

Thanachart Capital

Thanachart Capital
Public Company Limited

TCAP

Bloomberg TCAP TB
Reuters TCAP.BK



Another good dividend year

After the release of 4Q19 results, we introduce our new earnings forecast to reflect the merger between TBANK and TMB and the requisite group restructuring. In 2020F, we expect one-off investment gain from sale of non-core investment to keep its bottom line afloat, allowing a good dividend. Assuming a 60% dividend payout ratio, we expect DPS of Bt4.3/share for 2020, equivalent to 8.4% dividend yield. With no repeat of the one-off investment gain, we estimate TCAP's normalized earnings at Bt6.3bn p.a. in 2021F and 2022F, mainly from TMB and THANI. We keep TCAP a Buy but lower TP to Bt54 from Bt63.

Introduction of new forecast. After release of 4Q19 results, we introduce our new earnings forecast to reflect the group restructuring required by the merger between TBANK and TMB. We estimate TCAP's earnings at Bt8.36bn in 2020F and Bt6.3bn p.a. in 2021F and 2022F. Our 2020F includes one-off investment gain from the sale of non-core investment. As a holding company, TCAP will get earnings contribution from subsidiaries and affiliates, mainly TMB (20.11% holding) and THANI (55.47% holding). We forecast TMB's own earnings at Bt14.12bn in 2020F, contributing Bt2.8bn to TCAP's bottom line. We estimate THANI's 2020F earnings at Bt1.9bn, sending Bt1.1bn to TCAP's bottom line. Without a repeat of this year's one-off investment gain, we estimate TCAP's normalized earnings at Bt6.3bn p.a. in 2021F and 2022F. Note that the financial forecast from 2020 onward cannot be compared to historical figures due to the business restructuring.

Sizable investment gains this year. TCAP entered into an agreement to sell a 6% stake in Ajinomoto Co., (Thailand) Limited (AJT) that it holds indirectly through Thanachart SPV2 Company to AJINOMOTO Co., INC in Japan. The transaction value is put at Bt7.167bn, and was scheduled to be executed in February, 2020. The company has not disclosed the cost of this investment. We use the equity value of AJT as of March, 2019 (the latest available) as a benchmark to estimate the investment cost and derive an estimated investment gain of Bt4.7bn. We factored gain on investment & NPAs of Bt5bn into 2020F. Including this large one-off gain, the company targets ROE of 12% in 2020F. Besides AJT, TCAP holds 4.5% in Seascon as non-core investment, which could be divested to generate investment gain at some point down the road.

Another good dividend. Bolstered by the large investment gain, we expect 2020 to be another good dividend year. Assuming a 60% dividend payout ratio, we estimate DPS at Bt4.3/share on 2020F, equivalent to 8.4% dividend yield.

Maintain Buy with lower TP. Because of its attractive dividend yield, we keep TCAP as a Buy. However, we lower TP to Bt54 (0.95x 2020F BVPS or 7.5x 2020F EPS) from Bt63 to reflect our introduction of a new forecast post group restructuring.

Forecasts and valuation

Year to 31 Dec	Unit	2018	2019	2020F	2021F	2022F
Pre-provision profit	(Bt mn)	15,229	11,857	10,373	7,676	7,634
Net profit	(Bt mn)	7,839	10,807	8,357	6,313	6,305
PPP/Sh	(Bt)	13.07	10.18	8.90	6.59	6.55
EPS	(Bt)	6.73	9.28	7.17	5.42	5.41
BVPS	(Bt)	56.42	56.50	56.68	57.79	59.95
DPS	(Bt)	2.60	7.00	4.30	3.25	3.25
P/PPP	(x)	3.94	5.06	5.78	7.82	7.86
PPP growth	(%)	5.78	(22.14)	(12.52)	(26.00)	(0.55)
P/E	(x)	7.65	5.55	7.18	9.50	9.52
EPS growth	(%)	15.95	37.86	(22.67)	(24.46)	(0.13)
P/BV	(x)	0.91	0.91	0.91	0.89	0.86
ROE	(%)	12.27	16.43	12.67	9.47	9.19
Dividend yield	(%)	5.05	13.59	8.36	6.31	6.30

Source: SCBS Investment Research

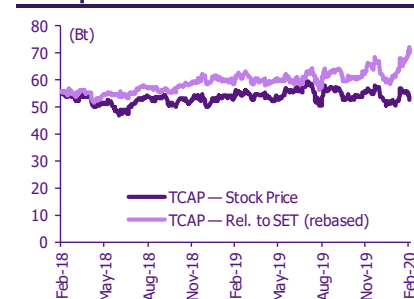
BUY

Stock data

Last close (Mar 2) (Bt)	51.50
12-m target price (Bt)	54.00
Upside (Downside) to TP (%)	4.85
Mkt cap (Btbn)	60.00
Mkt cap (US\$mn)	1,909

Risk rating	L
Mkt cap (%) SET	0.42
Sector % SET	10.80
Shares issued (mn)	1,165
Par value (Bt)	10.00
12-m high / low (Bt)	59.5 / 49.5
Avg. daily 6m (US\$mn)	8.27
Foreign limit / actual (%)	49 / 28
Free float (%)	75.4
Dividend policy (%)	NA

Price performance



Source: SET, SCBS Investment Research

Share performance

(%)	1M	3M	12M
Absolute	(1.9)	(8.4)	(6.4)
Relative to SET	9.9	7.5	14.6

Source: SET, SCBS Investment Research

Expected total return (ETR)

Target price	(Bt)	54.00
12-month dividend	(Bt)	4.30
Capital gain	(%)	4.85
Dividend yield	(%)	8.36
Total return	(%)	13.21

Source: SET, SCBS Investment Research

Analyst

Kittima Sattayapan, CFA

Fundamental Investment

Analyst on Securities

(66-2) 949-1003

kittima.sattayapan@scb.co.th

Financial statement

Profit and Loss Statement

FY December 31	Unit	2015	2016	2017	2018	2019	2020F	2021F	2022F
Interest & dividend income	(Btmn)	48,640	45,208	44,681	46,559	4,339	4,547	4,704	4,881
Interest expense	(Btmn)	20,910	16,740	15,511	15,792	1,599	1,675	1,704	1,731
Net interest income	(Btmn)	27,730	28,468	29,170	30,767	2,740	2,872	3,000	3,150
Non-interest income	(Btmn)	12,202	11,884	13,065	12,865	4,496	8,685	5,228	4,875
Non-interest expenses	(Btmn)	20,319	21,073	20,836	20,979	3,153	3,178	3,202	3,256
Pre-provision profit	(Btmn)	19,613	19,279	21,399	22,653	4,083	8,380	5,026	4,768
Provision	(Btmn)	8,600	6,210	6,236	4,785	(316)	426	447	470
Pre-tax profit	(Btmn)	11,013	13,069	15,163	17,868	4,399	7,954	4,579	4,298
Tax	(Btmn)	225	852	1,159	2,604	1,367	1,591	916	860
Equities & minority interest & discontinued operations	(Btmn)	5,352	6,204	7,003	7,425	(7,774)	(1,994)	(2,650)	(2,866)
Core net profit	(Btmn)	5,437	6,013	7,001	7,839	10,807	8,357	6,313	6,305
Extra item	(Btmn)	0	0	0	0	0	0	0	0
Net profit	(Btmn)	5,437	6,013	7,001	7,839	10,807	8,357	6,313	6,305
EPS	(Bt)	4.25	4.98	5.80	6.73	9.28	7.17	5.42	5.41
DPS	(Bt)	1.80	2.00	2.20	2.60	7.00	4.30	3.25	3.25

Balance Sheet

FY December 31	Unit	2015	2016	2017	2018	2019	2020F	2021F	2022F
Cash	(Btmn)	13,337	12,077	11,453	11,022	3	5	5	5
Interbank assets	(Btmn)	58,138	48,734	95,918	99,117	7,404	7,404	7,404	7,404
Investments	(Btmn)	186,915	189,818	181,530	173,464	41,551	41,551	41,551	41,551
Gross loans	(Btmn)	714,628	692,046	712,761	754,613	56,266	57,954	60,272	62,683
Accrued interest receivable	(Btmn)	667	631	601	657	11	11	11	11
Loan loss reserve	(Btmn)	26,244	25,155	24,518	24,145	3,118	3,398	3,695	4,008
Net loans	(Btmn)	689,051	667,521	688,844	731,125	53,159	54,566	56,588	58,686
Total assets	(Btmn)	997,581	966,867	1,025,525	1,060,929	160,927	162,336	164,358	166,456
Deposits	(Btmn)	669,454	676,456	716,091	751,917	0	0	0	0
Interbank liabilities	(Btmn)	85,600	65,701	82,343	71,923	15,660	15,660	15,660	15,660
Borrowings	(Btmn)	84,929	61,704	51,596	55,013	44,780	45,988	46,711	46,292
Total liabilities	(Btmn)	886,258	847,016	895,455	923,011	86,868	88,076	88,799	88,380
Minority interest	(Btmn)	58,649	62,960	68,050	72,183	8,226	8,226	8,226	8,226
Paid-up capital	(Btmn)	12,778	12,065	12,065	11,651	11,651	11,651	11,651	11,651
Total Equities	(Btmn)	52,674	56,891	62,020	65,735	65,833	66,034	67,333	69,850
BVPS	(Bt)	41.22	47.15	51.41	56.42	56.50	56.68	57.79	59.95

Key Assumptions and Financial Ratios

	Unit	2015	2016	2017	2018	2019	2020F	2021F	2022F
Growth									
YoY loan growth	(%)	(5.43)	(3.16)	2.99	5.87	NM.	3.00	4.00	4.00
YoY non-NII growth	(%)	0.19	(2.60)	9.93	(1.53)	NM.	93.16	(39.80)	(6.76)
Profitability									
Yield on earn'g assets	(%)	5.00	4.78	4.65	4.62	NM.	4.29	4.35	4.42
Cost on int-bear'g liab	(%)	2.44	2.04	1.88	1.83	NM.	2.74	2.75	2.79
Spread	(%)	2.56	2.75	2.78	2.79	NM.	1.54	1.60	1.63
Net interest margin	(%)	2.85	3.01	3.04	3.05	NM.	2.71	2.78	2.85
ROE	(%)	10.45	10.98	11.78	12.27	NM.	12.67	9.47	9.19
ROA	(%)	0.54	0.61	0.70	0.75	NM.	5.17	3.86	3.81
Asset Quality									
NPLs/Total Loans	(%)	3.16	2.50	2.65	2.67	NM.	2.42	2.42	2.42
LLR/NPLs	(%)	116.22	145.50	129.77	119.70	NM.	242.78	253.81	264.71
Provision expense/Total loans	(%)	1.20	0.90	0.87	0.63	NM.	0.73	0.74	0.75
Liquidity									
Loans/Deposits & borrowings	(%)	94.73	93.75	92.85	93.52	NM.	126.02	129.03	135.41
Efficiency									
Cost to income ratio	(%)	50.88	52.22	49.33	48.08	NM.	27.49	38.92	40.58
Capital Fund									
Capital adequacy ratio	(%)	14.71	15.61	15.18	15.58	NM.	153.72	151.76	151.04
Tier-1	(%)	10.29	11.30	12.50	12.97	NM.	128.78	127.37	127.18
Tier-2	(%)	4.42	4.30	2.68	2.61	NM.	24.94	24.39	23.85

Financial statement

Profit and Loss Statement

FY December 31	Unit	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Interest & dividend income	(Btmn)	11,330	11,542	11,742	11,944	12,064	12,322	12,350	NM.
Interest expense	(Btmn)	3,874	3,918	3,974	4,026	4,142	4,249	4,357	NM.
Net interest income	(Btmn)	7,456	7,624	7,768	7,919	7,922	8,072	7,993	NM.
Non-interest income	(Btmn)	3,443	3,630	2,477	3,316	3,174	3,328	3,838	NM.
Non-interest expenses	(Btmn)	5,445	5,145	4,478	5,911	5,057	5,794	5,142	NM.
Earnings before tax & provision	(Btmn)	5,454	6,109	5,767	5,323	6,039	5,606	6,690	NM.
Provision	(Btmn)	1,431	1,448	1,233	672	991	952	1,091	NM.
Pre-tax profit	(Btmn)	4,023	4,661	4,534	4,651	5,048	4,654	5,599	NM.
Tax	(Btmn)	188	621	918	878	1,047	928	1,055	NM.
Equities & minority interest & discontinued operations	(Btmn)	1,937	1,989	1,745	1,753	1,985	1,827	2,071	NM.
Core net profit	(Btmn)	1,899	2,051	1,870	2,020	2,016	1,899	2,472	NM.
Extra item	(Btmn)	0	0	0	0	0	0	0	NM.
Net profit	(Btmn)	1,899	2,051	1,870	2,020	2,016	1,899	2,472	NM.
EPS	(Bt)	1.57	1.70	1.60	1.73	1.73	1.63	2.12	NM.

Balance Sheet

FY December 31	Unit	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Cash	(Btmn)	9,272	8,642	8,951	11,022	9,373	8,760	9,374	3
Interbank assets	(Btmn)	112,746	121,477	71,916	99,117	107,217	89,535	139,094	7,404
Investments	(Btmn)	162,082	163,037	175,341	173,464	155,232	179,142	133,567	41,551
Gross loans	(Btmn)	713,693	725,080	737,109	754,613	763,776	769,747	771,039	56,266
Accrued interest receivable	(Btmn)	579	588	599	657	686	635	622	11
Loan loss reserve	(Btmn)	25,231	24,980	24,756	24,145	23,508	23,121	23,141	3,118
Net loans	(Btmn)	689,040	700,688	712,952	731,125	740,954	747,262	748,520	53,159
Total assets	(Btmn)	1,026,120	1,047,562	1,018,329	1,060,929	1,061,701	1,078,525	1,081,854	160,927
Deposits	(Btmn)	701,028	733,965	697,096	751,917	743,559	724,523	745,693	0
Interbank liabilities	(Btmn)	81,184	79,384	82,260	71,923	75,550	80,597	58,858	15,660
Borrowings	(Btmn)	53,629	54,917	58,236	55,013	56,775	79,128	80,406	44,780
Total liabilities	(Btmn)	892,225	913,846	883,536	923,011	919,445	933,093	934,943	86,868
Minority interest	(Btmn)	70,001	69,937	70,269	72,183	74,447	75,841	76,199	8,226
Paid-up capital	(Btmn)	12,065	12,065	11,651	11,651	11,651	11,651	11,651	11,651
Total Equities	(Btmn)	63,893	63,779	64,523	65,735	67,808	69,592	70,713	65,833
BVPS	(Bt)	52.96	52.86	55.38	56.42	58.20	59.73	60.69	56.50

Financial Ratios

		1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Growth									
YoY loan growth	(%)	4.46	4.13	5.34	5.87	7.02	6.16	4.60	NM.
YoY non-NII growth	(%)	23.37	15.11	(25.29)	(12.87)	(7.80)	(8.32)	54.98	NM.
Profitability									
Yield on earn'g assets	(%)	4.58	4.62	4.71	4.75	4.70	4.77	4.75	NM.
Cost on int-bear'g liab	(%)	1.84	1.84	1.86	1.88	1.89	1.93	1.97	NM.
Spread	(%)	2.74	2.78	2.85	2.87	2.81	2.84	2.78	NM.
Net interest margin	(%)	3.01	3.05	3.12	3.15	3.09	3.13	3.07	NM.
ROE	(%)	12.06	12.85	11.66	12.40	12.07	11.06	14.10	NM.
ROA	(%)	0.74	0.78	0.73	0.76	0.76	0.70	0.91	NM.
Asset Quality									
NPLs/Total Loans	(%)	2.80	2.69	2.71	2.67	2.57	2.64	2.89	NM.
LLR/NPLs	(%)	126.42	128.03	123.99	119.70	119.99	113.90	103.72	NM.
Provision expense/Total loans	(%)	0.80	0.80	0.67	0.36	0.52	0.49	0.57	NM.
Liquidity									
Loans/Deposits & borrowings	(%)	94.57	91.91	97.59	93.52	95.43	95.78	93.33	NM.
Efficiency									
Cost to income ratio	(%)	52.19	48.66	41.84	54.35	46.95	52.29	47.81	NM.
Capital Fund									
Capital adequacy ratio	(%)	15.24	14.92	14.88	15.58	15.54	15.16	16.07	NM.
Tier-1	(%)	12.61	12.29	12.26	12.97	12.94	13.58	14.53	NM.
Tier-2	(%)	2.63	2.63	2.63	2.61	2.60	1.58	1.54	NM.

Figure 1: TCAP's pro forma financial forecast post the TMB and TBANK merger

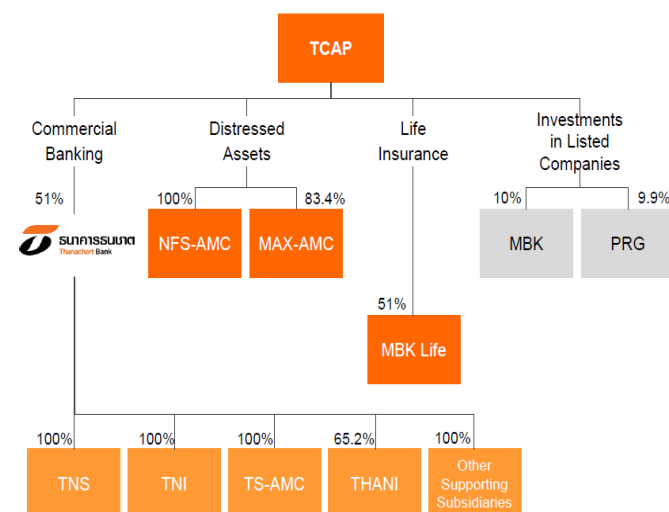
Unit	TMB		TBANK		TCAP		TMB post merger		TCAP post merger	
	2019F	2020F	2019F	2020F	2019F	2020F	2019F	2020F	2019F	2020F
Net profit (Bt mn)	7,471	7,628	10,611	11,752	8,226	8,254	18,082	19,380	8,246	8,430
Equities (Bt mn)	103,180	108,194	135,135	142,112	72,847	73,178	212,840	226,795	72,867	73,354
No. of shares (mn)	43,852	43,852	6,065	6,065	1,165	1,165	105,099	105,099	1,165	1,165
EPS (Bt)	0.17	0.17	1.75	1.94	7.06	7.08	0.17	0.18	7.08	7.23
BVPS (Bt)	2.35	2.47	22.28	23.43	62.52	62.81	2.03	2.16	62.54	62.96
ROE (%)	7.40%	7.22%	7.97%	8.48%	11.87%	11.30%	8.50%	8.82%	11.32%	11.49%

Source: SCBS Investment Research

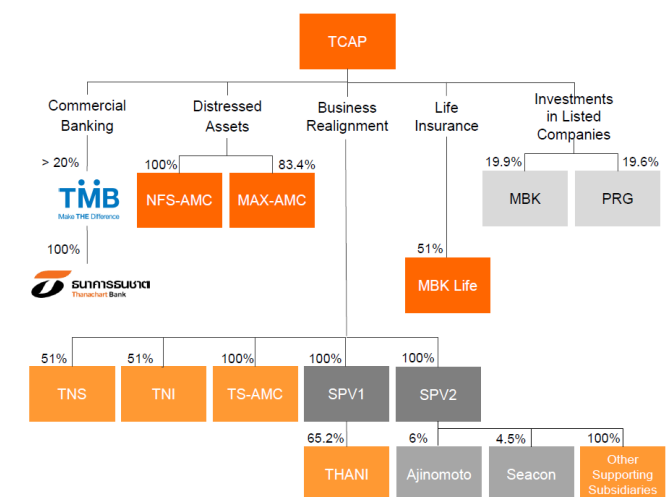
Figure 2: TCAP's pro form earnings composition

	% holding	2019F	2020F
TCAP unconsolidated (ex. dividend from TBANK)		853	853
Merged bank	20%	3,689	3,953
THANI	65%	1,276	1,305
TNS	51%	1,167	1,109
TNI	51%	904	904
TS AMC	51%	357	306
TCAP consolidated		8,246	8,430

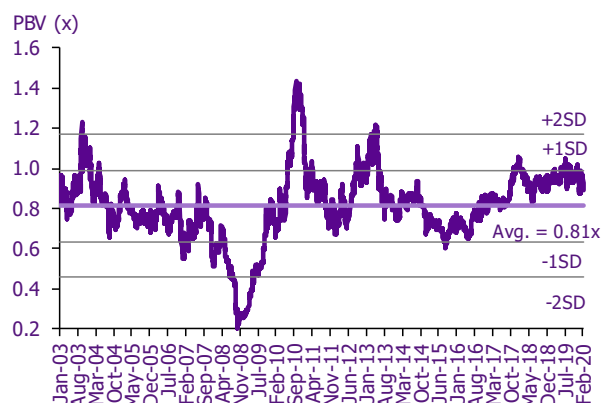
Source: SCBS Investment Research

Figure 3: TCAP's structure before the merger


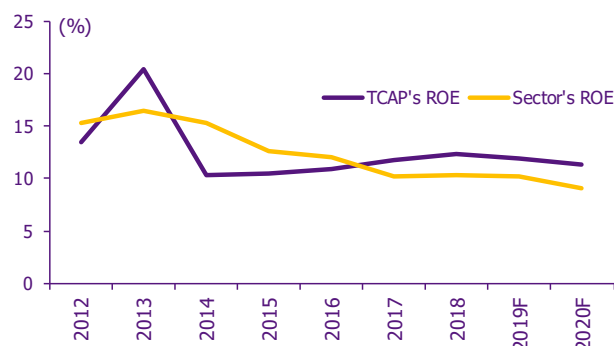
Source: TCAP and SCBS Investment Research

Figure 4: TCAP's structure after the merger


Source: TCAP and SCBS Investment Research

Figure 5: TCAP's PBV


Source: SCBS Investment Research

Figure 6: TCAP's ROE vs Banking sector ROE


Source: TCAP and SCBS Investment Research

Figure 7: Valuation summary (price as of Mar 2, 2020)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)		
					19A	20F	21F	19A	20F	21F	19A	20F	21F	19A	20F	21F	19A	20F	21F
BAY	Buy	24.20	35.0	48.7	5.4	7.4	6.6	32.0	(26.7)	12.6	0.7	0.6	0.6	12.8	8.7	9.3	5.5	4.0	4.6
BBL	Buy	134.00	163.0	26.9	7.1	8.4	7.6	1	(15)	10	0.6	0.6	0.5	9	7	7	5.2	5.2	5.2
KBANK	Buy	122.00	133.0	13.1	7.5	9.8	8.3	1	(23)	17	0.7	0.7	0.7	10	7	8	4.1	4.1	4.3
KKP	Neutral	60.50	62.0	9.2	8.6	9.7	8.7	(1)	(12)	11	1.2	1.1	1.1	14	12	13	7.9	6.7	7.4
KTB	Buy	13.80	18.0	35.5	6.6	7.5	6.7	3	(12)	12	0.6	0.5	0.5	9	7	8	5.5	5.1	5.7
LHFG	Neutral	1.29	1.20	(2.4)	8.5	10.8	10.0	3	(22)	8	0.7	0.7	0.6	8	6	6	6.2	4.6	5.0
TCAP	Buy	51.50	54.0	13.2	5.6	7.2	9.5	38	(23)	(24)	0.9	0.9	0.9	16	13	9	13.6	8.4	6.3
TISCO	Neutral	97.75	100.0	9.7	10.8	11.5	10.7	4	(6)	7	2.0	2.0	1.9	19	17	18	7.9	7.4	7.5
TMB	Buy	1.14	1.50	35.4	15.2	7.8	6.2	(71.7)	95.5	25.1	0.6	0.5	0.5	4.9	7.0	8.2	3.5	3.9	4.8
Average					8.2	8.9	8.2	7	6	(17)	0.9	0.8	0.8	11	9	10	6.7	5.6	5.8

Source: SCBS Investment Research

Disclaimer

The information in this report has been obtained from sources believed to be reliable. However, its accuracy or completeness is not guaranteed. Any opinions expressed herein reflect our judgment at this date and are subject to change without notice. This report is for information only. It is not to be construed as an offer, or solicitation of an offer to sell or buy any securities. We accept no liability for any loss arising from the use of this document. We or our associates may have an interest in the companies mentioned therein.

SCB Securities Company Limited ("SCBS") is a wholly-owned subsidiary of The Siam Commercial Bank Public Company Limited ("SCB"). Any information related to SCB is for sector comparison purposes.

SCB Securities Company Limited ("SCBS") acts as market maker and issuer of Derivative Warrants on the ordinary shares INTUCH.

Before making an investment decision over a derivative warrant, an investor should carefully read the prospectus for the details of the said derivative warrants. Any opinion, news, research, analyse, price, statement, forecast, projection and/or other information contained in this document (the "Information") is provided as general purpose information only, and shall not be construed as a recommendation to any person of an offer to buy or sell, or the solicitation of an offer to buy or sell, any securities. SCBS and/or its directors, officers, employees, and agents shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of, or reliance on, the Information, including without limitation, damages for loss of profits. The investor should use the Information in association with other information and opinion, including his/her own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

SCBS reserves the right to modify the Information from time to time at its sole discretion without giving any notice. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor of SCG Packaging Public Company Limited. SCBS has acted as Joint Lead Underwriter of SCG Packaging Public Company Limited. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

SCBS reserves the right to modify the Information from time to time without notice and in its sole discretion. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor, Lead Arranger of Global Power Synergy Public Company Limited. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB Asset Management Company Limited ("SCBAM") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor of Digital Telecommunications Infrastructure Fund. SCBAM has acted as Fund Manager of Digital Telecommunications Infrastructure Fund. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

Futures and Options trading carry a high level of risk with the potential for substantial losses, and are not suitable for all persons. Before deciding to trade Futures and Options, you should carefully consider your financial position, investment objectives, level of experience, and risk appetite if Futures and Options trading are appropriate. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Futures and Options trading, and you are advised to rely on your own judgment while making investment decision and/or should seek advice from professional investment advisor if you have any doubts.

This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

Copyright©2012 SCB Securities Company Limited. All rights reserved.

CG Rating 2019 Companies with CG Rating

Companies with Excellent CG Scoring

AAV, ADVANC, AIRA, AKP, AKR, AMA, AMATA, AMATAV, ANAN, AOT, AP, ARROW, BAFS, BANPU, BAY, BCP, BCPG, BOL, BRR, BTS, BTW, BWG, CFRESH, CHEWA, CHO, CK, CKP, CM, CNT, COL, COMAN, CPALL, CPF, CPI, CPN, CSS, DELTA, DEMCO, DRT, DTAC, DTC, EA, EASTW, ECF, EGCO, GBX, GC, GCAP, GEL, GFPT, GGC, GOLD, GPSC, GRAMMY, GUNKUL, HANA, HARN, HMPRO, ICC, ICHI, III, ILINK, INTUCH, IRPC, IVL, JKN, JSP, K, KBANK, KCE, KKP, KSL, KTB, KTC, KTIS, LH, LHFG, LIT, LPN, MAKRO, MALEE, MBK, MBKET, MC, MCOT, MFEC, MINT, MONO*, MTC, NCH, NCL, NKI, NSI, NVD, NYT, OISHI, OTO, PAP, PCSGH, PDJ, PG, PHOL, PJW, PLANB, PLANET, PORT, PPS, PR9, PREB, PRG, PRM, PSH, PSL, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QTC, RATCH, ROBINS, RS, S, S & J, SABINA, SAMART, SAMTEL, SAT, SC, SCB, SCC, SCCC, SCN, SDC, SEAFCO, SEAOL, SE-ED, SELIC, SENA, SIS, SITHAI, SNC, SORKON, SPALI, SPI, SPRC, SSSC, STA, STEC, SVI, SYNTec, TASCO, TCAP, THAI, THANA, THANI, THCOM, THIP, THREL, TIP, TISCO, TK, TKT, TMB, TMILL, TNDT, TOA, TOP, TRC, TRU, TRUE, TSC, TSR, TSTH, TTA, TTCL, TTW, TU, TVD, TVO, U, UAC, UV, VGI, VIH, WACOAL, WAVE, WHA, WHAUP, WICE, WINNER

Companies with Very Good CG Scoring

2S, ABM, ADB, AF, AGE, AH, AHC, AIT, ALLA, ALT, AMANAH, AMARIN, APCO, APCS, AQUA, ARIP, ASAP, ASIA, ASIAN, ASIMAR, ASK, ASN, ASP, ATP30, AUCT, AYUD, B, BA, BBL, BDMS, BEC, BEM, BFIT, BGC, BGRIM, BIZ, BJC, BJCHI, BLA, BPP, BROOK, CBG, CEN, CENTEL, CGH, CHG, CHOTI, CHOW, CI, CIMBT, CNS, COLOR, COM7, COTTO, CRD, CSC, CSP, DCC, DCON, DDD, DOD, EASON, ECL, EE, EPG, ERW, ESTAR, ETE, FLOYD, FN, FNS, FORTH, FPI, FPT, FSMART, FSS, FVC, GENCO, GJS, GL, GLOBAL, GLOW, GULF, HPT, HTC, HYDRO, ICN, IFS, INET, INSURE, IRC, IRCP, IT, ITD*, ITEL, J, JAS*, JCK, JCKH, JMART, JMT, JWD, KBS, KCAR, KGI, KIAT, KOOL, KWC, KWM, L&E, LALIN, LANNA, LDC, LHK, LOXLEY, LRH, LST, M, MACO, MAJOR, MBAX, MEGA, METCO, MFC, MK, MODERN, MOONG, MPG, MSC, MTI, NEP, NETBAY, NEX, NINE, NOBLE, NOK, NTV, NWR, OCC, OGC, ORI, OSP, PATO, PB, PDG, PDI, PL, PLAT, PM, PPP, PRECHA, PRIN, PRINC, PSTC, PT, QLT, RCL, RICHY, RML, RWI, S11, SAAM, SALEE, SAMCO, SANKO, SAPPE, SAWAD, SCG, SCI, SCP, SE, SFP, SIAM, SINGER, SIRI, SKE, SKR, SKY, SMT, SMK, SMP, SMT, SNP, SONIC, SPA, SPC, SPCG, SPVI, SR, SRICHA, SSC, SSF, SST, STANLY, STPI, SUC, SUN, SUSCO, SUTHA, SWC, SYMC, SYNEX, T, TACC, TAE, TAKUNI, TBSP, TCC, TCMC, TEAM, TEAMG, TFG, TFMAMA, THG, THRE, TIPCO, TITL, TIW, TKN, TKS, TM, TMC, TMD, TMI, TMT, TNITY, TNL, TNP, TNR, TOG, TPA, TPAC, TPBI, TPCORP, TPOLY, TRITN, TRT, TSE, TSTE, TVI, TVT, TWP, TWPC, UBIS, UEC, UMI, UOBKH, UP, UPF, UPOIC, UT, UWC, VNT, WIIK, XO, YUASA, ZEN, ZMICO

Companies with Good CG Scoring

A, ABICO, ACAP*, AEC, AEONTS, AJ, ALUCON, AMC, APURE, AS, ASEFA, AU, B52, BCH, BEAUTY, BGT, BH, BIG, BLAND, BM, BR, BROCK, BSBM, BSM, BTNC, CCET, CCP, CGD, CHARAN, CHAYO, CITY, CMAN, CMC, CMO, CMR, CPL, CPT, CSR, CTW, CWT, D, DIMET, EKH, EMC, EPCO, ESSO, FE, FTE, GIFT, GLAND, GLOCON, GPI, GREEN, GTB, GYT, HTECH, HUMAN, IHL, INGRS, INOX, JTS, JUBILE, KASET, KCM, KKC, KWG, KYE, LEE, LPH, MATCH, MATI, M-CHAI, MCS, MDX, META, MGT, MJD, MM, MVP, NC, NDR, NER, NNCL, NPK, NUSA, OCEAN, PAF, PF, PICO, PIMO, PK, PLE, PMTA, POST, PPM, PROUD, PTL, RCI, RJH, ROJNA, RPC, RPH, SF, SGF, SGP, SKN, SLP, SMART, SOLAR, SPG, SQ, SSP, STI, SUPER, SVOA, TCCC, THE, THMUI, TIC, TIGER, TNH, TOPP, TPCH, TPIPP, TPLAS, TQM, TTI, TYCN, UTP, VCOM, VIBHA, VPO, WIN, WORK, WP, WPH, ZIGA

Corporate Governance Report

The material contained in this publication is for general information only and is not intended as advice on any of the matters discussed herein. Readers and others should perform their own independent analysis as to the accuracy or completeness or legality of such information. The Thai Institute of Directors, its officers, the authors and editor make no representation or warranty as to the accuracy, completeness or legality of any of the information contained herein. By accepting this document, each recipient agrees that the Thai Institute of Directors Association, its officers, the authors and editor shall not have any liability for any information contained in, or for any omission from, this publication.

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. SCB Securities Company Limited does not conform nor certify the accuracy of such survey result.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition

(Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2018 to 25 October 2019) is publicized.

* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทที่มีส่วนดำเนินการเกี่ยวกับหลักกิจการ เช่น การกระทำความผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรตระหนักถึงข้อดังกล่าวดังต่อไปนี้

Anti-corruption Progress Indicator

Certified (ได้รับการรับรอง)

ADVANC, AIE, AKP, AMANAH, AP, APCS, AQUA, ARROW, ASK, ASP, AYUD, BAFS, BANPU, BAY, BBL, BCH, BCP, BCPG, BGRIM, BJCHI, BKI, BLA, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CIG, CIMBT, CM, CNS, COM7, CPALL, CPF, CPI, CPN, CSC, DCC, DEMCO, DIMET, DRT, DTAC, DTC, EASTW, ECL, EGCO, FE, FNS, FSS, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GOLD, GPSC, GSTEEL, GUNKUL, HANA, HARN, HMPRO, HTC, ICC, IFS, INET, INSURE, INTUCH, IRPC, IVL, K, KASET, KBANK, KBS, KCAR, KCE, KGI, KKP, KSL, KTB, KTC, KWC, L&E, LANNA, LHK, LPN, LRH, M, MAKRO, MALEE, MBAX, MBK, MBKET, MC, MCOT, MFC, MINT, MONO, MOONG, MSC, MTI, NBC, NINE, NKI, NMG, NNCL, NSI, OCC, OCEAN, OGC, PAP, PATO, PB, PCSGH, PDG, PDI, PE, PG, PHOL, PL, PLANB, PLANET, PLAT, PM, PPP, PPS, PREB, PRG, PRINC, PSH, PSTC, PT, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RATCH, RML, ROBINS, S & J, SABINA, SAT, SC, SCB, SCC, SCCC, SCG, SCN, SE-ED, SELIC, SENA, SGP, SIRI, SIS, SITHAI, SMT, SMK, SMP, SNC, SNP, SORKON, SPACK, SPC, SPI, SPRC, SRICHA, SSF, SSI, SSSC, SST, STA, SUSCO, SVI, SYNTec, TASCO, TCAP, TFG, TFI, TFMAMA, THANI, THCOM, THIP, THRE, THREL, TIP, TIPCO, TISCO, TKT, TMB, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TPA, TPCORP, TRU, TRUE, TSC, TSTH, TTCL, TU, TVD, TVI, TWPC, U, UBIS, UEC, UKEM, UOBKH, VGI, VIH, VNT, WACOAL, WHA, WICE, WIIK

Declared (ประกาศเจตนารมณ์)

2S, ABICO, AF, AI, AIRA, ALT, AM, AMARIN, AMATA, ANAN, B, BM, BPP, BUI, CHG, CHO, CHOTI, CHOW, CI, CMC, COL, DDD, DELTA, EFORL, EPCO, ESTAR, ETE, FPI, FTE, ICHI, INOX, IRC, ITEL, JAS, JSP, JTS, KWG, LDC, LIT, META, MFEC, MPG, NEP, NOK, NWR, ORI, PRM, PSL, ROJNA, RWI, SAAM, SAPPE, SCI, SEAOL, SHANG, SKR, SPALI, STANLY, SYNEX, TAE, TAKUNI, TMC, TOPP, TPP, TRITN, TVO, UV, UWC, WHAUP, XO

N/A

7UP, A, A5, AAV, ABM, ACAP, ACC, ACE, ACG, ADB, AEC, AEONTS, AFC, AGE, AH, AHC, AIT, AJ, AJA, AKR, ALL, ALLA, ALUCON, AMATAV, AMC, AOT, APCO, APEX, APP, APURE, AQ, ARIN, ARIP, AS, ASAP, ASEFA, ASIA, ASIAN, ASIMAR, ASN, ATP30, AU, AUCT, AWC, B52, BA, BAM, BAT-3K, BC, BCT, BDMS, BEAUTY, BEC, BEM, BFIT, BGC, BGT, BH, BIG, BIZ, BJC, BKD, BLAND, BLISS, BOL, BR, BROCK, BSM, BTNC, BTW, CAZ, CBG, CCET, CCP, CGD, CHARAN, CHAYO, CHUO, CITY, CK, CKP, CMAN, CMO, CMR, CNT, COLOR, COMAN, COTTO, CPH, CPL, CPR, CPT, CPW, CRANE, CRC, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DCONP, DOD, DOHOME, DTCI, EA, EASON, ECF, EE, EIC, EKH, EMC, EPG, ERW, ESSO, EVER, F&D, FANCY, FLOYD, FMT, FN, FORTH, FPT, FSMART, FVC, GENCO, GIFT, GL, GLAND, GLOBAL, GLOCON, GPI, GRAMMY, GRAND, GREEN, GSC, GTB, GULF, GYT, HFT, HPT, HTECH, HUMAN, HYDRO, ICN, IFEC, IHL, III, ILINK, ILM, IMH, INGRS, INSET, IP, IRCP, IT, ITD, J, JCK, JCKH, JCT, JKN, JMART, JMT, JUBILE, JUTHA, JWD, KAMART, KC, KCM, KDH, KIAT, KKC, KOOL, KTECH, KTIS, KUMWEL, KUN, KWM, KYE, LALIN, LEE, LH, LHFG, LOXLEY, LPH, LST, MACO, MAJOR, MANRIN, MATCH, MATI, MAX, M-CHAI, MCS, MDX, MEGA, METCO, MGT, MIDA, MILL, MITSIB, MJD, MK, ML, MM, MODERN, MORE, MPIC, MTC, MVP, NC, NCH, NCL, NDR, NER, NETBAY, NEW, NEWS, NEX, NFC, NOBLE, NPK, NTV, NUSA, NVD, NYT, OHTL, OISHI, OSP, OTO, PACE, PAE, PAF, PERM, PF, PICO, PIMO, PJW, PK, PLE, PMTA, POLAR, POMPU, PORT, POST, PPM, PPPM, PR9, PRAKIT, PRECHA, PRIME, PRIN, PRO, PROUD, PTL, RAM, RBF, RCI, RCL, RICH, RICHY, RJH, ROCK, ROH, RP, RPC, RPH, RS, RSP, S, S11, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCP, SDC, SE, SEAFCO, SEG, SF, SFLEX, SFP, SGF, SHR, SIAM, SIMAT, SINGER, SISB, SKE, SKN, SKY, SLP, SMART, SMT, SOLAR, SONIC, SPA, SPCG, SPG, SPORT, SPVI, SQ, SR, SSC, SSP, STAR, STARK, STC, STEC, STHAI, STI, STPI, SUC, SUN, SUPER, SUTHA, SVH, SVOA, SWC, SYMC, T, TACC, TAPAC, TBSP, TC, TCC, TCCC, TCJ, TCMC, TCOAT, TEAM, TEAMG, TGPRO, TH, THAI, THANA, THE, THG, THL, THMUI, TIGER, TITL, TIW, TK, TKN, TKS, TM, TMI, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TPS, TQM, TR, TRC, TRT, TRUBB, TSE, TSF, TSI, TSR, TSTE, TTA, TTI, TTT, TTW, TVT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UPA, UPF, UPOIC, UREKA, UT, UTP, UVAN, VARO, VCOM, VI, VIBHA, VL, VNG, VPO, VRANDA, WAVE, WG, WIN, WINNER, WORK, WORLD, WP, WPH, WR, YCI, YGG, ZIGA, ZMICO

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 30, 2018) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.