

Analyst Meeting

Statements Unaudited

As of 31 December 2014

Contents

1

TBANK 2014 Financial Highlights

2

TGroup 2014 Financial Highlights

3

2015 Business Direction & Financial Targets

4

Appendix

2014 VS 2013

// 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 (**12,216** MTHB on TBANK consolidated level) 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 2013 in this presentation. //

Net Profit	2013	2013 (Excl. TLIFE)	2014
TGroup	17,004	11,652	10,436
TCAP	9,231	6,464	5,120
TBANK Consol.	15,385	10,101	9,922

2014 Performance Summary

TGroup

In 2014, Thanachart Group has been affected from economic slowdown and depressive HP market. However, the Group was able to adjust its business operations. Following is the key performance summary

Assets

Loans decreased from a decline in HP in line with the overall car market decline. The majority of other loan categories have increased. Thanks to effective treasury management, total assets slightly dropped and maintained at higher 1 TTHB

Key Performance

Key performance came from TBANK which is the Group core business since the distressed asset management under TCAP was affected from economic slowdown

Spread

Spread widened. This was due to an efficient management in liquidity and cost of fund and a downward trend of market rate

OPEX

Operating expenses decreased, mainly due to an effective expense utilization and an efficient cost control under the bank's policy

NPL & Coverage Ratio

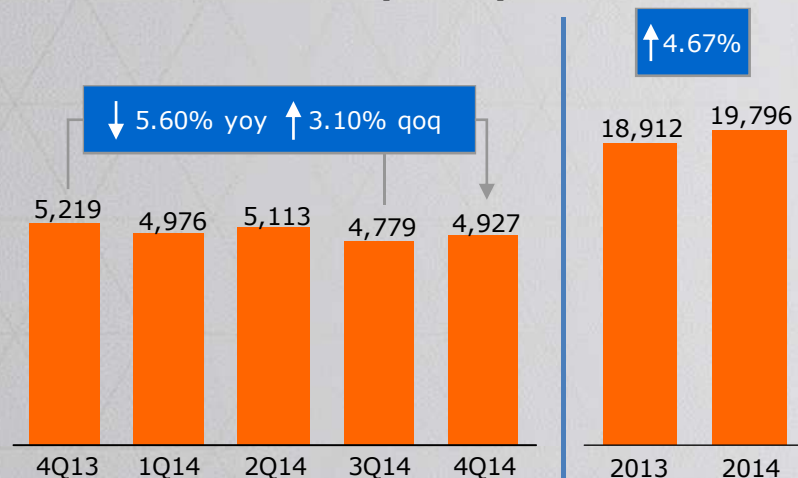
NPL ratio declined by better debt collection as well as implementing debt selling and NPL writing off. However, an efficient handling and monitoring NPL amid a slowdown economy and a depressive used car market led to an increase in coverage ratio

TBANK 2014

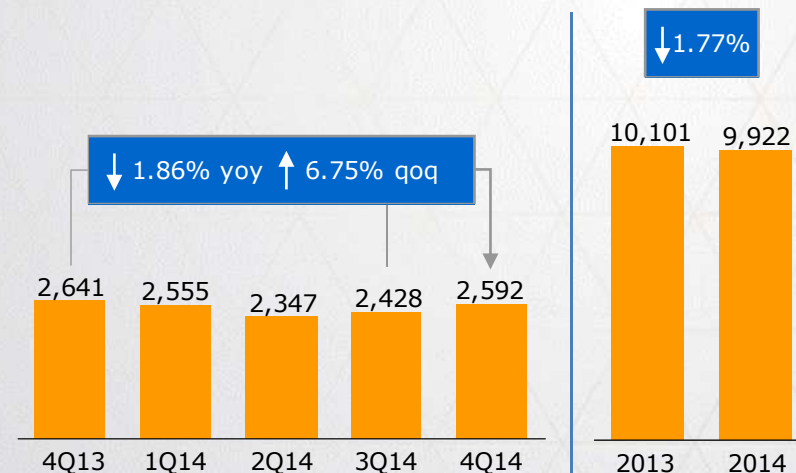
Financial Highlights

TBANK: Profitability

Pre-Provision Profit (MTHB)



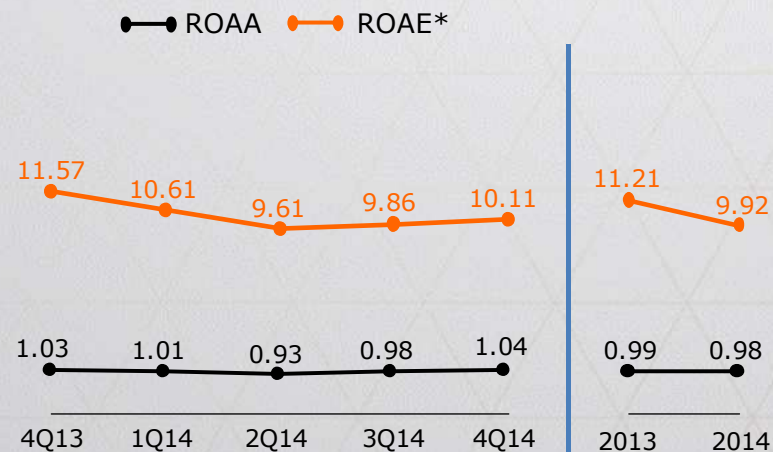
Net Profit (MTHB)*



Highlights

- 2014 pre-provision profit increased by 884 MTHB or 4.67% yoy. This was mainly from;
 - NII increased from an effective cost of fund management
 - OPEX decreased under an efficient cost control policy
 - NIR declined from decreases in brokerage fees, profit from associated company, and dividend income
- TBANK's net profit slightly decreased by 179 MTHB or 1.77% yoy

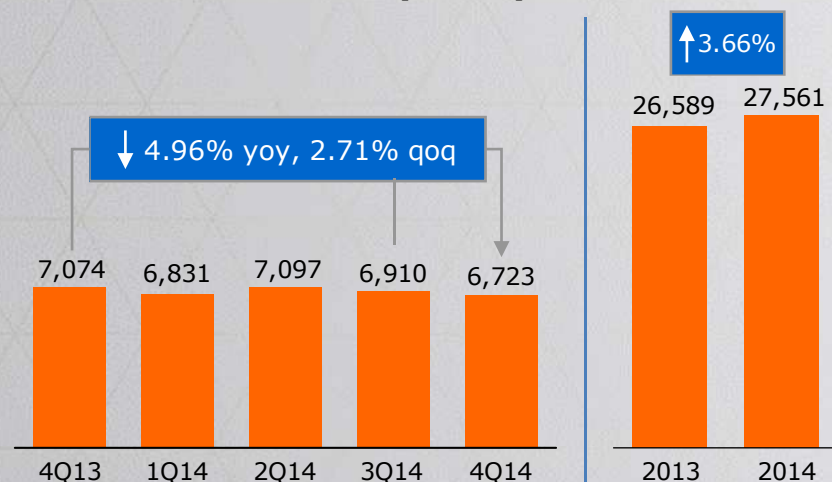
ROAA and ROAE* (Percent)



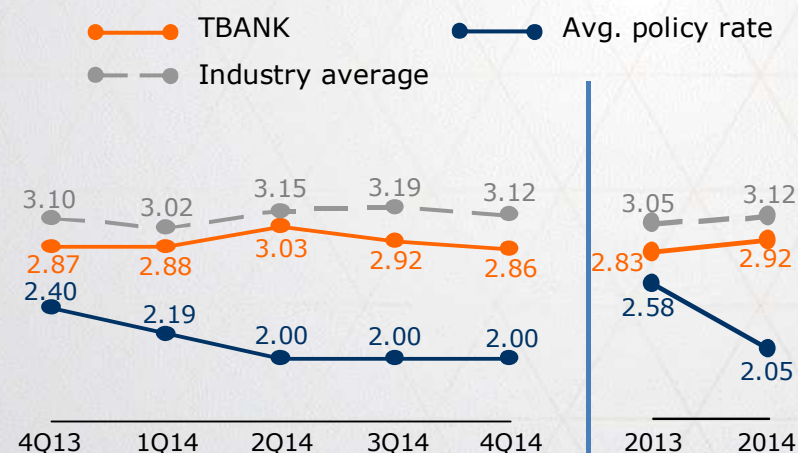
Note: *Excluding non-controlling interest; Source: Company data

TBANK: Net Interest Income

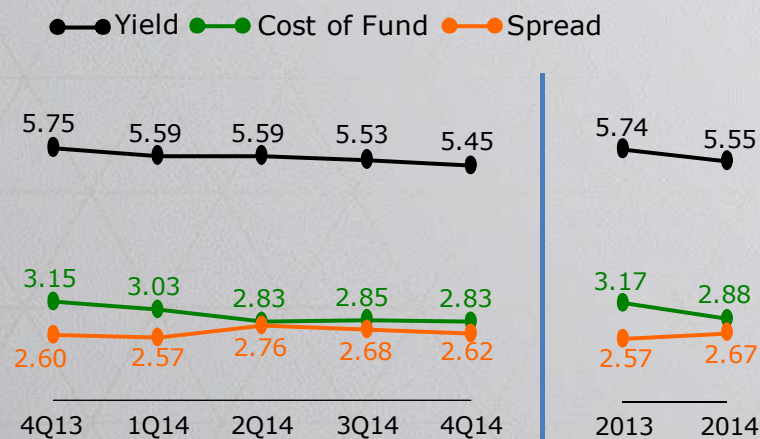
Net Interest Income (MTHB)



Net Interest Margin (Percent)



Yield, Cost of Fund, and Spread (Percent)



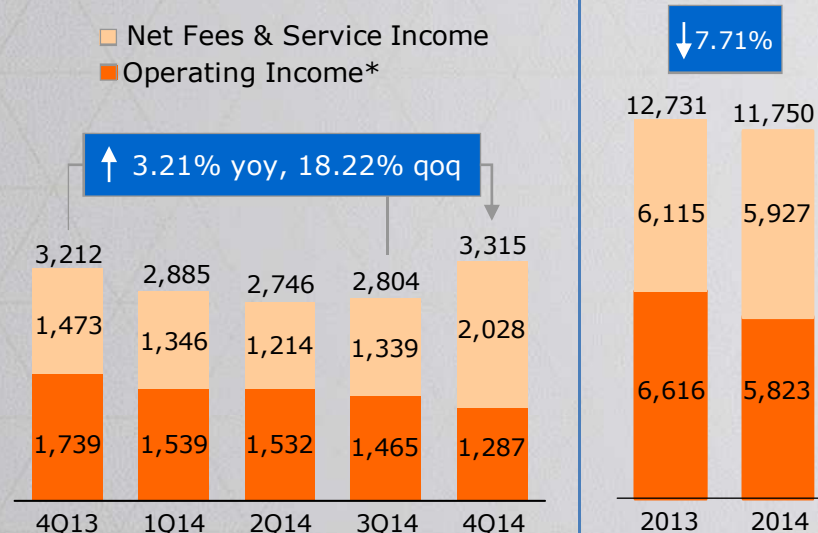
Source: Company data

Highlights

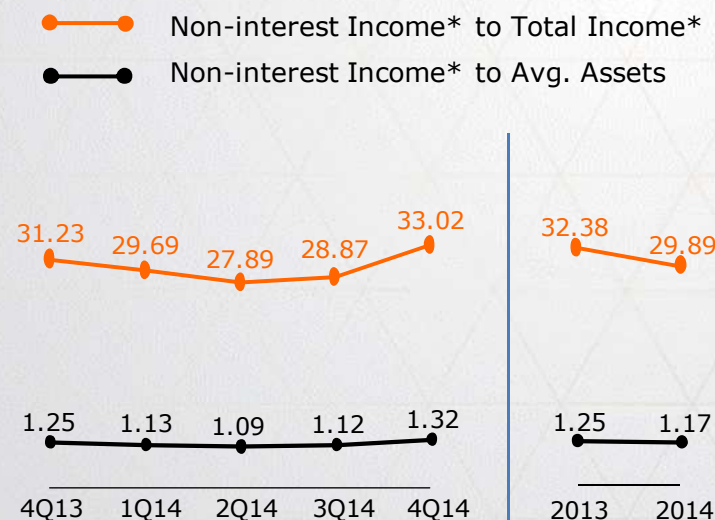
- 2014 interest income decreased by 1,434 MTHB or 2.66% yoy, due to a decrease in yield on earning asset which was in line with a downward trend of market rate
- 2014 interest expenses fell by 2,406 MTHB or 8.82% yoy, mainly from its strategy to manage liquidity and cost of fund appropriately as well as the trend of market rate
- 2014 NIM rose by 9 basis points from 2.83% in 2013 to 2.92% in 2014 while average policy rate fell from 2.58% in 2013 to 2.05% in 2014
- Spread grew by 10 basis points from 2.57% in 2013 to 2.67% in 2014

TBANK: Non-interest Income

Non-interest Income (MTHB)



Ratios of Non-interest Income* (Percent)



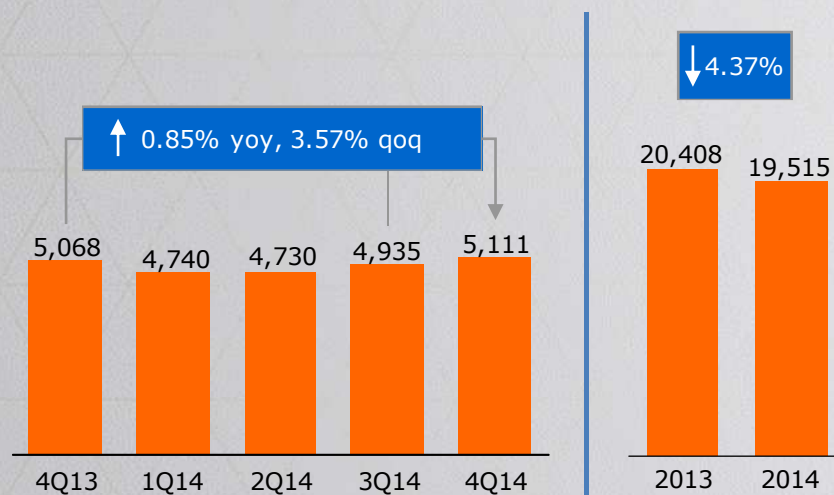
Highlights

- 2014 non-interest income declined by 981 MTHB or 7.71% yoy
- 2014 net fee & service income decreased by 188 MTHB or 3.08% yoy from a lower in brokerage fees which was in line with the less trading volume in stock market in the first half of the year
- 2014 operating income decreased by 793 MTHB or 11.99% yoy. This was due to a decrease in profit sharing from an associated company and an absence of dividend income from Vayupak fund which expired at the end of 2013
- 2014 non-interest income ratio was at 29.89% whereas non-interest income to average asset slightly decreased 8 basis points from 1.25% in 2013 to 1.17% in 2014

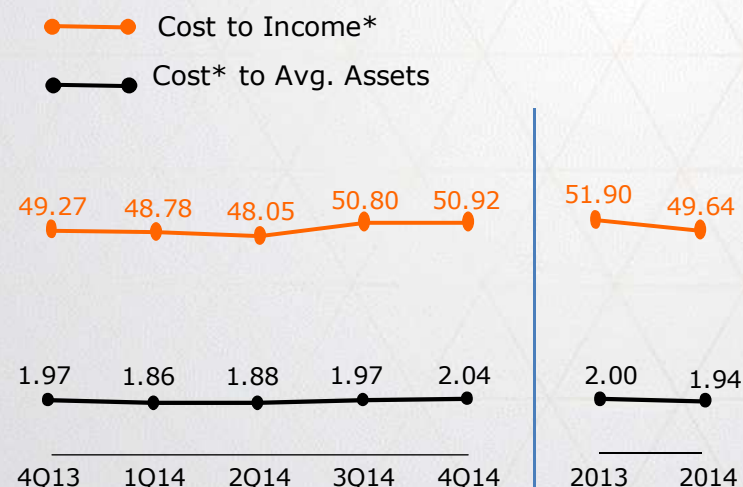
Note: *Net of insurance expenses and include profit from discontinued operations; Source: Company data

TBANK: Operating Expenses

Operating Expenses (MTHB)



Ratios of Operating Expenses* (Percent)



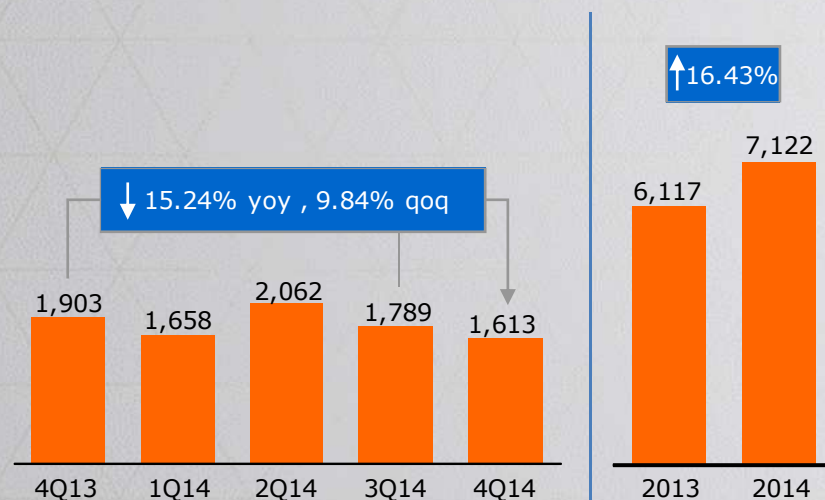
Highlights

- 2014 operating expenses decreased by 893 MTHB or 4.37% yoy. This was mainly from a decline in sale promotion and marketing expenses following a decrease in business volume
- A success in cost control and expense utilization under the strategic bank's policy led to a decrease in cost to income ratio from 51.90% in 2013 to 49.64% in 2014
- 2014 cost to average asset declined from 2.00% in 2013 to 1.94% in 2014
- The Bank however continues to progress with IT system development in order to increase the work capability and efficiency as well as improving the service quality of all branch network

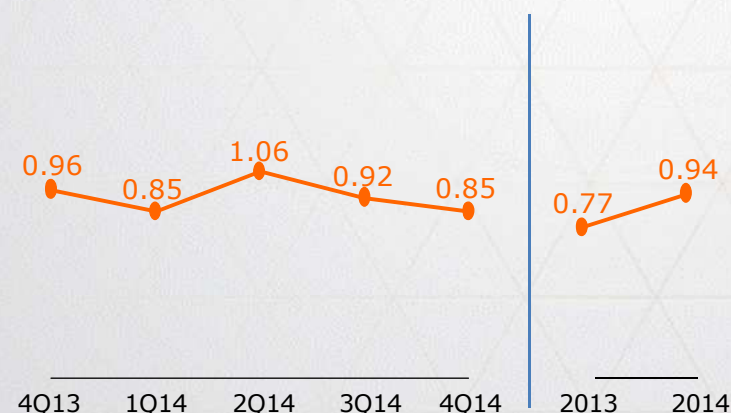
Note: *Net of insurance expenses and include profit from discontinued operations; Source: Company data

TBANK: Provision Expenses

Impairment Loss of Loans (MTHB)



Credit Cost (Percent)



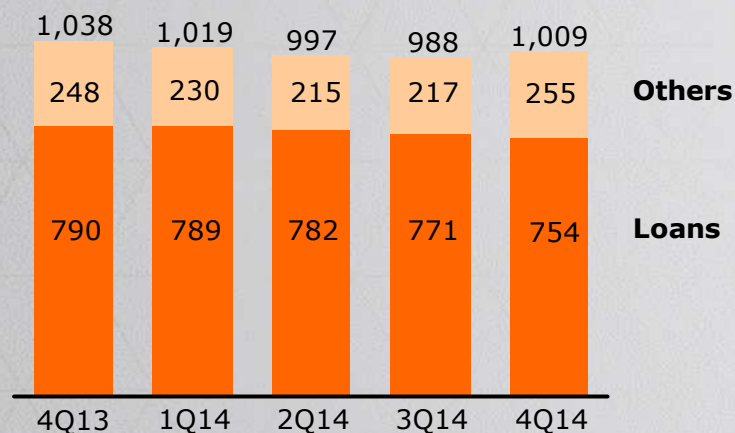
Highlights

- 2014 impairment loss of loans grew by 1,005 MTHB or 16.43% yoy from its effort on NPL management amid sluggish economy and depressive used car market
- 2014 credit cost was at 0.94%, an increase from 0.77% in 2013
- However, NPL ratio dropped to 4.09% from 4.36% in 2013

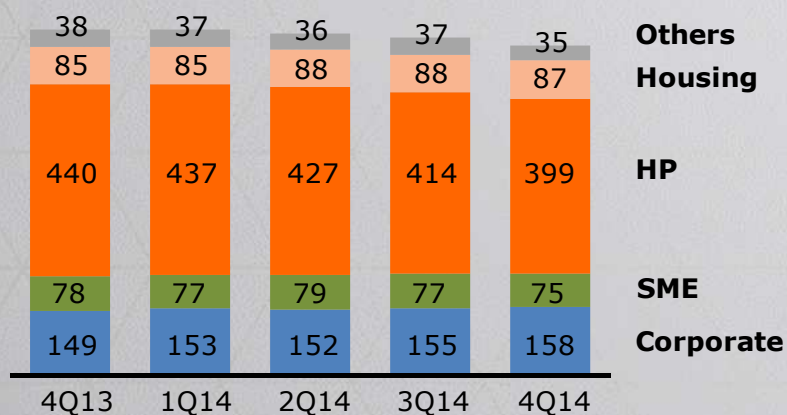
Source: Company data

TBANK: Assets

Assets (BTHB)

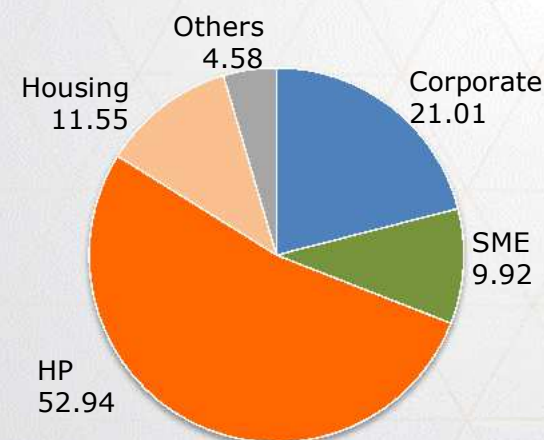


Loans Breakdown (BTHB)



Source: Company data

Loans Breakdown (31 Dec 14) (Percent)

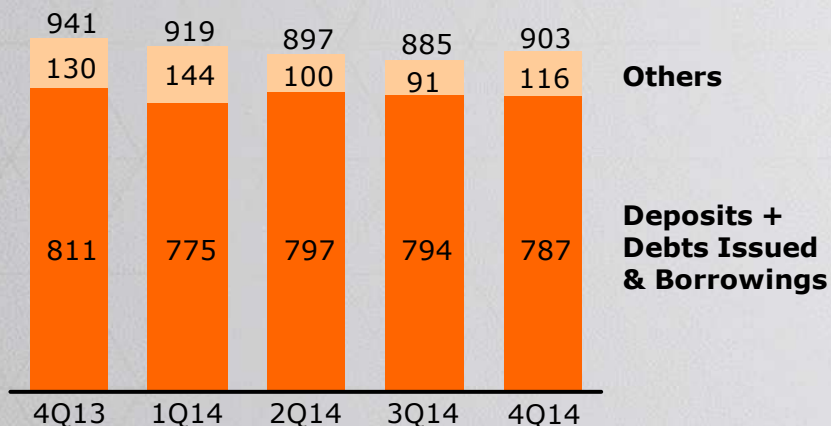


Key Highlights

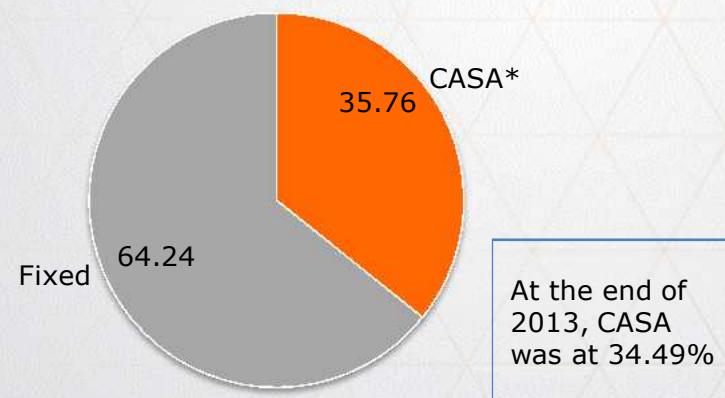
- Loans decreased by 4.51% from 4Q13
- HP loans decreased by 41 BTHB from 4Q13. The decrease was due to a slowdown in car market and fierce competition from OEM
- Corporate and housing loans increased from an expansion of client base into medium sized clients which are TBANK target customers
- HP portion reduced from 55.69% in 4Q13 to 52.94%
- Retails accounted for 69% while corporate and SMEs accounted for 31% at the end of 4Q14

TBANK: Liabilities

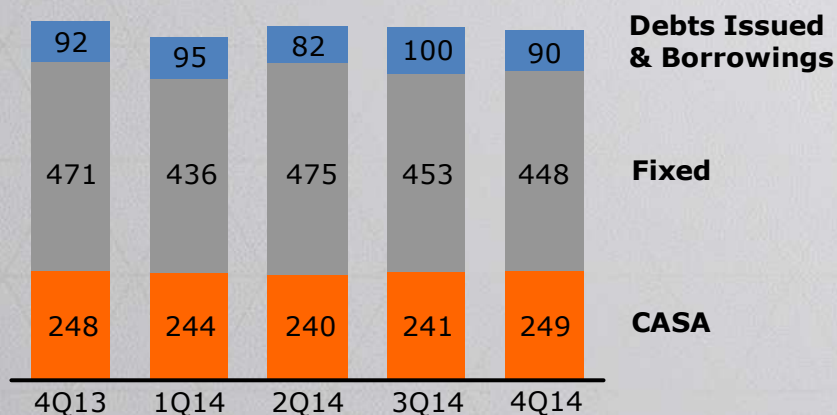
Liabilities (BTHB)



Deposits Breakdown (31 Dec 14) (Percent)



Deposits + Debts Issued & Borrowings (BTHB)



Key Highlights

- 4Q14 deposits and debt issued & borrowings decreased by 24 BTHB or 2.97% from 4Q13. This was due to the deposit restructuring and cost of fund management to be in line with a slowdown of loans
- 4Q14 loans to deposits and debt issued & borrowings was at 95.83%, decreased from 97.38% in 4Q13
- In 2014, the Bank has redeemed subordinated debentures in a total of 17,000 MTHB and replaced with 13,000 MTHB Tier II capital instrument

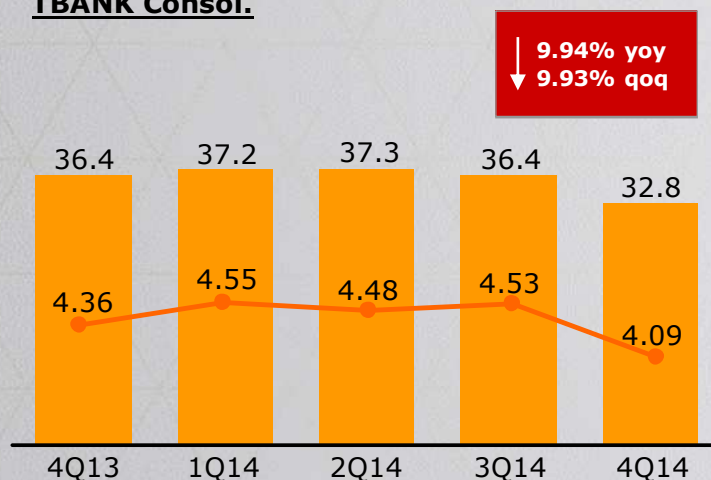
Note: *CASA including debt issued and borrowings of December 2014 was at 31.66%; Source: Company data

TBANK: NPLs and Reserve

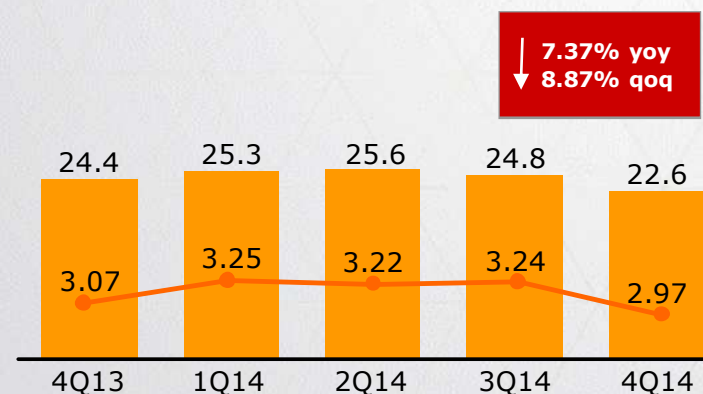
TBANK's NPL vs. NPL to Total Loans

■ NPL (MTHB) ● NPL to Total Loans(%)

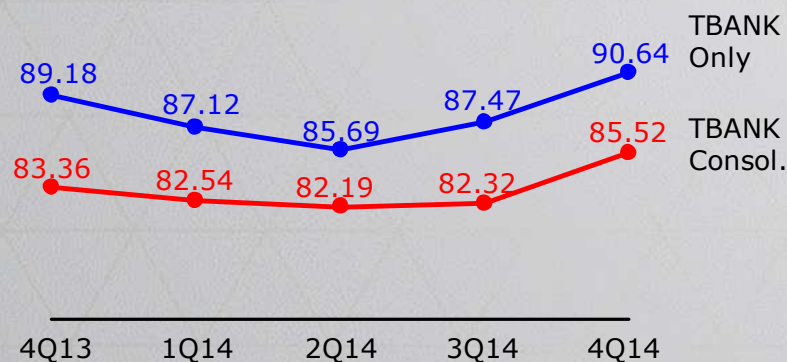
TBANK Consol.



TBANK Only



Coverage Ratio (Percent)



Source: Company data

TBANK Consol.

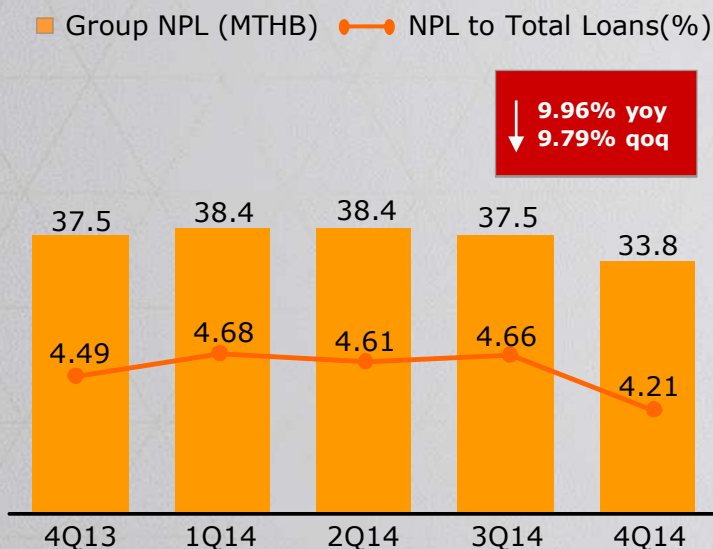
NPLs dropped **3,616** MTHB yoy with the NPL ratio of **4.09%** **excess reserve** of **7,012** MTHB

TBANK Only

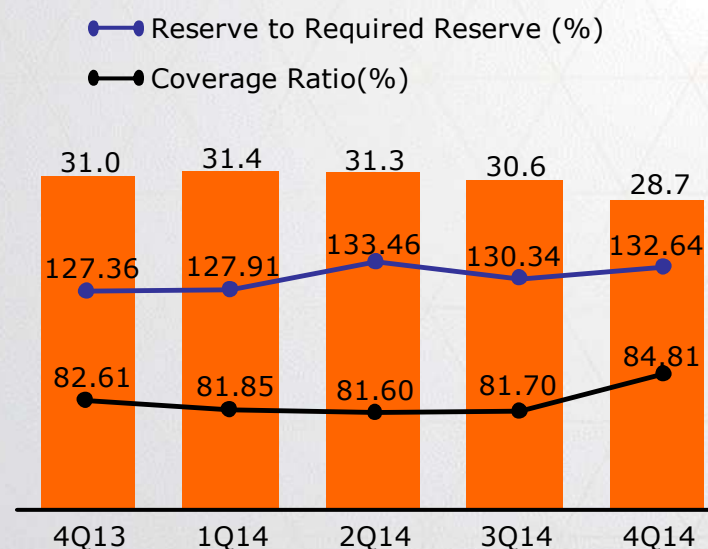
Coverage increased to **90.64%**

TGroup: NPLs and Reserve

Group's NPL vs. NPL to Total Loans



Group's Reserve (BTHB)



Highlights

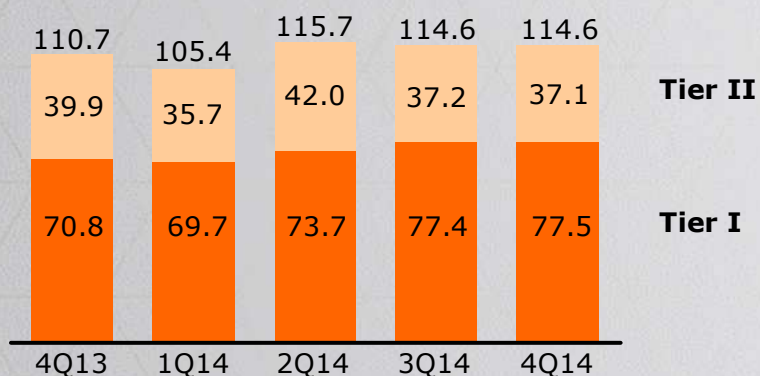
- 4Q14 NPL ratio was at **4.21%**, a decrease of **3,740** MTHB or 4.49% from 4Q13. This was due to better debt collection and NPL management through debt selling and NPL writing off
- The Group has still had sufficient reserve with fully collateralized
- 4Q14 Reserve to required reserve increased to 132.64% from 127.36% in 4Q13 with the **excess reserve** of **7,055** MTHB
- It is expected that NPL will decrease further in 2015

Source: Company data

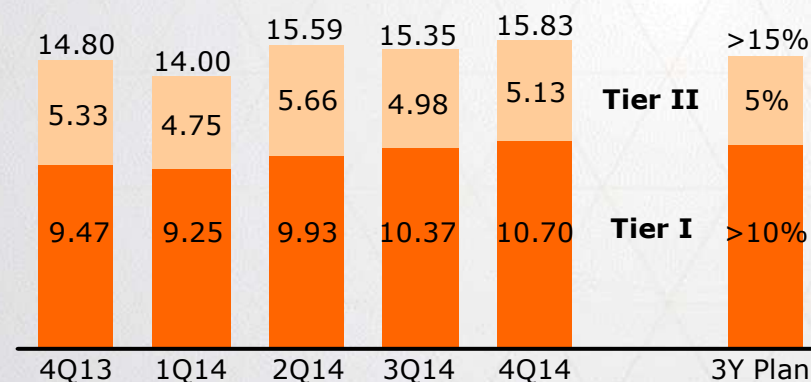
Capital Adequacy

Capital Planning

TBANK's Capital (Solo Basis) (BTHB)

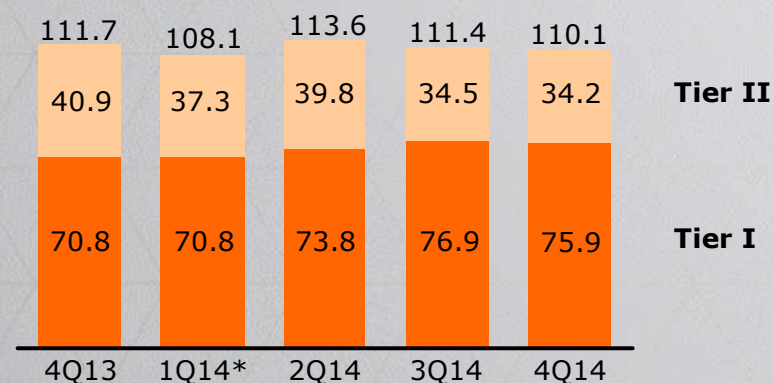


TBANK's BIS Ratio (Solo Basis) (Percent)

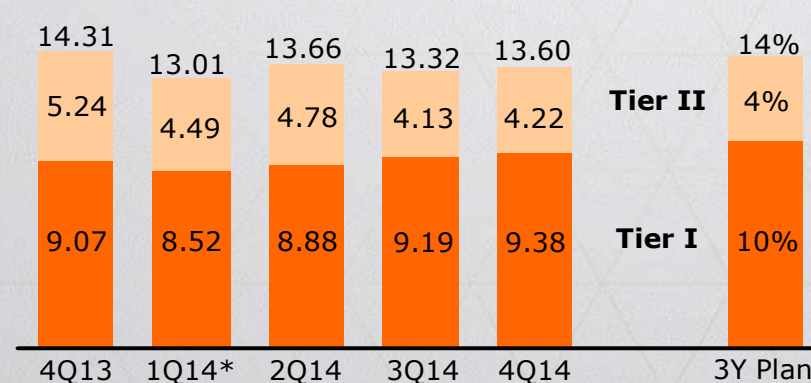


In 2014, TBANK has early redeemed subordinated debentures amounting to 17,000 MTHB and issued Tier 2 capital instrument under Basel III regulations amounting to 13,000 MTHB in replacement.

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



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

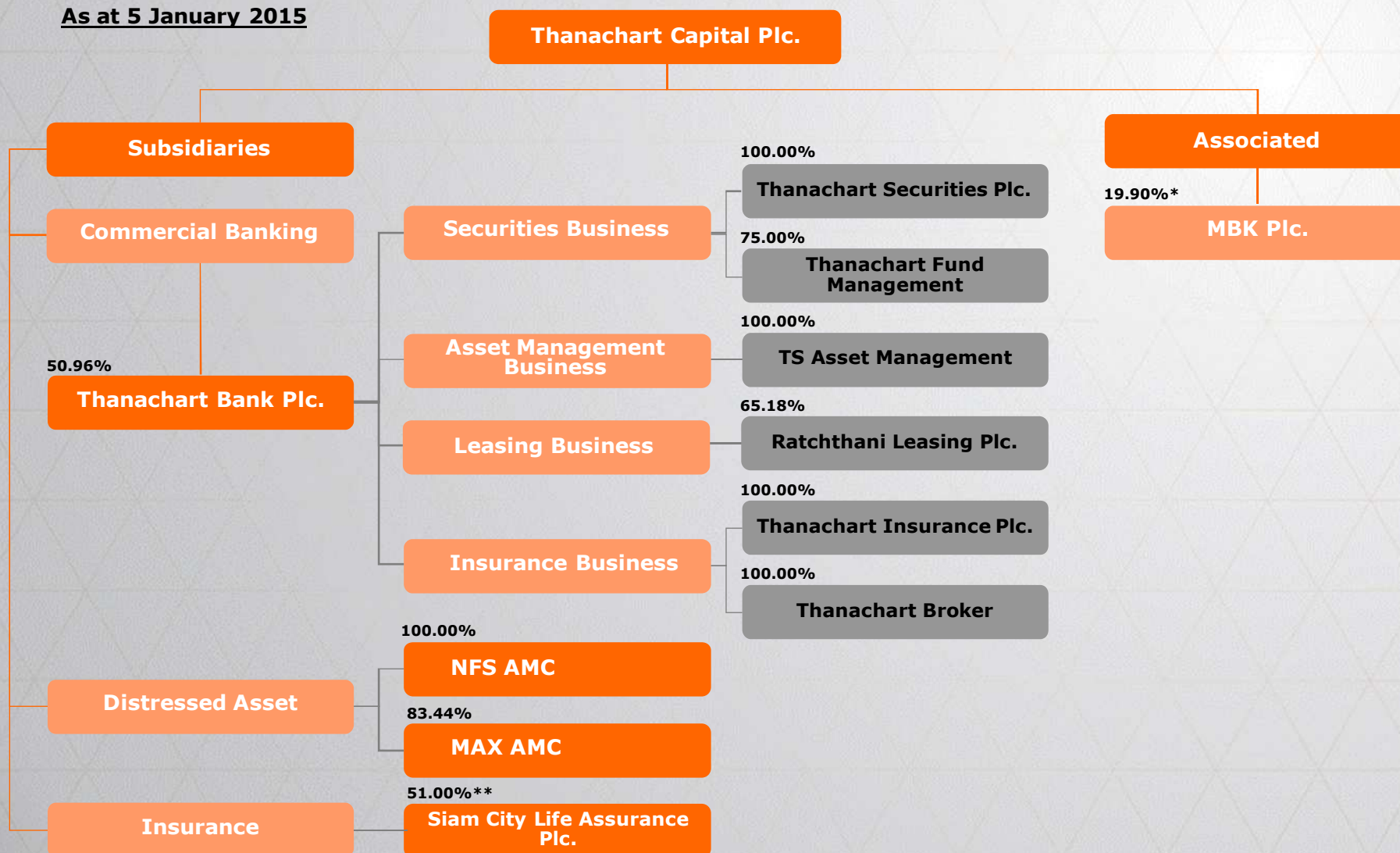


Note: *TCAP has implemented Basel III in the beginning of 2014
Source: Company data

TGroup 2014 Financial Highlights

Main Business Structure

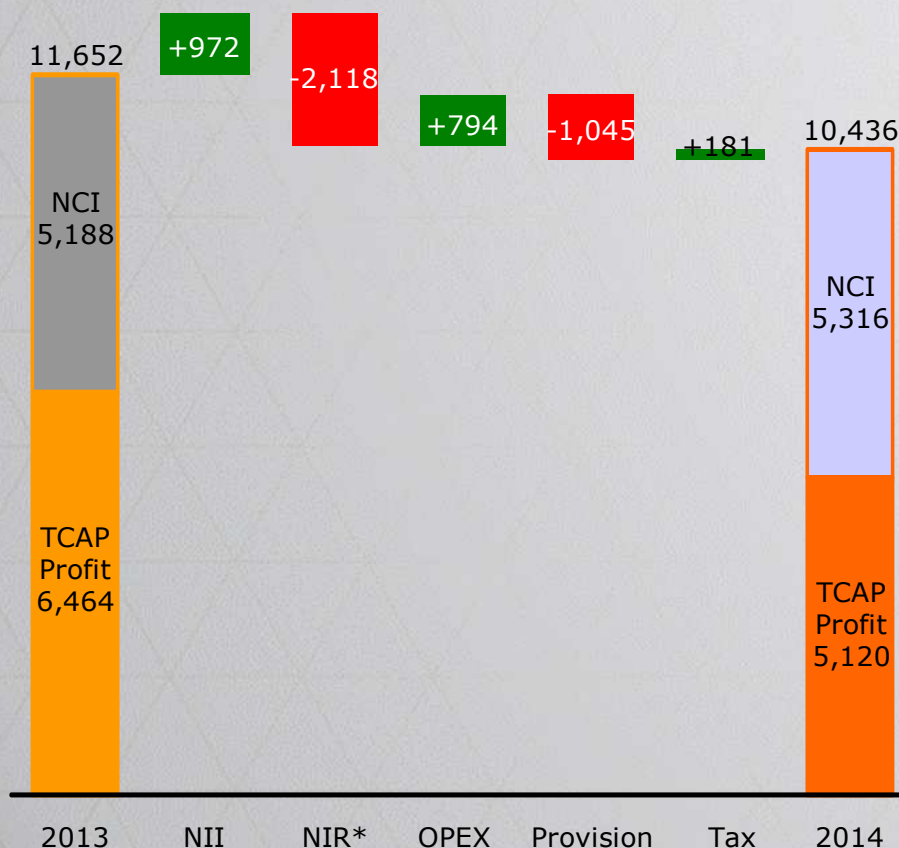
As at 5 January 2015



Note: *Including direct and indirect shareholding, **TCAP sold 1,750,000 shares of SCILIFE to MBK on 5 Jan 15 resulting in a decrease in shareholding of SCILIFE from 53.50% to 51.00%; Source: Company data

TGroup: Profit Movement

Movement of Total Profit 2013 VS 2014 (MTHB)



Highlights

- Group profit decreased by 10.44%
- TCAP profit decreased by 20.79%
- NII increased by 972 MTHB or 3.67% from
 - Interest expenses decreased by 7.75% from funding costs management
 - Interest income decreased by 2.16% from less volume and lower earning yield
- NIR decreased by 2,118 MTHB or 14.55% from
 - Less brokerage fees
 - Less gains on properties foreclose
 - Less profit from investment in an associated company
 - Less gains on investment and dividend income
 - No profit from discontinued operations
- OPEX decreased by 794 MTHB or 3.85% from an effective costs control and less variable costs
- Provision increased by 1,045 MTHB or 17.30%, mainly from impairment loss of hire purchase loans

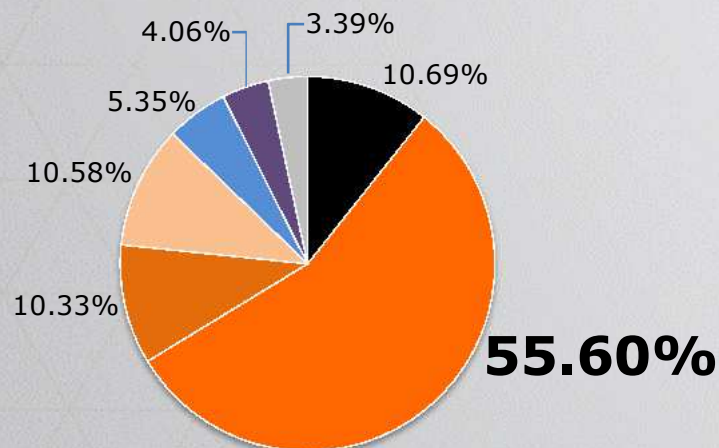
Note: *Including profit from discontinued operations; Source: Company data

TGroup: Profit Contribution

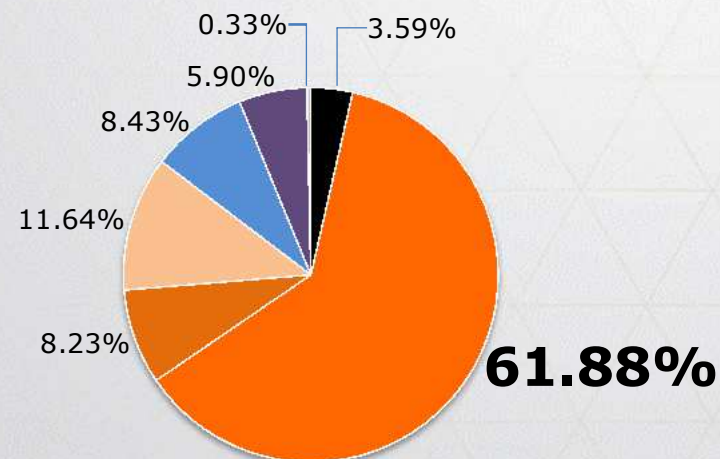
Group Profit Contribution by Business (Percent)

- The Company*
- Securities Business**
- Asset Management Business
- Other Business
- Banking Business
- Insurance Business
- Leasing Business

31 December 2013



31 December 2014



In 2014, profit contribution from banking business accounted for 61.88%, an increase from 55.60% of the previous year. This was mainly due to a decline in gains on properties foreclose of the Company and its asset management companies as well as a decline in share of profit from investment in an associated company. (These 2 items amounted to **1,172** MTHB)

Note: *Including profits from NFS-AMC, MAX-AMC, and SCILIFE, **Comprising of TNS and TFUND
Source: Company data

Treasury Stock

Rationale

- Treasury stock is the best alternative investment of TCAP's excess liquidity. Shareholders will receive higher earnings per share
- Capital of TCAP and TBANK are sufficient. There is no need for capital injection

Details of the Project

Treasury Stock				
Project	Project 3 (11 Dec 12 – 10 Jun 13)		Project 4 (10 Feb 15 – 9 Aug 15)	
Total Registered Shares (million shares)	1,277.83			
Total Share Repurchased	10% of total registered shares or 127.78 million shares			
	Amount	%	Amount	%
No. of Share Repurchased (million shares)	71.35	5.58	56.43	4.42
Total Funding (MTHB)	3,398		1,400	
Average Price per Share (Baht)	47.63		N/A	

Source: Company data

2015 Business Direction and Financial Targets

2015 Outlook

2014

- NII and operating expenses – significant contributors to the net profit
- NIR – lower than planned as a result of the economic slowdown as well as the unsupportive business environment
- Provision - higher than expected
- NPL – manageable under the efficient NPL management

2015

Focus areas for improvement

- Increase NIR – All major platforms are launched to support more opportunities and business expansion
- Lower cost of fund – Increasing operating accounts and promoting customer to use TBANK as their main bank
- NPL & NPA Management – Aiming at reducing non-earning assets through: write-off, NPA sales, and improvement of collection efficiency
- Expense Management – Increasing efficiency and productivity and optimizing return on investment
- Grow loans – Diversifying to other types of loans to compensate for the HP contraction

2015 Strategic Intents

Deposit & Investment

1

To attract and retain customers by offering excellent services, innovative savings, insurance, and investment products

Protection

2

To ensure our customers succeed financially by helping them choose the right "Protection" services and products from across the entire Thanachart Group

Borrowing

3

To provide borrowing solutions to all customer segments that meet their current and future needs and help them to become financially better off

Day-to-day Banking

4

To provide digital banking solutions that permit customers to bank where they want, when they want, and how they want

TBANK: 2015 Financial Targets

Performance Parameters		2013A (excl. TLIFE)	2014A	2015F
Profitability	ROAE (excl. NCI)	11.21%	9.92%	10.00-12.00%
	ROAA	0.99%	0.98%	1.10-1.30%
	Spread	2.57%	2.67%	2.70-2.90%
	Non-interest Income Ratio*	32.38%	29.89%	30.00-33.00%
	Cost to Income Ratio*	51.90%	49.64%	< 50.00%
Loans	Loan Growth	4.77%	-4.51%	2.00-4.00%
Deposits	CASA Ratio**	34.48%	35.76%	35.00-40.00%
Asset Quality	NPL Ratio	4.36%	4.09%	3.40-3.80%
	Credit Cost	0.77%	0.94%	0.80-0.90%
Capital	BIS Ratio***	14.80%	15.83%	> 15.00%

Note: *Net of insurance expenses **CASA Ratio excludes debt issued and borrowings
 ***Implementing Basel III in 2013 ; Source: Company data

TGroup: 2015 Financial Targets

Performance Parameters		2013A (excl. TLIFE)	2014A	2015F
Profitability	ROAE (excl. NCI)	14.26%	10.39%	12.00-14.00%
	ROAA	1.13%	1.02%	1.10-1.30%
	Spread	2.54%	2.55%	2.60-2.80%
	Non-interest Income Ratio*	35.47%	31.18%	32.00-35.00%
	Cost to Income Ratio*	50.24%	49.69%	< 50.00%
Loans	Loan Growth	4.75%	-4.49%	2.00-4.00%
Deposits	CASA Ratio**	34.63%	35.76%	35.00-40.00%
Asset Quality	NPL Ratio	4.49%	4.21%	< 4.00%
	Credit Cost	0.72%	0.89%	0.80-0.90%
Capital	BIS Ratio***	14.31%	13.60%	~ 14.00%

Note: *Net of insurance expenses **CASA Ratio excludes debt issued and borrowings
 ***Implementing Basel III in 2014 ; Source: Company data

Appendix

Detailed Group's Financial Info.

Consolidated statements of comprehensive income	4Q13	1Q13	2Q14	3Q14	4Q14	2013*	2014	Consolidated statements of financial position	31-Dec-13	30-Dec-14
Interest income	13,999	13,572	13,252	13,177	12,939	54,108	52,940	Cash	17,940	16,605
Interest expenses	7,011	6,814	6,212	6,284	6,164	27,615	25,475	Interbank and money market items-interest	60,538	58,202
Net interest income	6,988	6,758	7,040	6,893	6,775	26,493	27,465	Interbank and money market items-no interest	9,677	7,836
Fees and service income	2,136	2,056	1,874	2,049	2,710	8,791	8,688	Net Interbank and MM	70,215	66,038
Fees and service expenses	666	710	661	713	685	2,679	2,768	Net investments	147,686	162,318
Net fees and service income	1,470	1,346	1,213	1,336	2,025	6,112	5,920	Net Investment in associated companies	2,389	2,417
Gain on tradings and foreign exchange transactions	270	347	165	332	460	531	1,302	Loans and receivables	853,177	811,443
Gain on Investment	790	302	410	214	172	1,311	1,098	Accrued interest receivables	1,015	788
Share of income from investment in associated	48	61	59	63	80	800	264	Deferred revenue	(62,003)	(55,787)
Dividend income	60	37	108	164	41	634	350	Allowance for doubtful accounts	(30,772)	(28,450)
Gain on properties foreclose and other assets	190	197	164	15	(198)	815	179	Net loans and accrued interest receivables	761,417	727,994
Insurance premium income	1,613	1,575	1,594	1,633	1,646	6,724	6,448	Properties foreclosed - net	9,027	8,931
Other operating income	328	341	397	413	468	1,722	1,619	Intangible assets - net	3,844	3,427
Total operating income	11,757	10,964	11,150	11,063	11,469	45,142	44,645	Goodwill	16,726	16,969
Insurance expenses	1,219	1,178	1,112	1,148	1,300	4,442	4,737	Other assets	21,670	20,985
Net operating income	10,538	9,786	10,038	9,915	10,169	40,700	39,908	Total assets	1,050,914	1,025,684
Personnel expenses	2,515	2,733	2,647	2,829	2,751	10,600	10,960	Deposits	715,931	696,949
Premises and equipment expenses	801	707	739	734	778	3,037	2,958	Interbank and money market items-interest	79,533	77,536
Taxes and duties	233	212	210	215	230	901	867	Interbank and money market items-no interest	1,549	2,603
Directors' remuneration	10	8	48	9	10	67	75	Net interbank and money market items	81,082	80,139
Other expenses	1,550	1,132	1,166	1,227	1,446	6,019	4,970	Debt issued and borrowings	109,290	98,418
Total operating expenses	5,109	4,792	4,810	5,014	5,215	20,624	19,830	Insurance contract liabilities	15,019	14,610
Impairment loss of loans and debt securities	(1,876)	(1,657)	(2,060)	(1,791)	(1,575)	(6,039)	(7,084)	Other liabilities	34,152	31,292
Profit before corporate income tax	3,553	3,337	3,168	3,110	3,379	14,037	12,994	Total liabilities	955,474	921,408
Income Tax	(707)	(671)	(677)	(553)	(657)	(2,739)	(2,558)	Company shareholders' equity	47,369	51,353
Profit from discontinued operations	-	-	-	-	-	354	-	Non-controlling interest	48,071	52,923
Profit for the period	2,846	2,666	2,491	2,557	2,722	11,652	10,436	Shareholders' equity	95,440	104,276
Net profit of the Company	1,539	1,323	1,235	1,202	1,359	6,464	5,120	Total liabilities & shareholders' equity	1,050,914	1,025,684

Note: *Excluding gain from selling TLIFE and extra provision; Source: Company data

Subsidiaries Performance

Subsidiaries	% held	Net Profit (MTHB)				
		4Q13	3Q14	4Q14	2013	2014
Thanachart Bank Plc. (Consolidated)		2,641	2,428	2,592	10,101	9,922
Thanachart Securities Plc.	100.00%	103	154	225	801	561
Thanachart Fund Management	75.00%	65	74	65	285	290
Thanachart Insurance Plc.	100.00%	245	257	240	953	1,047
TS AMC	100.00%	435	137	75	404	322
Ratchthani Leasing Plc.	65.18%	145	193	143	754	704
NFS AMC	100.00%	68	(2)	42	296	58
MAX AMC	83.44%	42	11	0	103	130

Source: Company data

Investor Relations

Thanachart Capital Public Company Limited

17th Floor, MBK Tower,

444 Phayathai Rd., Wangmai,

Pathumwan, Bangkok 10330

Tel: (662) 613-6107

Fax: (662) 217 - 8312

E-mail: tcap_ir@thanachart.co.th

Website: <http://www.thanachart.co.th/ir.html>

Disclaimer Statement

Thanachart Capital Public Company Limited (“the Company”) provides this presentation for the purpose of publishing the Company and its subsidiaries’ performance and material financial information. In preparation of this presentation, the Company made assumptions and relied on the information made available from many sources including the public sources. The Company, therefore, makes no representation or warranty as to the accuracy, completeness or appropriateness of the information contained in this presentation. This presentation does not constitute any advice, offer or solicitation for any investment or otherwise. The readers or recipients should consider the information carefully and please use your discretion to review the information relating to the Company and Thanachart Group from the presentation and the other sources before making a decision in any transaction. Any unauthorized use, reproduction or distribution in whole or in part of the information contained in this report without the Company’s permission is strictly prohibited. However, the Company reserves the right with its own discretion to amend or modify the information contained in this presentation without any prior notice. The Company shall have no responsibility for any inaccuracy, inappropriateness or incompleteness of any information contained in this presentation.