

Analyst Meeting

Statements Unreviewed

As of 31 March 2016



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TGroup 1Q16 Financial Highlights





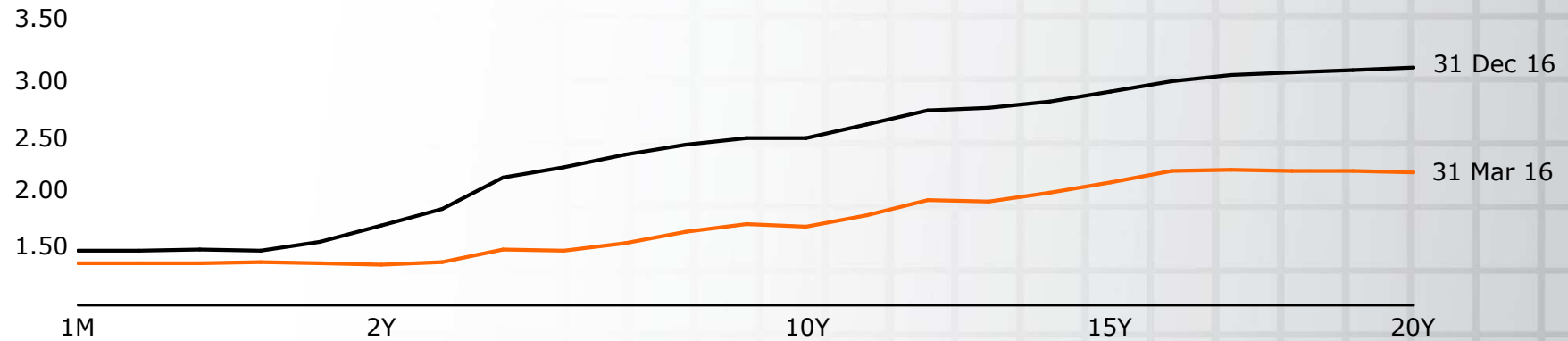
1Q16 Overview

- ▶ **Asset quality continued to improve**
 - ▶ TCAP NPL ratio = 2.81%
 - ▶ TCAP credit cost from normal business = 0.69%
 - ▶ TBANK NPL ratio = 2.70%
 - ▶ TBANK credit cost from normal business = 0.70%
 - ▶ TBANK coverage ratio = 121.91%
- ▶ **1Q16 Performance**
 - ▶ TCAP net profit of 2,815 MTHB, up 5.04% y-y
 - ▶ TBANK net profit of 2,844 MTHB, up 11.05% y-y
- ▶ **Capital position remains strong**
 - ▶ TBANK BIS Ratio is the highest in the industry, rose to 18.22%

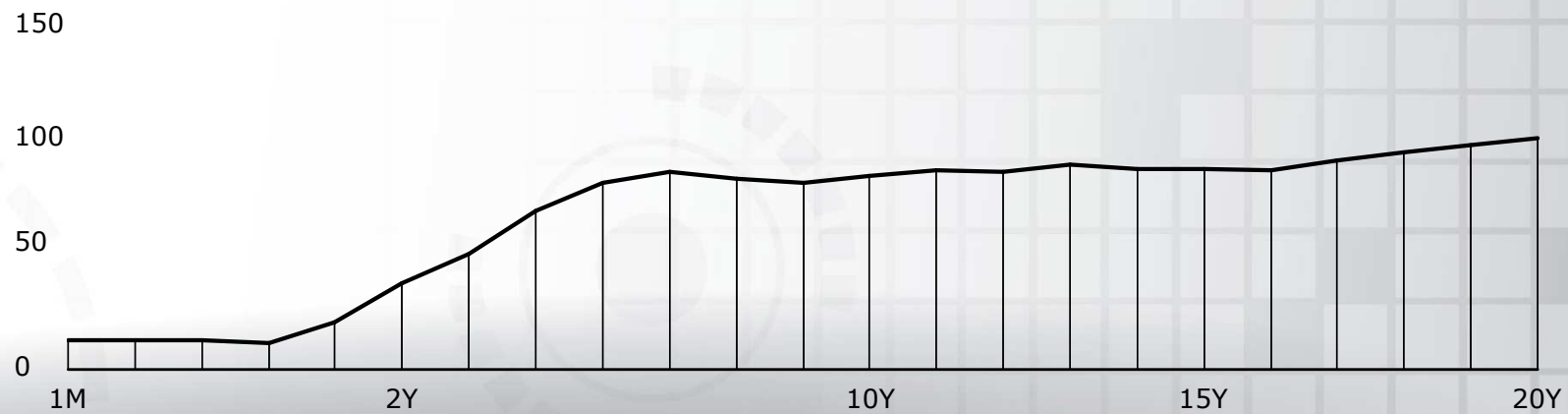


Yield Curve

Government Bond Yield Curve (Percent)



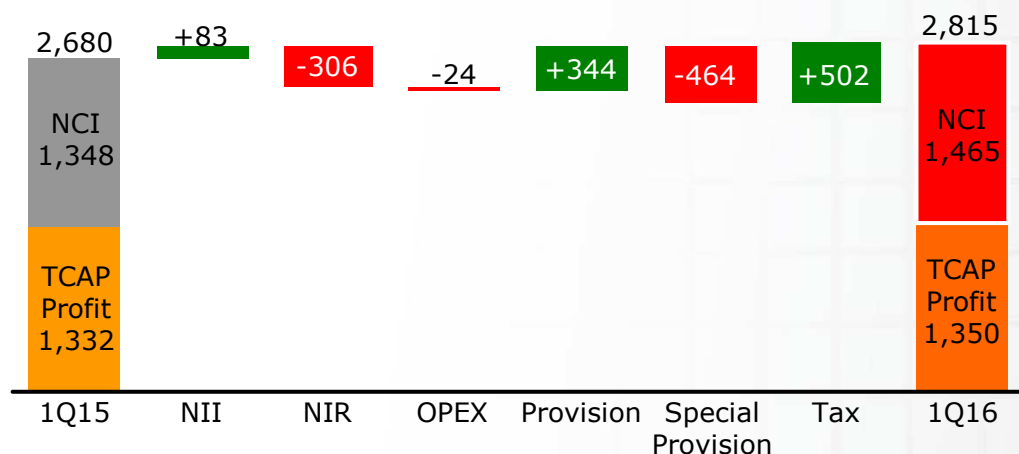
Variation (Basis Points)





TGroup: Profit 1Q16 Movement

Movement of Total Profit 1Q16 VS 1Q15 (MTHB)



- ▶ **Group** profit increased by 135 MTHB or 5.04%
- ▶ TCAP profit increased by 18 MTHB or 1.35%
- ▶ NII increased by 83 MTHB or 1.21% from lower interest expenses
- ▶ NIR decreased by 306 MTHB or 9.40% from less brokerage fee, less net income from life insurance and less gains on investments
- ▶ OPEX increased by 24 MTHB or 0.47% from employee's expenses and premises and equipment expenses
- ▶ Normal provision decreased by 344 MTHB or 20.89% from lower NPL formation
- ▶ Tax decreased by 502 MTHB

Movement of Total Profit 1Q16 VS 4Q15 (MTHB)



- ▶ **Group** profit increased by 25 MTHB or 0.90%
- ▶ TCAP profit decreased by 9 MTHB or 0.66%
- ▶ NII decreased by 30 MTHB or 0.43% from lower loan volume
- ▶ NIR increased by 57 MTHB or 1.97% mainly from gains on investments and trading
- ▶ OPEX decreased by 59 MTHB or 1.14% mainly from less premises & equipment expenses and less PR & sale promotion
- ▶ Normal provision decreased by 170 MTHB or 11.54% from lower NPL formation
- ▶ Tax increased by 7 MTHB



TGroup: Non-controlling Interest

Unit: MTHB

	1Q16 Net Profit	TCAP	NCI
TCAP Consolidated	2,815	1,350	1,465

Unit: MTHB

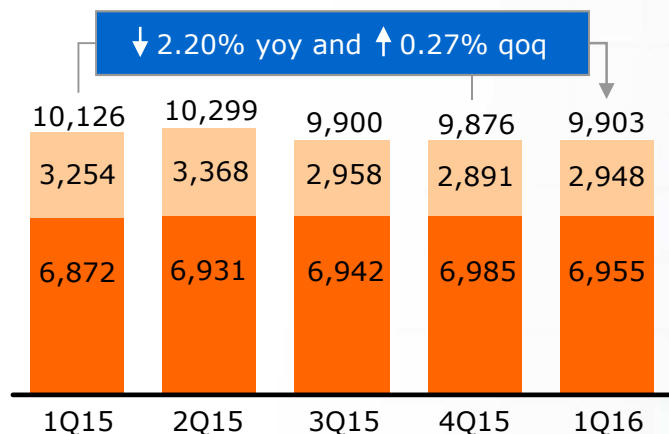
NCI of 1,465 MTHB consisted of	
BNS	1,395
THANI + TFUND + Others	70
Total NCI	1,465



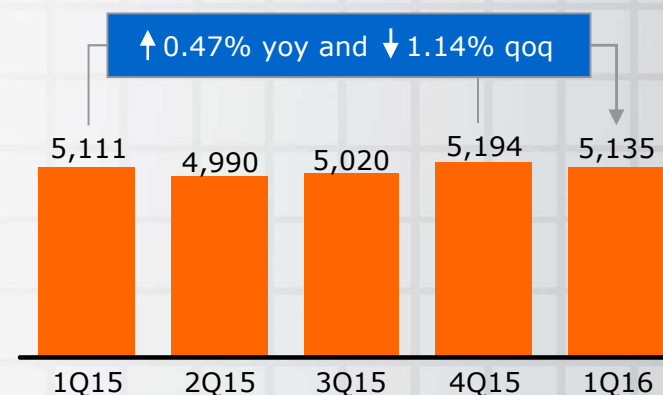
TGroup: Financial Highlights (1)

Total Income (MTHB)

■ Net Interest Income ■ Non-interest Income*

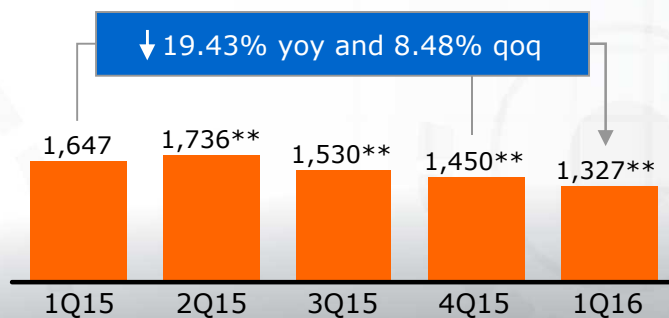


Operating Expenses (MTHB)



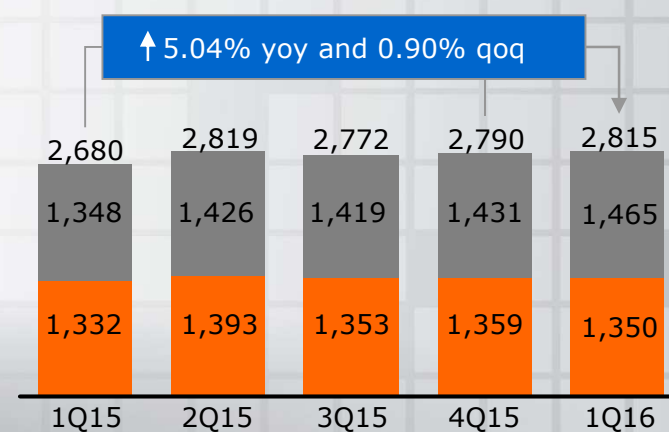
Impairment Loss of Loans (MTHB)

- Special provision in 2Q15 = 1,796 MTHB
- Special provision in 3Q15 = 180 MTHB
- Special provision in 4Q15 = 240 MTHB
- Special provision in 1Q16 = 464 MTHB



Net Profit (MTHB)

■ TCAP Profit ■ NCI

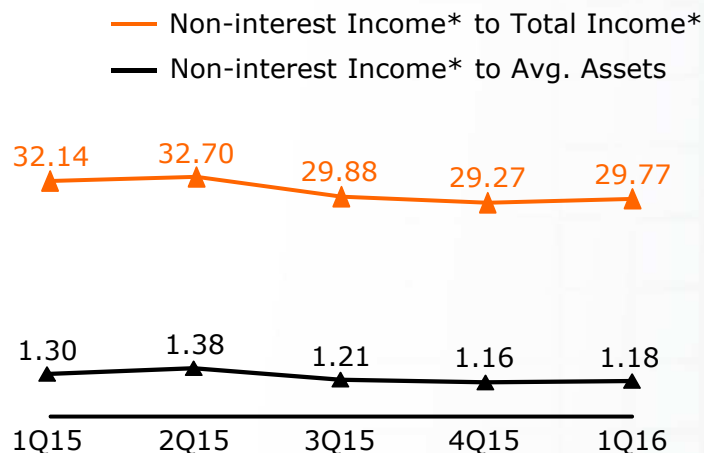


Note: *Net of insurance expenses **From Normal Business Operation; Source: Company data

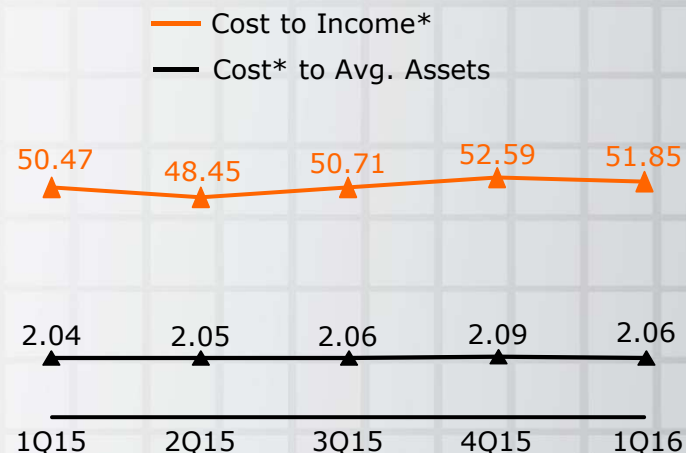


TGroup: Financial Highlights (2)

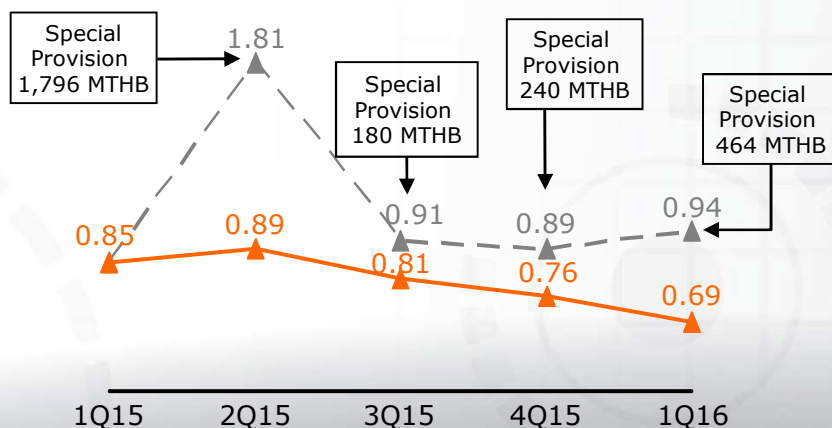
Ratios of Non-interest Income* (Percent)



Ratios of Operating Expenses* (Percent)



Credit Cost (Percent)



Other Key Ratios (Percent)

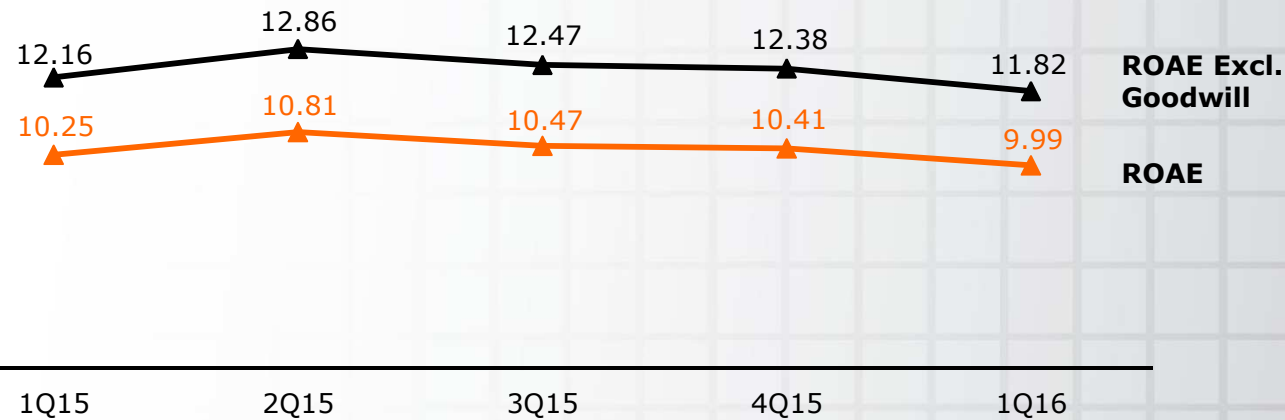
Ratios (%)	Quarterly				
	1Q15	2Q15	3Q15	4Q15	1Q16
ROAA	1.07	1.16	1.14	1.12	1.13
ROAE**	10.25	10.81	10.47	10.41	9.99
Loan Spread	3.22	3.37	3.47	3.53	3.56
Interest Spread	2.62	2.73	2.74	2.72	2.70
Cost of Fund	2.70	2.58	2.44	2.34	2.25
NPL	4.07	3.76	3.54	2.96	2.81
Coverage	88.9	98.9	109.8	117.2	119.4

Note: *Net of insurance expenses **Excluding non-controlling interest; Source: Company data



TGroup: ROAE – Excl. Goodwill

TCAP ROAE (Percent)



Highlights

- ▶ According to the Basel III regulations, goodwill has to be deducted from CET I equity. Therefore, TCAP and TBANK CET I are lower than they should have been. That means TCAP and TBANK need to have higher equity to support the goodwill.
- ▶ In other words, we are overcapitalized. That is why we have quite lower ROAE.
- ▶ Goodwill at the end of 1Q16 amounted to 17,265 MTHB.
- ▶ ROAE excluding goodwill of TCAP is higher than ROAE around 2 percent.



TGroup: Comparison to Targets

Performance Parameters		2014A	2015A	2016F	1Q16A
Profitability	ROAE (excl. NCI)	10.39%	10.48%	11.00-12.50%	9.99%
	ROAA	1.02%	1.12%	1.20-1.30%	1.13%
	Spread	2.55%	2.70%	2.70-2.80%	2.70%
	Non-interest Income Ratio*	31.18%	31.03%	31.00-33.00%	29.77%
	Cost to Income Ratio*	49.69%	50.54%	< 50.00%	51.85%
Loans	Loan Growth	-4.49%	-5.43%	1.00-3.00%	-1.96%
Deposits	CASA Ratio**	35.76%	40.13%	40.00-45.00%	43.03%
Asset Quality	NPL Ratio	4.21%	2.96%	2.80-2.90%	2.81%
	Credit Cost	0.89%	0.83% (From Normal Business Operation)	0.75-0.80%	0.69% (From Normal Business Operation)
	Coverage Ratio	84.89%	117.16%	>120.00%	119.43%
Capital	TBANK BIS Ratio	15.83%	17.92%	> 18.00%	18.22%

Note: *Net of insurance expenses **CASA Ratio excludes debt issued and borrowings; Source: Company data

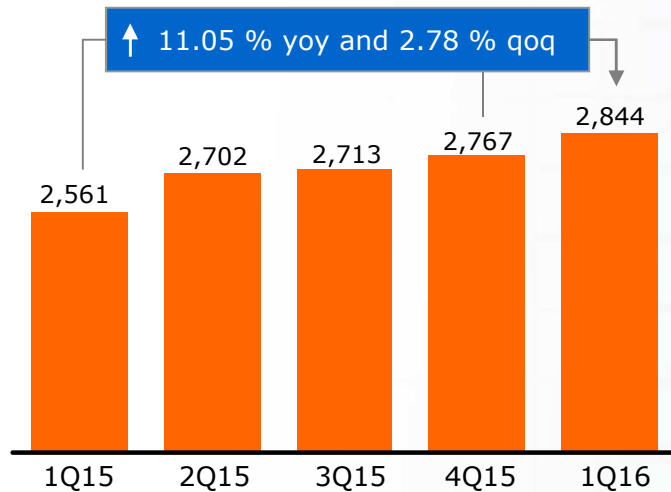


TBANK 1Q16 Financial Highlights

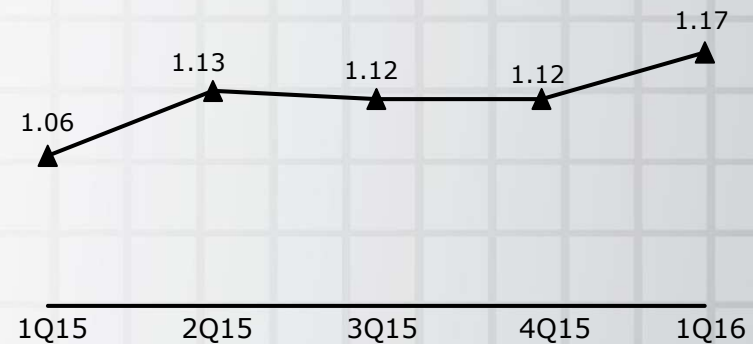


TBANK: Profitability

Net Profit (MTHB)*



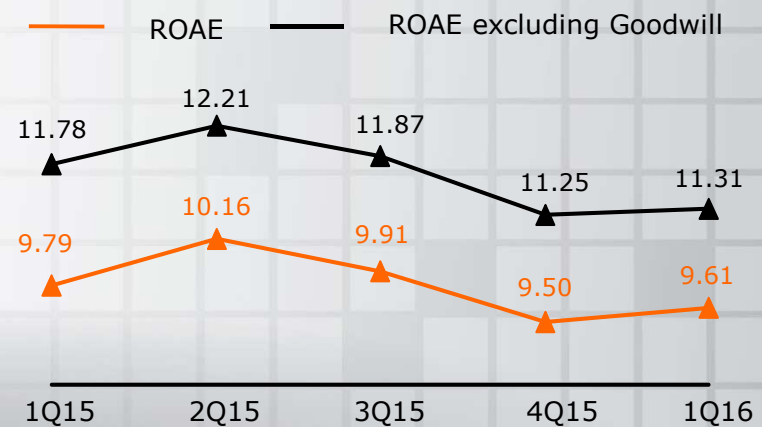
ROAA (Percent)



Highlights

- ▶ 1Q16 Net profit grew by 283 MTHB or 11.05% yoy. This was mainly from an effective cost of deposit and NPL management.
- ▶ 1Q16 ROAA rose by 11 basis points yoy and up to 1.17%.
- ▶ ROAE slightly dropped from 9.79% in 1Q15 to 9.61%.
- ▶ 1Q16 ROAE excluding goodwill stayed at 11.31%.

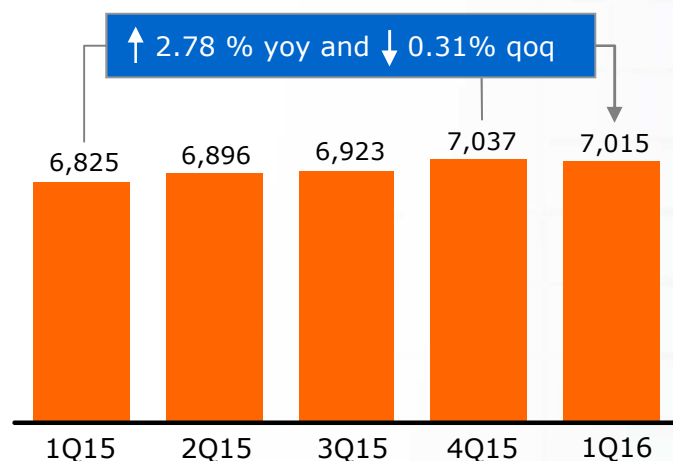
ROAE* (Percent)



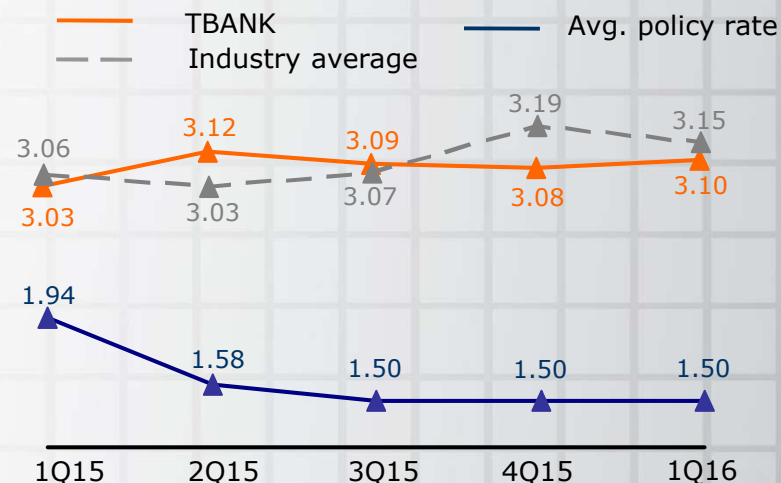


TBANK: Net Interest Income

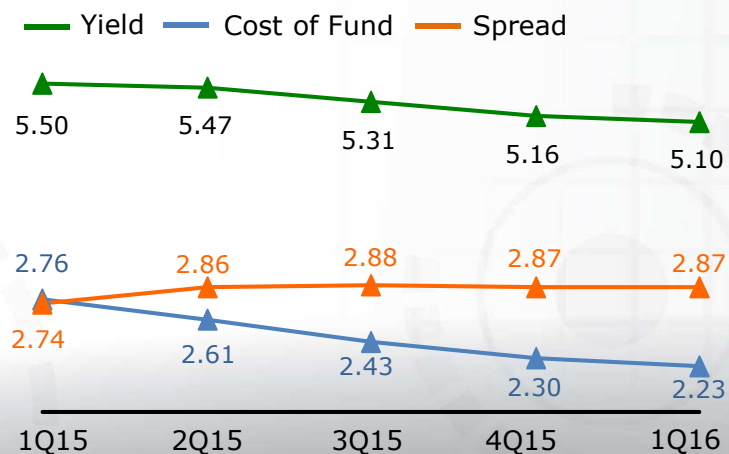
Net Interest Income (MTHB)



Net Interest Margin (Percent)



Yield, Cost of Fund, and Spread (Percent)

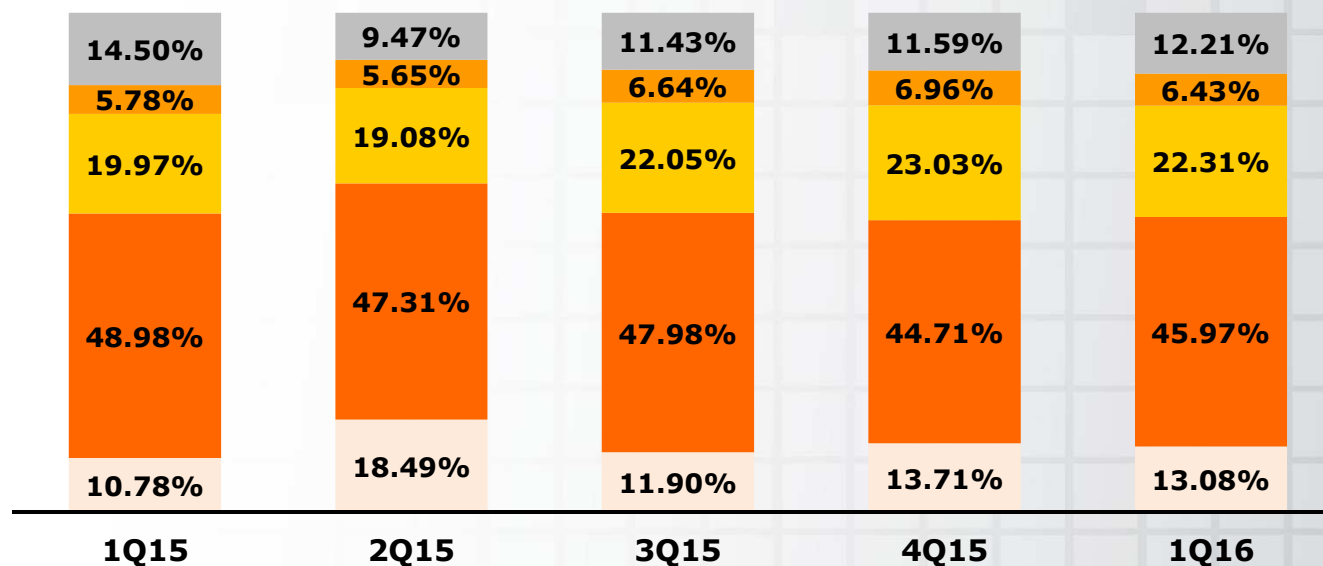


Highlights

- ▶ 1Q16 Interest income decreased by 911 MTHB or 7.30% yoy, mainly from a contracting loan and a decrease in yield on earning asset following the market rate.
- ▶ 1Q16 Interest expenses decreased by 1,101 MTHB or 19.48% yoy, mainly from an effective management in the cost of fund.
- ▶ Net interest margin was 3.10% in 1Q16, an increase from 3.03% in 1Q15.
- ▶ Interest spread widened by 13 basis points yoy from 2.74% in 1Q15 to 2.87% in 1Q16.



TBANK: Non-interest Income



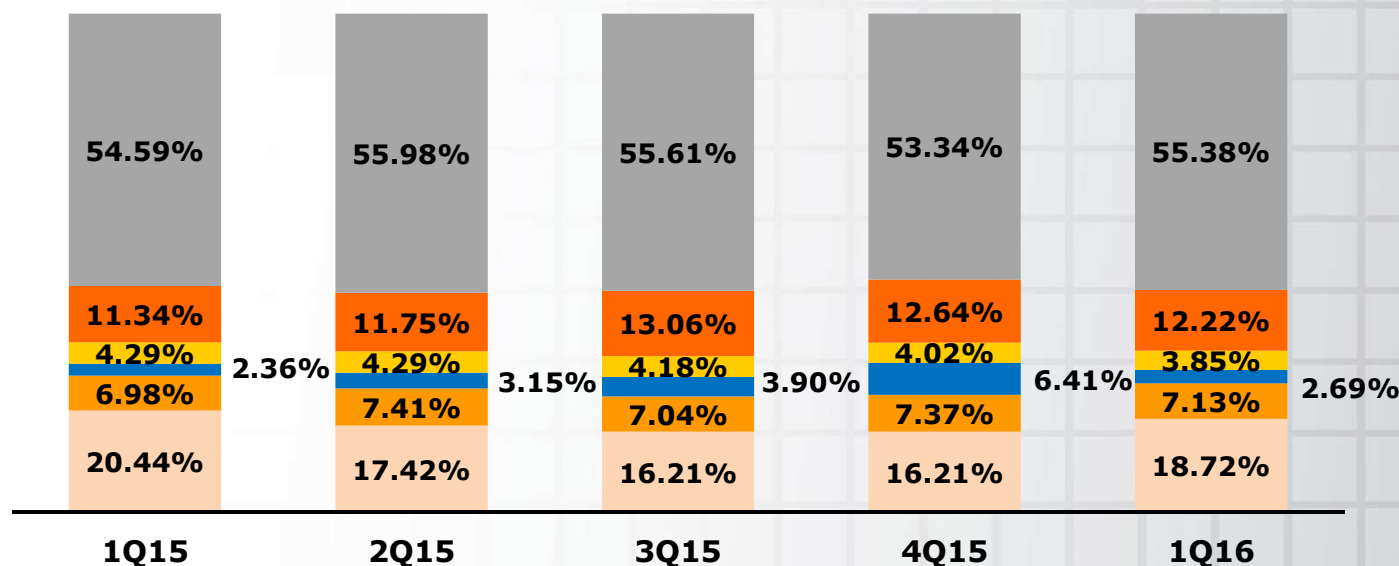
Non-interest Income (MTHB)

- Brokerage Fee
- Fund Management Fee
- Insurance Business
- Banking Fee
- Others

Non-interest Income	1Q15	2Q15	3Q15	4Q15	1Q16
Brokerage Fee	461	313	334	323	363
Fund Management Fee	184	187	194	194	191
Insurance Business	635	631	645	642	663
Banking Fee	1,557	1,565	1,403	1,247	1,366
Others	343	612	348	382	389
Total	3,179	3,307	2,924	2,788	2,971



TBANK: Operating Expenses



Operating Expenses (MTHB)

- Employee's Expenses
- Premises & Equipment Expenses
- Taxes & Duties
- PR & Sale Promotion
- IT*
- Others

Operating Expenses	1Q15	2Q15	3Q15	4Q15	1Q16
Employee's expenses	2,749	2,739	2,742	2,723	2,809
Premises & Equipment Expenses	571	575	644	645	620
Taxes & Duties	216	210	206	205	195
PR & Sale Promotion	119	154	192	327	136
IT*	351	363	347	376	362
Others	1,029	853	799	828	950
Total	5,034	4,892	4,931	5,105	5,072

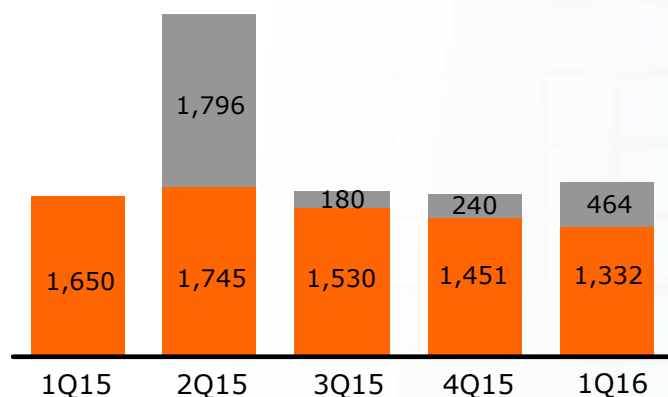
Note: *Hardware and software expenses are booked under IT expenses; Source: Company data



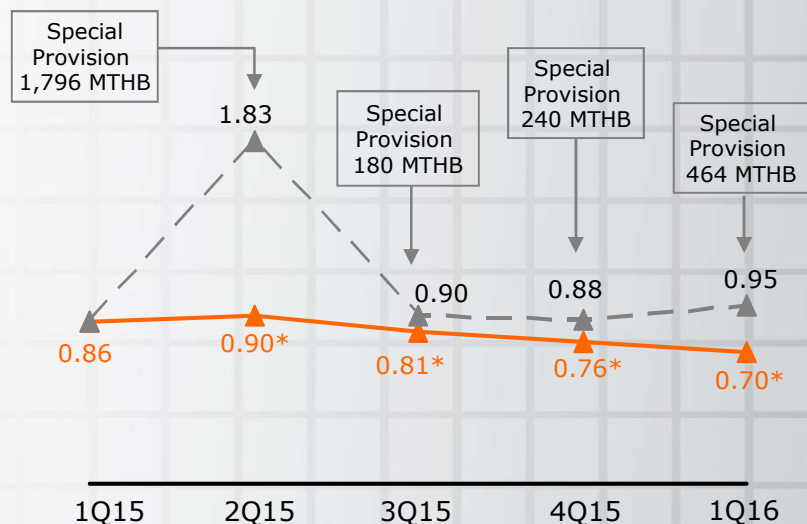
TBANK: Provision Expenses

Impairment Loss of Loans (MTHB)

- Special Provision
- Provision from Normal Business Operation



Credit Cost (Percent)



Highlights

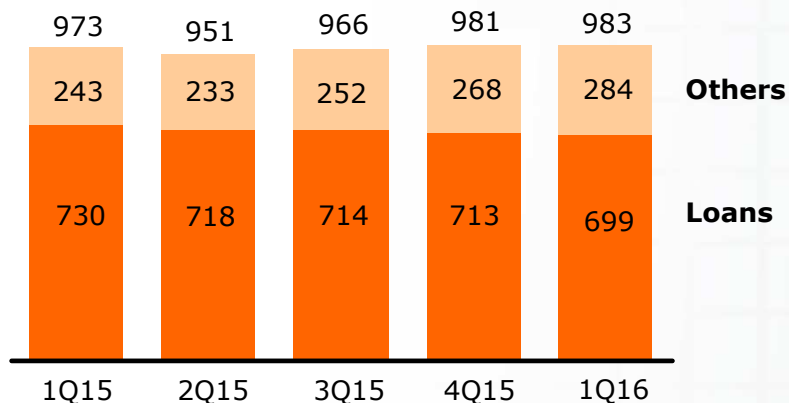
- ▶ 1Q16 Provision expenses from normal business operation decreased by 318 MTHB or 19.27% yoy. This was mainly from an effective NPL management and tightened credit approval policy.
- ▶ Moreover, the Bank has utilized its tax benefit from the completed liquidation of SCIB to put in 464 MTHB as a special provision to be vigilant against uncertain economic and to anticipate the future regulation implementation.
- ▶ 1Q16 Credit cost from normal business operation dropped by 18.60% yoy from 0.86% in 1Q15 to 0.70%.
- ▶ However, total credit cost was 0.95% in 1Q16.

Note: * From normal business operation; Source: Company data

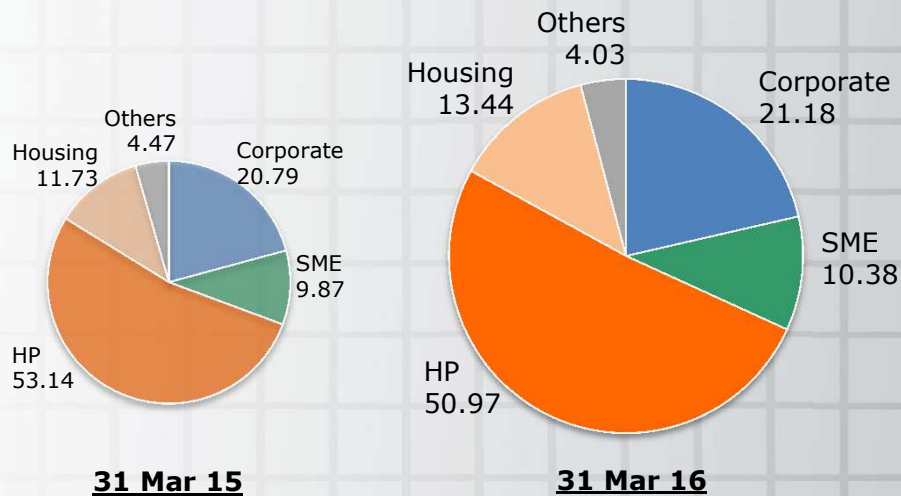


TBANK: Assets

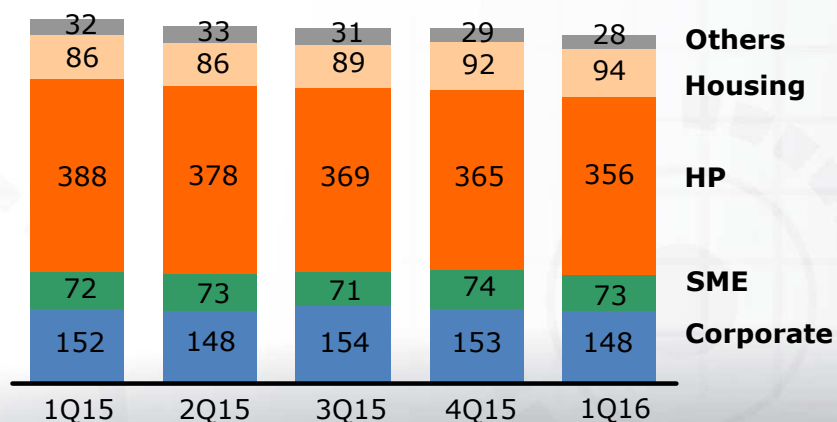
Assets (BTHB)



Loans Breakdown (Percent)



Loans Breakdown (BTHB)



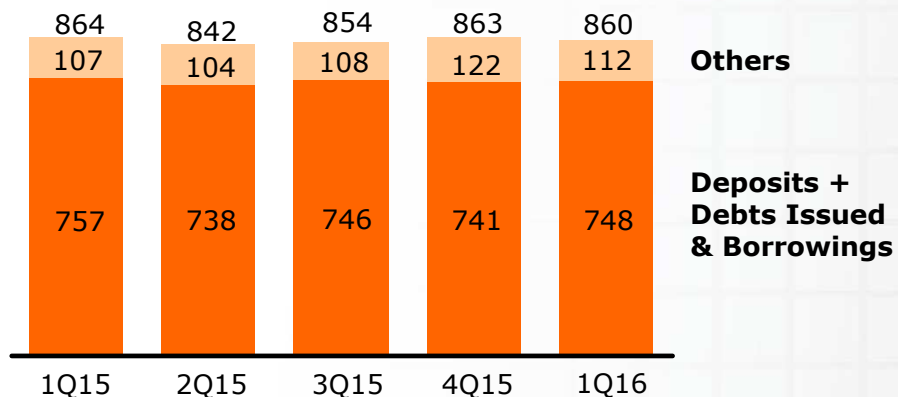
Key Highlights

- ▶ 1Q16 Assets continued to experience growth from the end of last year for the third consecutive quarters.
- ▶ 1Q16 Loan volume still declined by 1.96% from the end of previous year, mainly from a decrease of 2.37% hire purchase loans following a dampened automotive market.
- ▶ However, the Bank continued to put focus on diversified loans portfolio and strengthen asset quality through an effective NPL management and tightened credit approval policy.
- ▶ HP portion decreased from 53.14% in 1Q15 to 50.97% in 1Q16 which was partially offset by an increase in the proportion of Corporate, SME and Housing.

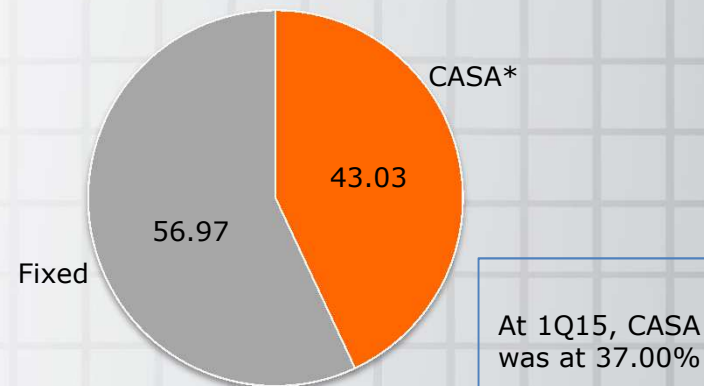


TBANK: Liabilities

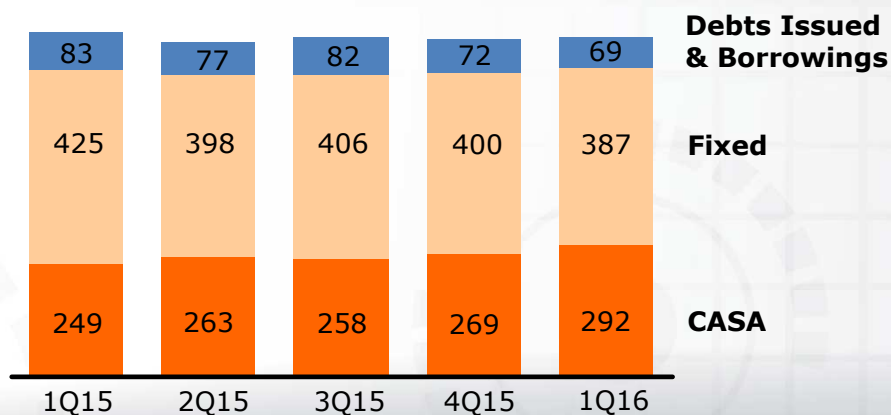
Liabilities (BTHB)



Deposits Breakdown (31 Mar 16) (Percent)



Deposits + Debts Issued & Borrowings (BTHB)



Key Highlights

- ▶ Deposits and debt issued and borrowings increased by 0.88% from the end of 2015, mainly due to a successful result of strategic management in deposit restructuring and cost of fund, resulting in an increase in saving deposits.
- ▶ CASA ratio was 43.03%, an increase from 37.00% in 1Q15. This was mainly due to an increase of 43 BTHB or 17.27% yoy in CASA.
- ▶ Furthermore, the Bank continued to maintain a solid LCR ratio of more than 100% in accordance to Basel III regulation implementation.

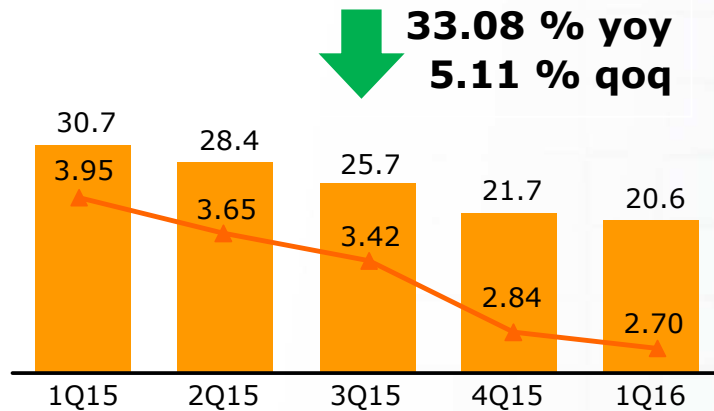


TBANK: NPLs and Reserve

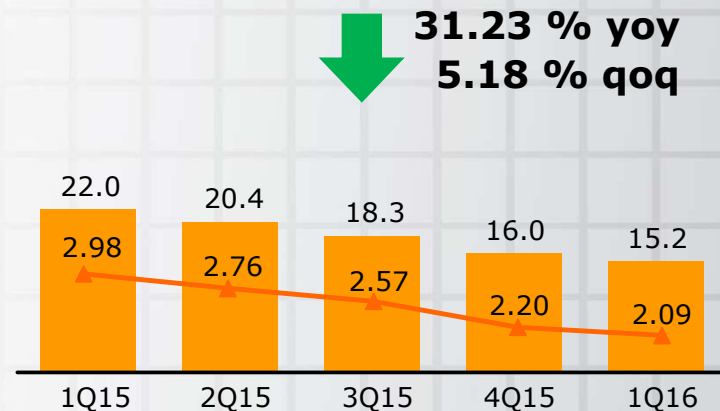
TBANK's NPL vs. NPL to Total Loans

■ NPL (BTHB) — NPL to Total Loans (%)

TBANK Consol.

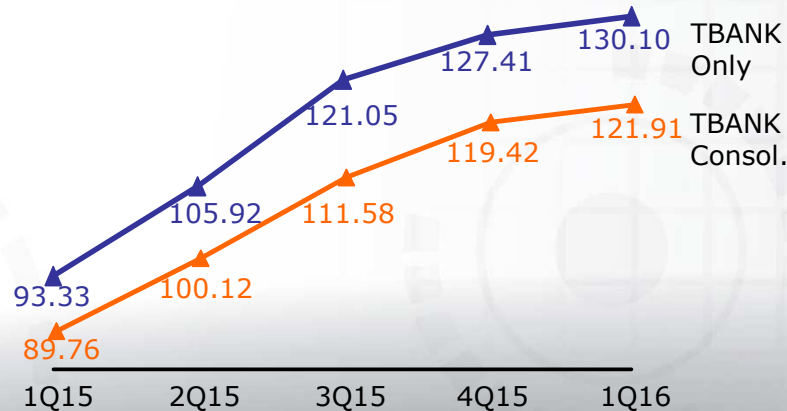


TBANK Only



Coverage Ratio (Percent)

- 1Q16 Reserve to Required Reserve by the BOT (Consolidated) = 162.92%
- 1Q16 Reserve to Required Reserve by the BOT (Bank Only) = 182.18%



TBANK Consol.

NPLs dropped **1,108** MTHB ytd with the NPL ratio of **2.70%** excess reserve of **9,686** MTHB

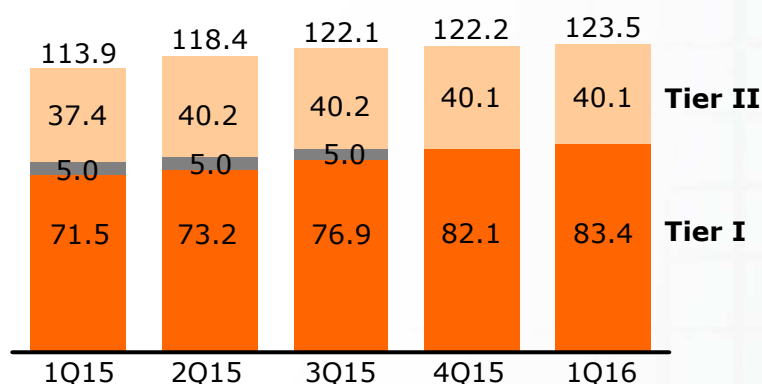
TBANK Only

Coverage increased to **130.10%**

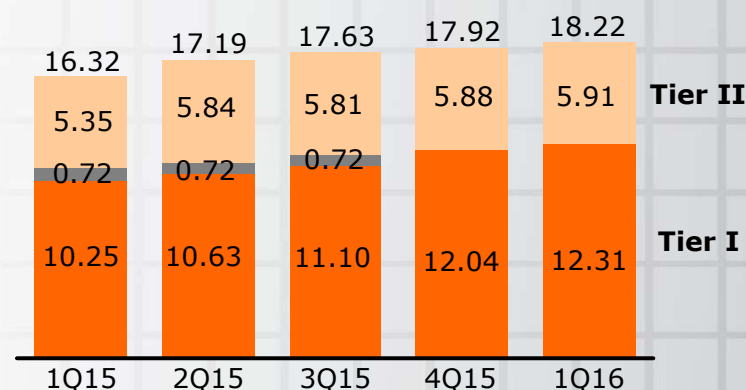


Capital Adequacy

TBANK's Capital (Solo Basis) (BTHB)

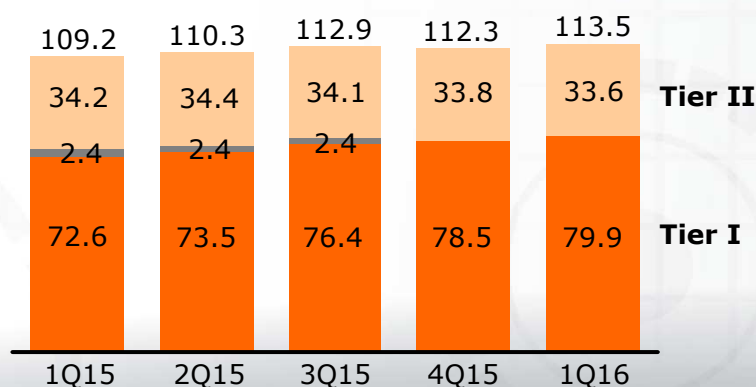


TBANK's BIS Ratio (Solo Basis) (Percent)

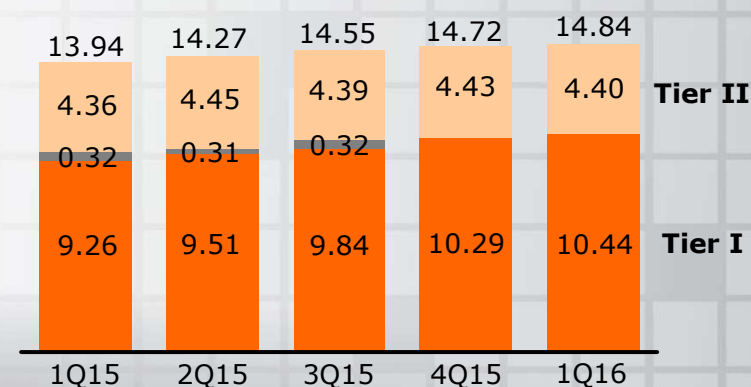


As the Bank focused on strengthening the capital position, BIS ratio of the Bank has been growing from the 16.32% in 1Q15 to 18.22% in 1Q16.

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



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



Appendix





Detailed Group's Financial Info.

Consolidated statements of comprehensive income	1Q15	2Q15	3Q15	4Q15	1Q16
Interest income	12,595	12,228	11,957	11,860	11,649
Interest expenses	5,723	5,297	5,015	4,875	4,694
Net interest income	6,872	6,931	6,942	6,985	6,955
Fees and service income	2,055	1,879	2,169	2,072	2,006
Fees and service expenses	689	666	675	680	715
Net fees and service income	1,366	1,213	1,494	1,392	1,291
Gain on tradings and foreign exchange transactions	256	138	153	195	328
Gain on Investment	678	705	220	354	517
Share of income from investment in associated	73	84	54	62	109
Dividend income	70	55	185	49	57
Insurance premium income	1,658	1,682	1,706	1,677	1,646
Other operating income	316	589	366	361	315
Total operating income	11,289	11,397	11,120	11,075	11,218
Insurance expenses	1,163	1,098	1,220	1,199	1,315
Net operating income	10,126	10,299	9,900	9,876	9,903
Personnel expenses	2,798	2,786	2,793	2,775	2,865
Premises and equipment expenses	711	717	775	797	755
Taxes and duties	222	218	212	212	200
Directors' remuneration	9	49	10	10	10
Other expenses	1,371	1,220	1,230	1,400	1,305
Total operating expenses	5,111	4,990	5,020	5,194	5,135
Impairment loss of loans and debt securities	(1,647)	(3,532)	(1,708)	(1,713)	(1,767)
Profit before corporate income tax	3,368	1,777	3,172	2,969	3,001
Income Tax	(688)	1,042	(400)	(179)	(186)
Profit for the period	2,680	2,819	2,772	2,790	2,815
Net profit of the Company	1,332	1,393	1,353	1,359	1,350

Consolidated statements of financial position	31-Dec-15	31-Mar-16
Cash	13,337	10,061
Interbank and money market items-interest	53,944	75,098
Interbank and money market items-no interest	4,194	5,797
Net Interbank and MM	58,138	84,895
Net investments	184,562	174,012
Net Investment in associated companies	2,353	2,712
Loans and receivables	765,167	749,583
Accrued interest receivables	667	685
Deferred revenue	(50,539)	(48,932)
Allowance for doubtful accounts	(26,244)	(25,423)
Net loans and accrued interest receivables	689,051	675,913
Properties foreclosed - net	6,334	6,053
Intangible assets - net	3,011	2,937
Goodwill	17,207	17,265
Other assets	23,588	26,276
Total assets	997,581	1,000,124
Deposits	669,454	679,037
Interbank and money market items-interest	84,083	72,237
Interbank and money market items-no interest	1,517	1,551
Net interbank and money market items	85,600	73,788
Debt issued and borrowings	84,929	81,341
Insurance contract liabilities	14,595	14,823
Other liabilities	31,680	34,596
Total liabilities	886,258	883,585
Company shareholders' equity	52,674	55,356
Non-controlling interest	58,649	61,183
Shareholders' equity	111,323	116,539
Total liabilities & shareholders' equity	997,581	1,000,124

Source: Company data



Subsidiaries Performance

Subsidiaries	% held	Net Profit (MTHB)				
		1Q15	2Q15	3Q15	4Q15	1Q16
Thanachart Bank Plc. (Consolidated)		2,561	2,702	2,713	2,767	2,844
Thanachart Securities Plc.	50.96%	183	93	89	122	139
Thanachart Fund Management	38.22%	84	73	83	80	86
Thanachart Insurance Plc.	50.96%	304	297	298	219	251
TS AMC	50.96%	(104)	37	120	(71)	(71)
Ratchthani Leasing Plc.	33.22%	174	191	215	169	210
NFS AMC	100.00%	25	7	11	7	(10)
MAX AMC	83.44%	(5)	(2)	4	71	(7)
SCILIFE	51.00%	(2)	(27)	(47)	(45)	(123)



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