

Analyst Meeting

Statements Unaudited

As of 30 June 2014

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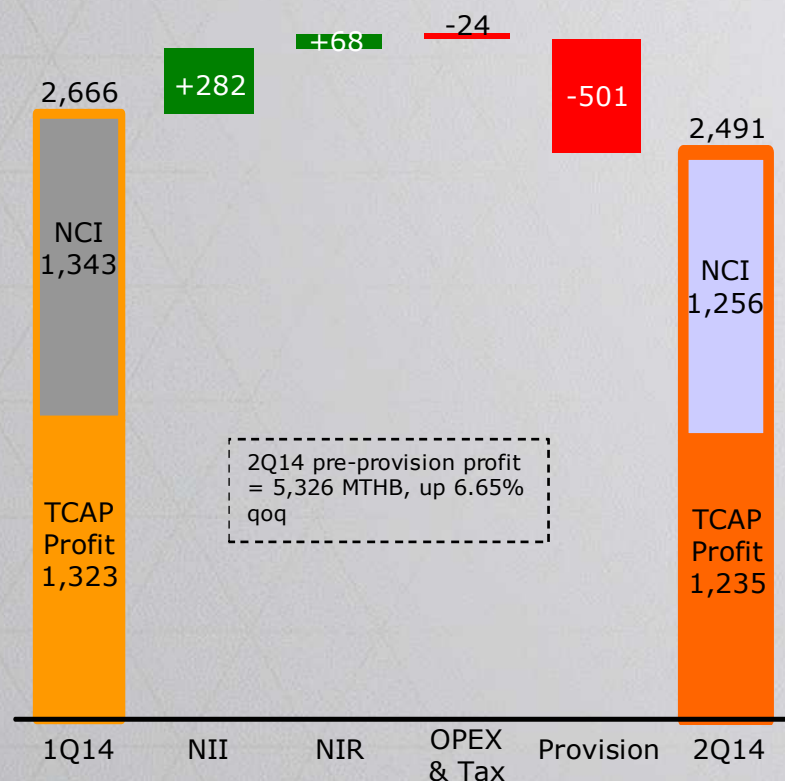
In the second quarter of 2013, Thanachart Bank sold shares of Thanachart Life Assurance to Prudential Life Assurance. The Group realized gain from sale of 12,281 million baht and also set aside 5,380 million baht in special provision. These 2 transactions were considered as significant extraordinary items and so would be excluded from the operating results of the second quarter of 2013 in this presentation.

2Q14 Financial Highlights

Business as Usual

Profit Movement

Movement of Total Profit 2Q14 VS 1Q14 (MTHB)



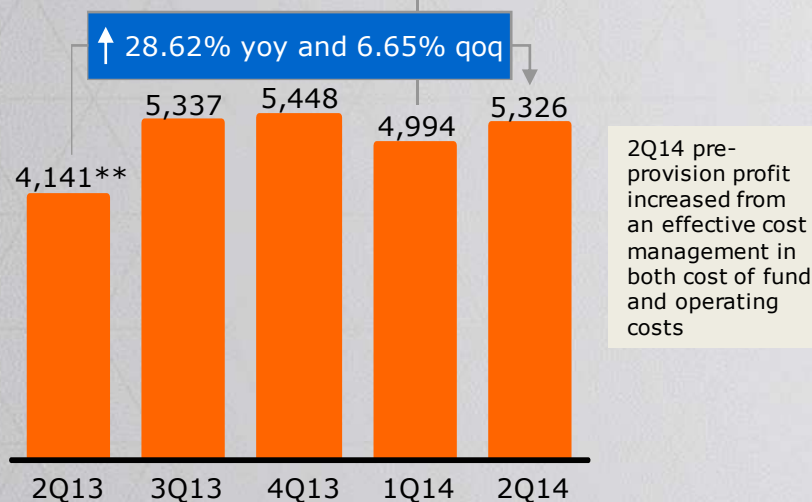
Highlights QoQ

- TCAP profit decreased by 6.65% qoq
- Pre-provision profit increased by 6.65% qoq
- NII increased by 4.17% from a decrease in interest expenses of 8.83%
- Spread improved from 2.45% to 2.64%
- NIR increased by 2.25% from gains on investment, dividend income, and net insurance premium income
- OPEX increased slightly by 0.38% from efficient cost control
- Provision increased by 30.24% from HP portfolio

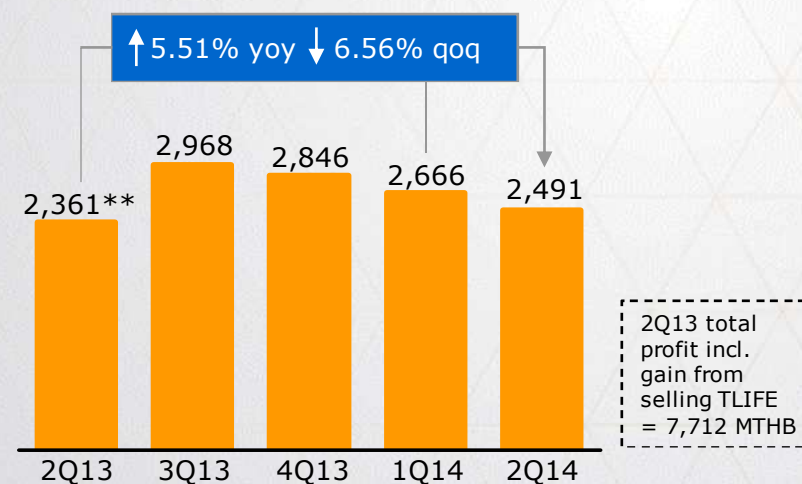
Group Profitability

Business as Usual

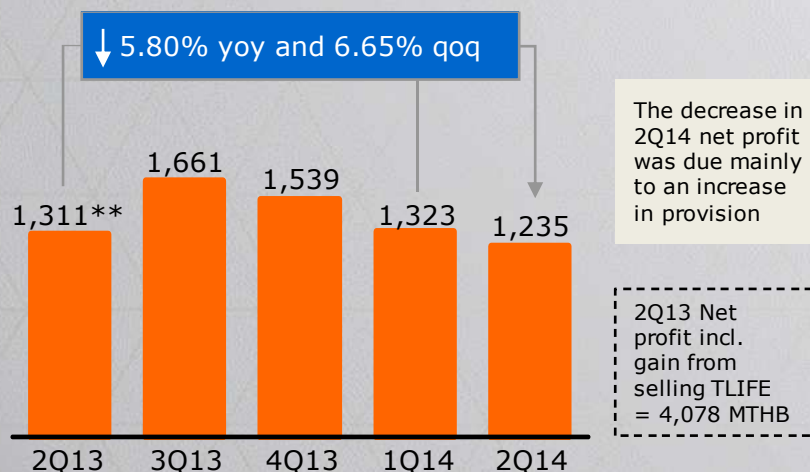
Pre-Provision Profit (MTHB)



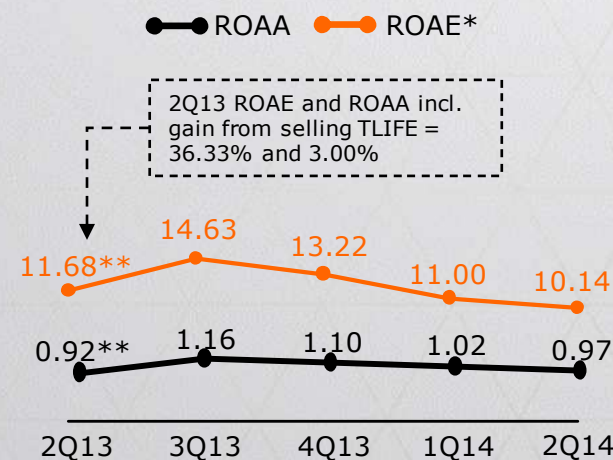
Total Profit (MTHB)



Net Profit of TCAP (MTHB)



ROAA and ROAE* (Percent)

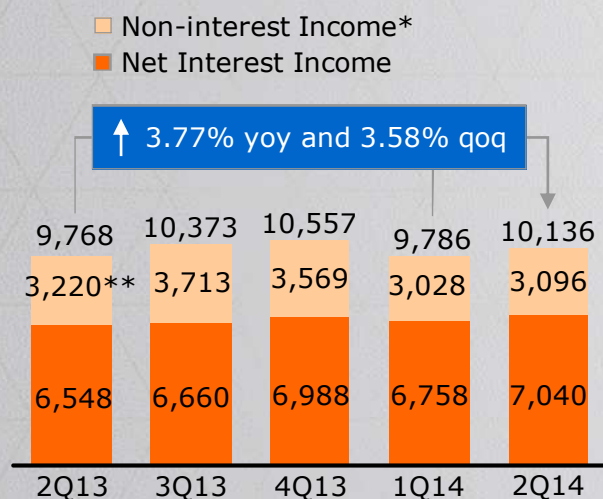


Note: *Excluding non-controlling interest **Excluding gain on sale of TLIFE; Source: Company data

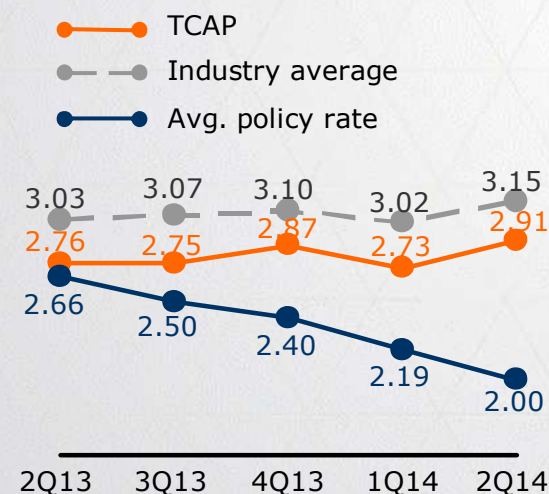
Group Income and Margin

Business as Usual

Total Income (MTHB)



Net Interest Margin (Percent)



Highlights

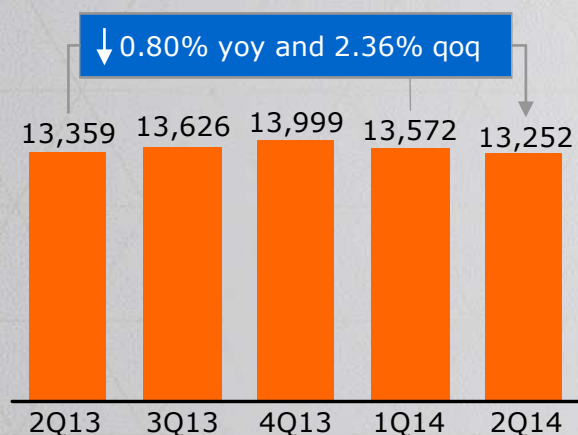
- 2Q14 total income increased by 350 MTHB or 3.58% qoq from:
 - Net interest income increased by 282 MTHB or 4.17% from a decrease in interest expenses by 8.83% as a policy rate cut by the BOT in the end of 1Q14
 - Non-interest income increased by 68 MTHB or 2.25% from an increase in operating income while net fees and service income decreased
- 2Q14 net interest margin improved by 18 basis points from 2.73% in 1Q14 to 2.91%. The improve was from a substantial reduction in interest expenses

Note: *Net of insurance expenses and include profit from discontinued operations **Excluding gain on sale of TLIFE;
 Source: Company data

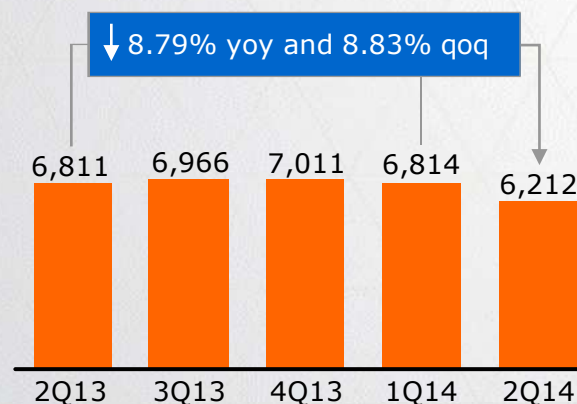
Group Interest Income & Expenses

Business as Usual

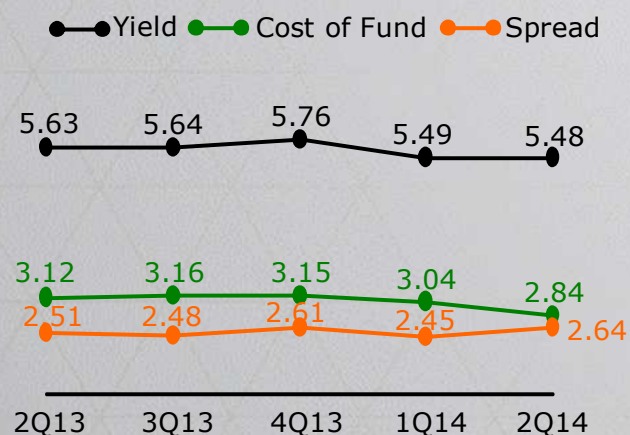
Interest Income (MTHB)



Interest Expenses (MTHB)



Yield, Cost of Fund, and Spread (Percent)



Highlights

- 2Q14 interest income decreased by 320 MTHB or 2.36% qoq. This was mainly from a contraction in hire purchase loans portfolio which decreased by 10 BTHB qoq
- 2Q14 interest expenses decreased by 602 MTHB or 8.83% qoq. This was from the policy rate cut by the BOT as mentioned and an effective liquidity management
- 2Q14 spread widened qoq, due to a 20 basis points reduction in cost of fund while yield maintained

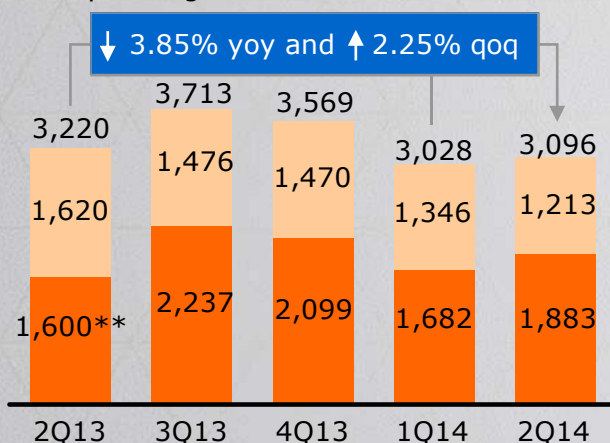
Source: Company data

Group Non-interest Income

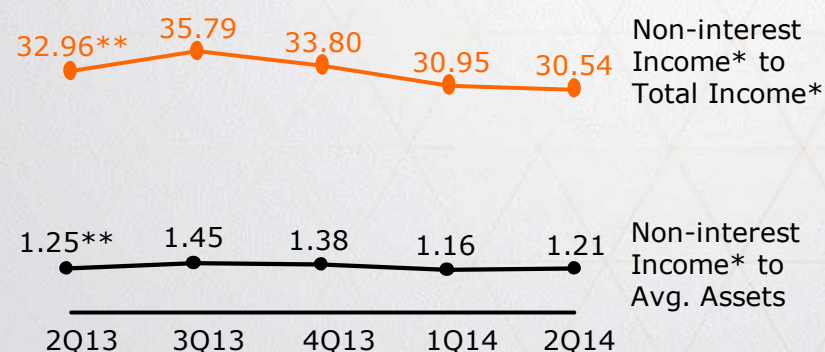
Business as Usual

Non-interest Income (MTHB)

Net Fees & Service Income
Operating Income*



Ratios of Non-interest Income* (Percent)



Highlights

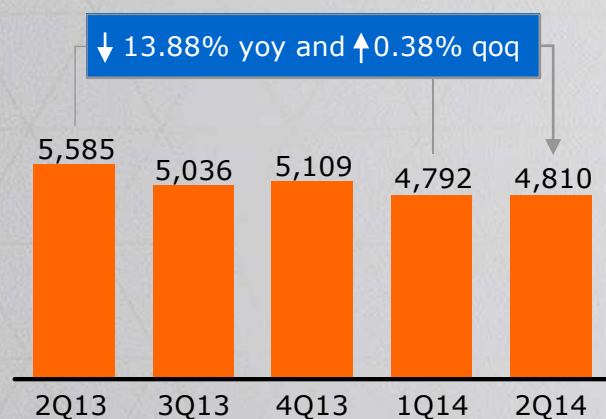
- 2Q14 non-interest income increased by 68 MTHB or 2.25% qoq from:
 - Net fees and service income dropped by 133 MTHB or 9.88% mostly from a decrease in banking fees while brokerage fees increased in line with market recovery.
 - Operating income increased by 201 MTHB or 11.95%. The increase was due to an increase in gains on investment from selling debts investments, an increase in dividend income from investments, and an increase in net insurance premium income from launching new products that could attract customers

Note: *Net of insurance expenses and include profit from discontinued operations
 **Excluding gain on sale of TLIFE; Source: Company data

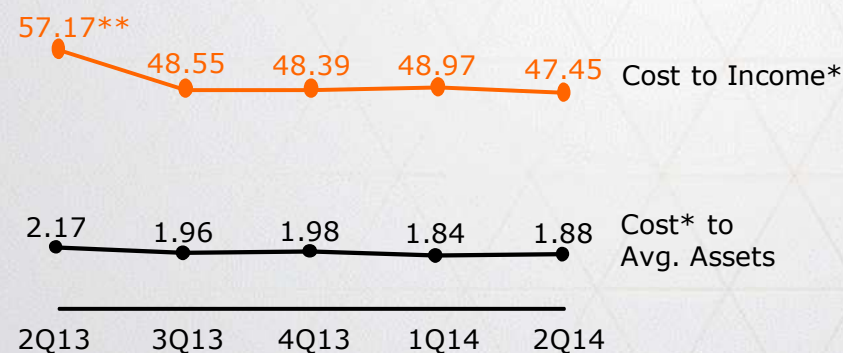
Group Operating Expenses

Business as Usual

Operating Expenses (MTHB)



Ratios of Operating Expenses* (Percent)



Highlights

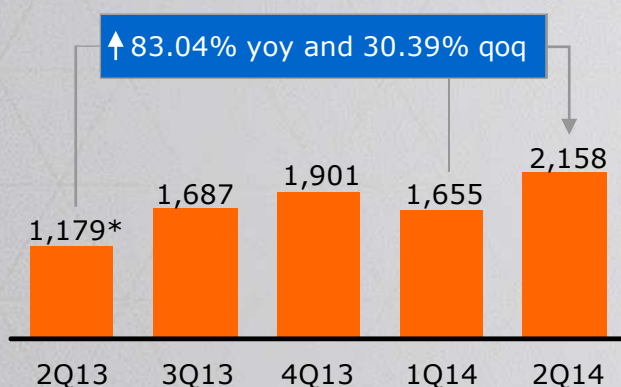
- 2Q14 operating expenses slightly increased by 18 MTHB or 0.38% qoq from an efficient control in both fixed costs and variable costs
- 2Q14 cost to income ratio declined to from 48.97% to 47.45% from higher income
- 2Q14 cost to average assets increased to 1.88%

Note: *Net of insurance expenses and include profit from discontinued operations
 **Excluding gain on sale of TLIFE; Source: Company data

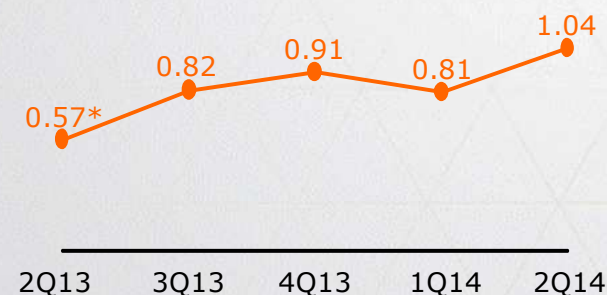
Group Provision Expenses

Business as Usual

Impairment Loss of Loans (MTHB)



Credit Cost (Percent)



Highlights

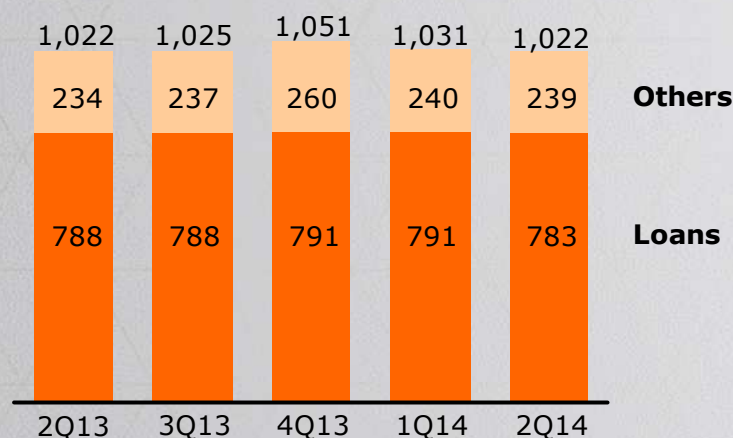
- 2Q14 impairment loss of loans increased by 503 MTHB or 30.39% qoq. This was mainly due to the economic slowdown since 2H13 which resulted in an increase in hire purchase non-performing loans as well as a delay in debt restructuring
- 2Q14 credit cost was at 1.04%, an increase from 0.81% in 1Q14
- It is expected that in 2H14 the impairment loss of loans will decline since the Group has put more emphasis on debt restructuring and NPL management

Note: *Excluding the additional provision of 5,380 MTHB; Source: Company data

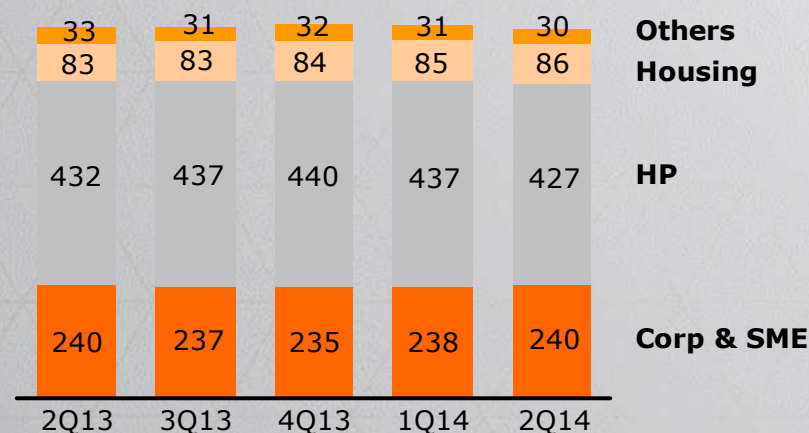
Group Assets

Business as Usual

Assets (BTHB)

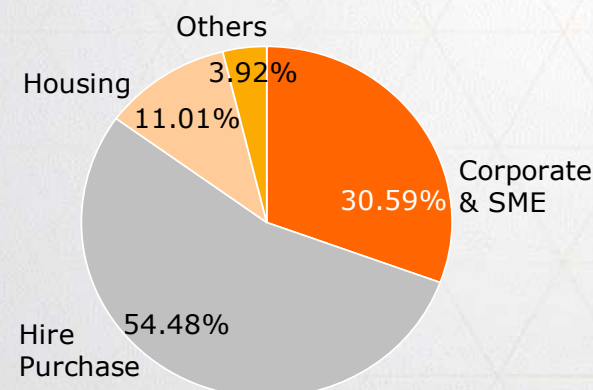


Loans Breakdown (BTHB)



Note: *Excluding THANI; Source: Company data

Loans Breakdown (30 Jun 14) (Percent)



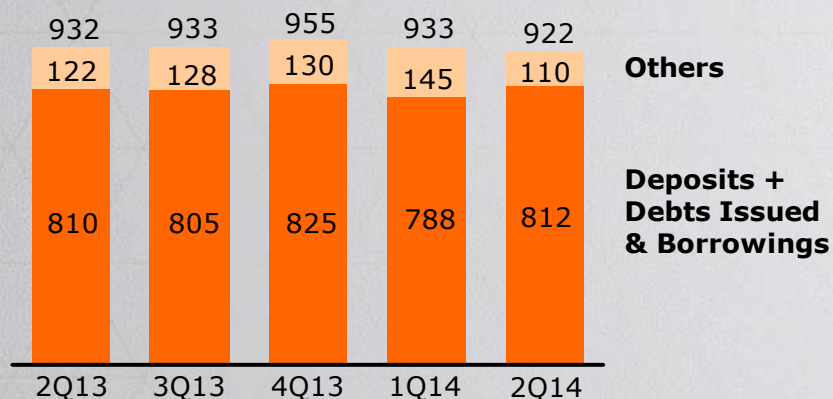
Key Highlights

- Loans decreased by 1.00% from 4Q13
- HP loans decreased by 13 BTHB from 4Q13. The decrease was due to a slowdown in car market and fierce competition from OEM
- Corporate & SME and housing loans increased from an expansion of client base into medium sized clients which are TBANK target customers
- HP portion reduced from 55.63% in 4Q13 to 54.48% in 2Q14
- Retails accounted for 69% while corporate and SMEs accounted for 31% at the end of 2Q14

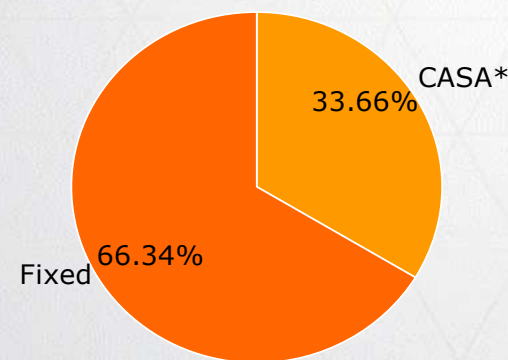
Group Liabilities

Business as Usual

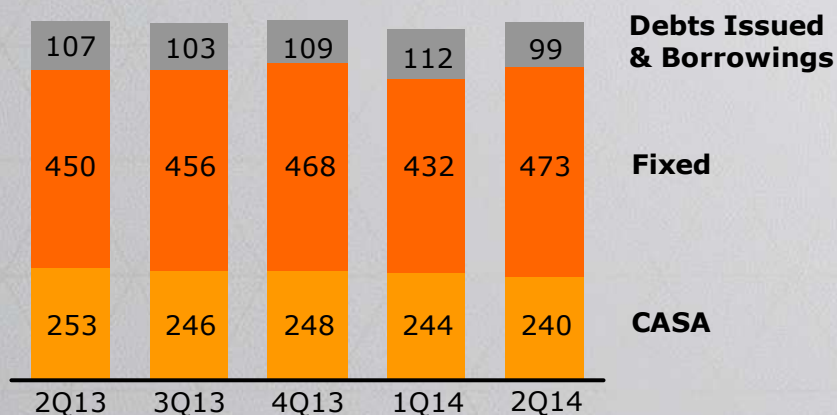
Liabilities (BTHB)



Deposits Breakdown (30 Jun 14) (Percent)



Deposits + Debts Issued & Borrowings (BTHB)



Key Highlights

- 2Q14 deposits and debt issued and borrowings decreased by 13 BTHB or 1.61% from 4Q13. This was due to the deposit restructuring and cost of fund management
- Fixed deposit increased from a successful introduction of NCD to meet liquidity requirement
- 2Q14 loans to deposits and debt issued and borrowings was at 96.46%, slightly increased from 95.87% in 4Q13
- In 2014, the Group also issued Tier 2 capital instrument under Basel III of 13 BTHB to replace the non-qualifying subdebts of 12 BTHB

Note: *CASA including debt issued and borrowings of June 2014 was at 29.56%; Source: Company data

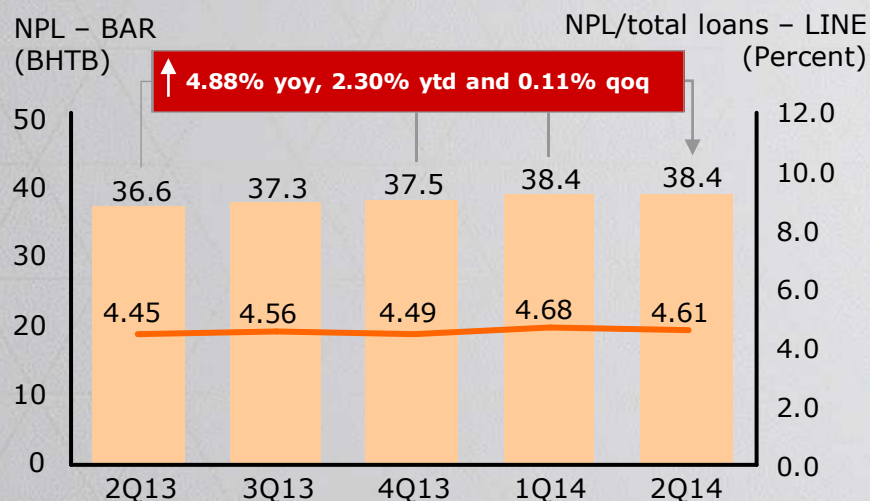
2Q14 Financial Highlights

NPL Management

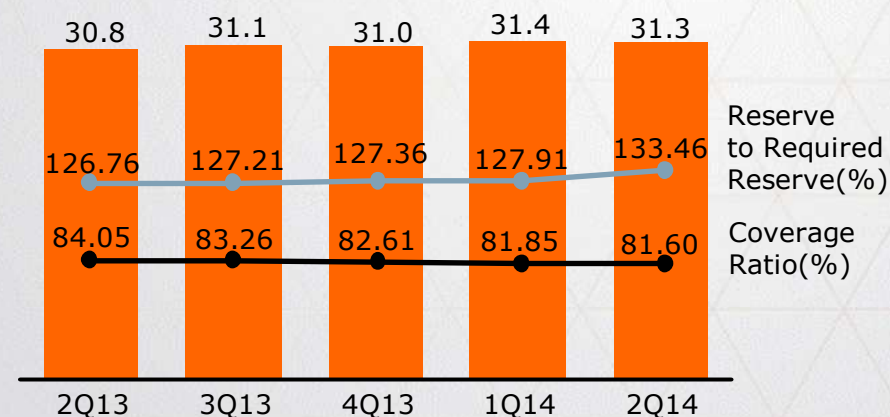
Group NPLs and Reserve

NPL Management

Group's NPL vs. NPL to Total Loans



Group's Reserve (BTHB)



Highlights

- 2Q14 NPL ratio was at 4.61%, a decrease from 4.68% in 1Q14 (the outstanding slightly increased by 42 MTHB), due to NPL management. However, NPLs in 2Q14 increased by 862 MTHB from 4Q13, due mainly to the increase in hire purchase NPLs which increased in line with market condition and economic slowdown
- The Group has still had sufficient reserve with fully collateralized
- Reserve to required reserve increased to 133.46% or 7,857 MTHB of excess reserve
- The Group has monitored and controlled its NPL very closely and has a plan to reduce the ratio to around 4.00% in this year

Source: Company data

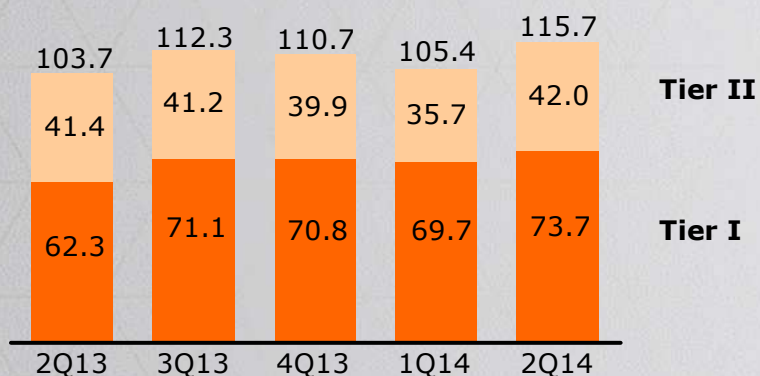
2Q14 Financial Highlights

Capital Planning

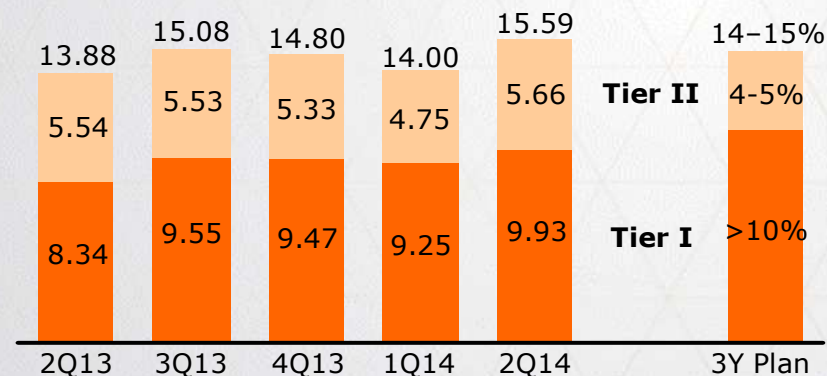
Capital Adequacy

Capital Planning

TBANK's Capital (Solo Basis) (BTHB)

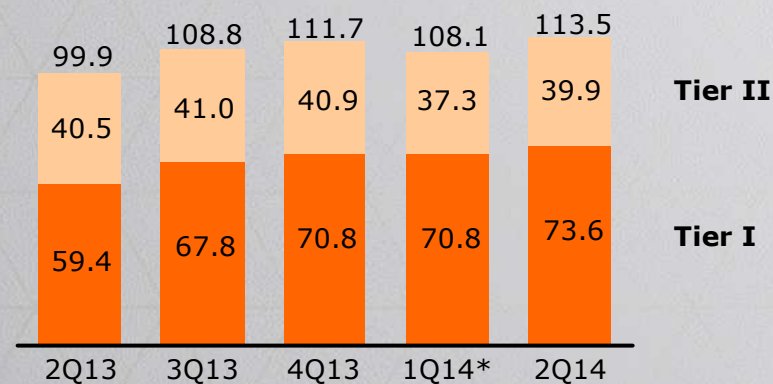


TBANK's BIS Ratio (Solo Basis) (Percent)

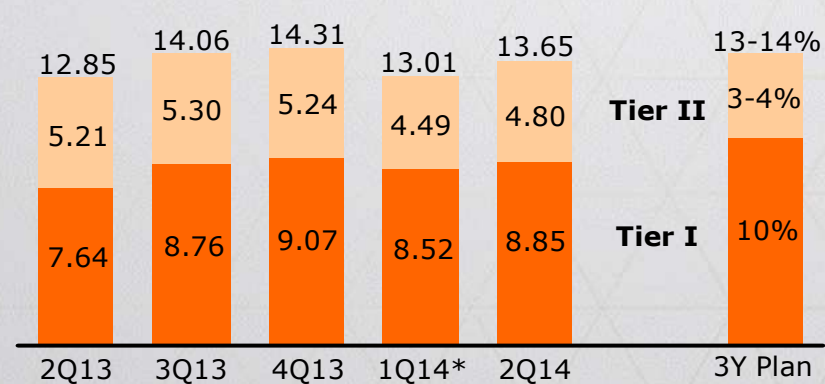


In 2Q14, TBANK has early redeemed subordinated debentures amounting to 12,000 MTHB and issued Tier 2 capital instrument under Basel III regulations amounting to 13,000 MTHB in replacement.

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



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



Note: *TCAP has implemented Basel III in the beginning of 2014
Source: Company data

Comparison to Targets

Performance parameters		2013A	2013A (excl. TLIFE)	2014F (revised)	6M14
Profitability	ROAE	20.36%	14.26%	11.00-13.00%	10.58%
	ROAA	1.65%	1.13%	1.10%	1.00%
	Spread	2.54%		2.50-2.70%	2.54%
	Non-interest Income Ratio*	50.41%	35.61%	35.00%	30.74%
	Cost to Income Ratio*	38.60%	50.13%	< 50.00%	48.20%
Loans	Loan Growth	4.75%		1.00-3.00%	-1.00%
Deposits	CASA Ratio**	34.63%		35.00%	33.66%
Asset Quality	NPL Ratio	4.49%		4.00%	4.61%
	Credit Cost	1.38%	0.73%	0.85%	0.92%

Note: *Net of insurance expenses, **CASA Ratios including debt issued and borrowings of 2013 and 2Q14 were at 30.05% and 29.56% respectively
Source: Company data

Appendix

Detailed Group's Financial Info.

Consolidated statements of comprehensive income	2Q13	3Q13	4Q13	1Q14	2Q14
Interest income	13,359	13,626	13,999	13,572	13,252
Interest expense	6,811	6,966	7,011	6,814	6,212
Net interest income	6,548	6,660	6,988	6,758	7,040
Fees and service income	2,270	2,139	2,136	2,056	1,874
Fees and service expenses	650	663	666	710	661
Net fees and service income	1,620	1,476	1,470	1,346	1,213
Gain (loss) on tradings and foreign exchange transactions	(23)	117	270	347	165
Gain on Investment	12,418	175	790	302	410
Share of income from investment in associated	97	250	48	61	59
Dividend income	29	342	60	37	108
Gain (loss) on properties foreclosed and other assets	144	168	190	197	164
Insurance premium income	1,788	1,638	1,613	1,575	1,594
Other operating income	439	600	347	341	495
Total operating income	23,060	11,426	11,776	10,964	11,248
Insurance expenses	1,053	1,053	1,219	1,178	1,112
Net operating income	22,007	10,373	10,557	9,786	10,136
Personnel expenses	2,794	2,623	2,515	2,733	2,647
Premises and equipment expenses	749	755	801	707	739
Taxes and duties	215	221	233	212	210
Directors' remuneration	42	8	10	8	48
Other expenses	1,785	1,429	1,550	1,132	1,166
Total operating expenses	5,585	5,036	5,109	4,792	4,810
Impairment loss of loans and debt securities	(6,563)	(1,687)	(1,895)	(1,657)	(2,158)
Profit before corporate income tax	9,859	3,650	3,553	3,337	3,168
Income Tax	(2,189)	(682)	(707)	(671)	(677)
Profit after tax	7,670	2,968	2,846	2,666	2,491
Profit from discontinued operations	42	-	-	-	-
Profit for the period	7,712	2,968	2,846	2,666	2,491
Net profit of the Company	4,078	1,661	1,539	1,323	1,235

Consolidated statements of financial position	31-Dec-13	30-Jun-14
Cash	17,940	12,950
Interbank and money market items-interest	60,538	55,685
Interbank and money market items-no interest	9,677	8,498
Net Interbank and MM	70,215	64,183
Net investments	147,686	138,392
Net Investment in associated companies	2,389	2,373
Loans and receivables	853,177	842,703
Accrued interest receivables	1,015	854
Deferred revenue	(62,003)	(59,468)
Allowance for doubtful accounts	(30,772)	(31,123)
Net loans and accrued interest receivables	761,417	752,966
Properties foreclosed - net	9,027	8,526
Intangible assets - net	3,844	3,617
Goodwill	16,726	16,847
Other assets	21,670	21,693
Total assets	1,050,914	1,021,547
Deposits	715,931	712,920
Interbank and money market items-interest	79,533	63,167
Interbank and money market items-no interest	1,549	1,241
Net interbank and money market items	81,082	64,408
Debt issued and borrowings	109,290	99,036
Insurance contract liabilities	15,019	14,659
Other liabilities	34,152	31,419
Total liabilities	955,474	922,442
Company shareholders' equity	47,369	49,163
Non-controlling interest	48,071	49,942
Shareholders' equity	95,440	99,105
Total liabilities & shareholders' equity	1,050,914	1,021,547

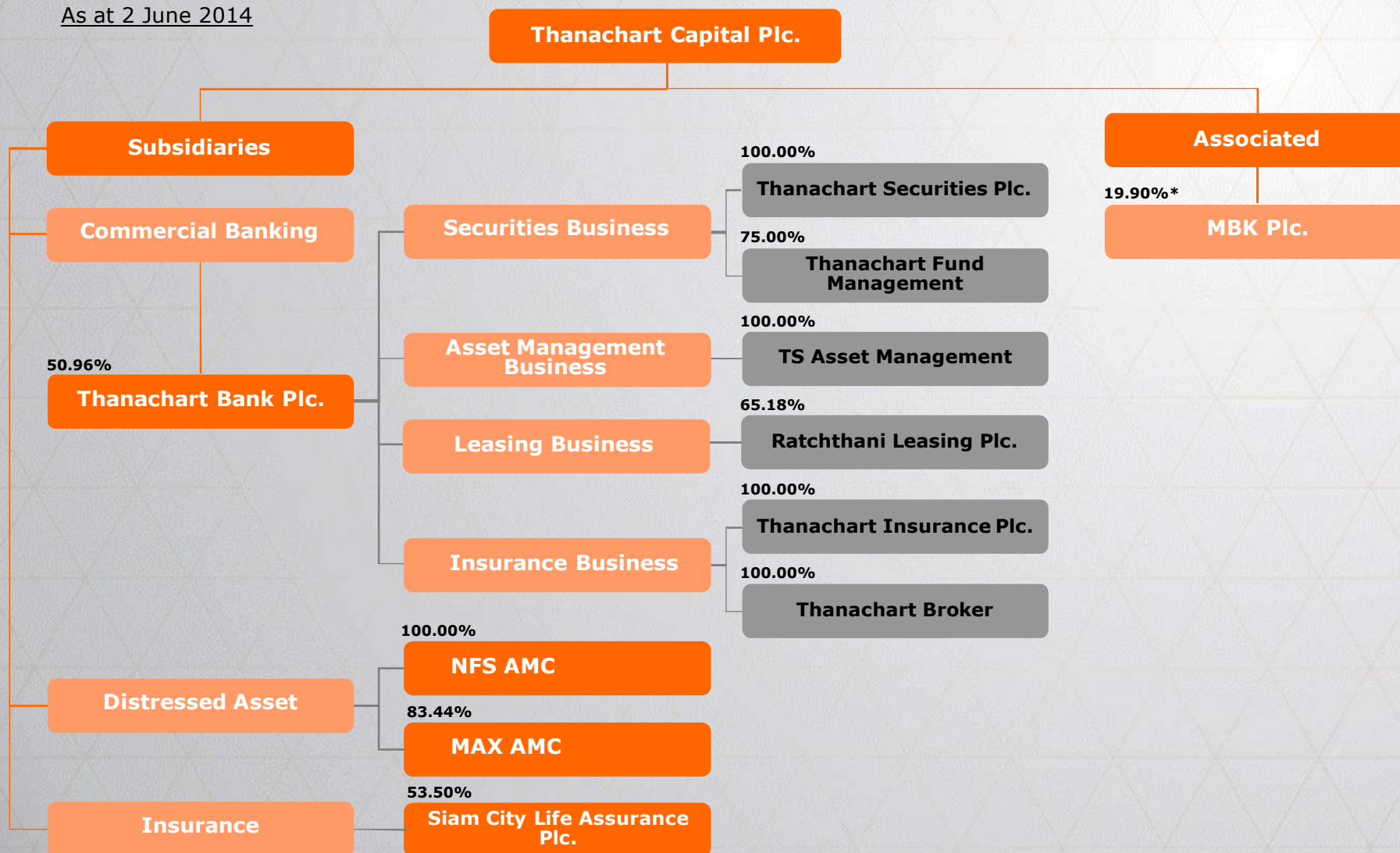
Subsidiaries Performance

Subsidiaries	% held	Net Profit (MTHB)				
		2Q13	3Q13	4Q13	1Q14	2Q14
Thanachart Bank Plc. (Consolidated)		1,977*	2,522	2,641	2,555	2,347
Thanachart Securities Plc.	100.00%	260	167	103	80	102
Thanachart Fund Management	75.00%	72	77	65	74	77
Thanachart Insurance Plc.	100.00%	203	247	245	248	303
TS AMC	100.00%	(169)	104	435	55	81
Ratchthani Leasing Plc.	65.18%	198	212	145	201	167
NFS AMC	100.00%	78	107	68	8	9
MAX AMC	83.44%	9	21	42	26	94
SCILIFE**	53.50%	-	-	-	-	11

Note: *Excluding gain on sale of TLIFE **TCAP bought SCILIFE from TBANK on 2 June 2014; Source: Company data

Main Business Structure

As at 2 June 2014



Note: *Including direct and indirect shareholding; Source: Company data

Investor Relations

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