

3 AUGUST 2021

Thailand Asset Management Companies

บริษัทบริหารสินทรัพย์ที่ไม่มีหลักทรัพย์ค้ำประกัน (Unsecured AMC) อาจยังเป็นผู้ชนะในระยะยาว

BAM จะทำได้ดีในระยะสั้น แต่ JMT และ CHAYO จะเป็นผู้ชนะในระยะยาว

ใน 2Q21 เราคาดว่า BAM จะรายงานผลประกอบการที่โดดเด่นที่สุดในกลุ่มฯ ด้วยกำไรสุทธิ (NP) ที่คาดว่าจะอยู่ที่ 772 ลบ. (+471% y-y, +212% q-q) จากฐานที่ต่ำและการรับรู้รายได้จากสินทรัพย์ต่อคุณภาพ (NPA) ขนาดใหญ่ของบริษัทฯ มีอยู่ในมือและขายไปใน 4Q20 JMT อาจรายงาน NP 2Q21 โดดสูงเป็นอันดับสองที่ 297 ลบ. (+31% y-y, +5% q-q) โดยได้ปัจจัยผลักดันจากการรับชำระหนี้ หรือ cash collection (CC) ที่อยู่ในระดับดีพอใช้ เราคาดว่า CHAYO จะรายงาน NP ในระดับอ่อนแอที่สุดที่ 47 ลบ. (-5% y-y, -27% q-q) เนื่องจากไม่มีการปิดบัญชีสินเชื่อต่อคุณภาพ (NPL) หลังกรมบังคับคดี (LED) ปิดให้บริการ อย่างไรก็ตามเราเห็นว่าแนวโน้มดังกล่าวอาจเปลี่ยนไปใน 2H21 การหยุดให้บริการของ LED อย่างต่อเนื่องจะกดดันการขาย NPL ที่มีหลักทรัพย์ค้ำประกัน นอกจากนี้แนวโน้มเศรษฐกิจที่อ่อนแออาจก่อให้เกิดการชะลอการชำระหนี้ที่มีมูลค่าสูง (big ticket size) ในขณะที่ CC ของ NPL ที่ไม่มีหลักทรัพย์ค้ำประกัน ซึ่งปกติจะมีจำนวนเงินที่ต้องชำระต่ำกว่าจะบริหารง่ายกว่า ดังนั้นเราจึงคิดว่า CHAYO และ JMT อาจมีผลประกอบการที่ดีกว่าใน 2H21

ไม่มีการขาย NPL ด้วยราคาที่ถูกมาก แต่เปิดโอกาสให้เลือกสินทรัพย์ที่มีคุณภาพดี

NPL ของกลุ่มธนาคารเพิ่มขึ้นอย่างไม่เป็นสำคัญเป็นเวลา 4 ไตรมาสติดต่อกัน นอกจากนี้สินทรัพย์ที่มีคุณภาพไม่เพียงส่วนยังอาจโดนแช่ไว้ในชั้นที่ 1 และ 2 จากการขยายโครงการบรรเทาหนี้ ทำให้ธนาคารส่วนมากเลื่อนการขาย NPL ออกไป เราเชื่อว่าปัจจัยดังกล่าวได้เพิ่มความกังวลของนักลงทุนเกี่ยวกับปัญหาอุปทาน NPL ที่ลดลง ซึ่งอาจทำให้มีการแข่งขันด้านราคาอย่างรุนแรงในกลุ่มบริษัทบริหารสินทรัพย์ (AMC) อย่างไรก็ตามเราเห็นว่าต้นทุนการซื้อ NPL ไม่น่าจะสูงขึ้น การแพร่ระบาด Covid อาจไม่ทำให้เกิดส่วนลดจำนวนมากในต้นทุนการซื้อ NPL แต่จะเป็นโอกาสในการเลือกซื้อสินทรัพย์ที่ดีสำหรับ AMC ปัจจัยดังกล่าวอาจทำให้ CC ดีขึ้นในอนาคต ดังนั้นเราจึงแนะนำให้นักลงทุนอย่างกังวลเกี่ยวกับอัตราการเพิ่มของ NPL ที่ลดลงในปัจจุบันมากจนเกินไป

หนึ่งในกลุ่มที่จะฟื้นตัวเร็วที่สุดเมื่อปัญหาโรคระบาดคลี่คลาย โดยเฉพาะอย่างยิ่งสำหรับ Unsecured AMCs

แม้ว่าในช่วงการแพร่ระบาด Covid ที่ยืดเยื้อในรอบที่ 3 และ 4 AMC อาจไม่ได้ประโยชน์อย่างชัดเจนจากวิกฤตดังกล่าวมากกว่ากลุ่มอื่นเช่นที่เคยเกิดขึ้นในการระบาดรอบแรกจากปัญหาอุปทาน NPL ชะลอตัวและผลกระทบในระดับปานกลางต่อ CC โดยเฉพาะอย่างยิ่งสำหรับ NPL ที่มีหลักทรัพย์ค้ำประกัน อย่างไรก็ตามเราคิดว่า AMC เป็นหนึ่งในอุตสาหกรรมที่จะฟื้นตัวได้เร็วที่สุดหลังการแพร่ระบาดลดลง เราคาดว่า NP รวมของ AMC ที่เราทำการศึกษาระยะเพิ่ม 42% y-y ในปี 2022 ซึ่งทำให้เราคงให้น้ำหนักมากกว่าตลาดสำหรับกลุ่มดังกล่าว JMT ยังเป็นหุ้นเด่นของเราตามด้วย CHAYO ในขณะที่เรายังชอบ BAM น้อยที่สุด

FSSIA recommendations

Company	BBG code	share price	Rating		Target Price			
			Current	Previous	Current	Previous	%change	Up/downside
Bangkok Commercial Asset Mngt.	BAM TB	16.00	BUY	unchanged	19.40	20.60	-5.83%	+21.3%
Chayo Group	CHAYO TB	12.00	BUY	unchanged	18.80	18.80	unchanged	+56.7%
JMT Network Services	JMT TB	41.25	BUY	unchanged	52.00	52.00	unchanged	+26.1%

Note: Priced at close of business 02/08/2021. Share prices and TPs are in listing currency. Sources: FSSIA estimates



Yuvanart Suwanumphai

yuvanart.suw@fssia.com
+66 2611 3554

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Investment thesis

We have an Overweight view on the AMC sector, as 1) we believe AMCs can manage their collection processes better than banks, leading to attractive earnings growth in 2021-23; 2) we believe AMCs will be the beneficiaries of a rise in NPLs – this NPL upcycle should provide a great opportunity for AMCs to accumulate NPLs with a good selection of asset classes; and 3) all of the AMCs under our coverage have sufficient capital for their accelerated expansion plans in 2021-23, without the need for new capital calls, in our view.

We believe that unsecured distressed AMCs will outperform secured ones due to 1) more effective CC; 2) the shorter breakeven period, leading to a lower cost of holding and faster investment turnover; 3) the shorter time to start collecting money from debtors, resulting in an expected surge of cash interest income promptly after distressed asset acquisitions; and 4) the closure of the LED.

Our top pick is JMT, while BAM is our least preferred at this time.

Catalysts

1. Higher NPL sell-off rate;
2. Greater policy rate cuts leading to lower cost of funds;
3. Good operating cost controls.

Risks to our call

1. AMC businesses have come under the Bank of Thailand's supervision; therefore, any revision of regulations could impact their business.
2. The incorrect evaluation of distressed assets during the bidding process would result in higher acquisition costs, which would lower AMCs' profitability.
3. Intense competition for distressed asset acquisitions could occur if foreign AMCs expand their businesses aggressively.

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Company reports

Bangkok Commercial AM (BAM TB, BUY, TP THB19.4)

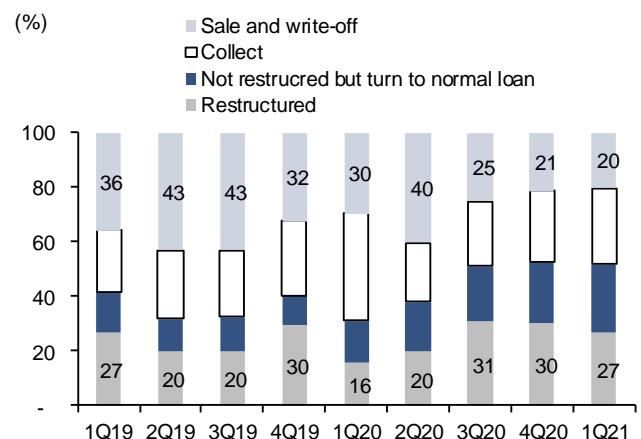
Chayo Group (CHAYO TB, BUY, TP THB18.8)

JMT Network Services (JMT TB, BUY, TP THB52.0)

Event Calendar

Date	Event
Mid-Aug 2021	AMC results announcements

Banks have tended to slow their NPL sales and write-offs since 3Q20 compared to other NPL resolutions

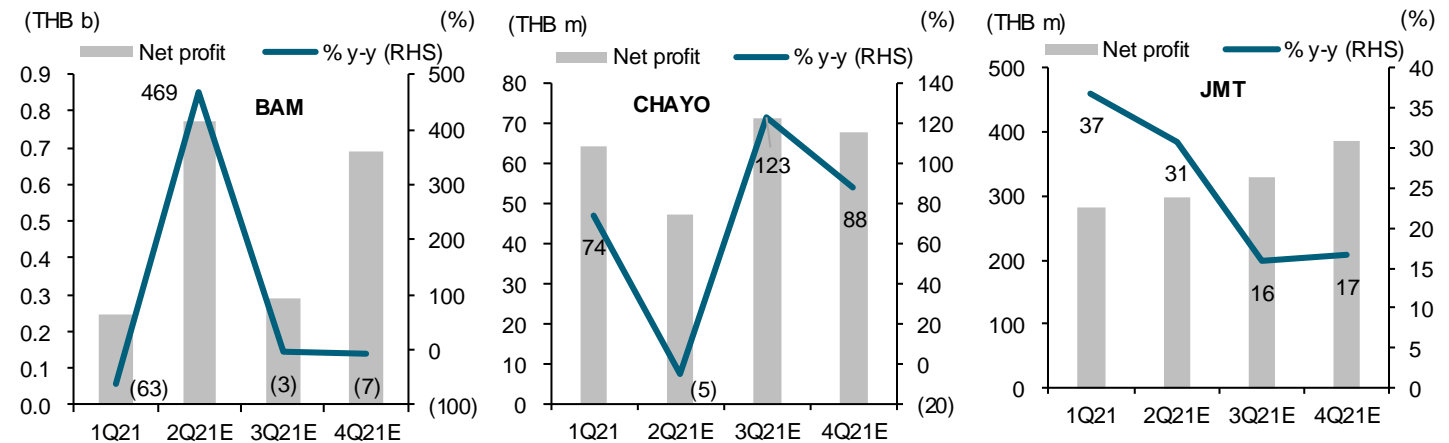


Sources: BoT; FSSIA's compilation

BAM to outperform in the S-T; JMT and CHAYO L-T winners

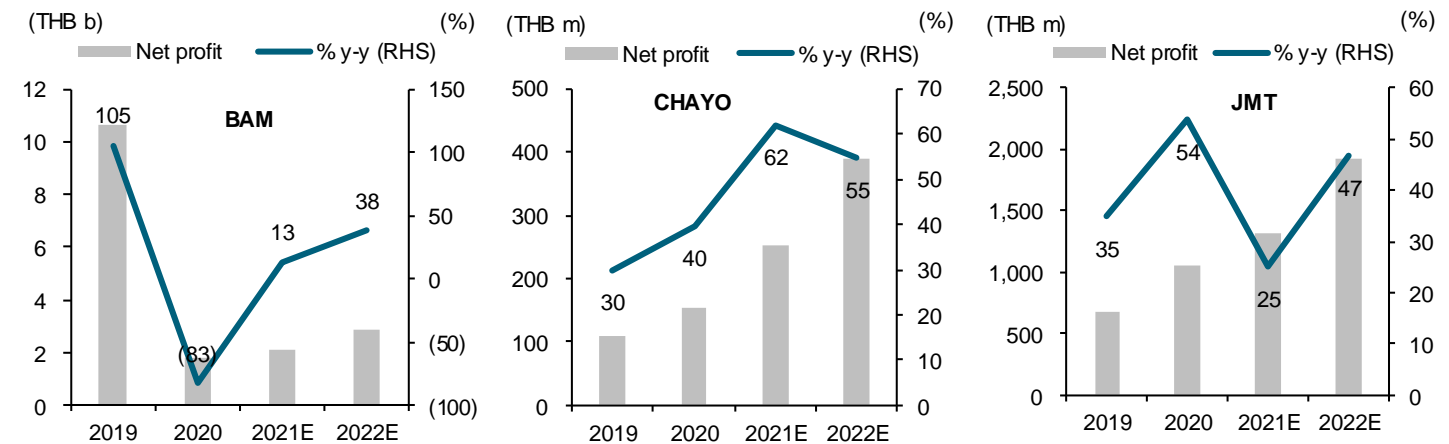
In 2Q21, we expect BAM to post the most outstanding performance among its peers, with an estimated NP of THB772m (+471% y-y, +212% q-q) due to the low base effect and the revenue recognition of a large NPA backlog which was sold in 4Q20. JMT could deliver the second-best 2Q21 NP growth at THB297m (+31% y-y, +5% q-q), driven by its decent CC. While we expect CHAYO to have the softest NP at THB47m (-5% y-y, -27% q-q) due to the absence of NPL settlements from the closure of the LED. However, we think this trend could change in 2H21. The continued closure of the LED would pressure secured NPL sales activities. Also, the weak economic outlook could lead to a delay in big ticket size spending. Meanwhile, the CC of unsecured NPLs, which normally have smaller ticket sizes, would be easier to manage. Thus, we think CHAYO and JMT could have the better performance in 2H21.

Exhibit 1: Quarterly net profit forecasts of AMCs under our coverage



Source: Company data; FSSIA estimates

Exhibit 2: Yearly net profit forecasts of AMCs under our coverage



Source: Company data; FSSIA estimates

Unsecured distressed AMCs should be the winners

We reiterate our view that under the economic downturn and the prolonged pandemic, AMCs with high unsecured distressed asset portfolios (JMT, CHAYO) should outperform AMCs with secured portfolios (BAM), due to 1) more effective CC as a result of the smaller average ticket sizes; 2) the shorter breakeven period; 3) the shorter time to start collecting money from debtors; and 4) the closure of the LED.

1) More effective cash collection as a result of the smaller average ticket sizes – THB40,000-50,000 for JMT and less than THB80,000 for CHAYO vs THB3m-5m for BAM – which should allow customers to more easily service their debt since people tend to delay big-ticket spending in economic slowdowns;

2) The shorter breakeven period – 3 years for unsecured vs 5-7 years for secured distressed assets – leading to a lower cost of holding and a faster turnover in NPL investments;

3) The shorter time to start collecting money from debtors – 3 months for unsecured vs 2-3 years for secured distressed assets – resulting in an expected surge of cash interest income promptly after an aggressive acquisition;

4) The closure of the LED. The government just extended the new lockdown measures for 29 provinces, including Bangkok and its vicinity. This has led to the continued closure of the LED. Therefore, we expect that secured NPL sales activities will be nearly absent in 2Q21. Around 15-20% of BAM's revenue comes from the sale of NPLs from the LED. Some of CHAYO's revenue is from the LED too.

Exhibit 3: Comparing unsecured and secured distressed asset management #1

	Loan structure*		Distressed asset management strategy		Average ticket size / customer		Breakeven		Time to start collecting after debt acquisition	
	S (%)	U (%)	S	U	S (THB m)	U (THB)	S (years)	U (years)	S (years)	U (months)
BAM	100	-	- Negotiate first, encourage clients to pay in instalments	-	3 - 5	-	5-7	-	2-3	
			- Litigation later, if negotiating does not work							
			- TDR** is around 10% of portfolio							
CHAYO	30	70	- Prefer to sell the assets	- Instalment / one-time close account	10 - 15	Less than 80,000	3-5	3	2-3	3
JMT	10	90	- Same strategy as BAM	- Instalment / one-time close account	n.m.	40,000 - 50,000	3-5	3	3	3
			- TDR is higher than 10%							

Note: *By claim value, S is Secured, U is Unsecured **Troubled debt restructuring

Source: FSSIA

Exhibit 4: Comparing unsecured and secured distressed asset management #2

	-----Majority of type of assets-----		Incentive for staff	Client behaviour
	S	U		
BAM	Residential property	-	Salary based	- Wait for the court process even if they have sufficient cash flow to repay debts
CHAYO	Land and buildings	Credit card, p-loan, hire-purchase	Salary and commission based	- Repay debt if they have sufficient cash flow. Without cash flow, clients avoid collection efforts
JMT	Residential property	Credit card, p-loan, hire-purchase	Salary and commission based	- Repay debt if they have sufficient cash flow. Without cash flow, clients avoid collection efforts

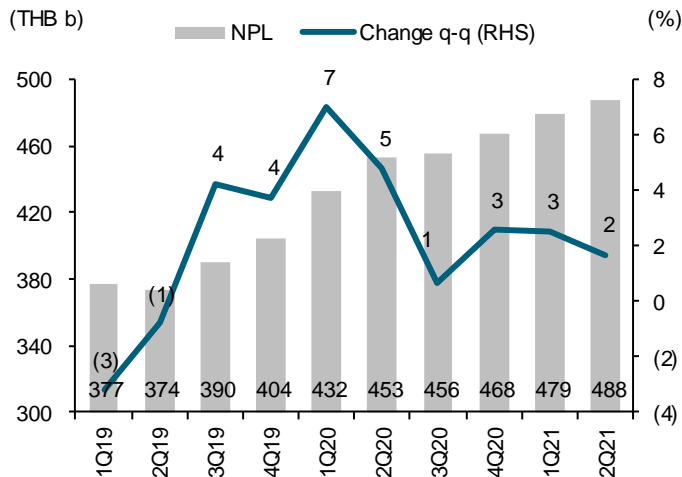
Note: S is Secured, U is Unsecured

Source: FSSIA

Not an NPL fire sale, but a better asset class selection opportunity

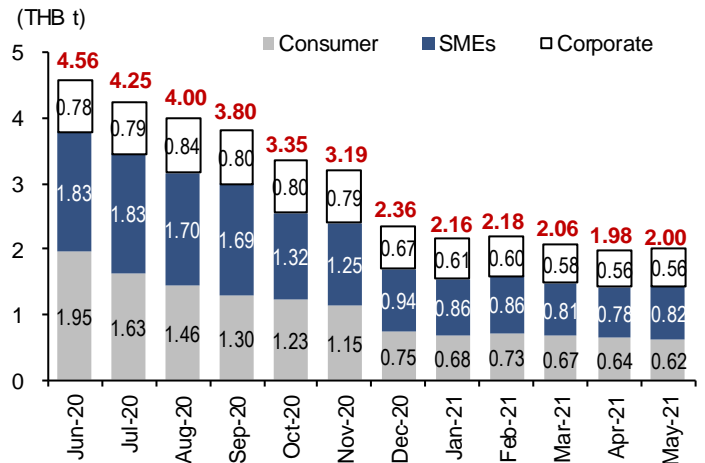
Since the first wave of Covid-19 in Mar-20, the market has believed that AMC's would be prime beneficiaries due to the influx of NPLs, leading to a significantly lower acquisition cost. However, NPLs have increased insignificantly for four consecutive quarters due to 1) the forbearance program; and 2) the relaxed loan classifications measure. Moreover, the chance that the Bank of Thailand might extend its relief program is likely high. Some of the bad asset quality will potentially continue to be frozen in stage 1 and 2. Thus, most banks have delayed the sale of NPLs.

Exhibit 5: Banks under coverage – NPL growth (q-q basis)



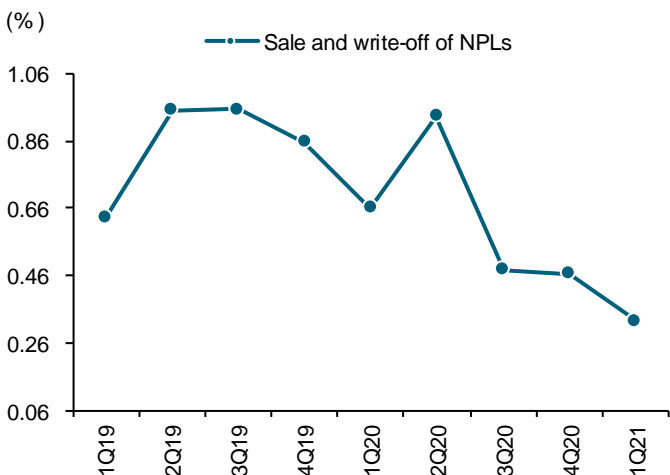
Sources: Company data; FSSIA's compilation

Exhibit 6: Total debt forbearance program of commercial banks



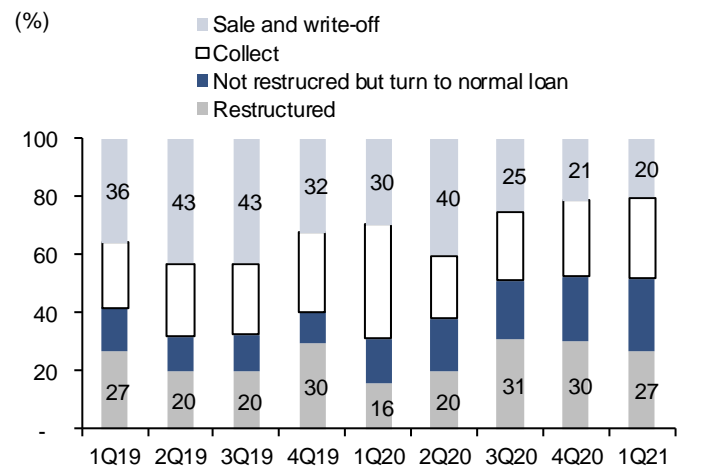
Sources: Bank of Thailand (BoT); FSSIA's compilation

Exhibit 7: % of NPL sales and write-offs to total loans has declined since 3Q20



Sources: BoT; FSSIA's compilation

Exhibit 8: Banks have tended to slow their NPL sales and write-offs since 3Q20 compared to other NPL resolutions



Sources: BoT; FSSIA's compilation

We believe this has raised investors' concerns regarding the decreased supply of NPLs, potentially leading to tight price competition among AMC's.

We think a fire sale of NPLs is unlikely to occur. In the same way, there are few chances for which the acquisition cost for AMC's would be higher than in a normal situation – 45-60% of the appraised value for secured distressed assets and 5-10% of the claim value for unsecured NPLs. Generally, the sales and write-offs of NPLs for commercial banks amount to cTHB100b per year. Thus, there are still plenty of NPLs for every AMC.

Exhibit 9: AMC's acquisition costs

AMCs	NPLs		NPAs
	Secured*	Unsecured**	
	(%)	(%)	(%)
BAM	45-50	-	50-60

CHAYO	50	5	-
JMT	n.m.	5-10	-

Note: *Percentage of appraised value; **Percentage of claim value
Sources: Company data; FSSIA's compilation

The Covid outbreak might not lead to a deep discount in NPL acquisition costs, but rather could provide a good asset class selection opportunity for AMCs. This could eventually lead to better CC in the future. Hence, we recommend investors to not be overly concerned about the slow rate of increase in NPLs at present.

Exhibit 10: Distressed asset acquisition estimates for AMCs under our coverage

AMCs	Asset type	FSSIA's expectation for the acquisition of distressed assets		Implied distressed assets appraised/claim value	
		2021E (THB b)	2022E (THB b)	2021E (THB b)	2022E (THB b)
BAM	Secured	9,540	11,162	19,080	22,324
	Unsecured				
CHAYO	Secured	1,374	909	2,747	1,819
	Unsecured	316	273	6,314	5,460
JMT	Secured	3,269	2,997	6,539	5,994
	Unsecured	2,180	2,997	27,245	37,462
Total NPL purchase	Secured	14,183	15,068	28,366	30,137
	Unsecured	2,495	3,270	33,559	42,922
Combined total NPL purchase		16,678	18,338	61,925	73,059

Source: FSSIA's compilation

One of the fastest recoveries once the outbreak abates

Although during the prolonged third and fourth waves of Covid, AMC's might not have crystalized benefits from the crisis over other sectors, as what happened in the first wave due to the slow NPL supply and the moderate impact to their CC – especially for secured NPLs – we think AMC's will be one of the industries that will be able to recover the fastest after the pandemic abates. We expect the NPs of AMC's under our coverage to increase 42% y-y in 2022. Therefore, we maintain our Overweight view.

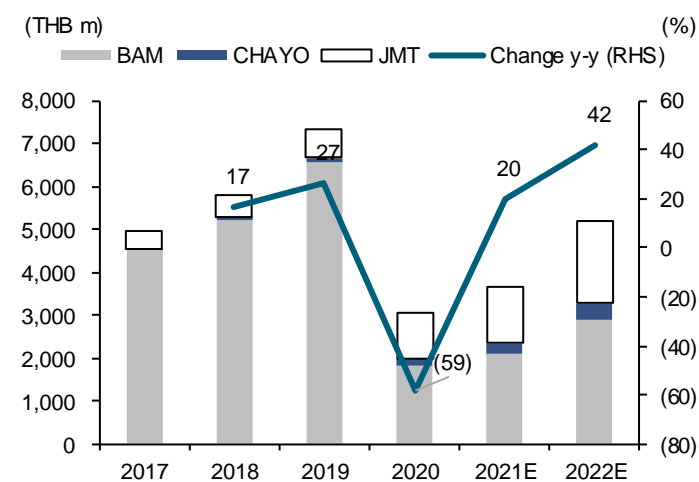
JMT remains our top Buy, followed by CHAYO. BAM is still our least preferred.

Under the economic downturn, we believe JMT is a good hedge against recession, as 1) we expect it to deliver resilient CC growth due to its diversified portfolio and small NPL ticket sizes; and 2) we think it will be the beneficiary of an NPL rise that we expect to see in 2022-23. These factors should lead JMT to have remarkable core profit growth, with 2022E net profit growth of 47% y-y.

CHAYO ranks as our second preferred AMC. We believe CHAYO has distinct advantages over its competitors. These include 1) a hybrid portfolio of unsecured and secured distressed assets – a well-balanced portfolio that should provide sustainable growth in the long term; and 2) a smaller asset size than its peers, giving it greater operational flexibility.

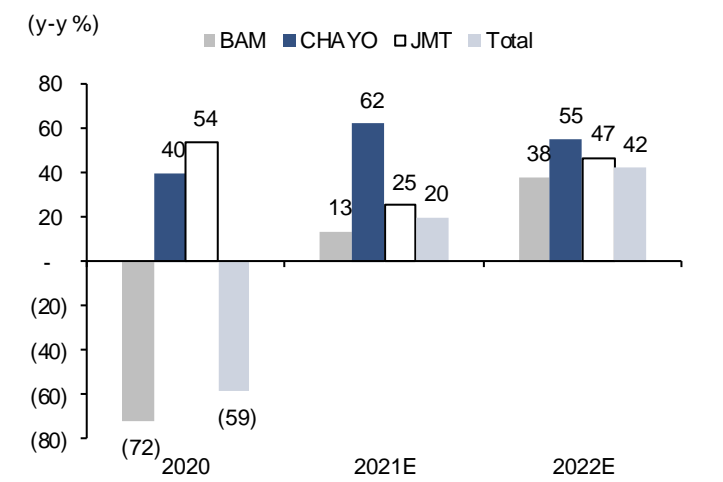
We believe BAM will be hit by a slowdown in the residential market. In addition, due to the big ticket size of its distressed assets, the likelihood that its debtors will delay their spending is high. Accordingly, we expect BAM to deliver soft performance in 2H21.

Exhibit 11: Total net profit of AMC's under our coverage



Sources: Company data; FSSIA estimates

Exhibit 12: % y-y net profit growth of each AMC



Sources: Company data; FSSIA estimates

Exhibit 13: Peers comparison as of 2 Aug 2021

	BBG code	Rec	---Share price---		Up side (%)	Market Cap (USD m)	EPS growth		--- P/E ---		-- DivYld --		--- ROE ---		--- PBV ---	
			Current	Target			21E	22E	21E	22E	21E	22E	21E	22E	21E	22E
			(THB)	(THB)			(%)	(%)	(x)	(x)	(%)	(%)	(%)	(%)	(x)	(x)
Asset management						3,293	11.3	35.4	29.9	22.1	2.4	3.1	6.9	8.6	1.9	1.8
Bangkok Commercial AM	BAM TB	BUY	16.00	19.40	21	1,570	13.5	37.8	24.8	18.0	3.4	4.7	4.8	6.2	1.1	1.1
Chayo Group	CHAYO TB	BUY	12.00	18.80	57	347	18.5	39.6	46.8	33.5	0.0	0.0	12.8	11.7	4.2	3.4
JMT Network Services	JMT TB	BUY	41.25	52.00	26	1,376	12.2	34.5	35.0	26.0	1.8	2.2	18.7	17.8	5.5	3.8

Sources: FSSIA's 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	ICI	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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	WIJK	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	IHL	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	AMANAHA	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	SEAOIL	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

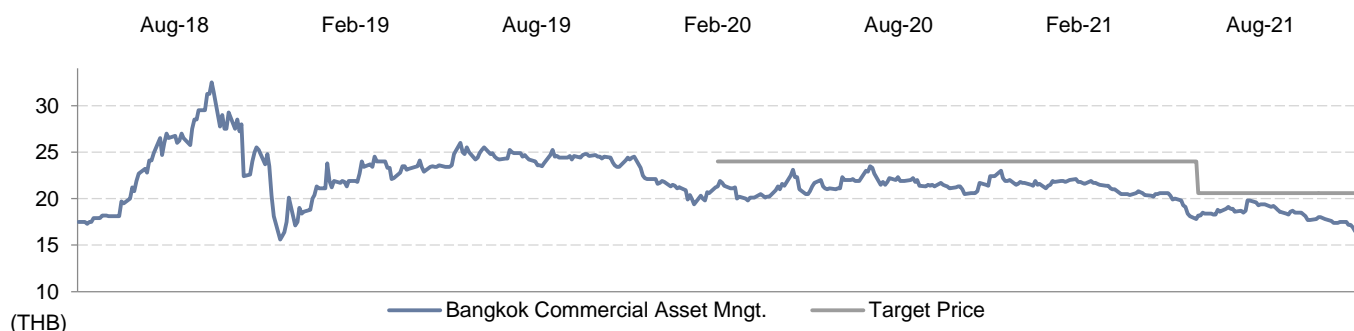
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Bangkok Commercial Asset Mngt. (BAM TB)



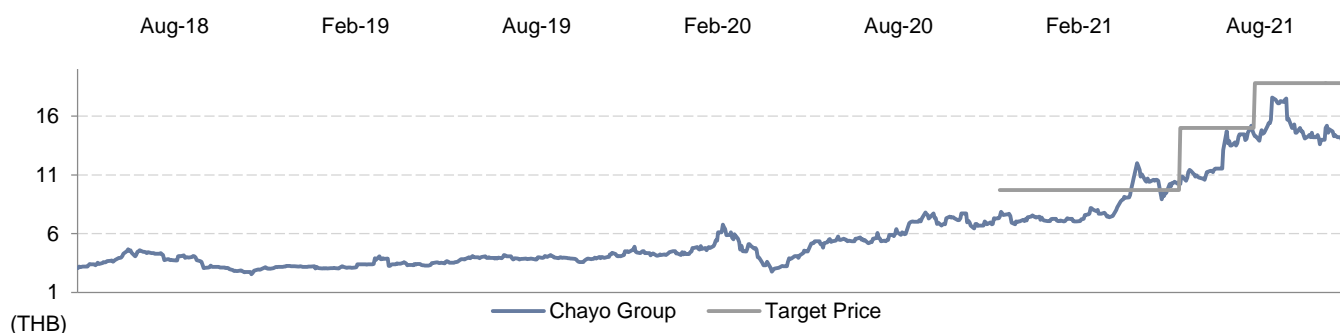
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Oct-2020	BUY	24.00	10-Feb-2021	BUY	24.00	17-May-2021	BUY	20.60
23-Nov-2020	BUY	24.00	24-Mar-2021	BUY	24.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Chayo Group (CHAYO TB)

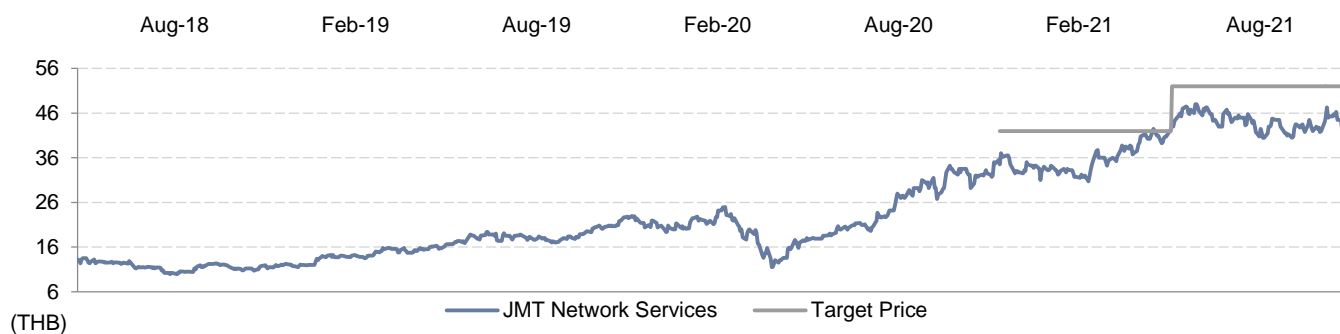


Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Oct-2020	BUY	9.70	09-Mar-2021	BUY	15.00	-	-	-
23-Nov-2020	BUY	9.70	12-May-2021	BUY	18.80			

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

Price and TP are in local currency

Source: FSSIA estimates

JMT Network Services (JMT TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Oct-2020	BUY	42.00	23-Nov-2020	BUY	42.00	02-Mar-2021	BUY	52.00

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.
Chayo Group	CHAYO TB	THB 12.00	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 41.25	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 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 02-Aug-2021 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.