THANACHART GROUP

Analyst Meeting

Statements Unaudited

30 June 2012

Contents

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THANACHART GROUP

2Q12 Financial Highlights

Business as Usual

Group Key Highlights

1

Income Growth

- Net interest income ↑ 9.9% qoq
- Non-interest income ↑ 7.8% qoq

2

Strengthened Loan Portfolio

- Performing Loans growth = 6.8%
- NPL-Gross ↓ 10.7% YTD
- NPL Ratio dropped to 5.1%

3

Well-managed Cost

- Operating expenses ↑ 0.3% qoq
- Cost to income ratio = 57.9%

Profit Growth

- **Net profit ↑ 43.3% qoq**
- **ROAA = 1.2%**
- **ROAE = 17.3%**

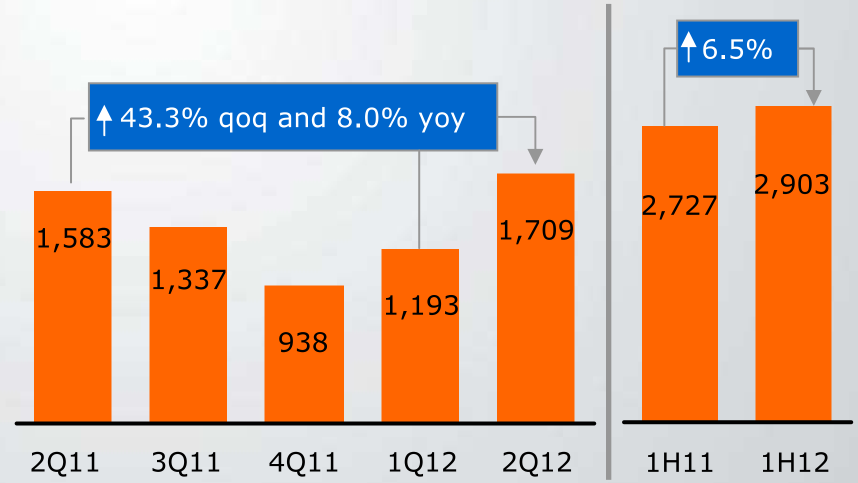
Source: Company data

Group Profitability

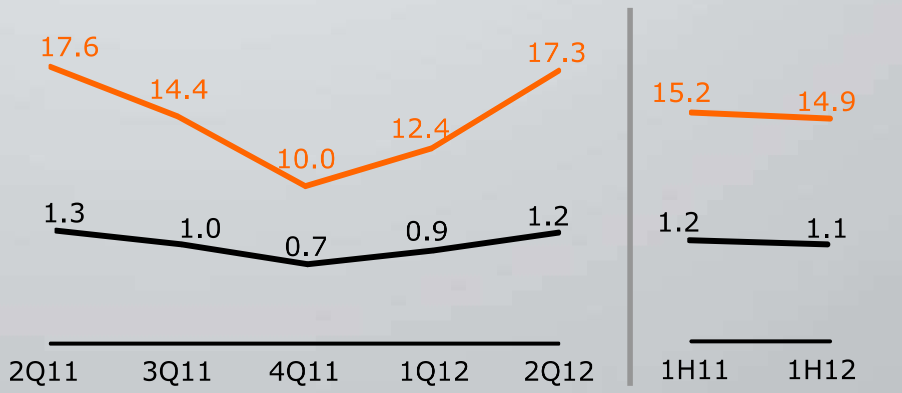
Business as Usual

- V-shaped net profit, ROAA, and ROAE

Net Profit* (MTHB)



ROAA and ROAE* (Percent)



TCAP Profitability

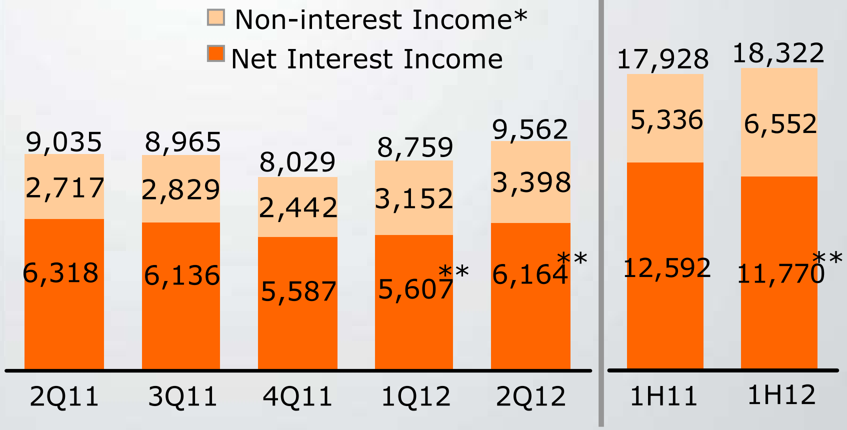
- 2Q12 net profit increased by 43.3% qoq because:
  - Interest income increased from loan growth and debt restructuring
  - Non-interest income increased from synergy, cross-selling, and foreclosed properties
  - Efficient cost management on both operating cost and credit cost
- 1H12 net profit increased by 6.5% yoy because:
  - Strong performance of asset management companies under the Group
  - Gradually realization of synergy and more cross-selling
- ROAA and ROAE have passed their bottom and shown sign of improvement

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

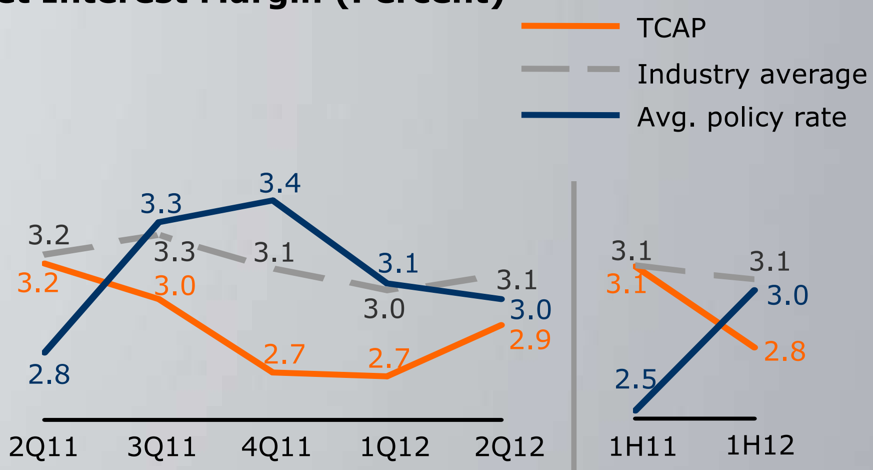
Group Income and Margin

Business as Usual

Total Income (MTHB)



Net Interest Margin (Percent)



Highlights

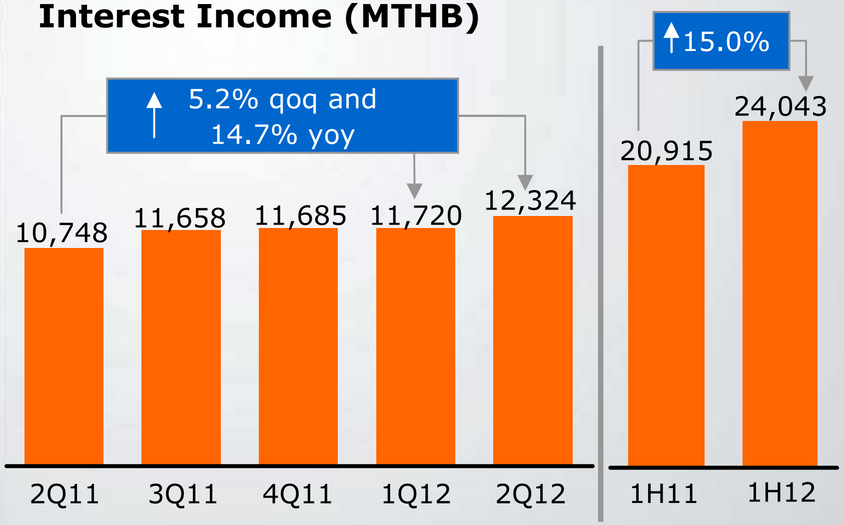
- Net interest income and non-interest income have been increasing from their bottom in 4Q11
- 2Q12 NIM increased qoq, due to an increase in interest income from loan expansion and debt restructuring and a decrease in cost of fund from better deposit structure
- 1H12 NIM decreased yoy, due mainly to an increase in cost of fund from policy interest rate increased and the additional fee provided to the DPA
- Non-interest income increased qoq and yoy, due mainly to the good performance of subsidiary companies under the Group

Note: *Net of insurance expenses, **Including the additional fee to DPA; Source: Company data

Group Interest Income & Expenses

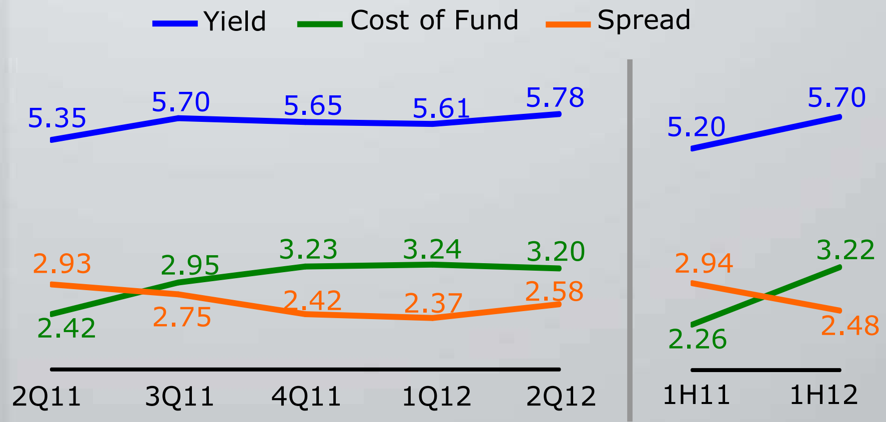
Business as Usual

Interest Income (MTHB)



Interest Expenses (MTHB)

Yield, Cost of Fund, and Spread (Percent)



Note: *Including the additional fee to DPA; Source: Company data

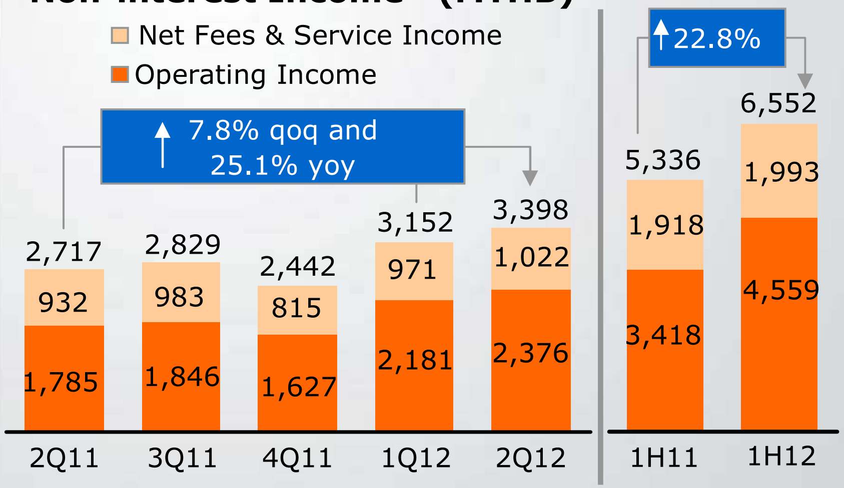
Highlights

- 2Q12 interest income increased qoq from loan growth and debt restructuring
- 1H12 interest income increased yoy from hire purchase loan expansion
- 2Q12 interest expenses increased qoq from an increase in deposits + B/E
- 1H12 Interest expenses increased yoy from higher market interest rate, an additional fee provided to DPA, and an increase in deposits + B/E

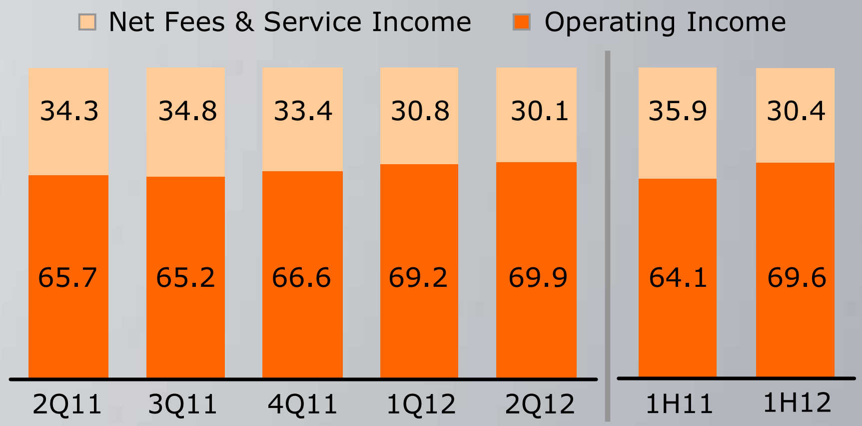
Group Non-interest Income

Business as Usual

Non-interest Income* (MTHB)



Net Fees & Service Income VS Operating Income (Percent)



Non-interest Income Ratio* (Percent)

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

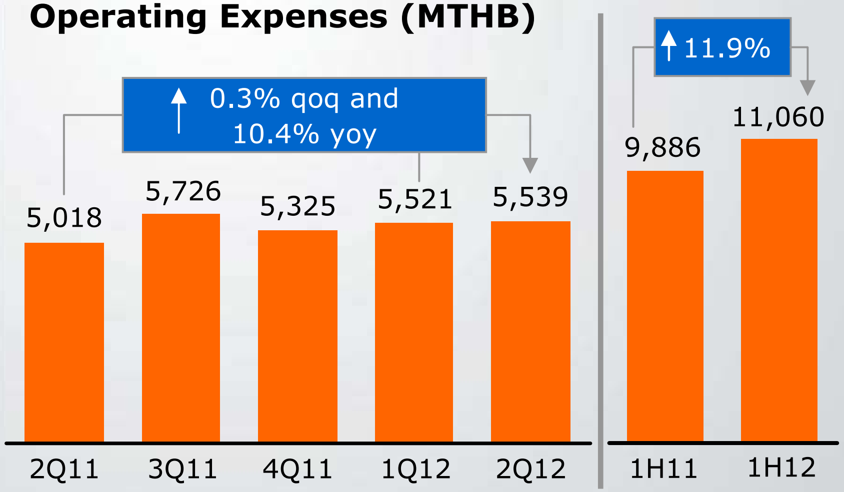
Highlights

- Non-interest income has been increasing since the flood crisis in 4Q11
- 1H12 non-interest income increased yoy from synergy and cross-selling achievement
- 1H12 portion of operating income increased yoy as a result of good performance of subsidiaries
- 2Q12 non-interest income ratio slightly dropped qoq from higher net interest income

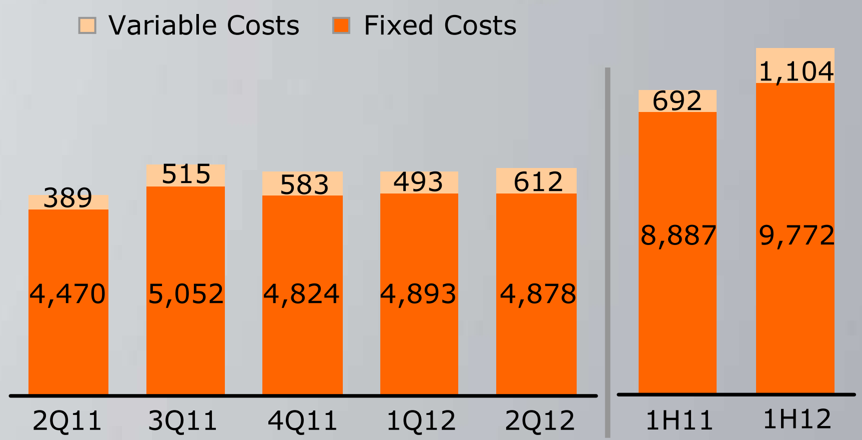
Group Operating Expenses

Business as Usual

Operating Expenses (MTHB)



Fixed Costs VS Variable Costs** (MTHB)



Cost to Income Ratio* (Percent)

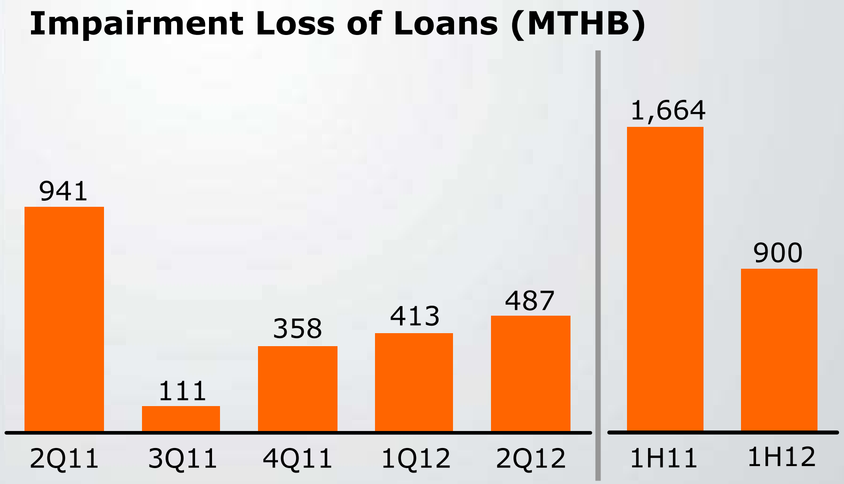
Highlights

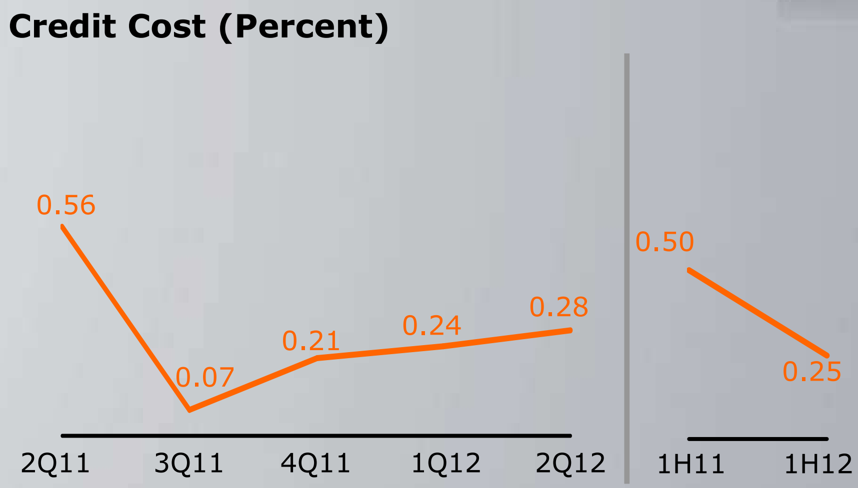
- 2Q12 operating expenses slightly increased qoq from efficient cost control
- 1H12 operating expenses increased yoy, mainly from costs vary with business volume and expenses on infrastructure and IT development
- Fixed costs were well controlled in 2Q12 and showed sign of improvement
- Cost to income ratio has also passed its peak and come close to our target

Note: *Net of insurance expenses, **Excluding extraordinary expenses; Source: Company data

Group Provision Expenses

Business as Usual





Highlights

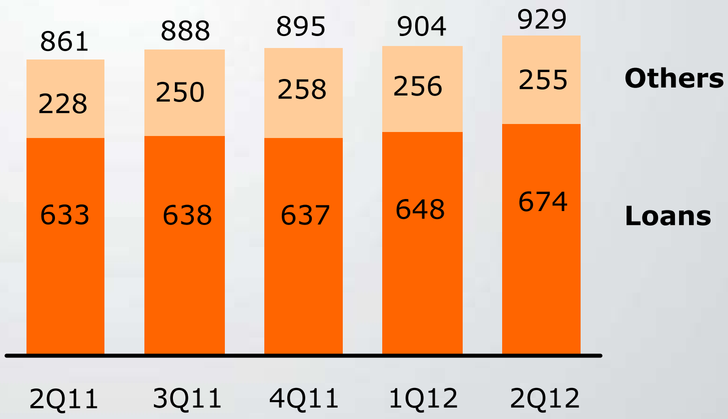
- 2Q12 impairment loss of loans slightly increased qoq as a result of efficient NPL management
- 1H12 impairment loss of loans decreased yoy, due mainly to an efficient NPL management and the implementation of Collective Approach for hire purchase portfolio provisioning

Source: Company data

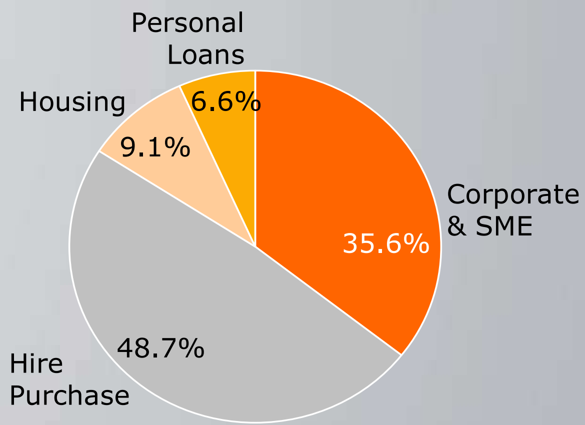
Group Assets

Business as Usual

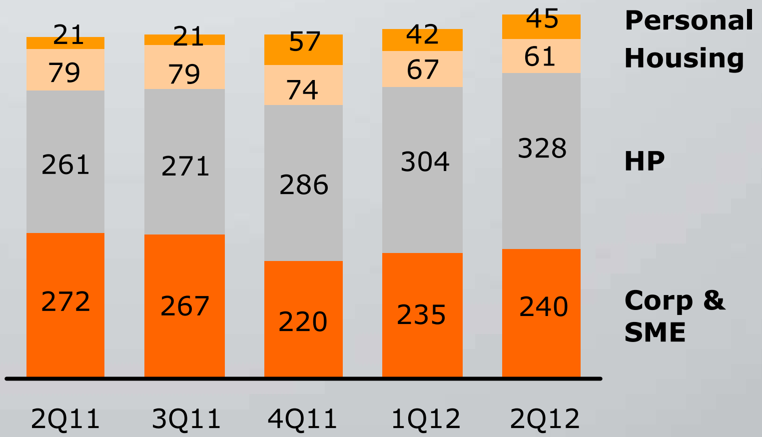
Assets (BTHB)



Loans Breakdown (Percent)



Loans Breakdown* (BTHB)



Key Highlights

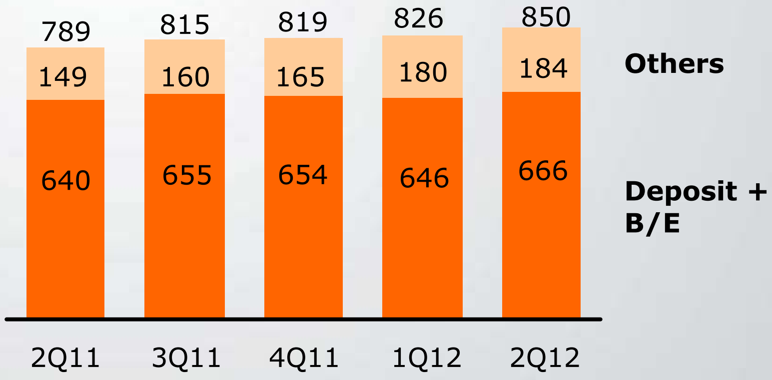
- Loans increased by 5.7%, led by HP loans
- HP dramatically rose by 14.6% with 89 BTHB of new lending in 1H12, up 35%yoy
- As we focus on retail banking, retail loans accounted for 64% while corporate and SMEs accounted for 36% at the end of 2Q12
- Performing loans grew by 6.8% YTD

Note: *Including THANI since 4Q11; Source: Company data

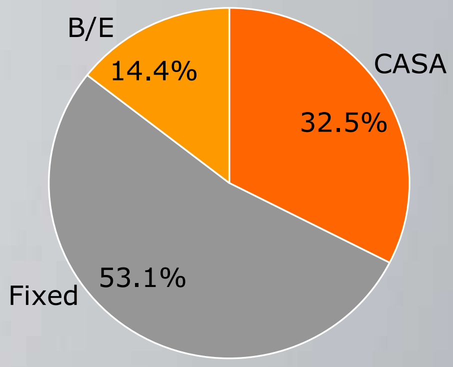
Group Liabilities

Business as Usual

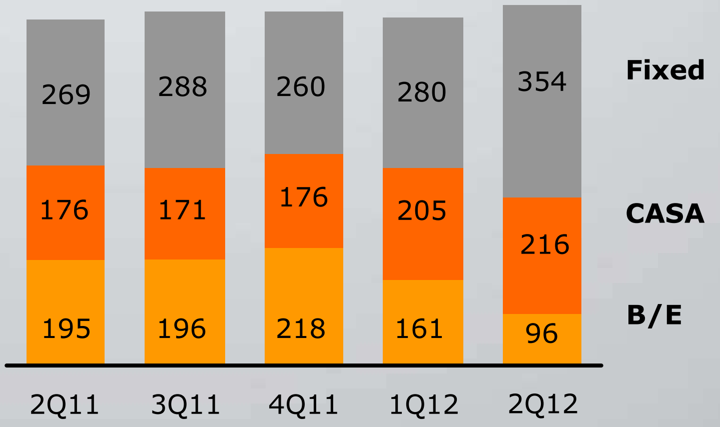
Liabilities (BTHB)



Deposits Breakdown (Percent)



Deposits + B/E (BTHB)



Key Highlights

- Going forward, deposit structure will tend to rely on saving accounts in order to tap low cost of fund.
- Deposit + B/E mix has been well managed as B/E clients mostly switch to fixed deposits because B/E have no motivation to clients as a result of the additional fee to the BOT
- At the end of 2Q12, CASA accounted for 32.5% while B/E and Fixed accounted for 14.4% and 53.1% respectively

Source: Company data

Comparison to Targets

Business as Usual

Performance parameters		2011A	2012F	1H12A
Profitability	ROE	13.7%	12.5-15.0%	14.9%
	ROA	1.0%	1.1%	1.1%
	Spread	2.8%	2.6-2.8%	2.5%
	Non-interest Income Ratio*	30.4%	30.0%	35.8%
	Cost to Income Ratio*	60.0%	55.0%	60.4%
Loan	Loan Growth	4.5%	10.0%	5.7%
Asset	Asset Size	0.90 TTHB	1.00 TTHB	0.93 TTHB
Asset Quality	NPL Ratio	5.9%	4.5%	5.1%
	Credit Cost	0.3%	0.5%	0.3%

Note: *Net of insurance expenses
Source: Company data

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2Q12 Financial Highlights

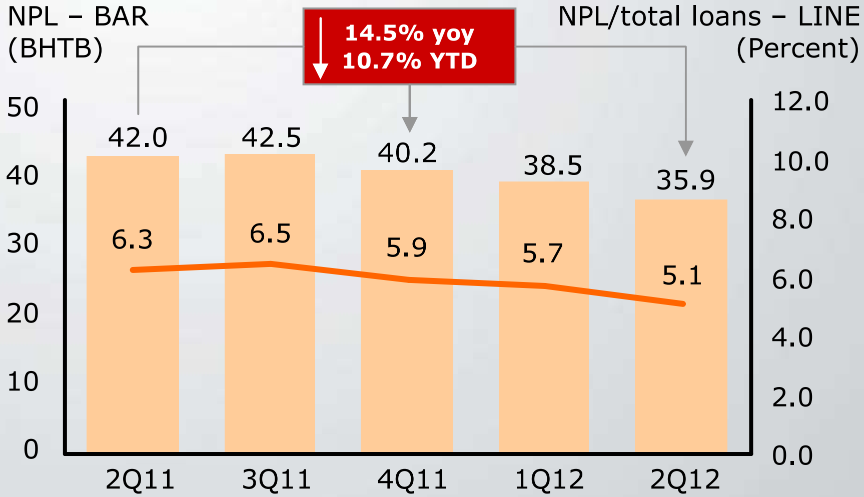
NPL Management

Group NPLs

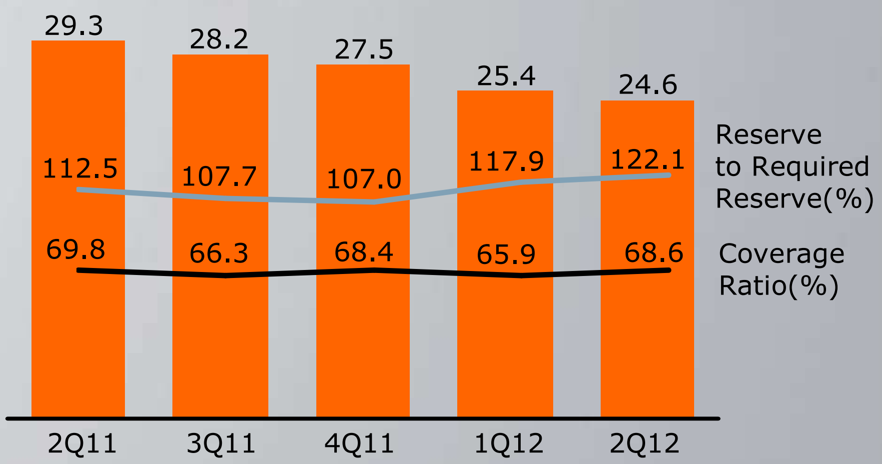
An increase in NPLs following the SCIB acquisition can be explained by the more conservative approach in NPL definition taken by the Group

NPL Management

Group's NPL vs. NPL to Total Loans



Group's Reserve (BTHB)



Highlights

- We witnessed a clearer direction of NPLs management. While the group NPL ratio has gone up following the SCIB acquisition since 2Q10, NPLs continue to drop for 4 consecutive quarters since 3Q11 as a result of efficient NPLs management
- At the end of 2Q12, NPLs of the Group decreased by 4,302 MTHB from the end of last year.
- NPL ratio was at 5.1%, a decrease from 5.9% at the end of 2011. The decrease in NPLs was in line with the plan to reduce NPLs in this year to be on par with the industry average
- Reserve to required reserve increased from 107.0% to 122.1%, due to the implementation of Collective Approach for the impairment loss of HP loans calculation and also efficient NPL management

Source: Company data

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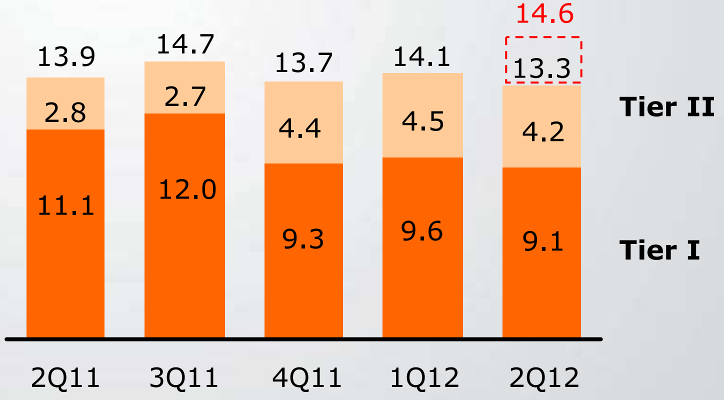
2Q12 Financial Highlights

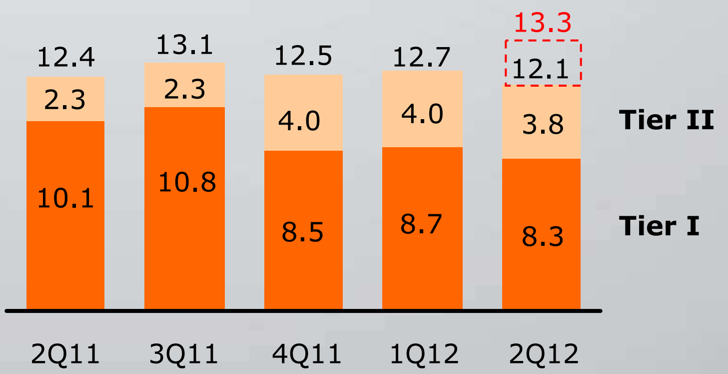
Capital Planning

BIS Ratios

TBANK's Capital Adequacy Ratio (Solo Basis)



Group's Capital Adequacy Ratio (Full Consolidated)



Source: Company data

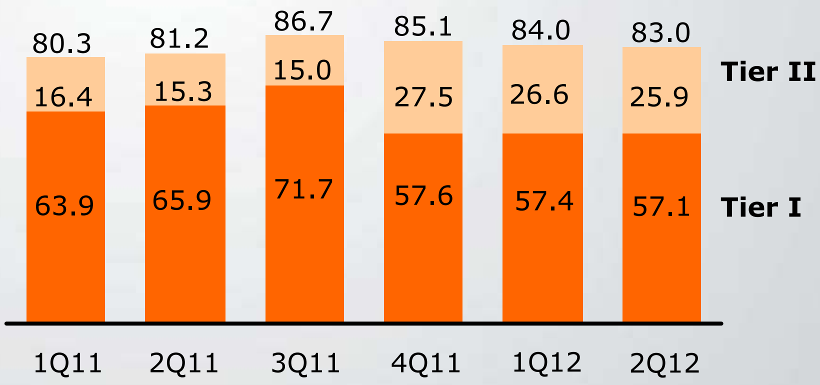
BIS Ratio

- BIS ratios of TCAP (Full consol.) and TBANK (Solo) as of 31 Jun 2012 decreased from that of 31 Dec 2011, due to the increase in risk weighted assets from the loan growth
- TBANK Tier I and BIS ratios as of 31 Jun 2012 were 9.1% and 13.3% respectively
- TCAP Tier I and BIS ratios as of 31 Jun 2012 were 8.3% and 12.1% respectively
- Including 1H12 newly issued subdebts (counted as Tier II), TCAP's and TBANK's BIS ratios would be 13.3% and 14.6% respectively
- Currently, TCAP and TBANK have sufficient Tier I and BIS ratios complying to regulatory standard and this capital ratios will be increasing through accumulation of future earnings

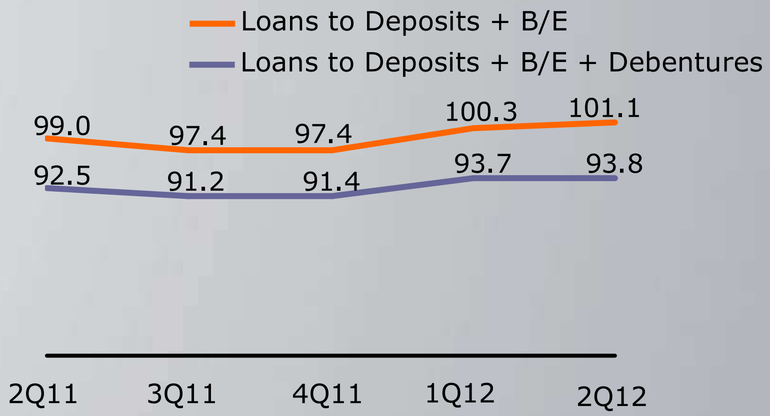
Group Capital & Liquidity

Capital Planning

TCAP Capital (BTHB)



Loans to Deposits Ratio (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
- Since 1 October 2011, the capital consideration has deducted goodwill from Tier I and included subdebts transferred from SCIB in Tier II. This had been done in accordance with the BOT guideline
- LD Ratio including B/E was above 100% in 2Q12, however, if we include debentures of 51,500 MTHB, LD Ratio including B/E and debentures would be at 93.8% in 2Q12. Additionally, the Bank has recently issued new subdebts amounting to 8,500 MTHB in 3Q12

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%
2011	TBANK successfully integrated with SCIB

Key Product Offerings

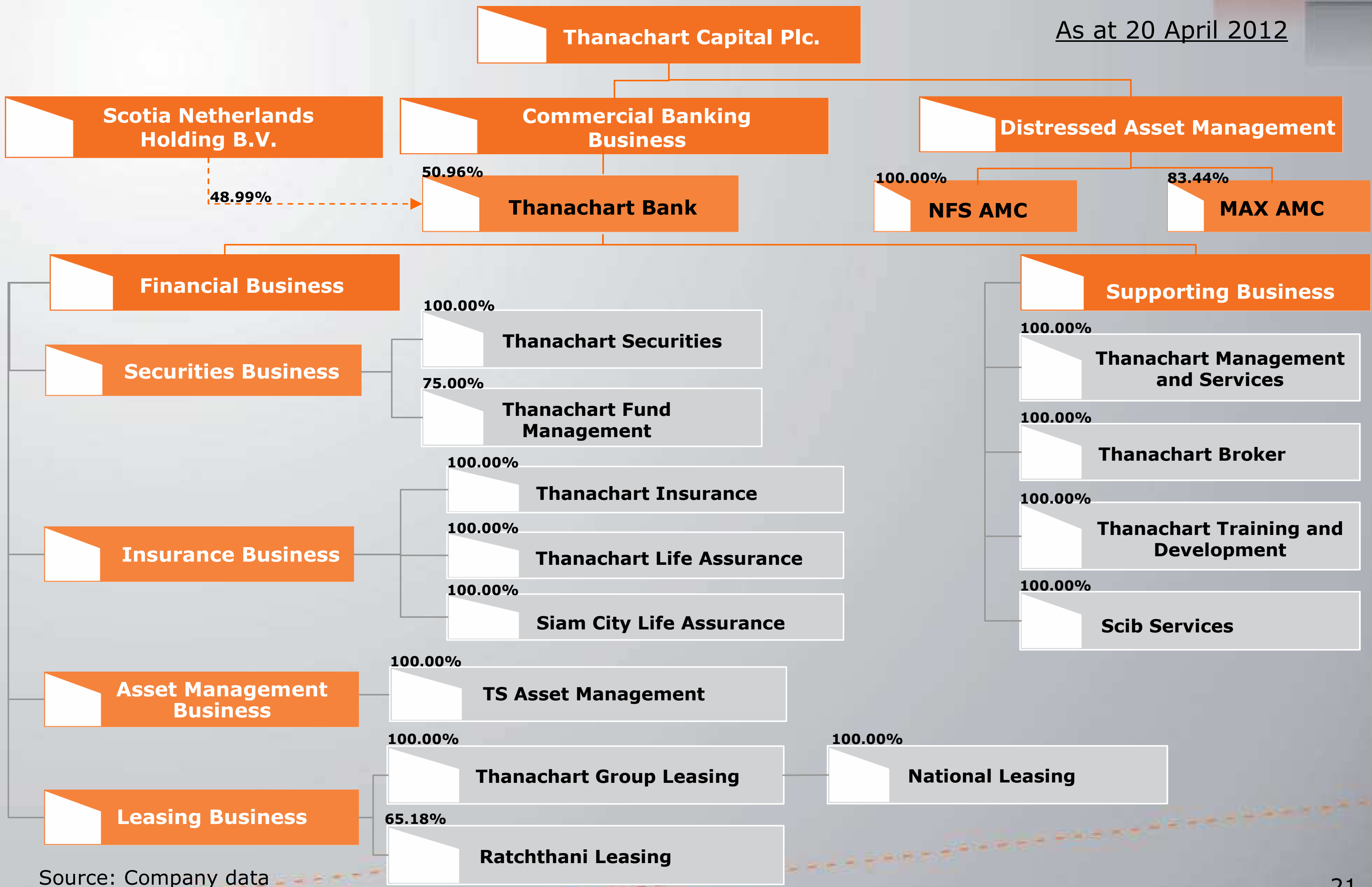
- Retail banking
  - Hire purchase (No.1 in Thailand)
  - Home loans
  - Others (personal, cards, CYC, etc.)
- Corporate & SME banking
- Distressed asset management
- Insurance
  - Life insurance
  - Auto insurance
  - Property insurance
  - Others
- Securities business
- Fund management
- Financial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

TBANK	2009 (Pre-SCIB)	2Q12 (Post-SCIB)
Customers	1.4M	4.1M
Branches	256	649
ATMs	401	2,113

Source: Company data

Group Structure

As at 20 April 2012



Source: Company data

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Appendix

Subsidiaries Performance

Subsidiaries	% held by TCAP	Net Profit (Million Baht)				
		2Q11	1Q12	2Q12	1H11	1H12
Thanachart Bank Plc. (Consolidated)		2,328	1,772	2,083	4,536	3,856
Thanachart Securities Plc.	50.96%	66	90	118	143	209
Thanachart Fund Management	38.22%	32	25	40	63	65
Thanachart Insurance	50.96%	117	139	143	230	282
Thanachart Life Assurance	50.96%	170	362	439	344	801
TS AMC	50.96%	20	850	429	22	1,279
Ratchthani Leasing Plc.*	33.22%	-	87	90	-	177
NFS AMC	100.00%	37	164	235	51	399
MAX AMC	83.44%	60	30	194	63	225

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

Detailed Group’s Financial Info.

Unit: MTHB

Consolidated statements of comprehensive income	2Q11	3Q11	4Q11	1Q12	2Q12
Interest income	10,748	11,658	11,685	11,720	12,324
Interest expense	4,430	5,522	6,098	6,113	6,160
Net interest income	**6,318**	**6,136**	**5,587**	**5,607**	**6,164**
Fees and service income	1,253	1,334	1,118	1,339	1,384
Fees and service expenses	321	351	303	368	362
Net fees and service income	**932**	**983**	**815**	**971**	**1,022**
Gain (loss) on tradings and foreign exchange transactions	210	267	174	(90)	367
Gain on Investment	203	285	616	228	222
Share of income from investment in associated	63	76	26	38	119
Dividend income	195	296	8	129	27
Gain (loss) on properties foreclosed and other assets	(4)	(72)	51	179	414
Insurance premium income	3,355	3,414	3,184	3,088	3,375
Other operating income	384	458	521	401	426
Total operating income	**11,656**	**11,843**	**10,982**	**10,551**	**12,136**
Insurance expenses	2,621	2,878	2,953	1,792	2,574
Net operating income	**9,035**	**8,965**	**8,029**	**8,759**	**9,562**
Personnel expenses	2,676	2,865	2,589	2,900	2,714
Premises and equipment expenses	856	946	785	773	818
Taxes and duties	208	237	260	233	245
Directors' remuneration	42	8	7	7	37
Other expenses	1,236	1,670	1,684	1,608	1,725
Total operating expenses	**5,018**	**5,726**	**5,325**	**5,521**	**5,539**
Impairment loss of loans and debt securities	(869)	(129)	(359)	(415)	(488)
Profit before corporate income tax	**3,148**	**3,110**	**2,345**	**2,823**	**3,535**
Income Tax	(415)	(828)	(823)	(712)	(748)
Net profit	**2,733**	**2,282**	**1,522**	**2,111**	**2,787**
Non-controlling interest	(1,150)	(945)	(584)	(918)	(1,078)
The Company	**1,583**	**1,337**	**938**	**1,193**	**1,709**

Consolidated statements of financial position	31-Dec-11	30-Jun-12
Cash	16,006	11,819
Interbank and money market items-interest	55,086	55,907
Interbank and money market items-no interest	8,146	8,897
Net Interbank and MM	63,232	64,804
Net investments	152,511	148,795
Net Investment in associated companies	1,673	1,742
Loans and receivables	**676,790**	**720,360**
Accrued interest receivables	980	994
Deferred revenue	(39,686)	(46,795)
Allowance for doubtful accounts	(27,286)	(24,419)
Net loans and accrued interest receivables	610,798	650,140
Properties foreclosed - net	11,560	10,567
Intangible assets - net	4,709	4,474
Goodwill	13,981	14,120
Other assets	20,687	22,481
Total assets	**895,157**	**928,942**
Deposits	**435,865**	**570,287**
Interbank and money market items-interest	58,694	66,709
Interbank and money market items-no interest	1,457	1,491
Net interbank and money market items	60,151	68,200
Debt issued and borrowings	**262,653**	**149,353**
- Short-term	218,492	102,230
- Long-term	44,161	47,123
Insurance contract liabilities	36,154	36,105
Other liabilities	24,653	26,147
Total liabilities	**819,476**	**850,092**
Company shareholders' equity	38,259	40,427
Non-controlling interest	37,422	38,423
Shareholders' equity	**75,681**	**78,850**
Total liabilities & shareholders' equity	**895,157**	**928,942**

Source: Company data

Investor Relations

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