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### KEY HIGHLIGHTS

#### Update

**Bangkok Expressway and Metro (BEM TB/BUY/Bt9.10/Target: Bt10.40)** Page 2  
Recovery may be significantly faster than expected.

**TISCO Financial Group (TISCO TB/HOLD/Bt92.50/Target: Bt105.00)** Page 5  
Moderate growth rebound ahead.

### KEY INDICES

Symbol	Close	Chg	%Chg
SET	1,640.97	(2.67)	(0.16)
SET50	987.28	(2.38)	(0.24)
Value (Btm) - SET	75,366		
<b>Top 5 Sector</b>			
BANK	392.27	(1.54)	(0.39)
PETRO	1,193.09	6.52	0.55
PROP	236.65	2.74	1.17
ENERG	24,729.11	20.56	0.08
ICT	163.92	(1.29)	(0.78)

Source: Bloomberg

### TOP VOLUME

Symbol	Price (Bt)	Chg (%)	Volume ('000)
AOT	67.50	(0.37)	68,304.6
UBIS	8.40	(12.04)	446,196.3
U	1.95	13.37	1,763,283.0
TRUE	4.24	(1.40)	752,883.8
KBANK	140.50	0.00	20,049.0

### TOP GAINERS

Symbol	Price (Bt)	Chg (%)	Volume ('000)
NEWS	0.06	20.00	1,841,313.7
U	1.95	13.37	1,763,283.0
ECF	2.06	11.35	120,821.6
CI	1.15	10.58	124,125.3
BWG	0.75	10.29	338,310.3

### TOP LOSERS

Symbol	Price (Bt)	Chg (%)	Volume ('000)
INSET	6.35	(19.11)	34,540.8
UBIS	8.40	(12.04)	446,196.3
BIG	0.77	(9.41)	313,120.9
CFRESH	3.94	(7.94)	10,578.2
TSI	0.35	(7.89)	23,170.2

### KEY STATISTICS

Commodity	Current Price	%Chg		
		1m	3M	YTD
Brent crude*	84.4	12.9	18.2	66.3
Dubai crude*	82.1	14.2	9.4	63.5
Baltic Dry Index	5,206.0	23.0	69.4	281.1
Gold Spot***	1,795.0	0.1	(1.9)	(5.4)

\*(US\$/bbl), \*\*\* (US\$/toz)

### FOREIGN PORTFOLIO INVESTMENT IN EQUITIES (THAILAND)

Day (Mil US\$)	MTD Net (Mil US\$)	YTD Net (Mil US\$)	YTD Net YoY%
34.7	315.8	(2,161.4)	8,956.3

Source: Bloomberg

Foreign Exchange Rate - THB/US\$ (onshore) = 33.17

Interest Rate (%) - TH 1-day RP = 1.50

Thai Lending Rate (%)\* - MLR = 5.25

### COMPANY UPDATE

## Bangkok Expressway and Metro (BEM TB)

Recovery May Be Significantly Faster Than Expected

We expect BEM to report disappointing 3Q21 results due to COVID-19. Nevertheless, we are focusing on the significant turnaround in the follow-up quarters from rapid recovery in traffic volume and ridership following gradual easing of lockdown restrictions and increasing out-of-home activities. Furthermore, BEM has additional potential upsides from the new metro lines. Maintain BUY. Target price: Bt10.40.

### WHAT'S NEW

- Traffic and ridership hit the bottom in 3Q21.** Due to the higher severity of COVID-19 in Bangkok and imposed lockdown restrictions, Bangkok Expressway and Metro (BEM) reported 3Q21 average daily traffic volume and ridership hitting new lows, plunging further by 13% and 33% qoq respectively to 667,355 and 79,688 trips/day, 7% and 28% below our earlier projections. However, on a monthly basis, we observe considerable improvement from Sep 21 onwards as the government began to ease the restrictions, with the figures increasing 32% and 60% mom to 783,979 and 100,115 trips/day in Sep 21 and recovering further to above 900,000 and 150,000 trips/day in the middle of Oct 21.
- More easing of restrictions coming.** Since early Oct 21, the government has announced additional relaxations of lockdown restrictions as the situation improves. These include the most recent announcement on 14 Oct 21 by the Centre for COVID-19 Situation Administration (CCSA), reducing the duration of curfew hours, permitting department stores, cinemas, markets and restaurants as well as public transport services to open longer and allowing large exhibitions and conferences to be organised. Hence, BEM will benefit not only from the increasing travel activities but also from the increasing operating hours. In addition, the upcoming return to office and school near the end of this month will further accelerate the recovery.
- Upside from winning new projects.** The terms of reference (TOR) for the MRT Orange Line are anticipated to be announced later in this month with the winner of the bidding to be selected in Apr 22, in which we foresee BEM and CH Karnchang (CK) to win due to high competency in underground operating and maintenance (O&M) and construction. Besides, there is additional possibility that BEM might be awarded as the operator for the southern extension of the MRT Purple Line to maintain the continuity in the northern section. These two additional projects will secure BEM's future operating performance.

### KEY FINANCIALS

Year to 31 Dec (Btm)	2019	2020	2021F	2022F	2023F
Net turnover	16,107	13,489	10,967	15,829	17,013
EBITDA	8,483	5,580	3,577	7,575	8,273
Operating profit	4,460	3,716	2,439	5,890	6,415
Net profit (rep./act.)	5,435	2,051	912	3,788	4,316
Net profit (adj.)	2,884	2,048	912	3,788	4,316
EPS (Bt)	0.2	0.1	0.1	0.2	0.3
PE (x)	48.2	67.9	152.4	36.7	32.2
P/B (x)	3.6	3.7	3.6	3.4	3.2
EV/EBITDA (x)	24.3	36.9	57.6	27.2	24.9
Dividend yield (%)	1.6	1.0	0.4	1.1	1.2
Net margin (%)	33.7	15.2	8.3	23.9	25.4
Net debt/(cash) to equity (%)	165.7	175.2	170.8	152.5	135.2
Interest cover (x)	4.9	2.6	1.6	3.8	4.5
ROE (%)	14.6	5.3	2.4	9.4	10.1
Consensus net profit	-	-	920	3,138	4,206
UOBKH/Consensus (x)	-	-	0.99	1.21	1.03

Source: Bangkok Expressway and Metro, Bloomberg, UOB Kay Hian

## BUY

(Maintained)

Share Price	Bt9.10
Target Price	Bt10.40
Upside	+13.7%
(Previous TP)	Bt9.30

### COMPANY DESCRIPTION

BEM is an operator of expressway and train services in Bangkok and suburban areas under the concessions of the Expressway Authority of Thailand and the Mass Rapid Transit Authority of Thailand.

### STOCK DATA

GICS sector	Industrials
Bloomberg ticker:	BEM TB
Shares issued (m):	15,285.0
Market cap (Btm):	139,093.5
Market cap (US\$m):	4,178.5
3-mth avg daily t'over (US\$m):	10.9

### Price Performance (%)

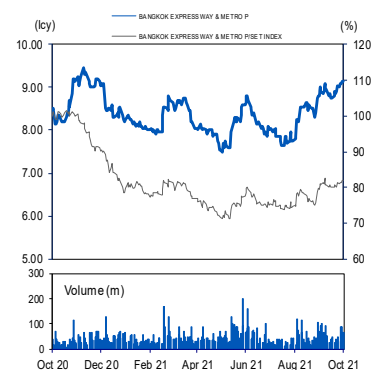
52-week high/low Bt9.45/Bt7.50

1mth	3mth	6mth	1yr	YTD
4.0	12.3	13.0	4.0	9.6

### Major Shareholders

	%
CH Karnchang group	31.3
Mass Rapid Transit Authority of Thailand	8.2
Thai NVDR	7.0
FY21 NAV/Share (Bt)	2.56
FY21 Net Debt/Share (Bt)	4.37

### PRICE CHART



Source: Bloomberg

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### STOCK IMPACT

- 3Q21 close to breakeven.** We project BEM's 3Q21 revenue and core profit at Bt2,111m (-41% yoy, -12% qoq) and Bt12m, respectively. Fortunately, the dividend income from the investment in TTW Public Company Limited (TTW) of Bt221m and stricter cost control came to the company's rescue. However, investors should not be overwhelmingly concerned whether BEM will report a profit or loss in 3Q21 as it represents the worst quarter and its performance will significantly turnaround from 4Q21 onwards.

### 3Q21 RESULTS PREVIEW

Year to 31 Dec (Btm)	3Q21F	3Q20	2Q21	%yoy chg	&qoq chg
Sales	2,111	3,572	2,403	-41%	-12%
Gross Profit	523	1,546	680	-66%	-23%
EBITDA	472	1,615	649	-71%	-27%
Pre-tax Profit	15	971	186	-98%	-92%
Net Profit	12	822	200	-99%	-94%
Core Profit	12	822	200	-99%	-94%
EPS (Bt)	0.001	0.054	0.013	-99%	-94%
Gross Margin (%)	24.8%	43.3%	28.3%		
EBITDA Margin (%)	22.4%	45.2%	27.0%		
Net Margin (%)	0.6%	23.0%	8.3%		

Source: BEM, UOB Kay Hian

- Rapid recovery looming.** Though we previously anticipated sharp recovery of traffic volume and ridership in 4Q21, the actual recovery has been exceptionally more expeditious as more people have received COVID-19 vaccines and are not hesitant to go out. Subsequent returns to offices and schools, increasing out-of-home exhibitions, upcoming reopening of bars and nightclubs and year-end festivals will further add up to the recovery. Though the traffic volume has been recovering at a faster pace than the ridership due to lower exposure to COVID-19, the recovery pace of the ridership should not be underestimated, which will accelerate in the next few months from worsening road traffic and diminishing fear of contacting COVID-19. We estimate average daily traffic volume and ridership in 4Q20 to recover further 56% and 189% qoq respectively to approximately 1.04m and 230,000 trips/day.

### EARNINGS REVISION/RISK

- Forecast revision.** We cut down 3Q21 earnings forecast while revise up our 4Q21 and 2022 forecast due to lower 3Q21 traffic volume and ridership and a more optimistic outlook from 4Q21 compared to our earlier projection.

(Btm)	2021F			2022F		
	Old	New	% chg	Old	New	% chg
Revenue	10,896	10,967	1%	15,455	15,829	2%
Core profit	879	912	4%	3,663	3,788	3%
Avg Daily Traffic	851,371	862,303	1%	1,152,775	1,179,301	2%
Avg Daily Ridership	165,554	160,434	-3%	297,997	330,000	11%

Source: BEM, UOB Kay Hian. Traffic and ridership statistics are expressed in trips/day.

### VALUATION/RECOMMENDATION

- Maintain BUY with a higher target price of Bt10.40** (previous: Bt9.30) based on SOTP. BEM's share price has been rising 17.3% since 16 Aug 21, outperforming SET Index by 10.1% as lockdown restrictions are being lifted. We believe that the market has considerably priced in the resumption of travelling and out-of-home activities, with increased travelling and the subsequent easing of lockdown restrictions as crucial catalysts. The valuation has not incorporated upsides from MRT Orange Line and the southern extension of MRT Purple Line.

### SHARE PRICE CATALYST

- Strong recovery of traffic volume and ridership from increasing out-of-home activities.
- New mega project, especially the approaching bidding for MRT Orange Line and the southern extension of MRT Purple Line.

### SOTP-BASED VALUATION

Business(es)	Value (Btm)	Note
BEM	139,703	DCF, WACC 5.3%
Key investment(s)	19,306	
CKP	9,594	Consensus TP
TTW	9,712	Consensus TP
<b>Total Value</b>	<b>159,009</b>	
number of shares (m)	15,285	
<b>Fair Value (Bt)</b>	<b>10.40</b>	

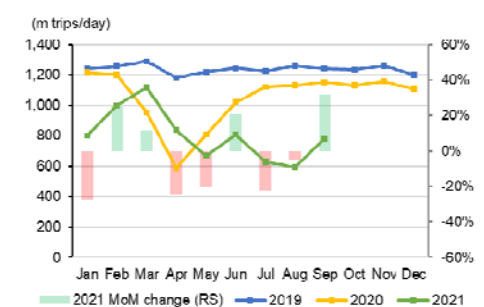
Source: BEM, UOB Kay Hian

### YEARLY REVENUE AND CORE PROFIT



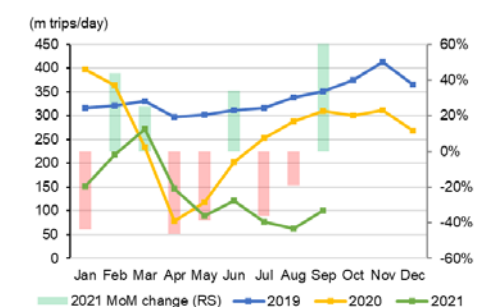
Source: BEM, UOB Kay Hian

### MONTHLY AVERAGE DAILY TRAFFIC VOLUME



Source: BEM, UOB Kay Hian

### MONTHLY AVERAGE DAILY RIDERSHIP



Source: BEM, UOB Kay Hian

### PROFIT & LOSS

Year to 31 Dec (Btm)	2020	2021F	2022F	2023F
Net turnover	13,489	10,967	15,829	17,013
EBITDA	5,580	3,577	7,575	8,273
Deprec. & amort.	1,864	1,138	1,685	1,858
EBIT	3,716	2,439	5,890	6,415
Total other non-operating income	830	815	793	755
Associate contributions	0	0	0	0
Net interest income/(expense)	(2,113)	(2,189)	(1,996)	(1,829)
<b>Pre-tax profit</b>	<b>2,433</b>	<b>1,065</b>	<b>4,687</b>	<b>5,341</b>
Tax	(382)	(150)	(890)	(1,015)
Minorities	(4)	(3)	(8)	(11)
<b>Net profit</b>	<b>2,051</b>	<b>912</b>	<b>3,788</b>	<b>4,316</b>
Net profit (adj.)	2,048	912	3,788	4,316

### CASH FLOW

Year to 31 Dec (Btm)	2020	2021F	2022F	2023F
<b>Operating</b>	<b>2,201</b>	<b>2,812</b>	<b>5,960</b>	<b>6,358</b>
Pre-tax profit	2,437	1,065	4,687	5,341
Tax	(382)	(150)	(890)	(1,015)
Deprec. & amort.	1,864	1,138	1,685	1,858
Associates	0	0	0	0
Working capital changes	(261)	394	468	154
Non-cash items	12	10	11	20
Other operating cashflows	(1,469)	355	0	0
<b>Investing</b>	<b>(3,135)</b>	<b>(2,523)</b>	<b>(752)</b>	<b>(985)</b>
Capex (growth)	(3,754)	(752)	(476)	(308)
Investments	1,256	(13,107)	0	0
Others	(637)	11,336	(276)	(677)
<b>Financing</b>	<b>1,466</b>	<b>144</b>	<b>(5,587)</b>	<b>(5,345)</b>
Dividend payments	(1,376)	(547)	(1,515)	(1,726)
Issue of shares	0	0	0	0
Proceeds from borrowings	2,842	692	0	0
Loan repayment	0	0	(4,072)	(3,619)
Others/interest paid	0	0	0	0
<b>Net cash inflow (outflow)</b>	<b>532</b>	<b>434</b>	<b>(379)</b>	<b>28</b>
Beginning cash & cash equivalent	2,067	2,599	3,033	2,654
Ending cash & cash equivalent	2,599	3,033	2,654	2,682

### BALANCE SHEET

Year to 31 Dec (Btm)	2020	2021F	2022F	2023F
Fixed assets	77,575	77,188	75,979	74,429
Other LT assets	30,997	33,233	33,592	34,354
Cash/ST investment	2,599	3,033	2,654	2,682
Other current assets	2,444	2,403	2,397	2,268
<b>Total assets</b>	<b>113,616</b>	<b>115,857</b>	<b>114,622</b>	<b>113,733</b>
ST debt	11,406	8,888	14,944	20,709
Other current liabilities	2,328	2,690	3,164	3,208
LT debt	57,769	60,978	50,850	41,467
Other LT liabilities	4,080	4,161	4,244	4,329
Shareholders' equity	37,991	39,135	41,408	43,998
Minority interest	42	4	12	22
<b>Total liabilities &amp; equity</b>	<b>113,616</b>	<b>115,857</b>	<b>114,622</b>	<b>113,733</b>

### KEY METRICS

Year to 31 Dec (%)	2020	2021F	2022F	2023F
<b>Profitability</b>				
EBITDA margin	41.4	32.6	47.9	48.6
Pre-tax margin	18.0	9.7	29.6	31.4
Net margin	15.2	8.3	23.9	25.4
ROA	1.8	0.8	3.3	3.8
ROE	5.3	2.4	9.4	10.1
<b>Growth</b>				
Turnover	(16.3)	(18.7)	44.3	7.5
EBITDA	(34.2)	(35.9)	111.8	9.2
Pre-tax profit	(32.7)	(56.2)	339.9	14.0
Net profit	(62.3)	(55.5)	315.2	13.9
Net profit (adj.)	(29.0)	(55.5)	315.2	13.9
EPS	(29.0)	(55.5)	315.2	13.9
<b>Leverage</b>				
Debt to total capital	64.5	64.1	61.4	58.5
Debt to equity	182.1	178.5	158.9	141.3
Net debt/(cash) to equity	175.2	170.8	152.5	135.2
Interest cover (x)	2.6	1.6	3.8	4.5

### COMPANY UPDATE

## TISCO Financial Group (TISCO TB)

Moderate Growth Rebound Ahead

TISCO's 3Q21 performance was in line with our expectations. Going forward, management is more optimistic on lending growth and will continue to reduce provisions ahead of economic improvement. We expect a moderate earnings growth rebound of 8% yoy in 2021 and 7% yoy in 2022. TISCO is a dividend play as we expect high dividend yields of 7.4-7.9% for 2021-22. Maintain HOLD. Target price: Bt105.00.

### WHAT'S NEW

- Cautiously optimistic on growth outlook.** Management is more optimistic on lending growth ahead, particularly vehicle title loans markets, on the back of economic recovery. It affirms that loan loss reserves are sufficient against NPLs. TISCO Financial Group (TISCO) would gradually reduce provisions given the brighter economic outlook and excess reserves that were front-loaded in earlier quarters. However, no details on lending growth and credit costs targets for 4Q21 and 2022 are provided from the management.
- New regulatory risks.** Management is worried that new regulations that are now in the public hearing process could severely affect vehicle leasing businesses and reduce local car and motorcycle sales in the future. The Office of Consumer Protection Board (OCPB) will implement a public hearing on 20 Oct 21 to discuss: a) an interest rate ceiling at 15% pa. for auto hire-purchase (cars, motorcycles) and agriculture vehicles; b) no additional liability for vehicle buyers when returning vehicles; c) a discount on undue interest payment over 80% for loan prepayment; d) a transfer right for third party to buy back car collaterals; and e) providing details on vehicle auctions.
- 3Q21 results in line.** TISCO reported 3Q21 net profit of Bt1.56b, down 3% yoy (-6% qoq) that was in line with our expectations. The decline in earnings was largely due to lower net interest income on the back of lower loan growth and muted fee income brought about by the prolonged lockdown. NIM increased to 5% in 3Q21 partly due to higher loan yield and the continued decline in cost of funding. The cost-to-income ratio was higher at 47.1% (2Q21: 44.1%) due to lower non-interest income (non-II).
- Adequate reserves against NPLs.** Total loans continued to decline 4.5% qoq (-9.1% yoy) given a decline in all customer segments (retail, SME, corporate loans). The NPL ratio was higher at 3% in 3Q21 (2Q21: 2.8%) due to a rise in retail NPLs, but still lower than 3.5-4.0% at end-Dec 21. Despite lower coverage ratio of 196.5% in 3Q21, TISCO affirmed that its reserves were adequate to cope with economic uncertainties and thus TISCO will continue to reduce its credit costs going forward.

### KEY FINANCIALS

Year to 31 Dec (Btm)	2019	2020	2021F	2022F	2023F
Net interest income	12,792	13,098	12,462	12,126	11,936
Non-interest income	6,631	5,808	6,529	6,964	7,548
Net profit (rep./act.)	7,273	6,064	6,579	7,042	7,312
Net profit (adj.)	7,273	6,064	6,579	7,042	7,312
EPS (Bt)	9.1	7.6	8.2	8.8	9.1
PE (x)	10.2	12.3	11.3	10.6	10.2
P/B (x)	1.9	1.9	1.8	1.8	1.7
Dividend yield (%)	8.3	6.8	7.4	7.9	8.2
Net int margin (%)	4.3	4.6	4.8	4.8	4.7
Cost/income (%)	47.7	42.4	44.1	43.5	42.7
Loan loss cover (%)	176.6	210.5	194.1	190.7	186.9
Consensus net profit	-	-	6,546	6,927	7,351
UOBKH/Consensus (x)	-	-	1.01	1.02	0.99

Source: TISCO, UOB Kay Hian

## HOLD

(Maintained)

Share Price	Bt92.50
Target Price	Bt105.00
Upside	+13.5%

### COMPANY DESCRIPTION

A small bank with roughly 2% of the credit market. The bank's strong focus is on auto HP lending, which accounts for 64% of its loan book.

### STOCK DATA

GICS sector	Financials
Bloomberg ticker:	TISCO TB
Shares issued (m):	800.6
Market cap (Btm):	74,460.0
Market cap (US\$m):	2,231.4
3-mth avg daily t'over (US\$m):	11.2

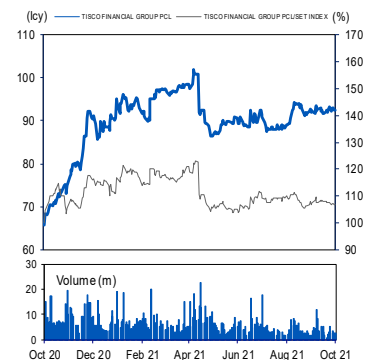
### Price Performance (%)

52-week high/low	Bt102.00/Bt65.75				
1mth	3mth	6mth	1yr	YTD	
1.4	1.6	(5.6)	35.8	5.1	

### Major Shareholders

NVDR	13.9
CDIB & Partners Investment Holding	10.0
State Street Bank EU	5.8
FY21 NAV/Share (Bt)	50.70
FY21 CAR Tier-1 (%)	19.40

### PRICE CHART



Source: Bloomberg

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### STOCK IMPACT

- **4Q21 outlook.** TISCO's net profit in 9M21 of Bt5.0b accounted for 76% of our full-year net profit forecast at Bt6.6b in 2021. The 4Q21 net profit for TISCO is expected at Bt1.6b, flat qoq. Net profit will likely decline 3% yoy on lower net interest income on lower loans bases and lower non-interest income.
- **High dividend payment intact.** Given its solid balance sheet (high loan-loss reserves and tier 1 capital), management affirms to maintain its high dividend payment for the next two years. We assume TISCO will maintain a high dividend payout of 83% for 2021-23, the same as in 2020. We thus expect TISCO to pay dividends of Bt6.8-7.6 per share for 2021-23, representing dividend yields of 7.4%, 7.9% and 8.2% in 2021, 2022, and 2023 respectively.

### EARNINGS REVISION/RISK

- **Moderate growth rebound.** We maintain our views that TISCO's net profit will moderately rebound 8% yoy on lower provisions and higher fee income. Despite TISCO's lower net interest income, net profit is expected to rise further 7% yoy in 2022 given lower provisions and higher fee income in tandem with an improvement in economic activities.

### VALUATION/RECOMMENDATION

- **Maintain HOLD with target price of Bt105.00.** Our valuation is derived from the Gordon Growth model (ROE: 17%, cost of equity: 9%, long-term growth: 2%) and implies 2.0x 2022F P/B, or +1.0SD to its 2016-20 mean.

### SHARE PRICE CATALYST

- Improving economic outlook and higher local car sales to shore up loan demand.
- Better-than-expected loan quality to reduce future provisions set aside.

### 3Q21 RESULTS

Year to 31 Dec (Btm)	3Q20	2Q21	3Q21	qoq % chg	yoy % chg	Comments
Net interest income	3,252	3,149	3,093	(2%)	(5%)	Lower yoy due to lower interest income
<i>NIM</i>	4.8%	4.8%	5.0%			
Non-interest income	1,443	1,566	1,085	(31%)	(25%)	Lower due to weaker bancassurance and loans related fees and a loss on financial instruments measured of value through profit or loss
Operating income	30.7%	33.2%	26.0%			
Overhead expenses	4,696	4,715	4,178	(11%)	(11%)	Down on lower staff costs
<i>Cost-Income Ratio</i>	(2,082)	(2,080)	(1,968)	(5%)	(5%)	
Pre-impairment profit	44.3%	44.1%	47.7%			
Impairment allowance	2,614	2,635	2,209	(16%)	(15%)	
<i>Credit cost - annualized (bps)</i>	(605)	(555)	(254)	(54%)	(58%)	Lower due to loan contraction
Pretax profit	107	102	49			
Net profit	2,009	2,079	1,955	(6%)	(3%)	
EPS	1,612	1,666	1,561	(6%)	(3%)	

### Other key Data and Ratios

Loan growth (yoy)	(6.6%)	(6.2%)	(9.1%)			Lower retail and corporate loans
Deposit growth (yoy)	1.0%	(9.6%)	(17.6%)			
Loan/deposit ratio (%)	109.8%	118.2%	121.1%			
Gross NPL ratio (%)	2.6%	2.7%	3.0%			Higher retail NPLs
Loan loss coverage (%)	196.1%	213.7%	196.5%			Flat yoy
Tier-1 CAR (%)	17.5%	18.0%	18.3%			
Total CAR	21.8%	22.5%	22.9%			

Sources: TISCO, UOB Kay Hian

### PROFIT & LOSS

Year to 31 Dec (Btm)	2020	2021F	2022F	2023F
Interest income	16,757	14,778	14,181	14,531
Interest expense	(3,659)	(2,316)	(2,055)	(2,595)
Net interest income	13,098	12,462	12,126	11,936
Fees & commissions	2,923	3,084	3,392	3,731
Other income	2,885	3,445	3,572	3,816
Non-interest income	5,808	6,529	6,964	7,548
Income from islamic banking	0	0	0	0
<b>Total income</b>	<b>18,906</b>	<b>18,991</b>	<b>19,090</b>	<b>19,484</b>
Staff costs	(5,288)	(5,791)	(5,849)	(5,907)
Other operating expense	(2,723)	(2,585)	(2,458)	(2,404)
Pre-provision profit	10,894	10,615	10,784	11,173
Loan loss provision	(3,331)	(2,462)	(2,053)	(2,105)
Other provisions	0	0	0	0
Associated companies	(2)	50	50	50
Other non-operating income	0	0	0	0
Pre-tax profit	7,562	8,203	8,780	9,118
Tax	(1,498)	(1,624)	(1,739)	(1,805)
Minorities	0	0	0	0
<b>Net profit</b>	<b>6,064</b>	<b>6,579</b>	<b>7,042</b>	<b>7,312</b>
Net profit (adj.)	6,064	6,579	7,042	7,312

### BALANCE SHEET

Year to 31 Dec (Btm)	2020	2021F	2022F	2023F
Cash with central bank	1,220	1,008	1,018	1,039
Govt treasury bills & securities	9,356	7,107	7,178	7,322
Interbank loans	38,212	37,805	38,183	37,648
Customer loans	214,888	191,940	194,987	200,156
Investment securities	597	454	458	467
Derivative receivables	62	62	62	62
Associates & JVs	0	0	0	0
Fixed assets (incl. prop.)	2,951	2,799	2,827	2,884
Other assets	8,156	10,855	9,837	10,064
<b>Total assets</b>	<b>275,443</b>	<b>252,031</b>	<b>254,551</b>	<b>259,642</b>
Interbank deposits	5,808	8,821	5,091	5,193
Customer deposits	203,473	172,294	172,811	177,996
Derivative payables	0	0	0	0
Debt equivalents	12,826	14,826	15,826	16,826
Other liabilities	13,875	15,490	19,008	16,551
<b>Total liabilities</b>	<b>235,981</b>	<b>211,432</b>	<b>212,736</b>	<b>216,565</b>
Shareholders' funds	39,459	40,596	41,811	43,073
Minority interest - accumulated	3	3	3	3
<b>Total equity &amp; liabilities</b>	<b>275,443</b>	<b>252,031</b>	<b>254,551</b>	<b>259,642</b>

### OPERATING RATIOS

Year to 31 Dec (%)	2020	2021F	2022F	2023F
<b>Capital Adequacy</b>				
Tier-1 CAR	17.6	19.4	19.9	20.3
Total CAR	22.0	24.4	25.2	25.7
Total assets/equity (x)	7.0	6.2	6.1	6.0
Tangible assets/tangible common equity (x)	7.0	6.2	6.1	6.0
<b>Asset Quality</b>				
NPL ratio	2.5	3.3	3.6	3.8
Loan loss coverage	210.5	194.1	190.7	186.9
Loan loss reserve/gross loans	5.3	6.4	6.8	7.1
Increase in NPLs	(3.8)	20.0	10.0	10.0
Credit cost (bp)	142.4	115.0	100.0	100.0
<b>Liquidity</b>				
Loan/deposit ratio	110.5	118.0	120.0	120.0
Liquid assets/short-term liabilities	23.3	25.4	26.1	25.1
Liquid assets/total assets	17.7	18.2	18.2	17.7

### KEY METRICS

Year to 31 Dec (%)	2020	2021F	2022F	2023F
<b>Growth</b>				
Net interest income, yoy chg	2.4	(4.9)	(2.7)	(1.6)
Fees & commissions, yoy chg	(4.4)	5.5	10.0	10.0
Pre-provision profit, yoy chg	7.3	(2.6)	1.6	3.6
Net profit, yoy chg	(16.6)	8.5	7.0	3.8
Net profit (adj.), yoy chg	(16.6)	8.5	7.0	3.8
Customer loans, yoy chg	(7.9)	(10.7)	1.6	2.7
Customer deposits, yoy chg	(5.8)	(15.3)	0.3	3.0
<b>Profitability</b>				
Net interest margin	4.6	4.8	4.8	4.7
Cost/income ratio	42.4	44.1	43.5	42.7
Adjusted ROA	2.1	2.5	2.8	2.8
Reported ROE	15.4	16.4	17.1	17.2
Adjusted ROE	15.4	16.4	17.1	17.2
<b>Valuation</b>				
P/BV (x)	1.9	1.8	1.8	1.7
P/NTA (x)	1.9	1.8	1.8	1.7
Adjusted P/E (x)	12.3	11.3	10.6	10.2
Dividend Yield	6.8	7.3	7.9	8.2
Payout ratio	83.1	83.0	83.0	83.0

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