ธนชาต
Thanachart

We are thriving together...

Investor Presentation

28 February 2012

THANACHART GROUP

Contents

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2011 Financial Highlights

Business as Usual

Group Key Financial Highlights

Business as Usual

- 2011 net profit was down by 11.3% yoy due to the increase in cost of funds, integration costs, and the impact from flood crisis
- Interest income has been increasing since acquiring SCIB in 2Q10. 2011 interest income increased by 26.8% yoy
- Loans increased by 4.5%, led by a 19.4% growth of HP

NPL Management

- At the end of Dec 11, NPLs amounted to 40,188 MTHB or accounted for 5.9% of total loans
- 4Q11 NPLs outstanding decreased by 2,281 MTHB from 3Q11, due mainly to the good performance of TS AMC

Capital Planning

- Group's BIS ratio as of 4Q11 was 12.5%, down from 13.1% in 3Q11. This was mainly due to the goodwill and subdebts adjustment according to the BOT basis
- Between 2012-14, management plans to increase the BIS ratio from its incremental profit **with no paid-up capital injection**

Group Prospect

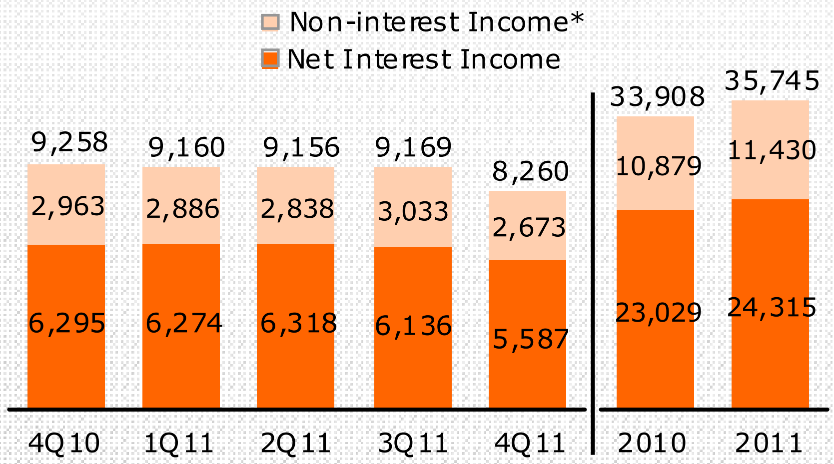
- Overall, the Group's prospect remains positive particularly given the upcoming long-term integration benefits
- NPLs ratio and coverage ratio will be improved from the Bank's NPL management plans

Group Income and Margin

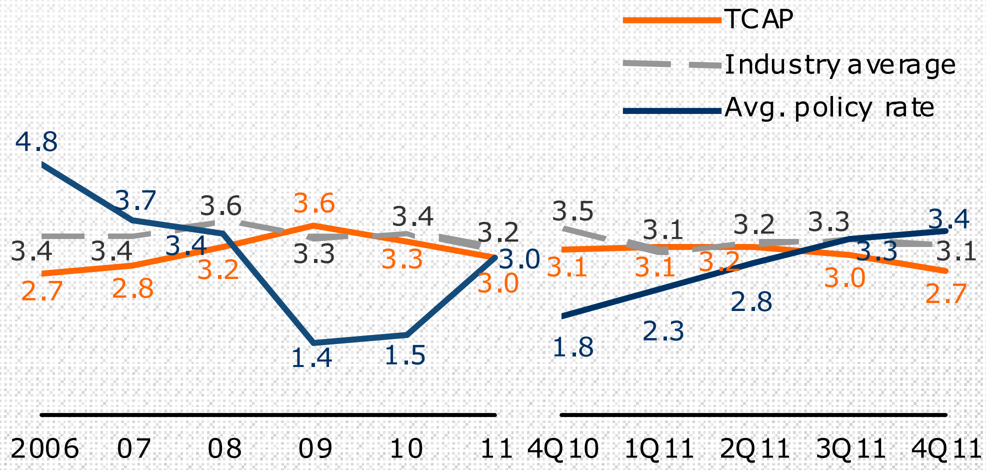
Business as Usual

2011 NIM dropped 30 bps from 2010 while cost of fund increased by 80 bps, less than a 150 bps increase in policy rate

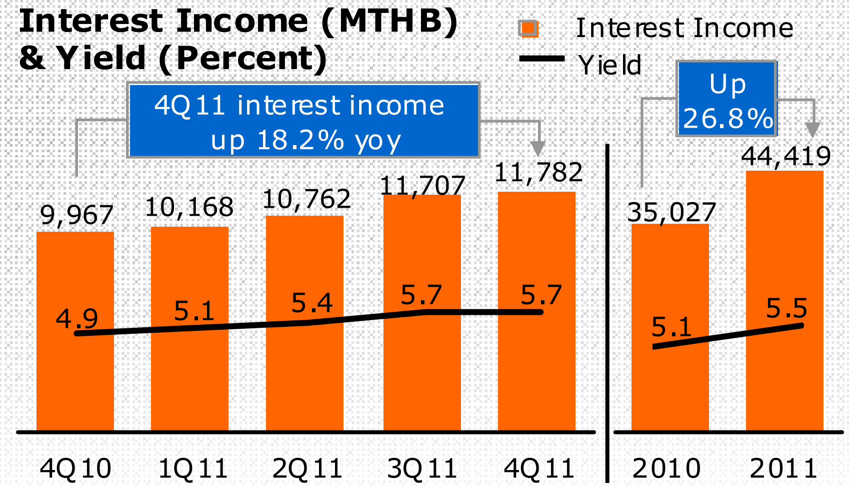
Total Income (MTHB)



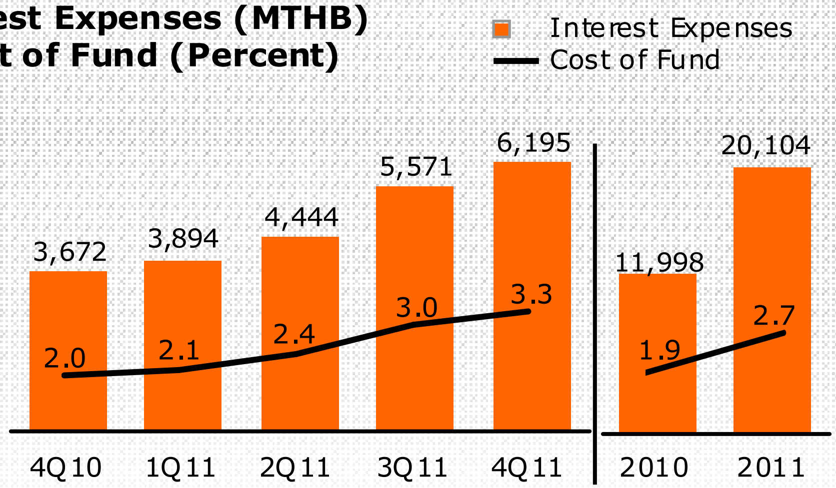
Net Interest Margin (Percent)



Interest Income (MTHB) & Yield (Percent)



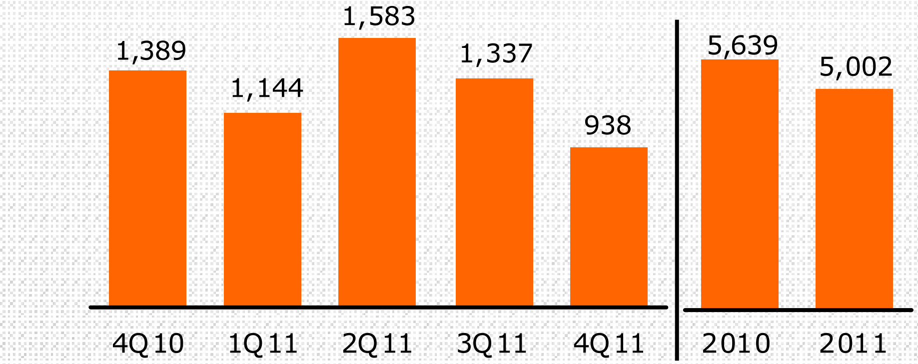
Interest Expenses (MTHB) & Cost of Fund (Percent)



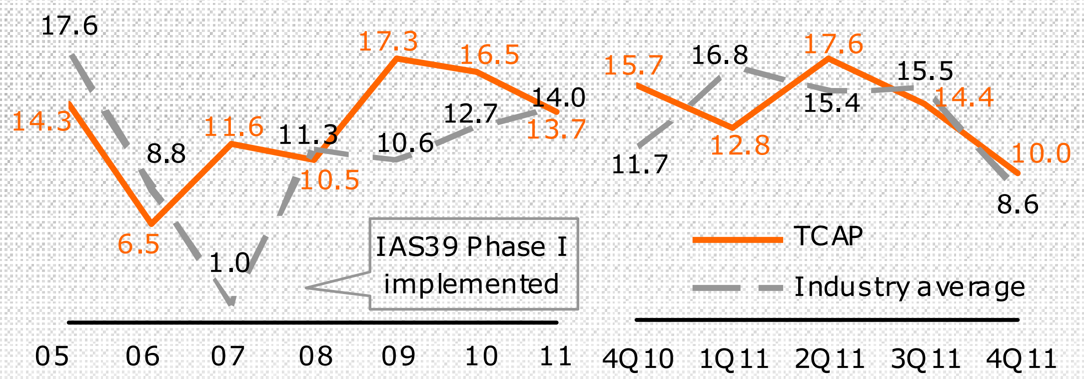
Note: *Net of insurance expenses; Source: Company data

Group Profitability

Net Profit* (MTHB)



ROAE* (Percent)



TCAP Profitability

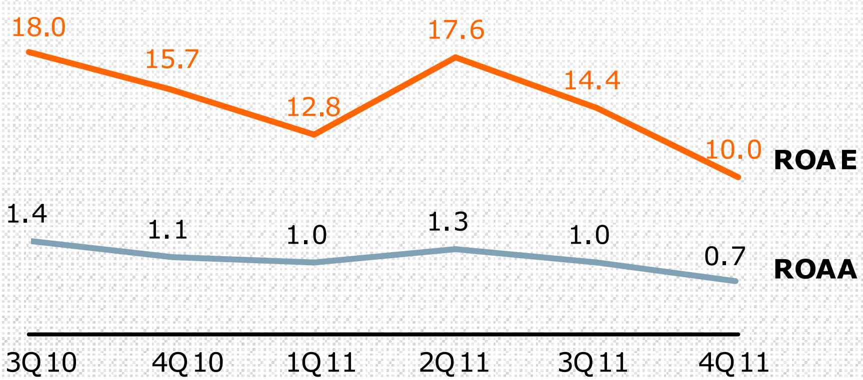
- 4Q11 net profit decreased by 29.8% qoq because:
  - Cost of fund increased by 31 bps from the up rising policy rate
  - Non-interest Income decreased by 11.9% mainly from the flood crisis
  - Impairment loss of loans and debt securities increased by 178.3% but credit cost was still low at 0.2%
- 2011 net profit dropped by 11.3% yoy because:
  - Cost of fund increased by 76 bps from the up rising policy rate
  - Operating expenses increased by 27.2% mainly from the integration costs

Note: *Excluding non-controlling interest; Source: Company data

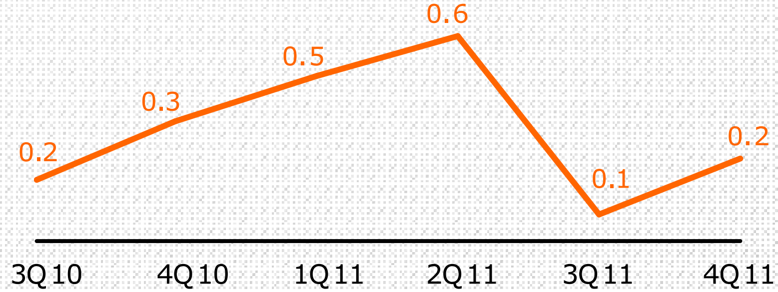
Business as Usual

Group Financial Ratios

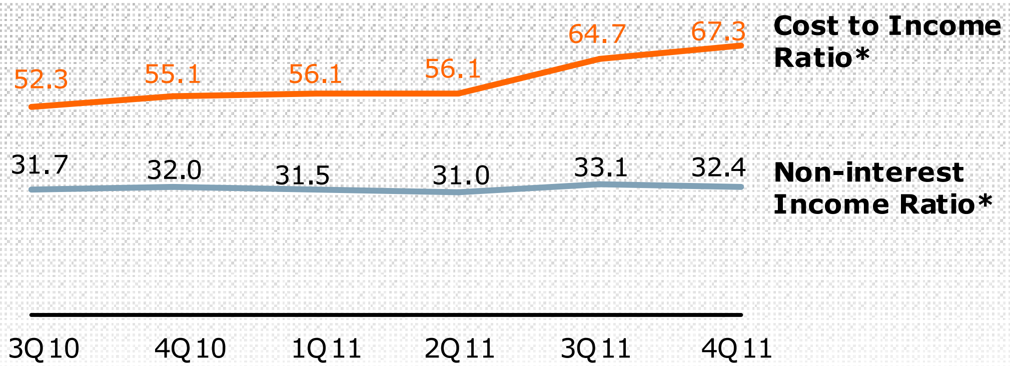
ROAA and ROAE (Percent)



Credit Cost (Percent)



Cost to Income Ratio* and Non-interest Income Ratio* (Percent)



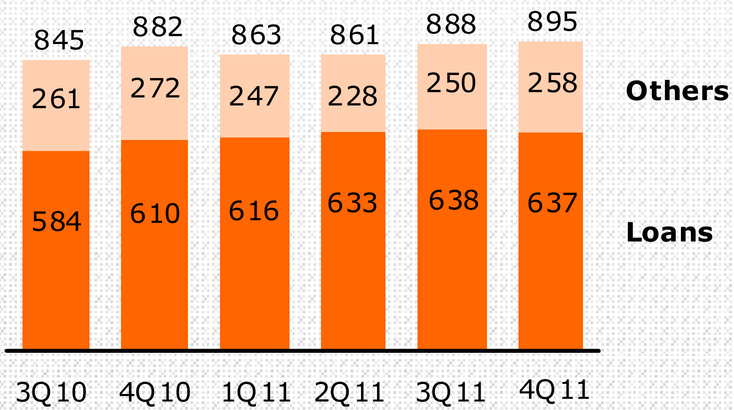
Note: *Net of insurance expenses, Source: Company data

4Q11

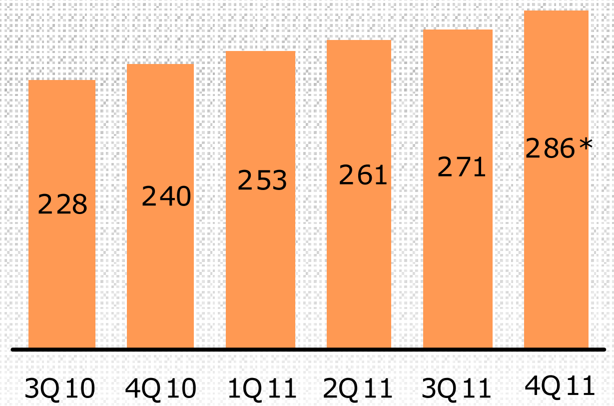
- ROAA and ROAE dropped qoq from a decrease in NIM, non-interest income, and an increase in expenses
- Cost to income increased from flooding impact and some integration costs
- Non-interest income slightly decreased, mainly from flood crisis
- Credit cost in 4Q11 was still low at only 0.2%

Group Assets Highlights

Assets (BTHB)

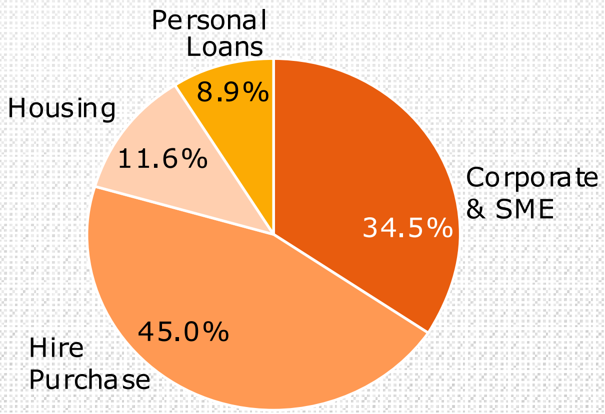


Hire Purchase (BTHB)



Note: *Including THANI, Source: Company data

Loans Breakdown (Percent)

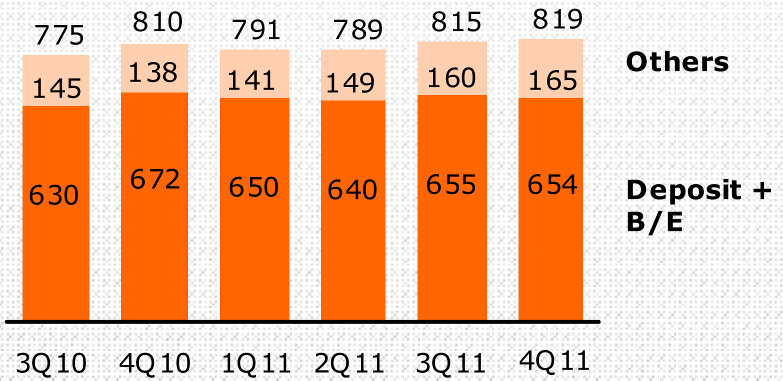


Key Highlights

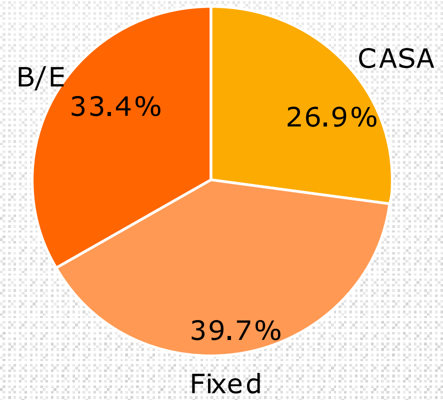
- Loans increased 4.5% and have been gradually increasing since 2Q10 after acquiring SCIB
- HP rose 14.3% with almost 130 BTHB of new lending in 2011, up 12%yoy. After consolidated THANI into the Group, HP of the Group rose 19.4%
- As of 2011, retails accounted for 66% while corporate and SMEs accounted for 34%
- Corporate & SME loans declined from:
  - a decline in SOE
  - Underqualified customers
  - Adoption of new platform

Group Liabilities Highlights

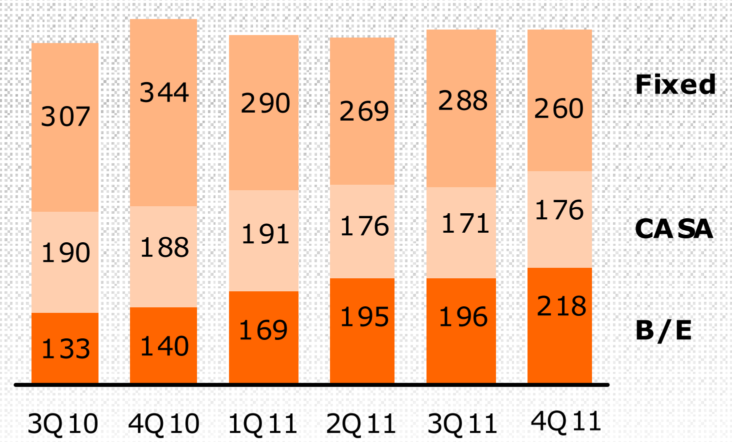
Liabilities (BTHB)



Deposits Breakdown (Percent)



Deposits + B/E (BTHB)



Key Highlights

- For an effective cost and liquidity management, deposits + B/E are managed to tighten or loosen depending on the interest rate trend
- B/E has been increasing from the policy to handle with the reduction of deposit protection
- As of 2011, CASA accounted for 27% while B/E and Fixed accounted for 33% and 40% respectively

Source: Company data

Business as Usual

Group Comparison to Targets

Performance parameters		2010	Average 3-year Target	2011
Profitability	ROE	16.5%	10.0-15.0%	13.7%
	ROA	1.4%	1.0-1.3%	1.0%
	NIM	3.3%	3.0-3.5%	3.0%
	Non-interest Income Ratio*	32.1%	~30.0%	32.0%
	Cost to Income Ratio*	50.4%	~50.0%	60.9%
Loan	Loan Growth	110.9%**	7.0-10.0%	4.5%
Asset	Asset Size	0.88 TTHB	~1.00 TTHB	0.90 TTHB
Asset Quality	LTD Ratio	91.2%	90.0%	97.4%
	Credit Cost	0.3%	0.8%	0.3%

Note: *Net of insurance expenses, ** Effect of SCIB acquisition,
Source: Company data

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2011 Financial Highlights

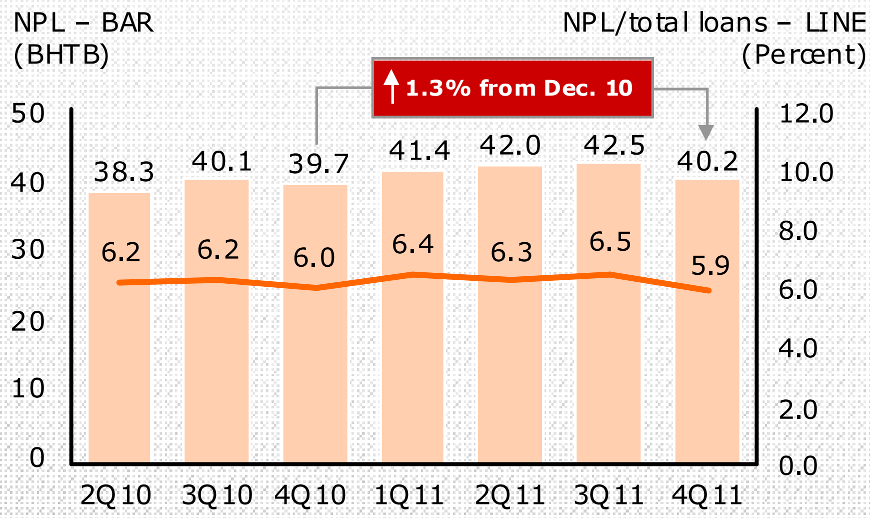
NPL Management

Group NPL Reclassification

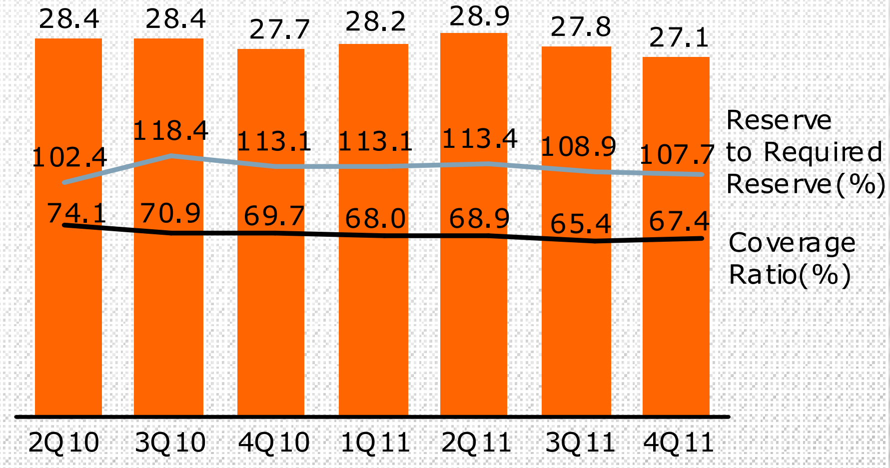
NPL Management

An increase in NPLs following the SCIB acquisition can be explained by the more conservative approach in NPL definition taken by the Group

Group's NPL vs. NPL to Total Loans



Group's Reserve (BTHB)



NPL Definition and Classification

- While the group NPL ratio has gone up following the SCIB acquisition since 2Q10, its provision amount has been relatively stable. That means NPLs from SCIB are fully collateralized
- This implies that the rise in the group's NPLs is attributed to the difference approach between TGroup and SCIB
  - While SCIB defines its NPLs by account, TCAP takes a more conservative approach to define NPLs by customer, resulting in more NPLs following the SCIB acquisition

Source: Company data

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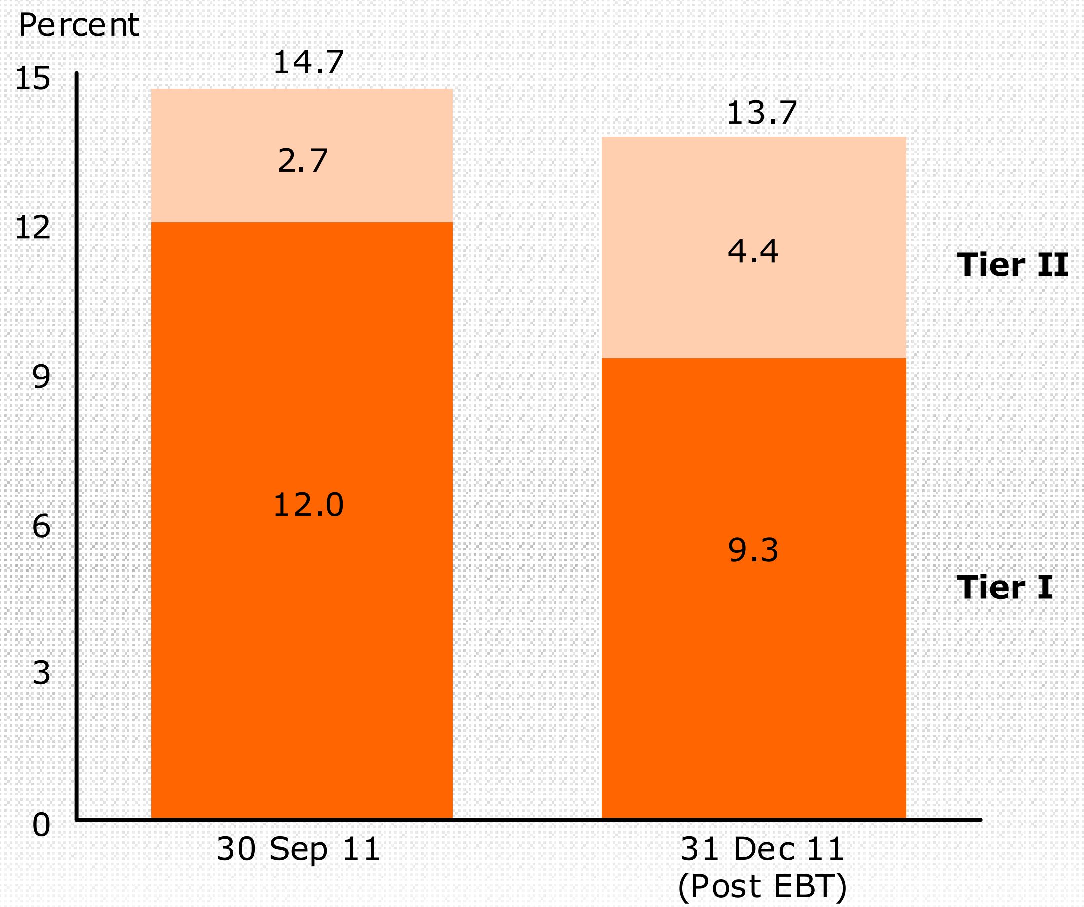
2011 Financial Highlights

Capital Planning

TBANK's BIS Ratio

TBANK's capital adequacy ratio (Solo Basis)



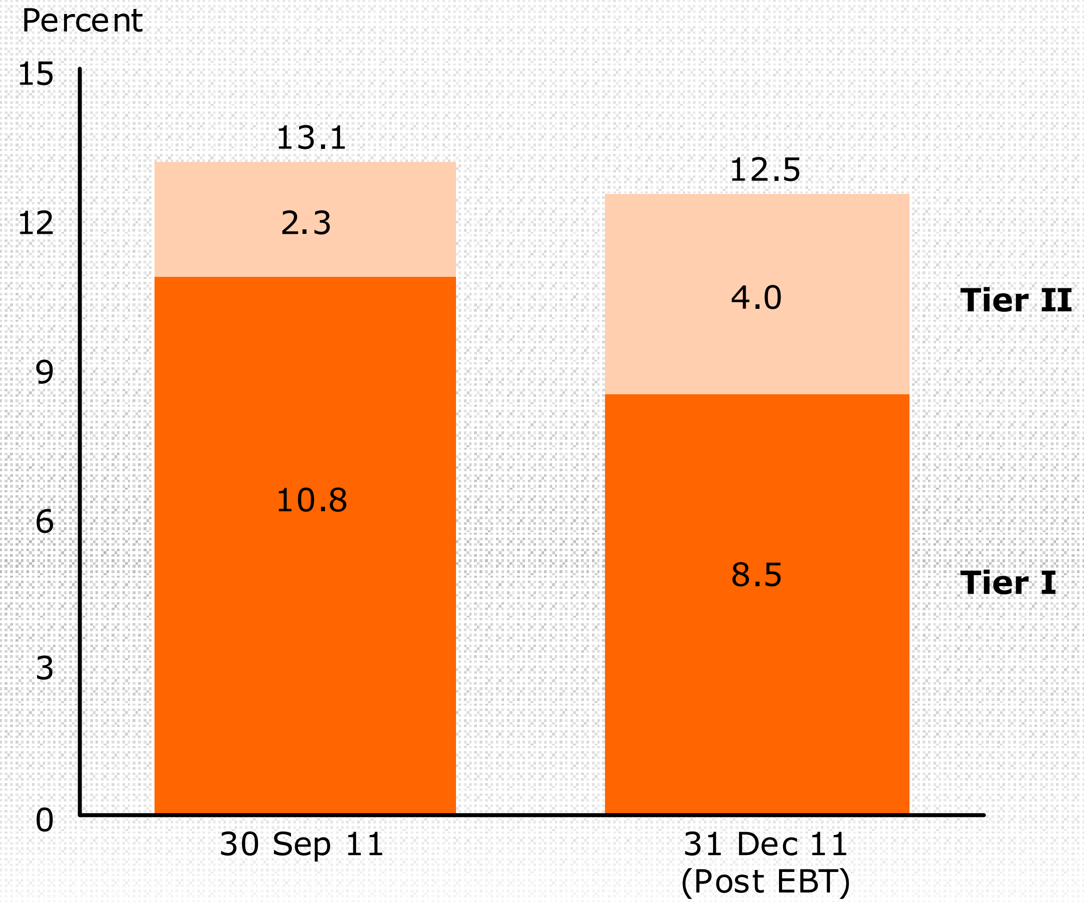
Source: Company data

TBANK's BIS Ratio

- TBANK's BIS ratio as of 31 Dec 2011 decreased from that of 30 Sep 2011, due to
  - Goodwill deduction of 15,740 MTHB
  - Additional SCIB's subdebts of 10,000 MTHB
- TBANK Tier I and BIS ratios at the end of 2011 were 9.3% and 13.7%, respectively
- According to Basel III standard, in 2019, Banks must maintain Tier I and BIS ratios at 8.5% and 11.0%, respectively
- Currently, TBANK has sufficient Tier I and BIS ratios complying to regulatory standard and this capital ratios will be increasing through accumulation of future earnings

Group's BIS Ratio

Group's capital adequacy ratio (Full Consolidated)



TCAP's BIS Ratio

- Just like TBANK, TCAP's BIS ratio as of 31 Dec 2011 decreased from that of 30 Sep 2011, due to
  - Goodwill deduction of 13,937 MTHB
  - Additional SCIB's subdebts of 10,000 MTHB

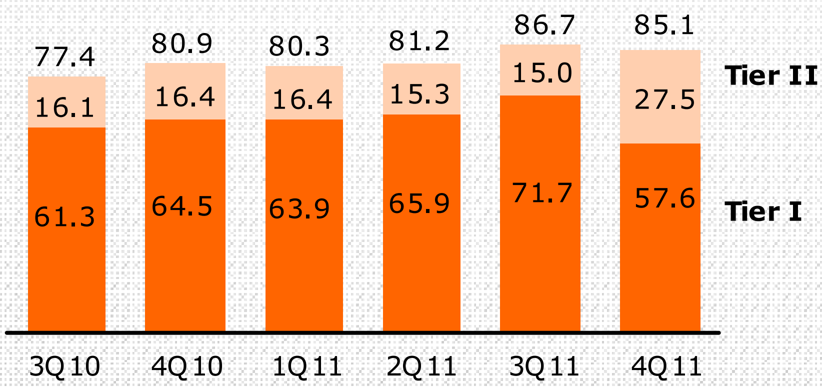
Source: Company data

Group Capital

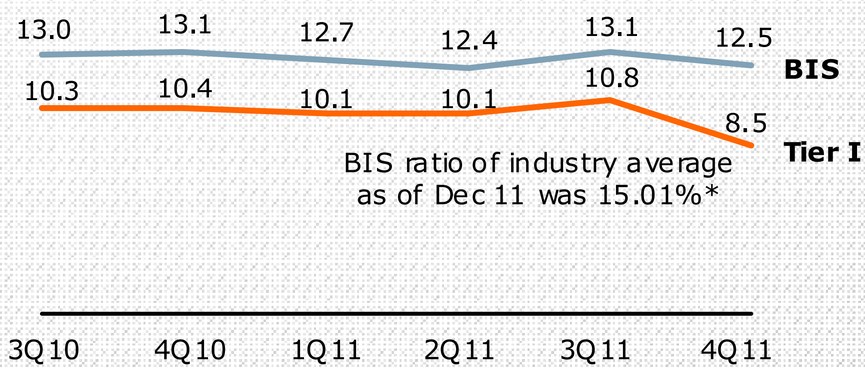
Capital Planning

Over the next 3 years, Group's capital adequacy ratio is expected to go up as incremental retained earning from business integration materializes

TCAP Capital (BTHB)



TCAP Capital Ratios (Percent)



Capital Adequacy

- Over the next 3 years, TCAP's capital adequacy ratio is expected to increase as incremental retained earning from business operation of TBANK, while maintaining reasonable dividends **with no capital increase**
- In case of capital requirement, TCAP still has room to issue Tier II capital

Source: Company data; *Data from the BOT's website

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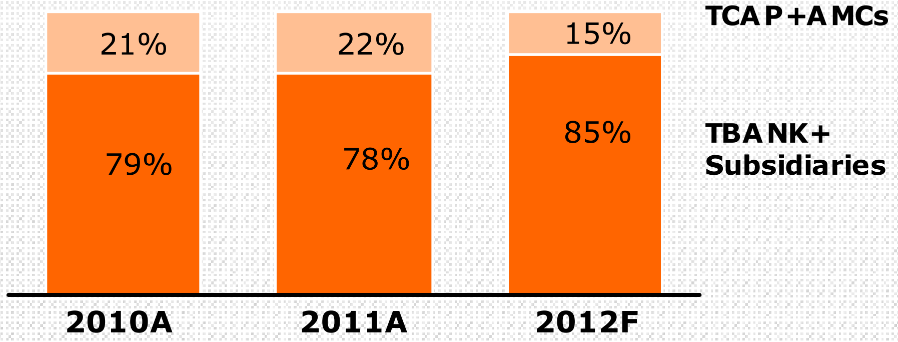
2012 Financial Forecast

2012 Group Financial Forecast

Profit Contribution



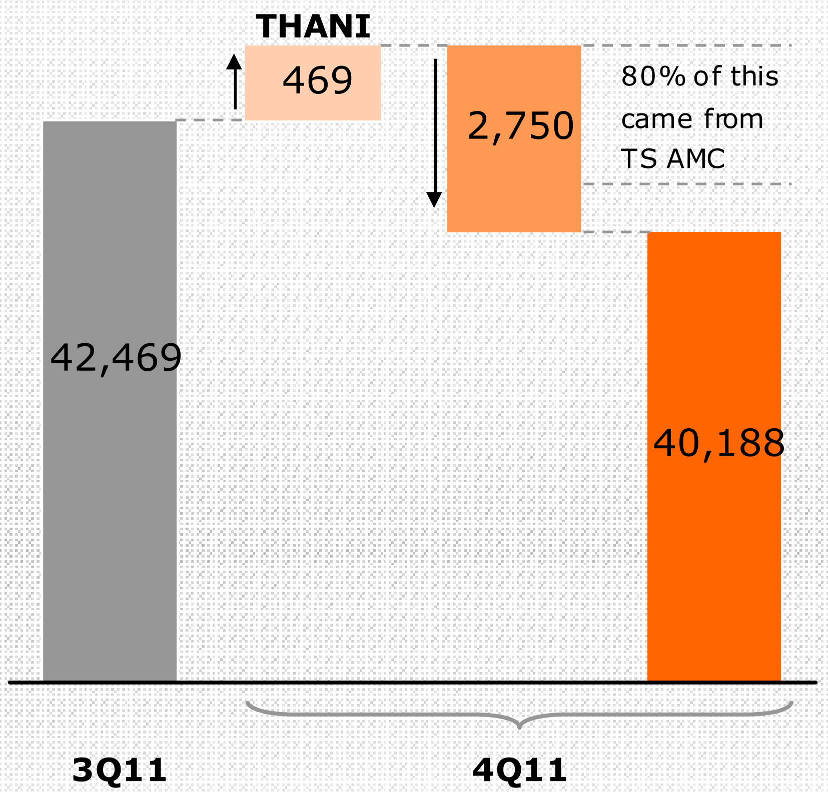
- Under our universal banking, we have full coverage of product suite to cater all customer needs
- As we grow, we expect to leverage more and more from Thanachart Bank and its subsidiaries

Key Financial Indicators (%)	2010A	2011A	2012F
Interest Spread	3.2%	2.8%	2.6-2.8%
Non-interest Income Ratio*	32.1%	32.0%	30.0%
Cost to Income Ratio*	50.4%	60.9%	55.0%
Credit Cost	0.3%	0.3%	0.4-0.5%
Loan Growth	110.9%**	4.5%	10.0%
Assets Size	0.88 TTHB	0.90 TTHB	1.00 TTHB
ROA	1.4%	1.0%	1.1%
ROE	16.5%	13.7%	12.5-15.0%

Note: *Net of insurance expenses, ** Effect of SCIB acquisition; Source: Company data

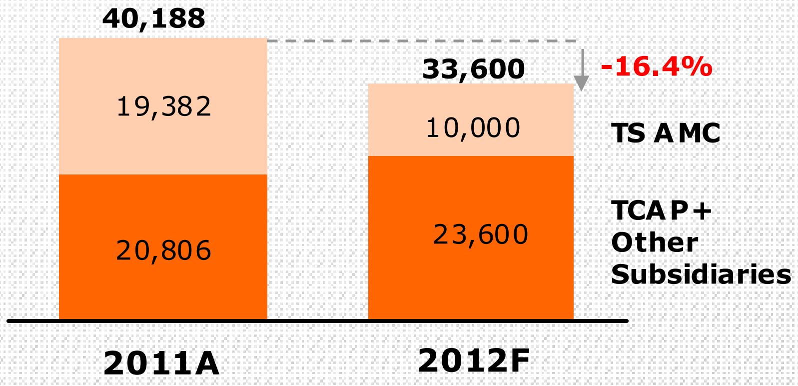
NPL Management

Group NPL Management* (MTHB)



Note: *The graph is not scaling to the data.
Source: Company data

Group's NPL (MTHB)

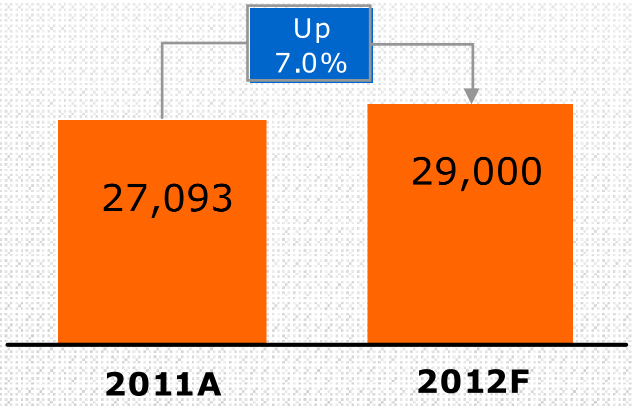


Key Highlights

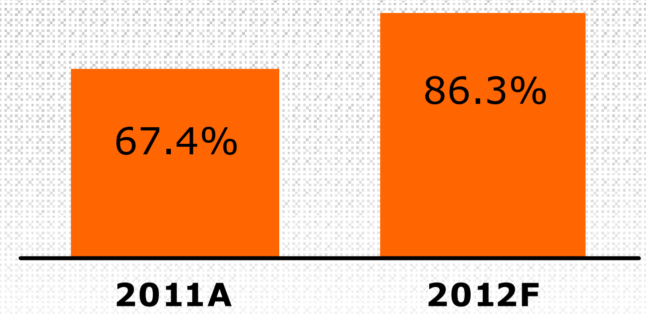
- 2012 NPL of the Group in 2012 is expected to decrease by 16.4% which mostly comes from TS AMC's NPL management
- NPL under TS AMC will be manageable and expected to drop by 48.4% yoy from our professional views
- NPL ratio would be reduced from 5.9% to 4.5% in 2012 and 4.0% in 2013

Allowance & Coverage Ratio

Group's Allowance for Doubtful Accounts (MTHB)



Coverage Ratio (Percent)



Key Highlights

- 2012 allowance for doubtful accounts will increase 7.0% to around 29,000 MTHB.
- Even though, Thailand was hard hit by devastating floods in 4Q11, our credit cost in 2012 is expected to be 0.4-0.5% which mainly comes from effective NPL management from TS AMC and adoption of collective approach

Key Highlights

- Followed by a decrease in 2012 NPL, coverage ratio will be expected to be close to an industry average due to higher provision with lower NPL base
- With the effective NPL management, the coverage ratio will tend to show an increasing trend

Source: Company data

Summary of Business Outlook in 2012

Profitability

- NIM - gaining the advantage from decreasing trend of the policy rate
- Loan growth – increasing in volumes bring more interest income
- Cost to income ratio – better positioning from integration benefit realization and lower integration costs

NPL Management

- NPL – good NPL management from TS AMC not only reducing NPL ratio (target to be 4.0% in 2013) but also increasing in earning
- Coverage ratio will move up from 67.4% to 86.3%
- Credit cost is expected to be around 0.4-0.5%, an increase from 0.3% in 2011 for protecting against future uncertainties

Capital Planning

- Capital fund will be sufficient to meet the regulatory requirement from its incremental profits and will not be necessary to require any additional Tier I capital injection

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Business Direction for 2012

Integration Updates

Integration has been completed and we are in a prime position to benefit from synergies

2010	**Acquire**	▪ Complete acquisition of SCIB ▪ Integration Planning ▪ GAP Analysis/System Requirements
2011	**Integrate**	▪ Convert customer facing systems ▪ Re-brand branches/offices and ATMs ▪ EBT/liquidation of SCIB
2012	**Optimize**	▪ Convert remaining systems ▪ Stabilization and process reengineering ▪ Achieve synergies

We have achieved all missions in 2010 and 2011 on time with no negative impact to all stakeholders

Source: Company data

Our Aspirations

Our Aspiration

To Become a **T**op-**F**ive Leading Bank in Thailand

Vision

To provide fully integrated financial services targeted at meeting customers' unique financial needs by creating the highest quality products and services which strengthen our image as a trustworthy financial services group.

Three Pillars

Complete Financial Solutions	Customer Centricity	Synergy & Alignment

Transformation to Strength

Source: Company data

2012 TBANK Key Strategic Initiatives

Dominant TBANK Strategies

1	Proactive gaining market share of both wholesale and retails in order to increase interest income
2	Cost effectiveness management in both costs of funds and operating costs (0% growth of expenses)
3	Effective asset management of both NPLs and NPAs by enhancing collection and credit efficiency
4	Focus on both active (retail banking, corporate banking, and cross-selling) and non-active fee based incomes (such as cash management, trade finance)

2012 Profitability

2012 TBANK's Profitability

1 Interest Income

Loan Growth

1. Retail Business
- Hire Purchase
- Housing Loan
- Personal Loan
- Flash Card Loan

2. SME Growth
- Auto Loan
- Non-auto Loan

3. Corporate Banking Growth

Asset Size Growth

2 Fee Income

1. Retail Banking Fee
Bill Payment, Money Transfer, Western Union, Custodian, Others

2. Corporate Banking Fee
TF, LC, TR, Packing Credit, Others

3. Cross-selling
Insurance, Life Assurance, Mutual Fund, Securities, Others

Revenue Diversification

3 Cost Efficiency

1.Operating Expenses

2. Cost of Deposit

3. Cost of Fund
Money Market, Borrowings, etc.

Operating Efficiency & Effectiveness

4 NPL & NPA Management

1.NPL & NPA Recovery (TBANK + TS AMC)

2.Collection Efficiency

3. Credit Efficiency

Asset Management Efficiency

Source: Company data

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About Thanachart Group

Group Background

TCAP has grown steadily over the past two decades to become Thailand's leading bank today offering a wide range of financial products & services

1980	Thanachart Group began business operations
1997	Thanachart Securities separated to become a subsidiary
1997	Thanachart Insurance and Life Assurance established
1997	Asset management companies established
1998	Thanachart Fund Management established
2002	Thanachart Bank established
2004	TBANK received full commercial banking license
2006	TCAP became a holding company, transferring all business to TBANK
2007	Scotiabank became strategic partner with 24.98% shareholding
2009	Scotiabank raised shareholding of TBANK to 49%
2010	TBANK acquired Siam City Bank (SCIB) with ownership of 99.95%

Key Product Offerings

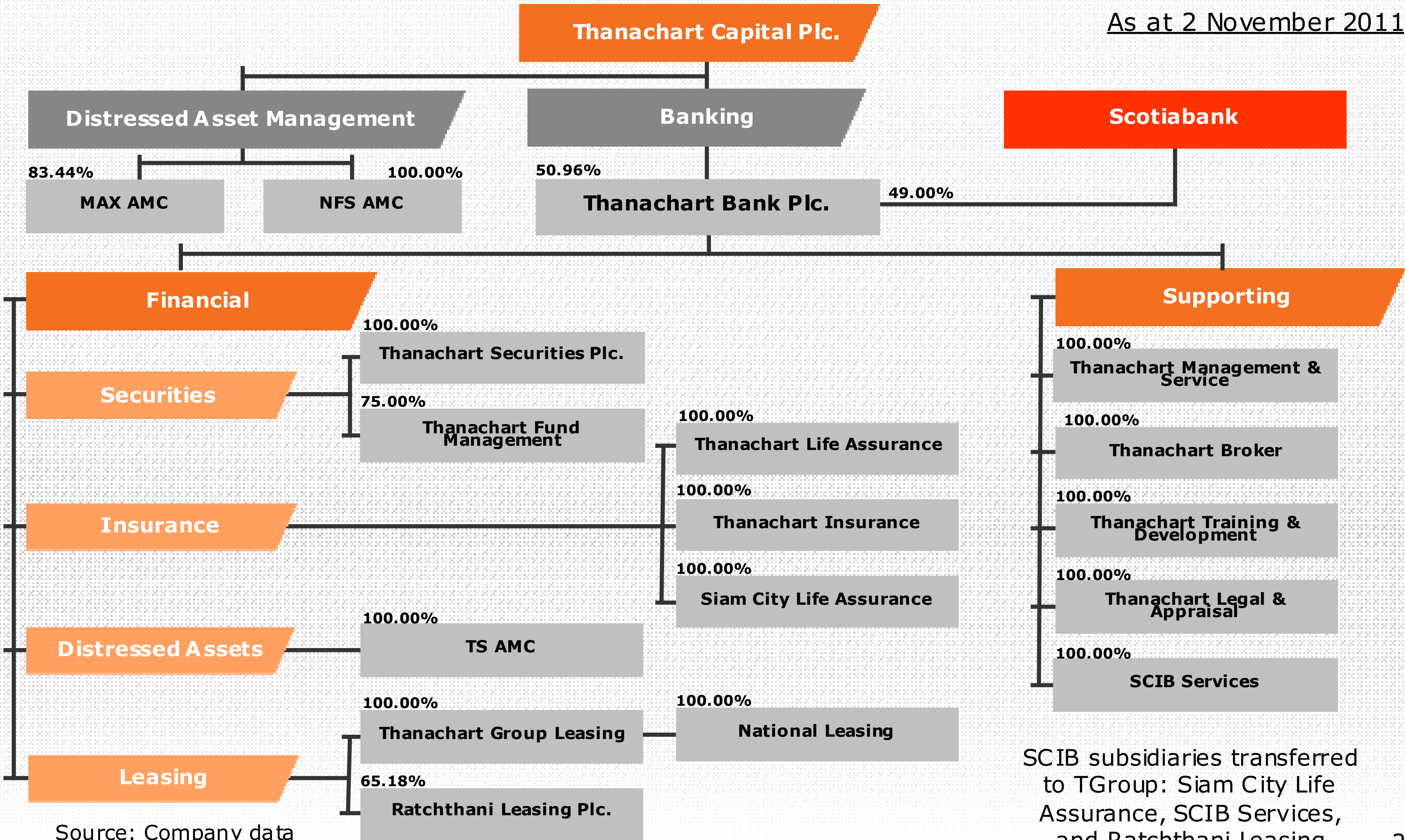
- Retail banking
  - Hire purchase (No.1 in Thailand)
  - Home loans
  - Others (personal, cards, CYC, etc.)
- Corporate & SME banking
- Distressed asset management
- Insurance
  - Life insurance
  - Auto insurance
  - Property insurance
  - Others
- Securities business
- Fund management
- Financial advisory

TBANK	2009 (Pre-SCIB)	2011 (Post-SCIB)
Customers	1.4M	3.9M
Branches	256	674
ATMs	401	2,151

Source: Company data

Group Structure

As at 2 November 2011



SCIB subsidiaries transferred to TGroup: Siam City Life Assurance, SCIB Services, and Ratchthani Leasing

Source: Company data

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Appendix

Subsidiaries Performance

Subsidiaries	% held by TCAP	Net Profit (MTHB)	
		2010	2011
Thanachart Bank Plc. (Consolidated)		8,777	7,671
Thanachart Bank Plc. (Separate)	50.96%	5,719	6,668
Thanachart Securities Plc.	50.96%	391	293
Thanachart Fund Management	38.22%	131	89
Thanachart Insurance	50.96%	352	436
Thanachart Life Assurance	50.96%	688	770
TS AMC	50.96%	-	91
Thanachart Group Leasing	50.96%	214	99
Thanachart Broker	50.95%	68	75
Ratchthani Leasing Plc.*	33.22%	-	205
NFS AMC	100.00%	461	446
MAX AMC	83.44%	108	120

Source: Company data; *TBANK has been holding 65.18% of Ratchthani Leasing Plc. since Nov 2011

Detailed Group's Financial Information

Unit: MTHB

Consolidated statements of comprehensive income	4Q10	1Q11	2Q11	3Q11	4Q11	2010	2011
Interest income	9,967	10,168	10,762	11,707	11,782	35,027	44,419
Interest expense	3,672	3,894	4,444	5,571	6,195	11,998	20,104
Net interest income	**6,295**	**6,274**	**6,318**	**6,136**	**5,587**	**23,029**	**24,315**
Fees and service income	1,019	1,028	970	982	894	3,402	3,873
Fees and service expenses	139	143	128	149	81	521	501
Net fees and service income	**880**	**885**	**842**	**833**	**813**	**2,881**	**3,372**
Gain on tradings and foreign exchange transactions	145	240	210	267	174	571	891
Gain on Investment	108	35	203	285	616	523	1,139
Share of income from investment in associated	52	93	63	76	26	369	258
Dividend income	20	256	195	296	8	492	755
Gain on disposal/property foreclosed	202	96	(31)	(69)	51	663	47
Insurance premium income	3,232	2,900	3,354	3,414	3,184	11,185	12,853
Other operating income	962	608	670	809	754	3,029	2,841
Total operating income	**11,896**	**11,387**	**11,824**	**12,047**	**11,213**	**42,742**	**46,471**
Insurance expenses	2,638	2,227	2,668	2,878	2,953	8,834	10,726
Net non-interest income	**9,258**	**9,160**	**9,156**	**9,169**	**8,260**	**33,908**	**35,745**
Personnel expenses	2,546	2,760	2,635	2,865	2,589	8,576	10,849
Premises and equipment expenses	901	838	842	1,014	744	3,092	3,438
Taxes and duties	201	207	208	237	260	635	912
Directors' remuneration	5	11	42	8	7	66	68
Other expenses	1,447	1,318	1,412	1,806	1,956	4,740	6,493
Total operating expenses	**5,100**	**5,134**	**5,139**	**5,930**	**5,556**	**17,109**	**21,760**
Impairment loss of loans and debt securities	(539)	(721)	(869)	(129)	(359)	(1,653)	(2,077)
Profit before corporate income tax	**3,619**	**3,305**	**3,148**	**3,110**	**2,345**	**15,146**	**11,908**
Income Tax	(1,201)	(1,070)	(415)	(828)	(823)	(4,844)	(3,136)
Net profit	**2,418**	**2,235**	**2,733**	**2,282**	**1,522**	**10,302**	**8,772**
Non-controlling interest	(1,029)	(1,091)	(1,150)	(945)	(584)	(4,663)	(3,770)
The Company	**1,389**	**1,144**	**1,583**	**1,337**	**938**	**5,639**	**5,002**

Consolidated statements of financial position	31-Dec-10	31-Dec-11
Cash	15,298	16,006
Interbank and money market items-interest	78,609	55,086
Interbank and money market items-no interest	6,496	8,146
Net Interbank and MM	85,105	63,232
Net investments	145,376	152,511
Net Investment in associated companies	2,239	1,673
Loans and receivables	**642,006**	**676,790**
Accrued interest receivables	956	980
Deferred revenue	(32,360)	(39,686)
Allowance for doubtful accounts	(27,959)	(27,286)
Net loans and accrued interest receivables	582,643	610,798
Properties foreclosed - net	12,856	11,560
Intangible assets - net	4,805	4,709
Goodwill	13,671	13,981
Other assets	20,764	20,687
Total assets	**882,757**	**895,157**
Deposits	**532,382**	**435,865**
Interbank and money market items-interest	38,573	58,694
Interbank and money market items-no interest	1,972	1,457
Net interbank and money market items	40,545	60,151
Debt issued and borrowings	**184,717**	**262,653**
- Short-term	136,319	218,492
- Long-term	48,398	44,161
Insurance contract liabilities	29,774	36,154
Other liabilities	23,620	24,653
Total liabilities	**811,038**	**819,476**
Company shareholders' equity	36,092	38,259
Non-controlling interest	35,627	37,422
Shareholders' equity	**71,719**	**75,681**
Total liabilities & shareholders' equity	**882,757**	**895,157**

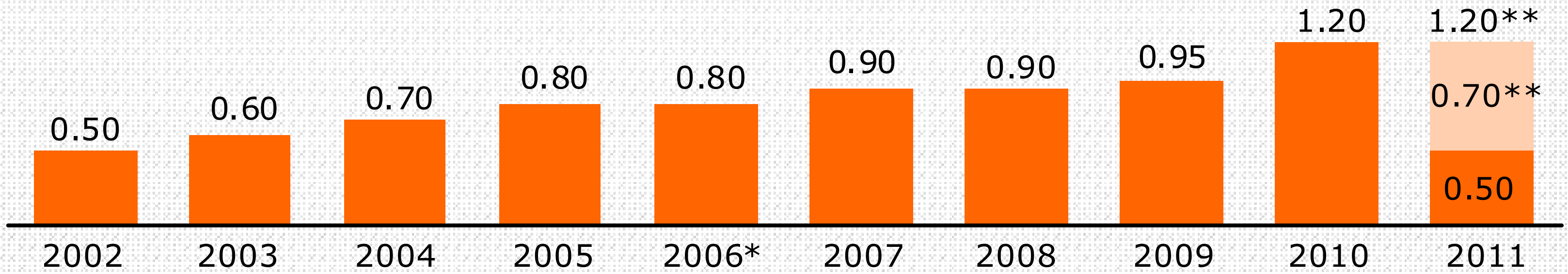
Source: Company data

Dividend Policy of TCAP

TCAP has consistently exhibited commitment in paying dividends to shareholders, enabled by company's flexible dividend payout policy

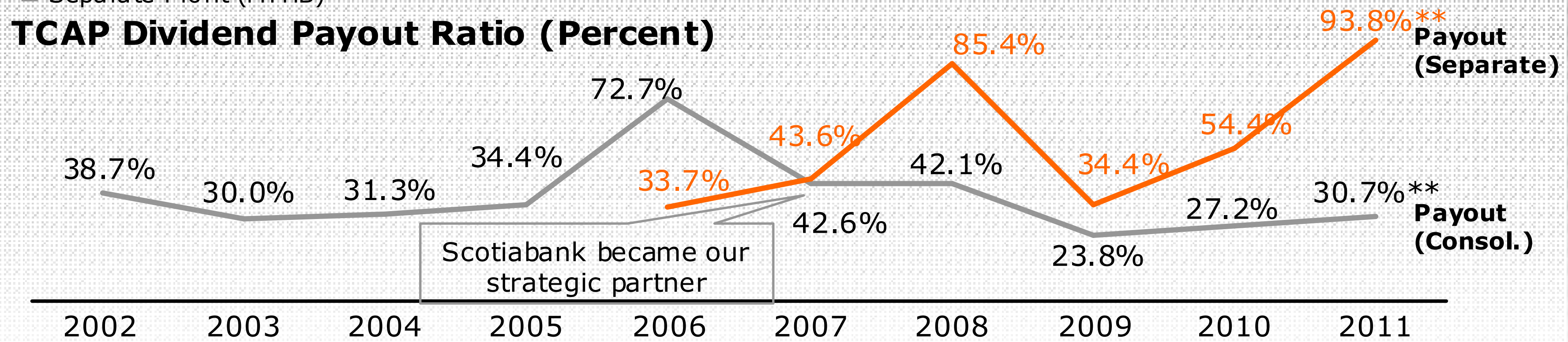
TCAP Dividend per Share (BAHT)

TCAP's dividend per share has consistently grown with an average rate of 10% per year over the past 9 years



	2002	2003	2004	2005	2006*	2007	2008	2009	2010	2011
Consolidated Profit (MTHB)	1,723	2,669	2,983	3,104	1,468	2,818	2,768	5,109	5,639	5,002
Separate Profit (MTHB)	1,723	2,669	2,983	3,104	1,186	2,750	1,366	3,527	2,818	1,635

TCAP Dividend Payout Ratio (Percent)



Note: *Since 2006, TCAP separate financial statements has changed from equity method to cost method
**In the process of receiving an approval from 2012 AGM; Source: Company data

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