

# Muang Thai Capital

(MTC.BK/MTC TB)

## Outperform · Maintained

Price as of 18 Jun 2020	55.00
12M target price (Bt/shr)	61.00
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	10.9

### Key messages

After talking with MTC, we see the Bank of Thailand (BoT)'s policy to reduce lending rate not having a material impact on the company's earnings, but instead it would be a short-term hiccup for loan growth. However, the growth hiccup, low lending rate staying longer, and potential asset quality deterioration are not fully priced in. With a demanding valuation, we prefer to buy on weakness.

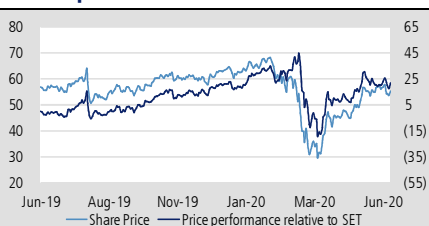
### Trading data

Mkt cap (Btbn/US\$mn)	75.2/2,350		
Outstanding shares (mn)	2,120		
Foreign ownership (mn)	239.8		
3M avg. daily trading (mn)	16.9		
52-week trading range (Bt)	29.75/68.75		
Performance (%)	3M	6M	12M
Absolute	35.4	-11.2	-1.8
Relative	11.2	1.7	22

### Quarterly EPS

	1Q	2Q	3Q	4Q
2018	0.39	0.43	0.46	0.47
2019	0.47	0.48	0.51	0.53
2020	0.58			

### Share price chart



Source: SET

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## Growth hiccup from yield sacrifice

### Event

Outlook update

### Impact

#### Least impact from new policy intervention

We believe MTC would be impacted the least by Bank of Thailand (BoT)'s new policy encouraging non-banks to launch a second round of assistance measures by cutting lending rates on all types of consumer loans. This is because most of MTC's lending rates are already below the BoT's new suggested rates. The rate it charges for title loans is set at 21.5% for cars and 20.55% for motorcycles (vs. BoT's suggestion at 24%), Nano loans are at 28% (vs. new suggested rate of 28-34%). Only loans for land and others (around 10% of the company's total loans outstanding) may be at risk from lower rates and should pressure revenue and earnings by less than 2% (assuming the new rates are effective only July-December 2020).

#### Loan growth shortfall to 13-15% in 2020

MTC guided for flat loan growth QTD as there were more loan repayments from farmers/borrowers who received unemployment compensation of Bt15,000 each, so 1H20 loan growth should be around 4%. However, demand is expected to pick up in 3Q20 with the opening of primary and secondary schools and seasonal agricultural cultivation. However, the recovery in loan growth in 2H20 may not be enough to push up growth to the guidance target of 20-25%. At this level, full-year loan growth should be around 13-15% in 2020.

#### Margin pressured by further lending rate cut

In order to boost loan demand, MTC will lower its new interest rate for motorcycles to 21.25% (down from 21.55%) and lending rate for cars to 19% (down from 20.55%), for applications in 3Q20. We think these programs will indirectly encourage borrowers to refinance lending contracts at the lower lending rate and that will enable the company to lower the risk of NPLs and provisioning expense.

#### Outperform with target price of Bt61.00 (PE 24.5x)

MTC's share price has outperformed the sector to reflect its resilient earnings profile and having the least impact from the new policy intervention by BoT. However, the short-term growth hiccup, low lending rate staying longer, and asset quality are not fully priced in. With a demanding valuation, we prefer to buy on weakness. Likewise, our target price of Bt61.00 is based on 2-year average earnings 2020/2021.

### Risks

Huge NPL inflow, loan growth derailed.

### Key financials and valuations

	Dec-16A	Dec-17A	Dec-18A	Dec-19A	Dec-20F	Dec-21F
Pre-pro. profit (Bt mn)	2,144	3,785	5,213	5,847	6,661	7,909
Pretax profit (Bt mn)	1,812	3,106	4,627	5,293	6,072	7,203
Net income (Bt mn)	1,464	2,501	3,713	4,237	4,858	5,762
EPS (Bt)	0.69	1.18	1.75	2.00	2.29	2.72
DPS	0.10	0.18	0.26	0.30	0.35	0.50
EPS Growth (%)	77.5	70.8	48.5	14.1	14.6	18.6
Dividend Yield (%)	0.5	0.4	0.5	0.5	0.6	0.9
P/E (x)	31.4	37.3	27.7	30.1	24.2	20.4
P/BV (x)	6.9	10.4	8.4	8.0	5.7	4.9
ROAA (%)	7.8	8.1	8.6	7.6	8.0	7.4
ROAE (%)	23.7	32.0	35.0	30.0	29.6	25.9

Source: Company data, KGI Research

**BoT suggest to cut lending rate for consumer loans by 2-4%**

As a new assistance measure to ease borrowers' financial burdens during the COVID-19 outbreak, BoT has suggested new lending rates for consumer loans on credit cards, personal loans, title loan, and any installment loans. The rates for credit cards and cash advance will be reduced by 2%, title loans will be reduced by 4%, and installment loans will be reduced by 3%. BoT said the new lending rates will be implemented for operations during July-December 2020.

**Figure 1: New purposed lending rates for consumer loans by BoT**

	Current	New	% chg
Credit card	18%	16%	-2%
P-loan			
- cash advance	28%	26%	-2%
- installment loan	28%	25%	-3%
- Title loan	28%	24%	-4%

Source: KGI Research

**Minimal impact to MTC and KTC**

Among non-bank companies, the negative impact should be minimal for MTC and Krungthai Card (KTC.BK/KTC TB)\*. KTC charges a personal loan rate of 25-27% (avg. 26%), which is line with the BoT's new suggestion rate, and only credit card currently charges at a maximum rate of 18%. MTC charges a lending rate for title loans of 22-25%, and lowering the lending rate would have an insignificant impact on its earnings. Only Srisawad Corporation (SAWAD.BK/SAWAD TB) charges lending rates far above the new suggested levels, and it faces the most pressure from lowering rates. SAWAD's average lending rate is around 26%, and its land for loan rate is at risk of being reduced as this lending product charges 36% -48%.

**Figure 2: Estimated earnings downside from BoT's lending rate intervention**

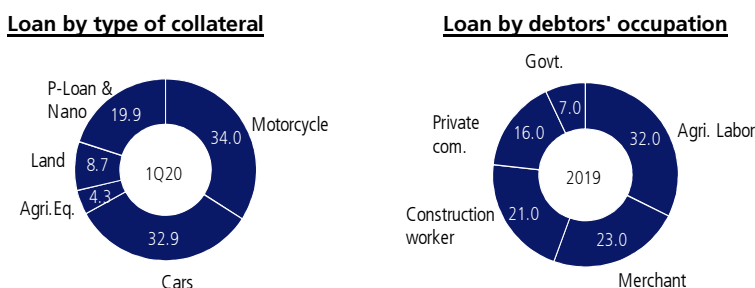
<b>KTC</b>						
	Loan breakdown (Bt mn)	Loan breakdown (%)	Ceiling rate	KTC - Actual rate	New suggestion rate	Estimate rev. reduction (Bt mn)
Credit card	52,135	64%	18%	18%	16%	(292.0)
P-loan	29,967	37%	28%	26%	25-26%	(119.9)
<b>Total</b>	<b>82,102</b>	<b>100%</b>				<b>(411.8)</b>
% to net profit						-5.05%
<b>MTC</b>						
	Loan breakdown (Bt mn)	Loan breakdown (%)	Ceiling rate	MTC - Actual rate	New suggestion rate	Estimate rev. reduction (6M) (Bt mn)
P-Loan						
- Title loan	41,875	67%	28%	20.55-25%	24%	No impact; actual < suggestion (43.5)
- Land for cash	5,438	9%	n.a.		-	
- Nano	12,500	20%	36%	28%	28-34%	No impact; actual < suggestion (21.5)
- Others	2,688	4%	28%		26%	
<b>Total</b>	<b>62,500</b>	<b>100%</b>				<b>(65.0)</b>
% to net profit						-1.0%
<b>SAWAD</b>						
	Loan breakdown (Bt mn)	Loan breakdown (%)	Ceiling rate	Actual rate	New suggestion rate	Estimate rev. reduction (Bt mn)
P-Loan						
- Title loan	24,526	61%	28%	26-28%	24%	(294.3)
- Land for cash	13,268	33%	36%/48%	around 28-30%	around 24%	(265.4)
- Nano	2,412	6%	36%	30-36%	28-34%	(24.1)
- Others	-					
<b>Total</b>	<b>40,207</b>	<b>100%</b>				<b>(584)</b>
% to net profit						-13.6%

Source: Krungtep Thurakit Newspaper, KGI Research

**Expect lower fee income and loan yield in 2Q20F**

Due to several measures applied to help borrowers affected by the COVID-19 outbreak, we expect MTC's revenues to decline by around Bt70-80mn, around half from lower debt collection fees and another half from loan yield for Nano loans declining from 28% to 22%. However, provisioning expense is set to decline and offset the revenue shortfall, resulting in 2Q20 earnings of around Bt1.1bn (-6% QoQ, +12% YoY).

**Figure 3: MTC's loan breakdown**



Source: Company data, KGI Research

**Figure 4: Key assumptions**

	2016	2017	2018	2019	2020F	2021F
No. of branch	1,664	2,424	3,279	4,107	4,707	5,307
New branch	724	760	855	828	600	600
Loan growth (%)	86.4	51.3	34.9	25.4	15.0	20.0
Net profit	1,464	2,501	3,713	4,237	4,858	5,762
NP growth	77%	71%	48%	14%	15%	19%
Loan outstanding (Bt mn)	23,541	35,623	48,047	60,253	69,291	83,149
LLR (Bt mn)	646	1,171	1,499	1,714	2,051	2,368
Loan - net (Bt mn)	22,896	34,452	46,548	58,539	67,240	80,781
Loan overdue >3M	251	441	540	621	1,732	1,663
% to total loan	1.1	1.2	1.1	1.0	2.5	2.0
Credit cost (bps)	141	191	122	92	85	85
NPL coverage	251	263	275	276	116	139
LLR/Loan	2.74	3.29	3.12	2.84	2.96	2.85
Loan yield (%)	22.2	23.0	22.8	21.9	21.0	21.1
Loan yield (+ other incomes) (%)	24.6	25.1	24.7	23.3	22.1	22.0
Cost of fund (%)	2.79	3.15	3.58	3.83	3.60	3.60
Loan spread (%)	19.4	19.8	19.2	18.1	17.4	17.5
Loan spread (+fee income) (%)	21.8	22.0	21.1	19.4	19.0	18.4
Other income/rev (%)	0.4	0.5	0.7	0.7	0.6	0.6
D/E (x)	2.50	2.90	2.81	2.76	2.39	2.43
Leverage ratio (asset/equity) (X)	3.65	4.13	4.00	3.87	3.51	3.53
Cost to income ratio (%)	44.5	40.2	39.7	42.2	42.2	42.2
Effective tax rate (%)	19.2	19.5	19.7	19.9	20.0	20.0
ROA (%)	7.8	8.1	8.6	7.6	8.0	7.4
ROE (%)	23.7	32.0	35.0	30.0	29.6	25.9

Source: Company data, KGI Research

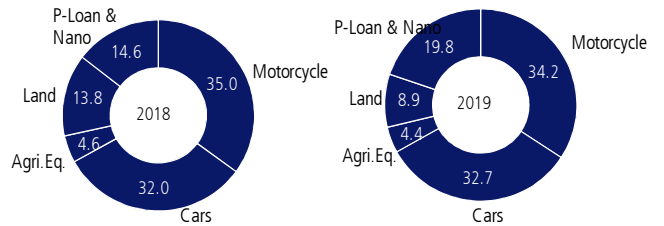
**Figure 5: Company profile**

Muang Thai Capital (MTC) has provided lending services since 1992 focusing on motorcycle title loans, which it has the largest market share in Thailand. In addition, to meet customer needs, the company has expanded to other loans such as car title loans, personal loans, agricultural vehicle title loans, Nano finance and land title loans. Moreover, the company has provided services to act as a facilitator for its customers.

Source: Company data

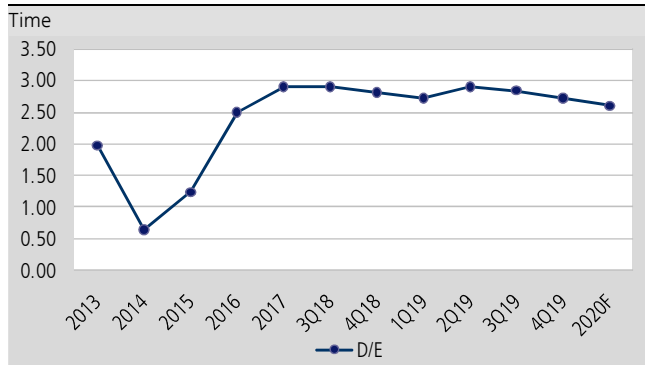
**Figure 6: Loan breakdown**

Percent



Source: Company data

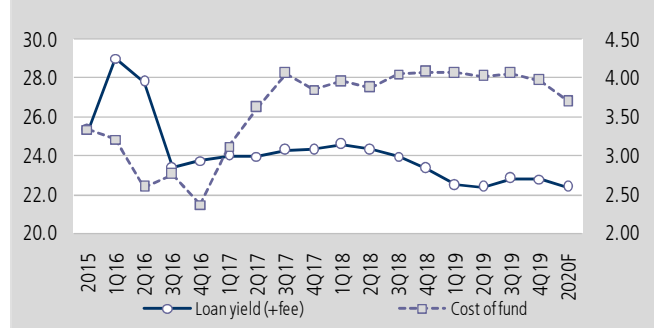
**Figure 7: D/E**



Source: Company data

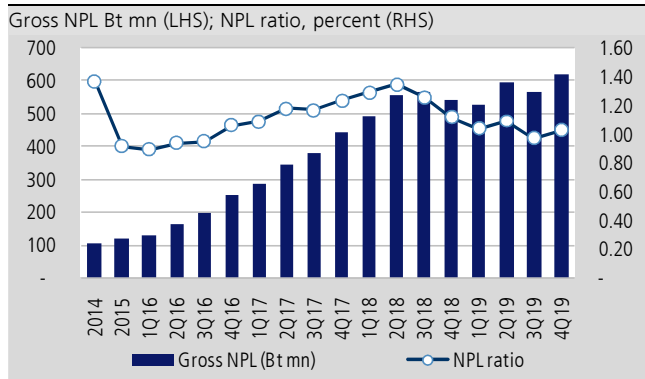
**Figure 8: Loan yield**

Loan yield, percent (LHS); cost of funds, percent (RHS)



Source: Company data, KGI Research

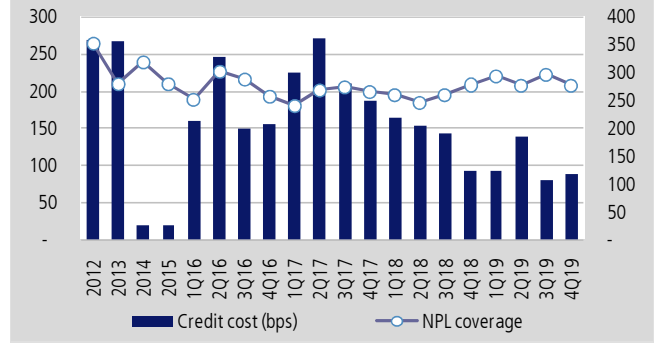
**Figure 9: NPL and NPL ratio**



Source: Company data, KGI Research

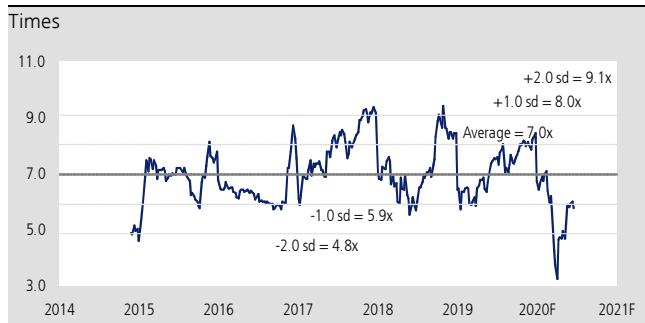
**Figure 10: Asset quality**

Credit cost, bps (LHS); NPL coverage, percent (RHS)



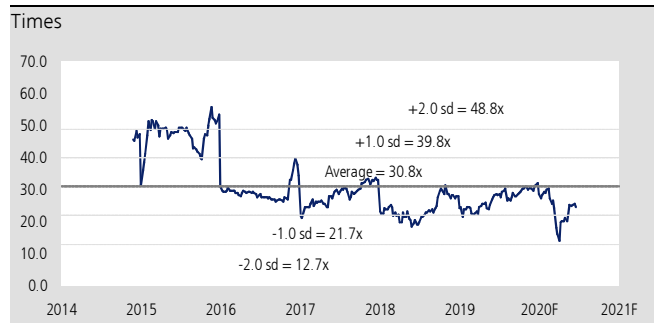
Source: Company data, KGI Research

**Figure 11: PBV**



Source: KGI Research

**Figure 12: PE band**



Source: KGI Research

**Quarterly Income Statement**

Bt mn	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	% chg		2019	2020F	% chg
										QoQ	YoY			
<b>Income Statement (Bt mn)</b>														
Interest income	2,140	2,314	2,478	2,612	2,665	2,862	3,105	3,248	3,332	2.6	25.0	11,880	13,602	14.5
Interest expense	230	258	293	319	331	363	408	425	433	1.7	30.6	1,527	1,676	9.8
<b>Interest income - net</b>	<b>1,910</b>	<b>2,056</b>	<b>2,185</b>	<b>2,293</b>	<b>2,334</b>	<b>2,500</b>	<b>2,697</b>	<b>2,822</b>	<b>2,900</b>	<b>2.7</b>	<b>24.2</b>	<b>10,353</b>	<b>11,926</b>	<b>15.2</b>
Operating expense	916	985	1,060	1,139	1,154	1,232	1,428	1,500	1,491	0.6	29.3	5,314	6,032	13.5
<b>Operating profit</b>	<b>993</b>	<b>1,071</b>	<b>1,125</b>	<b>1,155</b>	<b>1,180</b>	<b>1,267</b>	<b>1,269</b>	<b>1,322</b>	<b>1,408</b>	<b>6.5</b>	<b>19.3</b>	<b>5,039</b>	<b>5,893</b>	<b>17.0</b>
Provisioning expense	156	158	160	112	117	189	116	132	63	52	46	554	589	6.3
Loss on selling asset	3.6	0.4	-	(1.2)	-	-	-	-	-	-	-	-	-	-
Other income	208	222	233	208	193	209	200	207	208	0.2	7.9	808	693	14.3
<b>Pre-tax profit</b>	<b>1,042</b>	<b>1,135</b>	<b>1,198</b>	<b>1,252</b>	<b>1,256</b>	<b>1,287</b>	<b>1,352</b>	<b>1,398</b>	<b>1,553</b>	<b>11.1</b>	<b>23.6</b>	<b>5,293</b>	<b>6,072</b>	<b>14.7</b>
Income tax	208	223	233	250	251	266	272	267	316	18.6	26.2	1,056	1,214	15.1
<b>Net profit</b>	<b>834</b>	<b>912</b>	<b>965</b>	<b>1,002</b>	<b>1,005</b>	<b>1,021</b>	<b>1,080</b>	<b>1,131</b>	<b>1,237</b>	<b>9.3</b>	<b>23.0</b>	<b>4,237</b>	<b>4,858</b>	<b>14.6</b>
<b>EPS (Bt)</b>	<b>0.39</b>	<b>0.43</b>	<b>0.46</b>	<b>0.47</b>	<b>0.47</b>	<b>0.48</b>	<b>0.51</b>	<b>0.53</b>	<b>0.58</b>	<b>9.4</b>	<b>23.1</b>	<b>2.0</b>	<b>2.29</b>	<b>14.6</b>
<b>Profitability (%)</b>														
Loan yield	22.5%	22.3%	22.1%	21.7%	21.1%	21.1%	21.5%	21.6%	21.3%			21.3%	21.0%	
Loan yield + fee	24.6%	24.3%	24.0%	23.3%	22.5%	22.4%	22.8%	22.8%	22.5%			22.6%	22.1%	
Cost of funds	4.0%	3.9%	4.1%	4.1%	4.1%	4.0%	4.3%	4.3%	4.2%			4.2%	3.9%	
Loan spread	20.6%	20.4%	19.9%	19.3%	18.4%	18.4%	18.6%	18.5%	18.3%			18.5%	18.2%	
Cost-to-income ratio	39.3%	39.1%	39.5%	40.6%	40.6%	40.5%	43.4%	43.7%	42.3%			47.6%	47.8%	
Effective tax rate	20.0%	19.6%	19.4%	20.0%	20.0%	20.7%	20.1%	19.1%	20.4%			19.9%	20.0%	
ROAA	8.58%	8.59%	8.46%	8.16%	7.74%	7.32%	7.30%	7.31%	7.28%			7.4%	8.0%	
ROAE	34.1%	35.4%	34.2%	32.6%	30.2%	29.6%	29.1%	28.3%	28.5%			29.3%	29.6%	
<b>Growth (%)</b>														
Loan growth	46.4%	41.5%	38.5%	34.9%	33.1%	31.0%	28.7%	25.4%	23.6%					
Revenue growth	50%	44%	38%	30%	22%	21%	22%	22%	24%					
Operating expense growth	47%	40%	32%	32%	26%	25%	35%	32%	29%					
Operating income growth	48%	44%	40%	27%	19%	18%	13%	15%	19%					
LLP growth	7%	-20%	-5%	-33%	-25%	20%	-27%	18%	-46%					
Other income growth	40%	34%	36%	9%	-7%	-6%	-14%	0%	8%					
Net profit growth	55%	60%	48%	35%	21%	12%	12%	13%	23%					
<b>Branch</b>	<b>2,638</b>	<b>2,889</b>	<b>3,178</b>	<b>3,279</b>	<b>3,444</b>	<b>3,739</b>	<b>3,961</b>	<b>4,107</b>	<b>4,294</b>					
New branch	214	251	289	101	165	295	222	146	187					
Loan (Bt bn)	38.0	41.5	44.8	48.0	50.59	54.32	57.65	60.25	62.54					
Loan growth (yoy %)	46.4	41.5	38.5	34.9	33.1	31.0	28.7	25.4	23.6					
<b>Asset quality</b>														
NPL (Bt mn)	491	559	566	540	527	595	565	621	738	18.7	40.1			
NPL ratio (%)	1.29	1.35	1.26	1.12	1.04	1.10	0.98	1.03	1.18					
LLR/Loan (%)	3.37	3.33	3.27	3.12	3.06	3.02	2.90	2.84	2.37					
Credit cost (bps)	164	152	143	93	92	139	83	90	39.9					
NPL coverage (%)	261	247	259	278	294	276	296	276	201					
<b>Loan by type of collateral (Bt bn)</b>														
Motorcycle	13.8	12.2	5.9	16.8	17.2	18.3	19.5	20.6	21.3					
Car	12.5	12.6	11.2	15.4	16.1	17.4	18.6	19.7	20.6					
Land	5.3	5.0	4.1	6.6	3.2	5.2	5.3	5.4	5.4					
Tractor	1.8	1.7	1.2	2.1	2.2	2.4	2.6	2.6	2.8					
P-Loan	3.4	4.0	4.5	4.9	5.3	5.8	6.0	6.1	6.2					
Nano	1.2	5.9	17.9	2.2	6.7	5.3	5.6	5.8	6.3					
<b>Total</b>	<b>38.0</b>	<b>41.5</b>	<b>44.8</b>	<b>48.0</b>	<b>50.6</b>	<b>54.3</b>	<b>57.6</b>	<b>60.3</b>	<b>62.5</b>					
<b>Loan by type of collateral (%)</b>														
Motorcycle	36.4	29.5	13.1	35.0	33.9	33.7	33.9	34.2	34.1					
Car	32.8	30.4	25.1	32.0	31.8	32.0	32.3	32.7	32.9					
Land	13.9	12.1	9.3	13.8	6.3	9.5	9.2	8.9	8.7					
Tractor	4.8	4.1	2.6	4.3	4.3	4.4	4.5	4.4	4.4					
P-Loan	9.0	9.7	10.0	10.3	10.5	10.6	10.4	10.1	9.9					
Nano	3.2	14.3	39.9	4.6	13.2	9.8	9.8	9.7	10.0					
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>					

Source: KGI Research

**Balance Sheet**

As of 31 Dec (Bt mn)	2017	2018	2019	2020F	2021F
<b>Total Assets</b>	<b>36,953</b>	<b>49,146</b>	<b>61,872</b>	<b>71,830</b>	<b>84,540</b>
Cash	1,154	880	783	300	300
Loans & Acc. Int - net	21,988	28,605	34,929	46,452	55,837
Total current asset	23,308	29,677	35,922	47,003	56,451
Loan -net (>1yr)	12,464	17,943	23,693	22,838	26,112
PP&E	1,022	1,269	1,778	2,128	2,478
Others	159	258	478	160	99
<b>Total Liabilities</b>	<b>28,010</b>	<b>36,847</b>	<b>45,900</b>	<b>52,355</b>	<b>61,861</b>
S-T loan	9,384	7,625	5,955	12,242	14,561
L-T loans	16,619	24,438	29,467	36,754	43,170
Others	2,007	4,785	10,478	3,358	4,130
<b>Shareholders' Equity</b>	<b>8,943</b>	<b>12,299</b>	<b>15,972</b>	<b>20,492</b>	<b>23,975</b>
Common Stock	2,120	2,120	2,120	2,120	2,120
Capital Surplus	2,380	2,380	2,380	2,380	2,380
Retained Earnings	212	212	212	110	120
<b>Supplementary</b>					
NPLs	441	540	621	1,732	1,663
% to loan	1.2%	1.1%	1.0%	2.5%	2.0%
NPL coverage	265	278	276	118	142

Source: KGI Research

**Profit & Loss**

Year to 31 Dec (Bt mn)	2017	2018	2019	2020F	2021F
Interest income	6,795	9,544	11,880	13,602	16,082
Interest expense	673	1,100	1,527	1,676	1,930
<b>Interest income - net</b>	<b>6,122</b>	<b>8,444</b>	<b>10,353</b>	<b>11,926</b>	<b>14,153</b>
Operating expense	2,989	4,100	5,314	6,032	7,035
<b>Operating profit</b>	<b>3,133</b>	<b>4,344</b>	<b>5,039</b>	<b>5,893</b>	<b>7,118</b>
Other income	676	872	808	773	807
LLP	679	586	554	589	707
<b>Pre-tax profit</b>	<b>3,106</b>	<b>4,627</b>	<b>5,293</b>	<b>6,072</b>	<b>7,203</b>
Income tax	605	913	1,056	1,214	1,441
<b>Net profit</b>	<b>2,501</b>	<b>3,713</b>	<b>4,237</b>	<b>4,858</b>	<b>5,762</b>
<b>EPS (Bt)</b>	<b>1.18</b>	<b>1.75</b>	<b>2.00</b>	<b>2.29</b>	<b>2.72</b>

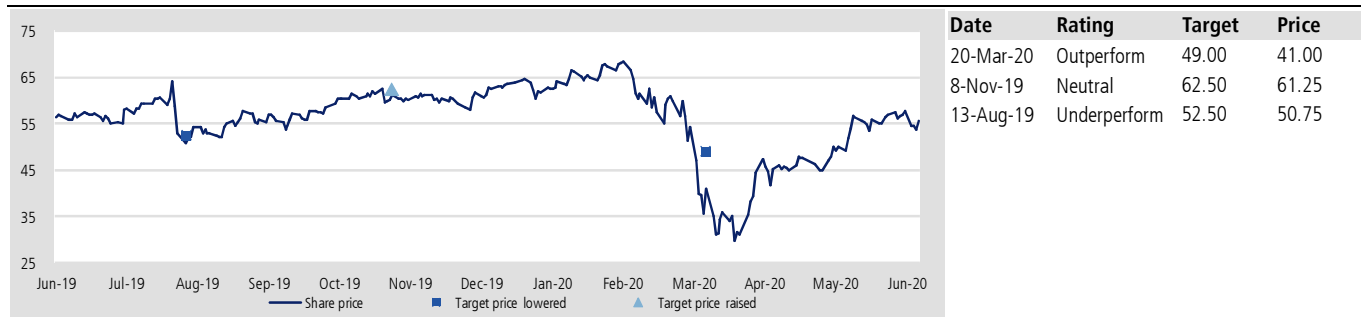
Source: KGI Research

**Key Ratios**

Year to 31 Dec	2017	2018	2019	2020F	2021F
<b>Growth (YoY %)</b>					
Loans and Accrued Int.	50.5	35.1	25.9	15.2	20.0
Borrowing fund	55.8	23.3	10.5	38.3	17.8
Total Assets	51.3	33.0	25.9	16.1	17.7
Total Equity	33.6	37.5	29.9	28.3	17.0
<b>Growth (YoY %)</b>					
Net Interest Income	65.8	37.9	22.6	15.2	18.7
Total revenue	67.1	39.4	21.8	13.3	17.5
Loan Loss Provision	104.8	- 13.7	- 5.5	6.3	20.0
Operating expense	50.6	37.2	29.6	13.5	16.6
Operating profit	83.6	38.6	16.0	17.0	20.8
Net Profit	70.8	48.5	14.1	14.6	18.6
EPS	70.8	48.5	14.1	14.6	18.6
<b>Profitability (%)</b>					
Yield on loans	22.97	22.81	21.94	21.00	21.10
Cost of Funds	3.15	3.58	3.83	3.60	3.60
Net Interest Margin	21.99	21.14	19.44	18.97	18.43
Cost/OP Income Ratio	40.2	39.7	42.2	42.2	42.2
ROAA	8.1	8.6	7.6	8.0	7.4
ROAE	32.0	35.0	30.0	29.6	25.9
<b>Capital Adequacy</b>					
Asset/equity (x)	4.1	4.0	3.9	3.5	3.5
D/E (x)	2.8	2.5	2.2	2.4	2.4
<b>Asset Quality (%)</b>					
NPLs Ratio	1.2%	1.1%	1.0%	2.5%	2.0%
NPL Coverage Ratio	265	278	276	118	142
LLR/Loans Ratio	4.65	5.65	6.65	7.65	8.65
EPS (fully diluted)	1.18	1.75	2.00	2.29	2.72
DPS	0.18	0.26	0.30	0.35	0.50
BVPS	4.2	5.8	7.5	9.7	11.3

Source: KGI Research

**Muang Thai Capital – Recommendation & target price history**



Source: KGI Research

# Corporate Governance Report of Thai Listed Companies



## Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	HMPRO	HOME PRODUCT CENTER	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	INTUCH	SHIN CORPORATION	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	IRPC	IRPC	ROBINS	ROBINSON DEPARTMENT STORE
AP	ASIAN PROPERTY DEVELOPMENT	IVL	INDORAMA VENTURES	SAMART	SAMART CORPORATION
BANPU	BANPU	KBANK	KASIKORN BANK	SAMTEL	SAMART TELCOMS
BCP	THE BANGCHAK PETROLEUM	KCE	KCE ELECTRONICS	SCB	THE SIAM COMMERCIAL BANK
BTS	BTS GROUP HOLDINGS	KKP	KIATNAKIN BANK	SCC	THE SIAM CEMENT
CK	CH. KARNCHANG	KTB	KRUNG THAI BANK	SCCC	SIAM CITY CEMENT
CPF	CHAROEN POKPHAND FOODS	KTC	KRUNGTHAI CARD	SPALI	SUPALAI
CPN	CENTRAL PATTANA	LPN	L.P.N. DEVELOPMENT	SPRC	STAR PETROLEUM REFINING
DELTA	DELTA ELECTRONICS (THAILAND)	MINT	MINOR INTERNATIONAL	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DTAC	TOTAL ACCESS COMMUNICATION	MONO	MONO TECHNOLOGY	SVI	SVI
EASTW	EASTERN WATER RESOURCES DEVELOPMENT AND MANAGE	PLANB	PLAN B MEDIA	TCAP	THANACHART CAPITAL
EGCO	ELECTRICITY GENERATING	PSH	PRUKSA HOLDING	THCOM	THAICOM
GFPT	GFPT	PTT	PTT	TISCO	TISCO FINANCIAL GROUP
GPSC	GLOBAL POWER SYNERGY	PTTEP	PTT EXPLORATION AND PRODUCTION	TMB	TMB BANK
GUNKUL	GUNKUL ENGINEERING	PTTGC	PTT GLOBAL CHEMICAL	TOP	THAI OIL
HANA	HANA MICROELECTRONICS	PYLON	PYLON	TRUE	TRUE CORPORATION



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAWAD	SRISAWAD POWER 1979
AMATA	AMATA CORPORATION	GLOBAL	SIAM GLOBAL HOUSE	SCI	SCI ELECTRIC
BBL	BANGKOK BANK	GLOW	GLOW ENERGY	SCN	SCAN INTER
BCPG	BCPG	LH	LAND AND HOUSES	SEAFKO	SEAFKO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	MAJOR	MAJOR CINEPLEX GROUP	SIRI	SANSIRI
BEM	BANGKOK EXPRESSWAY AND METRO	MAKRO	SIAM MAKRO	SMT	STARS MICROELECTRONICS (THAILAND)
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MTLS	MUANGTHAI LEASING	TKN	TAOKAENOI FOOD & MARKETING
CKP	CK POWER	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
DCC	DYNASTY CERAMIC	RS	RS	TWPC	THAI WAH



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AMA	AMA MARINE	BPP	BANPU POWER	SQ	SAHAKOL EQUIPMENT
BA	BANGKOK AIRWAYS	CBG	CARABAO GROUP	TPCH	TPC POWER HOLDING
BCH	BANGKOK CHAIN HOSPITAL	LPH	LADPRAO GENERAL HOSPITAL		
BH	BUMRUNGRAD HOSPITAL	SAPPE	SAPPE		

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BGRIM	B.GRIMM POWER	TOA	TOA PAINT (THAILAND)	WHAUP	WHA UTILITIES AND POWER
CPALL	CP ALL	UNIQ	UNIQUE ENGINEERING AND CONSTRUCTION	WORK	WORKPOINT ENTERTAINMENT
THAI	THAI AIRWAYS INTERNATIONAL	WHA	WHA CORPORATION		

Source: www.thai-iod.com

**Disclaimer:** The disclosure of the survey result 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 assessment 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 result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.



## Anti-corruption Progress Indicator

### Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
CPN	CENTRAL PATTANA	SCC	THE SIAM CEMENT		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	IFEC	INTER FAR EAST ENGINEERING	SVI	SVI
BBL	BANGKOK BANK	KBANK	KASIKORN BANK	TCAP	THANACHART CAPITAL
DCC	DYNASTY CERAMIC	KKP	KIATNAKIN BANK	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	KTB	KRUNG THAI BANK	TMB	TMB BANK
EGCO	ELECTRICITY GENERATING	MINT	MINOR INTERNATIONAL		
ERW	THE ERAWAN GROUP	SCB	THE SIAM COMMERCIAL BANK		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	DTAC	TOTAL ACCESS COMMUNICATION	PACE	PACE DEVELOPMENT CORPORATION
ANAN	ANANDA DEVELOPMENT	GFPT	GFPT	PS	PRUKSA REAL ESTATE
AP	ASIAN PROPERTY DEVELOPMENT	GL	GROUP LEASE	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BA	BANGKOK AIRWAYS	GLOW	GLOW ENERGY	ROBINS	ROBINSON DEPARTMENT STORE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	SAMART	SAMART CORPORATION
BIGC	BIG C SUPERCENTER	HMPRO	HOME PRODUCT CENTER	SPALI	SUPALAI
BJCHI	BJC HEAVY INDUSTRIES	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
CENEL	CENTRAL PLAZA HOTEL	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MAKRO	SIAM MAKRO	TMT	THAI METAL TRADE
CK	CH. KARNCHANG	MODERN	MODERNFORM GROUP	TPCH	TPC POWER HOLDING
CKP	CK POWER	NOK	NOK AIRLINES	WHA	NOK AIRLINES

### Level 2: Declared

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	GUNKUL	GUNKUL ENGINEERING	QH	QUALITY HOUSES
BH	BUMRUNGRAD HOSPITAL	ILINK	INTERLINK COMMUNICATION	TRT	TIRATHAI
GLOBAL	SIAM GLOBAL HOUSE	MTLS	MUANGTHAI LEASING	TVO	THAI VEGETABLE OIL

### Level 1: Committed

Stock	Company name	Stock	Company name	Stock	Company name
CBG	CARABAO GROUP	RS	RS	SAWAD	SRI SAWAD POWER 1979
MAJOR	MAJOR CINEPLEX GROUP				

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	CPALL	CP ALL	WORK	WORKPOINT ENTERTAINMENT
BEM	BANGKOK EXPRESSWAY AND METRO	LPH	LADPRAO GENERAL HOSPITAL		

Source: www.cgthailand.org

**Disclaimer:** The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution 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 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, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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<b>Rating</b>	<b>Definition</b>
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.  <i>Excess return = 12M target price/current price-</i>
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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