

11 NOVEMBER 2021

THAILAND / DIVERSIFIED FINANCIALS

MUANGTHAI CAPITAL MTC TB

BUY

UNCHANGED

TARGET PRICE	THB69.00
CLOSE	THB61.00
UP/DOWNSIDE	+13.1%
PRIOR TP	THB71.00
CHANGE IN TP	-2.8%
TP vs CONSENSUS	-0.9%

U-shaped recovery

Soft 3Q21 results from OPEX and ECL

MTC reported a weak 3Q21 net profit of THB1,201m (-10% y-y, -5% q-q), which was pressured by four items. First, its loan yield continued to decline to 18.7% from 19.2% in 2Q21. Second, its fee income declined from the new restrictions on debt collection fees. Third, its OPEX increased materially from the debt collection incentive paid to its staff and its aggressive branch expansion. Lastly, its credit cost increased to 93 bps due to the prolonged pandemic, resulting in a lower bad debt recovery rate and a moderate rise in its NPLs. The positive in 3Q21 was its remarkable loan growth over its peers at 6.4% q-q and 18.6% YTD.

Management affirms strong loan growth and better margin in 2022

At its recent analyst meeting, management stated a 2022 loan growth target of 30% y-y, with the expectation of a gradual recovery in its NIM following the 1% increase in its motorbike title loans in 3Q21 and the higher growth of its high-yield portfolio – motorbike hire purchase loans. MTC will also launch a new consumer product hire purchase business which will provide loans for clients to buy various consumer products. MTC will not have its own consumer product brand. Its first target group is its existing clients. It is in the process of studying products and lending methods. We have a neutral view on this.

Bottomed out but slowly recovering

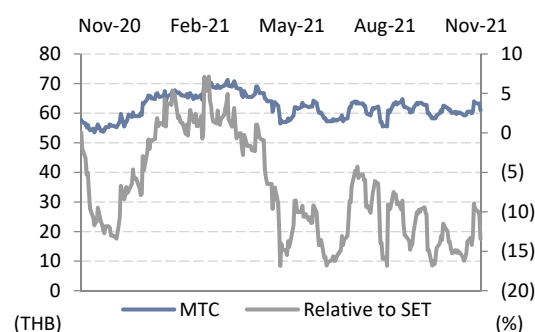
We think MTC's recovery could be u-shaped. We expect it to post only a minimal increase q-q in its 4Q21 net profit (slightly decreasing y-y). Although its loan volume could continue to grow strongly, its performance will likely be dragged down by 1) a continued decline in its loan yield; 2) lower fee income from the full-quarter impact of the new debt collection restrictions; and 3) an increase in the debt collection incentive paid to its staff. A strong earnings recovery should materialise starting from 2Q22.

Muted short-term catalysts

We lower our net profit forecasts for 2021-23 by 4%/5%/5% and our TP to THB69. We maintain BUY as MTC's market leading position should allow its earnings momentum to get back on track in 2022, with expected growth of 25%. However, we see muted short-term catalysts for its share price to rerate due to its slow recovery. Thus, MTC is not our top pick. It might be back on our radar once it can diversify its business to minimise the impact of the intense competition in the auto title loan segment.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	6,517	6,500	8,078	9,944
Net profit	5,214	5,187	6,463	7,955
EPS (THB)	2.46	2.45	3.05	3.75
vs Consensus (%)	-	(3.9)	(4.5)	(9.6)
Core net profit	5,214	5,187	6,463	7,955
Core EPS (THB)	2.46	2.45	3.05	3.75
Chg. In EPS est. (%)	-	(3.5)	(5.0)	(4.7)
EPS growth (%)	23.0	(0.5)	24.6	23.1
Core P/E (x)	24.8	24.9	20.0	16.3
Dividend yield (%)	0.6	0.6	0.7	0.9
Price/book (x)	6.3	5.2	4.3	3.5
ROE (%)	28.4	22.7	23.4	23.7
ROA (%)	7.5	6.0	6.0	6.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.4)	1.7	9.4
Relative to country (%)	(1.9)	(3.8)	(10.0)
Mkt cap (USD m)	3,947		
3m avg. daily turnover (USD m)	16.1		
Free float (%)	21		
Major shareholder	Petaumpai Family (67%)		
12m high/low (THB)	73.75/53.25		
Issued shares (m)	2,120		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

MTC is the largest listed non-bank personal and auto title loan service provider in Thailand. We believe that the business prospects for secured consumer loans remain solid. The demand for fast cash is less volatile in varying economic conditions, though spending purposes may differ. Operationally, MTC has long experience and strong management expertise, reflecting its ability to drive growth and contain asset quality. We maintain BUY as we believe the company has passed its bottom in 3Q21. We believe its market leading position in terms of loan contract numbers, with more than 3m active contracts and a nationwide network of 5,665 branches, will allow its earnings momentum to get back on track in 2022, with expected growth of 25%. The key long-term risk for MTC after Auto X starts to gain a meaningful market share would be its most concentrated motorbike and car title loan business (c70% of total port) vs its peers. We are waiting to gauge its expansion into the consumer product hire purchase business. It has not yet provided any clues about this. Thus, MTC is not our most preferred auto title loan stock.

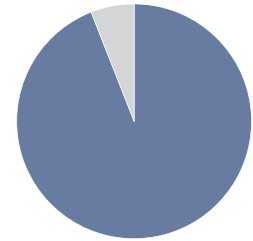
Company profile

MTC has provided lending services since 1992, focusing on motorcycle title loans, and commands the highest market share in Thailand. The company has also expanded its business to personal and other title loans such as car, agricultural and land title loans.

www.muangthaicap.com

Principal activities (revenue, 2020)

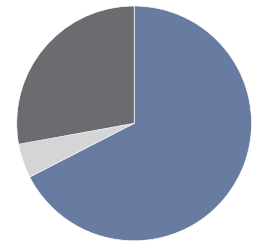
- Net interest income - 94.0 %
- Non-interest income - 6.0 %



Source: Muangthai Capital

Major shareholders

- Petaumpai Family - 67.5 %
- Thai NVDR Co., Ltd. - 4.7 %
- Others - 27.8 %



Source: Muangthai Capital

Catalysts

Potential share price catalysts for MTC include:

1. Strong growth in its new business, hire purchase loans for motorcycles;
2. The end of low rate charges for motorbike title loans;
3. Better cost control.

Risks to our call

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 the Consumer Protection Board.

Event calendar

Date	Event
Mid-Feb 2022	4Q21 results announcement

Key assumptions

Year to Dec	2021E	2022E	2023E
	(%)	(%)	(%)
Net profit (THB m)	5,187	6,463	7,955
Net profit growth	(0.5)	24.6	23.1
NIM	16.23	16.16	16.41
Loan growth	27.0	23.0	18.0
Non-NII growth	6.9	(21.4)	9.6
Credit cost (bp)	92	100	105
Cost to income*	47.9	46.2	45.4

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

Year to Dec		2021E		
		25.0	27.0	29.0
Loan growth	±2ppt	25.0	27.0	29.0
% change in net profit		(2.0)	-	2.0
NIM (%)	±5bp	16.18	16.23	16.28
% change in net profit		(0.5)	-	0.5
Credit cost (bps)	±10bp	82	92	102
% change in net profit		0.6	-	(0.6)

Source: FSSIA estimates

Soft 3Q21 results from OPEX and ECL

MTC reported a weak 3Q21 net profit of THB1,201m (-10% y-y, -5% q-q), which was lower than Bloomberg's consensus expectation and our forecast by c10% due to the higher OPEX and credit cost in the quarter. Its 3Q21 net profit was pressured by four items. First, its loan yield continued to decline to 18.7% from 19.2% in 2Q21. Second, its fee income declined from the new restrictions on debt collection fees. Third, its OPEX increased materially from the debt collection incentive paid to its staff and its aggressive branch expansion. Lastly, its credit cost increased to 93 bps due to the prolonged pandemic, resulting in a lower bad debt recovery rate and a moderate rise in its non-performing loans (NPLs). The positive in 3Q21 was its remarkable loan growth over its peers at 6.4% q-q and 18.6% YTD.

3Q21 key highlights

- Its loan yield decreased by 56 bps to 18.7%, broken down as follows: 1) c26 bps from the change in interest income recognition to a horizontal basis from a vertical basis as mandated by the Bank of Thailand; and 2) c30 bps from the impact of its motorbike title loan and car title loan rate cuts to compete with its peers.
- OPEX rose significantly by 17% y-y and 7% q-q in 3Q21, resulting in a high cost to income ratio of 51.2% – MTC continued to pay a special debt collection incentive to its staff. MTC also opened new branches aggressively, hitting a record high number of new branches opened in a quarter at 381. According to management, it wants to secure good locations and expand the company's footprint ahead of its competitors.
- Total loan volume increased significantly by 6.4% q-q, driven by a rise in all segments, especially motorbike title loans and motorbike hire purchases. However, motorcycle hire purchase loans posted lower growth compared with 2Q21 due to the chip supply shortage.

Exhibit 1: MTC – summary of 3Q21 results

Year-end Dec 31	3Q20 (THB m)	2Q21 (THB m)	3Q21		9M21			2021E	Change	3Q21 comments	
			(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	%21E	(THB m)	(y-y %)	
Net interest income	3,088	3,177	3,287	6	3	9,572	7	73	13,076	8	
Non-interest income*	182	212	188	3	(11)	672	19	82	824	7	Slow fee income
Operating income*	3,270	3,389	3,475	6	3	10,245	8	74	13,900	8	
Operating expenses	1,526	1,656	1,778	17	7	4,926	9	74	6,659	8	
PPOP before tax	1,744	1,733	1,696	(3)	(2)	5,319	7	73	7,241	7	
Expected credit loss	59	138	191	222	39	485	231	65	741	191	
Income tax	344	325	304	(12)	(6)	989	2	75	1,313	1	
Minority interest	0	0	0			0			0		
Normalised profit	1,340	1,270	1,201	(10)	(5)	3,844	0	74	5,187	(1)	
Extraordinary items	0	0	0			0			0		
Net profit	1,340	1,270	1,201	(10)	(5)	3,844	0	74	5,187	(1)	Lower-than-BBG's expectation
EPS (THB)	0.63	0.60	0.57	(10)	(5)	1.81	0	74	2.45	(1)	
Asset quality ratio (%)											
NPLs (THB m)	674	882	997	48	13				1,063	42	
NPLs / loans	1.00	1.11	1.17						1.18		
Loan loss reserve/NPLs	199	163	160						156		
Credit cost (bps)	36	72	93						92		
Profitability ratio (%)											
Cost to income ratio	46.7	48.9	51.2						47.9		
Average yield	21.8	19.2	18.7						18.9		
Cost of funds	3.6	3.4	3.5						3.5		
Net interest margin (NIM)	18.9	16.6	16.0						16.2		
Non-int inc / total income	5.6	6.3	5.4						38.4		
Loan growth (%)											
y-y	16.5	26.0	26.4						27.0		
q-q	6.1	8.5	6.4								Solid growth from all segments

*Including share of profits from associates
Sources: MTC; FSSIA estimates

Earnings revisions

We lower our net profit forecasts for 2021-23 by 4%/5%/5% to mainly reflect 1) the slower growth of motorbike hire purchase loans, leading to a lower loan yield; 2) the increase in its OPEX due to the debt collection incentive paid to its staff; and 3) the increase in expected credit losses following the minimal deterioration in its asset quality thanks to the Covid outbreak.

Exhibit 2: Key changes in assumptions

	2021E				2022E			2023E		
	2020 (THB m)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Net interest income	12,145	13,076	13,076	0.0	16,544	16,243	(1.8)	20,274	19,834	(2.2)
Non-interest income*	771	824	824	0.0	648	648	0.0	710	710	0.0
Operating income*	12,916	13,900	13,900	0.0	17,192	16,891	(1.8)	20,984	20,544	(2.1)
Operating expenses	6,144	6,512	6,659	2.3	7,635	7,807	2.3	9,222	9,331	1.2
PPOP before tax*	6,771	7,388	7,241	(2.0)	9,557	9,083	(5.0)	11,762	11,213	(4.7)
Expected credit loss (Reversal)	255	685	741	8.2	1,055	1,005	(4.8)	1,329	1,269	(4.5)
Tax expenses	1,303	1,329	1,313	(1.2)	1,700	1,616	(5.0)	2,087	1,989	(4.7)
Minority interest	-	0	-		0	-		0	-	
Normalised profit	5,214	5,374	5,187	(3.5)	6,801	6,463	(5.0)	8,346	7,955	(4.7)
Extraordinary items	-	0	-		0	-		0	-	
Net profit	5,214	5,374	5,187	(3.5)	6,801	6,463	(5.0)	8,346	7,955	(4.7)
EPS (THB)	2.46	2.53	2.45	(3.5)	3.21	3.05	(5.0)	3.9	3.75	(4.7)
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	749	1,011	1,063	5.2	1,314	1,382	5.2	1,643	1,728	5.2
Gross NPLs / Loans (%)	1.06	1.1	1.2		1.2	1.2		1.3	1.3	
Loan loss reserve/NPLs (%)	177	159	156		152	145		154.7	144	
Credit cost (bps)	39	85	92		105	100		110	105	
Profitability ratio (%)										
Cost to income ratio*	47.6	46.9	47.9		44.4	46.2		43.9	45.4	
Average yield	21.3	18.9	18.9		19.2	18.9		19.5	19.1	
Cost of funds	3.7	3.5	3.5		3.6	3.6		3.6	3.6	
Net interest margin (NIM)	18.5	16.2	16.2		16.5	16.2		16.8	16.4	
Loan growth (%)										
y-y	17.6	27.0	27.0		23.0	23.0		18.0	18.0	

*Including share of profits from associates

Sources: MTC; FSSIA estimates

We revise down our 2022 GGM-based TP to THB69 from THB71 as we 1) lower our EPS forecast, leading to a lower book value; and 2) revise down our target 2022E P/BV from 4.9x to 4.8x to reflect the decrease in our average long-term ROE target of 24.1% from 24.4%.

Exhibit 3: MTC – GGM-derived target price

Target price (THB)	69 (from 71)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Cost to equity (%)	11.6 (unchanged)
Terminal growth (%)	8.2 (unchanged)
ROE target (%)	24.1 (from 24.4)
Target PBV (x)	4.8 (from 4.9)
Risk to TP	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 the Consumer Protection Board.

Source: FSSIA estimates

Financial Statements

Muangthai Capital

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	11,880	13,962	15,224	18,993	23,080
Interest expense	(1,527)	(1,817)	(2,148)	(2,751)	(3,246)
Net interest income	10,353	12,145	13,076	16,243	19,834
Net fees & commission	723	726	777	599	658
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	85	45	47	49	52
Non interest income	808	771	824	648	710
Total income	11,161	12,916	13,900	16,891	20,544
Staff costs	(3,009)	(3,676)	(4,503)	(5,268)	(6,480)
Other operating costs	(2,306)	(2,469)	(2,157)	(2,539)	(2,852)
Operating costs	(5,314)	(6,144)	(6,659)	(7,807)	(9,331)
Pre provision operating profit	5,847	6,771	7,241	9,083	11,213
Provision for bad and doubtful debt	(554)	(255)	(741)	(1,005)	(1,269)
Other provisions	-	-	-	-	-
Operating profit	5,293	6,517	6,500	8,078	9,944
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	5,293	6,517	6,500	8,078	9,944
Tax	(1,056)	(1,303)	(1,313)	(1,616)	(1,989)
Profit after tax	4,237	5,214	5,187	6,463	7,955
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	4,237	5,214	5,187	6,463	7,955
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	4,237	5,214	5,187	6,463	7,955
Per share (THB)					
Recurring EPS *	2.00	2.46	2.45	3.05	3.75
Reported EPS	2.00	2.46	2.45	3.05	3.75
DPS	0.30	0.37	0.37	0.46	0.56
Growth					
Net interest income (%)	22.6	17.3	7.7	24.2	22.1
Non interest income (%)	(7.3)	(4.6)	6.9	(21.4)	9.6
Pre provision operating profit (%)	12.2	15.8	6.9	25.4	23.4
Operating profit (%)	14.4	23.1	(0.3)	24.3	23.1
Reported net profit (%)	14.1	23.0	(0.5)	24.6	23.1
Recurring EPS (%)	14.1	23.0	(0.5)	24.6	23.1
Reported EPS (%)	14.1	23.0	(0.5)	24.6	23.1
Income Breakdown					
Net interest income (%)	92.8	94.0	94.1	96.2	96.5
Net fees & commission (%)	6.5	5.6	5.6	3.5	3.2
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	0.8	0.3	0.3	0.3	0.3
Operating performance					
Gross interest yield (%)	21.92	21.27	18.90	18.90	19.10
Cost of funds (%)	3.83	3.71	3.50	3.60	3.60
Net interest spread (%)	18.09	17.56	15.40	15.30	15.50
Net interest margin (%)	19.1	18.5	16.2	16.2	16.4
Cost/income(%)	47.6	47.6	47.9	46.2	45.4
Cost/assets(%)	9.6	8.8	7.6	7.3	7.3
Effective tax rate (%)	19.9	20.0	20.2	20.0	20.0
Dividend payout on recurring profit (%)	15.0	15.0	15.0	15.0	15.0
ROE (%)	30.0	28.4	22.7	23.4	23.7
ROE - COE (%)	19.2	17.6	11.9	12.6	12.9
ROA (%)	7.6	7.5	6.0	6.0	6.3
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Muangthai Capital; FSSIA estimates

Financial Statements

Muangthai Capital

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Gross customer loans	60,338	70,968	90,129	110,859	130,814
Total provisions	(1,713)	(1,328)	(1,663)	(2,003)	(2,487)
interest in suspense	-	0	0	0	0
Net customer loans	58,624	69,640	88,466	108,856	128,327
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	783	1,378	1,894	978	575
Other interesting assets	-	-	-	-	-
Tangible fixed assets	1,778	1,928	2,121	2,333	2,567
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	687	4,275	4,616	4,984	5,357
Total assets	61,873	77,222	97,097	117,152	136,826
Customer deposits	0	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	44,163	53,699	69,024	83,786	96,542
Non interest bearing liabilities	1,737	2,841	2,983	3,132	3,288
Hybrid Capital	-	-	-	-	-
Total liabilities	45,900	56,540	72,006	86,918	99,830
Share capital	2,120	2,120	2,120	2,120	2,120
Reserves	13,863	18,567	22,976	28,119	34,881
Total equity	15,983	20,687	25,096	30,239	37,001
Minority interests	(12)	(5)	(5)	(5)	(5)
Total liabilities & equity	61,872	77,222	97,097	117,152	136,826
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	54,193	65,653	80,549	100,494	120,836
Average interest bearing liabilities	39,811	48,931	61,361	76,405	90,164
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)	621	749	1,063	1,382	1,728
Per share (THB)					
Book value per share	7.54	9.76	11.84	14.26	17.45
Tangible book value per share	7.54	9.76	11.84	14.26	17.45
Growth					
Gross customer loans	25.6	17.6	27.0	23.0	18.0
Average interest earning assets	29.5	21.1	22.7	24.8	20.2
Total asset (%)	25.9	24.8	25.7	20.7	16.8
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	nm	nm	nm	nm	nm
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	25.8	26.8	25.8	25.8	27.0
Tangible equity/assets (%)	25.8	26.8	25.8	25.8	27.0
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	15.1	20.5	42.0	30.0	25.0
NPL/gross loans (%)	1.0	1.1	1.2	1.2	1.3
Total provisions/gross loans (%)	2.8	1.9	1.8	1.5	1.9
Total provisions/NPL (%)	275.7	177.3	156.4	144.9	143.9
Valuation					
Recurring P/E (x) *	30.5	24.8	24.9	20.0	16.3
Recurring P/E @ target price (x) *	34.5	28.1	28.2	22.6	18.4
Reported P/E (x)	30.5	24.8	24.9	20.0	16.3
Dividend yield (%)	0.5	0.6	0.6	0.7	0.9
Price/book (x)	8.1	6.3	5.2	4.3	3.5
Price/tangible book (x)	8.1	6.3	5.2	4.3	3.5
Price/tangible book @ target price (x)	9.2	7.1	5.8	4.8	4.0

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Muangthai Capital; 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	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
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	SPALI	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	TRC	TSC	TSR	TSTE	TSTH
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	AMANAH	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 Suwanumphai FSS International Investment Advisory Securities Co., Ltd

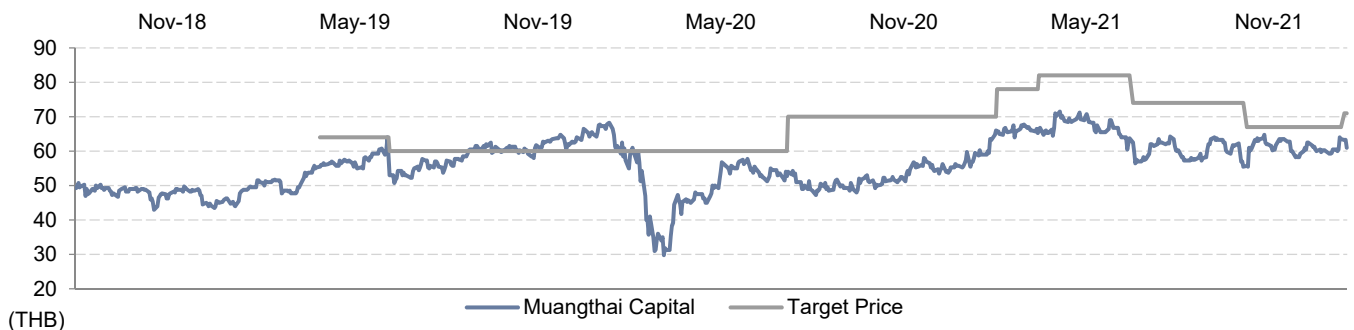
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Muangthai Capital (MTC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Jun-2019	BUY	64.00	31-Jul-2020	BUY	70.00	07-May-2021	BUY	74.00
09-Aug-2019	HOLD	60.00	13-Aug-2020	BUY	70.00	12-May-2021	BUY	74.00
02-Apr-2020	HOLD	60.00	12-Jan-2021	BUY	78.00	13-Aug-2021	BUY	67.00
16-Jul-2020	BUY	70.00	17-Feb-2021	BUY	82.00	05-Nov-2021	BUY	71.00

Yuvanart Suwanumphai started covering this stock from 16-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Muangthai Capital	MTC TB	THB 61.00	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 the Consumer Protection Board.

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 Finansia 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 Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 10-Nov-2021 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.