one of our top picks. We replace TISCO with KBANK as our other top pick and believe that it will deliver strong growth in 2022. We also think that KBANK is the most likely candidate to transform itself after SCB. Assessing KBANK's hidden value through the lens of SCB, we have come up with an accretion value, if KBANK reforms itself, of at least THB20.3/shr. We reiterate our BUY call on KKP, TTB and TISCO. We downgrade BBL to HOLD due to its traditional and much too conservative framework, in our view. KTB remains our least preferred bank.

Exhibit 1: Implying banks' share prices by using P/BV multiples of max and min P/BV during the last rally phase in 2020, pre-Covid level in Dec-19, and 3-year historical average

	----- Current -----		----- Rally phase in Oct-20 to Apr-21 -----						---- Pre-Covid in Dec-19 --		----- 3-year -----	
	Share price (THB)	P/BV (x)	Min P/BV (x)	Implied price (THB)	Mean P/BV (x)	Implied price (THB)	Max P/BV (x)	Implied price (THB)	Mean P/BV (x)	Implied price (THB)	Mean P/BV (x)	Implied price (THB)
BBL TB	116.50	0.47	0.39	99	0.47	118	0.55	138	0.68	170	0.69	173
KBANK TB	137.00	0.65	0.37	79	0.55	118	0.73	157	0.80	173	0.86	186
KKP TB	55.25	0.90	0.64	43	0.84	57	1.05	72	1.21	82	1.13	77
KTB TB	11.10	0.42	0.33	9	0.41	11	0.49	13	0.66	18	0.63	17
SCB TB	124.00	0.96	0.51	66	0.69	91	0.88	115	0.99	129	0.94	122
TISCO TB	92.25	1.73	1.24	70	1.59	89	1.94	109	1.98	111	1.74	98
TTB TB	1.12	0.50	0.37	0.85	0.47	1.07	0.56	1.28	0.70	1.60	0.58	1.34
SETBANK	386.92	0.66	0.44	260	0.57	340	0.70	420	0.81	482	0.80	478

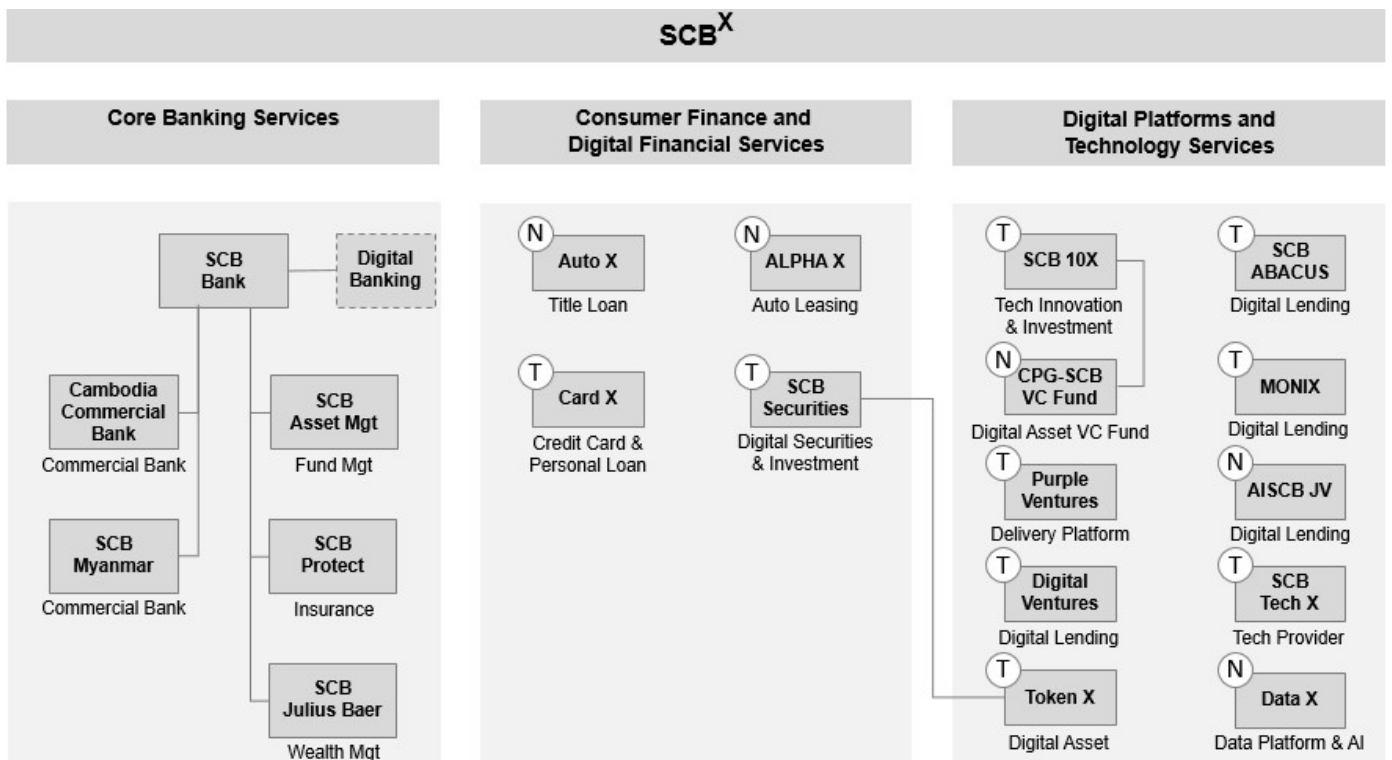
Share prices as of 4 Oct 2021; Source: FSSIA estimates

Exhibit 2: Comparing high and low risk-reward businesses of top three big banks

As of 2Q21	High risk-reward			Low risk-reward				
	BBL	KBANK	SCB	BBL	KBANK	SCB		
	----- (THB b) -----							
Current businesses	1. Cards and consumer lending	Has exposure but still minimal	206	140	1. Housing loans	315	423	686
	2. Auto title loans	nm.	Has exposure but still minimal	42	2. Hire purchase loans (car, machinery)	nm.	115	188
	3. SME loans	557	786	396	3. Corporate loans	968	834	845
	----- Exposure -----							
Potential businesses	1. Fintech startups, VC	Bualuang Ventures	Kasikorn X, Kasikorn Vision, Beacon Ventures	CPG-SCB				
	2. Digital assets	nm.	KUBIX	Token X				
	3. Data platform, Tech innovation	nm.	KBTG	SCB10X, Data X, Tech X				

Source: FSSIA estimates

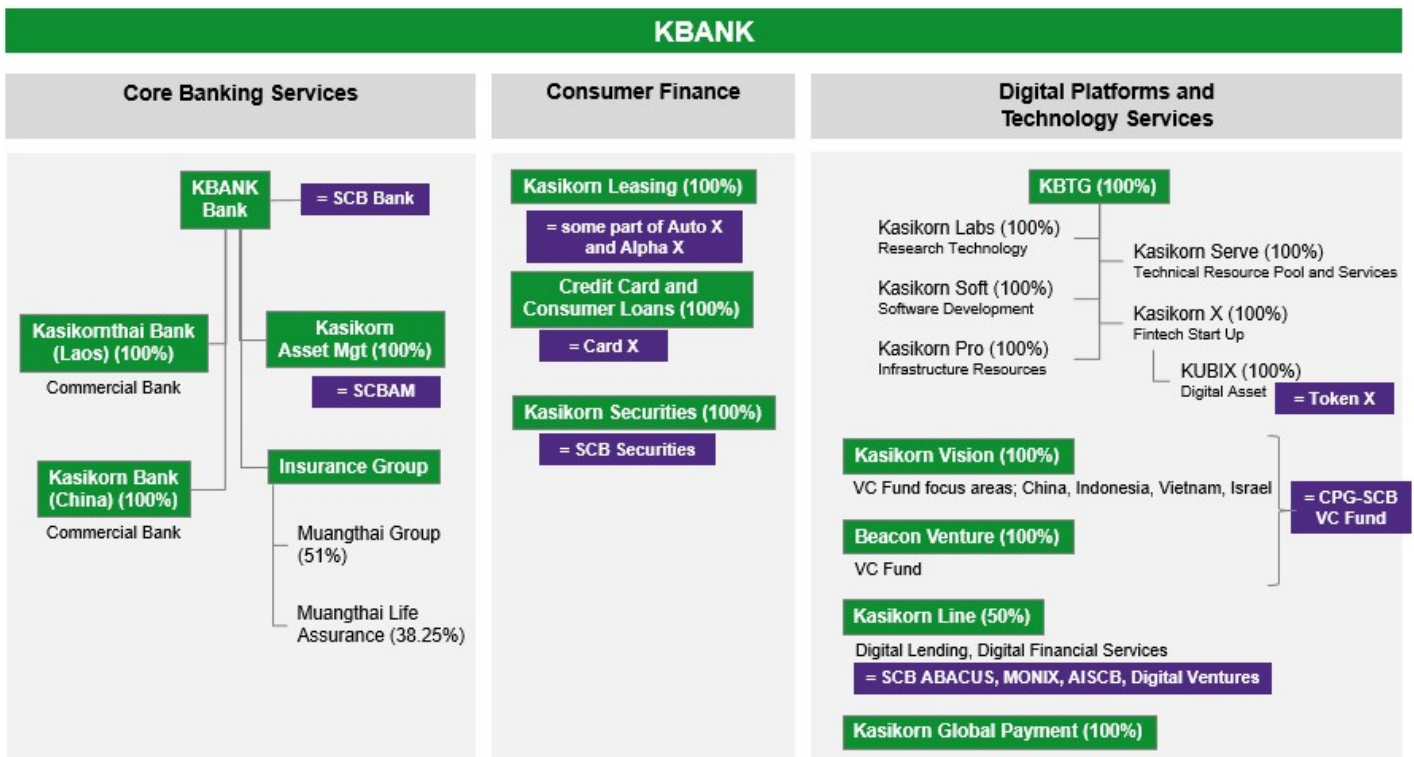
Exhibit 3: SCBX's structure



N = newly established company, T = transferred from SCB bank

Sources: SCB; FSSIA's compilation

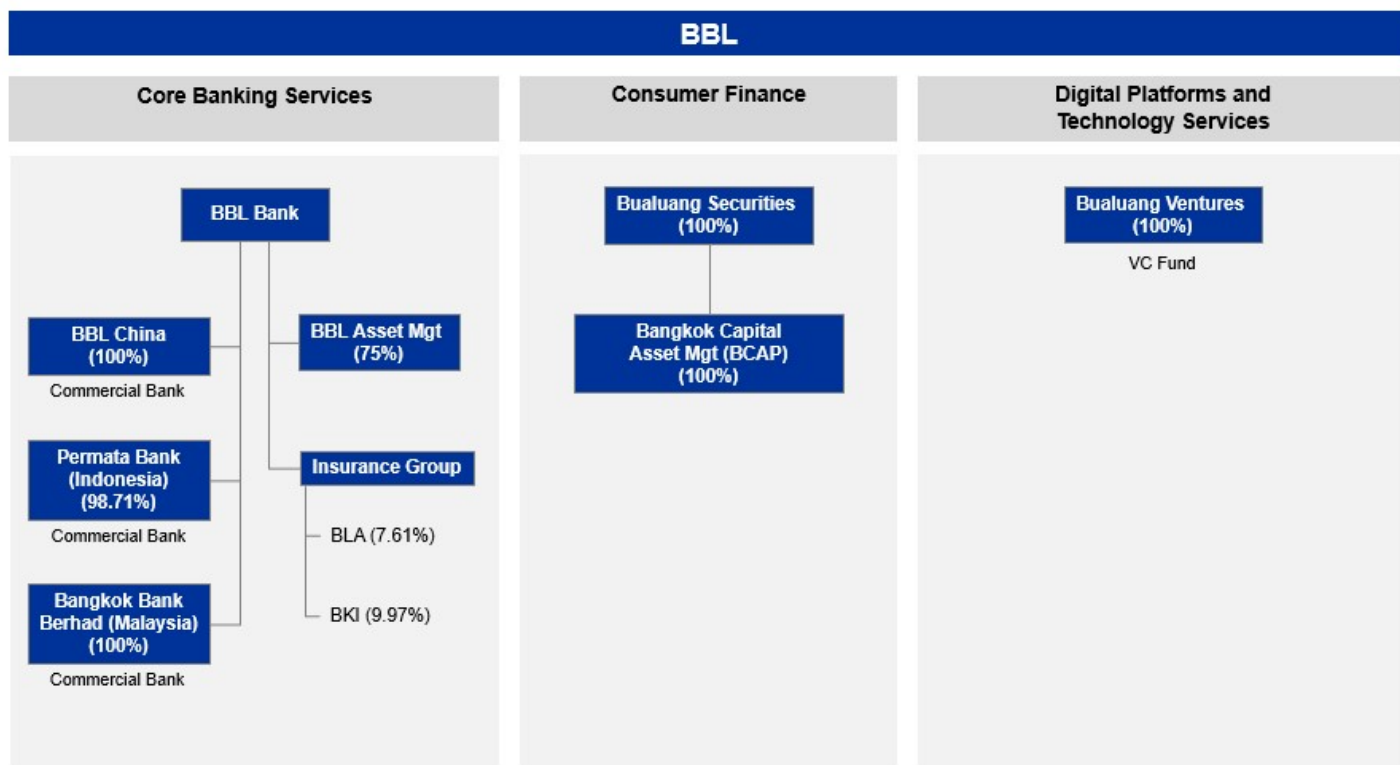
Exhibit 4: KBANK's potential new business structure – FSSIA's view



*Percentages in parentheses are the current percentage holding by KBANK

Source: FSSIA estimates

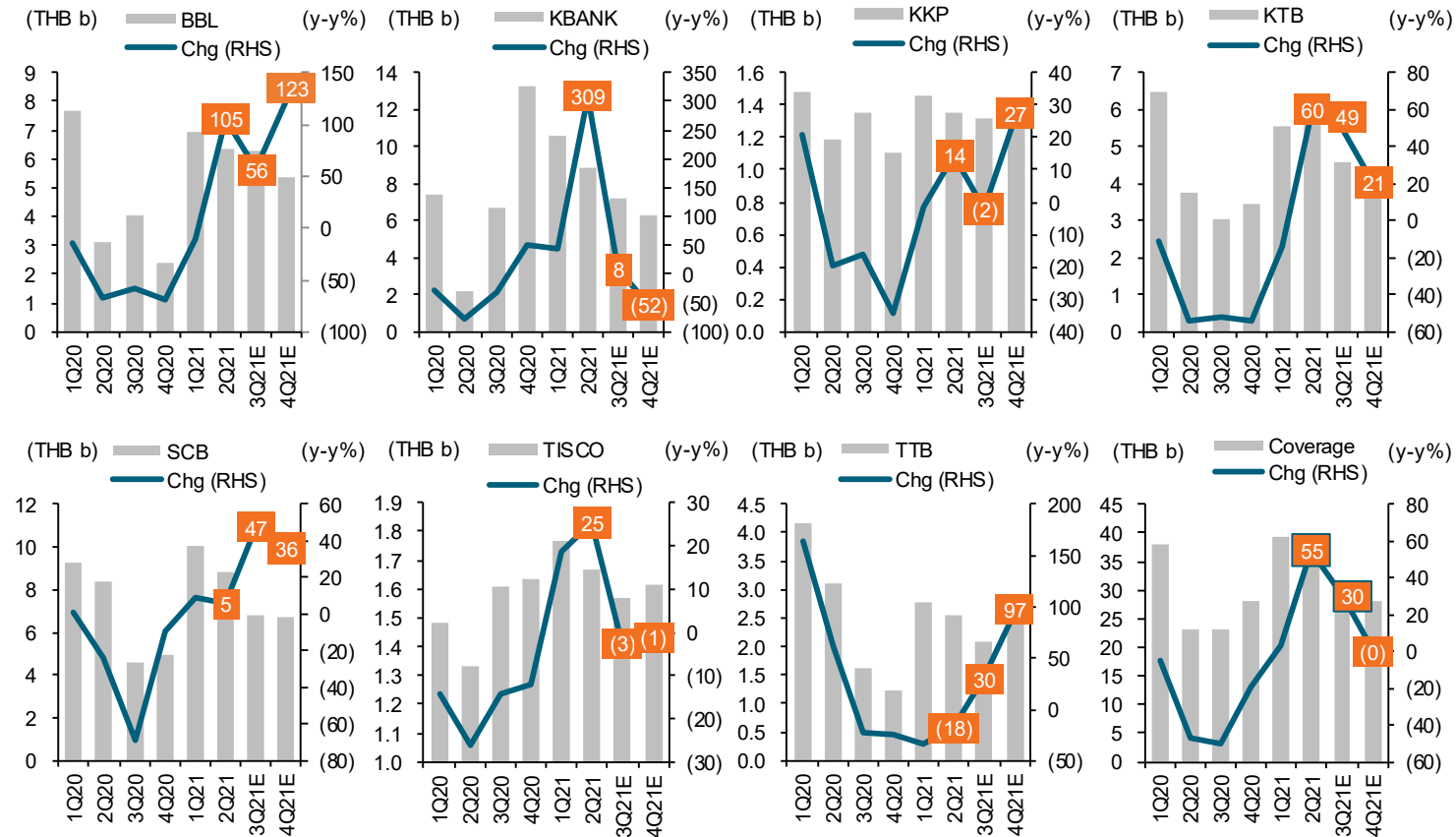
Exhibit 5: Looking at BBL through SCB's reforms



*Percentages in parentheses are the current percentage holding by BBL

Source: FSSIA estimates

Exhibit 6: Banks' earnings momentum



Source: FSSIA estimates

BANGKOK BANK (BBL TB) - Ageing strategy amid rapid change; Downgrade to HOLD TP THB128.00

Potential loss of competitive advantage in the long term

We turn more bearish on BBL's long-term competitive outlook. As a result, we downgrade BBL to HOLD for three reasons. First, BBL is still sticking with the traditional banking framework. It applies an asset-heavy strategy with less digital investment to expand its business, such as acquiring PT Bank Permata Tbk (BNLI IJ). This strategy requires a huge amount of capital but provides lower returns and takes a longer time for shareholders to harvest earnings vs the asset-light and digital oriented methods that other big banks have adopted. 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 economy recovers, we think that its overly conservative strategy will deteriorate the profitability of the bank.

3Q21: strongest y-y growth expected due to low base effect

We expect BBL to report a 3Q21 net profit of THB6,277m (+56% y-y, -1% q-q). BBL could deliver the highest y-y net profit growth in 3Q21 due to the very low base last year from its extra branches in Indonesia and Permata's consolidation expenses. We think BBL's performance will be in line with the banking sector in 3Q21, which entails a softening in its core operations in terms of loan growth and fee income. Regarding its asset quality, we expect its NPLs to slightly increase in 3Q21. We believe BBL will maintain its conservative provisioning policy as usual.

Fine-tuning net profit following the BoT's new guidance

We think that the BoT's guidance on the relaxed loan classification and provision rules should positively affect BBL. Based on our calculation, BBL's 2022 loan yield would decline by 0.24% from its current yield of 4.0%. This should be offset by 1) the extension of the FIDF fee at 0.23%; and 2) its credit cost in 2022 should decline to its normal rate of 88 bps from our projected 117 bps in 2021. However, due to its lower competitiveness in generating fee income compared with its peers, we slightly revise down our fee income forecast for 2022-23. All in all, we lower our 2022-23 net profit forecasts by 1%/2%.

Downgrade to HOLD with revised GGM-based TP of THB128

We lower our 2022 GGM-based TP to THB128 due to our lower ROE and long-term growth assumptions. Its cheap valuation and having the most defensive balance sheet in the banking space are not enough to catch our attention.

Exhibit 7: 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	78,373	0.0	77,745	78,424	0.9	80,175	78,329	(2.3)
Non-interest income*	41,682	45,547	45,547	0.0	43,792	43,275	(1.2)	46,246	45,172	(2.3)
Operating income*	118,729	123,920	123,920	0.0	121,537	121,699	0.1	126,421	123,500	(2.3)
Operating expenses	61,974	64,600	64,600	(0.0)	64,672	65,010	0.5	66,676	65,766	(1.4)
PPOP before tax*	56,755	59,321	59,321	(0.0)	56,865	56,689	(0.3)	59,745	57,734	(3.4)
Expected credit loss (Reversal)	31,196	29,058	28,332	(2.5)	22,607	22,214	(1.7)	23,286	21,944	(5.8)
Tax expenses	4,014	5,599	5,733	2.4	6,338	6,723	6.1	6,927	6,979	0.7
Minority interest	364	419	429	2.5	475	472	(0.7)	502	490	(2.4)
Normalised profit	21,181	24,245	24,827	2.4	27,445	27,281	(0.6)	29,030	28,321	(2.4)
Extraordinary items	(4,000)	0	0		0	0		0	0	
Net profit	17,181	24,245	24,827	2.4	27,445	27,281	(0.6)	29,030	28,321	(2.4)
EPS (THB)	9.0	12.7	13.0	2.4	14.4	14.3	(0.6)	15.2	14.8	(2.4)
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	104,405	128,221	120,066	(6.4)	125,657	123,668	(1.6)	121,887	131,088	(2.3)
Gross NPLs / Loans (%)	3.9	4.6	4.3		4.3	4.2		4.1	4.4	
Loan loss reserve/NPLs (%)	177.7	161.6	172.0		170.7	174.5		177.9	173.3	
Credit cost (bps)	141	120	117		90	88		90	84	
Profitability ratio (%)										
Cost to income ratio*	52.2	52.1	52.1		53.2	53.4		52.7	53.3	
Average yield	3.30	2.90	2.90		2.95	2.82		2.96	2.92	
Cost of funds	1.22	0.97	0.97		1.16	0.99		1.17	1.17	
Net interest margin (NIM)	2.26	2.07	2.07		1.95	1.97		1.97	1.92	
Loan growth (%)										
y-y	14.9	4.5	4.5		3.0	4.0		3.0	3.0	

*Including share of profits from associates

Sources: FSSIA estimates

KASIKORNBANK (KBANK TB) - In full swing to a transformation; Maintain BUY TP THB168.00

What is KBANK's hidden value?

We believe that KBANK's business is almost running parallel with SCB's. KBANK is one of the leading banks in terms of digital platforms and technologies, and its retail lending market share is always ranked among the top three spots. Retail lending in Thailand has high growth potential, with the most attractive risk-reward vs other segments, in our view. As a result, investors typically give premium valuations to retail lending-oriented stocks. We believe that there is a lot of hidden value in KBANK. It has not officially announced its new transformation roadmap, though we have a strong conviction that after SCB's restructuring, KBANK is probably the most prepared bank to reform itself to effectively manage its capital and uplift its ROE. Assessing KBANK's hidden value through the lens of SCB, we have come up with an accretion value, if KBANK reforms itself, of at least THB20.3/shr, consisting of 17.3/shr from credit cards and personal loans, 2.1/shr from KLeasing and 0.9/shr from LINE BK.

Looking beyond the potentially weak results in 3Q-4Q21

We expect KBANK to report weak results in 3Q-4Q21, with a 3Q21E net profit of THB7.2b (+8% y-y, -19% q-q) due to the prolonged pandemic, leading to higher provisions and softer fee income. However, we think that investors should look past this to the solid recovery we expect in 2022. We think the market will prioritise opportunities for restructuring to counter competitors for a potential increase in shareholders' returns.

Largest beneficiary of BoT's loan classification guidance

We think KBANK should benefit the most from the BoT's guidance. This should protect it from a cliff effect and give the bank more time to deal with its clients. Based on our calculation, KBANK's 2022 loan yield would decline by 0.44% from its current yield of 4.7%. This should be offset by 1) the extension of the FIDF fee at 0.23%; and 2) its credit cost in 2022 should decline to 160 bps from our projected 180 bps in 2021. Accordingly, we increase our 2022-23E net profit by 9%/11%.

Turning more bullish on KBANK; upgrade to a top pick

We increase our 2022 GGM TP to THB168. After recommending KBANK as a safe investment in Thailand Banks and Diversified Financials – "One movement shakes the whole circle," 23 September 2021, we now choose KBANK as one of our top picks. We believe that it will deliver strong growth in 2022. We also think that it is in full swing to transform itself to unlock its value and increase shareholders' returns.

Exhibit 8: KBANK – change of key assumptions

	2020 (THB m)	2021E			2022E			2023E		
		Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Net interest income	109,022	111,801	114,513	2.4	110,160	113,616	3.1	114,769	117,376	2.3
Non-interest income*	45,869	45,847	45,847	(0.0)	50,357	50,357	(0.0)	53,646	53,646	0.0
Operating income*	154,891	157,647	160,360	1.7	160,517	163,973	2.2	168,415	171,022	1.5
Operating expenses	69,997	71,945	71,945	0.0	72,107	72,107	0.0	74,885	74,885	(0.0)
PPOP before tax*	84,895	85,702	88,415	3.2	88,409	91,865	3.9	93,531	96,137	2.8
Expected credit loss (Reversal)	43,548	41,659	41,821	0.4	41,541	39,392	(5.2)	42,335	38,777	(8.4)
Tax expenses	7,656	8,324	8,806	5.8	7,874	9,917	26.0	9,414	10,841	15.2
Minority interest	4,203	4,393	4,648	5.8	4,796	5,234	9.1	5,139	5,722	11.3
Normalised profit	29,487	31,325	33,139	5.8	34,198	37,321	9.1	36,642	40,797	11.3
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Net profit	29,487	31,325	33,139	5.8	34,198	37,321	9.1	36,642	40,797	11.3
EPS (THB)	12.45	13.22	13.99	5.8	14.43	15.75	9.2	15.47	17.22	11.3
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	101,007	121,208	112,118	(7.5)	113,936	117,724	3.3	117,354	121,255	3.3
Gross NPLs / Loans (%)	3.93	4.44	4.08		3.98	4.08		3.90	4.00	
Loan loss reserve/NPLs (%)	133	122	131		122	129		124	126	
Credit cost (bps)	205	180	180		170	160		165	150	
Profitability ratio (%)										
Cost to income ratio*	45.2	45.6	44.9		44.9	44.0		44.5	43.8	
Average yield	3.86	3.54	3.60		3.51	3.40		3.65	3.58	
Cost of funds	0.78	0.59	0.58		0.76	0.55		0.77	0.77	
Net interest margin (NIM)	3.30	3.12	3.19		2.97	3.00		3.10	3.02	
Loan growth (%)										
y-y	12.1	6.2	7.0		5.0	5.0		5.0	5.0	

*Including share of profits from associates

Source: FSSIA estimates

KIATNAKIN BANK (KKP TB) - 2nd highest NP growth and div yield; Maintain BUY TP THB68.00

Turning more bullish on KKP

We turn more bullish on KKP due to the relaxed loan classification and provision rules by the Bank of Thailand (BoT). This should give KKP more time to deal with its trouble loans and should result in a significant increase in its accrued interest (currently increasing at the highest rate vs peers, though could be a burden in the future if customers cannot repay their debts). Moreover, we believe that KKP should deliver continually solid top-line growth due to 1) its unique strategy to expand its hire purchase loans to new markets; and 2) its strong franchise fee income.

3Q21: strong core operations but high provisions expected

We expect KKP to report a 3Q21 net profit of THB1,320m (-2% y-y, -3% q-q). Its 3Q21 core operations should be strong, driven by 1) a 1.0% q-q loan volume increase due largely to a rise in its hire purchase loans; and 2) a high fee income level (moderately dropping q-q due to the very high base in 2Q21) thanks to its strong brokerage and investment banking (IB) businesses, i.e. the CPALL and MAKRO deal. However, we believe that KKP will still set aside a huge management overlay to cushion the continued rise in accrued interest. We also think its NPLs will increase after the end of the debt forbearance program.

Earnings revisions following the Bank of Thailand's new guidance

The BoT is encouraging banks to provide CDR to their clients. The negative impact would be a reduction in loan yields, depending on the CDR program. Based on our calculation, KKP's 2022 loan yield would decline by 0.39% from its current yield of 6.6%. However, we think that 1) the extension of the FIDF fee at 0.23% should mitigate the impact on its NII; and 2) its credit cost in 2022 should decline to 120 bps vs our projected 193 bps in 2021, close to its normal rate of 100-120 bps. We raise our 2022-23 fee income assumptions, supported by the strong IB team and the more favourable capital market conditions. Thus, we increase our 2022-23 net profit forecasts by 5%/4%.

Second highest net profit growth and dividend yield

We revise up our GGM-based TP to THB68 from THB65. Our TP implies a 1.1x 2021E P/BV, near its three-year average. We expect KKP's performance to pass its bottom in 3Q21, with stronger bottom-line growth starting from 4Q21. We expect KKP to post the second highest 2022 net profit growth at 21% y-y, with the second highest dividend yield at 5-7% pa. Hence, KKP is our third most preferred Buy in the banking space.

Exhibit 9: KKP – 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	14,679	15,201	15,201	-	15,597	15,247	(2.2)	16,538	16,066	(2.9)
Non-interest income*	6,554	7,509	7,509	-	7,185	7,600	5.8	7,369	7,792	5.7
Operating income*	21,233	22,710	22,710	-	22,782	22,847	0.3	23,907	23,858	(0.2)
Operating expenses	10,652	10,621	10,621	-	10,937	10,937	-	11,079	10,979	(0.9)
PPOP before tax*	10,581	12,089	12,089	-	11,845	11,910	0.5	12,828	12,879	0.4
Expected credit loss (Reversal)	4,095	4,968	5,327	7.2	3,828	3,534	(7.7)	3,710	3,401	(8.3)
Tax expenses	1,344	1,424	1,217	(14.5)	1,603	1,675	4.5	1,824	1,896	4.0
Minority interest	20	1	1	(2.7)	1	1	4.5	1	2	4.0
Normalised profit	5,123	5,695	5,543	(2.7)	6,412	6,700	4.5	7,293	7,581	4.0
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Net profit	5,123	5,695	5,543	(2.7)	6,412	6,700	4.5	7,293	7,581	4.0
EPS (THB)	6.05	6.73	6.55	(2.7)	7.57	7.91	4.5	8.61	8.95	4.0
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	8,456	10,993	11,416	3.8	12,092	12,329	2.0	12,455	13,315	6.9
Gross NPLs / Loans (%)**	3.20	3.83	3.98		4.02	4.10		3.94	4.21	
Loan loss reserve/NPLs (%)	155	150	148		153	151		163	151	
Credit cost (bps)	163	180	193		130	120		120	110	
Profitability ratio (%)										
Cost to income ratio*	50.2	46.8	46.8		48.0	47.9		46.3	46.0	
Average yield	6.4	5.7	5.7		5.7	5.4		5.8	5.7	
Cost of funds	1.8	1.4	1.4		1.7	1.4		1.6	1.6	
Net interest margin (NIM)	4.81	4.50	4.50		4.34	4.24		4.47	4.33	
Loan growth (%)										
y-y	105.3	119.2	119.2		116.7	116.7		120.7	120.7	

*Including share of profits from associates

Source: FSSIA estimates

KRUNG THAI BANK (KTB TB) - Behind the pack; Maintain HOLD TP THB12.20

Our least preferred bank

KTB is our least preferred bank for three reasons. First, KTB has only lightly invested in digital banking platforms. Most of its business still relies on the traditional banking framework. We believe this could result in a loss of competitiveness in the long run. Second, we believe KTB's growth prospects are eclipsed by a further decline in its NIM due to a shift in its loan portfolio mix to include a larger government segment. Third, positioned as a commercial bank held by a government entity, KTB may have to sacrifice its employees to help the government implement stimulus packages, resulting in a decreased ability to cross-sell products.

3Q21: lower fee income and loan yield expected

We expect KTB to report a 3Q21 net profit of THB4,561m (+49% y-y, -24% q-q). We think its performance will be a mixed bag. On the positive side, we expect KTB to deliver the highest loan growth among its peers at 2.5% q-q in 3Q21, driven by the government segment. Additionally, we expect its asset quality to outperform its peers, as more than 70% of its portfolio consists of those segments least affected by Covid. On the other hand, the main pressure on its bottom line should come from the lower fee income due to being the government's arm in implementing stimulus packages. Its loan yield is also in a downtrend following the increase in government loans.

Fine-tuning net profit following BoT's new guidance

We think that the BoT's guidance on the relaxed loan classification and provision rules should positively affect KTB. Based on our calculation, KTB's 2022 loan yield would decline by 0.2% from its current yield of 4.06%. This should be offset by 1) the extension of the FIDF fee at 0.23%; and 2) we estimate its credit cost in 2022 to decline to 140 bps, close to its normal rate of 120-140 bps. However, the higher-than-expected increase in low-yield government loans should result in a lower loan yield. The prolonged pandemic should also lead to lower fee income. All in all, we lower our 2022-23 net profit forecasts by 2%/1%.

Cheap valuation not enough to grab our attention

We maintain our HOLD call. We slightly trim our 2022 GGM-based TP to THB12.2 to reflect KTB's potentially lower competitiveness in the long run. KTB might be back on our radar once 1) the interest rate begins to reverse to an uptrend; and/or 2) the bank can take advantage of big data to generate more income.

Exhibit 10: KTB – 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	88,343	88,790	83,773	(5.7)	89,833	85,460	(4.9)	95,170	87,003	(8.6)
Non-interest income*	33,905	35,339	33,700	(4.6)	36,663	35,539	(3.1)	38,349	37,157	(3.1)
Operating income*	122,247	124,130	117,473	(5.4)	126,497	120,999	(4.3)	133,519	124,160	(7.0)
Operating expenses	53,465	56,572	54,805	(3.1)	60,156	55,363	(8.0)	64,014	56,536	(11.7)
PPOP before tax*	68,783	67,558	62,669	(7.2)	66,341	65,635	(1.1)	69,505	67,624	(2.7)
Expected credit loss (Reversal)	44,903	40,239	33,791	(16.0)	35,351	35,283	(0.2)	36,411	34,875	(4.2)
Tax expenses	4,441	5,081	5,371	5.7	5,733	5,615	(2.1)	6,122	6,059	(1.0)
Minority interest	2,707	3,005	3,177	5.7	3,359	3,290	(2.1)	3,587	3,550	(1.0)
Normalised profit	16,732	19,233	20,330	5.7	21,898	21,447	(2.1)	23,384	23,141	(1.0)
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Net profit	16,732	19,233	20,330	5.7	21,898	21,447	(2.1)	23,384	23,141	(1.0)
EPS (THB)	1.20	1.38	1.45	5.7	1.57	1.53	(2.1)	1.67	1.66	(1.0)
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	107,138	133,923	115,709	(13.6)	140,619	124,966	(11.1)	147,650	134,963	(8.6)
Gross NPLs/Loans (%)	3.81	4.91	4.09		5.01	4.33		5.11	4.54	
Loan loss reserve/NPLs (%)	140	123	136		128	138		133	138	
Credit cost (bps)	203	170	140		145	140		145	135	
Profitability ratio (%)										
Cost to income ratio*	43.73	45.57	46.65		47.56	45.76		47.94	45.53	
Average yield	3.72	3.41	3.22		3.55	3.22		3.66	3.36	
Cost of funds	0.93	0.78	0.74		1.01	0.78		1.06	0.99	
Net interest margin (NIM)	2.91	2.72	2.57		2.68	2.55		2.75	2.52	
Loan growth (%)										
y-y	11.59	3.00	7.00		3.00	2.00		3.00	3.00	

*Including share of profits from associates

Source: FSSIA estimates

SIAM COMMERCIAL BANK (SCB TB) - The waking giant; Maintain BUY TP THB158.00

Best position to benefit from the region's digital age

SCB is a first mover, disrupting itself and the whole lending industry and breaking through the old banking framework. We believe its great transformation will allow it to penetrate a digital industry with high risk-reward lending. Accordingly, we think that SCB is in the best position in the banking sector to benefit from the region's digital age. Moreover, we are convinced that the proactive comprehensive long-term debt restructuring programs (CDR) it offers to its clients should solve its prolonged asset quality problem.

3Q21: soft top line but good (operating and credit) cost control

We expect SCB to report a 3Q21 net profit of THB6,831m (+47% y-y, -22% q-q). We think its performance will be a mixed bag. Its core operations should still be soft in 3Q21 while its loan volume is likely to increase by 1% q-q. We forecast its fee income to decline q-q due to a drop in its wealth-related fees following the partial lockdown measures. However, on the positive side, we believe SCB will be able to efficiently control its OPEX. We expect the bank to set aside provisions in line with management's guidance – cTHB10b quarterly. This implies a significant drop y-y in its ECL, as SCB had already set aside pro-cyclical extra ECL in the previous quarters. Regarding asset quality, there should be a small q-q rise in its 3Q21 NPLs due to the CDR it provided to its clients.

Fine-tuning net profit following BoT's new guidance

The BoT is encouraging banks to provide CDR to their clients. The negative impact from offering CDR would be a reduction in loan yields, depending on the CDR program. Based on our calculation, SCB's 2022 loan yield would decline by 0.46% from its current yield of 4.6%. However, we think that 1) the extension of the FIDF fee at 0.23% should mitigate the impact on its NII; and 2) its credit cost in 2022 should decline to 140 bps vs our projected 188 bps in 2021, close to its normal rate of 120-140 bps. Accordingly, we only fine-tune our 2022-23 net profit forecasts by +0.6%/-0.4%.

Weak 3Q21E priced-in; strong growth expected in next 2 years

We maintain our 2022 SoTP TP of THB158. SCB remains one of our top picks. In our view, the potential softening in its 3Q21 performance has been partly priced-in. We think the market will look to its strong growth outlook and potential ROE uplift in the next two years. To us, the key focus would be its great reforms and potential special dividend in 1H22.

Exhibit 11: SCB – 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	96,899	93,769	93,769	-	90,727	87,451	(3.6)	94,666	90,776	(4.1)
Non-interest income*	47,869	49,839	49,839	-	51,760	51,760	-	55,905	55,905	-
Operating income*	144,768	143,608	143,608	-	142,488	139,212	(2.3)	150,571	146,681	(2.6)
Operating expenses	64,330	61,063	61,063	-	60,902	60,902	-	61,755	61,755	-
PPOP before tax*	80,437	82,545	82,545	-	81,585	78,309	(4.0)	88,816	84,927	(4.4)
Expected credit loss (Reversal)	46,649	43,035	43,035	-	36,725	33,171	(9.7)	36,962	33,266	(10.0)
Tax expenses	6,794	7,595	7,595	-	8,623	8,677	0.6	9,968	9,931	(0.4)
Minority interest	(224)	(255)	(255)	-	(290)	(292)	0.6	(335)	(334)	(0.4)
Normalised profit	27,218	32,171	32,171	-	36,527	36,753	0.6	42,222	42,064	(0.4)
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Net profit	27,218	32,171	32,171	-	36,527	36,753	0.6	42,222	42,064	(0.4)
EPS (THB)	8.02	9.46	9.46	-	10.75	10.81	0.6	12.42	12.37	(0.4)
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	101,462	111,608	108,564	(2.7)	100,447	99,879	(0.6)	100,447	101,877	1.4
Gross NPLs / Loans (%)**	3.68	3.93	3.82		3.40	3.38		3.27	3.32	
Loan loss reserve/NPLs (%)	137	132	136		147	145		147	138	
Credit cost (bps)	214	188	188		155	140		150	135	
Profitability ratio (%)										
Cost to income ratio*	44.4	42.5	42.5		42.7	43.7		41.0	42.1	
Average yield	3.94	3.56	3.56		3.64	3.34		3.70	3.56	
Cost of funds	0.85	0.64	0.64		0.84	0.61		0.86	0.83	
Net interest margin (NIM)	3.23	3.01	3.01		2.93	2.83		2.98	2.86	
Loan growth (%)										
y-y	6.7	3.0	3.0		4.0	4.0		4.0	4.0	

*Including share of profits from associates

Source: FSSIA estimates

TISCO FINANCIAL (TISCO TB) - Time for a sprint, not a marathon; Maintain BUY TP THB110.00

Conservative strategy might not work for economic recovery

When the economy recovers, TISCO may be less attractive due to its overly conservative lending strategy. The bank is usually conservative with its hire purchase car lending (56% of total port). During the pandemic, its credit underwriting process for auto title loans (ATL) (15% of total port) has also been more stringent. Thus, its ATL has declined since 2Q20. We believe that it may lose some of its customers to non-banks. Also, SCB plans to expand its ATL more aggressively next year. We think SCB's target clients could overlap with TISCO's, thereby weakening TISCO's competitiveness in the medium term.

3Q21: soft top line but good cost control expected

We expect TISCO to report a 3Q21 net profit of THB1,570m (-3% y-y, -6% q-q). We think its core operations will still be soft. TISCO could be the only bank to see a drop in its loan volume, which we estimate at 3.5% q-q, due to its conservative strategy. Moreover, we forecast its 3Q21 fee income to decline q-q due to a drop in its bancassurance and mutual fund fees following the partial lockdown measures. These negative factors should be mostly offset by 1) its efficient cost of fund management; 2) variable cost structure, allowing flexibility in its cost management; and 3) proactively setting aside ECL in the previous quarters. Although we expect its NPLs to increase 3% q-q – in line with the sector's trend – we expect a decline in its ECL in 3Q21. Its NPL coverage ratio should still be the highest in the banking sphere in 3Q21 at 213%.

Earnings revisions following the Bank of Thailand's new guidance

We think that the BoT's guidance on the relaxed loan classification and provision setup should positively affect TISCO. Based on our calculation, TISCO's 2022 loan yield should decline by 0.24% from its current loan yield of 6.8%. This should be offset by 1) the extension of the FIDF fee at 0.23%; and 2) its credit cost in 2022 should decline to its normal rate of c90 bps from our expectation of 115 bps in 2021. However, due to its conservative lending strategy, its loan volume could be lower than expected. Lower loan growth would also lead to lower fee income. All in all, there could be a moderately negative impact on our earnings forecast. Thus, we lower our 2021-23 net profit forecasts by 2%/6%/6%.

Less bullish, maintain BUY for dividend

We lower our 2022 GGM-based TP to THB110. We are less bullish on TISCO. Our BUY call is for its potentially superior dividend yield at 7-8% pa and low asset quality risk.

Exhibit 12: TISCO – 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	13,098	12,487	12,548	0.5	12,632	12,031	(4.8)	13,313	12,437	(6.6)
Non-interest income*	5,806	6,615	6,256	(5.4)	7,340	7,050	(4.0)	7,730	7,547	(2.4)
Operating income*	18,904	19,102	18,805	(1.6)	19,972	19,081	(4.5)	21,043	19,984	(5.0)
Operating expenses	8,012	8,288	8,288	0.0	8,618	8,429	(2.2)	8,849	8,461	(4.4)
PPOP before tax*	10,892	10,814	10,517	(2.8)	11,354	10,652	(6.2)	12,194	11,523	(5.5)
Expected credit loss (Reversal)	3,331	2,617	2,495	(4.7)	2,033	1,910	(6.1)	2,068	1,987	(3.9)
Tax expenses	1,498	1,582	1,548	(2.1)	1,799	1,687	(6.2)	1,954	1,841	(5.8)
Minority interest	0	3	3	(2.1)	3	3	(6.2)	3	3	(5.8)
Normalised profit	6,063	6,613	6,471	(2.1)	7,519	7,052	(6.2)	8,169	7,693	(5.8)
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Net profit	6,063	6,613	6,471	(2.1)	7,519	7,052	(6.2)	8,169	7,693	(5.8)
EPS (THB)	7.57	8.26	8.08	(2.1)	9.39	8.81	(6.2)	10.20	9.61	(5.8)
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	5,618	6,180	6,293	1.8	6,180	6,293	1.8	6,489	6,607	1.8
Gross NPLs / Loans (%)	2.50	2.78	3.01		2.70	2.92		2.70	2.92	
Loan loss reserve/NPLs (%)	210	199	196		197	194		184	182	
Credit cost (bps)	142	117	115		90	90		88	90	
Profitability ratio (%)										
Cost to income ratio*	42.4	43.4	44.1		43.2	44.2		42.1	42.3	
Average yield	5.84	5.79	5.65		6.02	5.54		6.19	5.80	
Cost of funds	1.56	1.53	1.16		1.78	1.13		1.79	1.39	
Net interest margin (NIM)	4.56	4.56	4.72		4.60	4.66		4.77	4.71	
Loan growth (%)										
y-y	(7.42)	(1.00)	(7.00)		3.00	3.00		5.00	5.00	

*Including share of profits from associates

Source: FSSIA estimates

TMBTHANACHART BANK (TTB TB) - Treasure chest should open next year; Maintain BUY TP THB1.40

Wait for synergies to clearly bear fruit

TTB's revenue and OPEX are under pressure, mainly from its post-merger restructuring. We believe that the revenue synergies will kick in next year. We think TTB could utilise the increase in its customer base to generate cross-selling and up-selling opportunities. This would enlarge its loan volume and fee income. Moreover, we are convinced that TTB will fully enjoy the benefits from the overlapping branch network rationalisation, along with the resulting workforce, marketing and IT investment savings. Hence, we believe TTB will deliver the highest net profit growth among banks at 32% y-y in 2022. It is likely to be the only bank whose 2022 ROE can increase above the 2019 pre-Covid level.

3Q21: weak core operations expected

We expect TTB to report a 3Q21 net profit of THB2,100m (+30% y-y, -17% q-q). Its performance should continue to be weak, dragged down by slow loan growth, lower fee income, and higher OPEX. We expect TTB to be one of two banks with negative loan growth in 3Q21 (1.5% YTD) due to its conservative strategy. 3Q21 fee income should decline thanks to the slow cross-selling activities from the partial lockdown and the impact of its entire business transfer (EBT) with Thanachart Bank (TBANK, not listed). Moreover, we expect its OPEX to increase on the OPEX related to the EBT. Regarding asset quality, we think its NPLs will slightly increase by 3% q-q. We expect TTB to slow its NPL sales to third parties, as it plans to revive its AMC to manage NPLs itself. 3Q21 credit cost should increase minimally to 165 bps, though still in line with its guidance.

Fine-tuning net profit assumptions following BoT's new guidance

The BoT is encouraging banks to provide CDR to their clients. The negative impact would be a reduction in loan yields, depending on the CDR program. Based on our calculation, TTB's 2022 loan yield would decline by 0.33% from its current yield of 4.5%. However, we think that 1) the extension of the FIDF fee at 0.23% should mitigate the impact on its NII; and 2) its credit cost in 2022 should decline to 145 bps vs our 2021E of 175 bps, close to its normal rate of 120-140 bps. Accordingly, we only fine-tune our 2022-23 net profit forecasts by -1.1%/+0.4%.

Maintain BUY and GGM-based 2022 TP of THB1.40

TTB's valuation is very undemanding. However, we see few short-term positive catalysts. We are convinced that TTB will be able to gain investors' attention next year. We reiterate BUY for long-term investment.

Exhibit 13: TTB – 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	53,805	51,885	51,885	-	48,998	47,419	(3.2)	51,453	49,039	(4.7)
Non-interest income*	14,986	15,659	15,659	-	18,838	18,838	-	19,339	19,339	-
Operating income*	68,791	67,544	67,544	-	67,836	66,258	(2.3)	70,792	68,378	(3.4)
Operating expenses	31,623	31,236	31,236	-	29,739	29,739	-	29,735	29,735	-
PPOP before tax*	37,169	36,308	36,308	-	38,097	36,519	(4.1)	41,057	38,643	(5.9)
Expected credit loss (Reversal)	24,831	24,254	24,254	-	21,802	20,395	(6.5)	22,674	20,187	(11.0)
Tax expenses	2,223	2,049	2,049	-	2,933	2,902	(1.1)	3,309	3,322	0.4
Minority interest	3	3	3	-	4	4	(1.1)	5	5	0.4
Normalised profit	10,112	10,002	10,002	-	13,358	13,217	(1.1)	15,070	15,129	0.4
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Net profit	10,112	10,002	10,002	-	13,358	13,217	(1.1)	15,070	15,129	0.4
EPS (THB)	0.10	0.10	0.10	-	0.14	0.14	(1.1)	0.16	0.16	0.4
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	39,594	51,472	46,325	(10.0)	51,472	48,641	(5.5)	55,075	52,533	(4.6)
Gross NPLs / Loans (%)	2.50	3.28	2.95		3.16	2.98		3.25	3.10	
Loan loss reserve/NPLs (%)	134	123	125		129	126		127	121	
Credit cost (bps)	178	175	175		155	145		155	138	
Profitability ratio (%)										
Cost to income ratio*	46.0	46.2	46.2		43.8	44.9		42.0	43.5	
Average yield	4.09	3.82	3.82		3.86	3.58		3.93	3.79	
Cost of funds	1.18	0.87	0.87		1.07	0.87		1.07	1.07	
Net interest margin (NIM)	3.05	3.05	3.05		2.91	2.81		2.99	2.85	
Loan growth (%)										
y-y	0.1	(1.0)	(1.0)		4.0	4.0		4.0	4.0	

*Including share of profits from associates

Source: FSSIA estimates

AEON THANA SINSAP (THAILAND) (AEONTS TB) - The heat is on; Downgrade to HOLD TP THB204.00

Surrounded by negatives

We turn more bearish on AEONTS and downgrade our call to HOLD due to two negative factors, both internal and external. First, AEONTS reported a weak 2QFY21 net profit of THB678m (-30% y-y, -41% q-q) – we also expect AEONTS to deliver slow net profit growth y-y in 2HFY21. Second, SCB's more aggressive unsecured lending expansion could hinder AEONTS' medium to long-term growth outlook.

Disappointing 2QFY21 results and slow growth to come

AEONTS reported a disappointing 2QFY21 (Jun-Aug 2021) net profit of THB678m (-30% y-y, -41% q-q); lower than our forecast and Bloomberg's estimation by c38% due to the higher-than-expected provision. The significant decline in its earnings came from 1) weaker NII due to the stable loan growth on the prolonged pandemic and a softer NIM due to the ceiling rate cap; and 2) a surge in its credit cost. AEONTS has accelerated its write-off process and set aside extra management overlay for future uncertainties. Thus, its coverage ratio climbed to 243% vs 225% in 1QFY21. Though its outstanding NPLs declined by 9% q-q, based on our calculation, its NPL formation increased to THB1.8b vs THB1.6b in 1QFY21. Hence, we have a more cautious view on its asset quality. In 2HFY21, we expect AEONTS to deliver slow net profit growth y-y from 1) a rise in provisions; 2) slow loan growth; and 3) the absence of a gain on NPL sales, as it has no plan to sell more NPLs this year.

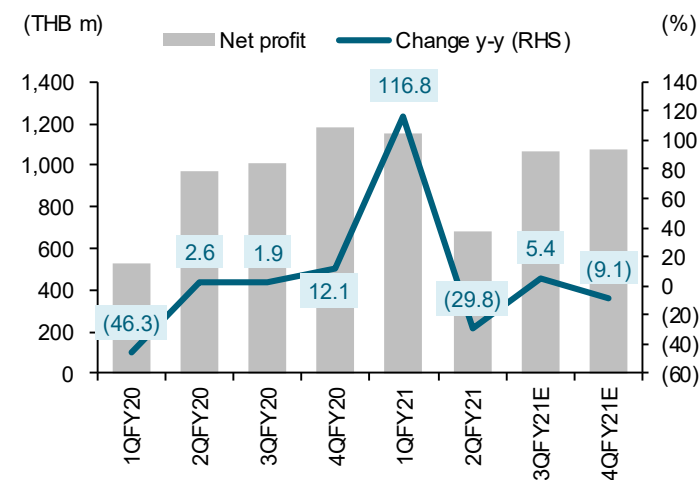
One of the most shaken by SCB's big move

We believe AEONTS will be one of the most affected lenders by SCB's big move due to having the same target clients and businesses. SCB plans to spin-off and aggressively expand its card business into the untapped low-income segment. It will also enlarge its digital lending business in the low-income segment by partnering with the telecom operator with the largest market share, ADVANC. In our view, SCB has an advantage over AEONTS in terms of customer base and database capabilities, and we see SCB as a barrier for AEONTS' growth outlook.

Valuation de-rating due to the potentially tight competition

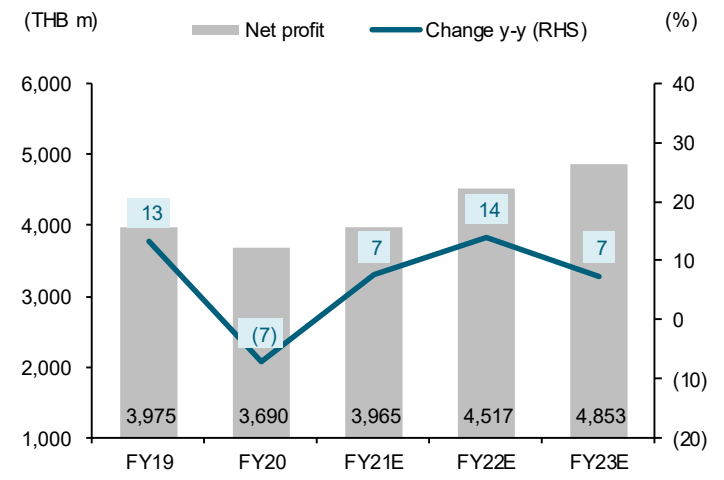
We cut our FY21-23E EPS by 11%/11%/16% due to our expectation of slower loan growth, a lower NIM, and higher ECL for AEONTS. We lower our 2022 GGM-based TP to THB204, implying 2.2x FY22E P/BV, its 3-yr mean. Our valuation de-rating is due to the more intense competition.

Exhibit 14: AEONTS' quarterly earnings outlook



Source: FSSIA estimates

Exhibit 15: AEONTS' yearly earnings outlook



Source: FSSIA estimates

Exhibit 16: Key changes in assumptions

YE - Feb	FY20				FY21E			FY22E			FY23E		
	Actual (THB m)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Net interest income	16,491	16,579	16,171	(2.5)	18,257	17,107	(6.3)	20,286	18,214	(10.2)			
Non-interest income*	2,689	2,925	2,822	(3.5)	2,986	3,004	0.6	3,112	3,123	0.4			
Operating income*	19,180	19,504	18,993	(2.6)	21,244	20,111	(5.3)	23,398	21,337	(8.8)			
Operating expenses	8,323	8,332	8,088	(2.9)	8,507	8,376	(1.5)	9,020	8,881	(1.5)			
PPOP before tax*	10,857	11,171	10,905	(2.4)	12,737	11,734	(7.9)	14,379	12,456	(13.4)			
Expected credit loss	6,210	5,441	5,770	6.0	6,131	5,883	(4.0)	6,912	6,170	(10.7)			
Tax expenses	967	1,146	1,130	(1.4)	1,321	1,170	(11.4)	1,493	1,257	(15.8)			
Minority interest	(10)	123	40	(67.4)	185	164		209	176				
Normalised profit	3,690	4,461	3,965	(11.1)	5,100	4,517	(11.4)	5,765	4,853	(15.8)			
Extraordinary items	-	0	-		0	-		0	-				
Net profit	3,690	4,461	3,965	(11.1)	5,100	4,517	(11.4)	5,765	4,853	(15.8)			
EPS (THB)	14.76	17.85	15.86	(11.1)	20.40	18.07	(11.4)	23.1	19.41	(15.8)			
Asset quality ratio													
Gross NPLs (%)	5,042	5,042	4,790	(5.0)	5,294	4,934	(6.8)	5,559	5,279	(5.0)			
Gross NPLs / Loans (%)	5.8	5.4	5.3		5.1	5.1		4.9	5.16				
Loan loss reserve/NPLs (%)	230	217	235		201	226		196.6	204				
Credit cost (bps)	699	600	650		620	630		635	620				
Profitability ratio													
Cost to income ratio* (%)	43.4	42.7	42.6		40.0	41.7		38.5	41.6				
Average yield (%)	20.9	20.4	20.3		20.5	20.4		20.8	20.5				
Cost of fund (%)	3.2	3.0	2.9		3.1	3.0		3.2	3.1				
Net interest margin (NIM) (%)	18.6	18.3	18.2		18.5	18.3		18.6	18.3				
% growth													
Loan growth (y-y %)	(3.1)	7.4	3.0		10.5	7.3		9.7	5.9				

*Including share of profits from associates

Sources: AEONTS; FSSIA estimates

Thailand Energy – Oil stations - Return of the price cap and subsidy for biodiesel

Price subsidy for biodiesel reintroduced

On 4 Oct-21, the energy minister, Mr. Supattanaphong Punmeechow, head of the Energy Planning and Policy Office (EPPO), announced that the government will reduce the prices of biodiesel B7 and B10, currently used by over 10m vehicles nationwide, via three policies, including 1) cutting the marketing margin (MM) for retail oil station operators from THB1.8/litre to THB1.4/litre, effective 5-31 Oct-21; 2) reducing the oil fund for B7 from THB1/litre to THB0.01/litre, effective 11-31 Oct-21; and 3) changing the biodiesel mix from the current B10 and B7 to B6 (6% ethanol plus 94% diesel), effective 11-31 Oct-21.

THB30/litre price cap for B6

With these policies being enforced starting on the 5th and 11th of Oct-21, there will only be one type of biodiesel, B6 (containing 6% biodiesel), available at oil stations from 11-31 Oct-21. The estimated retail price of B6 will be THB28.26/litre, according to the EPPO, and if the crude oil price rises further, the government will deploy its oil fund to provide subsidies of THB3b monthly. As of end-Sep-21, the oil fund stands at a surplus of THB11b, and hence should be sufficient to allow the government to achieve the THB30/litre price cap for B6.

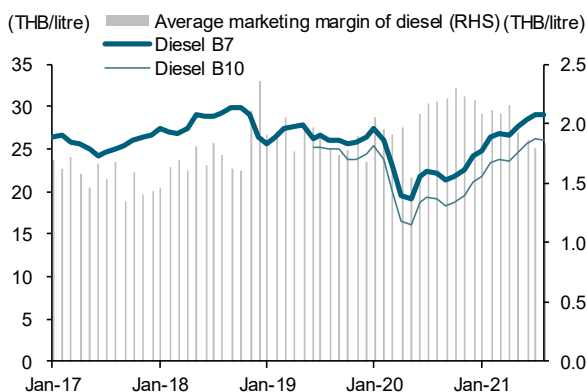
Financial impact from the price cap for 21 days

We estimate that PTG should see the highest net loss in percentage terms from the government’s subsidy policy for 21 days (11-31 Oct-21 inclusive) at THB63m, accounting for 11% of PTG’s quarterly net profit that we estimate at THB0.5b. We expect OR to see the largest net loss in monetary terms at THB114m. The projected impact would be insignificant to OR at only 3% of its quarterly net profit that we estimate at THB0.2b. Other companies should feel an even more limited pinch from the government’s subsidy policy as they sell more gasoline and premium gasohol products than PTG and OR. Our assumptions include 1) a THB0.2/litre average MM loss; 2) a 21-day subsidy period; and 3) the diesel sales volume will account for 2/3 of Thailand’s total sales volume of 6.24b litres as of 2Q21. However, we think the downsides could be lower than what we project, as we estimate that in 3Q21 the country’s sales volumes could decline by 5-15% q-q for each operator due to the lockdowns in Jul-Aug, and the lockdown easing has just occurred in late Sep-21.

OR and ESSO are our top picks; PTG could lose the most on the diesel price cap policy

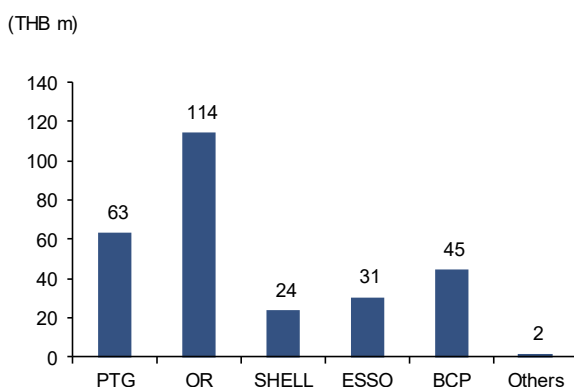
OR and ESSO are our top picks in Thailand’s downstream oil station sector, as we project that they will suffer lower net losses from the government’s biodiesel subsidy policy. OR’s losses should be more than offset by the higher net profits from its non-oil businesses, in our view. PTG should see a higher impact from the price cap policy as biodiesel makes up its largest product portion at over 75% of its total oil sales volume, based on our estimate.

Exhibit 17: Average marketing margin of diesel by EPPO vs diesel price – B7 and B10



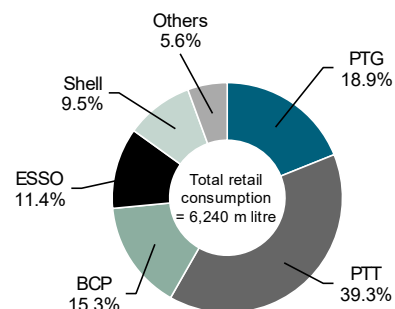
Source: EPPO

Exhibit 19: Estimated net loss for a THB0.2/litre lower marketing margin for 21 subsidy days



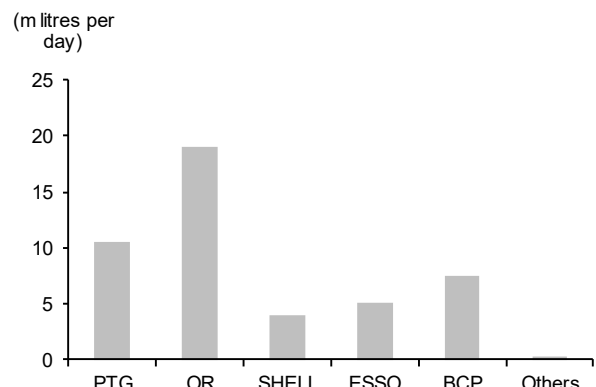
Sources: Companies; FSSIA estimates

Exhibit 18: Retail consumption breakdown as of 2Q21



Source: PTG

Exhibit 20: Estimated net biodiesel sales volume loss for 21 subsidy days



Sources: Companies; FSSIA estimates

Economic news

- COVID-19 cases as of 5 Oct globally reaches **236,534,486** with new 375,992 cases and 6,945 new deaths.

Exhibit 21: Top 25 countries by total cases

Country	Total Cases	New Cases	Total Deaths	New Deaths
World	236,534,486	375,992	4,830,121	6,945
1 USA	44,766,938	82,023	724,567	1,650
2 UK	7,967,985	33,869	137,152	166
3 Turkey	7,296,879	29,802	65,137	228
4 Russia	7,637,427	25,110	211,696	895
5 Brazil	21,499,074	20,528	598,829	644
6 India	33,870,385	19,380	449,568	285
7 Romania	1,289,156	15,037	37,929	252
8 Iran	5,651,961	13,226	121,563	216
9 Thailand	1,657,231	9,869	17,203	92
10 Ukraine	2,469,856	9,846	57,206	317
11 Philippines	2,613,070	9,055	38,828	
12 Germany	4,272,750	7,768	94,419	77
13 Serbia	974,179	7,190	8,481	51
14 France	7,033,755	5,558	116,923	75
15 Cuba	900,512	4,793	7,663	45
16 Vietnam	818,324	4,363	19,979	134
17 Singapore	109,804	3,486	130	9
18 Greece	666,517	2,876	14,991	35
19 Bulgaria	511,666	2,866	21,320	104
20 Georgia	621,420	2,800	9,110	42
21 Iraq	2,014,104	2,470	22,420	28
22 Italy	4,686,109	2,466	131,118	50
23 Australia	115,800	2,389	1,357	11
24 Mexico	3,684,242	2,282	279,104	303
25 Mongolia	314,601	2,225	1,362	15
35 Thailand				

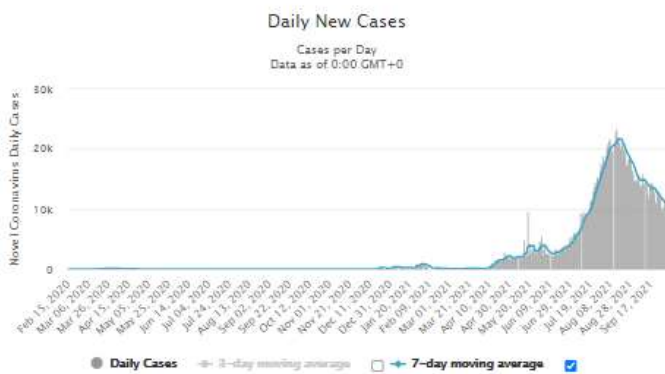
Source: worldometers.info

Exhibit 22: Global by new cases and deaths

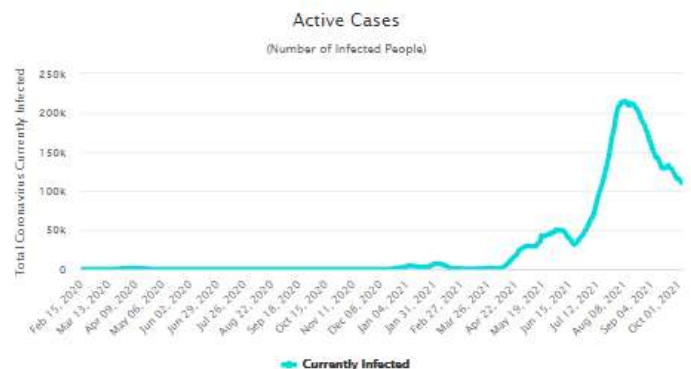


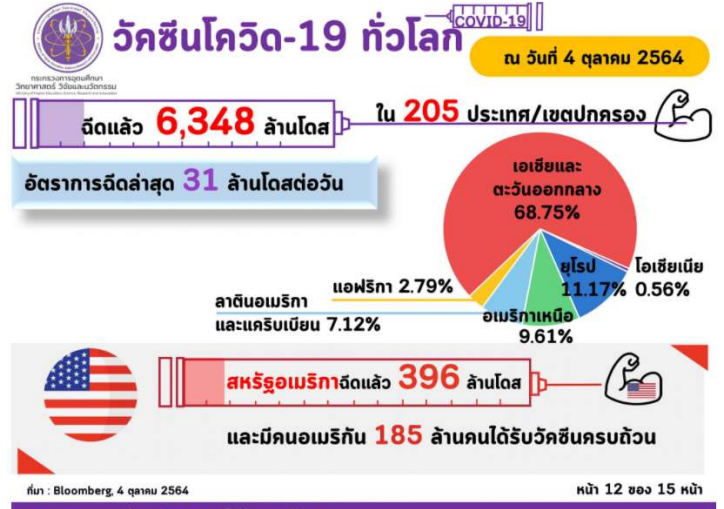
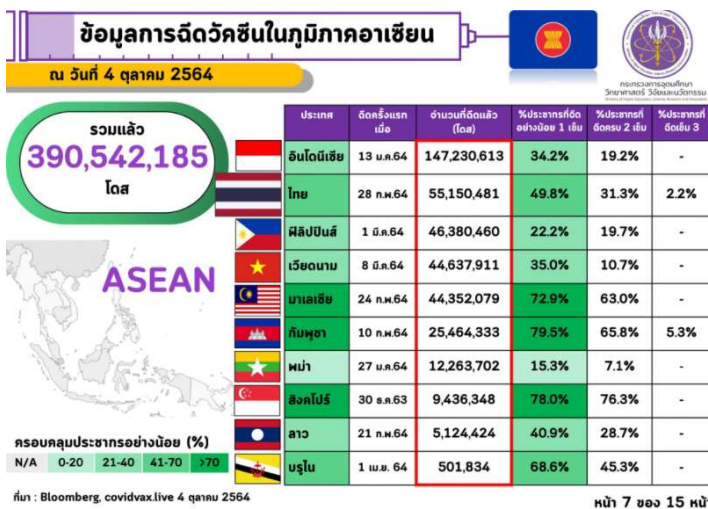
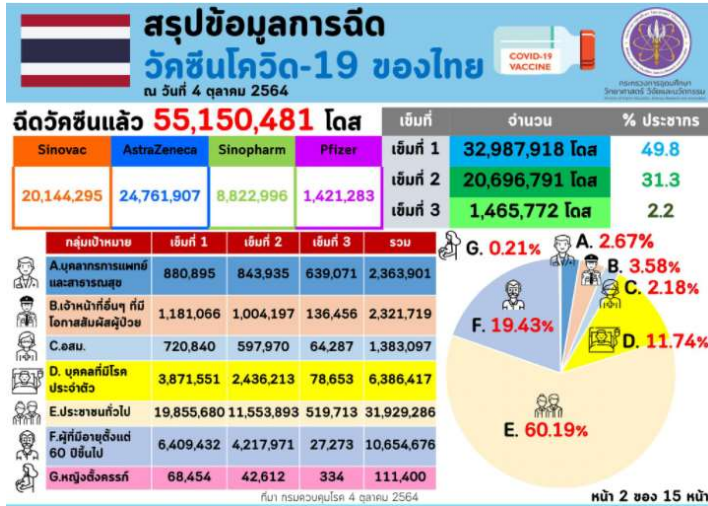
Source: worldometers.info

Daily New Cases in Thailand



Active Cases in Thailand



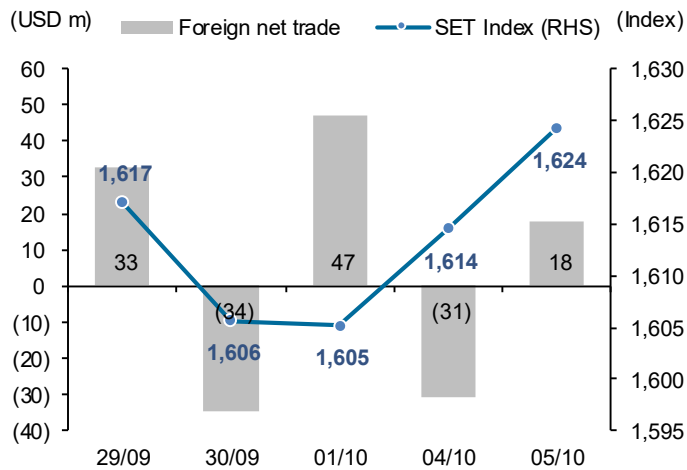


- Inflation forecast revised, Range narrowed from 0.7-1.7% to 0.8-1.2%** BANGKOK POST: The Commerce Ministry has revised its annual headline inflation forecast to a range of 0.8% to 1.2% (with an average of 1%), narrowing from 0.7% to 1.7% (with an average of 1.2%) earlier. The latest projection is based on expected economic growth of 0.7-1.2%, with Dubai crude oil prices averaging US\$65-70 per barrel, and an exchange rate of 31.5-32.5 baht per US dollar. Wichanun Niwatjinda, deputy director-general of the Trade Policy and Strategy Office, said the revised rate is appropriate and would effectively support the Thai economy.
- S&P keeps Thailand's BBB+ rating** BANGKOK POST: The government has welcomed the decision by Standard & Poor (S&P) Global Ratings to maintain Thailand's sovereign credit rating at BBB+ and rate the kingdom's economy as having a stable outlook. Published on Monday, the positive credit rating and economic outlook were awarded to Thailand for its strong finance and foreign currency parameters, despite the global economic doldrums caused by Covid-19. S&P expects the economy will grow 1.1% this year and a further 3.6% annually until 2024, said government spokesman Thanakorn Wangboonkongchana, citing the report. Thailand retains strong public finance despite a budget deficit caused by the government's decision to incur more public debt in order to finance its pandemic relief and economic revival policies, he said.
- Shippers keep growth outlook at 12%** BANGKOK POST: A group of Thai shippers is feeling more upbeat about export prospects this year after shipments rose for the sixth month in a row in August. Chaichan Chareonsuk, chairman of the Thai National Shippers' Council (TNSC), said on Tuesday the group maintained its forecast for Thai export growth of 12% this year to US\$260 billion. Positive factors include an economic recovery and rising demand in major trading partners such as the US, China, the EU and Japan, while mass vaccination progress resulted in greater public confidence around the world in the resumption of economic activities, he said. Mr Chaichan said the Global Purchasing Managers' Index of key trading partners remained stable at 50 to 60 points, reflecting a strong recovery in manufacturing activities and the global economy. More importantly, baht weakness against the US dollar helps exports immensely, he said. However, obstacles persist in 2021, including a stubborn pandemic in Thailand and slow vaccine distribution, said Mr Chaichan.
- Measures set to assist SMEs** BANGKOK POST: The cabinet on Tuesday agreed in principle job support measures worth 46.9 billion baht to help small and medium-sized enterprises (SMEs) retain workers and create new jobs. According to government spokesman Thanakorn Wangboonkongchana, the cabinet has acknowledged the job support measures approved last Thursday by the Centre for Economic Situation Administration (CESA). He said the measures aim to help SMEs that have 200 or fewer employees retain 95% of their workers, and encourage entrepreneurs to increase new hires.

Corporate news

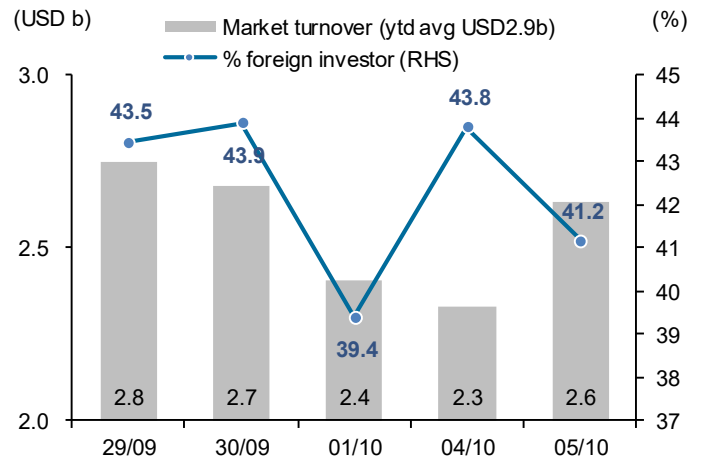
- **Energy minister explains diesel pricing** BANGKOK POST: Energy Minister Supattanapong Punmeechaow has explained the government's thinking in acting to lower the price of B7 diesel by one baht per litre at the pump. He said it would help rein in the cost of living as global oil prices rise in a time of hardship. Mr Supattanapong, also a deputy prime minister, issued his long explanation on Tuesday after the Energy Policy Administration Committee (Epac) approved a reduction of the Oil Fuel Fund fee at the pump on diesel B7 from 1 baht to 0.1 baht per litre, effective immediately. He said global oil prices were rising, as were natural gas and coal prices, even though Opec had agreed to increase petroleum output by another 400,000 barrels a day. It was therefore necessary for the government to look into the price of diesel B7, which had risen to over 30 baht a litre at the pump, he said. Efforts had been made to persuade people to switch to diesel B10, which was still below 30 baht, but this type of diesel was not popular, he said. There were still technical problems regarding the use of diesel B10 and most consumers still used diesel B7. This was why the government moved to keep prices at 30 baht or less and on a par with diesel B10, which is used in similar types of vehicles.
- **Operators fret over B500 tourist fee, Timeline of policy deemed unsuitable** BANGKOK POST: Tourism operators have raised concerns about the 500 baht fee to be collected from foreign tourists next year, worried that the timeline of this policy may not be appropriate for an industry in dire need of recovery. Marisa Sukosol Nunbhakdi, president of the Thai Hotels Association (THA), said the concept of setting up a transformation fund for the tourism industry is promising, but there are uncertainties next year that could jeopardise the tourism situation. Even though the Tourism Authority of Thailand (TAT) predicted that Thailand will win back 10 million tourists in 2022, the latest forecast from the Bank of Thailand (BoT) revised down the number to 6 million, mainly attributed to possible virus spread and new variant, low consumer confidence and stimulus measures that still need consistency.
- **Indonesia targets greater solar capacity by 2030** BANGKOK POST: JAKARTA: Indonesia is targeting the addition of 4.68 gigawatts of solar power capacity by 2030 and is aiming to source 51.6% of its added power capacity from renewable sources under a new masterplan. Indonesia, a major coal producer and exporter, sources around 60% of its existing electricity capacity from coal-fired power plants. The government wants to shift away from fossil fuel and reach net zero carbon emissions by 2060. "Solar power is being targeted for its relatively cheaper costs and shorter time to develop plants," Energy Minister Arifin Tasrif said in a virtual presentation. It would be boosted from around 150 megawatts capacity in 2020. Combined with the existing capacity, renewables would comprise 25% of Indonesia's energy mix by 2030, the presentation showed. The government also eyes bigger contribution from hydro power. Indonesia regularly revises the electricity master plan. Under the 2019-2028 plan, it had outlined 908 MW of new solar capacity, with 30% of new power generation from renewables.
- **Riding out the storm ... in style, Asset World Corp's Wallapa Traisorat is ready for recovery with a pipeline of luxury hotels** BANGKOK POST: The global pandemic has posed challenges for the hospitality sector over the past 19 months, but SET-listed Asset World Corp (AWC), led by Wallapa Traisorat, has continued to grow its portfolio with three large mixed-use developments adding more than 3,800 hotel rooms and residential units to its pipeline. During the first half this year, AWC saw net operating profit decrease 15.6% to 1 billion baht as the third wave of the pandemic interrupted positive momentum from the fourth quarter of 2020.
- **Pandemic dampens fuel consumption** BANGKOK POST: The Covid-19 outbreak caused fuel consumption in Thailand to decline by 4.4% during the first eight months of 2021 to a daily average of 131 million litres, down from a daily average of 137 million litres during the corresponding period last year, says the Department of Energy Business. Demand in the country for the major fuel types, including diesel, petrol, jet fuel and compressed natural gas, all fell. However, demand for liquefied petroleum gas (LPG) increased. Chief of the department, Nantika Thangsuphanich, said the strict control of road and air travel during the second and third quarters caused the decline in demand.

Exhibit 23: Foreign fund flow and SET Index



Source: Bloomberg

Exhibit 24: Foreign participation



Source: Bloomberg

Exhibit 25: Index performance

	----- SET Index -----		----- Index performance (% change) -----									
	Index	(%chg)	Energy	Bank	Comu	Commerce	Food	Property	Construct	Transport	Petrochem	
% of SET Index			23%	9%	8%	9%	6%	5%	4%	8%	3%	
Current	1,624.24	0.6	1.4	(0.1)	1.0	0.7	0.2	0.3	(0.0)	1.8	(0.1)	
-5D	1,616.50	0.5	1.2	(0.1)	(0.9)	0.5	(0.2)	1.8	(0.5)	2.2	0.3	
-1M	1,648.37	(1.5)	2.2	7.7	1.4	(1.4)	(1.6)	2.2	(3.9)	0.2	5.0	
-3M	1,591.43	2.1	3.8	11.3	15.5	3.0	(3.1)	2.9	(3.6)	1.6	5.3	
-6M	1,579.66	2.8	3.5	(3.6)	18.8	1.3	0.8	2.9	(2.7)	1.6	3.7	
-1Y	1,250.15	29.9	30.9	56.4	27.7	13.2	15.1	29.9	21.3	15.5	63.5	
WTD	1,605.17	1.2	2.0	0.5	0.9	1.3	1.0	2.1	0.1	3.0	0.7	
MTD	1,605.68	1.2	2.6	1.0	0.3	0.1	0.6	1.7	(0.1)	3.5	0.4	
QTD	1,605.68	1.2	2.6	1.0	0.3	0.1	0.6	1.7	(0.1)	3.5	0.4	
End of 2020	1,449.35	12.1	7.6	14.5	21.5	14.5	13.9	11.7	11.4	6.2	15.3	

Source: Bloomberg

Exhibit 26: Trade by investor types

	----- SET Index -----		Exchange rate (USD:THB)	----- SET Index -----		----- Equity trading / Net position -----				Bond Net foreign (USD m)
	Index	Change (y-y%)		Average daily turnover (THB m)	(USD m)	Foreign (USD m)	Retail (USD m)	PropTrade (USD m)	Local Inst (USD m)	
2018	1,563.88	(10.8)	32.32	56,370	1,744	(8,913)	3,571	(478)	5,799	8,855
2019	1,579.84	1.0	31.06	52,468	1,689	(1,496)	(662)	477	1,681	(502)
2020	1,449.35	(8.3)	31.29	67,335	2,152	(8,287)	6,873	459	953	(1,005)
2021YTD	1,624.24	12.1	31.58	91,100	2,885	(2,412)	3,337	399	(1,222)	3,276
4Q20	1,587.21	41.0	30.26	93,653	3,095	(987)	1,622	129	(764)	128
1Q21	1,587.79	18.6	31.36	94,016	2,998	(1,482)	1,973	85	(574)	2,442
2Q21	1,605.68	29.8	32.92	86,406	2,625	(8)	(178)	189	97	632
3Q21	1,624.24	12.1	33.73	81,109	2,405	65	(80)	(4)	19	74
Jan-21	1,466.98	(3.1)	30.00	98,584	3,286	(365)	928	(31)	(533)	5
Feb-21	1,496.78	11.7	29.99	90,860	3,029	(621)	1,010	82	(470)	(154)
Mar-21	1,587.21	41.0	30.78	91,515	2,973	(1)	(316)	78	238	277
Apr-21	1,583.13	21.6	31.33	87,668	2,798	(107)	573	(12)	(453)	1,050
May-21	1,593.59	18.7	31.30	103,240	3,299	(1,061)	1,094	(42)	10	6
Jun-21	1,587.79	18.6	31.46	91,139	2,897	(314)	307	139	(131)	1,385
Jul-21	1,521.92	14.6	32.61	77,785	2,385	(522)	542	89	(110)	282
Aug-21	1,638.75	25.0	33.10	86,818	2,623	175	(798)	58	666	1,447
Sep-21	1,605.68	29.8	33.05	94,614	2,863	338	79	42	(459)	(1,097)
Oct-21	1,624.24	35.9	33.73	81,109	2,405	65	(80)	(4)	19	74
2021YTD	1,624.24	12.1	31.58	91,100	2,885	(2,412)	3,337	399	(1,222)	3,276
29/09/2021	1,616.98		33.86	93,120	2,750	33	33	(26)	(40)	(9)
30/09/2021	1,605.68		33.83	90,650	2,680	(34)	110	7	(83)	(23)
01/10/2021	1,605.17		33.63	75,665	2,250	78	(94)	(3)	19	66
04/10/2021	1,614.48		33.79	78,694	2,329	(31)	17	(8)	21	12
05/10/2021	1,624.24		33.76	88,969	2,636	18	(4)	7	(21)	(4)

Source: Bloomberg

Exhibit 27: Upcoming events

Date Time	Event		Survey	Actual	Prior
10/05/2021 10:30	CPI YoY	Sep	0.52%	1.68%	-0.02%
10/05/2021 10:30	CPI NSA MoM	Sep	0.80%	1.59%	-0.18%
10/05/2021 10:30	CPI Core YoY	Sep	0.20%	0.19%	0.07%
10/07/2021 10:00	Consumer Confidence Economic	Sep	--	--	33.8
10/07/2021 10:00	Consumer Confidence	Sep	--	--	39.6
10/08/2021 14:30	Foreign Reserves	01-Oct	--	--	\$247.4b
10/08/2021 14:30	Forward Contracts	01-Oct	--	--	\$32.5b
10/18/2021 10:22	Car Sales	Sep	--	--	42176
10/22/2021 10:30	Customs Exports YoY	Sep	--	--	8.93%
10/22/2021 10:30	Customs Imports YoY	Sep	--	--	47.92%
10/22/2021 10:30	Customs Trade Balance	Sep	--	--	-\$1216m
10/26/2021 10/30	Capacity Utilization ISIC	Sep	--	--	57.38
10/26/2021 10/30	Mfg Production Index ISIC NSA YoY	Sep	--	--	-4.15%
10/29/2021 14:00	BoP Current Account Balance	Sep	--	--	-\$2536m
10/29/2021 14:30	Exports YoY	Sep	--	--	8.20%
10/29/2021 14:30	Exports	Sep	--	--	\$21768m
10/29/2021 14:30	Imports YoY	Sep	--	--	39.60%
10/29/2021 14:30	Imports	Sep	--	--	\$19872m
10/29/2021 14:30	Trade Balance	Sep	--	--	\$1895m
10/29/2021 14:30	BoP Overall Balance	Sep	--	--	\$3755m
11/01/2021 07:30	Markit Thailand PMI Mfg	Oct	--	--	48.9
11/01/2021 14:30	Business Sentiment Index	Oct	--	--	42.6
11/05/2021 10:30	CPI YoY	Oct	--	--	1.68%
11/05/2021 10:30	CPI NSA MoM	Oct	--	--	1.59%
11/05/2021 10:30	CPI Core YoY	Oct	--	--	0.19%

Source: Bloomberg

Exhibit 28: Upcoming XR

Symbol	X-Date	Announce Date	Rights for	Subscription Price	Unit	Subscription Ratio (Holding:New)	Subscription Period	Allotted Shares (Shares)
PLANET	11/10/2021	11/08/2021	Warrants	-	Baht	3 : 1	-	124999999
INSET	14/10/2021	05/08/2021	Warrants	-	Baht	2 : 1	-	307999983
KC	19/10/2021	03/09/2021	Common	0.1	Baht	1 : 2	08/11/2021 - 15/11/2021	2914009678
BIZ	27/10/2021	10/09/2021	Warrants	-	Baht	10 : 1	-	40000000
DOD	28/10/2021	10/09/2021	Warrants	0.1	Baht	2 : 1	-	205000246
SINGER	01/11/2021	27/08/2021	Common	36.3005	Baht	5.259 : 1	07/12/2021 - 14/12/2021	96341464
EKH	02/11/2021	17/09/2021	Warrants	-	Baht	4 : 1	-	150000000
ANAN	04/11/2021	27/09/2021	Common	1.55	Baht	4 : 1	22/11/2021 - 26/11/2021	833250000
ANAN	04/11/2021	27/09/2021	Warrants	-	Baht	1 : 1	-	833250000
JMT	05/11/2021	30/08/2021	Common	41.5	Baht	4.674 : 1	14/12/2021 - 20/12/2021	240963856
JMT	05/11/2021	30/08/2021	Warrants	-	Baht	3.418 : 1	-	70500000
SFLEX	10/11/2021	11/08/2021	Warrants	-	Baht	10 : 1	-	82000000
SFLEX	10/11/2021	11/08/2021	Warrants	-	Baht	8 : 1	-	102500000
AQ	19/11/2021	01/10/2021	Warrants	-	Baht	2 : 1	-	42662405722
HYDRO	22/11/2021	05/10/2021	Common	0.18	Baht	2 : 1	08/12/2021 - 15/12/2021	768227679
ICN	24/11/2021	28/09/2021	Warrants	-	Baht	2 : 1	-	225000000
MACO	26/11/2021	23/09/2021	Common	0.3	Baht	2 : 1	20/12/2021 - 24/12/2021	2705990707
PLANB	29/11/2021	23/09/2021	Common	5	Baht	12.5 : 1	20/12/2021 - 24/12/2021	310605449
PLANB	29/11/2021	23/09/2021	Warrants	-	Baht	2 : 1	-	155302725
UPA	14/12/2021	26/08/2021	Warrants	-	Baht	5 : 1	-	2026068585
UPA	14/12/2021	26/08/2021	Common	0.3	Baht	3.37678 : 1	17/01/2022 - 21/01/2022	3000000000
TRITN	24/12/2021	30/09/2021	Warrants	-	Baht	5 : 1	-	2344177052

Source: SET

Exhibit 29: Management trading

Company	Management	Securities	Transaction	Shares	Price (THB)	Action	Value (THBm)
Green Resources (GREEN)	Sarunrat Seesun	Common Shares	9/27/2021	5,000	2.02	Sell	0.01
Green Resources (GREEN)	Sarunrat Seesun	Common Shares	9/30/2021	10,000	2.08	Sell	0.02
Green Resources (GREEN)	Sarunrat Seesun	Common Shares	10/4/2021	100,000	2.02	Sell	0.20
Jaymart (JMART)	Adisak Sukhumwittaya	Common Shares	10/5/2021	500,000	39.92	Buy	19.96
Selic Corp (SELIC)	Ek Suwatthanaphim	Common Shares	10/5/2021	20,000,000	3.04	Sell	60.80
Tropical Canning (TC)	Kampol Watcharanimit	Common Shares	10/4/2021	200,000	6.62	Sell	1.32
T S Flour Mill (TMILL)	Prapas Chutimaworapan	Common Shares	10/4/2021	130,000	4.05	Buy	0.53
T.A.C. CONSUMER (TACC)	Chatchawe Vatanasuk	Common Shares	9/29/2021	50,000	7.42	Sell	0.37
T.A.C. CONSUMER (TACC)	Chatchawe Vatanasuk	Common Shares	9/30/2021	30,000	7.40	Sell	0.22
Thai Mitsuwa (TMW)	Hirokazu Tsuruhara	Common Shares	10/4/2021	3,000	37.00	Buy	0.11
Banpu (BANPU)	Chanin Vongkusolkrit	Common Shares	10/5/2021	4,000,000	13.88	Buy	55.52
Business Online (BOL)	Atitavoraphan Towan	Common Shares	10/5/2021	6,700	10.30	Buy	0.07
BG Container Glass (BGC)	Wisarn la-orsatiankul	Common Shares	9/29/2021	4,000	10.80	Buy	0.04
BG Container Glass (BGC)	Wisarn la-orsatiankul	Common Shares	10/1/2021	4,000	10.62	Buy	0.04
Pruksa Holdings (PSH)	Udomsak Yamnoon	Common Shares	10/4/2021	10,000	13.20	Sell	0.13
Planet communications Asia (PLANET)	Mr. Trevor John Thompson	Common Shares	10/4/2021	150,000	3.50	Sell	0.53
Planet communications Asia (PLANET)	Prapat Rathlerkarn	Common Shares	10/4/2021	100,000	3.20	Sell	0.32
Planet communications Asia (PLANET)	Prapat Rathlerkarn	Common Shares	10/5/2021	100,600	3.40	Sell	0.34
Planet communications Asia (PLANET)	Prapat Rathlerkarn	Common Shares	10/5/2021	100,000	3.40	Sell	0.34
More Return (MORE)	Ummarit Klomchitharoen	Common Shares	10/4/2021	18,047,900	1.57	Buy	28.34
More Return (MORE)	Ummarit Klomchitharoen	Common Shares	10/5/2021	11,952,100	1.59	Buy	19.00
Multibax (MBAX)	Pisut Lertwilai	Common Shares	10/4/2021	10,000	5.15	Buy	0.05
Meta Corporation (META)	Chanon Wangtal	Common Shares	10/4/2021	1,250,000	0.63	Buy	0.79
Micro Leasing (MICRO)	Thammasak Auchyawat	Common Shares	10/1/2021	20,000	7.45	Buy	0.15
Micro Leasing (MICRO)	Thammasak Auchyawat	Common Shares	10/1/2021	50,000	7.40	Buy	0.37
Micro Leasing (MICRO)	Thammasak Auchyawat	Common Shares	10/1/2021	50,000	7.35	Buy	0.37
Micro Leasing (MICRO)	Thammasak Auchyawat	Common Shares	10/1/2021	100,000	7.30	Buy	0.73
Micro Leasing (MICRO)	Thammasak Auchyawat	Common Shares	10/1/2021	35,000	7.30	Buy	0.26
Richy Place 2002 (RICHY)	Anen Aung-Aphinant	Common Shares	10/4/2021	200,000	1.43	Buy	0.29
Ramkhamhaeng Hospital (RAM)	Jermpol Bhumitrakul	Common Shares	10/5/2021	200,540	141.00	Buy	28.28
Ramkhamhaeng Hospital (RAM)	Siripong Luengvarinkul	Common Shares	10/5/2021	202,200	141.00	Buy	28.51
Right Tunnelling (RT)	Chawalit Tanomtin	Common Shares	10/1/2021	15,000	2.22	Buy	0.03
Right Tunnelling (RT)	Chawalit Tanomtin	Common Shares	10/5/2021	30,000	2.20	Buy	0.07
Supalai (SPALI)	Ajchara Tangmatitham	Common Shares	10/1/2021	1,800,000	19.88	Buy	35.78
Supalai (SPALI)	Ajchara Tangmatitham	Common Shares	10/4/2021	400,000	20.10	Buy	8.04
Supalai (SPALI)	Prateep Tangmatitham	Common Shares	10/1/2021	1,800,000	19.88	Buy	35.78
Supalai (SPALI)	Prateep Tangmatitham	Common Shares	10/4/2021	400,000	20.10	Buy	8.04
Sabuy Technology (SABUY)	Saran Supaksaran	Common Shares	10/4/2021	30,000	11.29	Buy	0.34
Siam East Solutions (SE)	Sittichai Leekasem	Common Shares	10/4/2021	420,000	1.61	Sell	0.68
Salee Industry (SALEE)	Sathit Tatawatorn	Common Shares	10/4/2021	200,000	1.17	Buy	0.23
Salee Industry (SALEE)	Sathit Tatawatorn	Common Shares	10/4/2021	100,000	1.14	Buy	0.11
Salee Industry (SALEE)	Sathit Tatawatorn	Common Shares	10/4/2021	300,000	1.15	Buy	0.35
Salee Industry (SALEE)	Sathit Tatawatorn	Common Shares	10/4/2021	330,000	1.16	Buy	0.38
Eastern Polymer Group (EPG)	Chalieo Vitoorapakorn	Common Shares	10/4/2021	500,000	11.00	Buy	5.50
Ekachai Medical Care (EKH)	Metha Vanadilok	Common Shares	10/4/2021	50,000	5.75	Buy	0.29
Ekachai Medical Care (EKH)	Metha Vanadilok	Common Shares	10/5/2021	50,000	7.60	Buy	0.38
Hana Microelectronics (HANA)	Winson moong chu Hui	Common Shares	10/4/2021	10,000	77.50	Buy	0.78
Hana Microelectronics (HANA)	Winson moong chu Hui	Common Shares	10/5/2021	10,000	77.00	Buy	0.77
Hana Microelectronics (HANA)	Winson moong chu Hui	Common Shares	10/5/2021	10,000	76.50	Buy	0.77
Hydrotek (HYDRO)	Slip Soongsawang	Common Shares	9/30/2021	978,900	0.43	Sell	0.42
Hydrotek (HYDRO)	Slip Soongsawang	Common Shares	10/1/2021	2,000,000	0.46	Sell	0.92

Source: SEC

Exhibit 30: Upcoming XD

Symbol	X-Date	Announce Date	Dividend (per Share)	Unit	Operation Period	Source of Dividend	Payment Date	Par
BDMS	12/10/2021	29/09/2021	0.25	Baht	01/01/2021 - 30/06/2021	NP	29/10/2021	0.1
TPIPL	12/10/2021	30/09/2021	0.03	Baht	-	RE	28/10/2021	1
AEONTS	18/10/2021	04/10/2021	2.5	Baht	01/03/2021 - 31/08/2021	NP	02/11/2021	1
MC	04/11/2021	26/08/2021	0.2	Baht	01/07/2020 - 30/06/2021	Both	25/11/2021	0.5
TNH	26/11/2021	17/09/2021	0.5	Baht	01/08/2020 - 31/07/2021	NP	15/12/2021	1

Source: SET

Exhibit 31: Upcoming XM

Symbol	X-Date	Announce Date	Meeting Date	Type of Meeting	Agenda	Venue
ANAN	08/10/2021	27/09/2021	29/10/2021	EGM	Capital increase, The issuance of convertible securities	Via the electronic meeting (E-EGM)
UPA	08/10/2021	19/07/2021	05/11/2021	EGM	Capital increase, The issuance of convertible securities	Electronic means (e-Meeting)
BGC	11/10/2021	09/09/2021	05/11/2021	EGM	Acquisition and disposition of assets, Connected transaction	Electronic meeting
ICN	11/10/2021	28/09/2021	17/11/2021	EGM	Capital increase, The issuance of convertible securities	Electronic Meeting (E-EGM)
SAFARI	11/10/2021	29/09/2021	27/10/2021	AGM	Omitted dividend payment	Electronic (E-AGM) format only and will broadcast from the Company meeting room No.99 Panyaintra Road, Kwaeng Samwatawankot, Khet Klongsamwa, Bangkok
CITY	12/10/2021	27/09/2021	30/11/2021	AGM	Omitted dividend payment	At J Plaza Room, J. Park Hotel Chonburi, 99/8, 99/9 Moo 9, Napa, Muang, Chonburi 20000
AQ	14/10/2021	01/10/2021	08/11/2021	EGM	Capital increase, The issuance of convertible securities	Via electronic means (e-EGM)
NEWS	14/10/2021	10/09/2021	14/12/2021	EGM	Capital Decrease, Capital Increase	Virtual meeting via electronic media
TRITN	14/10/2021	30/09/2021	24/11/2021	EGM	Capital increase, The issuance of convertible securities, Reduction of Registered Capital by writing off unissued ordinary shares-Amendment to the Company's Objectives	Triton Building, 2nd floor grand meeting room of Triton Holding Public Company Limited, no. 60 Soi Praditmanutham, 19 Praditmanutham Road, Lat Phrao Sub-district, Lat Phrao District, Bangkok 10230
B52	15/10/2021	01/10/2021	09/11/2021	EGM	Paid up capital reduction, Change of par value	The meeting via electronic media (E-Meeting) from the Company's meeting room, 7th floor, President Tower, 973 Ploenchit Road, Lumpini, Pathumwan, Bangkok
JUTHA	15/10/2021	30/09/2021	22/11/2021	EGM	Capital increase, Acquisition and disposition of assets, Connected transaction, The issuance of convertible securities, Changing the director(s)	E-Meeting (E-EGM)
MBKET	15/10/2021	27/09/2021	16/11/2021	EGM	To adopt the minutes of the 2021 Annual General Meeting of Shareholders held on April 8, 2021, To consider and approve the Company's name change and revision of Memorandum of Association and Article of Association to be in line with the name change	Via Electronic Meeting (E-EGM)
HYDRO	18/10/2021	04/10/2021	15/11/2021	EGM	Capital increase, Paid up capital reduction	By meeting via electronic media (E-Meeting) by broadcasting video signals from the meeting room of Hydrotech Public Company Limited 1 TP&T Building, 14th Floor, Soi Vibhavadi Rangsit 19, Chatuchak Subdistrict, Chatuchak District, Bangkok
POLAR	18/10/2021	23/09/2021	25/11/2021	EGM	Agenda 1 To approve of the minutes of the Extraordinary General Meeting 1/2020 which was held since 16TH May, 2020, Agenda 2 To approve the appointment of A&A Professional Company Limited as auditor of the Company	E-Meeting
PLANB	19/10/2021	23/09/2021	19/11/2021	EGM	Capital increase, Acquisition and disposition of assets, Connected transaction, The issuance of convertible securities	Meetings via electronic media
MACO	21/10/2021	23/09/2021	19/11/2021	EGM	Capital increase, Connected transaction	Via electronic means
STAR	01/11/2021	27/09/2021	25/11/2021	EGM	Changing the director(s)	Which is an electronic meeting via electronic media broadcast lives at the Company's meeting room

Source: SET

Exhibit 32: New securities

Warrants	Trade Date	Underlying	Market	Maturity Date	Initial Price (Baht)	Exercise Price (Baht)	
IP-W1	6/10/2021	IP	mai	30/09/2023	-	25	
Derivative Warrants	Trade Date	Underlying	Issuer	DW Type	Market	Maturity Date	Exercise Price (Baht)
CKP13C2202A	6/10/2021	CKP	KGI	Call	SET	18/02/2022	6.8
COM719P2202A	6/10/2021	COM7	YUANTA	Put	SET	10/2/2022	46.7
CPAL24C2203A	6/10/2021	CPALL	FSS	Call	SET	10/3/2022	82.25
DELT19C2202A	6/10/2021	DELTA	YUANTA	Call	SET	10/2/2022	573.2
DELT19P2202A	6/10/2021	DELTA	YUANTA	Put	SET	10/2/2022	239
DJI41C2112B	6/10/2021	DJI	JPM	Call	SET	23/12/2021	38,000.00
EA24C2203A	6/10/2021	EA	FSS	Call	SET	10/3/2022	83.5
HANA13P2202A	6/10/2021	HANA	KGI	Put	SET	18/02/2022	48.25
HANA19C2202A	6/10/2021	HANA	YUANTA	Call	SET	10/2/2022	99
NDX41C2112U	6/10/2021	NDX	JPM	Call	SET	23/12/2021	15,400.00
NDX41P2112B	6/10/2021	NDX	JPM	Put	SET	23/12/2021	12,000.00
PTT13P2202A	6/10/2021	PTT	KGI	Put	SET	18/02/2022	26.75
PTTE13C2202A	6/10/2021	PTTEP	KGI	Call	SET	18/02/2022	145
S5024P2112C	6/10/2021	SET50	FSS	Put	SET	6/1/2022	850
SCGP24C2203A	6/10/2021	SCGP	FSS	Call	SET	10/3/2022	78.75
SPAL13C2202A	6/10/2021	SPALI	KGI	Call	SET	18/02/2022	26.25
SPRC19C2202A	6/10/2021	SPRC	YUANTA	Call	SET	24/02/2022	13.8
SYNE13C2202A	6/10/2021	SYNEX	KGI	Call	SET	18/02/2022	33
TOP13P2202A	6/10/2021	TOP	KGI	Put	SET	18/02/2022	34

Source: SET