

# Muangthai Capital

(MTC.BK/MTC TB)

## Neutral Maintained

Price as of 10 Aug 2021	60.00
12M target price (Bt/shr)	61.00
Unchanged/Revised up(down)(%)	(11.5)
Upside/downside (%)	1.6

### Key messages

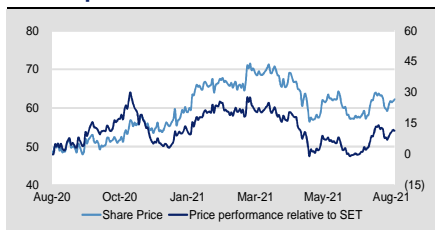
MTC's 2Q21 core earnings showed signs of weakness. The pressure on loan yield was greater than expected and may take longer to recover due to the worse than expected COVID-19 situation. Though NPLs seem to be low, it comes with higher expense for incentive debt collection. As 1H21 earnings accounted for only 45% of our full-year forecast and there are signs of earnings pressure in 2H21, we cut our 2-year forward earnings 2021/2022 10% each and cut our 2022 target price 11% to Bt61.00 (PE 20x). We maintain a Neutral rating on MTC.

Mkt cap (Btbn/US\$m)	127.9/3,819		
Outstanding shares (mn)	2,120		
Foreign ownership (mn)	335		
3M avg. daily trading (mn)	12.0		
52-week trading range (Bt)	29.75/68.75		
Performance (%)	3M	6M	12M
Absolute	4.2	-6.4	31.7
Relative	6.9	-7.8	13.0

### Quarterly EPS

	1Q	2Q	3Q	4Q
2019	0.47	0.48	0.51	0.53
2020	0.58	0.60	0.63	0.65
2021	0.65	0.60		

### Share price chart



Source: SET

Chalie Kueyen  
66.2658.8888 Ext.8851  
chaliek@kgi.co.th

## 2Q21 earnings review: Earnings growth plunged

### Event

2Q21 earnings review and cut 2022 target price.

### Impact

#### 2Q21 earnings were 10%/7% below our/consensus estimates

MTC reported 2Q21 earnings of Bt1.27bn (-8% QoQ, zero growth YoY). The result was 10% below our forecast and 7% below the market consensus as loan yield fell more than expected and SG&A surged. The company's 1H21 earnings were Bt2.6bn (+6% YoY), accounting for 45% of our full-year forecast.

#### Loan yield fell 70bps QoQ and 230bps YoY

Intense yield competition from Government Savings Bank (GSB) forced MTC to cut its loan rates on motorcycles to 15% (from 21%) and on cars to 18% (from 21%). This pulled the company's overall loan yield down to 19.1% (-70bps QoQ, -230bps YoY). Although the company grew H/P loans for new motorcycles and high yield loans (average yield of 21-24%), it was not enough to shore up the decline in yield from competition in motorcycle loans. Note that motorcycle and car title loans each account for around 33-34% of MTC's total loan portfolio, H/P for new motorcycles at 2% of total loans.

#### SG&A expense skyrocketed

SG&A expense rose 10% QoQ and 9% YoY while revenue growth softened in 2Q21. The company guided that rising expense reflects increased incentive expense paid to staff to speed up debt collection during the COVID-19 outbreak. As a result, SG&A expense/rev.ratio rose to 45%, up from an average of 41% in the prior three quarters.

#### Asset quality showing signs of weakness

Giving staff a special incentive for debt collection kept the rise in MTC's NPLs at a moderate pace (+24% QoQ, +28% YoY) with a NPL ratio of 1.1% (up from 0.9% in 1Q21). Provisioning expense was set at a lower 71bps in 2Q21 (vs ~100bps base line), resulting in MTC's NPL coverage declining to 162% (has declined the past 5-6 quarters).

#### Cut 2021/2022 forecasts 10% each; cut TP-22F to Bt61.00 (PE 20x)

MTC guided that its loan yield would continue to be pressured in 2H21 (GSB extending rate campaign). Meanwhile, the risk of NPLs may force the company to maintain the high opex for debt collection. These two negative factors should outweigh solid loan growth in 2H21. As 1H21 earnings accounted for only 45% of our previous earnings forecast, we cut 2021/2022 earnings by 10% each; factoring in loan yield being cut 80bps each to 18.8%/19.2% and SG&A/Loan ratio being raised to 42%/42%, up from 39%/39% in our previous forecast. Applying PE 20x of 2022F earnings, we reach a new fair price of Bt61.00, from Bt69.00. We maintain a Neutral rating on MTC.

### Risks

More NPLs, rising credit cost, loan yield competition.

### Key financials and valuations

	Dec-17A	Dec-18A	Dec-19A	Dec-20A	Dec-21F	Dec-22F
Pre-pro. profit (Bt mn)	3,785	5,213	5,847	6,808	7,212	9,095
Pretax profit (Bt mn)	3,106	4,627	5,293	6,516	6,611	8,142
Net income (Bt mn)	2,501	3,713	4,237	5,214	5,289	6,514
EPS (Bt)	1.18	1.75	2.00	2.46	2.49	3.07
DPS	0.18	0.26	0.30	0.37	0.50	0.60
EPS Growth (%)	70.8	48.5	14.1	23.0	1.4	23.2
Dividend Yield (%)	0.4	0.5	0.5	0.6	0.8	1.0
P/E (x)	37.3	27.7	30.1	24.4	24.0	19.5
P/BV (x)	10.4	8.4	8.0	6.2	5.1	4.3
ROAA (%)	8.1	8.6	7.6	7.5	6.3	6.6
ROAE (%)	32.0	35.0	30.0	28.4	23.2	24.0

Source: Company data, KGI Research

**Figure 1: Key assumptions**

	2017	2018	2019	2020	2021F	2022F
No. of branch	2,424	3,279	4,107	4,884	5,500	6,100
New branch	760	855	828	777	600	600
Loan growth (%)	51.3	34.9	25.4	17.2	25.0	20.0
Loan outstanding (Bt mn)	35,623	48,047	60,253	70,607	88,259	105,911
Loan overdue >3M	441	540	621	747	1,059	1,589
% to total loan	1.2	1.1	1.0	1.1	1.2	1.5
Credit cost (bps)	191	122	92	40	85	90
NPL coverage	263	275	276	177	134	104
LLR/Loan	3.29	3.12	2.84	1.88	2.00	2.00
Loan yield (%)	23.0	22.8	21.9	21.3	18.8	19.2
Loan yield (+ other incomes) (%)	25.1	24.7	23.3	22.4	19.9	20.2
Cost of fund (%)	3.15	3.58	3.83	3.82	3.35	3.40
Loan spread (%)	19.8	19.2	18.1	17.5	15.5	15.8
Loan spread (+fee income) (%)	22.0	21.1	19.4	18.6	16.6	16.8
Other income/rev (%)	0.5	0.7	0.7	0.3	0.5	0.5
Cost/income ratio	40.2	39.7	42.2	41.8	39.0	39.0
D/E (x)	2.90	2.81	2.76	2.46	2.44	2.48
Leverage ratio (asset/equity) (X)	4.13	4.00	3.87	3.73	3.66	3.66
Cost to income ratio (%)	40.2	39.7	42.2	41.8	39.0	39.0
Effective tax rate (%)	19.5	19.7	19.9	20.0	20.0	20.0
ROA (%)	8.1	8.6	7.6	7.5	6.3	6.6
ROE (%)	32.0	35.0	30.0	28.4	23.2	24.0

Source: Company data, KGI Research

Figure 2: MTC's quarterly income statement

Bt mn	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	% chg		1H20	1H21	%chg
											QoQ	YoY			
<b>Income Statement (Bt mn)</b>															
Interest income	2,665	2,862	3,105	3,248	3,332	3,385	3,555	3,690	3,585	3,684	2.8	8.8	6,717	7,269	8.2
Interest expense	331	363	408	425	433	447	467	470	477	507	6.4	13.5	880	984	11.8
<b>Interest income - net</b>	<b>2,334</b>	<b>2,500</b>	<b>2,697</b>	<b>2,822</b>	<b>2,900</b>	<b>2,938</b>	<b>3,088</b>	<b>3,219</b>	<b>3,108</b>	<b>3,177</b>	<b>2.2</b>	<b>8.1</b>	<b>5,838</b>	<b>6,286</b>	<b>7.7</b>
Operating expense	1,154	1,232	1,428	1,500	1,491	1,520	1,533	1,599	1,502	1,657	10.3	9.0	3,012	3,158	4.9
<b>Operating profit</b>	<b>1,180</b>	<b>1,267</b>	<b>1,269</b>	<b>1,322</b>	<b>1,408</b>	<b>1,418</b>	<b>1,555</b>	<b>1,620</b>	<b>1,607</b>	<b>1,520</b>	<b>(5.4)</b>	<b>7.2</b>	<b>2,826</b>	<b>3,127</b>	<b>10.7</b>
Provisioning expense	117	189	116	132	62.3	24.7	52.0	116.0	166.0	137.9	(16.9)	458.8	87	304	249
Loss on selling asset	-	-	-	-	-	-	-	-	-	-					
Other income	193	209	200	207	208	180	182	201	272	212	(22.1)	17.5	388	484	24.7
<b>Pre-tax profit</b>	<b>1,256</b>	<b>1,287</b>	<b>1,352</b>	<b>1,398</b>	<b>1,554</b>	<b>1,573</b>	<b>1,684</b>	<b>1,705</b>	<b>1,713</b>	<b>1,594</b>	<b>(6.9)</b>	<b>1.3</b>	<b>3,127</b>	<b>3,307</b>	<b>5.8</b>
Income tax	251	266	272	267	316	307	344	335	360	325	(9.7)	5.9	623	685	9.9
<b>Net profit</b>	<b>1,005</b>	<b>1,021</b>	<b>1,080</b>	<b>1,131</b>	<b>1,237</b>	<b>1,267</b>	<b>1,340</b>	<b>1,370</b>	<b>1,374</b>	<b>1,270</b>	<b>(7.6)</b>	<b>0.2</b>	<b>2,504</b>	<b>2,643</b>	<b>5.6</b>
<b>EPS (Bt)</b>	<b>0.47</b>	<b>0.48</b>	<b>0.51</b>	<b>0.53</b>	<b>0.58</b>	<b>0.60</b>	<b>0.63</b>	<b>0.65</b>	<b>0.65</b>	<b>0.60</b>	<b>(7.6)</b>	<b>0.2</b>	<b>1.18</b>	<b>1.25</b>	<b>5.6</b>
<b>Profitability (%)</b>															
Loan yield	21.1%	21.1%	21.5%	21.6%	21.3%	21.4%	21.2%	20.9%	19.8%	19.1%					
Loan yield + fee	22.5%	22.4%	22.8%	22.8%	22.5%	22.5%	22.3%	22.0%	21.3%	20.1%					
Cost of funds	4.1%	4.0%	4.3%	4.3%	4.2%	4.0%	4.0%	3.8%	3.8%	3.7%					
Loan spread	18.4%	18.4%	18.6%	18.5%	18.3%	18.5%	18.2%	18.1%	17.5%	16.4%					
Cost-to-income ratio	40.6%	40.5%	43.4%	43.7%	42.3%	42.7%	41.1%	41.2%	41.9%	45.0%					
Effective tax rate	20.0%	20.7%	20.1%	19.1%	20.4%	19.5%	20.4%	23.2%	20.8%	20.4%					
ROAA	7.7%	7.3%	7.3%	7.3%	7.3%	7.2%	7.4%	7.1%	6.9%	5.9%					
ROAE	30.2%	29.6%	29.1%	28.3%	28.5%	28.2%	27.8%	26.5%	24.9%	22.5%					
<b>Growth (% YoY)</b>															
Loan growth	33.1%	31.0%	28.7%	25.4%	23.6%	16.3%	16.2%	17.2%	15.6%	22.4%					
Revenue growth	22%	21%	22%	22%	24%	16%	13%	13%	9%	9%					
Operating income growth	19%	18%	13%	15%	19%	12%	23%	22%	14%	7%					
LLP growth	-25%	20%	-27%	18%	-47%	-87%	-55%	-12%	166%	459%					
Other income growth	-7%	-6%	-14%	0%	8%	-14%	-9%	-3%	31%	18%					
Net profit growth	21%	12%	12%	13%	23%	24%	24%	21%	11%	0%					
Branch	3,444	3,739	3,961	4,107	4,294	4,568	4,798	4,884	5,000	5,284					
New branch	165	295	222	146	187	274	230	86	116	284					
Loan (Bt bn)	50.59	54.32	57.65	60.25	62.54	63.17	66.99	70.61	72.30	77.31	6.9	22.4			
Loan growth (yoy %)	33.1	31.0	28.7	25.4	23.6	16.3	16.2	17.2	15.6	22.4					
<b>Asset quality</b>															
NPL (Bt mn)	527	595	565	621	738	686	699	747	708	880	24.3	28.3			
NPL ratio (%)	1.04	1.10	0.98	1.03	1.18	1.09	1.04	1.06	0.98	1.14					
LLR/Loan (%)	3.06	3.02	2.90	2.84	2.37	2.21	2.01	1.88	1.81	1.84					
Credit cost (bps)	92	139	83	90	39.9	15.6	31.1	65.7	91.8	71.3					
NPL coverage (%)	294	276	296	276	201	204	192	177	185	162					

Source: KGI Research

**Balance Sheet**

As of 31 Dec (Bt mn)	2018	2019	2020	2021F	2022F
<b>Total Assets</b>	<b>49,146</b>	<b>61,872</b>	<b>77,222</b>	<b>91,127</b>	<b>107,714</b>
Cash	880	783	1,378	300	300
Loans & Acc. Int - net	28,605	34,929	39,346	60,365	72,483
Total current asset	29,677	35,922	41,075	61,246	73,510
Loan -net (>1yr)	17,943	23,693	29,936	27,893	32,227
PP&E	1,269	1,778	1,928	2,128	2,478
Others	258	478	4,283	- 140	- 501
<b>Total Liabilities</b>	<b>36,847</b>	<b>45,900</b>	<b>56,540</b>	<b>65,628</b>	<b>78,207</b>
S-T loan	7,625	5,955	6,356	15,217	18,260
L-T loans	24,438	29,467	34,457	45,084	53,379
Others	4,785	10,478	15,727	5,327	6,567
<b>Shareholders' Equity</b>	<b>12,299</b>	<b>15,972</b>	<b>20,682</b>	<b>24,923</b>	<b>29,407</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	540	621	747	1,059	1,589
% to loan	1.1%	1.0%	1.1%	1.2%	1.5%
NPL coverage	275	276	177	134	104

Source: KGI Research

**Profit & Loss**

Year to 31 Dec (Bt mn)	2018	2019	2020	2021F	2022F
Interest income	9,544	11,880	13,962	14,933	18,640
Interest expense	1,100	1,527	1,817	1,873	2,276
<b>Interest income - net</b>	<b>8,444</b>	<b>10,353</b>	<b>12,145</b>	<b>13,060</b>	<b>16,364</b>
Operating expense	4,100	5,314	6,144	6,801	8,350
<b>Operating profit</b>	<b>4,344</b>	<b>5,039</b>	<b>6,000</b>	<b>6,259</b>	<b>8,014</b>
Other income	872	808	771	958	1,096
LLP	586	554	255	600	953
<b>Pre-tax profit</b>	<b>4,627</b>	<b>5,293</b>	<b>6,516</b>	<b>6,611</b>	<b>8,142</b>
Income tax	913	1,056	1,303	1,322	1,628
<b>Net profit</b>	<b>3,713</b>	<b>4,237</b>	<b>5,214</b>	<b>5,289</b>	<b>6,514</b>
<b>EPS (Bt)</b>	<b>1.75</b>	<b>2.00</b>	<b>2.46</b>	<b>2.49</b>	<b>3.07</b>

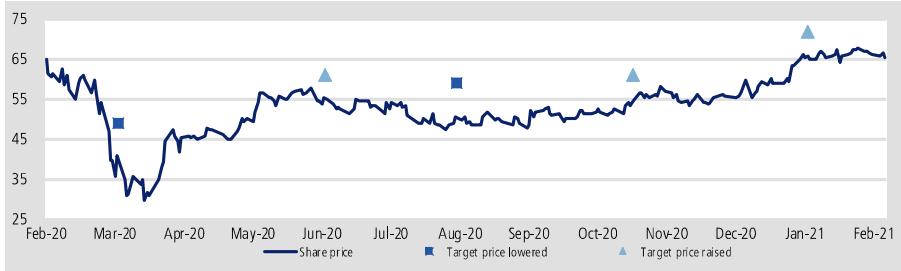
Source: KGI Research

**Key Ratios**

Year to 31 Dec	2018	2019	2020	2021F	2022F
<b>Growth (YoY %)</b>					
Loans and Accrued Int.	35.1	25.9	18.2	27.4	18.6
Borrowing fund	23.3	10.5	15.2	47.8	18.8
Total Assets	33.0	25.9	24.8	18.0	18.2
Total Equity	37.5	29.9	29.5	20.5	18.0
<b>Growth (YoY %)</b>					
Net Interest Income	37.9	22.6	17.3	7.5	25.3
Total revenue	39.4	21.8	16.1	7.9	24.2
Loan Loss Provision	- 13.7	- 5.5	- 54.0	135.4	58.8
Operating expense	37.2	29.6	15.6	10.7	22.8
Operating profit	38.6	16.0	19.1	4.3	28.0
Net Profit	48.5	14.1	23.0	1.4	23.2
EPS	48.5	14.1	23.0	1.4	23.2
<b>Profitability (%)</b>					
Yield on loans	22.81	21.94	21.34	18.80	19.20
Cost of Funds	3.58	3.83	3.82	3.35	3.40
Net Interest Margin	21.14	19.44	18.63	16.56	16.84
Cost/OP Income Ratio	39.7	42.2	41.8	39.0	39.0
ROAA	8.6	7.6	7.5	6.3	6.6
ROAE	35.0	30.0	28.4	23.2	24.0
<b>Capital Adequacy</b>					
Asset/equity (x)	4.0	3.9	3.7	3.7	3.7
D/E (x)	2.5	2.2	1.9	2.4	2.4
<b>Asset Quality (%)</b>					
NPLs Ratio	1.1%	1.0%	1.1%	1.2%	1.5%
NPL Coverage Ratio	275	276	177	134	104
LLR/Loans Ratio	5.65	6.65	7.65	8.65	9.65
EPS (fully diluted)	1.75	2.00	2.46	2.49	3.07
DPS	0.26	0.30	0.37	0.50	0.60
BVPS	5.8	7.5	9.8	11.8	13.9

Source: KGI Research

**Muangthai 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
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORNBANK	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B. GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENDEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAICOM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRISAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

Source: [www.thai-iod.com](http://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
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORNBANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRI SAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFECO	SEAFECO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: [www.cgthailand.org](http://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.



**KGI Locations**

<b>China</b>	Shanghai	Room 1507, Park Place, 1601 Nanjing West Road, Jingan District, Shanghai, PRC 200040
	Shenzhen	Room 24D1, 24/F, A Unit, Zhen Ye Building, 2014 Bao'annan Road, Shenzhen, PRC 518008
<b>Taiwan</b>	Taipei	700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 · Facsimile 886.2.8501.1691
<b>Hong Kong</b>		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
<b>Thailand</b>	Bangkok	8th - 11th floors, Asia Centre Building 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014
<b>Singapore</b>		4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826

**KGI's Ratings**

<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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