

Muangthai Capital

(MTC.BK/MTC TB)

Underperform Downgraded

Price as of 10 Nov 2021	63.00
12M target price (Bt/shr)	61.00
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	-3.2

Key messages

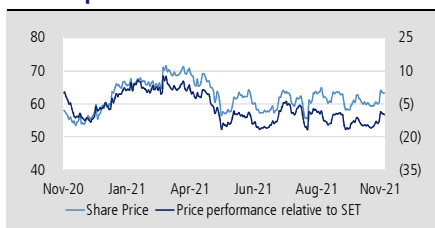
MTC reported disappointing 3Q21 earnings of Bt1.2bn (-8% QoQ, -10% YoY), and zero growth in 9M21. Going forward, D/E at >3x would cap the company's loan growth potential while a thin bad debt cushion with LLR/loan at 1.9% indicate volatile credit cost when NPLs come. With a demanding valuation at 20x and no upside to our target price, we downgrade the counter to Underperform, from Neutral, with a 2022 target of Bt61.00.

Mkt cap (Btbrv/US\$mn)	134.1/4,063		
Outstanding shares (mn)	2,120		
Foreign ownership (mn)	336.2		
3M avg. daily trading (mn)	7.85		
52-week trading range (Bt)	53.5/71.5		
Performance (%)	3M	6M	12M
Absolute	11.0	10.0	13.5
Relative	4.2	4.4	-6.7

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	0.57	

Share price chart



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

3Q21 earnings review: Weakness on several fronts

Event

3Q21 earnings review and rating downgrade.

Impact

3Q21 earnings were 9% below our forecast and 11% below the consensus

MTC reported disappointing 3Q21 earnings of Bt1.2bn (-8% QoQ, -10% YoY), and zero growth in 9M21. The result was lower than expected due to sharp rises in operating expense and provisioning expense. Meanwhile, loan yield fell less than expected, down 30bps QoQ and 240bps YoY to 18.8% (vs. our forecast at 18.7%).

Solid loan growth of 6% QoQ and 22% YoY; yield still contracted but at slower pace

The company saw strong loan growth in 3Q21 from demand for emergency loans and loans to reopen businesses after the COVID-19 situation began to abate. However, revenue grew at a slower pace (+4% QoQ +8% YoY) than loans due to yield pressure after repricing loan rates down to 16% for motorcycles and 18% for cars, which MTC implemented to counter Government Saving Bank (GSB)'s low rate in early 2021. Loan yield fell 30bps QoQ in 3Q21 (vs. -80bps QoQ in 2Q21). The company guided that loan yield should decline 10bps QoQ in 4Q21.

SG&A rose at faster pace than loans and revenues

SG&A expense rose 8% QoQ and 16% YoY due to i) sped up in branch expansion by 381 offices in 3Q21 (vs. +781 offices YTD) to a total of 5,665 offices, and ii) incentives to staff for debt collection during COVID-19 to maintain a low NPL rate.

Asset quality showed weakness

Provisioning expense rose 40% QoQ and 270% YoY in 3Q21, and 257% in 9M21. This implied a higher credit cost at 95bps in 3Q21 and 85bps in 9M21 (vs. full-year guidance at 80-120bps). The company guided that rising credit cost reflected higher LGD and PD during the weak economy and low bad debt cushion.

Downgrade to Underperform with a 2022 target price of Bt61.00 (PE 20x)

We are concerned about the high D/E ratio capping loan growth potential in the future, as the D/E rose to 2.9x in 3Q21 from 2.5x at the end of 2020, and low bad debt cushion (measured by LLR/Loan at 1.9% currently vs. >3% pre-COVID-19) limiting earnings growth. Assuming no dividend payment and D/E maintaining at around 3x, its earnings would be enough to grow loans ~20%. The company guided that its debt covenant limits D/E at 4.5x for bank loans and 7.5x for debenture holders. However, we think a D/E above 3.0x is considered stretched. With a demanding valuation at 20x and no upside to our target price of Bt61.00, we downgrade the counter to Underperform, from Neutral.

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	Dec-23F
Pre-pro. profit (Bt mn)	3,785	5,213	5,847	6,808	7,247	9,066	10,743
Pretax profit (Bt mn)	3,106	4,627	5,293	6,516	6,612	8,143	9,600
Net income (Bt mn)	2,501	3,713	4,237	5,214	5,289	6,514	7,680
EPS (Bt)	1.18	1.75	2.00	2.46	2.49	3.07	3.62
DPS	0.18	0.26	0.30	0.37	0.50	0.60	1.60
EPS Growth (%)	70.8	48.5	14.1	23.0	1.4	23.2	17.9
Dividend Yield (%)	0.4	0.5	0.5	0.6	0.8	0.9	2.5
P/E (x)	37.3	27.7	30.1	24.4	25.4	20.6	17.5
P/BV (x)	10.4	8.4	8.0	6.2	5.4	4.6	3.9
ROAA (%)	8.1	8.6	7.6	7.5	6.3	6.6	6.5
ROAE (%)	32.0	35.0	30.0	28.4	23.2	24.0	24.1

Source: Company data, KGI Securities Research

Figure 1: Key assumptions

	2017	2018	2019	2020	2021F	2022F	2023F
No. of branch	2,424	3,279	4,107	4,884	5,500	6,100	6,700
New branch	760	855	828	777	600	600	500
Loan growth (%)	51.3	34.9	25.4	17.2	25.0	20.0	20.0
Loan outstanding (Bt mn)	35,623	48,047	60,253	70,607	88,259	105,911	127,093
Loan overdue >3M	441	540	621	747	1,059	1,176	1,411
% to total loan	1.2	1.1	1.0	1.1	1.2	1.1	1.1
Credit cost (bps)	191	122	92	40	80	90	90
NPL coverage	263	275	276	177	156	173	175
LLR/Loan	3.29	3.12	2.84	1.88	2.00	2.00	3.00
Loan yield (%)	23.0	22.8	21.9	21.3	18.8	18.9	19.2
Loan yield (+ other incomes) (%)	25.1	24.7	23.3	22.4	19.9	19.9	20.1
Cost of fund (%)	3.15	3.58	3.83	3.82	3.50	3.50	3.70
Loan spread (%)	19.8	19.2	18.1	17.5	15.3	15.4	15.5
Loan spread (+fee income) (%)	22.0	21.1	19.4	18.6	16.4	16.4	16.4
Other income/rev (%)	0.5	0.7	0.7	0.3	0.5	0.4	0.3
Cost/income ratio	40.2	39.7	42.2	41.8	39.0	39.0	41.0
D/E (x)	2.90	2.81	2.76	2.46	2.92	3.06	3.19
Leverage ratio (asset/equity) (X)	4.13	4.00	3.87	3.73	3.66	3.66	3.74
Cost to income ratio (%)	40.2	39.7	42.2	41.8	39.0	39.0	41.0
Effective tax rate (%)	19.5	19.7	19.9	20.0	20.0	20.0	20.0
ROA (%)	8.1	8.6	7.6	7.5	6.3	6.6	6.5
ROE (%)	32.0	35.0	30.0	28.4	23.2	24.0	24.1

Source: Company data, KGI Securities Research

Figure 2: Peer comparison

	Rating	TP-22F Bt	Mkt price	Upside %	Mkt cap (Bt bn)	Target PE (x)	'20 BV Bt	EPS (Bt)			EPS growth		PE (x)		PBV (x)		Div. yield		ROE (%)	
								20	21F	22F	21F	22F	21F	22F	21F	22F	20	21F	21F	22F
Non-Bank																				
AEONTS*	OP	230.0	197.0	16.8	45.3	12.5	68.2	14.8	17.1	19.6	15.8	14.9	11.5	10.0	2.6	2.3	2.3	2.1	22.3	21.3
KTC*	OP	91.0	59.0	54.2	152.1	28.5	8.8	2.1	2.4	3.1	16.9	29.5	24.4	18.8	4.7	3.9	1.5	1.8	26.8	27.2
MTC*	N	61.0	63.3	-3.6	134.1	20.0	9.8	2.5	2.5	3.1	1.4	23.2	25.4	20.6	5.3	4.4	0.6	0.6	23.2	24.0
SAWAD*	OP	90.0	64.0	40.6	87.9	20.0	16.1	3.5	3.9	4.5	12.8	14.8	16.3	14.2	3.3	3.1	2.8	3.1	21.0	22.8
SINGER*	N	38.0	43.0	-11.6	17.5	31.3	6.8	1.1	1.2	1.2	11.1	(2.3)	36.0	36.9	7.0	5.6	0.6	0.8	7.8	6.6
TIDLOR	U	32.0	36.8	-12.9	85.2	20.0	5.6	1.1	1.3	1.5	14.4	14.6	28.0	24.4	4.2	3.7	n.a.	1.1	19.3	16.6

Source: KGI Securities Research

Figure 3: MTC's quarterly income statement

Bt mn	1Q19	2Q19	3Q19	4Q19					% chg							
					1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	QoQ	YoY	9M20	9M21	% chg
Income Statement (Bt mn)																
Interest income	2,665	2,862	3,105	3,248	3,332	3,385	3,555	3,690	3,585	3,684	3,844	4.3	8.1	10,272	11,113	8.2
Interest expense	331	363	408	425	433	447	467	470	477	507	557	9.8	19.3	1,347	1,541	14.4
Interest income - net	2,334	2,500	2,697	2,822	2,900	2,938	3,088	3,219	3,108	3,177	3,287	3.5	6.5	8,925	9,572	7.3
Operating expense	1,154	1,232	1,428	1,500	1,491	1,520	1,533	1,599	1,502	1,657	1,780	7.5	16.1	4,545	4,939	8.7
Operating profit	1,180	1,267	1,269	1,322	1,408	1,418	1,555	1,620	1,607	1,520	1,507	(0.9)	(3.1)	4,381	4,634	5.8
Provisioning expense	117	189	116	132	62.3	24.7	52.0	116.0	166.0	137.9	193.3	40.2	271.4	139	497	257.6
Loss on selling asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	193	209	200	207	208	180	182	201	272	212	188	(11.4)	3.3	570	672	17.9
Pre-tax profit	1,256	1,287	1,352	1,398	1,554	1,573	1,684	1,705	1,713	1,594	1,501	(5.9)	(10.9)	4,812	4,809	- 0.1
Income tax	251	266	272	267	316	307	344	335	360	325	304	(6.3)	(11.6)	968	989	2.2
Net profit	1,005	1,021	1,080	1,131	1,237	1,267	1,340	1,370	1,374	1,270	1,201	(5.4)	(10.4)	3,844	3,844	0.0
EPS (Bt)	0.47	0.48	0.51	0.53	0.58	0.60	0.63	0.65	0.65	0.60	0.57	(5.4)	(10.4)	1.81	1.81	0.0
Profitability (%)																
Loan yield	21.1%	21.1%	21.5%	21.6%	21.3%	21.4%	21.2%	20.9%	19.8%	19.1%	18.8%					
Loan yield + fee	22.5%	22.4%	22.8%	22.8%	22.5%	22.5%	22.3%	22.0%	21.3%	20.1%	19.7%					
Cost of funds	4.1%	4.0%	4.3%	4.3%	4.2%	4.0%	4.0%	3.8%	3.8%	3.7%	3.8%					
Loan spread	18.4%	18.4%	18.6%	18.5%	18.3%	18.5%	18.2%	18.1%	17.5%	16.4%	15.8%					
Cost-to-income ratio	40.6%	40.5%	43.4%	43.7%	42.3%	42.7%	41.1%	41.2%	41.9%	45.0%	46.3%					
Effective tax rate	20.0%	20.7%	20.1%	19.1%	20.4%	19.5%	20.4%	23.2%	20.8%	20.4%	20.2%					
ROAA	7.7%	7.3%	7.3%	7.3%	7.3%	7.2%	7.4%	7.1%	6.9%	5.9%	5.2%					
ROAE	30.2%	29.6%	29.1%	28.3%	28.5%	28.2%	27.8%	26.5%	24.9%	22.5%	20.2%					
Growth (% YoY)																
Loan growth	33.1%	31.0%	28.7%	25.4%	23.6%	16.3%	16.2%	17.2%	15.6%	22.4%	22.0%					
Revenue growth	22%	21%	22%	22%	24%	16%	13%	13%	9%	9%	8%					
Operating income growth	19%	18%	13%	15%	19%	12%	23%	22%	14%	7%	-3%					
LLP growth	-25%	20%	-27%	18%	-47%	-87%	-55%	-12%	166%	459%	271%					
Other income growth	-7%	-6%	-14%	0%	8%	-14%	-9%	-3%	31%	18%	3%					
Net profit growth	21%	12%	12%	13%	23%	24%	24%	21%	11%	0%	-10%					
Branch																
Branch	3,444	3,739	3,961	4,107	4,294	4,568	4,798	4,884	5,000	5,284	5,665					
New branch	165	295	222	146	187	274	230	86	116	284	381					
Loan (Bt bn)																
Loan (Bt bn)	50.59	54.32	57.65	60.25	62.54	63.17	66.99	70.61	72.30	77.31	81.75	5.7	22.0			
Loan growth (yoy %)	33.1	31.0	28.7	25.4	23.6	16.3	16.2	17.2	15.6	22.4	22.0					
Asset quality																
NPL (Bt mn)	527	595	565	621	738	686	699	747	708	880	980					
NPL ratio (%)	1.04	1.10	0.98	1.03	1.18	1.09	1.04	1.06	0.98	1.14	1.20					
LLR/Loan (%)	3.06	3.02	2.90	2.84	2.37	2.21	2.01	1.88	1.81	1.84	1.93					
Credit cost (bps)	92	139	83	90	39.9	15.6	31.1	65.7	91.8	71.3	94.6					
NPL coverage (%)	294	276	296	276	201	204	192	177	185	162	161					
Loan aging																
Stage 1					55,769	58,154	61,190	65,372	67,861	72,188	76,349					
Stage 2					4,984	3,370	4,229	4,489	3,736	4,242	4,423					
Stage 3					303	252	232	747	708	880	980					
Total					61,056	61,777	65,651	70,607	72,304	77,310	81,751					
LLR																
Stage 1					(576)	(657)	(549)	(538)	(632)	(584)	(657)					
Stage 2					(472)	(332)	(352)	(307)	(287)	(296)	(338)					
Stage 3					(435)	(409)	(442)	(481)	(388)	(541)	(583)					
Total					(1,483)	(1,398)	(1,344)	(1,326)	(1,308)	(1,421)	(1,578)					
% of loan					-2.43%	-2.26%	-2.05%	-1.88%	-1.81%	-1.84%	-1.93%					

Source: KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2018	2019	2020	2021F	2022F	2023F
Total Assets	49,146	61,872	77,222	91,127	107,714	128,367
Cash	880	783	1,378	300	300	300
Loans & Acc. Int - net	28,605	34,929	39,346	60,128	72,104	86,495
Total current asset	29,677	35,922	41,075	61,009	73,130	87,705
Loan -net (>1yr)	17,943	23,693	29,936	28,131	32,607	39,097
PP&E	1,269	1,778	1,928	2,128	2,478	2,828
Others	258	478	4,283	- 140	- 501	- 1,263
Total Liabilities	36,847	45,900	56,540	72,651	89,221	107,190
S-T loan	7,625	5,955	6,356	16,973	21,014	25,617
L-T loans	24,438	29,467	34,457	50,000	61,089	72,427
Others	4,785	10,478	15,727	5,679	7,118	9,146
Shareholders' Equity	12,299	15,972	20,682	24,923	29,408	34,312
Common Stock	2,120	2,120	2,120	2,120	2,120	2,120
Capital Surplus	2,380	2,380	2,380	2,380	2,380	2,380
Retained Earnings	212	212	212	110	120	130
Supplementary						
NPLs	540	621	747	1,059	1,176	1,411
% to loan	1.1%	1.0%	1.1%	1.2%	1.1%	1.1%
NPL coverage	275	276	177	156	173	175

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2018	2019	2020	2021F	2022F	2023F
Interest income	9,544	11,880	13,962	14,933	18,349	22,368
Interest expense	1,100	1,527	1,817	2,080	2,659	3,451
Operating expense	4,100	5,314	6,144	6,559	7,702	9,379
Operating profit	4,344	5,039	6,000	6,294	7,988	9,538
Other income	872	808	771	958	1,093	1,220
LLP	586	554	255	635	923	1,144
Pre-tax profit	4,627	5,293	6,516	6,612	8,143	9,600
Income tax	913	1,056	1,303	1,322	1,629	1,920
Net profit	3,713	4,237	5,214	5,289	6,514	7,680
EPS (Bt)	1.75	2.00	2.46	2.49	3.07	3.62

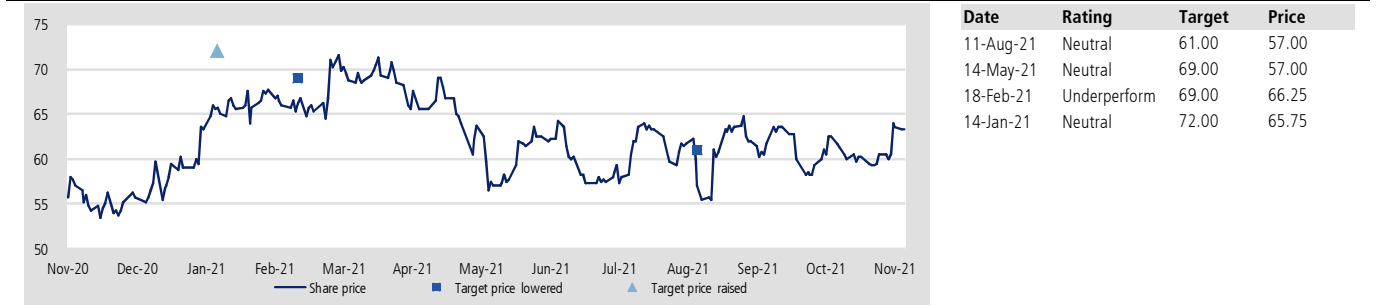
Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2018	2019	2020	2021F	2022F	2023F
Growth (YoY %)						
Loans and Accrued	35.1	25.9	18.2	27.4	18.6	19.9
Borrowing fund	23.3	10.5	15.2	64.1	22.6	19.4
Total Assets	33.0	25.9	24.8	18.0	18.2	19.2
Total Equity	37.5	29.9	29.5	20.5	18.0	16.7
Growth (YoY %)						
Net Interest Income	37.9	22.6	17.3	5.8	22.1	20.6
Total revenue	39.4	21.8	16.1	7.9	22.3	21.3
Loan Loss Provision -	13.7	- 5.5	- 54.0	149.2	45.3	23.9
Operating expense	37.2	29.6	15.6	6.7	17.4	21.8
Operating profit	38.6	16.0	19.1	4.9	26.9	19.4
Net Profit	48.5	14.1	23.0	1.4	23.2	17.9
EPS	48.5	14.1	23.0	1.4	23.2	17.9
Profitability (%)						
Yield on loans	22.81	21.94	21.34	18.80	18.90	19.20
Cost of Funds	3.58	3.83	3.82	3.50	3.50	3.70
Net Interest Margin	21.14	19.44	18.63	16.41	16.44	16.43
Cost/OP Income Ra	39.7	42.2	41.8	39.0	39.0	41.0
ROAA	8.6	7.6	7.5	6.3	6.6	6.5
ROAE	35.0	30.0	28.4	23.2	24.0	24.1
Asset/equity (x)	4.0	3.9	3.7	3.7	3.7	3.7
D/E (x)	2.9	2.8	2.8	2.5	2.9	3.1
Asset Quality (%)						
NPLs Ratio	1.1%	1.0%	1.1%	1.2%	1.1%	1.1%
LLR/Loans Ratio	5.65	6.65	7.65	8.65	9.65	10.65
EPS (fully diluted)	1.75	2.00	2.46	2.49	3.07	3.62
DPS	0.26	0.30	0.37	0.50	0.60	1.60
BVPS	5.8	7.5	9.8	11.8	13.9	16.2

Source: KGI Securities Research

Muangthai Capital – Recommendation & target price history



Source: KGI Securities 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	KASIKORN BANK	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	THAI COM
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

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

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

China	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
Taiwan	Taipei	700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 · Facsimile 886.2.8501.1691
Hong Kong		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
Thailand	Bangkok	8th - 11th floors, Asia Centre Building 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014
Singapore		4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826

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Rating	Definition
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)..
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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.
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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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