

5 OCTOBER 2020

THAILAND / ASSET MANAGEMENT COMPANIES

BANGKOK COMMERCIAL ASSET MNGT.

BAM TB

BUY

TARGET PRICE	THB24.00
CLOSE	THB20.60
UP/DOWNSIDE	+16.5%
TP vs CONSENSUS	-8.5%

กำลังรอการกลับมาของเจ้าตลาด

บริษัทบริหารสินทรัพย์ที่น่าสนใจน้อยที่สุดใน 6 เดือนข้างหน้า

เราให้ BAM เป็นบริษัทบริหารสินทรัพย์ (AMC) ที่น่าสนใจน้อยที่สุดในการศึกษาวิเคราะห์ของเรา เราให้ BAM เป็นบริษัทบริหารสินทรัพย์ (AMC) ที่น่าสนใจน้อยที่สุดในการศึกษาวิเคราะห์ของเรา เราให้ BAM เป็นบริษัทบริหารสินทรัพย์ (AMC) ที่น่าสนใจน้อยที่สุดในการศึกษาวิเคราะห์ของเรา เราให้ BAM เป็นบริษัทบริหารสินทรัพย์ (AMC) ที่น่าสนใจน้อยที่สุดในการศึกษาวิเคราะห์ของเรา

เรียกเก็บหนี้ได้ในระดับต่ำ

เราคาดว่า การเรียกเก็บหนี้ของ BAM จะลดลง 7% y-y ในช่วง 2H20 เทียบกับ JMT (+19%) และ CHAYO (+26%) เราเชื่อว่าการเรียกเก็บหนี้ที่ต่ำกว่าบริษัทอื่นของ BAM เกิดจากฐานลูกค้าที่กระจายน้อยกว่าและค่าเฉลี่ยของสินทรัพย์ต่อคุณภาพต่อลูกค้า (average ticket size) ที่สูงกว่า กล่าวคือ 40,000 บาทสำหรับ JMT, ต่ำกว่า 80,000 บาทของ CHAYO และ 3-5 ลบ. ของ BAM ยิ่งจำนวนเงินที่ต้องจ่ายสูงขึ้น โอกาสที่ลูกค้าจะเลื่อนการชำระก็ยิ่งสูงขึ้น นอกจากนี้ เราเชื่อว่า BAM ยังได้รับผลกระทบจากการชะลอตัวในตลาดที่อยู่อาศัย เนื่องจากกว่า 50% ของสินทรัพย์ที่ไม่ก่อให้เกิดรายได้ (NPA) เป็นที่อยู่อาศัย แม้เราคาดว่าราคาสินทรัพย์ของ BAM จะปรับขึ้นตามระยะเวลา แต่ในปัจจุบันความต้องการที่ลดลงและการแข่งขันด้านราคาที่ยืดหยุ่นในตลาดบ้านมือหนึ่งกำลังทำให้การขายบ้านมือสองเป็นเรื่องยาก

องค์กรขนาดใหญ่เคลื่อนไหวช้า

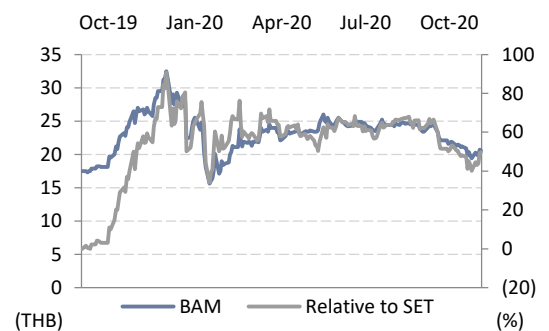
แม้เราจะเชื่อว่าหนี้ไม่ก่อรายได้ อาจเพิ่มขึ้นในปี 2021E BAM อาจเพิ่มการซื้อหนี้ด้วยคุณภาพเพียง 8% CAGR จากปี 2020 ถึงปี 2022 เทียบกับ JMT (+50%) และ CHAYO (+29%) เราเชื่อว่าแผนการซื้อในระดับปานกลางถึงต่ำของ BAM เกิดจาก 1) ฐานสินทรัพย์ที่มีขนาดใหญ่ ทำให้ความยืดหยุ่นในการขยายธุรกิจมีน้อย; 2) สินทรัพย์ต่อคุณภาพของ BAM ส่วนมากเป็นหนี้ที่มีหลักประกันที่มีวงเงินสินเชื่อ ซึ่งหมายความว่าต้นทุนของเงินลงทุนจะจมอยู่เป็นเวลา 5 ถึง 7 ปี; และ 3) ฐานเงินทุนตั้งตัว เนื่องจากอัตราหนี้สินต่อทุนใกล้เคียงกับข้อกำหนดในด้านเพดานหนี้ (Debt Covenant) ของบริษัท

Valuation น่าสนใจ แต่มีปัจจัยบวกน้อยในระยะสั้น

เราเริ่มศึกษา BAM ด้วยคำแนะนำซื้อที่ราคาเป้าหมาย 24 บาท (GGM) เนื่องจากหุ้นมีการซื้อขายในปัจจุบันที่ค่า FY21E P/BV เพียง 1.7x คิดเป็น -1 STD ของค่าเฉลี่ย อย่างไรก็ตาม เนื่องจากยังไม่มีปัจจัยบวกที่จะขับเคลื่อนราคาหุ้น จึงมองว่าโอกาสในการซื้อที่ดีกว่าคือช่วงที่กำไรจะฟื้นตัวในปี 2021E

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Operating profit	6,212	2,468	3,404	4,572
Net profit	6,549	3,845	6,498	4,115
EPS (THB)	2.17	1.19	2.01	1.27
vs Consensus (%)	-	(4.4)	35.6	(18.3)
Core net profit	6,549	2,345	3,063	4,115
Core EPS (THB)	2.17	0.73	0.95	1.27
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	14.2	(66.6)	30.7	34.3
Core P/E (x)	9.5	28.4	21.7	16.2
Dividend yield (%)	5.1	4.9	4.8	4.9
Price/book (x)	1.7	1.8	1.7	1.6
ROE (%)	16.6	6.4	8.1	10.3
ROA (%)	5.9	2.0	2.5	3.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.2)	(17.6)	n/a
Relative to country (%)	(1.3)	(8.5)	n/a
Mkt cap (USD m)	2,107		
3m avg. daily turnover (USD m)	28.4		
Free float (%)	21		
Major shareholder	FIDF (46%)		
12m high/low (THB)	36.25/15.60		
Issued shares (m)	2,120		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

BAM is the largest AMC in Thailand with a market share of 47% as of 2018. We believe BAM will be able to deliver sustainable growth in the long run, since nearly 100% of its portfolio consists of secured distressed assets, for which the asset price will appreciate over time. However, the current economic slowdown and the weak property market have negatively impacted BAM. As a result, its normalised profit is expected to decline by 64% y-y in 2020. Moreover, we expect its 2021 core profit to increase at a slower pace than its peers' at 31% y-y, due to its more conservative distressed asset purchase plan. We believe that since BAM is a large organisation, it will be slower to take advantage of an NPL surge vs its more agile peers.

Therefore, we rank BAM as the least-preferred AMC under our coverage for the next six months.

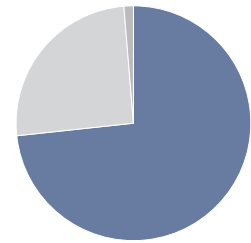
Company profile

BAM was established in 1998 following the financial crisis in Thailand. Its key businesses include the purchase or transfer of non-performing loans (NPLs) and non-performing assets (NPAs) for management or for further disposal or transfer.

www.bam.co.th

Principal activities (revenue, 2019)

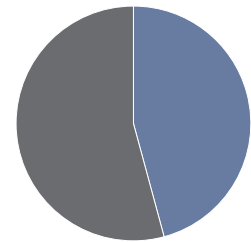
- NPLs management - 73.3 %
- NPAs management - 25.4 %
- Other income - 1.3 %



Source: Bangkok Commercial Asset Mngt.

Major shareholders

- FIDF - 45.8 %
- Others - 54.2 %



Source: Bangkok Commercial Asset Mngt.

Catalyst

Potential catalysts to drive BAM's share price include

- 1) higher-than-expected distressed asset purchases; and
- 2) cash collection from mid- to large-sized NPLs/NPAs.

Risk to our call

Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; 2) lower-than-expected bad debt acquisition; and 3) the prolonged slowdown of the property market.

Event calendar

Date	Event
Mid-of Nov 2020	3Q20 results announcement

Key assumptions

	2020E	2021E	2022E
	(THB m)	(THB m)	(THB m)
Norm profit	2,345	3,063	4,115
<i>Norm profit growth (%)</i>	(64.2)	30.7	34.3
Cash collection	12,244	16,404	19,001
<i>Cash collection ratio (%)</i>	10.0	12.3	13.3
NPL + NPA purchases	13,382	14,947	16,125
<i>NPL + NPA purchase growth (%)</i>	0.2	11.7	7.9

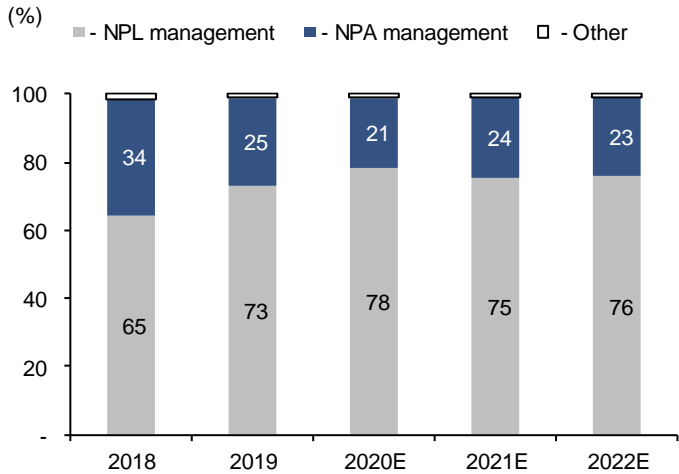
Source: FSSIA estimates

Earnings sensitivity

		----- 2021E -----		
Cash collection ratio	±50bp	11.8	12.3	12.8
<i>% change in net profit</i>		(7.0)	-	7.0
Cost to income	±1ppt	24.7	25.7	26.7
<i>% change in net profit</i>		(4.0)	-	4.0

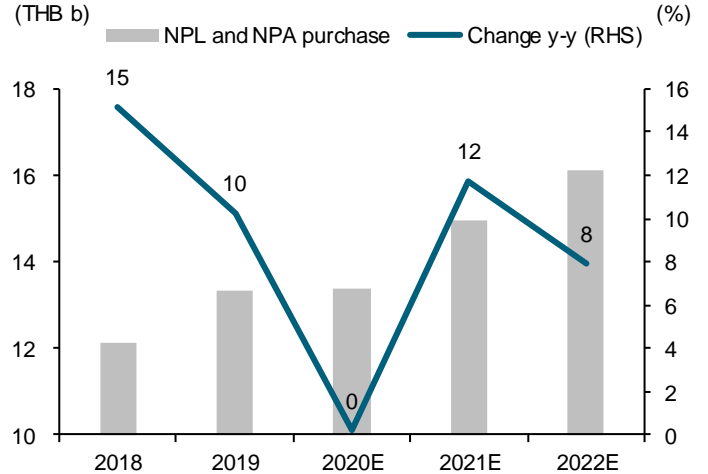
Source: FSSIA estimates

Exhibit 1: Revenue breakdown



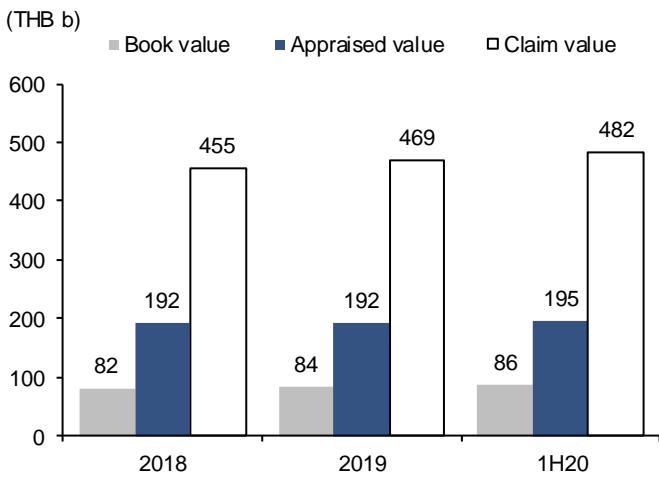
Sources: BAM; FSSIA estimates

Exhibit 2: BAM's distressed asset acquisition is more conservative than its peers



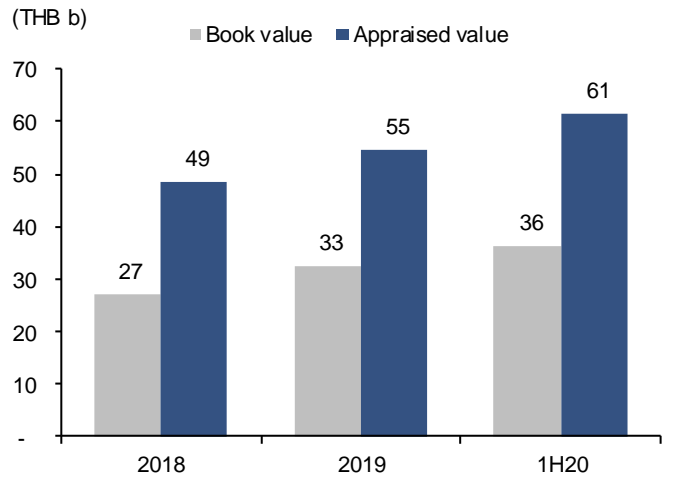
Sources: BAM; FSSIA estimates

Exhibit 3: NPLs outstanding



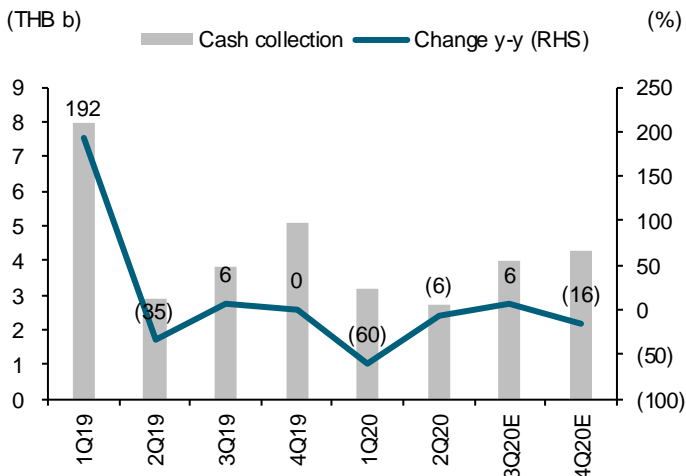
Sources: BAM; FSSIA's compilation

Exhibit 4: NPAs outstanding



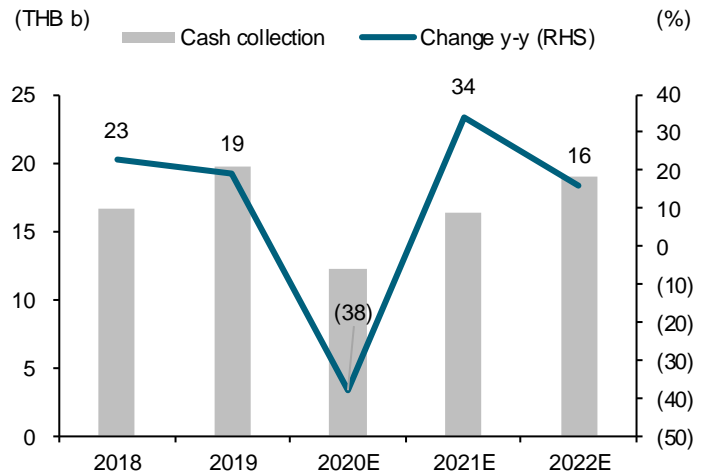
Sources: BAM; FSSIA's compilation

Exhibit 5: Quarterly cash collection trend



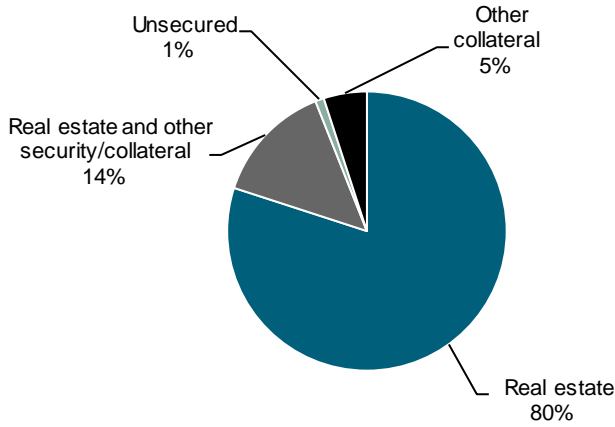
Sources: BAM; FSSIA estimates

Exhibit 6: Yearly cash collection trend



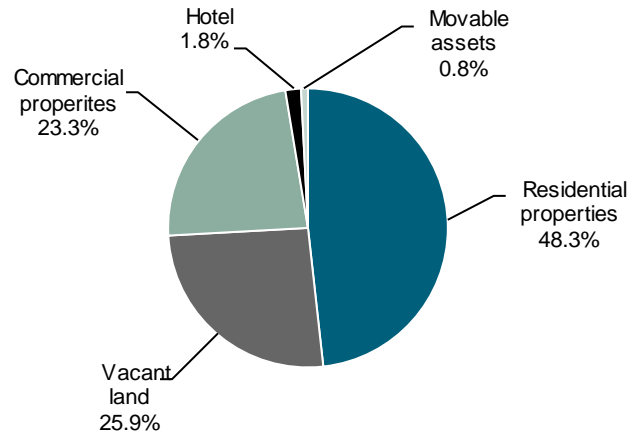
Sources: BAM; FSSIA estimates

Exhibit 7: NPL breakdown by collateral type as of 2Q20



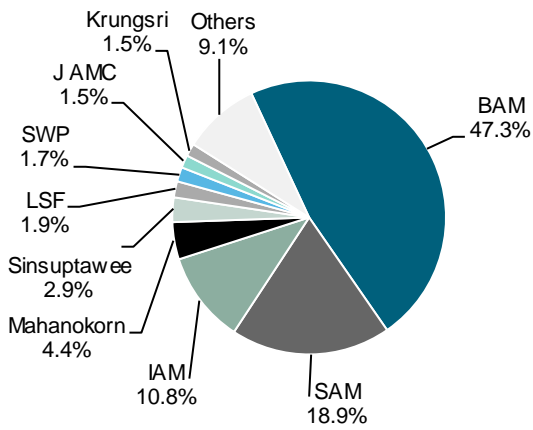
Sources: BAM; FSSIA's compilation

Exhibit 8: NPA breakdown by collateral type as of 2Q20



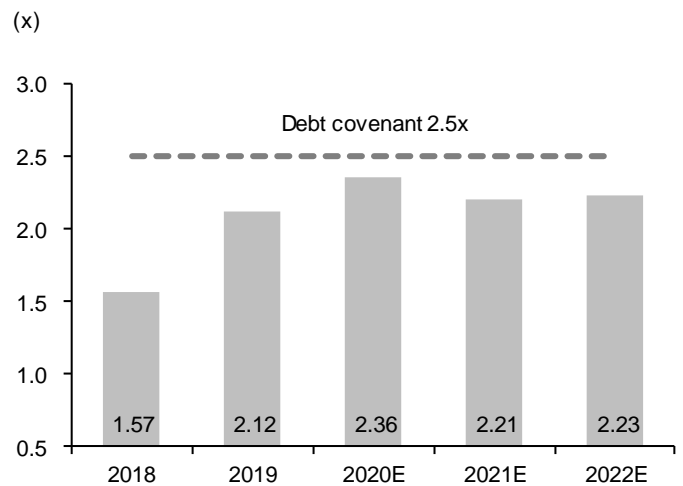
Sources: BAM; FSSIA's compilation

Exhibit 9: AMC's market share by asset size as of 2018



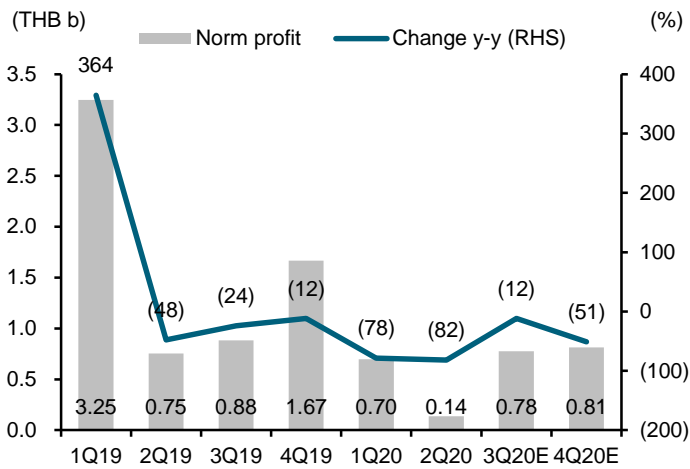
Sources: Ipsos; Company data; FSSIA

Exhibit 10: Tighter D/E ratio than its peers



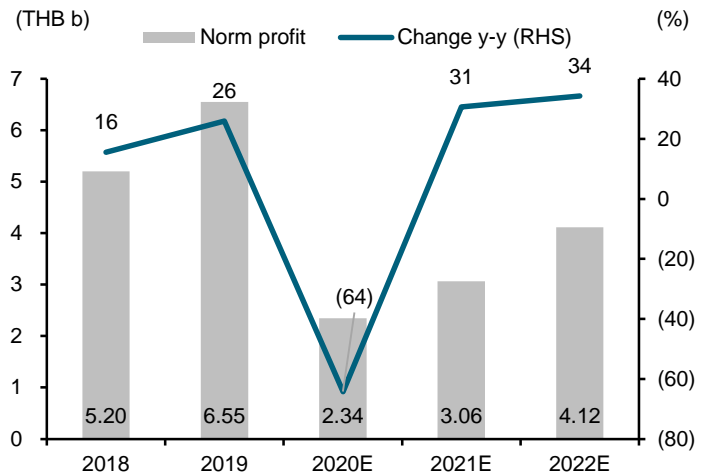
Sources: BAM; FSSIA estimates

Exhibit 11: Quarterly norm profit



Sources: BAM; FSSIA estimates

Exhibit 12: Yearly norm profit



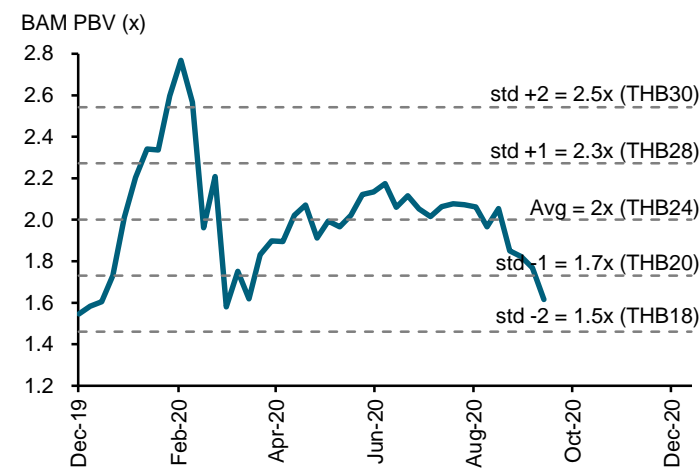
Sources: BAM; FSSIA estimates

Exhibit 13: BAM – GGM-derived target price

Target price	THB 24.0
Recommendation	BUY
Risk-free rate (%)	3.0
Market risk premium (%)	8.0
Cost to equity (%)	7.9
Terminal growth (%)	7.4
ROE target (%)	8.4
Target PBV (x)	2.0
Implied PE (x)	25.3
Implied PEG (x)	0.8
Risk to TP	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; 2) lower-than-expected bad debt acquisition; and 3) the prolonged slowdown of the property market.

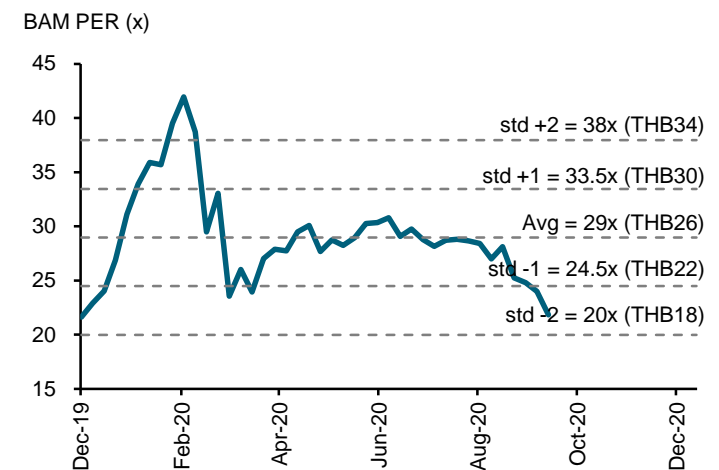
Source: FSSIA estimates

Exhibit 14: BAM – one-year prospective P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 15: BAM – one-year prospective P/E



Sources: Bloomberg; FSSIA estimates

Exhibit 16: BAM – financial statement

Year to Dec	2018	2019	2020E	2021E	2022E
Profit and loss statement	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Interest income					
- Interest income from NPLs	1,857	1,519	5,623	7,376	8,696
- Gain on NPLs (fully amortized)	4,438	7,450	4,062	4,014	4,730
- Instalment sale	89	108	97	110	130
- Interest income from loan	0	0	0	0	0
- Other interest income	30	63	40	41	42
Total interest income	6,414	9,140	9,821	11,541	13,598
Interest expense	1,769	2,132	2,201	2,323	2,379
Net interest income	4,645	7,007	7,619	9,218	11,219
Non-interest income					
- Gain on sale of properties for sale	3,106	2,907	2,369	3,375	3,913
- Gain on instalment sale	115	94	80	92	109
- Service income from debt collection services	0	0	0	0	0
- Net insurance premium	0	0	0	0	0
- Others	116	96	106	114	121
Total non-interest income	3,337	3,096	2,556	3,581	4,143
Total operating income	7,982	10,104	10,175	12,798	15,363
Operating expenses	2,935	3,757	2,743	3,291	3,686
Pre provision operating profit	5,047	6,347	7,432	9,507	11,677
Expected credit loss	(162)	135	4,964	6,103	7,104
Operating profit	5,209	6,212	2,468	3,404	4,572
Income tax expenses	7	(337)	123	340	457
Profit before minority interest	5,202	6,549	2,345	3,063	4,115
Minority	0	0	0	0	0
Normalised profit	5,202	6,549	2,345	3,063	4,115
Extra items	0	0	1,500	3,435	0
Net profit	5,202	6,549	3,845	6,498	4,115
Balance sheet					
Assets					
Cash and cash equivalents	4	5	1,143	784	587
Gross NPLs	81,719	83,622	89,730	95,248	100,338
Add Accrued interest	0	0	0	0	0
Less Allowance for doubtful accounts	(6,285)	(6,247)	(11,031)	(16,944)	(23,848)
NPLs, net	75,434	77,375	78,699	78,304	76,490
Gross NPAs	28,476	34,129	38,559	43,124	47,751
Less/add revaluation of properties for sale/ Deferred gross profit of instalment sale receivables/ accrued interest	(6,648)	(9,082)	(9,036)	(10,149)	(11,283)
Less Allowance for doubtful accounts	(525)	(500)	(554)	(618)	(682)
NPAs, net	21,304	24,548	28,968	32,357	35,786
Gross loan	0	0	0	0	0
Add Accrued interest	0	0	0	0	0
Less Allowance for doubtful accounts	0	0	0	0	0
Loan, net	0	0	0	0	0
Others	10,911	13,862	13,652	15,951	18,100
Total assets	107,653	115,790	122,463	127,396	130,963
Liabilities and Equity					
Interest bearing debt	57,709	75,688	82,878	84,370	86,901
Other	8,095	3,036	3,188	3,347	3,514
Total liabilities	65,804	78,724	86,066	87,717	90,416
Registered share	13,675	15,075	16,160	16,160	16,160
Share premium	0	3,399	6,044	6,044	6,044
Other	(58)	(65)	242	242	242
Retained earnings	28,232	18,657	13,951	17,233	18,101
Total shareholder equity	41,849	37,066	36,397	39,679	40,547
Minority	0	0	0	0	0
Total equity	41,849	37,066	36,397	39,679	40,547
Total liabilities and equity	107,653	115,790	122,463	127,396	130,963

Sources: BAM; FSSIA estimates

Exhibit 17: Key financial highlights

Year to Dec	2018	2019	2020E	2021E	2022E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
NPL and NPA purchases	12,114	13,354	13,382	14,947	16,125
NPL and NPA cash collection	16,569	19,732	12,244	16,404	19,001
Cash collection to gross NPLs and NPAs (%)	15	17	10	12	13
Key financial ratio	(%)	(%)	(%)	(%)	(%)
Liabilities / equity (x)	1.6	2.1	2.4	2.2	2.2
Interest-bearing debt / equity (x)	1.4	2.0	2.3	2.1	2.1
ROA (%)	5.0	5.9	3.2	5.2	3.2
ROE (%)	12.5	16.6	6.4	8.1	10.3
Cost of funds (%)	3.1	3.2	2.8	2.8	2.8
Cost to income (%)	36.8	37.2	27.0	25.7	24.0
Change y-y	(%)	(%)	(%)	(%)	(%)
NPL	2.4	2.3	7.3	6.1	5.3
NPA (including instalment sale for BAM)	17.1	19.9	13.0	11.8	10.7
Net profit	15.6	25.9	(41.3)	69.0	(36.7)
NPL and NPA purchase	15.1	10.2	0.2	11.7	7.9
NPL and NPA cash collection	22.6	19.1	(37.9)	34.0	15.8

Sources: BAM; FSSIA estimates

Exhibit 18: Peers comparison as of 2 Oct 2020

Company	BBG	Rec	---Share price---		Up side	-EPS growth-		----- PE -----		-- DivYld --		---- ROE ----		---- PBV ----	
			Current (THB)	Target (THB)		20E (%)	21E (%)	20E (x)	21E (x)	20E (%)	21E (%)	20E (%)	21E (%)	20E (x)	21E (x)
Bangkok Commercial AM.	BAM TB	BUY	20.60	24.00	17	(66.6)	30.7	28.4	21.7	4.9	4.8	6.4	8.1	1.8	1.7
Chayo Group	CHAYO TB	BUY	8.15	9.70	19	16.7	31.9	39.6	30.0	0.0	0.0	12.0	11.7	3.9	3.1
JMT Network Services	JMT TB	BUY	34.75	42.00	21	15.9	35.4	38.9	28.8	1.5	2.2	18.8	18.2	5.6	4.7
Coverage of AMC						14.5	23.8	21.8	17.7	0.7	0.8	26.9	26.5	5.3	4.2

Sources: Bloomberg; FSSIA estimates

Corporate Governance

Board structure

Number of Independent Directors (ID)	4/10
Percentage of IDs on the board	40%
ID participation/attendance at board meetings	100%
ID participation in audit/remuneration committees	Four in audit and one in remuneration
ID terms (years of service, re-election/replacement procedures)	After every annual general meeting of the Board of Directors, one-third of the Board of Directors (1/3) must vacate their offices. Members who hold their offices for the longest must vacate their offices first. Members who already vacate their office can be re-nominated and re-elected.

Source: BAM

Additional comments: None

Audit Practices

Auditor	State Audit Office of the Kingdom of Thailand
Length of service	Since establishing in 1999
Reporting incidents	None
Fee track record	THB2.4m in 2019 and THB2.1m in 2018
Policy on change of Audit firm	None

Source: BAM

Additional comments: None

Compensation and remuneration

Directors' remuneration vs earnings/ROE/share performance	In 2019, THB7.77m vs net profit of THB6,549.30m or 0.12% of net profit
Changes/stability in senior management	Stable
Incidents of termination of senior management	None
Track record on Insider sales	From 2019 to date, there were 130,000 shares bought by board members at an average THB17.97/share (0.072% of outstanding shares)

Source: BAM

Additional comments: None

Shareholders' rights

Communication - shareholder participation in AGMs/EGMs	AGM once a year
Related party transactions	None
Voting issues - policies, incidents of rejected proposals	None

Source: BAM

Additional comments: None

Financial Statements

Bangkok Commercial Asset Mngt.

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Interest Income	6,414	9,140	9,821	11,541	13,598
Interest expense	(1,769)	(2,132)	(2,201)	(2,323)	(2,379)
Net interest income	4,645	7,007	7,619	9,218	11,219
Net fees & commission	-	-	-	-	-
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	37	38	42	44	44
Other income	3,300	3,058	2,514	3,537	4,099
Non interest income	3,337	3,096	2,556	3,581	4,143
Total income	7,982	10,104	10,175	12,798	15,363
Staff costs	-	-	-	-	-
Other operating costs	(2,935)	(3,757)	(2,743)	(3,291)	(3,686)
Operating costs	(2,935)	(3,757)	(2,743)	(3,291)	(3,686)
Pre provision operating profit	5,047	6,347	7,432	9,507	11,677
Provision for bad and doubtful debt	162	(135)	(4,964)	(6,103)	(7,104)
Other provisions	-	-	-	-	-
Operating profit	5,209	6,212	2,468	3,404	4,572
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	1,500	3,435	0
Profit before tax	5,209	6,212	3,968	6,839	4,572
Tax	(7)	337	(123)	(340)	(457)
Profit after tax	5,202	6,549	3,845	6,498	4,115
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	5,202	6,549	3,845	6,498	4,115
Non recurring items & goodwill (net)	-	-	(1,500)	(3,435)	0
Recurring net profit	5,202	6,549	2,345	3,063	4,115
Per share (THB)					
Recurring EPS *	1.90	2.17	0.73	0.95	1.27
Reported EPS	1.90	2.17	1.19	2.01	1.27
DPS	1.61	1.05	1.00	1.00	1.00
Growth					
Net interest income (%)	18.6	50.9	8.7	21.0	21.7
Non interest income (%)	59.8	(7.2)	(17.5)	40.1	15.7
Pre provision operating profit (%)	44.9	25.7	17.1	27.9	22.8
Operating profit (%)	15.5	19.2	(60.3)	37.9	34.3
Reported net profit (%)	15.6	25.9	(41.3)	69.0	(36.7)
Recurring EPS (%)	15.6	14.2	(66.6)	30.7	34.3
Reported EPS (%)	15.6	14.2	(45.2)	69.0	(36.7)
Income Breakdown					
Net interest income (%)	58.2	69.4	74.9	72.0	73.0
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	0.5	0.4	0.4	0.3	0.3
Other income (%)	41.3	30.3	24.7	27.6	26.7
Operating performance					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	3.09	3.20	2.78	2.78	2.78
Net interest spread (%)	(3.09)	(3.20)	(2.78)	(2.78)	(2.78)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	36.8	37.2	27.0	25.7	24.0
Cost/assets(%)	2.8	3.4	2.3	2.6	2.9
Effective tax rate (%)	0.1	(5.4)	3.1	5.0	10.0
Dividend payout on recurring profit (%)	84.6	48.3	137.7	105.0	78.9
ROE (%)	12.5	16.6	6.4	8.1	10.3
ROE - COE (%)	1.7	5.8	(4.4)	(2.7)	(0.5)
ROA (%)	5.0	5.9	2.0	2.5	3.2
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Bangkok Commercial Asset Mngt.; FSSIA estimates

Financial Statements

Bangkok Commercial Asset Mngt.

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Gross customer loans	81,719	83,622	89,730	95,248	100,338
Total provisions	(6,285)	(6,247)	(11,031)	(16,944)	(23,848)
interest in suspense	0	0	0	0	0
Net customer loans	75,434	77,375	78,699	78,304	76,490
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	94	70	74	77	81
Cash & equivalents	4	5	1,143	784	587
Other interesting assets	22,336	25,927	30,416	33,877	37,382
Tangible fixed assets	1,252	1,243	1,268	1,293	1,319
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	8,534	11,170	10,863	13,060	15,103
Total assets	107,653	115,790	122,463	127,396	130,963
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	57,709	75,688	82,878	84,370	86,901
Non interest bearing liabilities	8,095	3,036	3,188	3,347	3,514
Hybrid Capital	-	-	-	-	-
Total liabilities	65,804	78,724	86,066	87,717	90,416
Share capital	13,675	15,075	16,160	16,160	16,160
Reserves	28,174	21,991	20,237	23,518	24,387
Total equity	41,849	37,066	36,397	39,679	40,547
Minority interests	0	0	0	0	0
Total liabilities & equity	107,653	115,790	122,463	127,396	130,963
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	n/a	n/a	n/a	n/a	n/a
Average interest bearing liabilities	57,289	66,699	79,283	83,624	85,636
Tier 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	n/a	n/a	n/a	n/a	n/a
Per share (THB)					
Book value per share	15.30	12.29	11.26	12.28	12.55
Tangible book value per share	15.30	12.29	11.26	12.28	12.55
Growth					
Gross customer loans	2.4	2.3	7.3	6.1	5.3
Average interest earning assets	-	-	-	-	-
Total asset (%)	7.7	7.6	5.8	4.0	2.8
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	38.9	32.0	29.7	31.1	31.0
Tangible equity/assets (%)	38.9	32.0	29.7	31.1	31.0
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Total provisions/gross loans (%)	7.7	7.5	12.3	16.9	23.8
Total provisions/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	10.8	9.5	28.4	21.7	16.2
Recurring P/E @ target price (x) *	12.6	11.0	33.1	25.3	18.9
Reported P/E (x)	10.8	9.5	17.3	10.2	16.2
Dividend yield (%)	84.6	48.3	137.7	105.0	78.9
Price/book (x)	1.3	1.7	1.8	1.7	1.6
Price/tangible book (x)	1.3	1.7	1.8	1.7	1.6
Price/tangible book @ target price (x)	1.6	2.0	2.1	2.0	1.9

Sources: Bangkok Commercial Asset Mngt.; FSSIA estimates

Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GGP	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					
VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANA
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENDEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KGI	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PNR	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMP	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIIK	XO	YUASA	ZEN	ZMICO						
GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						
Score Range	Number of Logo					Description				
90-100						Excellent				
80-89						Very Good				
70-79						Good				
60-69						Satisfactory				
50-59						Pass				
Less than 50	No logo given					-				

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator

CERTIFIED										
ADVANC	AIE	AKP	AMANAHA	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIIK
DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

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ANALYST(S) CERTIFICATION

Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Commercial Asset Mngt.	BAM TB	THB 20.60	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; 2) lower-than-expected bad debt acquisition; and 3) the prolonged slowdown of the property market.
Chayo Group	CHAYO TB	THB 8.15	BUY	Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses.
JMT Network Services	JMT TB	THB 34.75	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; and 2) the lower-than-expected acquisition of new bad debt.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 2 Oct 2020 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.