

# Bangkok Commercial Asset Management Plc.

1Q\_2020 Financial Results

SET Opportunity Day

28 May 2020



บริษัทบริหารสินทรัพย์ กรุงเทพพาณิชย์ จำกัด (มหาชน)

Bangkok Commercial Asset Management Public Company Limited

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Section 1 : 1Q Highlights and Outlook

Section 2 : Business Overview

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An aerial photograph of a city skyline at sunset. The sun is low on the horizon, casting a warm orange glow over the city. A wide river flows through the center of the city, with several high-rise buildings on either bank. In the foreground, a large Ferris wheel is visible, along with several buildings with red roofs. The overall scene is a vibrant and detailed view of a modern urban landscape.

# 1Q Highlights and Outlook

# 1Q Highlights

## Stable Performance Despite COVID-19 Uncertainty

- 1Q 2020 Performance largely in line with 1Q 3Y-historical average<sup>1</sup>
- NPLs Management remains a core engine for BAM.
- 83% of Cash Collection generated from NPLs Management

## New Financial Reporting Standards

- Change in **Revenue Recognition** from Cash to **“Accrual Basis”**
- **Classification and measurement of financial assets**
  - Equity instruments of non-listed companies measures at FV through OCI
  - Available-for-sale equity securities of listed companies measures at FV through OCI
- **Impairment of financial assets**
  - POCI Approach for “NPLs”
  - General Approach for other financial assets
- Expected Credit Loss Model
  - Accrued interest & expected credit losses

## Tax Benefits

- Deferred Income Tax from temporary difference for the period : 351 MB
- Deferred Tax Benefits (past diff.)
  - As of Mar 31 2020 :5,871 MB
  - As of Dec 31 2019 :5,877 MB
- Utilization of future tax benefits
  - 1) Haven't recognize as an Assets yet
  - 2) Still remain uncertainty as involving large amount of data.
  - 3) Once uncertainty is diminished, recognize benefits as a reduction from profit in annual tax computation.

Note : 1) Exclude significant debtor payment in 1Q 2019

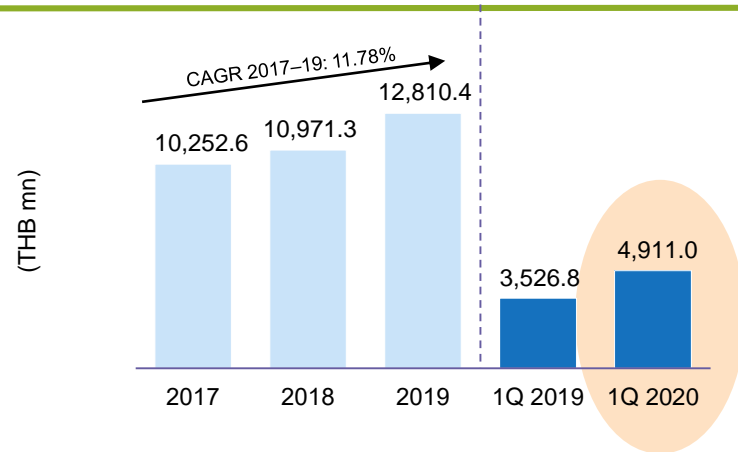
- Ample supply of distressed assets coming into the market
- Public auction via Legal Execution Dept. is likely to resume in early June
- Slower cash collection in Q2 due to impact from COVID-19
- Mitigate potential shortfalls in Cash Collection & Revenue through various marketing campaigns
- 25 bn Debenture issuance plan during 2020 – 2021

An aerial photograph of a city skyline at sunset. The sun is low on the horizon, casting a warm orange and yellow glow over the scene. A wide river flows through the city, reflecting the sky. In the foreground, there are several large buildings with red roofs and a Ferris wheel. The background is filled with a dense collection of skyscrapers and other buildings. The overall atmosphere is serene and urban.

# Business Overview

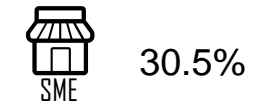
# New Distressed Assets Acquisition

## NPLs acquisition amounts



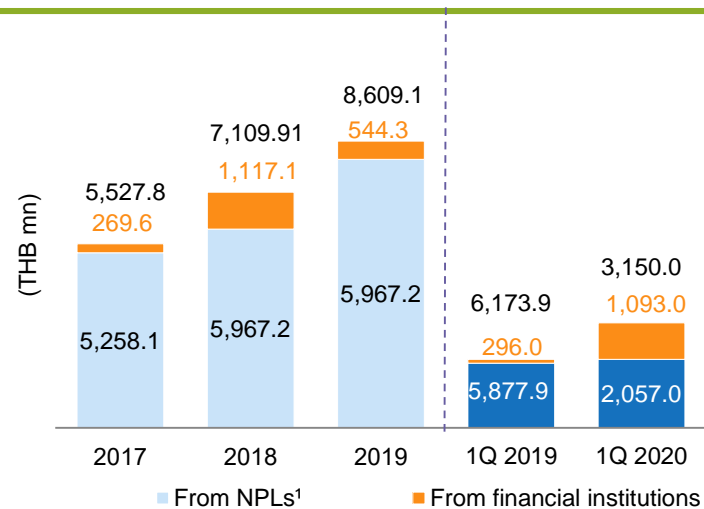
### Financial Institution

Institutions 1	47.3%
Institutions 2	27.7%
Institutions 3	22.2%
Institutions 4	2.8%



## NPAs acquisition amounts

(excluding investment in securities)



### Direct Purchase

#### Financial Institution

Institutions 1	93.8%
Institutions 2	4.3%
Institutions 3	1.7%
Institutions 4	0.1%

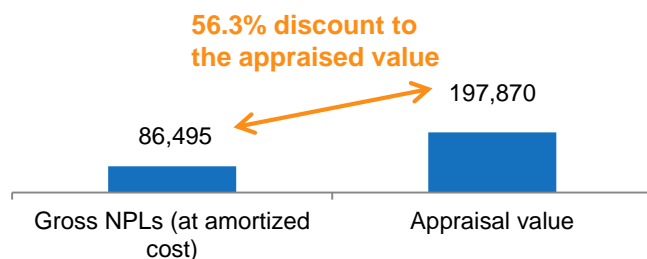


# NPLs and NPAs management are the columns of BAM's business



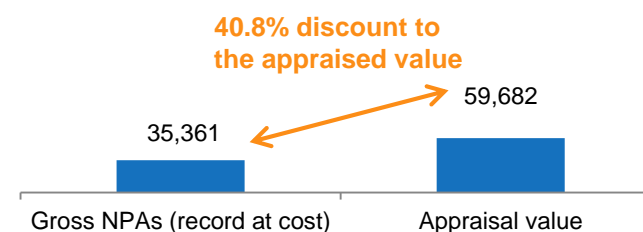
## Distressed debt assets (NPLs) management

- **NPLs management method:** debt restructuring or court process
- **Source of NPLs:** purchased from financial institutions in Thailand through bilateral negotiations or a bidding process
- NPLs are mostly **collateralized by real estate-related assets** which are **secured by a first priority mortgage**
- **NPLs value as of 1Q 2020:**

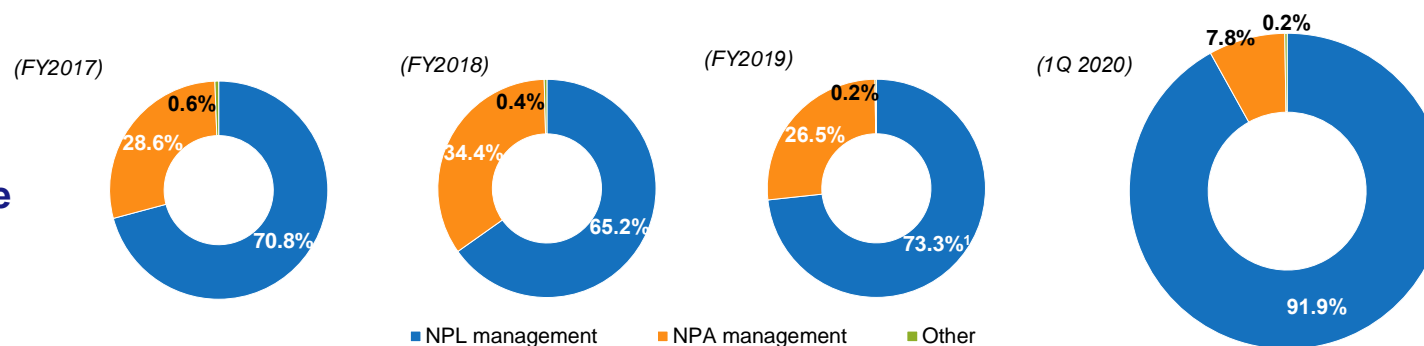


## Properties foreclosed (NPAs) management

- **NPAs management method:** straight sale of assets or asset enhancement, taking into account the expected return and cost of renovation
- **Source of NPAs:** conversion from NPLs or direct purchase of NPAs
- NPAs primarily consists of **real estate assets** such as commercial and residential properties, vacant land, and hotels
- **NPAs value as of 1Q 2020:**



## BAM total income



# Post-IPO Improvement

## ESG Sustainability

- Environmental sustainability
- Social responsibility
- Good Governance



## Competitiveness

### Employees

#### HRD

- Knowledge and work methods
- Skills and talents
- Positive attitude and creativity
- Establish BAM's value and culture "**BAM TOUCH**"

#### HRM

- 3R (Retrain, Recruit, Retire)

### Regulations

- Reduce working process
- More flexibility
- Checks and Balances

### Advance technology for future business expansion

- IT and Office Automation
- Cloud Computing

## Brand Awareness

**Bam**



An aerial photograph of a city skyline at sunset. The sun is low on the horizon, casting a warm orange and yellow glow over the city. A wide river flows through the center of the city, reflecting the sky. On the right bank, a large Ferris wheel is visible, along with several buildings with red roofs. The city is densely packed with skyscrapers and residential buildings. The overall scene is a vibrant and detailed urban landscape.

# First Quarter Review

# Income Statement Highlights

Unit: MB	1Q 2020	1Q 2019
<b>Interest income</b>		
<b>Total interest income</b>	<b>3,078</b>	<b>4,430</b>
Loans purchased of receivables	3,054	4,407
Interest income- part of fully received	202	348
Interest income- part of account receivable	1,238 *	-
Gain on loans purchased of receivables	1,584	4,059
Installment sale receivables	23	19
<b>Expected Credit Losses/Bad debt for doubtful accounts</b>		
Loans purchased of receivables	1,292	-
Installment sale receivables & accrued int. receivables	52	-
Gain from debt restructuring of installment sale receivables	(46)	-
<b>Total</b>	<b>1,298</b>	
Bad debts and doubtful accounts		
Loans purchased of receivables	-	219
<b>Total</b>	<b>1,298</b>	

Record "allowance for ECL" in the same amount as "Int. income-part of account receivables"

- 1 1,238 \* "Int. income- part of account receivables"
- 2 54 MB difference (1,292-1,238): Allowance for "Expected Credit Losses" for the period.

# Balance Sheet Highlights

Unit: MB	1Q 2020	31 DEC 2019
<b>Asset</b>		
Total loans purchased of receivables and accrued interest receivables <sup>1</sup>	87,733	83,622
Less Allowance for doubtful accounts	-	(6,247)
Less Allowance for expected credit losses	(9,718)	-
<b>Total loans purchased of receivables and accrued interest receivables- net</b>	<b>78,015</b>	<b>77,375</b>
Installment sale receivables and accrued interest receivables	1,637	1,542
Less Deferred gross profit of installment sale receivables	(929)	(891)
Less Allowance for expected credit losses	(52)	-
Less Allowance for doubtful accounts	-	(2)
<b>Installment sale receivables and accrued interest receivables-net</b>	<b>656</b>	<b>649</b>
Deferred tax assets <sup>2</sup>	1,237	491
Right-of-use-assets-net <sup>3</sup>	25	-
<b>Total Asset</b>	<b>118,978</b>	<b>115,790</b>

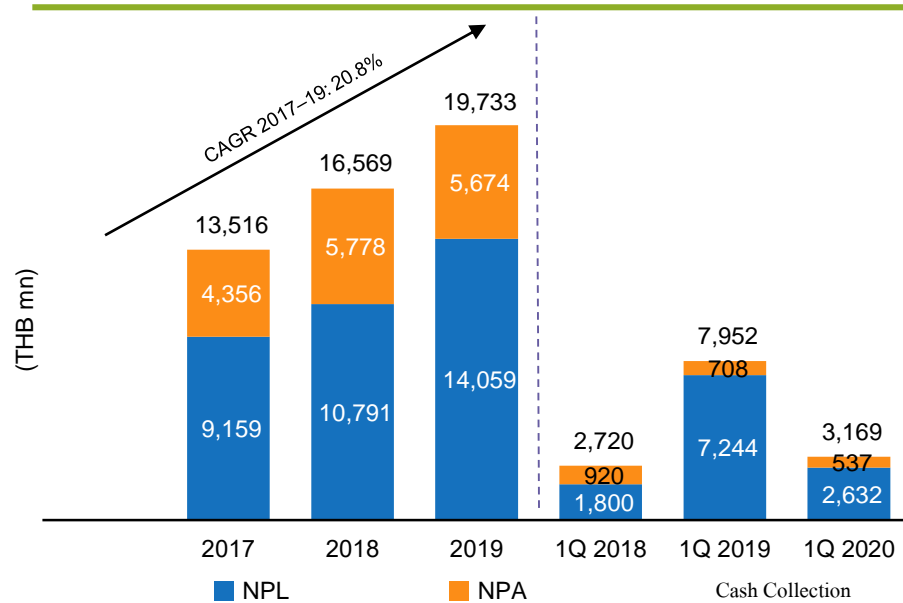
Unit: MB	1Q 2020	31 DEC 2019
<b>Liabilities</b>		
Accrued interest payables	347	504
Dividend payables	3,394	-
Lease liabilities <sup>3</sup>	28	-
<b>Total Liabilities</b>	<b>82,455</b>	<b>78,724</b>

Unit: MB	1Q 2020	31 DEC 2019
<b>Equity</b>		
Share premium	6,044	3,399
Other components of equity	238	(65)
Retained earnings <sup>4</sup>		
Unappropriated	12,458	17,034
<b>Total Equity</b>	<b>36,523</b>	<b>37,066</b>

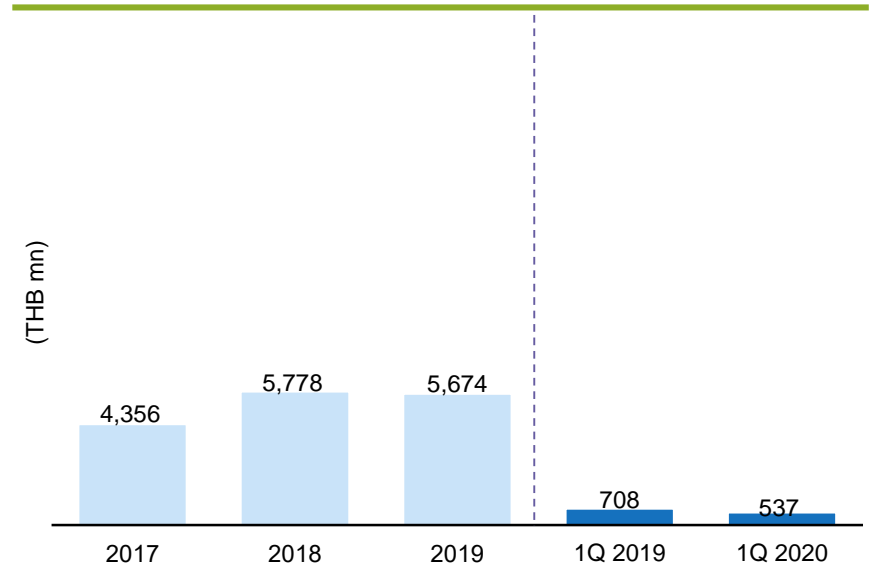
- 1 The beginning balance of allowance for doubtful accounts (in accordance with BOT rules) adjusted by changes in adoption of the TFRS9 and allowance for expected credit losses for the period
- 2 Deferred Tax Assets for the period of 1,237 MB : mostly from the effect from first time adoption of the TFRS9
- 3 Record "Right-of-use-assets" and " Lease liabilities" in accordance with TFRS 16 Leases
- 4 Changes in RE mainly from 1) Dividend Payables: 3,393 MB and 2) impact from first time adoption of the TFRS 9 : 1,928 MB

# Cash Collection : Breakdown

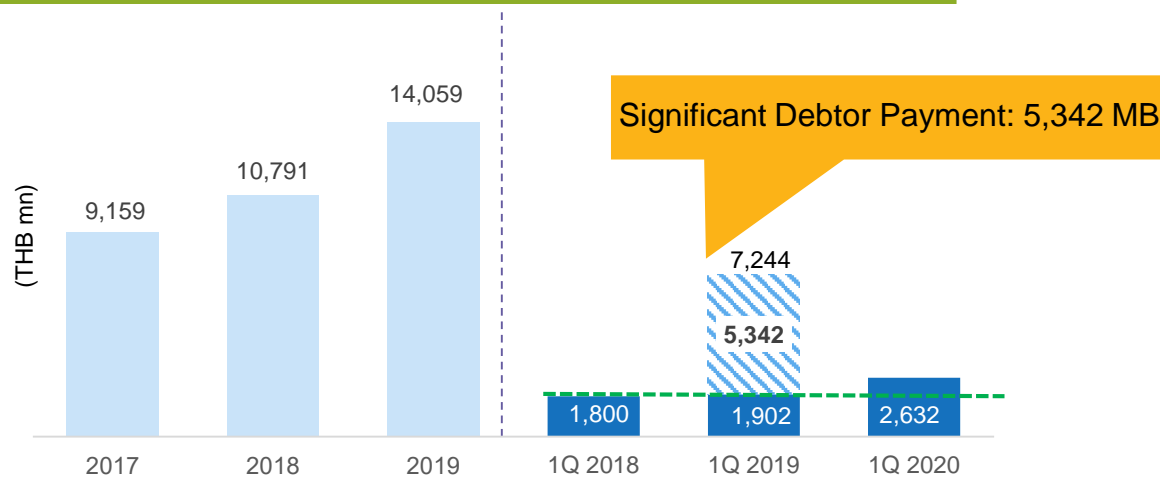
## Cash Collection



## Total cash collected for NPAs



## Total cash collected for NPLs



- NPLs cash collection largely in line with historical track record (excl. significant debtor payment in 1Q2019).
- Limited impact on restructured NPLs front: Only 547 approved cases for debt moratorium support (as of April 30,2020)
- Slower demand for NPAs but displays sign of improvement from gradual increase in NPAs approval cases in the pipeline. (Over 400 units as of March 31,2020)

# COVID-19 impact and measure

## Impact

- 1 Debtors and NPAs buyers delayed, extended or request debt moratorium program
- 2 Delayed in NPLs and NPAs purchase due to due diligence process and unable to inspect assets

## Measure

### 3 Relief measures to support debtors

- 1 3-months moratorium of principle and interest
- 2 3-months moratorium of principle and interest, then, another 3 months moratorium of principle (interest payment only)
- 3 Principle moratorium (interest payment only) until December 2020

To receive support, debtors must submit a petition by May 31, 2020. The petition will be approved on case-by-case basis.

### Contact us via

1. Call Center : 02-630-0700, Head office
2. Call Center : Don-Mueang and regional branches
3. FB : Online debt restructuring center by BAM
4. FB : Bam Thailand
5. Line : @ bamline

# Marketing Campaign Initiatives

## VR booth online

<http://www.bam.co.th>

Bami

**Download Here**  
E-BROCHURE BAM CHOICE 2020  
MARCH - JUNE 2020  
กรอกชื่อผู้เกี่ยวข้องในบริษัท

**CLICK** เพื่อค้นหาทรัพย์สินและสิทธิประโยชน์มากมายที่ดีที่สุดจาก BAM

HOME LAND CONDO

คัดสรร คุณค่า เพื่อคุณ | บ้าน / ที่ดิน / คอนโด | จาก BAM เท่านั้น

BAM SOCIAL NETWORK  
เข้าสู่ WEBSITE

**ฟรีโอน\***  
**โอนเร็วรับเพิ่ม\*\***  
Start from 100,000 THB  
**ดอกเบี้ย 0%**  
นาน 2 ปี\*\*\*

1 - 30 May 2020

ค้นหาทรัพย์สินล่าสุดพิเศษจาก BAM อีกมากมายได้ **ที่นี่**



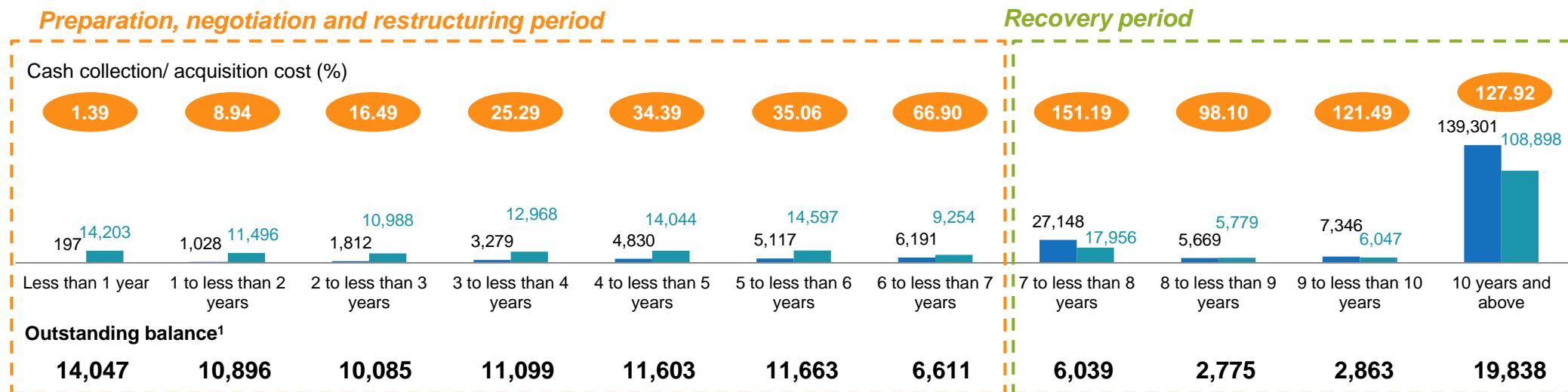


# Appendices

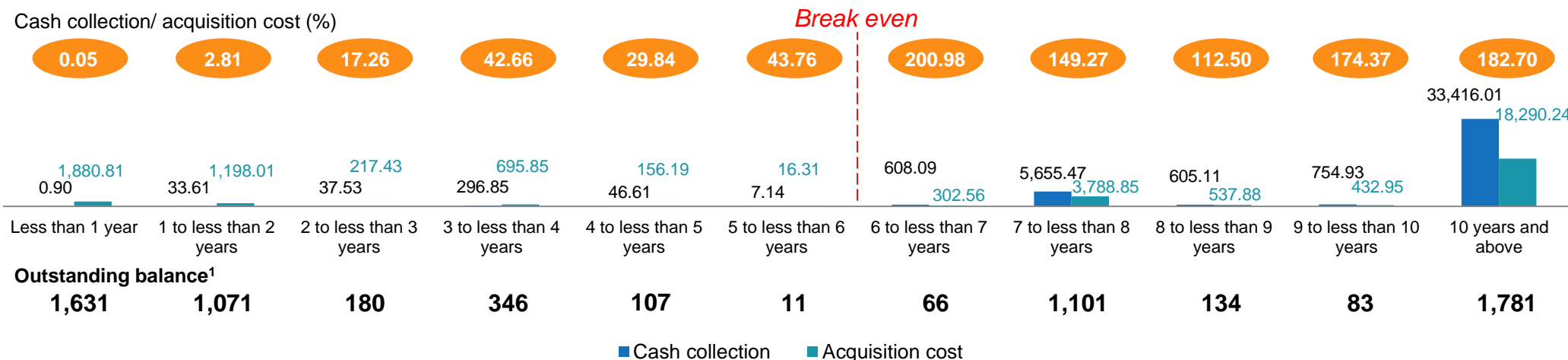
# Large cash collections have been generated, and BAM possesses considerable outstanding balances for future cash collection

Distressed debt assets (NPLs) and properties foreclosed from NPLs as of March 31, 2020 (in THB million unless specified)

## Credit for purchase of receivables and converted properties foreclosed:



## Properties foreclosed (directly purchased):



Cash collection equals **c.127.92%** of the acquisition cost for NPL portfolios acquired >10 years ago

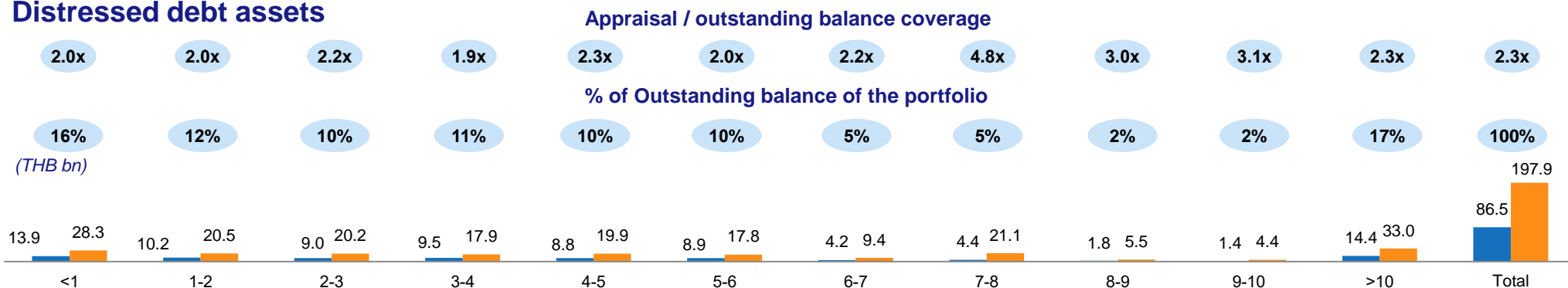


Cash collection equals **c.182.70%** of the acquisition cost for NPAs directly acquired >10 years ago

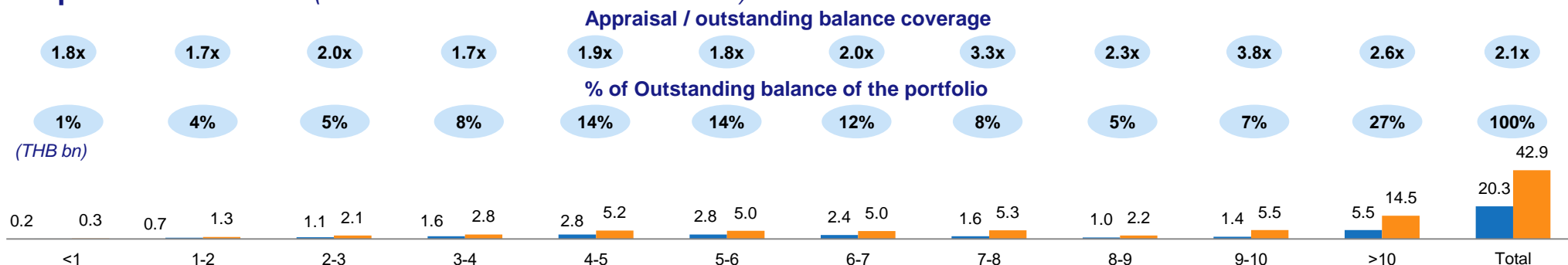
# High appraisal value relative to book value

NPLs and NPAs portfolio – outstanding balance / appraisal value split by year, as of March 31, 2020

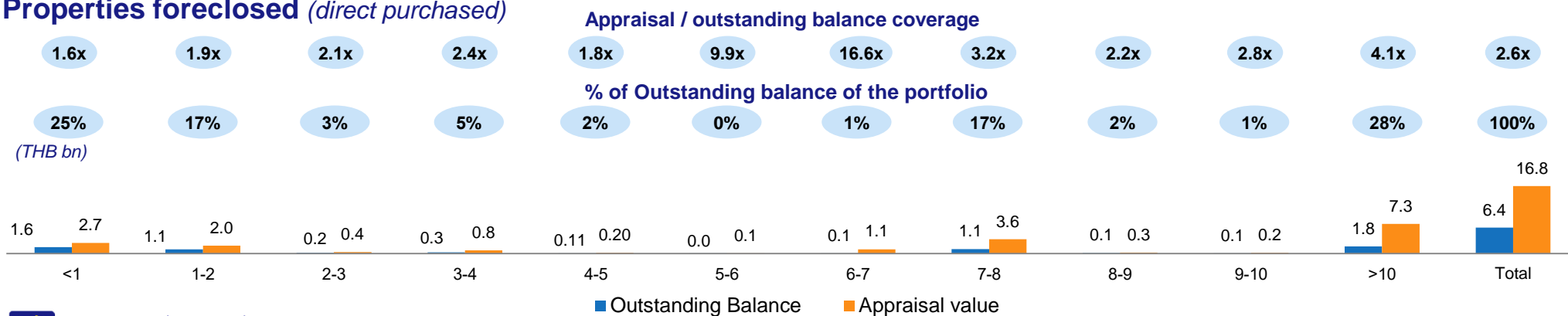
## Distressed debt assets



## Properties foreclosed (converted from distressed debt assets)

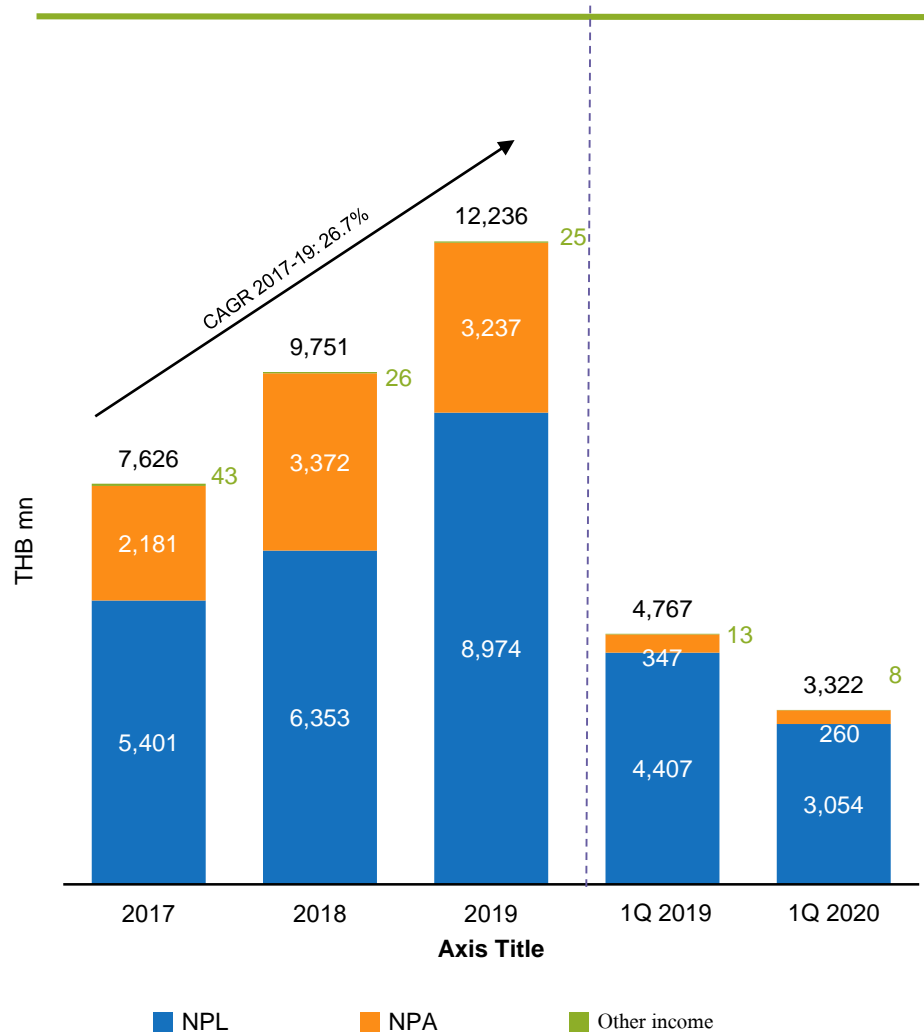


## Properties foreclosed (direct purchased)

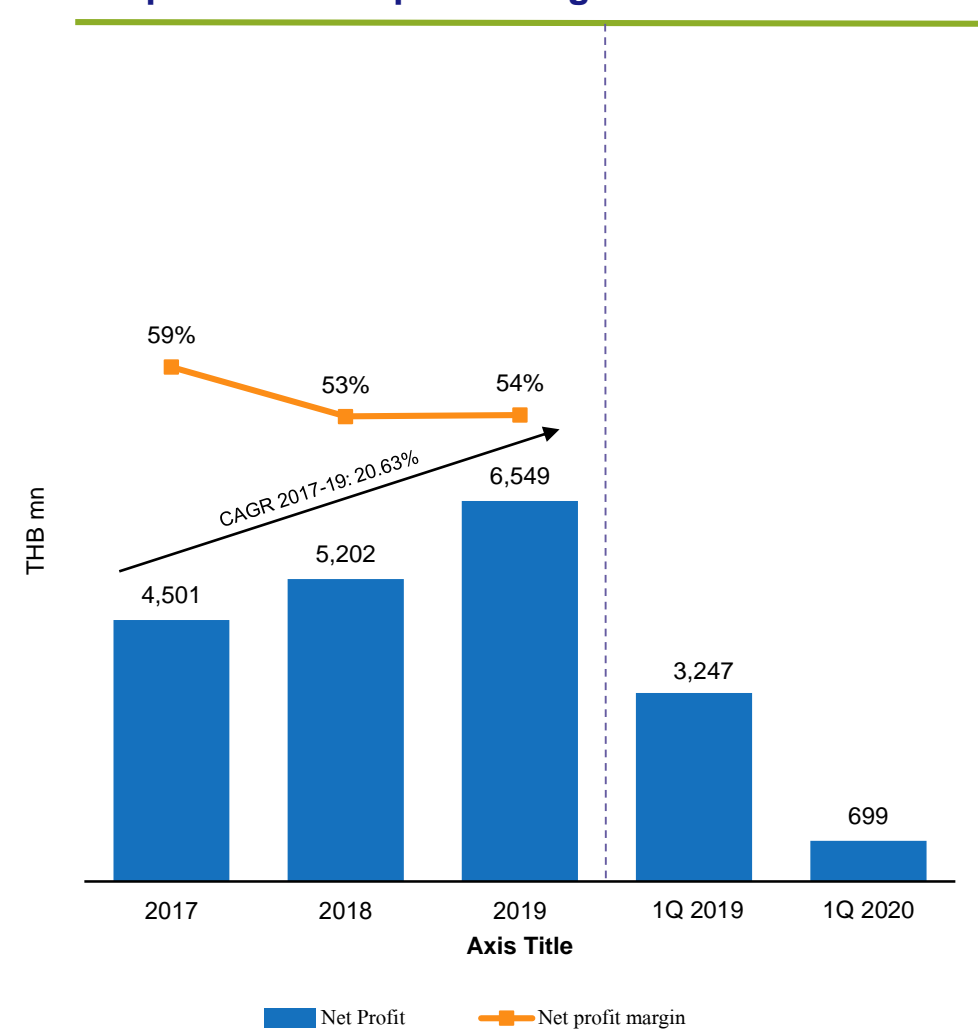


# Financial performance : operating profitability

## Revenue breakdown

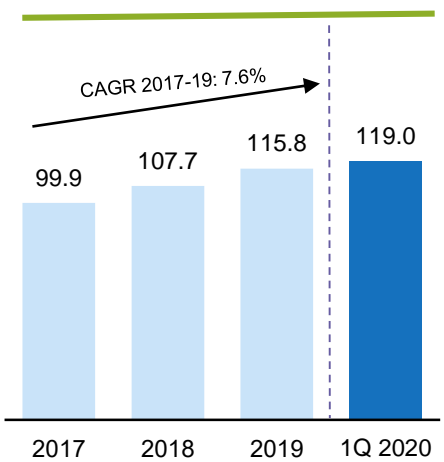


## Net profit and net profit margin

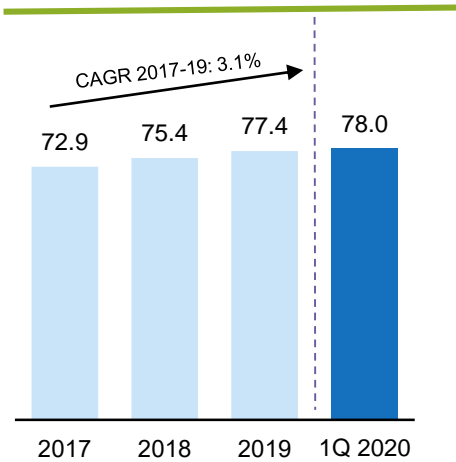


# Financial performance : balance sheet and financial ratio

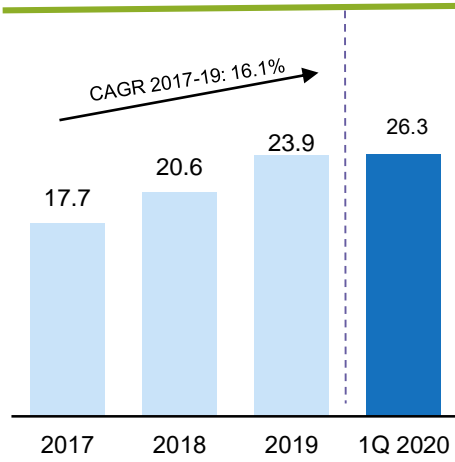
**Total assets (Million Baht)**



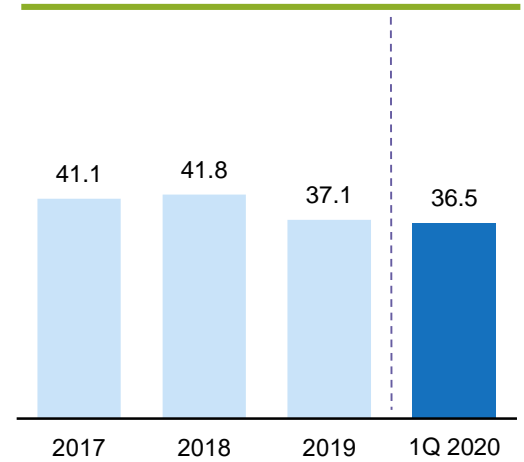
**Loans purchases of receivables and accrued interest receivables (NPL) - net (Billion Baht)**



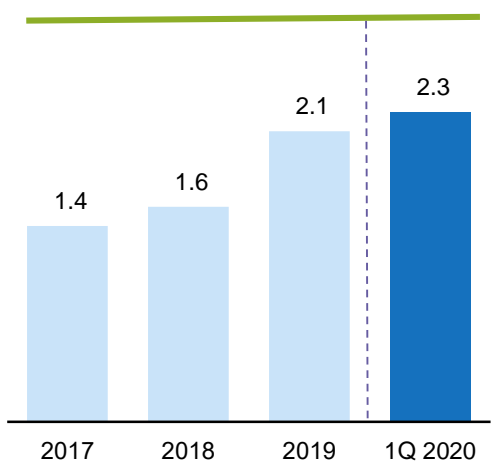
**Properties for sale (NPA) – net (Billion Baht)**



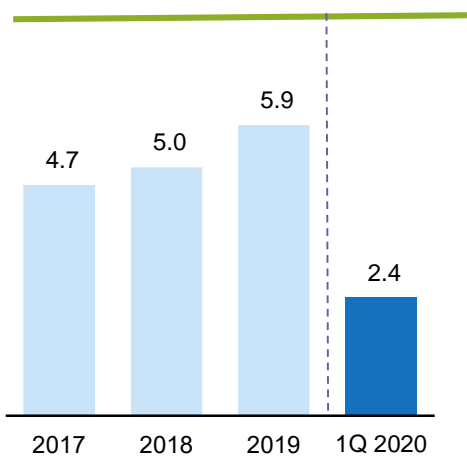
**Total shareholder's equity (Million Baht)**



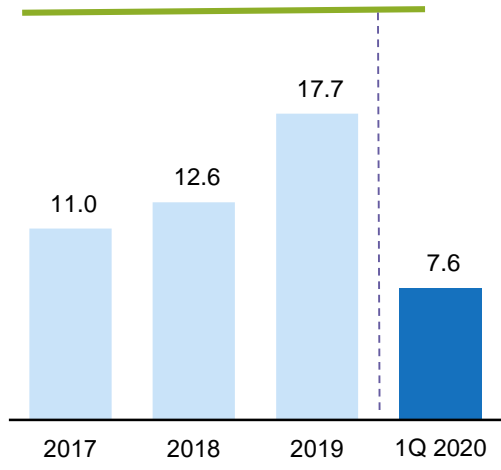
**Total liability-to-equity ratio (X)**



**ROAA<sup>1</sup> (%)**



**ROAE<sup>1</sup> (%)**

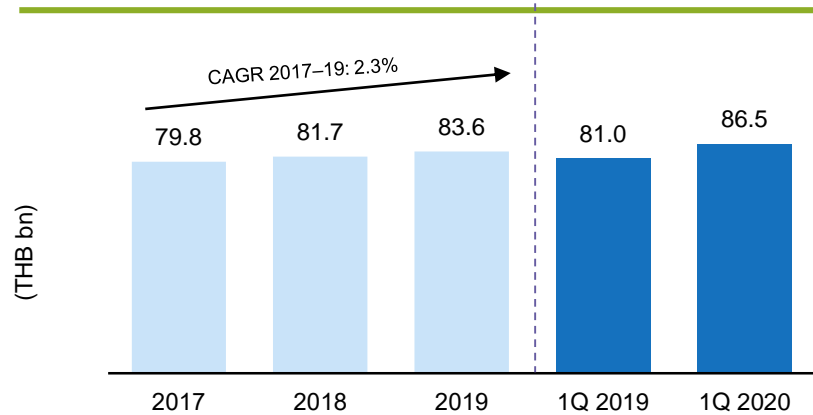


Note: 1Calculate by annualizing the relevant items in the statement of comprehensive income and statement of cash flows for the three-month period ended March 31, 2020.

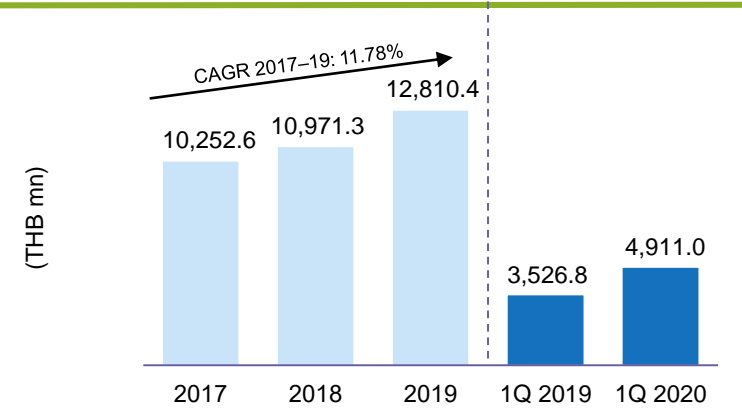
# NPLs breakdown

- Growing assets based
- Collateral values exceed acquisition cost
- NPLs backed by majority real estate collateral

## Distressed debt assets (gross NPLs)

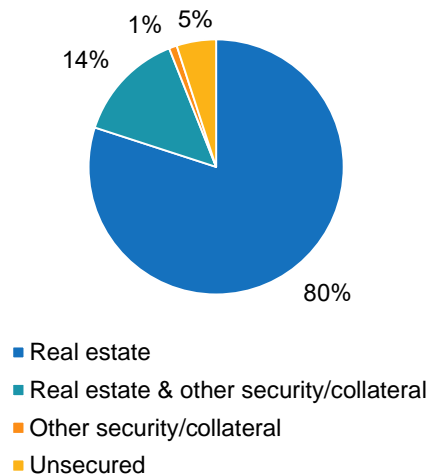


## NPLs acquisition amounts



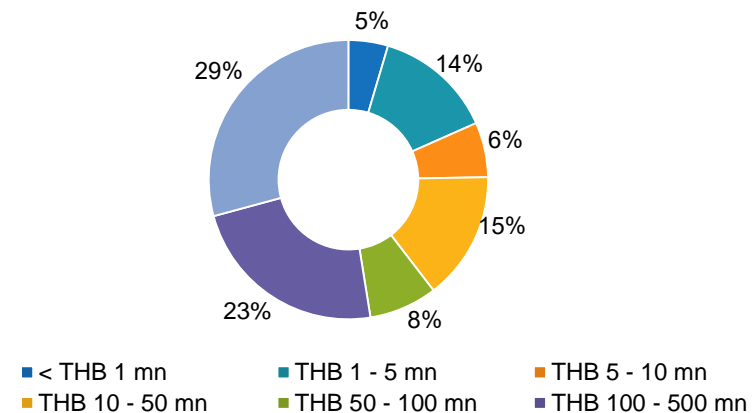
## NPLs (gross) by collateral type

(As of 1Q 2020)



## Breakdown of NPL portfolio

(As of 1Q 2020)



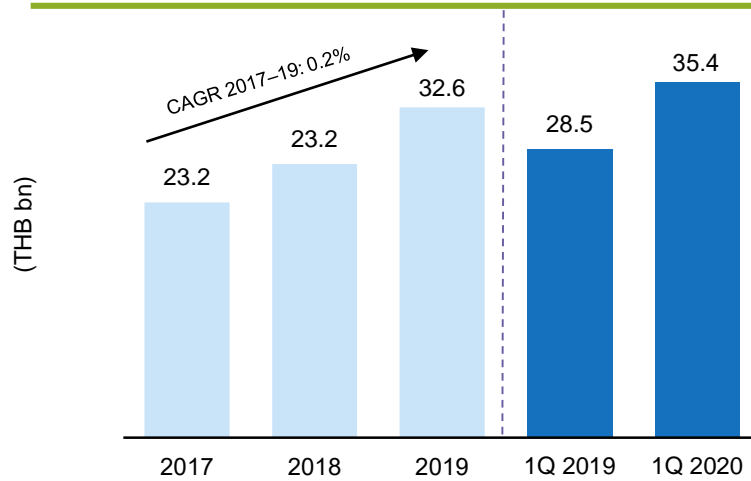
# NPAs breakdown

✓ Active NPA management

✓ Majority of assets in Bangkok and Central and Eastern Thailand

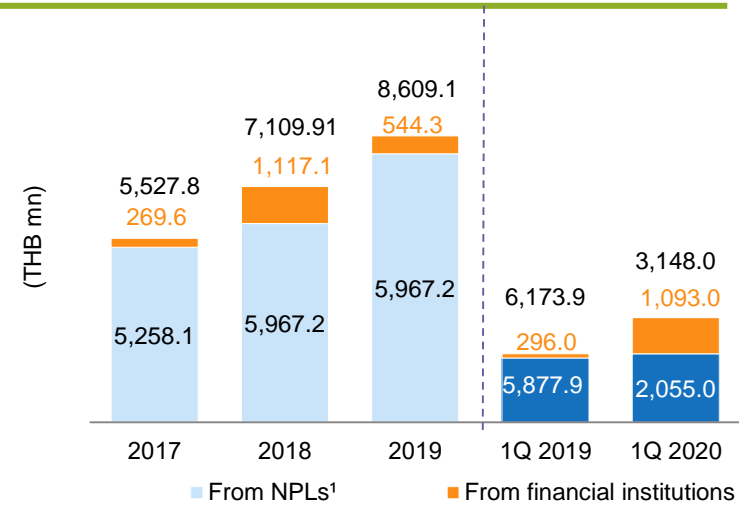
✓ Well-diversified type of NPAs

## Properties foreclosed (gross NPAs)



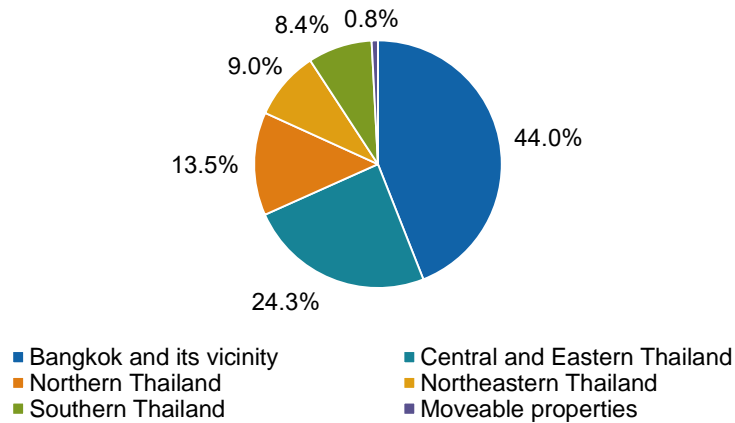
## NPAs acquisition amounts

(excluding investment in securities)



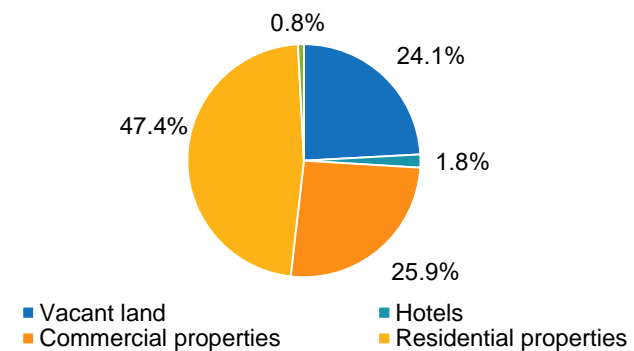
## NPAs outstanding (net) by region

(As of Y2020)



## NPAs outstanding (net) by asset type

(As of Y2020)



# Flow chart summary

