

BANGKOK COMMERCIAL ASSET MNGT.  
THAILAND / ASSET MANAGEMENT COMPANIES

## BAM TB

BUY

UNCHANGED

## ดูใบไม้ผลิกำลังจะมาถึง

- เราคาดว่ากำไรสุทธิ 4Q21 จะออกมาดีที่ 780 ลบ. จากสินทรัพย์ด้วยคุณภาพ NPA ที่ดี และหนี้ด้วยคุณภาพ (NPL) ที่ปรับตัวดีขึ้น ในปี 2022 กำไรสุทธิของ BAM อาจเพิ่ม 34% y-y
- เราคาดว่าภาษีที่ดินและสิ่งปลูกสร้างจะมีผลกระทบต่อเชิงลบเพียงเล็กน้อย
- คงเลือกเป็นหุ้นเด่นที่ราคาเป้าหมายปี 2022 ที่ 25.5 บาท (GGM)

TARGET PRICE	THB25.50
CLOSE	THB20.10
UP/DOWNSIDE	+26.9%
PRIOR TP	THB25.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+11.7%

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	2,196	2,993	4,004	5,070
Net profit	1,841	2,394	3,204	4,056
EPS (THB)	0.57	0.74	0.99	1.25
vs Consensus (%)	-	3.2	6.3	6.5
Core net profit	1,841	2,394	3,204	4,056
Core EPS (THB)	0.57	0.74	0.99	1.25
Chg. In EPS est. (%)	-	5.7	0.0	0.0
EPS growth (%)	(73.8)	30.1	33.8	26.6
Core P/E (x)	35.3	27.1	20.3	16.0
Dividend yield (%)	2.5	3.1	4.2	5.3
Price/book (x)	1.6	1.4	1.4	1.2
ROE (%)	4.4	5.4	6.9	8.0
ROA (%)	1.5	1.9	2.6	3.3

## คาดการณ์ธุรกิจ NPA ที่ดีและ NPL ที่ปรับตัวดีขึ้นใน 4Q21

เราคาดว่า BAM จะรายงานกำไรสุทธิ 4Q21 ในระดับที่ดีที่ 780 ลบ. (-2% y-y, +35% q-q) โดยเราคาดว่าอัตราการเก็บเงิน (CC) จาก NPL และ NPA จะแตะ 4.5 พัน ลบ. (+14% y-y, +16% q-q) แม้ว่าตัวเลขดังกล่าวจะต่ำกว่าเป้าหมายเป็นทางการของ BAM ที่ 6.4 พัน ลบ. เราคิดว่าตลาดได้สะท้อนปัจจัยดังกล่าวไว้ในเป้าหมายการอย่างไม่เป็นทางการของผู้บริหารแล้วในการประชุมหลังผลประกอบการ 3Q21 เราเห็นปัจจัยบวก 2 ประการ ข้อแรกเราคิดว่าธุรกิจ NPA น่าจะทำได้ดีใน 4Q21 จากกลยุทธ์การตั้งราคาและเราคิดว่า BAM จะสามารถสรุปการขาย NPA ขนาดเล็กถึงกลางได้บางส่วน ข้อสองเราคาดว่าธุรกิจ NPL จะปรับตัวดีขึ้นในระดับปานกลางจากกลยุทธ์ในการเพิ่มมูลค่าปรับโครงสร้าง (TDR) พร้อมไปกับการผ่อนคลายมาตรการปิดเมือง ซึ่งทำให้ความสามารถในการชำระหนี้ของลูกหนี้เพิ่มสูงขึ้น

## แนวโน้มที่สดใสรออยู่ข้างหน้าในปี 2022

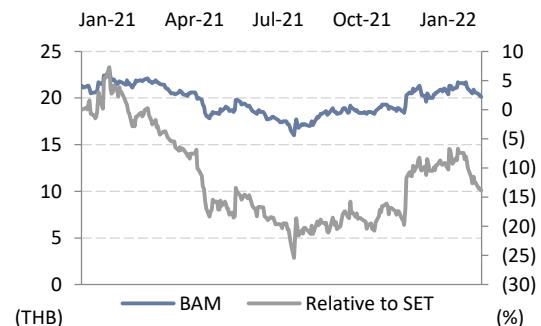
เราคาดว่ากำไรสุทธิของ BAM ในปี 2022 จะเพิ่ม 34% y-y เป็น 3.2 พัน ลบ. ซึ่งใกล้เคียงกับระดับปกติที่ประมาณ 4-5 พัน ลบ. เราคาดว่ากำไรสุทธิที่ปรับตัวสูงขึ้นเป็นจำนวนมากจะได้แรงหนุนจาก: 1) CC ที่ดีตามการฟื้นตัวทางเศรษฐกิจและลูกค้า TDR ที่เพิ่มขึ้น; 2) อัตราความสามารถในการทำกำไรที่ดีขึ้นจากตลาดอสังหาริมทรัพย์ที่ดีขึ้น; และ 3) การซื้อ NPL เพิ่มอย่างมีนัยสำคัญ

## ผลกระทบเล็กน้อยจากภาษีที่ดินและสิ่งปลูกสร้างที่อาจเพิ่มขึ้น

เราเชื่อว่าภาษีที่ดินและสิ่งปลูกสร้าง (LB) ที่อาจเพิ่มขึ้นอาจเป็นหนึ่งในสาเหตุที่ทำให้ราคาหุ้นของ BAM ปรับตัวลดลง จากข้อมูลของ BAM และการศึกษาของเรา บริษัทฯ น่าจะได้รับผลกระทบเพียงเล็กน้อย ในปี 2021 BAM จ่ายภาษี LB ที่ประมาณ 7 ลบ. จาก NPA ถ้าบริษัทฯ ต้องกลับมาจ่ายภาษี LB ในอัตราปกติ ภาระภาษีน่าจะเพิ่มประมาณ 70-80 ลบ. ซึ่งคิดเป็นความเสี่ยงขาลงเพียง 2-3% ต่อประมาณการกำไรสุทธิของเราในปัจจุบัน เราเชื่อว่าตลาดตื่นตัวดังกล่าวไปมากเกินไป

## คงแนะนำซื้อจากการฟื้นตัวและมูลค่าที่อยู่ในระดับสูง

ในกลุ่มการเงินที่เราทำการศึกษามาก่อน BAM เป็นหนึ่งในหุ้นเด่นของเรา เราเชื่อว่าปัจจุบัน BAM กำลังอยู่ในระยะฟื้นตัวและคิดว่าระดับการประเมินมูลค่าที่น่าสนใจ ปัจจุบัน BAM มีการซื้อขายที่ 20.3x ของค่า 2022E P/E พร้อมกำไรสุทธิปี 2022 ที่คาดว่าจะโต 34% y-y เราเชื่อว่าการฟื้นตัวของผลตอบแทนต่อส่วนผู้ถือหุ้น (ROE) กำลังจะมาถึงโดยคาดว่าจะอยู่ที่ 6.9% ในปี 2022 เพิ่มขึ้นจากที่คาดไว้ที่ 5.4% ในปี 2021.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.3)	5.8	(6.5)
Relative to country (%)	(5.2)	4.0	(14.2)
Mkt cap (USD m)	1,968		
3m avg. daily turnover (USD m)	19.1		
Free float (%)	21		
Major shareholder	FIDF (46%)		
12m high/low (THB)	23.30/15.80		
Issued shares (m)	3,232		

Sources: Bloomberg consensus; FSSIA estimates



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## 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.

We believe BAM is now at a recovery inflection point and think its valuation is still attractive. BAM trades at 20.3x 2022E P/E, with 2022E net profit growth of 34% y-y. We believe an ROE recovery is underway, with a 6.9% ROE estimated in 2022, up from the 5.4% estimated in 2021.

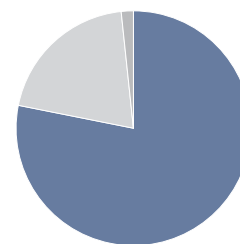
## Company profile

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](http://www.bam.co.th)

## Principal activities (revenue, 2020)

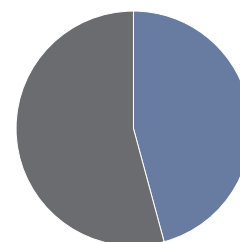
- NPLs management - 78.1 %
- NPAs management - 20.2 %
- Other income - 1.7 %



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
End Feb 2022	4Q21 results announcement

## Key assumptions

	2021E	2022E	2023E
	(THB m)	(THB m)	(THB m)
Norm profit	2,394	3,204	4,056
<i>Norm profit growth (%)</i>	30.1	33.8	26.6
Cash collection	15,601	17,404	18,846
<i>Cash collection ratio (%)</i>	12.6	13.9	14.7
NPL + NPA purchases	4,357	8,675	9,492
<i>NPL + NPA purchase growth (%)</i>	(62.9)	99.1	9.4
Cost to income (%)	25.5	25.5	25.6

Source: FSSIA estimates

## Earnings sensitivity

		----- 2022E -----		
<b>Cash collection ratio</b>	<b>±50bp</b>	<b>13.4</b>	<b>13.9</b>	<b>14.4</b>
<i>% change in net profit</i>		(7.0)	-	7.0
<b>Cost to income</b>	<b>±1ppt</b>	<b>24.5</b>	<b>25.5</b>	<b>26.5</b>
<i>% change in net profit</i>		(4.0)	-	4.0

Source: FSSIA estimates



## Strong NPA and improved NPL business expected in 4Q21

We estimate that BAM will post a decent 4Q21 net profit of THB780m (-2% y-y, +35% q-q). We expect its 4Q21 NPL and NPA CC to reach THB4.5b (+14% y-y, +16% q-q). Although this number is below BAM's official target of THB6.4b, we think the market has already factored in the revision as BAM's management provided unofficial guidance in its 3Q21 post-results meeting.

We see two positives. First, we think its NPA business should have performed well in 4Q21, driven by its pricing strategy, and we believe that BAM was able to settle some small to mid-sized NPA sales. Second, we expect a moderate improvement in its NPL business thanks to its strategy of increasing the number of TDR clients alongside the lockdown easing, which should result in a higher loan repayment ability of its debtors.

We also expect BAM to accelerate its NPL purchases to THB2b from cTHB1.4 in 9M21.

### Exhibit 1: BAM – 4Q21 earnings forecast

	4Q20	3Q21	4Q21E	--- Change ---		2020	2021E	Change	4Q21E comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(THB m)	(y-y %)	
Interest income									
- Interest income from NPLs	1,508	1,515	1,600	6	6	5,887	6,232	6	Improvement from TDR and lockdown easing
- Gain on NPLs (fully amortized)	983	899	906	(8)	1	3,835	3,251	(15)	
- Installment sale	23	26	21	(8)	(19)	95	82	(13)	
- Other interest income	28	20	30	7	52	129	130	1	
<b>Total interest income</b>	<b>2,543</b>	<b>2,460</b>	<b>2,558</b>	<b>1</b>	<b>4</b>	<b>9,946</b>	<b>9,695</b>	<b>(3)</b>	
Interest expense	637	644	638	0	(1)	2,391	2,567	7	
<b>Net interest income</b>	<b>1,905</b>	<b>1,816</b>	<b>1,920</b>	<b>1</b>	<b>6</b>	<b>7,555</b>	<b>7,128</b>	<b>(6)</b>	
Non-interest income									
- Gain on properties for sale	646	673	809	25	20	2,015	2,771	38	Small to mid-size NPA sales
- Gain on installment sale	357	128	159	(56)	24	404	798	98	
- Others	36	7	0	nm	nm	79	31	(61)	
<b>Total non-interest income</b>	<b>1,039</b>	<b>808</b>	<b>968</b>	<b>(7)</b>	<b>20</b>	<b>2,498</b>	<b>3,600</b>	<b>44</b>	
<b>Total operating income</b>	<b>2,945</b>	<b>2,624</b>	<b>2,888</b>	<b>(2)</b>	<b>10</b>	<b>10,053</b>	<b>10,729</b>	<b>7</b>	
Operating expenses	706	714	706	0	(1)	2,658	2,738	3	
<b>Pre provision operating profit</b>	<b>2,238</b>	<b>1,910</b>	<b>2,182</b>	<b>(3)</b>	<b>14</b>	<b>7,395</b>	<b>7,990</b>	<b>8</b>	
Expected credit loss	1,262	1,186	1,207	(4)	2	5,199	4,998	(4)	
<b>Operating profit</b>	<b>976</b>	<b>724</b>	<b>975</b>	<b>(0)</b>	<b>35</b>	<b>2,195</b>	<b>2,993</b>	<b>36</b>	
Income tax expenses	181	147	195	8	32	355	599	69	
Profit before minority interest	795	576	780	(2)	35	1,840	2,394	30	
Minority	0	0	0	nm	nm	0	0	nm	
<b>Net profit</b>	<b>795</b>	<b>576</b>	<b>780</b>	<b>(2)</b>	<b>35</b>	<b>1,840</b>	<b>2,394</b>	<b>30</b>	
<b>Key financial highlights</b>									
NPL & NPA purchase (THB m)	2,485	626	2,003	(19)	220	11,748	4,357	(63)	
NPL & NPA cash collection (THB m)	3,979	3,898	4,525	14	16	13,134	15,601	19	
Cash collection/NPL & NPA (%)	12.7	12.8	14.8			10.8	12.6	2	
<b>Key financial ratios</b>									
Liabilities/equity (x)	2.2	2.0	1.9			2.2	1.7		
Interest-bearing debt/equity (x)	2.1	1.9	1.8			2.1	1.7		
ROA (%)	2.5	1.8	2.5			1.5	1.9		
ROE (%)	8.1	5.6	7.4			4.4	5.4		
Cost of funds (%)	3.0	3.2	3.2			2.9	3.2		
Cost to income (%)	24.0	27.2	24.5			26.4	25.5		

Sources: BAM; FSSIA's estimates

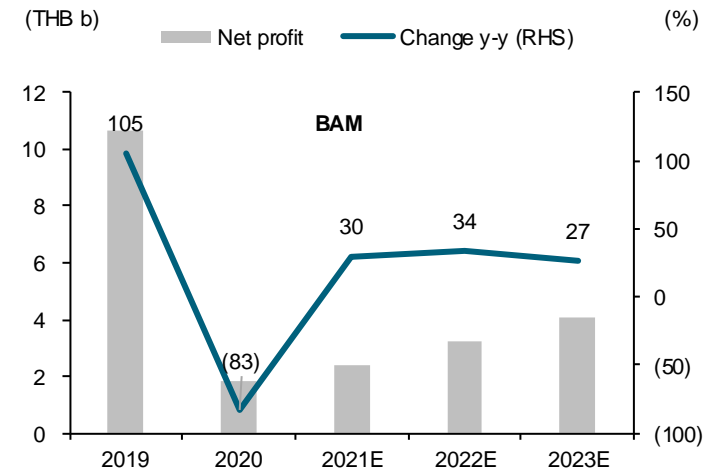
## Bright outlook lies ahead in 2022

### 1) 2022 earnings could be close to the normal level

We expect BAM's 2022 net profit to surge 34% y-y to THB3.2b, close to its normal level of around THB4b-5b. We expect the material rise in its net profit to be supported by: 1) solid CC following an economic recovery and more TDR clients; 2) an improvement in its profit margin thanks to a healthier property market; and 3) a significant rise in its NPL acquisitions.

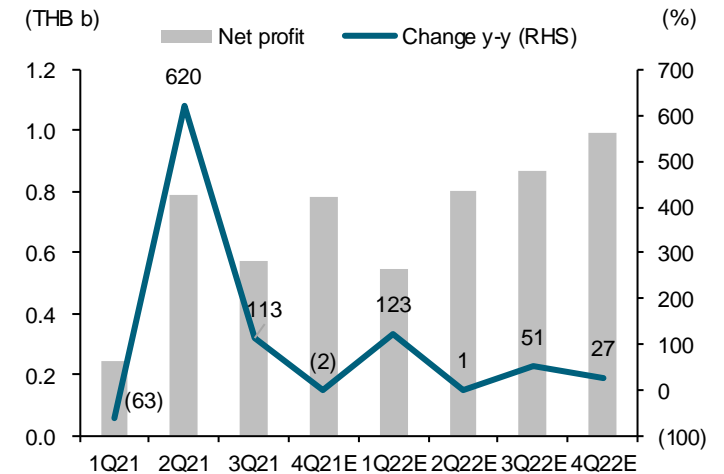
We also expect good momentum in its 2022 quarterly earnings, with an increase y-y and q-q in every quarter. A continued increase in TDR clients could lead to a more consistent net profit profile.

**Exhibit 2: BAM's yearly net profit**



Sources: BAM; FSSIA estimates

**Exhibit 3: BAM's quarterly net profit**

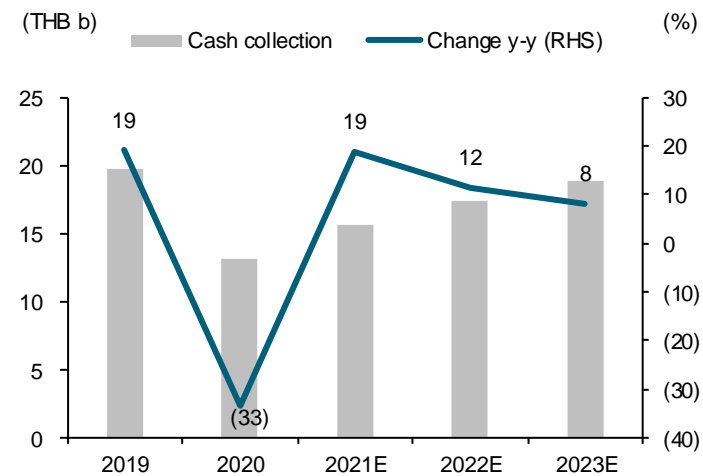


Sources: BAM; FSSIA estimates

### 2) Stronger cash collection

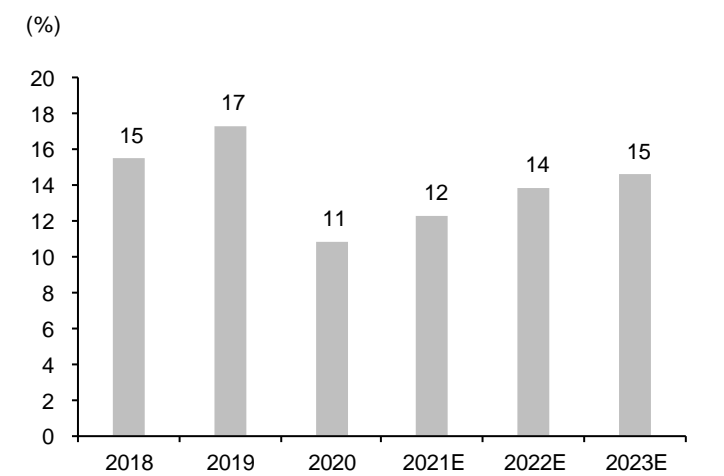
We expect BAM's 2022 CC to increase by 12% y-y to THB17.4b, which is still more conservative than the company's target by 8%. Its CC ratio could also improve to 14% in 2022. We expect the increase in its CC to be driven by: 1) an economic recovery; 2) an increase in TDR clients; and 3) a healthier property market.

**Exhibit 4: BAM's cash collection is expected to rise continuously**



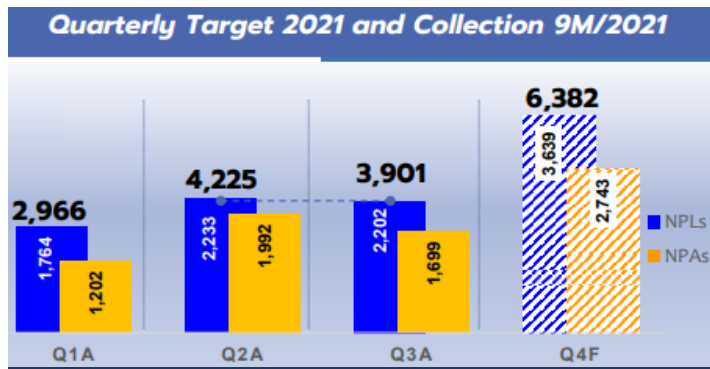
Sources: BAM; FSSIA estimates

**Exhibit 5: BAM's cash collection ratio**



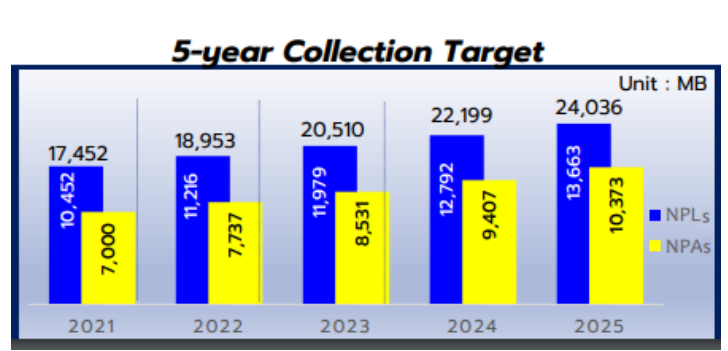
Sources: BAM; FSSIA estimates

Exhibit 6: BAM's 2021 quarterly cash collection target



Source: BAM

Exhibit 7: BAM's five-year cash collection target

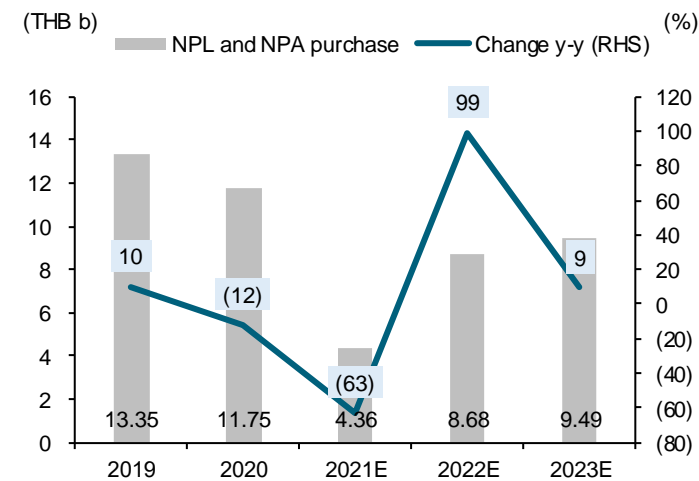


Source: BAM

### 3) More aggressive bad asset acquisitions

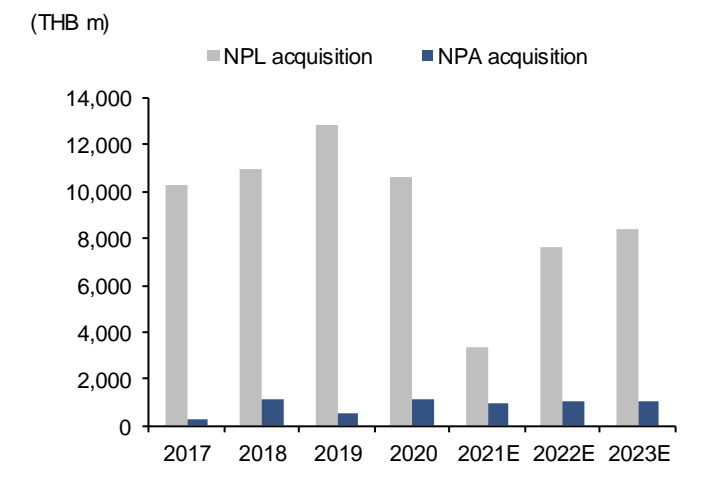
In 2022, we expect BAM to accelerate its bad asset acquisitions (including NPLs and NPAs) by 99% y-y, supported by: 1) an expected increase in NPL sales by banks; 2) BAM's potentially shorter turnaround time; and 3) its more appropriate funding structure with a slightly lower cost of funds.

Exhibit 8: BAM's bad asset acquisitions



Sources: BAM; FSSIA estimates

Exhibit 9: BAM's bad asset acquisitions by type



Sources: BAM; FSSIA estimates

## Minimal impact from potential increase in land and building tax

Thailand implemented the LB tax in 2019, but later slashed it by 90% from June 2020 to 2021 to minimise the impact of the Covid-19 pandemic.

The [Bangkok Post](#) on 17 Jan-22 reported that Finance Minister Arkhom Termpittayapaisith had stated that the Finance Ministry would not consider extending the period of the LB tax reduction into 2022, but added that he needed to consult with the Ministry of the Interior on the matter. The government's final decision has not yet been released.

We believe that this may be one of the reasons behind the drop in BAM's share price. According to BAM and our study, BAM should see a minimal impact from the potential tax increase.

In 2021, BAM paid LB tax of cTHB7m on its NPAs. If BAM resumes paying the normal LB tax rate, its tax burden would increase by cTHB70m-80m. This implies a mere 2-3% downside risk to our current net profit forecasts.

### Exhibit 10: The land and building tax rate

Agricultural Property	
Appraisal Value (million THB)	Tax Rate
0 – 75	0.01%
>75 – 100	0.03%
>100 – 500	0.05%
>500 – 1,000	0.07%
>1,000	0.10%
Applicable to taxpayers who own land or buildings for agricultural purposes.	
Residential Property (Building and Land)	
Appraisal Value (million THB)	Tax Rate
0 – 25	0.03%
>25 – 50	0.05%
>50	0.10%
Applicable to individual taxpayers who own land and buildings for residential purposes, with their name listed in the house registration book.	
Residential Property (Building Only)	
Appraisal Value (million THB)	Tax Rate
0 – 40	0.02%
>40 – 65	0.03%
>65 – 90	0.05%
>90	0.10%
Applicable to individual taxpayers who own buildings for residential purposes, with their name listed in the house registration book.	
Residential Property (Other than those specified above)	
Appraisal Value (million THB)	Tax Rate
0 – 50	0.02%
>50 – 75	0.03%
>75 – 100	0.05%
>100	0.10%
Applicable to taxpayers who own land or building(s) for residential purposes which do not fall under the above criteria (e.g. ownership of a building that serves as a secondary residence) and for which the taxpayer's name is not listed in the house registration book.	
Others (Commercial, Industrial, etc.)	
Appraisal Value (million THB)	Tax Rate
0 – 50	0.3%
>50 – 200	0.4%
>200 – 1,000	0.5%
>1,000 – 5,000	0.6%
>5,000	0.7%
Applicable to taxpayers who own land or building(s) for other purposes (i.e. not for agricultural or residential purposes).	
Vacant or Unused Property	
Appraisal Value (million THB)	Tax Rate
0 – 50	0.3%
>50 – 200	0.4%
>200 – 1,000	0.5%
>1,000 – 5,000	0.6%
>5,000	0.7%

Sources: Royal Decree on the Stipulation of Land and Building Tax Rates B.E. 2564 (2021), Mondaq article

## Net profit fine-tuning

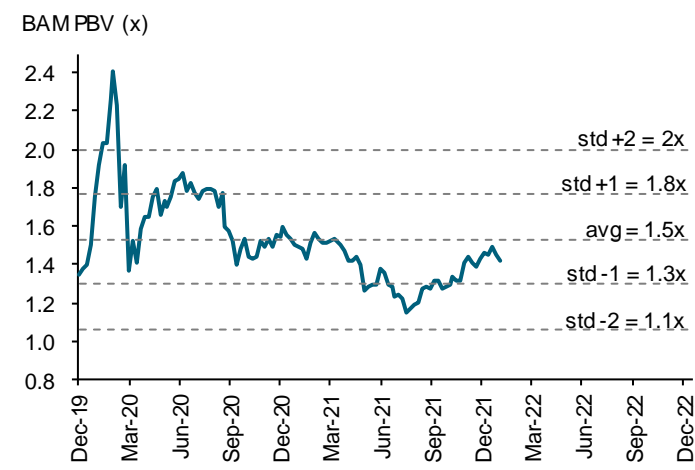
We increase our 2021 net profit forecast by 6% to reflect the better-than-expected CC in 4Q21. We maintain our 2022-23 net profit projections, with slight adjustments to some items.

### Exhibit 11: 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)	(%)
<b>Interest income</b>	<b>9,749</b>	<b>9,695</b>	<b>(0.6)</b>	<b>10,870</b>	<b>10,918</b>	<b>0.4</b>	<b>11,440</b>	<b>11,496</b>	<b>0.5</b>
- Interest income from NPLs	6,255	6,232	(0.4)	6,809	6,834	0.4	6,884	6,915	0.5
- Gain on NPLs (fully amortised)	3,243	3,251	0.2	3,715	3,733	0.5	4,271	4,290	0.5
- Other	251	212	(15.4)	346	351	1.3	285	290	1.9
Interest expense	2,516	2,567	2.0	2,179	2,227	2.2	2,073	2,073	0.0
<b>Net interest income</b>	<b>7,233</b>	<b>7,128</b>	<b>(1.5)</b>	<b>8,692</b>	<b>8,691</b>	<b>(0.0)</b>	<b>9,367</b>	<b>9,423</b>	<b>0.6</b>
<b>Non-interest income</b>	<b>3,321</b>	<b>3,600</b>	<b>8.4</b>	<b>3,303</b>	<b>3,327</b>	<b>0.7</b>	<b>3,783</b>	<b>3,749</b>	<b>(0.9)</b>
- Gain on sale of properties for sale	2,686	2,771	3.2	3,087	3,107	0.6	3,549	3,508	(1.2)
- Other	635	829	30.4	217	220	1.8	234	241	2.9
Total operating income	10,554	10,729	1.7	11,995	12,018	0.2	13,151	13,172	0.2
<b>Operating expense</b>	<b>2,738</b>	<b>2,738</b>	<b>0.0</b>	<b>3,067</b>	<b>3,067</b>	<b>0.0</b>	<b>3,373</b>	<b>3,373</b>	<b>0.0</b>
<b>Pre-operating profit before tax</b>	<b>7,816</b>	<b>7,990</b>	<b>2.2</b>	<b>8,928</b>	<b>8,952</b>	<b>0.3</b>	<b>9,777</b>	<b>9,798</b>	<b>0.2</b>
Expected credit loss	4,985	4,998	0.3	4,923	4,947	0.5	4,708	4,729	0.5
Taxes expenses	566	599	5.7	801	801	(0.0)	1,014	1,014	(0.0)
<b>Norm. profit</b>	<b>2,265</b>	<b>2,394</b>	<b>5.7</b>	<b>3,204</b>	<b>3,204</b>	<b>(0.0)</b>	<b>4,056</b>	<b>4,056</b>	<b>(0.0)</b>
Extraordinary items	0	0		0	0		0	0	
<b>Net profit</b>	<b>2,265</b>	<b>2,394</b>	<b>5.7</b>	<b>3,204</b>	<b>3,204</b>	<b>(0.0)</b>	<b>4,056</b>	<b>4,056</b>	<b>(0.0)</b>
EPS (THB)	0.70	0.74	5.7	0.99	0.99	(0.0)	1.25	1.25	(0.0)
<b>Key statistic and ratio</b>									
<b>Leverage ratios (x)</b>									
Liabilities / equity	1.7	1.7		1.6	1.6		1.2	1.2	
Interest-bearing debt / equity	1.6	1.7		1.5	1.5		1.2	1.2	
<b>Profitability ratio (%)</b>									
Cost of funds	3.1	3.2		3.0	3.0		3.0	3.0	
Cost to income	25.9	25.5		25.6	25.5		25.7	25.6	
<b>Specific data for business</b>									
NPL and NPA purchases (THB m)	3,918	4,357	11.2	8,675	8,675	0.0	9,492	9,492	0.0
NPL and NPA cash collection (THB m)	15,279	15,601	2.1	17,433	17,404	(0.2)	18,846	18,846	(0.0)
Cash collection to gross NPLs and NPAs (%)	12.3	12.6		13.9	13.9		14.6	14.7	
<b>Change y-y (%)</b>									
Core profit (y-y %)	23.1	30.1		41.5	33.8		26.6	26.6	
NPL and NPA purchases (y-y %)	(66.6)	(62.9)		121.4	99.1		9.4	9.4	
NPL and NPA cash collection (y-y %)	16.3	18.8		14.1	11.6		8.1	8.3	

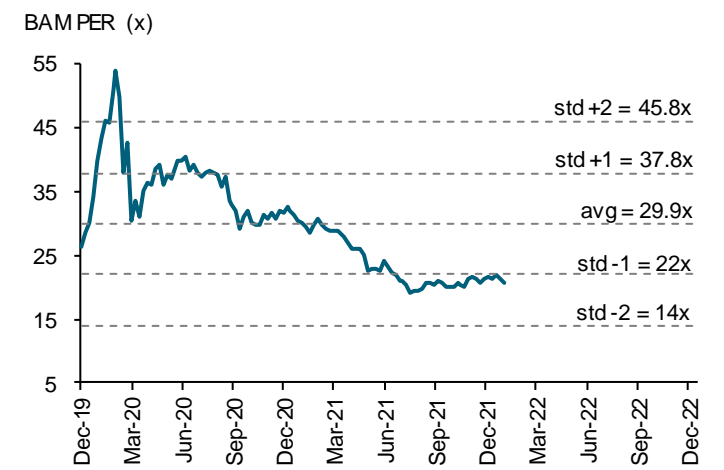
Sources: BAM; FSSIA estimates

### Exhibit 12: BAM – one-year prospective P/BV



Sources: Bloomberg; FSSIA estimates

### Exhibit 13: BAM – one-year prospective P/E



Sources: Bloomberg; FSSIA estimates



## Exhibit 14: Diversified financial companies under coverage

Company	BBG code	Rec	---Share price---		Up side (%)	Market Cap (USD m)	EPS growth		---P/E---		--DivYld--		---ROE---		---PBV---	
			Current (THB)	Target (THB)			21E (%)	22E (%)	21E (x)	22E (x)	21E (x)	22E (x)	21E (%)	22E (%)	21E (x)	22E (x)
<b>Diversified financials</b>						<b>24,199</b>	<b>13.0</b>	<b>21.6</b>	<b>26.4</b>	<b>21.7</b>	<b>1.9</b>	<b>2.2</b>	<b>18.4</b>	<b>17.9</b>	<b>4.3</b>	<b>3.4</b>
<b>Unsecured-loan lender</b>						<b>6,046</b>	<b>14.4</b>	<b>13.1</b>	<b>21.9</b>	<b>19.4</b>	<b>1.9</b>	<b>2.1</b>	<b>24.1</b>	<b>23.4</b>	<b>5.0</b>	<b>4.3</b>
Aeon Thana Sinsap (TH)	AEONTS TB	HOLD	182.00	204.00	12	1,379	7.5	13.9	11.5	10.1	2.7	2.9	21.5	21.1	2.3	2.0
Krungthai Card	KTC TB	HOLD	59.75	52.00	(13)	4,668	15.4	13.0	25.0	22.2	1.6	1.9	24.8	24.1	5.7	5.0
<b>Auto-title lender</b>						<b>9,517</b>	<b>5.8</b>	<b>22.8</b>	<b>23.3</b>	<b>19.0</b>	<b>1.3</b>	<b>1.5</b>	<b>20.3</b>	<b>20.6</b>	<b>4.1</b>	<b>3.6</b>
Muangthai Capital	MTC TB	BUY	58.00	69.00	19	3,725	(0.5)	24.6	23.7	19.0	0.6	0.8	22.7	23.4	4.9	4.1
Srisawad Corp	SAWAD TB	BUY	63.75	80.00	25	2,652	4.2	20.6	18.4	15.3	2.8	3.3	20.2	22.0	3.5	3.2
Saksiam Leasing	SAK TB	BUY	9.60	11.00	15	610	(19.5)	39.1	33.9	24.3	0.9	1.2	12.6	15.9	4.1	3.7
Ngern Tid Lor	TIDLOR TB	BUY	36.00	43.00	19	2,529	23.8	17.8	25.4	21.5	0.6	0.7	18.9	16.4	3.7	3.3
<b>Truck lender</b>						<b>2,120</b>	<b>13.9</b>	<b>8.6</b>	<b>28.0</b>	<b>25.7</b>	<b>1.9</b>	<b>2.4</b>	<b>13.2</b>	<b>12.2</b>	<b>3.2</b>	<b>2.4</b>
Micro Leasing	MICRO TB	BUY	7.55	10.70	42	214	23.1	33.5	34.7	26.0	0.9	0.8	10.8	13.2	3.6	3.3
Singer Thailand	SINGER TB	BUY	47.25	51.00	8	1,161	24.8	2.4	34.8	33.9	1.2	1.8	13.0	9.8	3.9	2.5
Ratchthani Leasing	THANI TB	BUY	4.34	4.80	11	745	(30.2)	19.8	15.4	12.9	3.2	3.9	14.2	15.8	2.1	2.0
<b>Asset management</b>						<b>4,921</b>	<b>17.8</b>	<b>31.3</b>	<b>40.9</b>	<b>31.1</b>	<b>1.9</b>	<b>2.5</b>	<b>13.3</b>	<b>11.2</b>	<b>5.2</b>	<b>2.8</b>
Bangkok Commercial AM	BAM TB	BUY	20.10	25.50	27	1,968	30.1	33.8	27.1	20.3	3.1	4.2	5.4	6.9	1.4	1.4
Chayo Group	CHAYO TB	BUY	12.70	16.60	31	389	12.1	36.6	52.3	38.3	0.0	0.0	12.4	10.6	4.7	3.3
JMT Network Services	JMT TB	BUY	61.75	70.00	13	2,563	13.6	29.5	49.7	38.4	1.3	1.5	19.5	14.5	8.2	3.8
<b>Other</b>						<b>1,279</b>	<b>8.1</b>	<b>11.6</b>	<b>10.2</b>	<b>9.2</b>	<b>7.5</b>	<b>7.5</b>	<b>6.4</b>	<b>6.8</b>	<b>0.6</b>	<b>0.6</b>
Thanachart Capital	TCAP TB	HOLD	40.25	35.00	(13)	1,279	8.1	11.6	10.2	9.2	7.5	7.5	6.4	6.8	0.6	0.6
<b>HP motorcycle</b>						<b>316</b>	<b>55.9</b>	<b>33.4</b>	<b>33.2</b>	<b>24.9</b>	<b>0.5</b>	<b>0.6</b>	<b>17.4</b>	<b>19.8</b>	<b>5.4</b>	<b>4.5</b>
Next Capital	NCAP TB	BUY	11.60	16.80	45	316	55.9	33.4	33.2	24.9	0.5	0.6	17.4	19.8	5.4	4.5

Share prices as of 19 Jan 2022

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	9,695	10,918	11,496
Interest expense	(2,132)	(2,391)	(2,567)	(2,227)	(2,073)
Net interest income	7,007	7,555	7,128	8,691	9,423
Net fees & commission	-	-	-	-	-
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	38	0	0	0	0
Other income	3,058	2,498	3,600	3,327	3,749
Non interest income	3,096	2,498	3,600	3,327	3,749
Total income	10,104	10,053	10,729	12,018	13,172
Staff costs	-	-	-	-	-
Other operating costs	(3,757)	(2,658)	(2,738)	(3,067)	(3,373)
Operating costs	(3,757)	(2,658)	(2,738)	(3,067)	(3,373)
Pre provision operating profit	6,347	7,395	7,990	8,952	9,798
Provision for bad and doubtful debt	(135)	(5,199)	(4,998)	(4,947)	(4,729)
Other provisions	-	-	-	-	-
Operating profit	6,212	2,196	2,993	4,004	5,070
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	2,993	4,004	5,070
Tax	337	(355)	(599)	(801)	(1,014)
Profit after tax	10,679	1,841	2,394	3,204	4,056
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	10,679	1,841	2,394	3,204	4,056
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	6,549	1,841	2,394	3,204	4,056
<b>Per share (THB)</b>					
Recurring EPS *	2.17	0.57	0.74	0.99	1.25
Reported EPS	3.54	0.57	0.74	0.99	1.25
DPS	1.05	0.51	0.63	0.84	1.07
<b>Growth</b>					
Net interest income (%)	50.9	7.8	(5.7)	21.9	8.4
Non interest income (%)	(7.2)	(19.3)	44.1	(7.6)	12.7
Pre provision operating profit (%)	25.7	16.5	8.1	12.0	9.5
Operating profit (%)	19.2	(64.7)	36.3	33.8	26.6
Reported net profit (%)	105.3	(82.8)	30.1	33.8	26.6
Recurring EPS (%)	14.2	(73.8)	30.1	33.8	26.6
Reported EPS (%)	86.2	(83.9)	30.1	33.8	26.6
<b>Income Breakdown</b>					
Net interest income (%)	69.4	75.2	66.4	72.3	71.5
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	0.4	-	-	-	-
Other income (%)	30.3	24.8	33.6	27.7	28.5
<b>Operating performance</b>					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	3.20	2.93	3.17	3.04	3.03
Net interest spread (%)	(3.20)	(2.93)	(3.17)	(3.04)	(3.03)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	37.2	26.4	25.5	25.5	25.6
Cost/assets(%)	3.3	2.1	2.1	2.5	2.8
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	5.4	6.9	8.0
ROE - COE (%)	5.0	(6.4)	(5.4)	(3.9)	(2.8)
ROA (%)	5.8	1.5	1.9	2.6	3.3
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	81,518	79,939	78,994
Total provisions	(6,247)	(13,243)	(16,610)	(19,959)	(23,108)
interest in suspense	0	5,047	9,375	4,796	4,740
<b>Net customer loans</b>	<b>77,375</b>	<b>77,726</b>	<b>74,283</b>	<b>64,777</b>	<b>60,626</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	70	451	474	498	522
Cash & equivalents	5	5	429	1,165	5,747
Other interesting assets	25,927	36,514	32,840	36,698	40,241
Tangible fixed assets	1,243	1,190	1,197	1,221	1,245
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	15,299	16,183	16,742	16,982	13,385
<b>Total assets</b>	<b>119,920</b>	<b>132,069</b>	<b>125,964</b>	<b>121,340</b>	<b>121,767</b>
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	75,688	87,421	77,308	72,079	64,871
Non interest bearing liabilities	3,036	2,852	2,500	2,625	2,756
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>78,724</b>	<b>90,273</b>	<b>79,808</b>	<b>74,704</b>	<b>67,627</b>
Share capital	15,075	16,160	16,160	16,160	16,160
Reserves	26,121	25,637	29,996	30,476	37,979
<b>Total equity</b>	<b>41,196</b>	<b>41,797</b>	<b>46,156</b>	<b>46,637</b>	<b>54,140</b>
Minority interests	0	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>119,920</b>	<b>132,070</b>	<b>125,964</b>	<b>121,340</b>	<b>121,767</b>
<b>Supplementary items</b>					
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	80,864	73,193	68,475
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
<b>Per share (THB)</b>					
Book value per share	13.66	12.93	14.28	14.43	16.75
Tangible book value per share	13.66	12.93	14.28	14.43	16.75
<b>Growth</b>					
Gross customer loans	2.3	2.8	(5.1)	(1.9)	(1.2)
Average interest earning assets	-	-	-	-	-
Total asset (%)	11.4	10.1	(4.6)	(3.7)	0.4
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	34.4	31.6	36.6	38.4	44.5
Tangible equity/assets (%)	34.4	31.6	36.6	38.4	44.5
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality</b>					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Total provisions/gross loans (%)	7.5	15.4	20.4	25.3	29.3
Total provisions/NPL (%)	-	-	-	-	-
<b>Valuation</b>					
Recurring P/E (x) *	9.3	35.3	27.1	20.3	16.0
Recurring P/E @ target price (x) *	11.7	44.8	34.4	25.7	20.3
Reported P/E (x)	5.7	35.3	27.1	20.3	16.0
Dividend yield (%)	5.2	2.5	3.1	4.2	5.3
Price/book (x)	1.5	1.6	1.4	1.4	1.2
Price/tangible book (x)	1.5	1.6	1.4	1.4	1.2
Price/tangible book @ target price (x)	1.9	2.0	1.8	1.8	1.5

\* 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	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	SEDI	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	TTB	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	TTB	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 Suwanumchai 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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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Commercial Asset Mngt.	BAM TB	THB 20.10	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.
Krungthai Card	KTC TB	THB 59.75	HOLD	Upside risks to our GGM-derived TP include 1) stronger-than-expected growth for KTB Leasing; and 2) a better-than-expected bad debt recovery. Downside risks are 1) regulatory actions to curb industry growth; and 2) deteriorating asset quality.
Muangthai Capital	MTC TB	THB 58.00	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Srisawad Corp	SAWAD TB	THB 63.75	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Saksiam Leasing	SAK TB	THB 9.60	BUY	Downside risks to our GGM-derived TP include 1) competition from existing and new players; 2) regulatory changes by the Bank of Thailand (BoT); and 3) a slower-than-expected reduction in its cost of funds due to a shift toward more long-term loans.
Ngern Tid Lor	TIDLOR TB	THB 36.00	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank and Auto X (subsidiary of SCB); 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.
Micro Leasing	MICRO TB	THB 7.55	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) a slower-than-expected reduction in the cost of funds due to a shift toward more long-term loans.
Singer Thailand	SINGER TB	THB 47.25	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.
Ratchthani Leasing	THANI TB	THB 4.34	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) changes in financial regulations from the Bank of Thailand.
Bangkok Commercial Asset Mngt.	BAM TB	THB 20.10	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 12.70	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 61.75	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.
Thanachart Capital	TCAP TB	THB 40.25	HOLD	Upside risks to our GGM-based target price are M&A completions and long-term synergy gained, leading to a higher contribution to its earnings. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality which could lead to higher provisions for both TMB and THANI.
Next Capital	NCAP TB	THB 11.60	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for food delivery and logistics activities; 2) deteriorating asset quality; and 3) tighter competition from new players.

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 19-Jan-2022 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.