

3 AUGUST 2021

THAILAND / ASSET MANAGEMENT COMPANIES

BANGKOK COMMERCIAL ASSET MNGT.

BAM TB

BUY
UNCHANGED

TARGET PRICE	THB19.40
CLOSE	THB16.00
UP/DOWNSIDE	+21.3%
PRIOR TP	THB20.60
CHANGE IN TP	-5.8%
TP vs CONSENSUS	-6.3%

กำไรดีในระยะสั้น แต่ความท้าทายรออยู่

ฟื้นตัวดีใน 2Q21 จากสินทรัพย์ด้อยคุณภาพ (NPA) ที่มีในมือจำนวนมาก

เราคาดว่า BAM จะรายงานกำไรสุทธิ 2Q21 ในระดับสูงถึง 772 ลบ. (+471% y-y, +212% q-q) ธุรกิจสินเชื่อด้อยคุณภาพ (NPL) น่าจะรายงานผลประกอบการที่อ่อนแอจากการหยุดให้บริการของกรมบังคับคดี (LED) อย่างไรก็ดีปัจจัยดังกล่าวอาจทดแทนได้เต็มจำนวนจากธุรกิจ NPA ที่ดี ในระหว่างไตรมาสบริษัท รับรู้รายได้เป็นจำนวนมากจากการขาย NPA ใน 4Q20 แต่แยกรับรู้เป็นรายได้ใน 2 ไตรมาสกล่าวคือใน 4Q20 และ 2Q21 ไตรมาสละ 450 ลบ. นอกจากนี้จากข้อมูลของผู้บริหาร BAM ยังสามารถสรุปปิดการขาย NPA ขนาดเล็กและขนาดกลางได้ด้วย ปัจจัยบวกดังกล่าวอาจช่วยชดเชยธุรกิจ NPL ที่อ่อนแอต่อเนื่อง ดังนั้นเราจึงคาดว่าจะการรับชำระหนี้ (CC) จะอยู่ในระดับดีใน 2Q21 โดยอยู่ที่ 4.3 พัน ลบ. (+57% y-y, +44% q-q)

ผลประกอบการจะอ่อนแอลงในไตรมาสข้างหน้า

เราคาดว่าผลประกอบการของ BAM จะแยกลงใน 3Q21 ในสภาวะเศรษฐกิจที่อ่อนแอ เราคาดว่า การขาย NPL และ NPA จะชะลอตัวในกลุ่มค้าปลีก นอกจากนี้เรายังมองว่าเป็นเรื่องยากที่จะปิดการขายสินทรัพย์ขนาดกลางและใหญ่ เนื่องจากนักลงทุนอาจเลือกที่จะเก็บเงินสด ผลประกอบการอาจดีขึ้นหลังเศรษฐกิจกลับมาเปิดตัว ซึ่งอาจอยู่ใน 4Q21

กิจการร่วมค้าไม่一定会ประสบความสำเร็จในระยะสั้นถึงกลาง

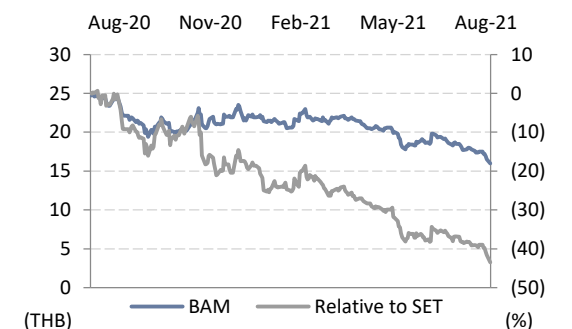
เพื่อปลดข้อจำกัดในด้านแนวโน้มการเติบโต BAM กำลังหารือกับที่ปรึกษาทางการเงินเพื่อจัดตั้งบริษัทแม่ ซึ่งจะทำให้บริษัท มีความยืดหยุ่นมากขึ้นในการขยายธุรกิจ นอกจากนี้ บริษัท ยังวางแผนจัดตั้งกิจการร่วมค้ากับธนาคารเพื่อซื้อสินทรัพย์ด้อยคุณภาพเพื่อปลดข้อจำกัดในด้านรอบ CC ที่ยาวและสัดส่วนหนี้สินต่อทุน แผนดังกล่าวอาจมีความชัดเจนได้ใน 4Q21 อย่างไรก็ตามเราคิดว่า BAM ไม่น่าจะจัดตั้งกิจการร่วมค้ากับธนาคารได้ในระยะสั้นถึงกลาง เนื่องจากโครงการบรรเทาหนี้ ทำให้ NPL ของธนาคารเพิ่มขึ้นอย่างไม่มีนัยสำคัญ ธนาคารส่วนมากจึงเลือกที่จะบริหาร NPL ด้วยตนเอง ทำให้เราเห็นว่าปัจจัยบวกน้อยที่จะผลักดันแนวโน้มการเติบโตในระยะกลาง

แนวโน้มระยะกลางอ่อนแอพร้อมมีปัจจัยบวกน้อยที่จะผลักดันราคาหุ้น

เราปรับลดประมาณการกำไรสุทธิปี 2021-23 ลง 5%/13%/8% ตามลำดับส่วนมากเพื่อสะท้อนธุรกิจ NPL ที่อ่อนแอ เราปรับการประเมินมูลค่าไปในปี 2022 และได้ราคาเป้าหมายที่ 19.4 บาท (GGM) แม้เราจะคาดว่ากำไรสุทธิ 2Q21 ของบริษัท จะดีกว่ากลุ่มฯ เราเชื่อว่า BAM จะได้รับผลกระทบจากปัญหาการชะลอตัวในตลาดที่อยู่อาศัย นอกจากนี้ด้วยขนาดของสินทรัพย์ด้อยคุณภาพที่ใหญ่ โอกาสที่ลูกหนี้จะเลื่อนการชำระหนี้จึงมีสูง ซึ่งทำให้ BAM ยังเป็นหุ้น AMC ที่เราชอบน้อยที่สุดในระยะกลาง

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	2,196	2,611	3,599	4,388
Net profit	1,841	2,089	2,879	3,510
EPS (THB)	0.57	0.65	0.89	1.09
vs Consensus (%)	-	(16.2)	(16.4)	(17.7)
Core net profit	1,841	2,089	2,879	3,510
Core EPS (THB)	0.57	0.65	0.89	1.09
Chg. In EPS est. (%)	-	(4.5)	(12.6)	(7.9)
EPS growth (%)	(73.8)	13.5	37.8	21.9
Core P/E (x)	28.1	24.8	18.0	14.7
Dividend yield (%)	3.2	3.4	4.7	5.8
Price/book (x)	1.2	1.1	1.1	1.0
ROE (%)	4.4	4.8	6.2	7.1
ROA (%)	1.5	1.6	2.1	2.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(13.5)	(22.3)	(35.0)
Relative to country (%)	(10.5)	(19.4)	(43.3)
Mkt cap (USD m)	1,570		
3m avg. daily turnover (USD m)	10.1		
Free float (%)	21		
Major shareholder	FIDF (46%)		
12m high/low (THB)	25.50/15.80		
Issued shares (m)	3,232		

Sources: Bloomberg consensus; FSSIA estimates



Yuvanart Suwanumphai

 yuvanart.suw@fssia.com
+66 2611 3554

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 3 สิงหาคม 2021

Investment thesis

BAM is the largest asset management company (AMC) in Thailand. 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. 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. As a result, we expect BAM to deliver weaker performance than its peers in 2021.

We, therefore, rank BAM as our least-preferred AMC in the medium term.

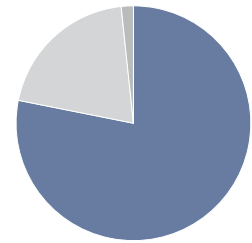
Company profile

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, 2020)

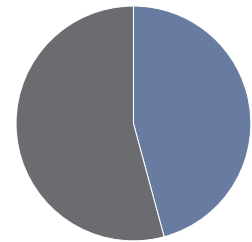
- NPLs management - 78.1 %
- NPAs management - 20.2 %
- Other income - 1.7 %



Source: Bangkok Commercial Asset Mngt.

Major shareholders

- FIDF - 45.8 %
- Others - 54.2 %



Source: Bangkok Commercial Asset Mngt.

Catalysts

Potential catalysts to drive BAM's share price include:

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

Risks 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
11 Aug 2021	2Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(THB m)	(THB m)	(THB m)
Norm profit	2,089	2,879	3,510
<i>Norm profit growth (%)</i>	13.5	37.8	21.9
Cash collection	13,140	14,326	17,500
<i>Cash collection ratio (%)</i>	10.2	10.4	11.9
NPL + NPA purchases	10,745	12,427	13,272
<i>NPL + NPA purchase growth (%)</i>	(8.5)	15.7	6.8

Source: FSSIA estimates

Earnings sensitivity

		----- 2021E -----		
Cash collection ratio	±50bp	9.7	10.2	10.7
% change in net profit		(7.0)	-	7.0
Cost to income	±1ppt	24.6	25.6	26.6
% change in net profit		(4.0)	-	4.0

Source: FSSIA estimates

Strong recovery in 2Q21 due to a large NPA backlog

We estimate that BAM will post a strong 2Q21 net profit of THB772m (+471% y-y, +212% q-q). We expect its non-performing loan (NPL) business to deliver soft performance due to the closure of the LED and the partial nationwide lockdown, leading to slow property sales. However, this could be completely offset by its solid non-performing asset (NPA) business. There was a large revenue realisation of NPAs, which was sold in 4Q20 but separately recognised as revenue in two quarters in 4Q20 and 2Q21 at THB450m each. Moreover, BAM was able to settle some small to mid-size NPA sales, according to management. These positives might offset the continued weak NPL business. Thus, we expect stronger CC in 2Q21 at THB4.3b (+57% y-y, +44% q-q), in line with the company's target.

Regarding its NPL acquisitions, BAM is still applying a wait-and-see strategy. Thus, we expect BAM to conservatively purchase NPLs amounting to only cTHB400m in 2Q21.

Exhibit 1: BAM – 2Q21E results preview

	2Q20	1Q21	2Q21E			1H21E			2021E	2Q21E Comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)	%21E	(THB m)	
Interest income										
- Interest income from NPLs	1,446	1,488	1,342	(7)	(10)	2,830	(2)	46	6,199	
- Gain on NPLs+	755	595	654	(13)	10	1,249	(47)	46	2,688	
- Instalment sale	23	31	19	(15)	(37)	50	10	35	145	
- Other interest income	1	22	1	(28)	(97)	23	(29)	8	272	
Total interest income	2,225	2,136	2,017	(9)	(6)	4,152	(22)	45	9,304	
Interest expense	582	615	601	3	(2)	1,216	5	50	2,438	
Net interest income	1,643	1,520	1,416	(14)	(7)	2,936	(29)	43	6,866	
Non-interest income										
- Gain on properties for sale	434	597	1,303	200	118	1,901	188	55	3,486	Revenue recognition of a large backlog of NPAs
- Gain on instalment sale	20	36	24	20	(32)	60	97	50	121	
- Others	21	11	23	10	111	33	18	38	87	
Total non-interest income	475	644	1,350	184	110	1,994	177	54	3,693	
Total operating income	2,119	2,165	2,766	31	28	4,931	1	47	10,559	
Operating expenses	622	599	666	7	11	1,265	(3)	47	2,706	
Pre provision operating profit	1,496	1,566	2,100	40	34	3,666	3	47	7,853	
Expected credit loss	1,376	1,253	1,142	(17)	(9)	2,395	(10)	46	5,242	
Operating profit	120	312	959	699	207	1,271	44	49	2,611	
Income tax expenses	(15)	65	187	nm	186	252	206	48	522	
Profit before minority interest	135	247	772	471	212	1,019	27	49	2,089	
Minority	0	0	0	nm	nm	0	nm	nm	0	
Normalised profit	135	247	772	471	212	1,019	27	49	2,089	
Extra items	0	0	0	nm	nm	0	nm	nm	0	
Net profit	135	247	772	471	212	1,019	27	49	2,089	
Key financial highlights	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)		(THB m)	
Gross NPLs outstanding	86,112	84,377	82,858	(4)	(2)	82,858			89,025	
Gross NPAs outstanding	38,017	39,613	40,738	7	3	40,738			44,822	
NPL & NPA purchases	1,662	333	400	(76)	20	733	(90)		10,745	Conservative acquisition of new NPLs
NPL & NPA cash collection	2,723	2,965	4,283	57	44	7,248	23		13,140	Strong CC from NPA business
Cash collection/NPL & NPA (%)	8.8	9.5	13.8						10.2	
Key financial ratio										
Liabilities/equity (x)	2.3	2.0	1.8						2.0	
Interest-bearing debt/equity (x)	2.2	1.9	1.8						2.0	
ROA (%)	0.5	0.8	2.5						1.6	
ROE (%)	1.5	2.4	7.3						4.8	
Cost of funds (%)	3.0	2.9	3.1						2.7	
Cost to income (%)	29.4	27.7	24.1						25.6	

+ Fully amortised;

Sources: BAM; FSSIA estimates

Exhibit 2: Quarterly cash collection target



Source: BAM

Net profit and target price revisions

We lower our 2021-23 net profit forecasts by 5%/13%/8%, mainly to reflect the lower-than-expected interest income from NPLs and gain on NPLs (revenue from fully amortised portfolio) due to the prolonged pandemic and the closure of the LED. The key changes in our assumptions are for 1) interest income from NPLs; 2) gains on NPLs; and 3) gains on NPAs.

- 1) We revise down our assumptions on interest income from NPLs by 10%/11%/5% in 2021-23 to reflect the closure of the LED in 1Q-3Q21 and the continued weak property market and bleak economic outlook, resulting in a slower-than-expected recovery of its NPL business.
- 2) We revise down our 2021-23 gain on NPL assumptions by 6%/3%/2%. BAM's gain on NPLs was weak in 1Q21. We believe one of the reasons for this was its pricing strategy to increase its sales volume. BAM continues to use this pricing strategy. We, therefore, expect its gain on NPLs to be at a lower level than normal in the upcoming quarters.
- 3) However, we revise up our gain on NPA assumptions for 2021-23 by 21%/2%/1% due to the better-than-expected mid-size NPA settlements.

Exhibit 3: Change of key assumptions

	-----2021E-----			-----2022E-----			-----2023E-----		
	Old	New	Change	Old	New	Change	Old	New	Change
	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)
Interest income	10,160	9,304	(8.4)	12,377	11,396	(7.9)	13,131	12,679	(3.4)
- Interest income from NPLs	6,883	6,199	(9.9)	8,492	7,600	(10.5)	8,356	7,977	(4.5)
- Gain on NPLs (fully amortised)	2,860	2,688	(6.0)	3,456	3,366	(2.6)	4,376	4,301	(1.7)
- Other	417	417	0.0	429	430	0.1	400	400	0.2
Interest expense	2,522	2,438	(3.3)	2,660	2,578	(3.1)	2,881	2,747	(4.7)
Net interest income	7,637	6,866	(10.1)	9,717	8,818	(9.3)	10,251	9,933	(3.1)
Non-interest income	3,089	3,693	19.6	3,985	4,068	2.1	4,087	4,137	1.2
- Gain on sale of properties for sale	2,881	3,486	21.0	3,765	3,847	2.2	3,841	3,890	1.3
- Other	208	208	0.0	220	221	0.2	246	247	0.4
Total operating income	10,726	10,559	(1.6)	13,702	12,886	(6.0)	14,337	14,069	(1.9)
Operating expense	2,844	2,706	(4.9)	3,186	3,031	(4.9)	3,504	3,334	(4.9)
Pre-operating profit before tax	7,882	7,853	(0.4)	10,516	9,855	(6.3)	10,833	10,735	(0.9)
Expected credit loss	5,147	5,242	1.8	6,399	6,256	(2.2)	6,070	6,347	4.6
Taxes expenses	547	522	(4.5)	823	720	(12.6)	953	878	(7.9)
Minority interest									
Norm. profit	2,188	2,089	(4.5)	3,294	2,879	(12.6)	3,810	3,510	(7.9)
Extraordinary items	0	0		0	0		0	0	
Net profit	2,188	2,089	(4.5)	3,294	2,879	(12.6)	3,810	3,510	(7.9)
EPS (THB)	0.68	0.65	(4.5)	1.02	0.89	(12.6)	1.18	1.09	(7.9)
Key statistic and ratio									
Leverage ratios (x)									
Liabilities / equity	2.0	2.0		2.1	2.0		1.8	1.7	
Interest-bearing debt / equity	2.0	2.0		2.1	2.0		1.8	1.7	
Profitability ratio (%)									
Cost of funds	2.8	2.7		2.8	2.8		3.0	3.0	
Cost to income	26.5	25.6		23.3	23.5		24.4	23.7	
Specific data for business									
NPL and NPA purchases (THB m)	13,173	10,745	(18.4)	14,190	12,427	(12.4)	15,158	13,272	(12.4)
NPL and NPA cash collection (THB m)	13,847	13,140	(5.1)	15,410	14,326	(7.0)	18,369	17,500	(4.7)
Cash collection to gross NPLs and NPAs (%)	10.7	10.2		11.0	10.4		12.2	11.9	
Change y-y (%)									
Core profit (y-y %)	18.9	13.5		50.6	37.8		15.7	21.9	
NPL and NPA purchases (y-y %)	12.1	(8.5)		7.7	15.7		6.8	6.8	

NPL and NPA cash collection (y-y %)	5.4	0.1		11.3	9.0		19.2	22.2	
-------------------------------------	-----	-----	--	------	-----	--	------	------	--

Sources: BAM; FSSIA estimates

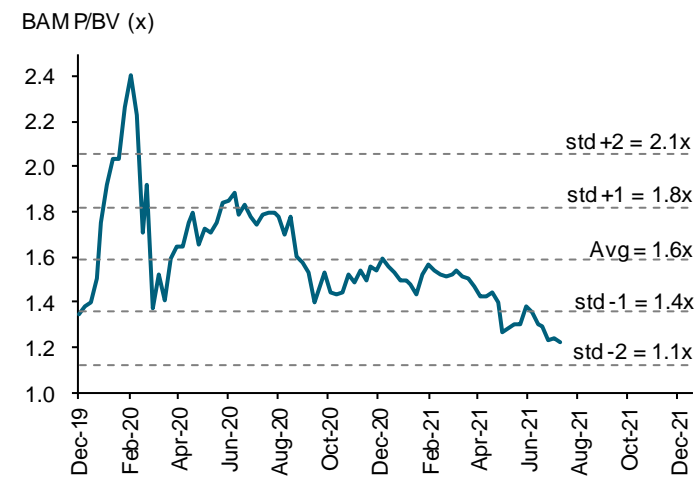
We roll forward our GGM-based TP to 2022, deriving a TP of THB19.4 from THB20.6, as we cut our target 2022 P/BV to 1.3x from 1.4x 2021E P/BV to reflect our ROE decrease to 7.1% from 7.2% and long-term growth to 6.4% from 6.6%.

Exhibit 4: BAM – GGM-derived target price

Target price	THB 19.4 (from 20.6)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Terminal growth (%)	6.4 (from 6.6)
ROE target (%)	7.1 (from 7.2)
Target PBV (x)	1.3 (from 1.4)
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.

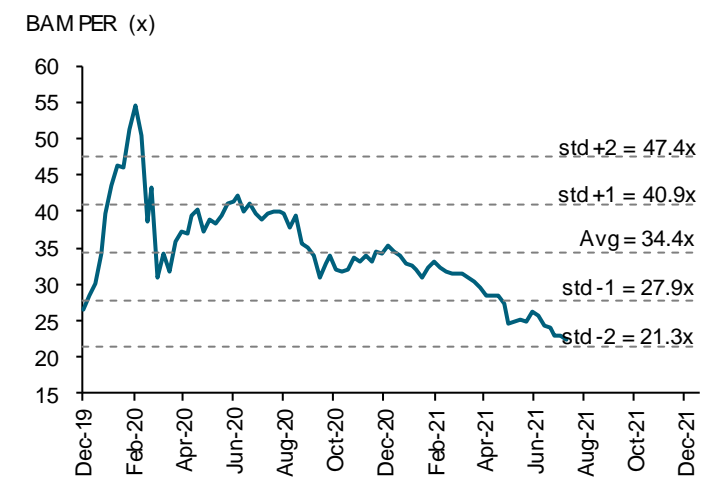
Source: FSSIA estimates

Exhibit 5: BAM – one-year prospective P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 6: BAM – one-year prospective P/E



Sources: Bloomberg; FSSIA estimates

Financial Statements

Bangkok Commercial Asset Mngt.

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	9,140	9,946	9,304	11,396	12,679
Interest expense	(2,132)	(2,391)	(2,438)	(2,578)	(2,747)
Net interest income	7,007	7,555	6,866	8,818	9,933
Net fees & commission	-	-	-	-	-
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	38	0	0	0	0
Other income	3,058	2,498	3,693	4,068	4,137
Non interest income	3,096	2,498	3,693	4,068	4,137
Total income	10,104	10,053	10,559	12,886	14,069
Staff costs	-	-	-	-	-
Other operating costs	(3,757)	(2,658)	(2,706)	(3,031)	(3,334)
Operating costs	(3,757)	(2,658)	(2,706)	(3,031)	(3,334)
Pre provision operating profit	6,347	7,395	7,853	9,855	10,735
Provision for bad and doubtful debt	(135)	(5,199)	(5,242)	(6,256)	(6,347)
Other provisions	-	-	-	-	-
Operating profit	6,212	2,196	2,611	3,599	4,388
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	4,130	0	0	0	0
Profit before tax	10,342	2,196	2,611	3,599	4,388
Tax	337	(355)	(522)	(720)	(878)
Profit after tax	10,679	1,841	2,089	2,879	3,510
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	10,679	1,841	2,089	2,879	3,510
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	6,549	1,841	2,089	2,879	3,510
Per share (THB)					
Recurring EPS *	2.17	0.57	0.65	0.89	1.09
Reported EPS	3.54	0.57	0.65	0.89	1.09
DPS	1.05	0.51	0.55	0.76	0.92
Growth					
Net interest income (%)	50.9	7.8	(9.1)	28.4	12.6
Non interest income (%)	(7.2)	(19.3)	47.9	10.1	1.7
Pre provision operating profit (%)	25.7	16.5	6.2	25.5	8.9
Operating profit (%)	19.2	(64.7)	18.9	37.8	21.9
Reported net profit (%)	105.3	(82.8)	13.5	37.8	21.9
Recurring EPS (%)	14.2	(73.8)	13.5	37.8	21.9
Reported EPS (%)	86.2	(83.9)	13.5	37.8	21.9
Income Breakdown					
Net interest income (%)	69.4	75.2	65.0	68.4	70.6
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	0.4	-	-	-	-
Other income (%)	30.3	24.8	35.0	31.6	29.4
Operating performance					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	3.20	2.93	2.74	2.78	2.96
Net interest spread (%)	(3.20)	(2.93)	(2.74)	(2.78)	(2.96)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	37.2	26.4	25.6	23.5	23.7
Cost/assets(%)	3.3	2.1	2.0	2.2	2.3
Effective tax rate (%)	(3.3)	16.2	20.0	20.0	20.0
Dividend payout on recurring profit (%)	48.3	90.0	85.0	85.0	85.0
ROE (%)	15.8	4.4	4.8	6.2	7.1
ROE - COE (%)	5.0	(6.4)	(6.0)	(4.6)	(3.7)
ROA (%)	5.8	1.5	1.6	2.1	2.5
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	2019	2020	2021E	2022E	2023E
Gross customer loans	83,622	85,922	89,025	93,298	98,278
Total provisions	(6,247)	(13,243)	(16,704)	(21,094)	(25,476)
interest in suspense	0	5,047	5,342	5,598	5,897
Net customer loans	77,375	77,726	77,663	77,802	78,699
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	70	451	474	498	522
Cash & equivalents	5	5	95	8	54
Other interesting assets	25,927	36,514	41,646	45,437	48,918
Tangible fixed assets	1,243	1,190	1,197	1,221	1,245
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	15,299	16,183	15,254	16,938	13,999
Total assets	119,920	132,069	136,329	141,903	143,439
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	75,688	87,421	90,218	95,361	90,402
Non interest bearing liabilities	3,036	2,852	0	0	0
Hybrid Capital	-	-	-	-	-
Total liabilities	78,724	90,273	90,218	95,361	90,402
Share capital	15,075	16,160	16,160	16,160	16,160
Reserves	26,121	25,637	29,950	30,382	36,876
Total equity	41,196	41,797	46,110	46,542	53,037
Minority interests	0	0	0	0	0
Total liabilities & equity	119,920	132,070	136,329	141,903	143,439
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	66,699	81,555	88,820	92,790	92,882
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	13.66	12.93	14.27	14.40	16.41
Tangible book value per share	13.66	12.93	14.27	14.40	16.41
Growth					
Gross customer loans	2.3	2.8	3.6	4.8	5.3
Average interest earning assets	-	-	-	-	-
Total asset (%)	11.4	10.1	3.2	4.1	1.1
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	34.4	31.6	33.8	32.8	37.0
Tangible equity/assets (%)	34.4	31.6	33.8	32.8	37.0
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Total provisions/gross loans (%)	7.5	15.4	18.8	21.5	25.9
Total provisions/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	7.4	28.1	24.8	18.0	14.7
Recurring P/E @ target price (x) *	8.9	34.1	30.0	21.8	17.9
Reported P/E (x)	4.5	28.1	24.8	18.0	14.7
Dividend yield (%)	6.6	3.2	3.4	4.7	5.8
Price/book (x)	1.2	1.2	1.1	1.1	1.0
Price/tangible book (x)	1.2	1.2	1.1	1.1	1.0
Price/tangible book @ target price (x)	1.4	1.5	1.4	1.3	1.2

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Bangkok Commercial Asset Mngt.; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL

AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL

2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIIK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL

7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	HL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

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 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd

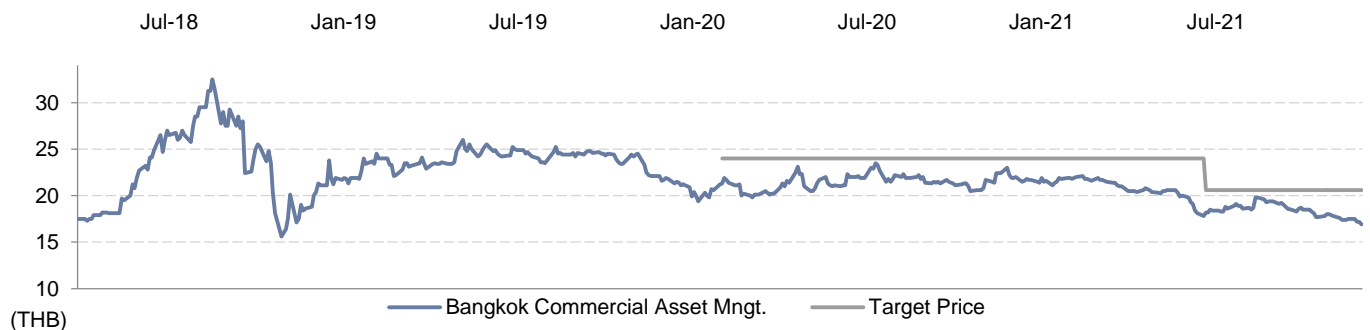
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Bangkok Commercial Asset Mngt. (BAM TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Oct-2020	BUY	24.00	10-Feb-2021	BUY	24.00	17-May-2021	BUY	20.60
23-Nov-2020	BUY	24.00	24-Mar-2021	BUY	24.00			

Yuvanart Suwanumphai started covering this stock from 05-Oct-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Commercial Asset Mngt.	BAM TB	THB 16.00	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.

Source: FSSIA estimates

Additional Disclosures

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

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

All share prices are as at market close on 2-Aug-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

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

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

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

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

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

Industry Recommendations

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

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

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

Country (Strategy) Recommendations

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

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

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