

Analyst Meeting

Statements Unreviewed

30 September 2012





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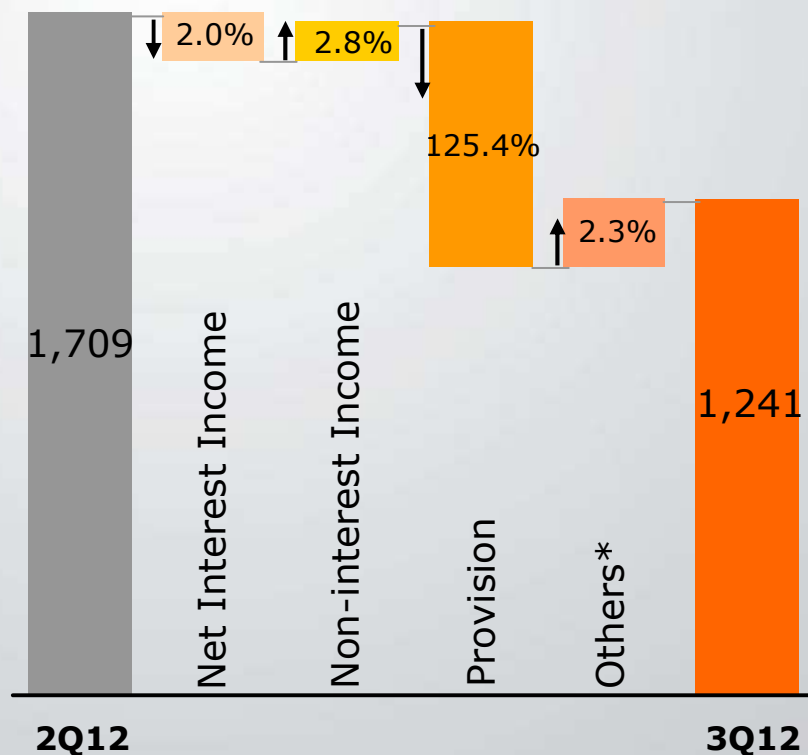
3Q12 Financial Highlights

Business as Usual



3Q12 Summary

Profitability (MTHB)



1

Profitability

- **Net profit** dropped **27.4%** qoq
- **ROAA = 1.0%**
- **ROAE = 12.1%**

2

Strengthened Loan Portfolio

- NPL-Gross down 9.8% YTD
- NPL Ratio dropped to 4.9%
- Performing Loans growth = 11.7%

3

Well-managed Cost

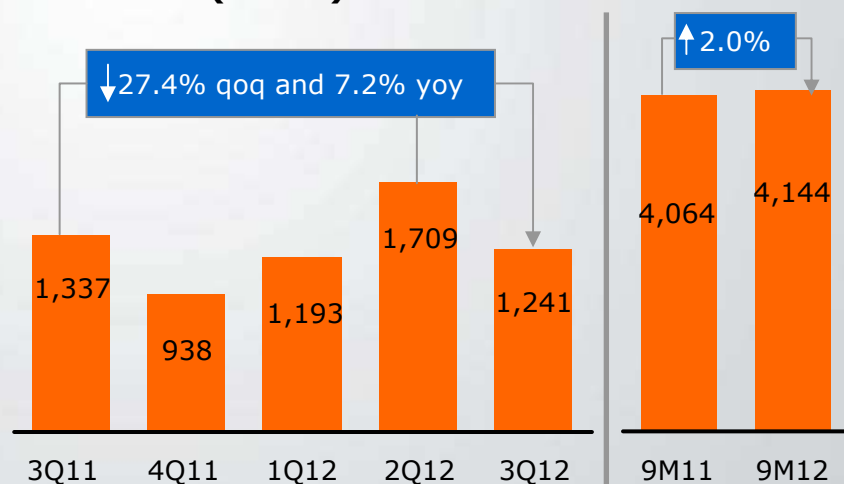
- Better operating expenses 0.3% qoq
- Cost to income ratio = 57.9%

Note: *Including operating expenses, income tax, and non-controlling interest; Source: Company data

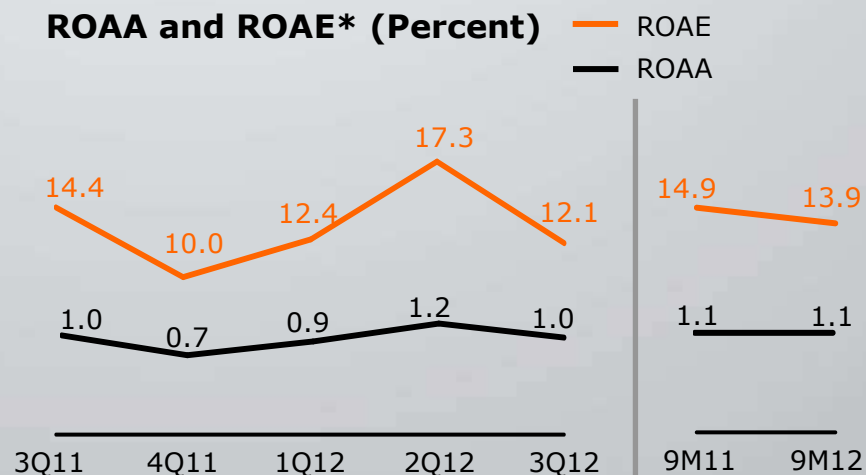
Group Profitability

Business as Usual

Net Profit* (MTHB)



ROAA and ROAE* (Percent)



TCAP Profitability

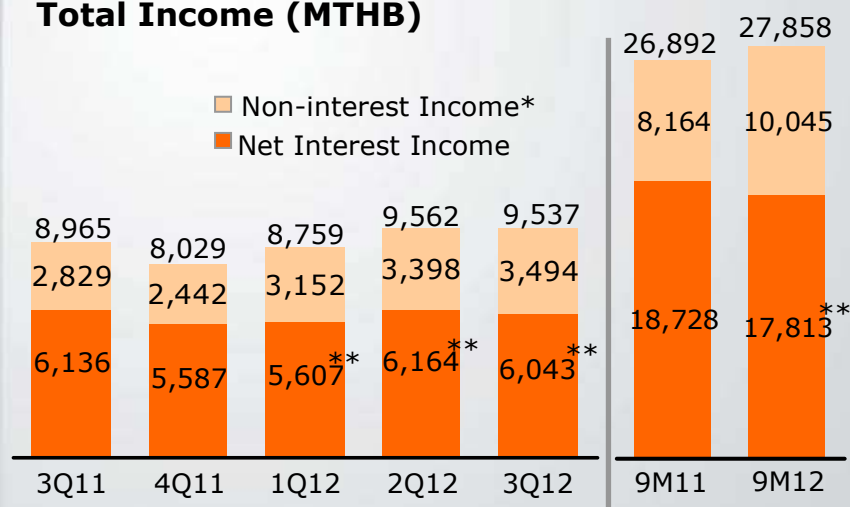
- 3Q12 net profit decreased by 27.4% qoq because:
 - Net interest income decreased from an increase in cost of fund
 - Provision increased from postponed corporate debt restructuring
 - Non-interest income slightly increased
 - Operating expenses were under controlled
- 9M12 net profit increased by 2.0% yoy because:
 - Non-interest income increased from realization of synergy and more cross-selling
- ROAA and ROAE dropped from a profit reduction in 3Q12

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

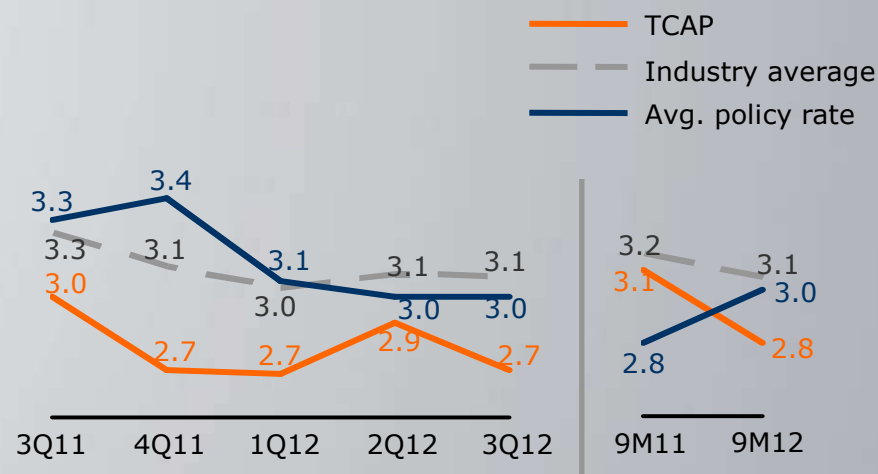
Group Income and Margin

Business as Usual

Total Income (MTHB)



Net Interest Margin (Percent)



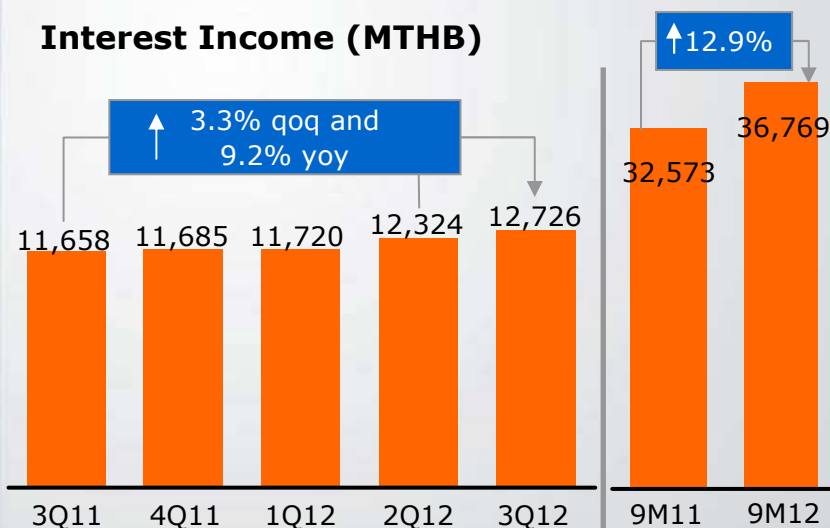
Highlights

- 3Q12 total income decreased qoq while 9M12 total income increased yoy because:
 - Net interest income decreased mostly from an increase in interest expenses
 - Non-interest income increased from an accomplishment in synergy and cross-selling efforts
- NIM decreased qoq and yoy, due mainly to an increase in interest expenses from a larger deposit base, an intensified competition in acquiring new deposits, and an issuance of 8.5 BTHB subdebts

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

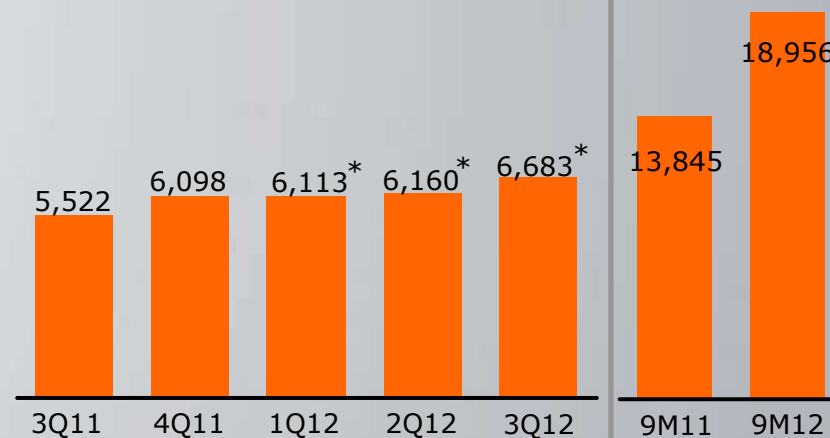
Group Interest Income & Expenses

Interest Income (MTHB)

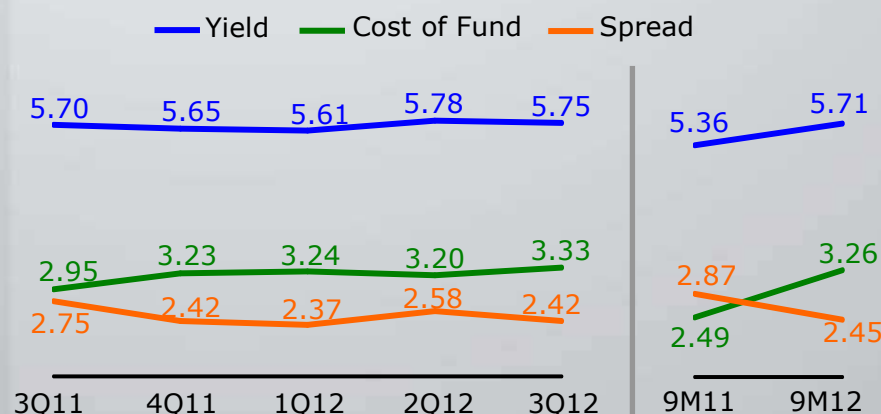


Interest Expenses (MTHB)

Business as Usual



Yield, Cost of Fund, and Spread (Percent)



Highlights

- Interest income has been increasing from an expansion of loans, especially the hire purchase
- 9M12 interest expenses increased yoy from higher market interest rate, an additional fee provided to DPA, an increase in deposits + B/E base, and an issuance of 8.5 BTHB subdebts
- Spread narrowed in 3Q12 and 9M12

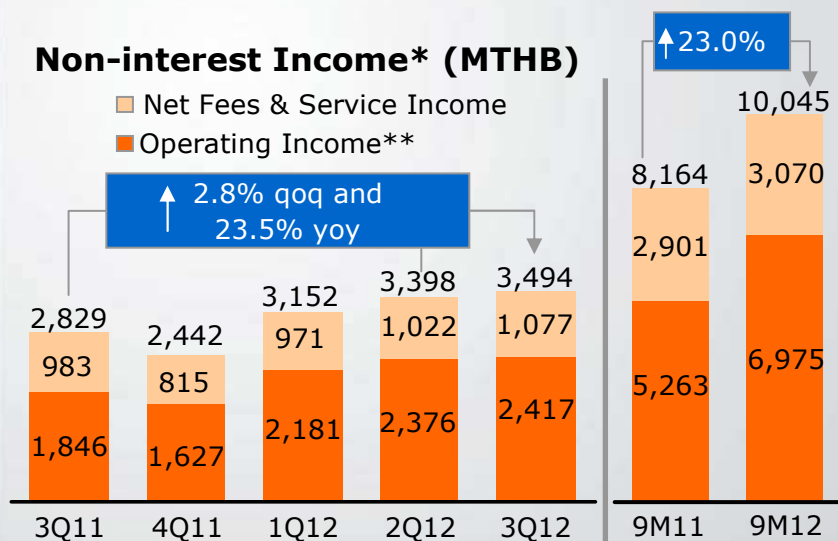
Note: *Including the additional fee to DPA; Source: Company data

Group Non-interest Income

Non-interest Income* (MTHB)

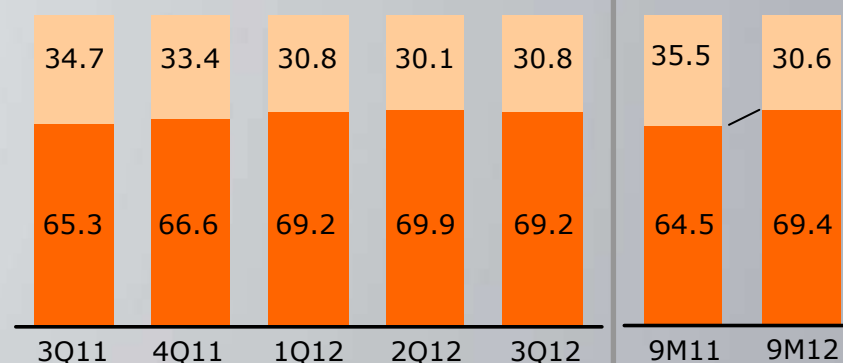
Net Fees & Service Income
Operating Income**

↑ 2.8% qoq and
23.5% yoy

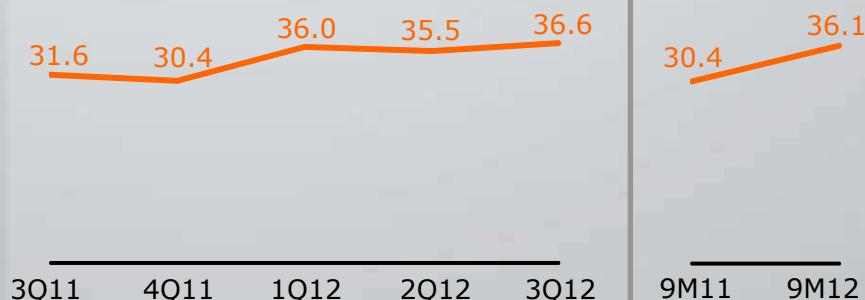


Net Fees & Service Income VS Operating Income** (Percent)

Operating Income Net Fees & Service Income



Non-interest Income Ratio* (Percent)



Highlights

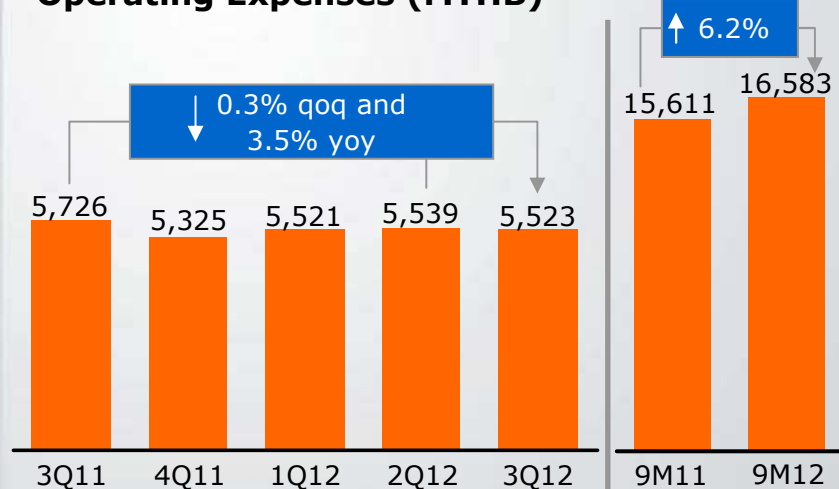
- Non-interest income has been increasing since the flood crisis in 4Q11
- Non-interest income increased in 3Q12 qoq and 9M12 yoy from synergy and cross-selling achievement
- 9M12 portion of operating income increased yoy as a result of good performance of subsidiaries
- Non-interest income ratio was better than expectation

Note: *Net of insurance expenses ** Operating income includes income contribution from subsidiaries; Source: Company data

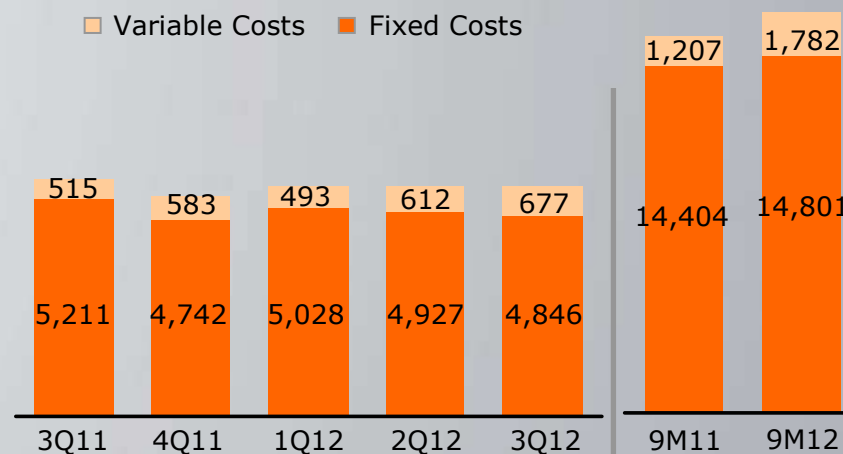
Group Operating Expenses

Business as Usual

Operating Expenses (MTHB)



Fixed Costs VS Variable Costs** (MTHB)



Cost to Income Ratio* (Percent)



Highlights

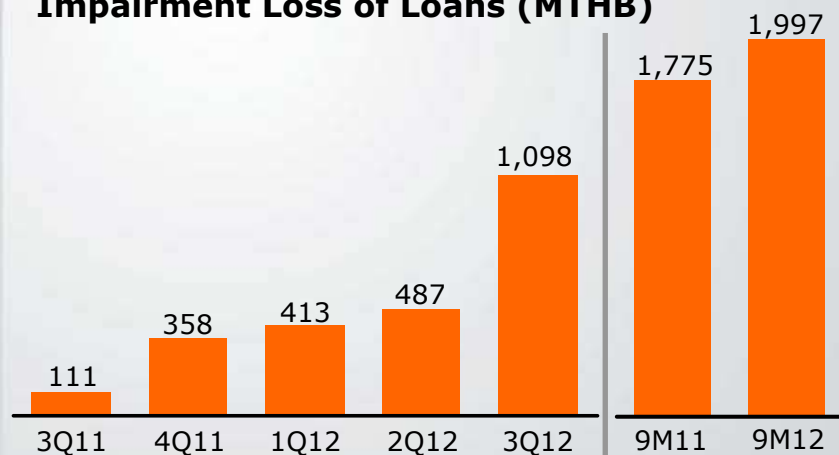
- 3Q12 operating expenses decreased qoq from efficient cost control
- 9M12 operating expenses increased yoy, mainly from costs varied with business volume and expenses on infrastructure and IT development
- Fixed costs were well controlled in 3Q12 and showed sign of improvement
- Cost to income ratio has also passed its peak and come close to our target

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

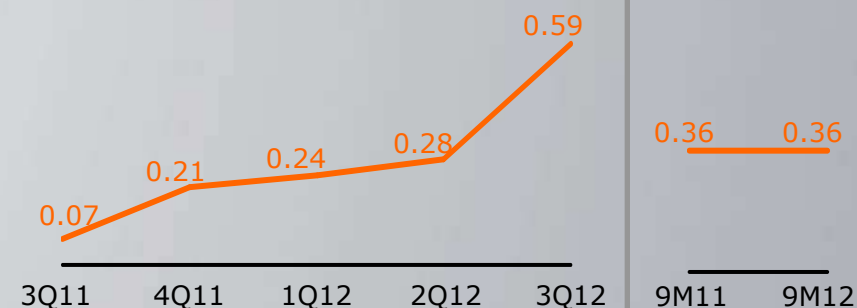
Group Provision Expenses

Business as Usual

Impairment Loss of Loans (MTHB)



Credit Cost (Percent)



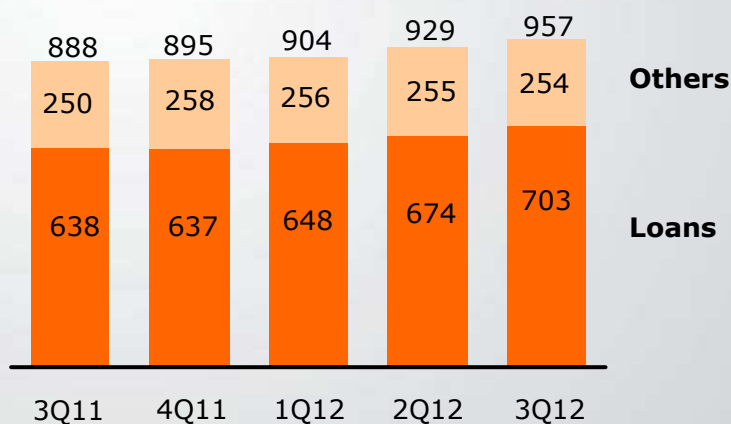
Highlights

- 3Q12 impairment loss of loans increased qoq as a result of a postponed debt restructuring of corporate clients while there were debt restructuring of corporate clients in the previous quarter
- 3M12 credit cost was at 0.59%, an increase from 0.28% in the previous quarter while 9M12 credit cost stayed at 0.36%, similar to that of the same period last year

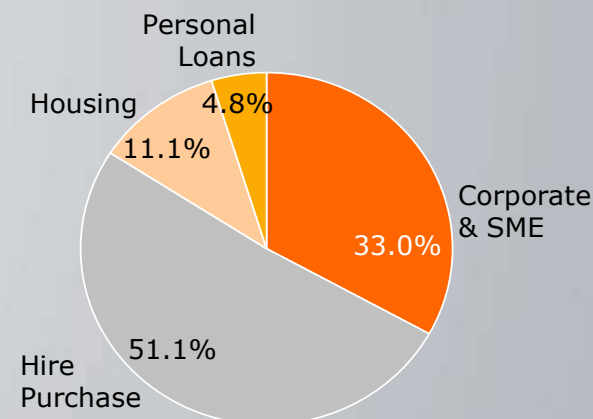
Group Assets

Business as Usual

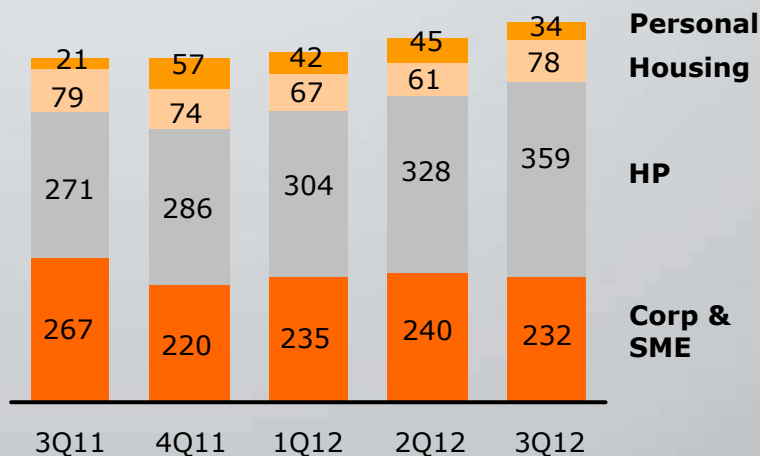
Assets (BTHB)



Loans Breakdown (Percent)



Loans Breakdown* (BTHB)



Key Highlights

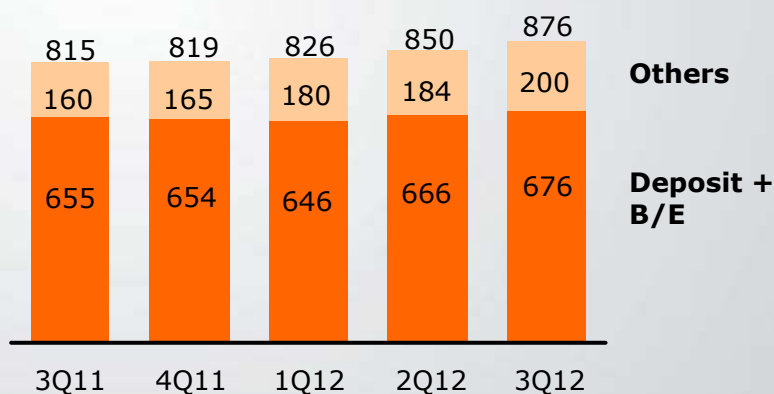
- Loans increased by 10.3% YTD and 4.4% qoq, led by HP loans
- HP dramatically rose by 25.4% YTD and 9.4% qoq with 145 BTHB of new lending in 9M12, up 45%yoy
- As we focus on retail banking, retail loans increased and accounted for 67% while corporate and SMEs accounted for 33% at the end of 3Q12
- Performing loans grew by 11.7% YTD

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

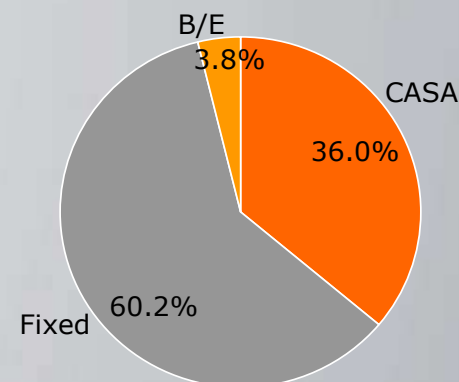
Group Liabilities

Business as Usual

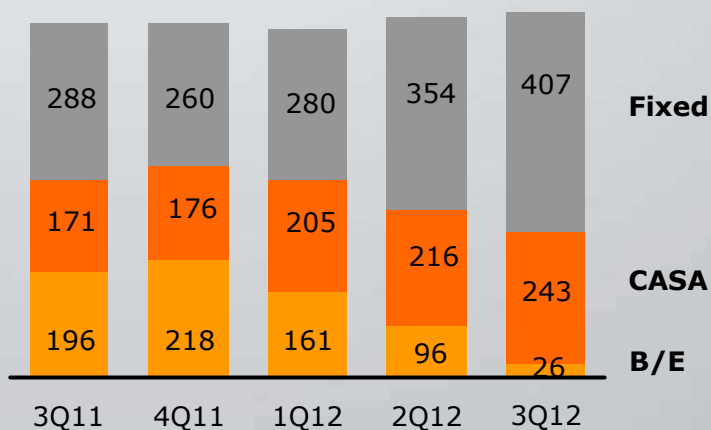
Liabilities (BTHB)



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 3Q12, CASA accounted for 36.0% while B/E and Fixed accounted for 3.8% and 60.2% respectively

Source: Company data

Comparison to Targets

Business as Usual

Performance parameters		2011A	2012F	9M12A
Profitability	ROE	13.7%	12.5-15.0%	13.9%
	ROA	1.0%	1.1%	1.1%
	Spread	2.8%	2.6-2.8%	2.5%
	Non-interest Income Ratio*	30.4%	30.0%	36.1%
	Cost to Income Ratio*	60.0%	55.0%	59.5%
Loan	Loan Growth	4.5%	10.0%	10.3%
Asset	Asset Size	0.90 TTHB	1.00 TTHB	0.96 TTHB
Asset Quality	NPL Ratio	5.9%	4.5%	4.9%
	Credit Cost	0.3%	0.5%	0.4%

Note: *Net of insurance expenses
Source: Company data

3Q12 Financial Highlights

NPL Management



Group NPLs

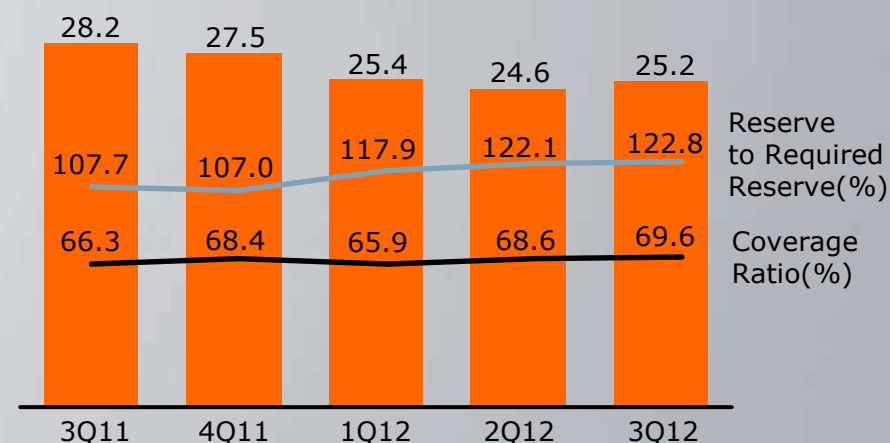
An increase in NPLs following the SCIB acquisition can be explained by the more conservative approach in NPL definition taken by the Group

NPL Management

Group's NPL vs. NPL to Total Loans



Group's Reserve (BTHB)



Highlights

- At the end of 3Q12, NPLs of the Group decreased by 3,944 MTHB from the end of last year.
- NPLs increased by 358 MTHB or 1.0% qoq, due to asset qualities of corporate clients have been deteriorated.
- NPL ratio was at 4.9%, 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 122.8%, due to the implementation of Collective Approach for the impairment loss of HP loans calculation and also efficient NPL management

3Q12 Financial Highlights

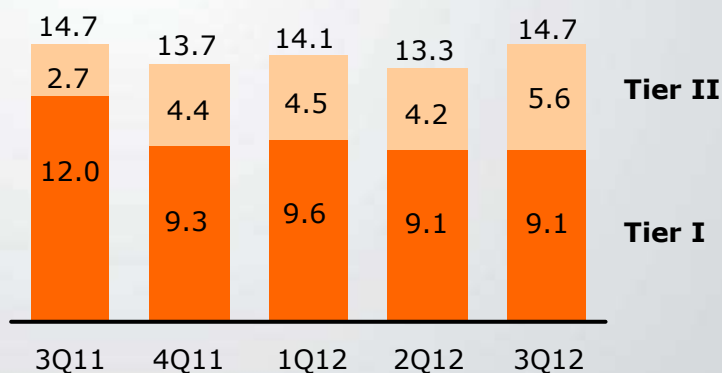
***Capital Planning &
Liquidity***



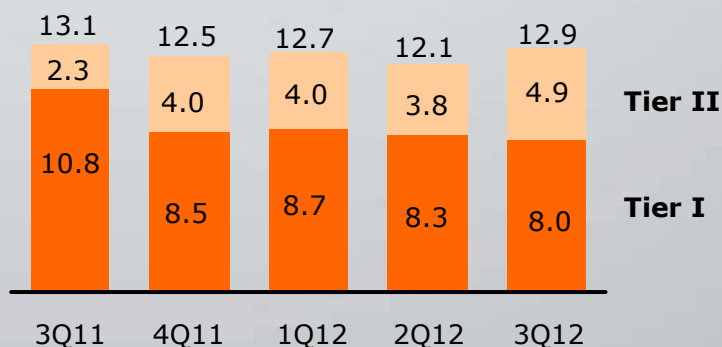
BIS Ratios

Capital Planning & Liquidity

TBANK's Capital Adequacy Ratio (Solo Basis)



Group's Capital Adequacy Ratio (Full Consolidated)



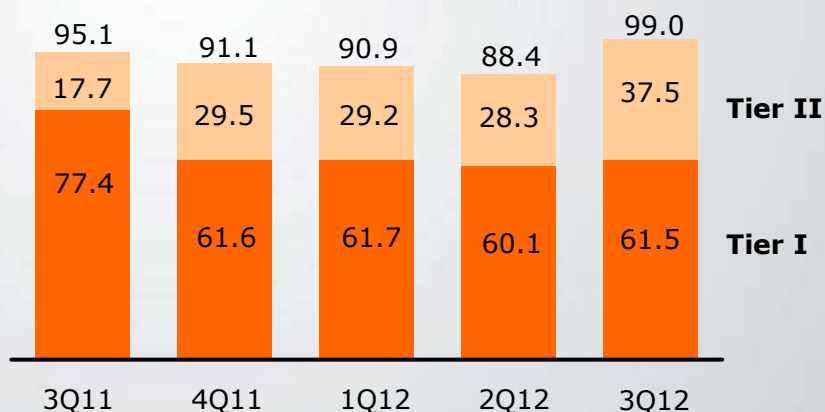
BIS Ratio

- BIS ratios of TCAP (Full consol.) and TBANK (Solo) as of 30 Sep 2012 increased from that of 31 Dec 2011, due to an increase in Tier II capital from an issuance of 8.5 BTHB subdebts in July 12
- TBANK Tier I and BIS ratios as of 30 Sep 2012 were 9.1% and 14.7% respectively
- TCAP Tier I and BIS ratios as of 30 Sep 2012 were 8.0% and 12.9% 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

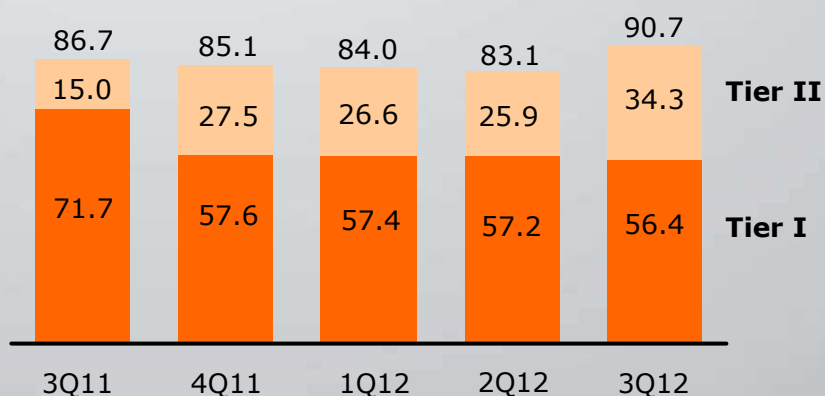
Capital Adequacy

Capital Planning & Liquidity

TBANK's Capital (Solo Basis) (BTHB)



TCAP's Capital (Full Consol) (BTHB)



Capital Adequacy

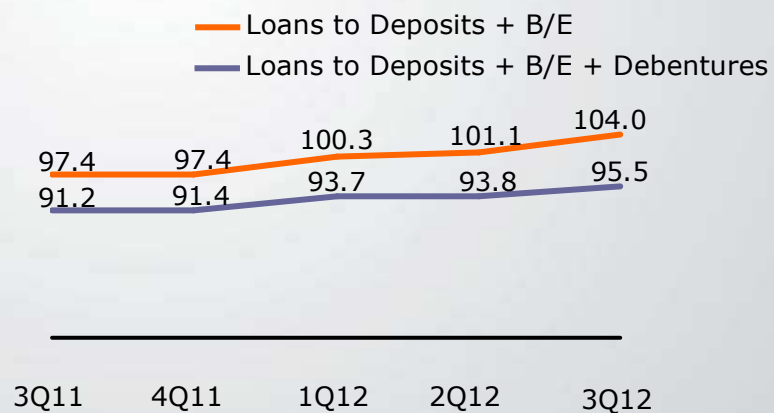
- Over the next 3 years, TCAP's capital adequacy ratio is expected to increase as incremental retained earning from business operation of TBANK, while maintaining reasonable dividends **with no capital increase**
- In case of capital requirement, TCAP still has room to issue Tier II capital
- Since 1 October 2011, the capital consideration has deducted goodwill from Tier I and included subdebt transferred from SCIB in Tier II. This had been done in accordance with the BOT guideline

Source: Company data

Loan to Deposit

Capital Planning & Liquidity

Loans to Deposits Ratio (Percent)



Loan to Deposit

- LD Ratio including B/E was above 100% in 3Q12, however, if we include debentures of 60,000 MTHB, LD Ratio including B/E and debentures would be at 95.5%. Additionally, the Bank has recently issued new subdebts amounting to 4,018 MTHB in 4Q12

3Q12 Financial Highlights

TLIFE Issue



TLIFE Transaction

Transaction Information

Rationale

- Win-win position with maximize benefit to customers and shareholders
 - PRU has variety of high-quality life insurance products
 - TBANK has channel distribution nationwide

Transaction Size

- 100% of TLIFE's shares worth 17,500 MTHB or ~ 4xBV
- 15-year exclusive bancassurance agreement
- Expected to be complete in 1Q13

Key Conditions for Share Purchase

- OIC approval
- No material effects on TLIFE business operation

TLIFE Information

- Established in 1997
- Owned 100% by TBANK
- Expertise in credit protection insurance
- Total equity (30 June 12) = 3,875 MTHB
- Customers > 1.5 million
- Ranked 7th by new premium and 10th by gross premium

TLIFE Issue

Benefits

- **Customers**
 - variety products and services that better serve customer's needs
- **Shareholders**
 - enhance bancassurance business and profit capability in the future
- **TBANK**
 - enhance competitive potential and increase commission income
 - stronger capital base to support business expansion
- **PRU**
 - more distribution channels

Use of Fund

- BIS ratio will increase by 2% from cash inflow and deduction of insurance investment portfolio

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

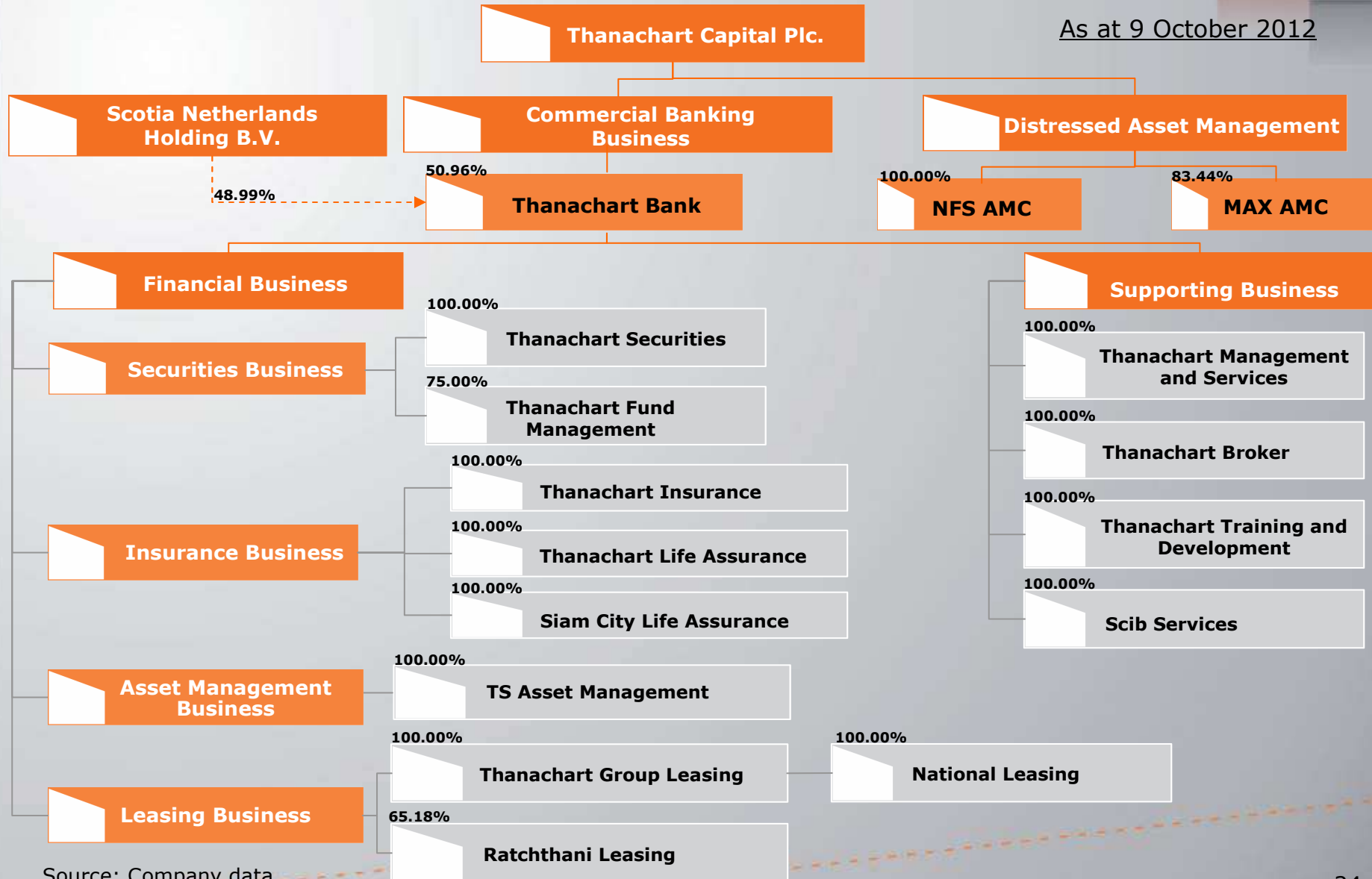
Key Product Offerings

- 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)	3Q12 (Post-SCIB)
Customers	1.4M	4.0M
Branches	256	636
ATMs	401	2,251

Group Structure

As at 9 October 2012



Source: Company data

Appendix



Subsidiaries Performance

Subsidiaries	% held by TCAP	Net Profit (Million Baht)				
		3Q11	2Q12	3Q12	9M11	9M12
Thanachart Bank Plc. (Consolidated)		1,908	2,083	2,091	6,444	5,946
Thanachart Securities Plc.	50.96%	119	118	97	262	306
Thanachart Fund Management	38.22%	22	40	44	85	109
Thanachart Insurance	50.96%	146	133	177	376	449
Thanachart Life Assurance	50.96%	275	439	621	620	1,422
TS AMC	50.96%	(63)	429	196	(42)	1,475
Ratchthani Leasing Plc.*	33.22%	-	90	154	-	331
NFS AMC	100.00%	239	235	9	290	408
MAX AMC	83.44%	15	194	26	78	251

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	3Q11	4Q11	1Q12	2Q12	3Q12	Consolidated statements of financial position	31-Dec-11	30-Sep-12
Interest income	11,658	11,685	11,720	12,324	12,726	Cash	16,006	10,786
Interest expense	5,522	6,098	6,113	6,160	6,683	Interbank and money market items-interest	55,086	66,595
Net interest income	6,136	5,587	5,607	6,164	6,043	Interbank and money market items-no interest	8,146	7,315
Fees and service income	1,334	1,118	1,339	1,384	1,453	Net Interbank and MM	63,232	73,910
Fees and service expenses	351	303	368	362	376	Net investments	152,511	138,890
Net fees and service income	983	815	971	1,022	1,077	Net Investment in associated companies	1,673	1,811
Gain (loss) on tradings and foreign exchange transactions	267	174	(90)	368	179	Loans and receivables	676,790	754,650
Gain on Investment	285	616	228	222	256	Accrued interest receivables	980	1,087
Share of income from investment in associated	76	26	38	119	74	Deferred revenue	(39,686)	(51,763)
Dividend income	296	8	129	27	301	Allowance for doubtful accounts	(27,286)	(25,010)
Gain (loss) on properties foreclosed and other assets	(72)	51	179	414	315	Net loans and accrued interest receivables	610,798	678,964
Insurance premium income	3,414	3,184	3,088	3,374	3,554	Properties foreclosed - net	11,560	9,982
Other operating income	458	521	401	426	489	Intangible assets - net	4,709	4,344
Total operating income	11,843	10,982	10,551	12,136	12,288	Goodwill	13,981	14,190
Insurance expenses	2,878	2,953	1,792	2,574	2,751	Other assets	20,687	24,332
Net operating income	8,965	8,029	8,759	9,562	9,537	Total assets	895,157	957,209
Personnel expenses	2,865	2,589	2,900	2,714	2,609	Deposits	435,865	650,268
Premises and equipment expenses	946	785	773	818	799	Interbank and money market items-interest	58,694	72,318
Taxes and duties	237	260	233	245	228	Interbank and money market items-no interest	1,457	1,082
Directors' remuneration	8	7	7	37	7	Net interbank and money market items	60,151	73,400
Other expenses	1,670	1,684	1,608	1,725	1,880	Debt issued and borrowings	262,653	87,435
Total operating expenses	5,726	5,325	5,521	5,539	5,523	- Short-term	218,492	31,825
Impairment loss of loans and debt securities	(129)	(359)	(415)	(488)	(1,100)	- Long-term	44,161	55,610
Profit before corporate income tax	3,110	2,345	2,823	3,535	2,914	Insurance contract liabilities	36,154	36,982
Income Tax	(828)	(823)	(712)	(748)	(580)	Other liabilities	24,653	28,128
Net profit	2,282	1,522	2,111	2,787	2,334	Total liabilities	819,476	876,212
Non-controlling interest	(945)	(584)	(918)	(1,078)	(1,093)	Company shareholders' equity	38,259	41,317
The Company	1,337	938	1,193	1,709	1,241	Non-controlling interest	37,422	39,680
						Shareholders' equity	75,681	80,997
						Total liabilities & shareholders' equity	895,157	957,209

Source: Company data



Investor Relations



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