

Analyst Meeting

Statements Unaudited

As of 31 December 2012





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2012 Financial Highlights


Business as Usual



2012 Summary

1

Financial Position

- Assets surpassed 1 trillion baht
- Loan  18.56%





2

NPL Management

- NPL ratio  to 4.32%

3

Profitability

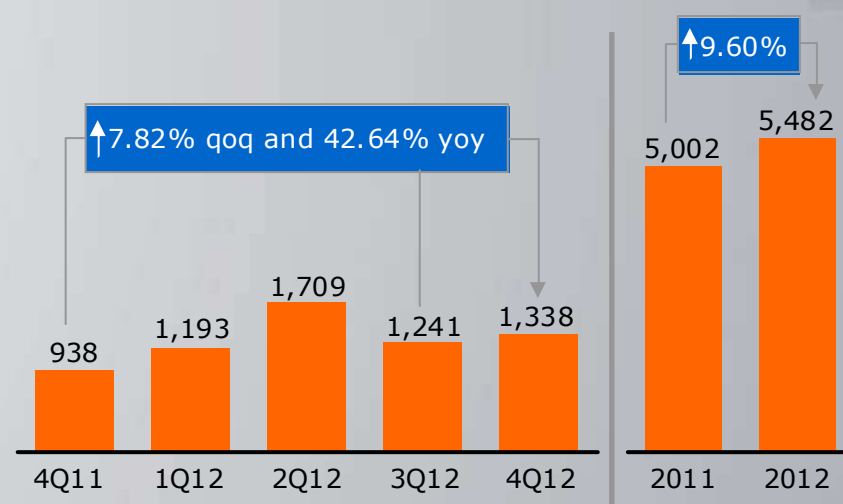
- Net operating income  2,766 MB or 7.92%
- Operating expenses  1,631 MB or 7.79%
- Profit before minority interest = 9,751 MB or  11.16%
- Net profit = 5,482 MB or  9.60%

Group Profitability

Profit before Minority Interest (MTHB)

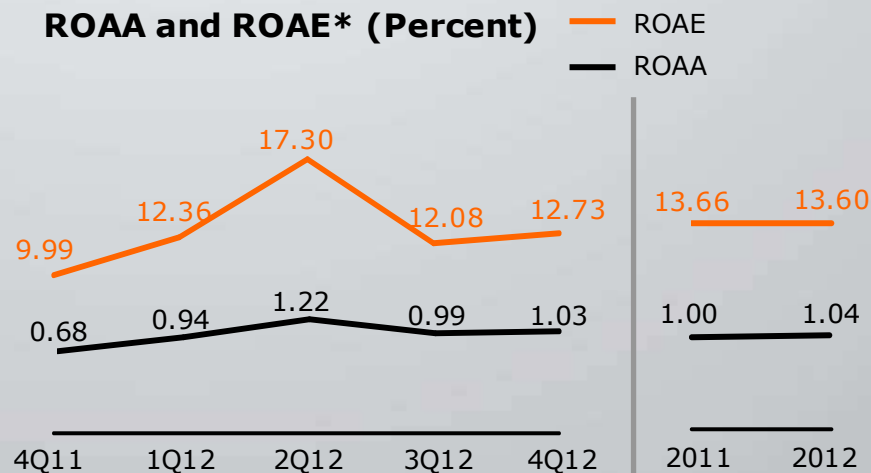


Net Profit* (MTHB)



Business as Usual

ROAA and ROAE* (Percent)



TCAP Profitability

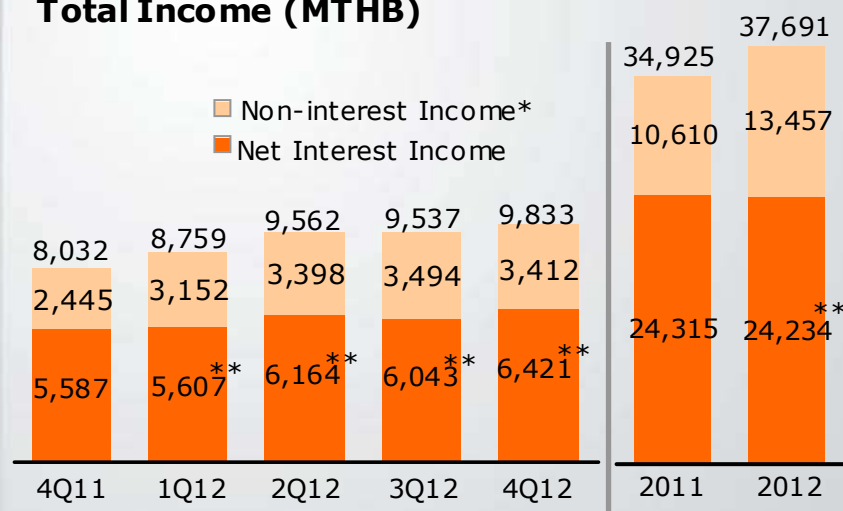
- 2012 net profit increased by 9.60% yoy because:
 - Net interest income slightly decreased
 - Non-interest income increased
 - Operating expenses increased
 - Net operating income growth higher than that of operating expenses
 - Credit cost slightly increased
- ROAA and ROAE in 2012 were at 1.04% and 13.60% respectively

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

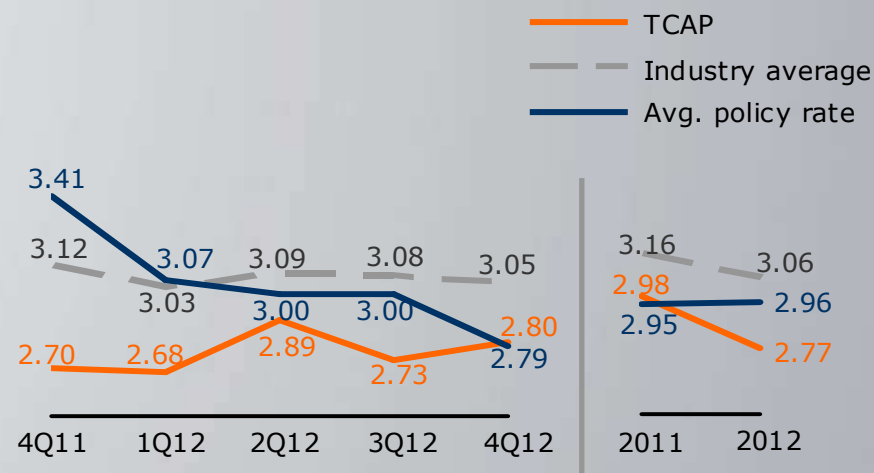
Group Income and Margin

Business as Usual

Total Income (MTHB)



Net Interest Margin (Percent)



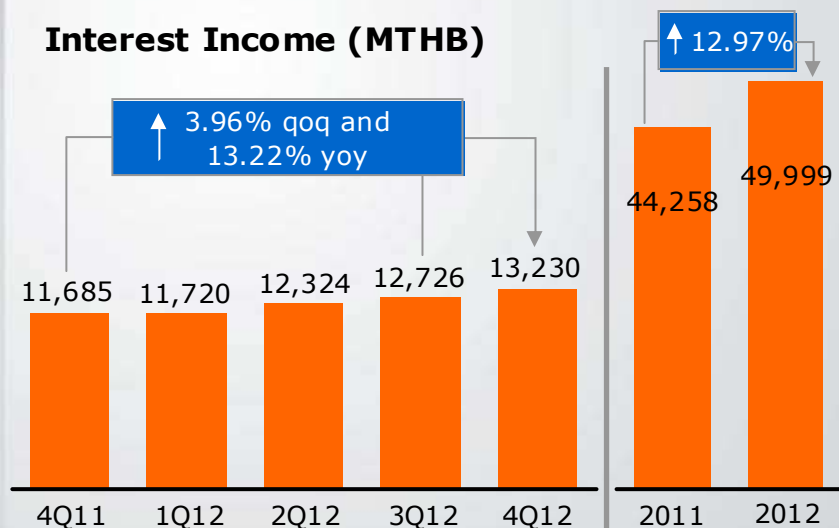
Highlights

- 2012 total income increased 7.92% yoy because:
 - Net interest income slightly decreased by 0.33% mainly from an increase in interest expenses
 - Non-interest income increased by 26.83% from an accomplishment in synergy and cross-selling efforts
- 2012 NIM decreased yoy, due mainly to an increase in interest expenses from a larger deposit base, an intensified competition in acquiring new deposits to support loan growth, an issuance of 26.6 BTHB subdebts, and an additional fee paid to FIDF and DPA

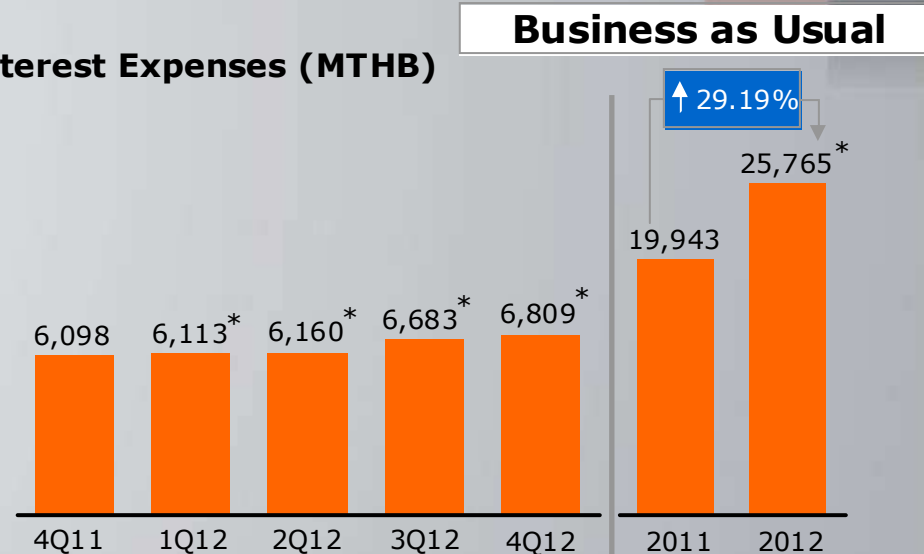
Note: *Net of insurance expenses, **Including the additional fee to DPA; Source: Company data

Group Interest Income & Expenses

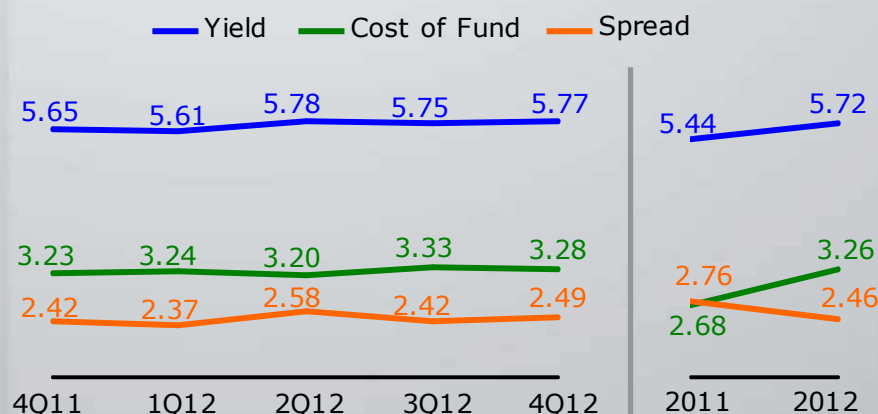
Interest Income (MTHB)



Interest Expenses (MTHB)



Yield, Cost of Fund, and Spread (Percent)



Highlights

- Interest income has been increasing from an expansion of loans, especially the hire purchase
- 2012 interest expenses increased yoy from deposit growth to support loans, an issuance of debentures, and an additional fee provided to FIDF and DPA
- 2012 spread narrowed yoy but it could be compensated by loan growth

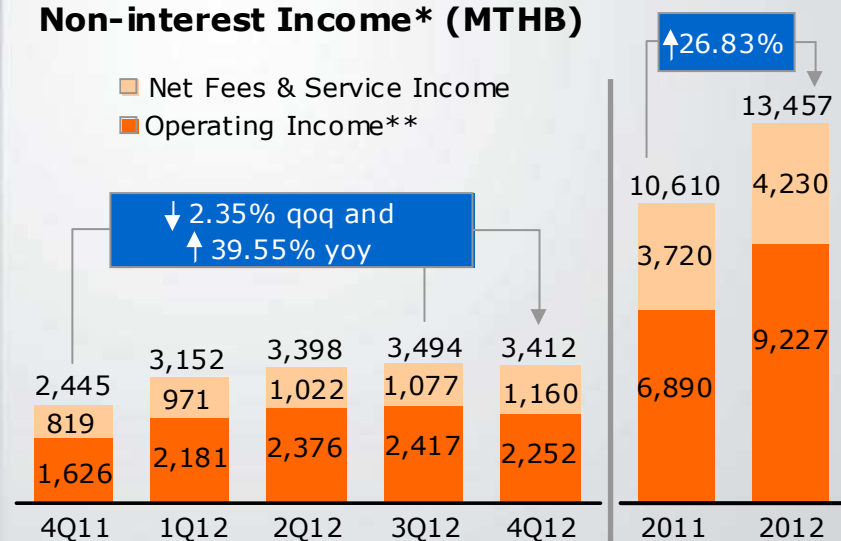
Note: *Including the additional fee to DPA; Source: Company data

Group Non-interest Income

Business as Usual

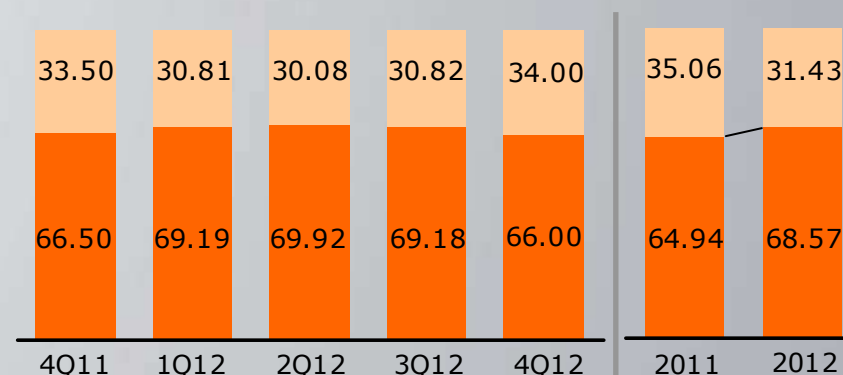
Non-interest Income* (MTHB)

■ Net Fees & Service Income
■ Operating Income**

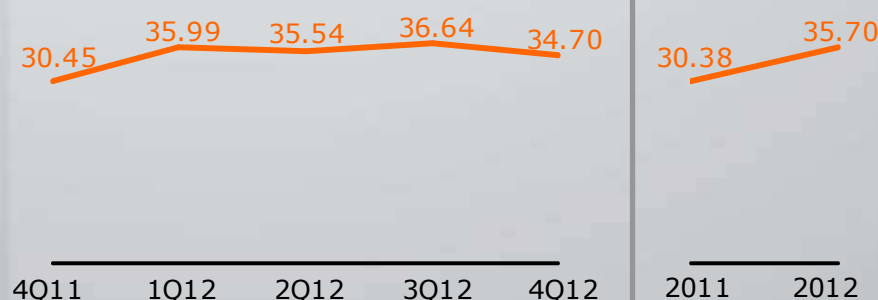


Net Fees & Service Income VS Operating Income** (Percent)

■ Operating Income
■ Net Fees & Service Income



Non-interest Income Ratio* (Percent)



Highlights

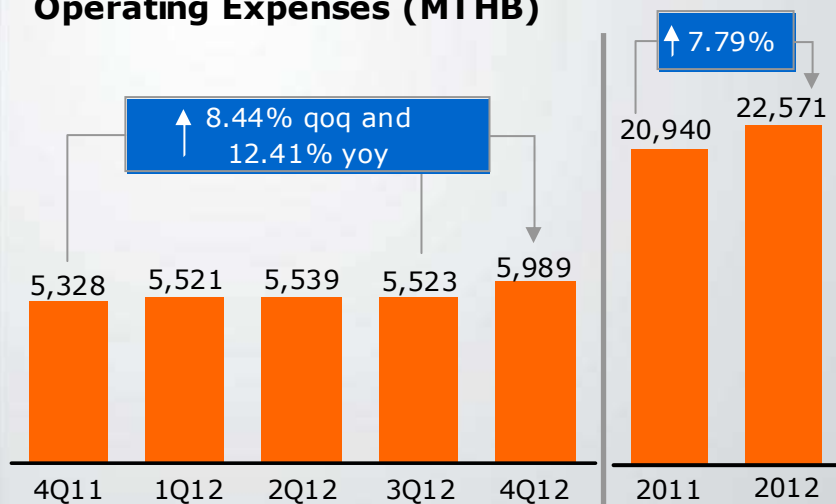
- 2012 Non-interest income increased from synergy and cross-selling achievement
- 2012 portion of operating income increased yoy as a result of good performance of subsidiaries
- Non-interest income ratio was better than expectation

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

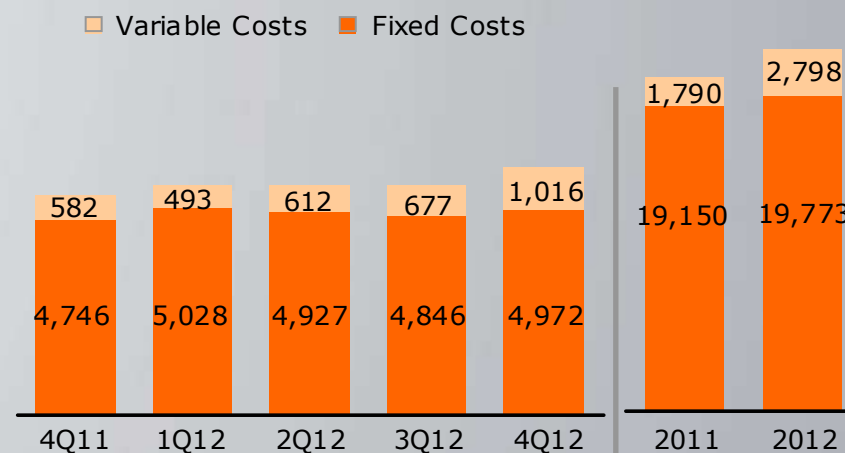
Group Operating Expenses

Business as Usual

Operating Expenses (MTHB)



Fixed Costs VS Variable Costs** (MTHB)



Cost to Income Ratio* (Percent)



Highlights

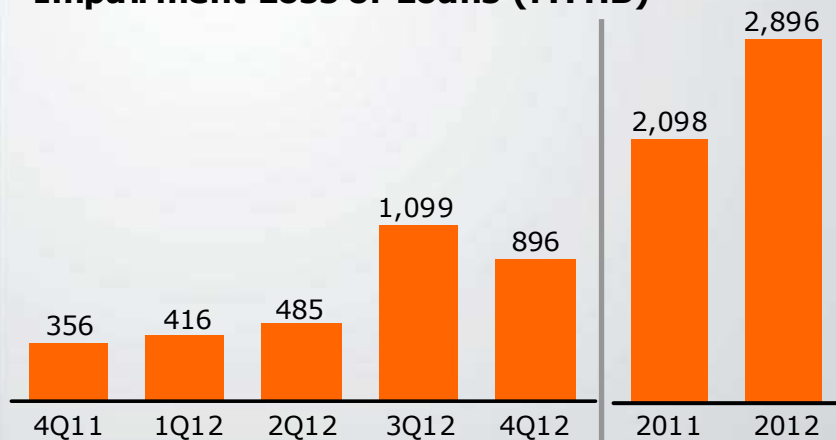
- 2012 operating expenses increased yoy, mainly from costs varied with business volume and expenses on infrastructure and IT development
- In 2012, fixed costs were well controlled while variable costs grew following the business growth
- 2012 cost to income ratio slightly dropped because net operating income increased higher than expenses

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)



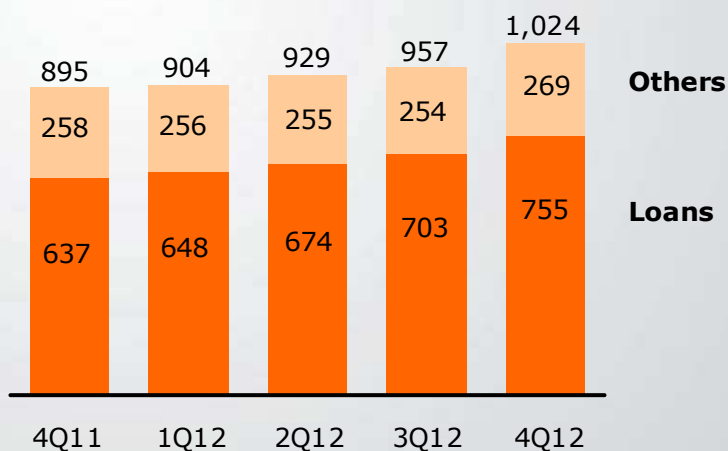
Highlights

- 2012 impairment loss of loans increased by 798 MTHB or 38.04% yoy.
- 2H12 impairment loss of loans jumped as a result of postponed debt restructuring of corporate clients while there were debt restructuring of corporate clients in 1H12
- 2012 credit cost was at 0.36%, an increase from 0.31% in 2011
- Since 1Q12, TBANK has implemented the Collective Approach for provision calculation on hire purchase loans portfolio by using the historical loss data in accordance with the BOT's guidelines

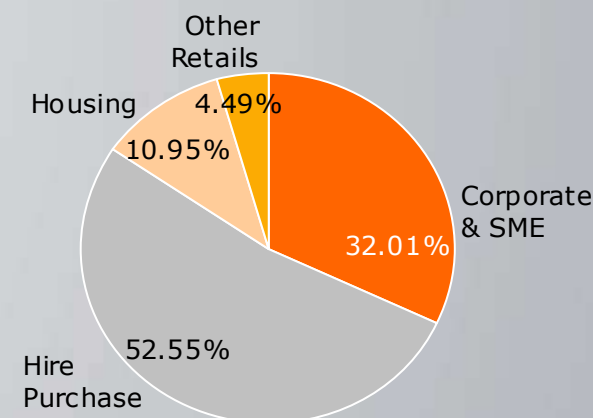
Group Assets

Business as Usual

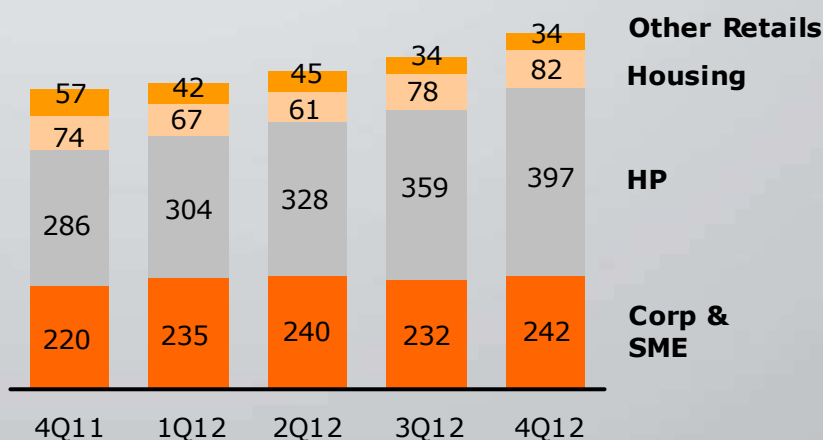
Assets (BTHB)



Loans Breakdown (Percent)



Loans Breakdown* (BTHB)



Key Highlights

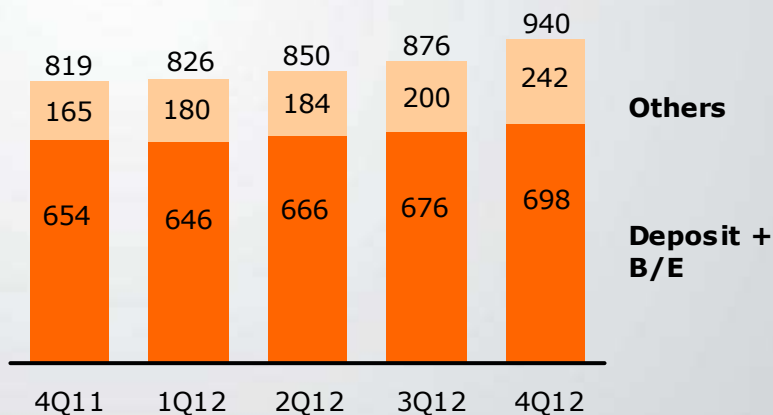
- Loans increased by 18.56% from 2011, led by HP loans
- HP significantly rose by 38.57% from 2011 with 209 BTHB of new lending in 2012, up 65.44% yoy
- As we focus on retail banking, retail loans have grown and now accounted for 68% while corporate and SMEs accounted for 32% at the end of 2012
- Performing loans grew by 19.81% from 2011

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

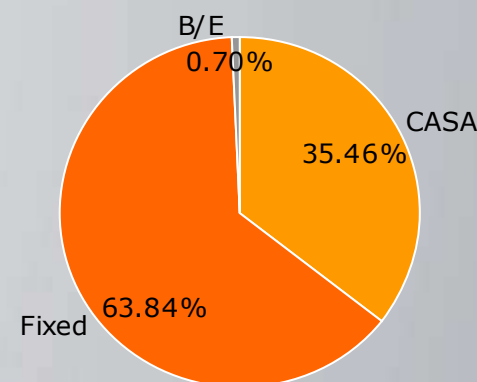
Group Liabilities

Business as Usual

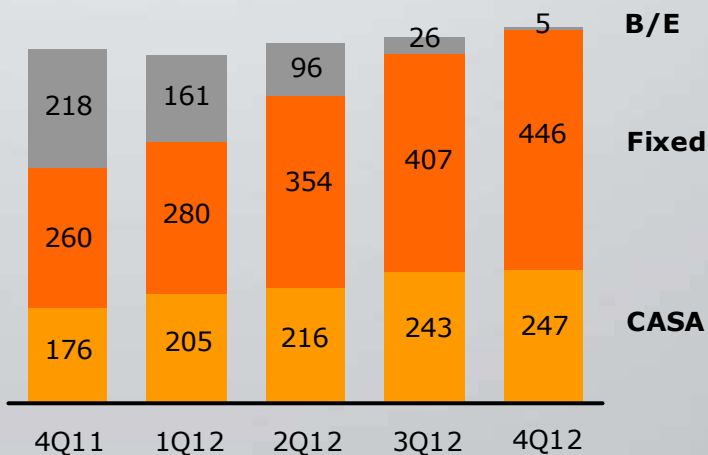
Liabilities (BTHB)



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 2012, CASA accounted for 35.46% while B/E and Fixed accounted for 0.70% and 63.84% respectively

Source: Company data

2012 Financial Highlights

NPL Management

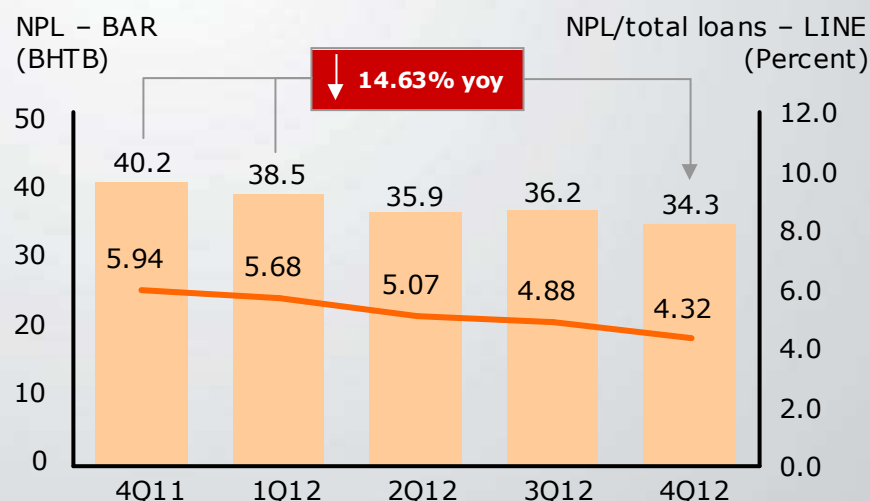


Group NPLs

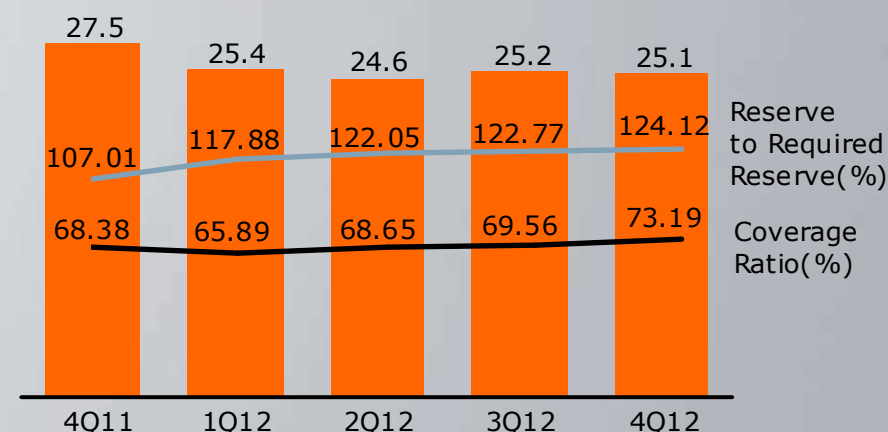
NPLs have been well controlled by the asset management companies under the Group

NPL Management

Group's NPL vs. NPL to Total Loans



Group's Reserve (BTHB)



Highlights

- At the end of 2012, NPLs of the Group decreased by 5,881 MTHB from the end of last year.
- NPL ratio was at 4.32%, a decrease from 5.94% 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 107.01% to 124.12%, due to the implementation of Collective Approach for the impairment loss of HP loans calculation and also efficient NPL management
- Coverage ratio also increased from 68.38% to 73.19%

Comparison to Targets

Business as Usual

Performance parameters		2011A	2012F	2012A
Profitability	ROE	13.66%	12.50-15.00%	13.60%
	ROA	1.00%	1.10%	1.04%
	Spread	2.76%	2.6-2.8%	2.46%
	Non-interest Income Ratio*	30.38%	30.00%	35.70%
	Cost to Income Ratio*	59.96%	55.00%	59.88%
Loans	Loan Growth	4.50%	10.00%	18.56%
Asset	Asset Size	0.90 TTHB	1.00 TTHB	1.02 TTHB
Asset Quality	NPL Ratio	5.94%	4.50%	4.32%
	Credit Cost	0.31%	0.50%	0.36%

Note: *Net of insurance expenses

Source: Company data

2012 Financial Highlights

***Capital Planning &
Liquidity***

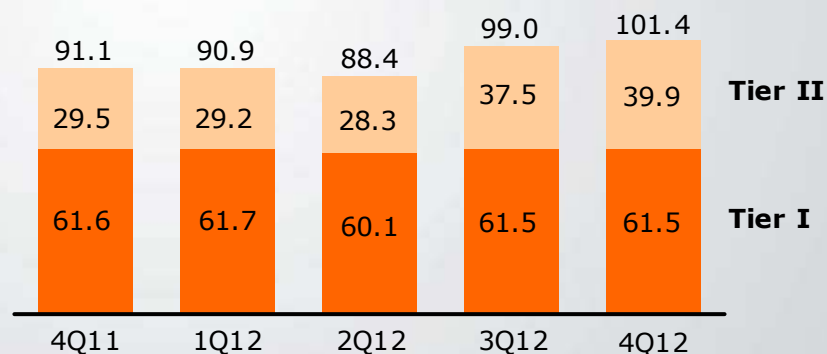


Capital Adequacy

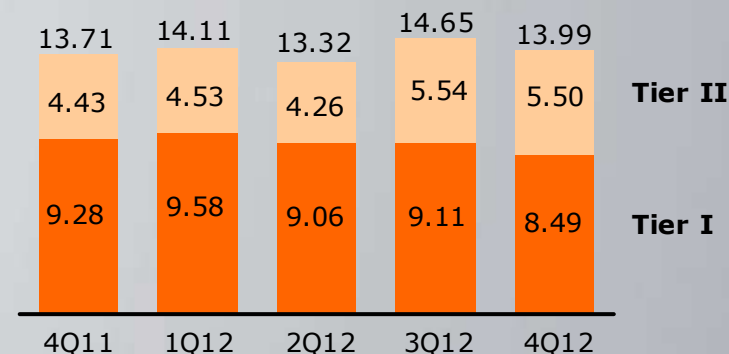
Since 1 Oct 2011, the capital consideration has deducted goodwill from Tier I and included subdebts transferred from SCIB in Tier II

Capital Planning & Liquidity

TBANK's Capital (Solo Basis) (BTHB)

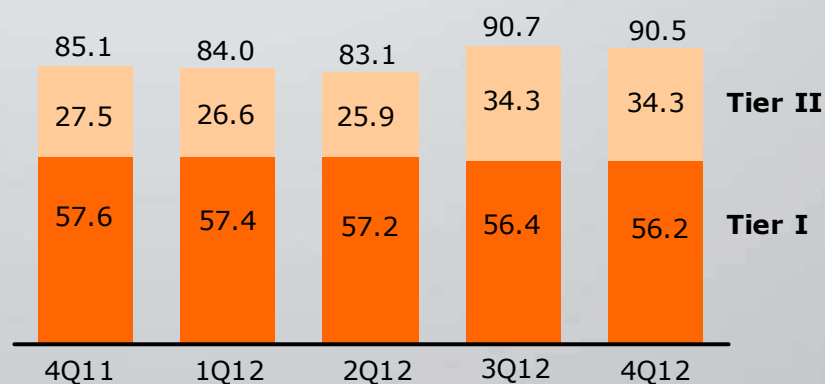


TBANK's BIS Ratio (Solo Basis) (Percent)

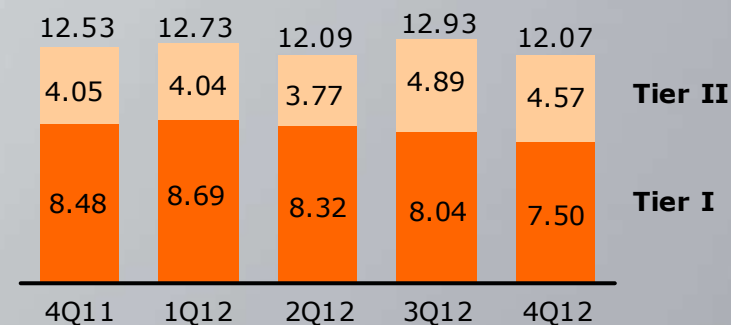


If profit is included, Tier I and BIS ratio of 2012 would be 9.24% and 14.74% respectively

TCAP's Capital (Full Consol.) (BTHB)



TCAP's BIS Ratio (Full Consol.) (Percent)



If profit is included, Tier I and BIS ratio of 2012 would be 8.47% and 13.39% respectively

Loan to Deposit

Capital Planning & Liquidity

Loans to Deposits Ratio (Percent)



Loan to Deposit

- LD Ratio including B/E was above 100% at the end of 2012, however, if we include debentures of 70,000 MTHB, LD Ratio including B/E and debentures would be at 96.63%.
- LD Ratio has been increasing due to the aggressive loan growth in 2012
- Some part from expected gain on divesting TLIFE will be used to support loan growth in 2013

2013 Business Directions and Financial Targets



2013 Focuses

2012

- Volume (loan growth)
- Platforms implementation
- NPL reduction
- Zero growth on operating expenses

2013

- Profitability
 - High yield loans
 - Increase CASA
 - Leverage more from platforms
- Cost controlled

2013 Business Directions

	Directions	Action Plans
Interest Income	<ul style="list-style-type: none"> • Increase focus on high yield loans i.e. SME S, CYC, and mid-cap corporate 	<ul style="list-style-type: none"> • Speed up loan approval process from improved Loan Origination System and more efficient risk control • Focus on retention rate and product bundling • Leverage BNS platform and expertise
Non-interest Income	<ul style="list-style-type: none"> • Increase revenue from non-interest income 	<ul style="list-style-type: none"> • Cross-selling from improved CEM • Bancassurance commissions from the strategic partnership
Interest Expenses	<ul style="list-style-type: none"> • Increase CASA ratio 	<ul style="list-style-type: none"> • Increase penetration of CASA among existing customers • New product launches with aggressive advertising
Operating Expenses	<ul style="list-style-type: none"> • Cost controlled 	<ul style="list-style-type: none"> • Better management of fixed cost by minimizing operational redundancy
Capital	<ul style="list-style-type: none"> • Maintain capital adequacy ratio at approximately 15% 	<ul style="list-style-type: none"> • Retained earning accumulation • Effective management of Tier II capital

Source: Company data

2013 Financial Targets

Performance parameters		2011A	2012A	2013F**
Profitability	ROE	13.66%	13.60%	12.50-15.00%
	ROA	1.00%	1.04%	1.10%
	Spread	2.76%	2.46%	2.50-2.70%
	Non-interest Income Ratio*	30.38%	35.70%	35.00%
	Cost to Income Ratio*	59.96%	59.88%	55.00%
Loans	Loan Growth	4.50%	18.56%	10.00%
Deposits	CASA Ratio	26.94%	35.46%	35.00-40.00%
Asset Quality	NPL Ratio	5.94%	4.32%	4.00%
	Credit Cost	0.31%	0.36%	0.60%

Note: *Net of insurance expenses, **Does not include expected gain from selling TLIFE in March 2013

Source: Company data

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
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
2012	TBANK changing platforms to be ready to compete

Key Product Offerings

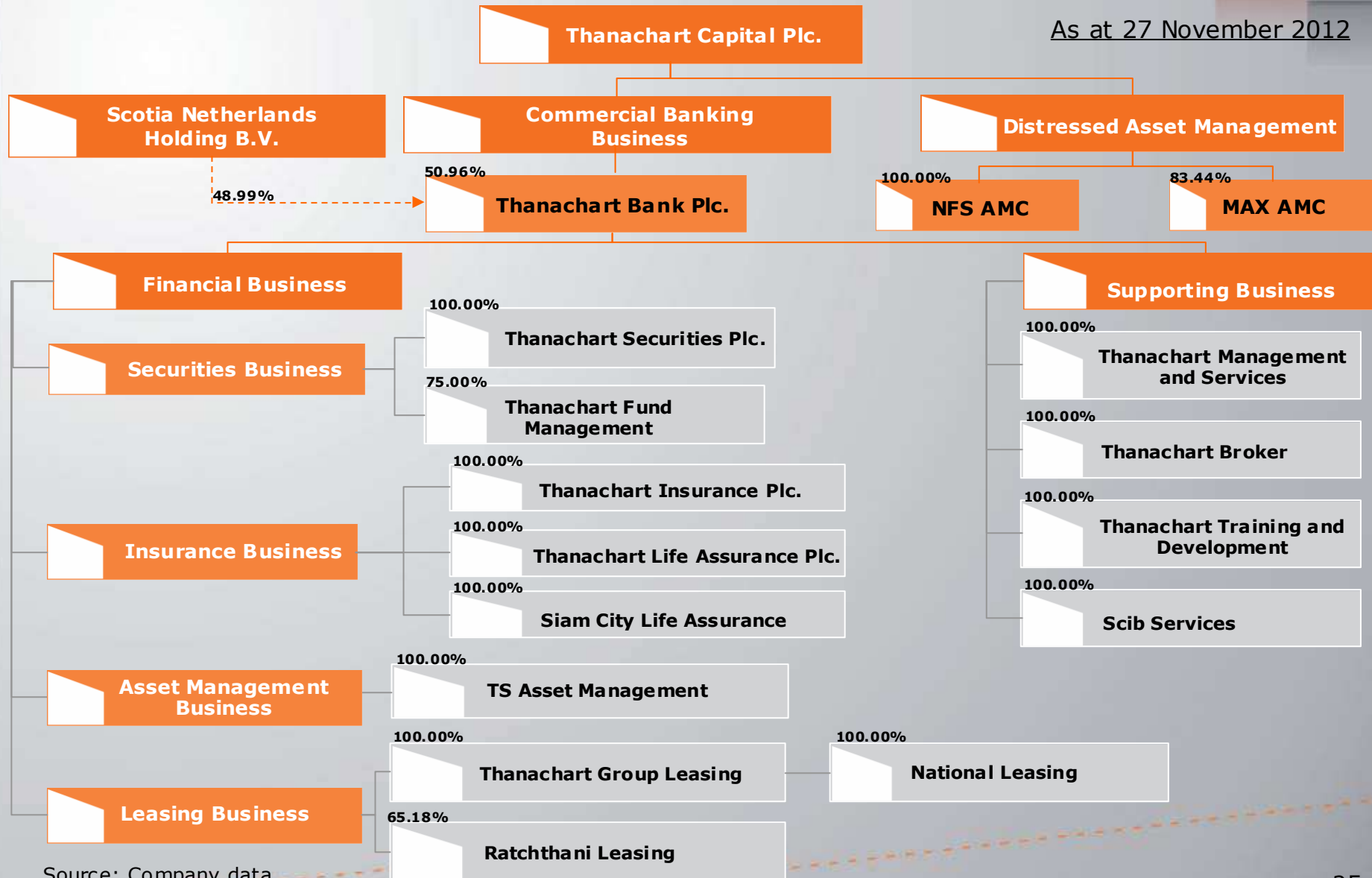
- Retail banking
 - Hire purchase (No.1 in Thailand)
 - Home loans
 - Others (personal, cards, CYC, etc.)
- Corporate & SME banking
- Distressed asset management
- Insurance
 - Life insurance
 - Auto insurance
 - Property insurance
 - Others
- Securities business
- Fund management
- Financial advisory

TBANK	2009 (Pre-SCIB)	2012 (Post-SCIB)
Customers	1.4M	4.0M
Branches	256	630
ATMs	401	2,061

Source: Company data

Group Structure

As at 27 November 2012



Source: Company data

Appendix



Subsidiaries Performance

Subsidiaries	% held by TCAP	Net Profit (Million Baht)				
		4Q11	3Q12	4Q12	2011	2012
Thanachart Bank Plc. (Consolidated)		1,228	2,091	2,274	7,671	8,221
Thanachart Securities Plc.	50.96%	31	97	152	293	458
Thanachart Fund Management	38.22%	4	44	33	89	141
Thanachart Insurance Plc.	50.96%	60	164	166	436	616
Thanachart Life Assurance Plc.	50.96%	150	621	293	770	1,715
TS AMC	50.96%	135	196	246	93	1,718
Ratchthani Leasing Plc.*	33.22%	14	154	159	205	489
NFS AMC	100.00%	156	9	53	446	460
MAX AMC	83.44%	42	26	30	120	280

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	4Q11	1Q12	2Q12	3Q12	4Q12
Interest income	11,685	11,720	12,324	12,726	13,230
Interest expense	6,098	6,113	6,160	6,683	6,809
Net interest income	5,587	5,607	6,164	6,043	6,421
Fees and service income	1,118	1,339	1,384	1,453	1,543
Fees and service expenses	299	368	362	376	383
Net fees and service income	819	971	1,022	1,077	1,160
Gain (loss) on tradings and foreign exchange transactions	174	(90)	368	179	206
Gain on Investment	616	228	222	256	147
Share of income from investment in associated	26	38	119	74	52
Dividend income	8	129	27	301	31
Gain (loss) on properties foreclosed and other assets	51	179	414	315	151
Insurance premium income	3,184	3,088	3,374	3,554	6,044
Other operating income	520	401	426	489	690
Total operating income	10,985	10,551	12,136	12,288	14,902
Insurance expenses	2,953	1,792	2,574	2,751	5,069
Net operating income	8,032	8,759	9,562	9,537	9,833
Personnel expenses	2,589	2,900	2,714	2,609	2,486
Premises and equipment expenses	785	773	818	799	834
Taxes and duties	260	233	245	228	240
Directors' remuneration	7	7	37	7	7
Other expenses	1,687	1,608	1,725	1,880	2,422
Total operating expenses	5,328	5,521	5,539	5,523	5,989
Impairment loss of loans and debt securities	(359)	(415)	(488)	(1,100)	(903)
Profit before corporate income tax	2,345	2,823	3,535	2,914	2,941
Income Tax	(823)	(712)	(748)	(580)	(422)
Net profit	1,522	2,111	2,787	2,334	2,519
Non-controlling interest	(584)	(918)	(1,078)	(1,093)	(1,181)
The Company	938	1,193	1,709	1,241	1,338

Consolidated statements of financial position	31-Dec-11	31-Dec-12
Cash	16,006	15,181
Interbank and money market items-interest	55,086	62,610
Interbank and money market items-no interest	8,146	9,564
Net Interbank and MM	63,232	72,174
Net investments	152,511	150,642
Net Investment in associated companies	1,673	1,795
Loans and receivables	676,790	813,483
Accrued interest receivables	980	1,073
Deferred revenue	(39,686)	(58,153)
Allowance for doubtful accounts	(27,286)	(24,891)
Net loans and accrued interest receivables	610,798	731,512
Properties foreclosed - net	11,560	9,915
Intangible assets - net	4,709	4,295
Goodwill	13,981	14,259
Other assets	20,687	24,329
Total assets	895,157	1,024,102
Deposits	435,865	693,421
Interbank and money market items-interest	58,694	85,720
Interbank and money market items-no interest	1,457	2,252
Net interbank and money market items	60,151	87,972
Debt issued and borrowings	262,653	89,506
- Short-term	218,492	23,900
- Long-term	44,161	65,606
Insurance contract liabilities	36,154	39,632
Other liabilities	24,653	29,781
Total liabilities	819,476	940,312
Company shareholders' equity	38,259	42,772
Non-controlling interest	37,422	41,018
Shareholders' equity	75,681	83,790
Total liabilities & shareholders' equity	895,157	1,024,102

Source: Company data



Investor Relations

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