

Analyst Meeting

Statements Unaudited

As of 30 June 2016



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TGroup 2Q16 Financial Highlights





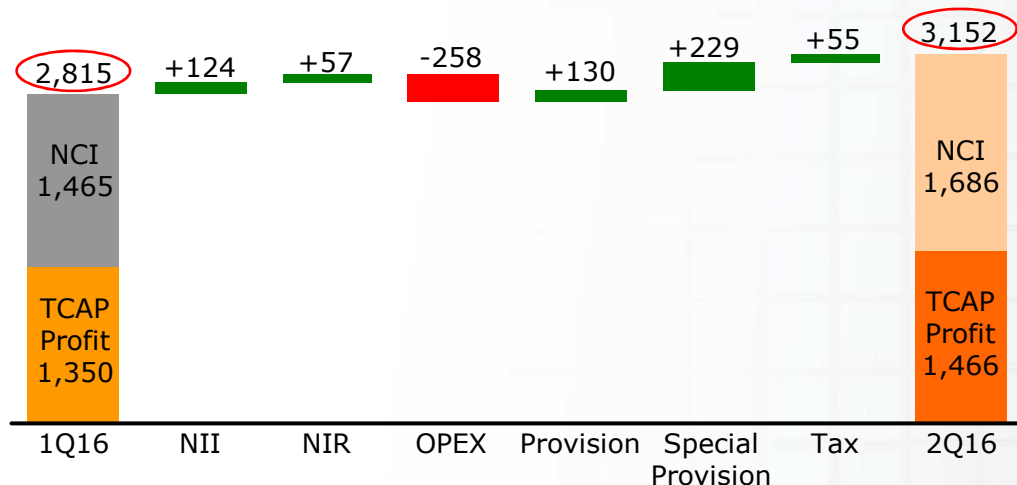
2Q16 Overview

- ▶ **Asset quality continued to improve q-q**
 - ▶ TGroup NPL ratio = 2.71%, down from 2.81%
 - ▶ TGroup coverage ratio = 125.98%, up from 119.43%
 - ▶ TBANK NPL ratio= 2.59%, down from 2.70%
 - ▶ TBANK coverage ratio = 129.01%, up from 121.91%
- ▶ **2Q16 Performance**
 - ▶ TGroup net profit of 3,152 MTHB, up 11.97% q-q
- ▶ **Capital position remains strong**
 - ▶ TBANK BIS Ratio is the highest in the industry, rose to 18.84%



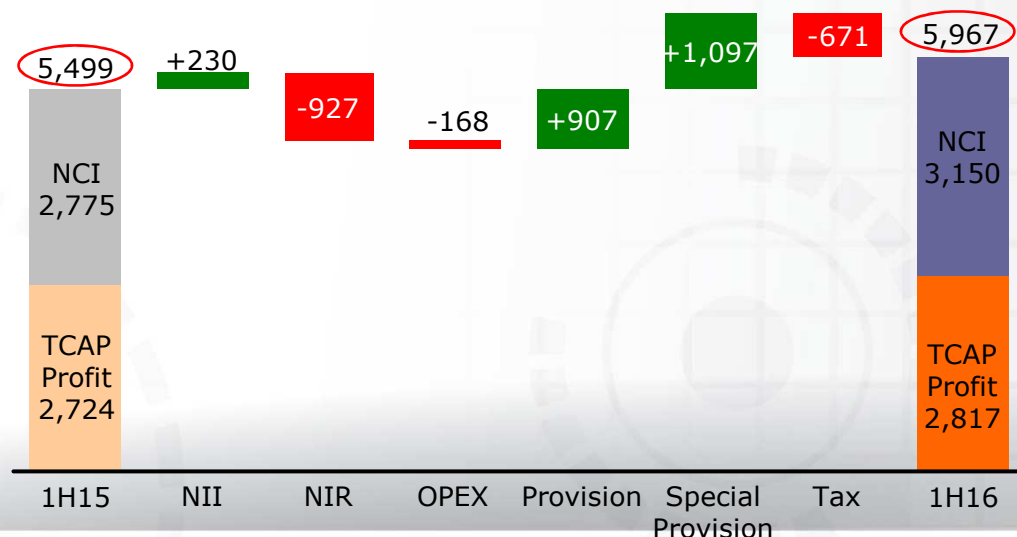
TGroup: Profit Movement

Movement of Total Profit 2Q16 VS 1Q16 (MTHB)



- ▶ Group profit increased by 337 MTHB or 11.97%
- ▶ TCAP profit increased by 116 MTHB or 8.59%
- ▶ NII increased by 124 MTHB or 1.78% from widened spread
- ▶ NIR increased by 57 MTHB or 2.02% due to higher net life insurance income and dividend income
- ▶ OPEX increased by 258 MTHB or 5.15% from expenses on property foreclosed management, advertising, and sale promotion
- ▶ Normal provision decreased by 130 MTHB or 9.98% from lower NPL formation
- ▶ Tax decreased by 55 MTHB

Movement of Total Profit 1H16 VS 1H15 (MTHB)

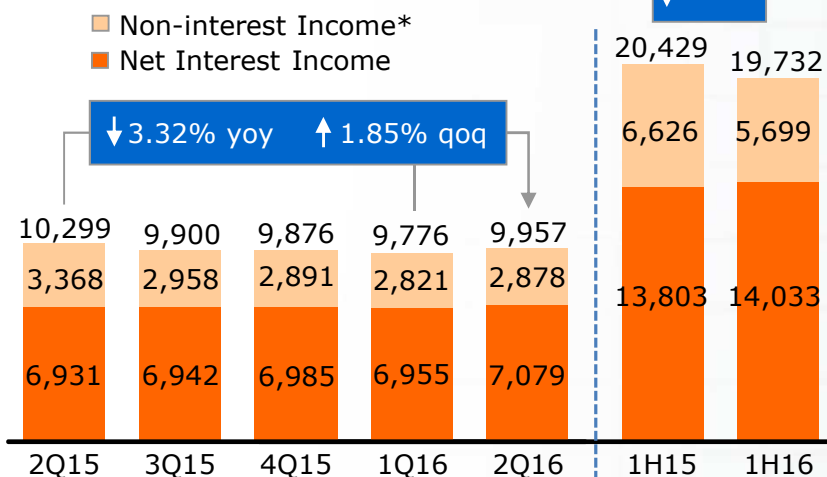


- ▶ Group profit increased by 468 MTHB or 8.51%
- ▶ TCAP profit increased by 93 MTHB or 3.41%
- ▶ NII increased by 230 MTHB or 1.67% from effective cost of fund management
- ▶ NIR decreased by 927 MTHB or 13.99% from less gains on investments and gains on property foreclosed
- ▶ OPEX increased by 168 MTHB or 1.66% mainly from annual salary increase and selling commission
- ▶ Normal provision decreased by 907 MTHB or 26.81% from effective management of asset quality
- ▶ Tax increased by 671 MTHB

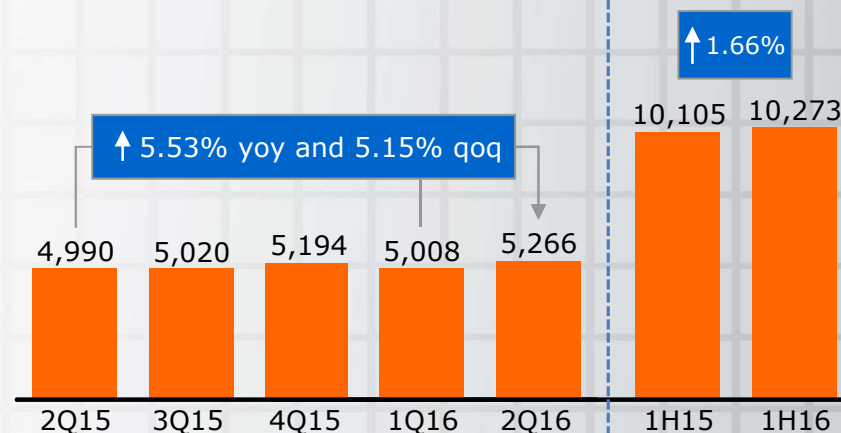


TGroup: Financial Highlights (1)

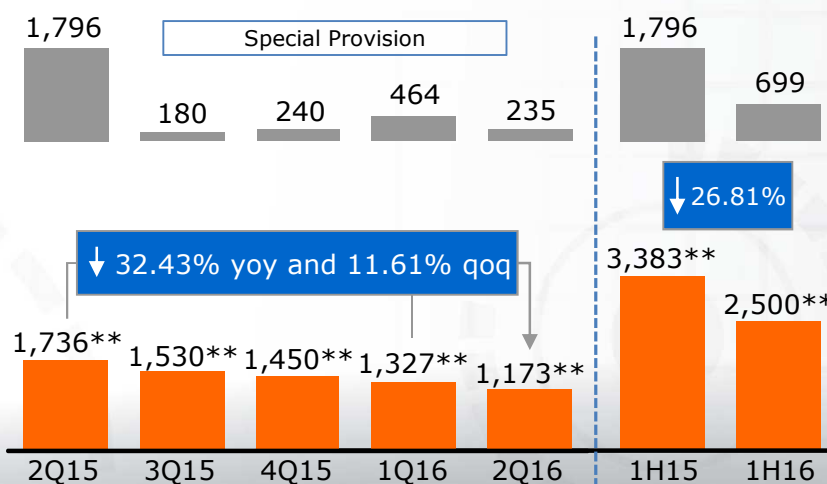
Total Income (MTHB)



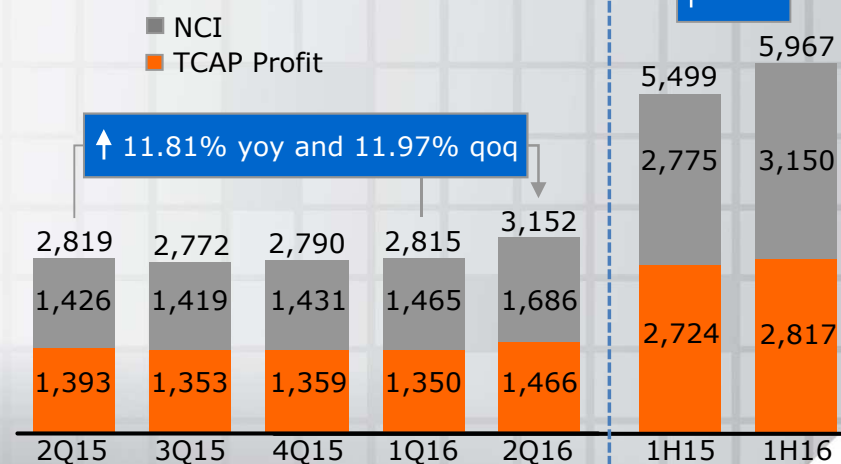
Operating Expenses (MTHB)



Impairment Loss of Loans (MTHB)



Net Profit (MTHB)

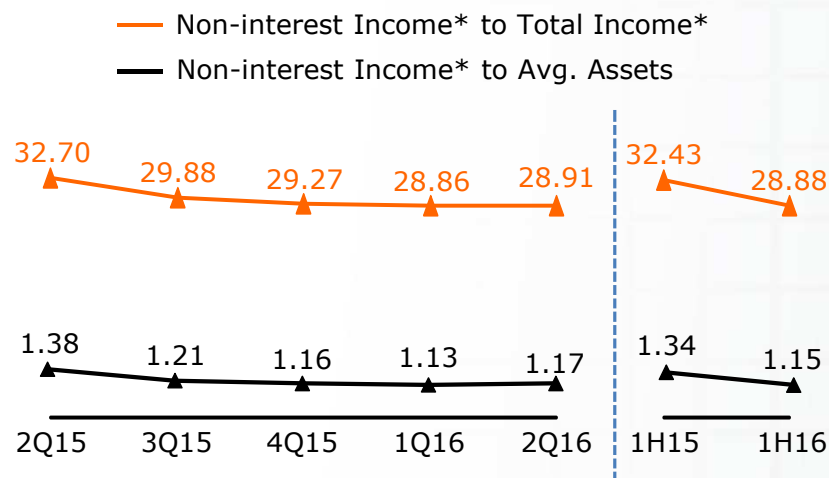


Note: *Net of insurance expenses **From Normal Business Operation; Source: Company data

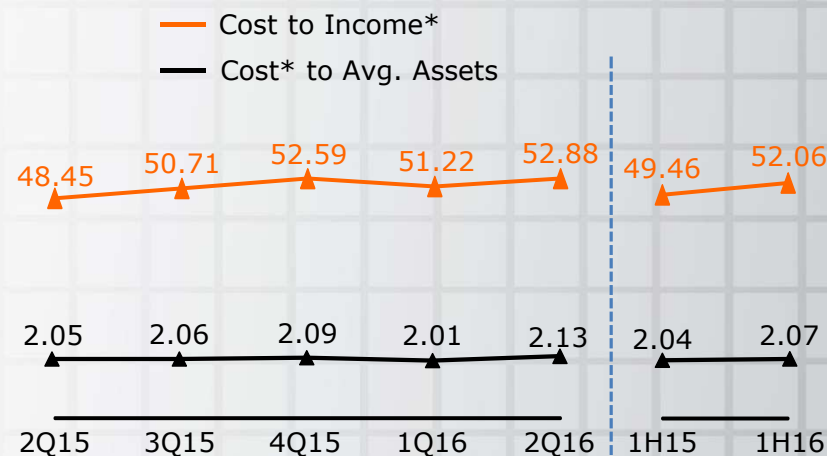


TGroup: Financial Ratio

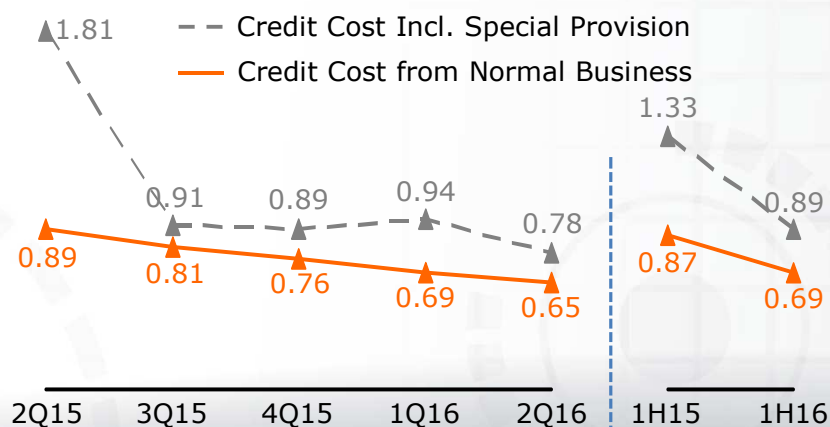
Ratios of Non-interest Income* (Percent)



Ratios of Operating Expenses* (Percent)



Credit Cost (Percent)



Other Key Ratios (Percent)

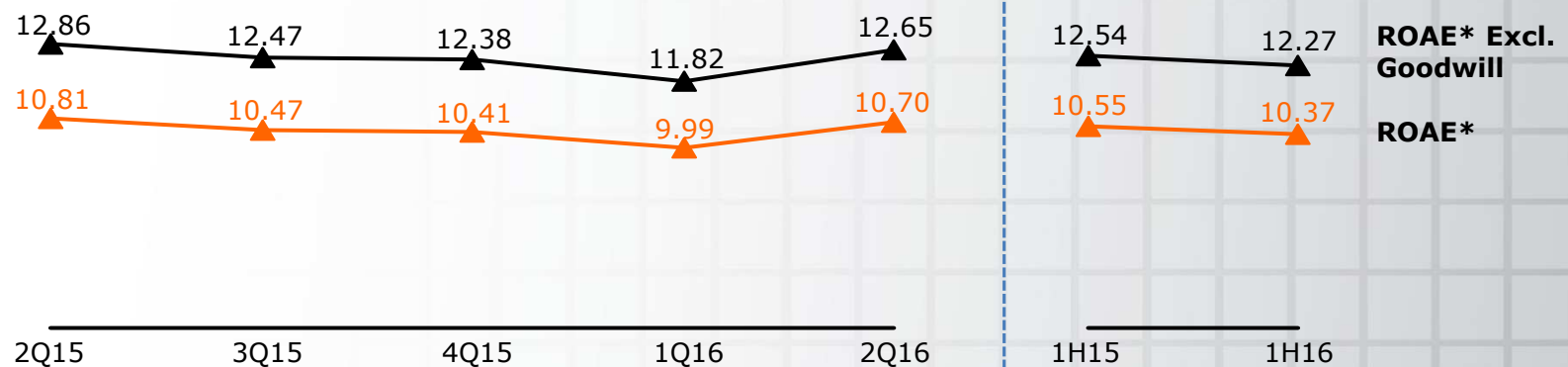
Ratios (%)	Quarterly					Half Yearly	
	2Q15	3Q15	4Q15	1Q16	2Q16	1H15	1H16
ROAA	1.16	1.14	1.12	1.13	1.28	1.11	1.20
ROAE**	10.81	10.47	10.41	9.99	10.70	10.55	10.37
Loan Spread	3.37	3.47	3.53	3.56	3.68	3.29	3.62
Interest Spread	2.73	2.74	2.72	2.70	2.81	2.68	2.76
Cost of Fund	2.58	2.44	2.34	2.25	2.10	2.64	2.17
NPL	3.76	3.54	2.96	2.81	2.71		
Coverage	98.9	109.8	117.2	119.4	126.0		

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 2Q16 amounted to 17,323 MTHB.
- ▶ ROAE excluding goodwill of TCAP is higher than ROAE around 2 percent.



TGroup: Comparison to Targets

Performance Parameters		2014A	2015A	2016F (Revised)	1H16A
Profitability	ROAE (excl. NCI)	10.39%	10.48%	10.50-11.50%	10.37%
	ROAE (excl. GW)	12.62%	12.29%		12.27%
	ROAA	1.02%	1.12%	1.20-1.30%	1.20%
	Spread	2.55%	2.70%	2.70-2.80%	2.76%
	Non-interest Income Ratio*	31.18%	31.03%	30.00-31.00%	28.88%
	Cost to Income Ratio*	49.69%	50.54%	50.00%	52.06%
Loans	Loan Growth	-4.49%	-5.43%	0.00-1.00%	-3.65%
Deposits	CASA Ratio**	35.76%	40.13%	45.00-50.00%	47.16%
Asset Quality	NPL Ratio	4.21%	2.96%	2.60-2.70%	2.71%
	Credit Cost	0.89%	0.83% (From Normal Business Operation)	0.65-0.70%	0.69% (From Normal Business Operation)
	Coverage Ratio	84.89%	117.16%	>130.00%	125.98%
Capital	TBANK BIS Ratio	15.83%	17.92%	> 18.00%	18.84%

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

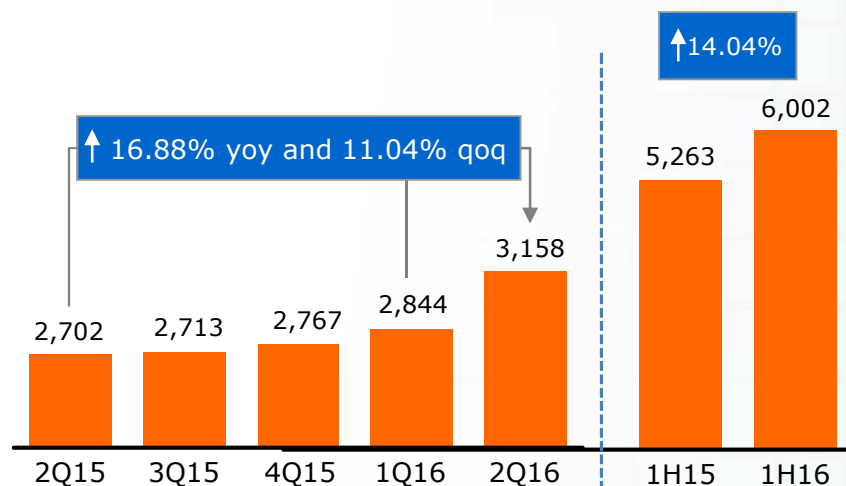
TBANK 2Q16 Financial Highlights



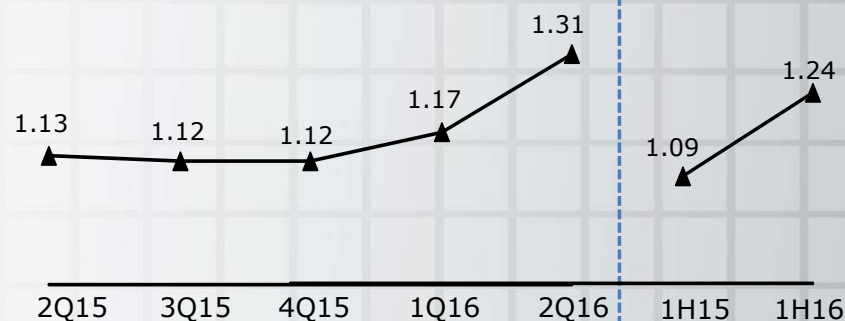


TBANK: Profitability

Net Profit (MTHB)*



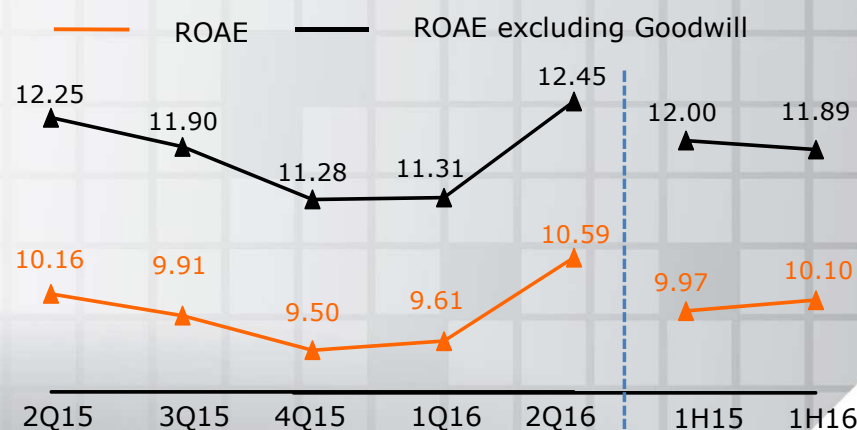
ROAA (Percent)



Highlights

- ▶ 2Q16 Net profit rose by 314 MTHB or 11.04% qoq. This was due to an effective management in asset quality and cost of fund.
- ▶ 2Q16 ROAA rose by 14 basis points qoq and up to 1.31%.
- ▶ 2Q16 ROAE increased from 9.61% in 1Q16 to 10.59%.
- ▶ 2Q16 ROAE excluding goodwill grew from 11.31% in 1Q16 to 12.45%.
- ▶ 1H16 Net profit grew by 739 MTHB or 14.04% from the same period last year, due to a success in management in impairment loss of loan expense.
- ▶ 1H16 ROAA was at 1.24%, an increase from 1.09% in 1H15.
- ▶ 1H16 ROAE was at 10.10%, an increase from 9.97% in 1H15.
- ▶ 1H16 ROAE excluding goodwill was at 11.89%.

ROAE* (Percent)

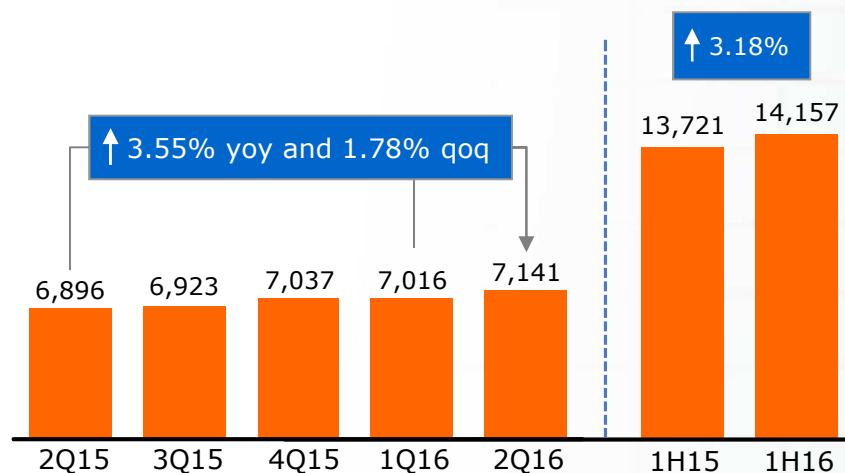


Note: *Excluding non-controlling interest; Source: Company data

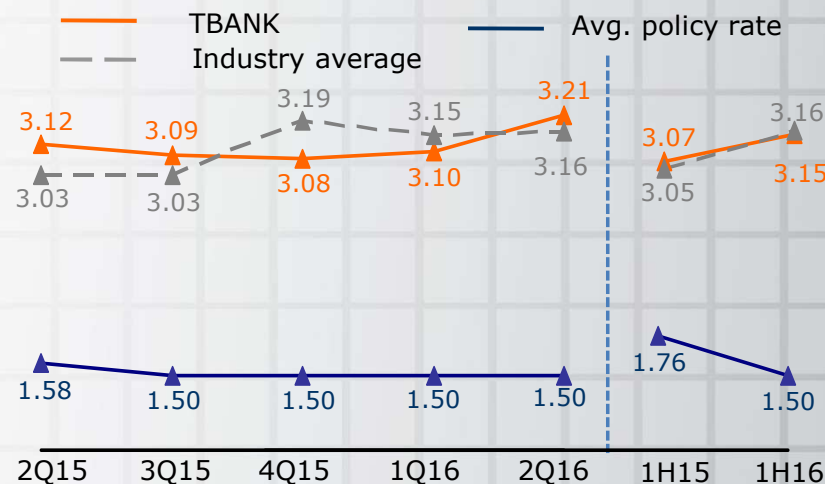


TBANK: Net Interest Income

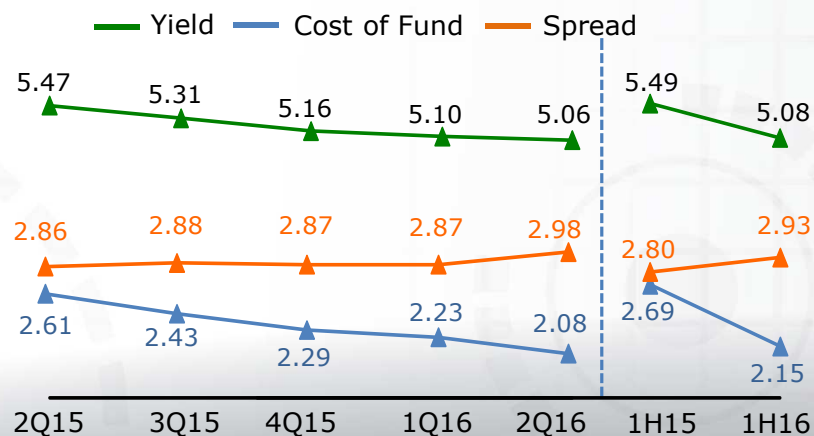
Net Interest Income (MTHB)



Net Interest Margin (Percent)



Yield, Cost of Fund, and Spread (Percent)



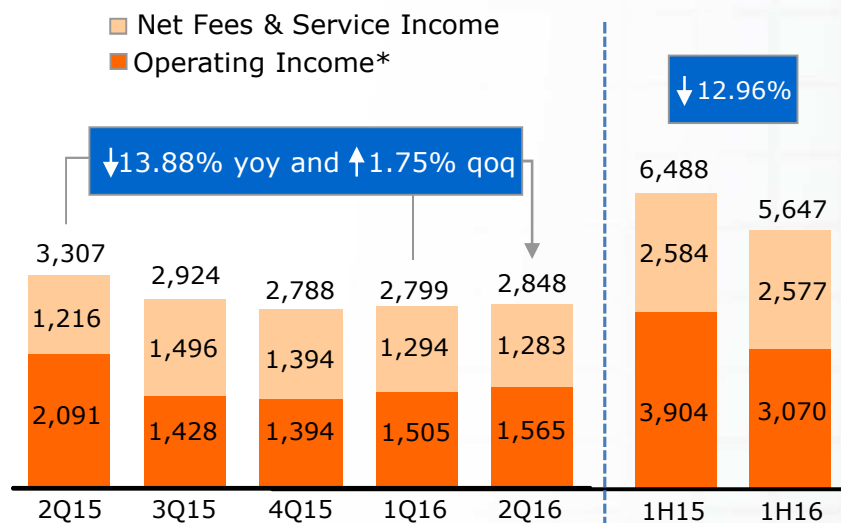
Highlights

- ▶ 2Q16 Interest income decreased by 262 MTHB or 2.27% qoq.
- ▶ 2Q16 Interest expenses decreased by 387 MTHB or 8.51% qoq.
- ▶ 2Q16 Net Interest Margin increased from 3.10% in 1Q16 to 3.21%.
- ▶ 2Q16 Interest spread was at 2.98%, an increase of 11 basis point from 1Q16.
- ▶ 1H16 Interest income decreased by 1,723 MTHB or 7.01% yoy.
- ▶ 1H16 Interest expenses decreased by 2,159 MTHB or 19.86% yoy.
- ▶ 1H16 Net interest Margin increased from 3.07% in 1H15 to 3.15%
- ▶ 1H15 Interest spread grew by 13 basis point and stayed at 2.93%

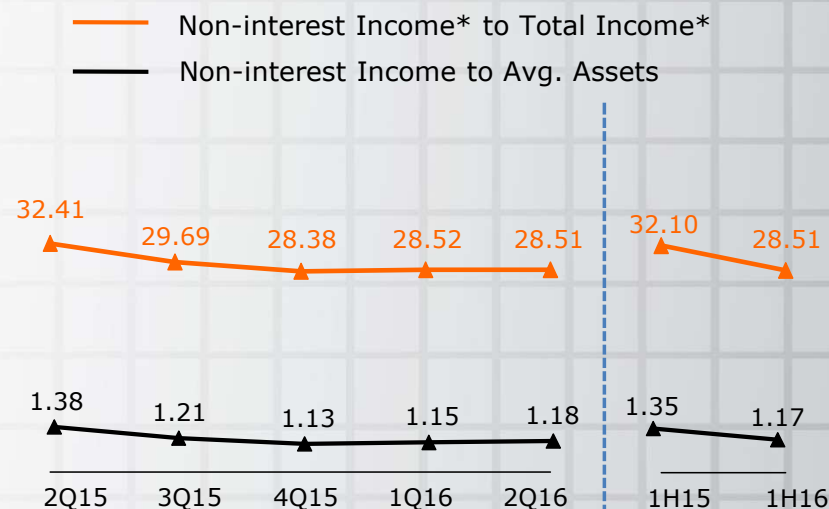


TBANK: Non-interest Income

Non-interest Income (MTHB)



Ratios of Non-interest Income* (Percent)



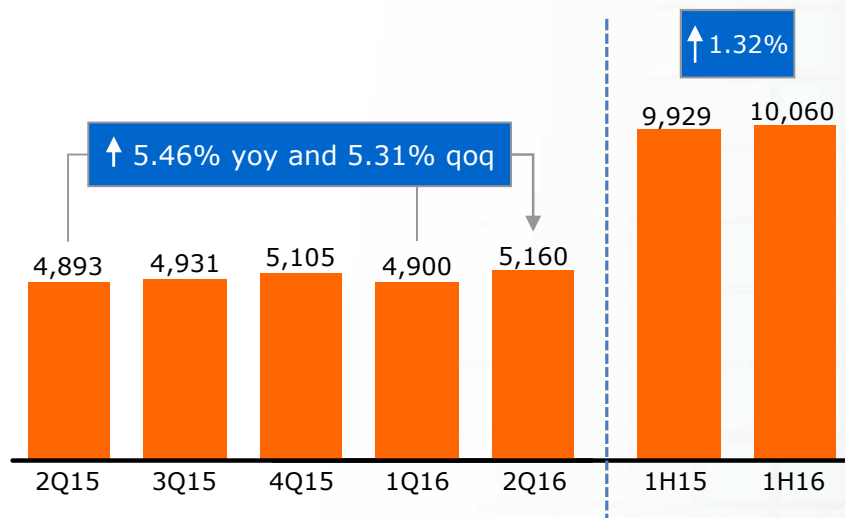
Highlights

- ▶ 2Q16 Non-interest income increased by 49 MTHB or 1.75% qoq.
- ▶ 2Q16 Net fees and service income decreased by 11 MTHB or 0.85% qoq, mainly from a decrease in brokerage fee.
- ▶ 2Q16 Operating income increased by 60 MTHB or 3.99% qoq, mainly from gains on property foreclosed and dividend income.
- ▶ 2Q16 Non-interest income ratio was 28.51%, maintained from 28.52% in the previous quarter.
- ▶ 1H16 Non-interest income decreased by 841 MTHB or 12.96% yoy.
- ▶ 1H16 Net fees and service income decreased by 7 MTHB or 0.27% yoy, mainly due to brokerage fee.
- ▶ 1H16 Operating income decreased by 834 MTHB or 21.36% yoy, mainly from a decreased in gains on investment, gains on property foreclosed and gain on trading and foreign exchange transactions.
- ▶ 1H16 Non-interest income ratio was 28.51%, a decrease from 32.10% in the same period last year.

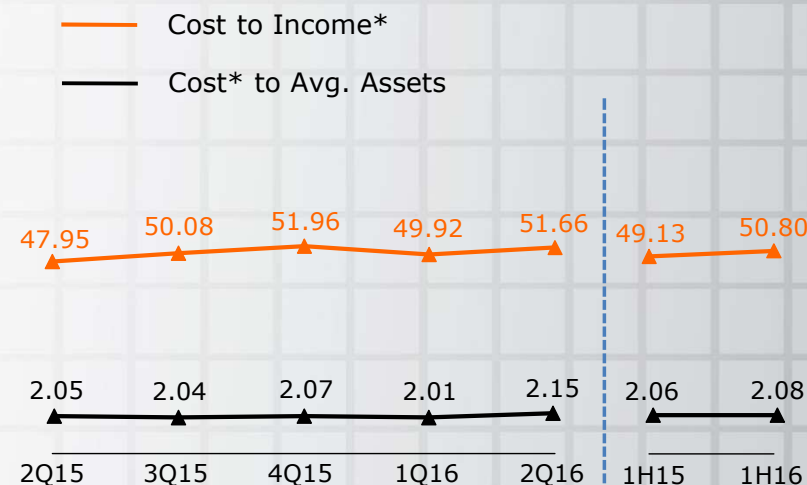


TBANK: Operating Expenses

Operating Expenses (MTHB)



Ratios of Operating Expenses* (Percent)



Highlights

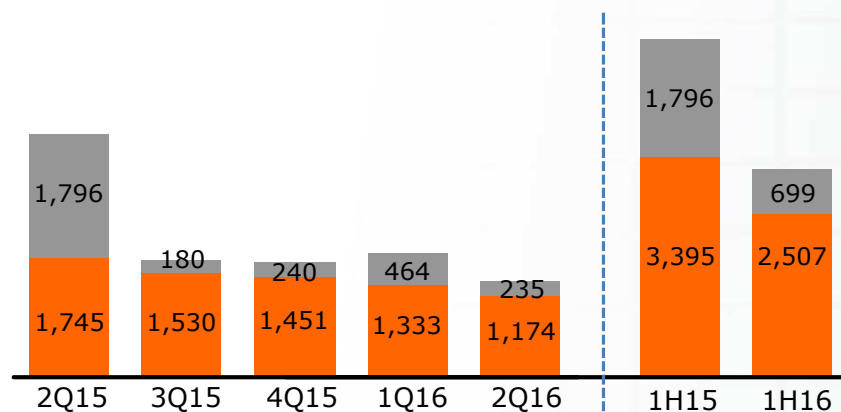
- ▶ 2Q16 Operating expenses increased by 260 MTHB or 5.31% qoq, mainly from;
 - Personnel expenses increased by 25 MTHB or 0.89% qoq, due to incentive expenses.
 - Other expenses increased by 311 MTHB or 18.48% qoq, mainly from prudent management in property foreclosed, advertising expense, and sale promotion expense.
- ▶ 2Q16 Cost to income ratio was 51.66%, an increase from 49.92% in 1Q16.
- ▶ 1H16 Operating expenses increased by 131 MTHB or 1.32% yoy, mainly from;
 - Personnel expenses increased by 156 MTHB or 2.84% yoy, due to an increase in annual salary.
 - Premise and equipment expense increased by 92 MTHB or 6.51% yoy, mainly from depreciation expense from branch renovation and decoration.
- ▶ 1H16 Cost to income ratio was 50.80%, an increase from 49.13% in the same period last year.



TBANK: Provision Expenses

Impairment Loss of Loans (MTHB)

- Special Provision
- Provision from Normal Business Operation



Credit Cost (Percent)

- Credit Cost Incl. Special Provision
- Credit Cost from Normal Business



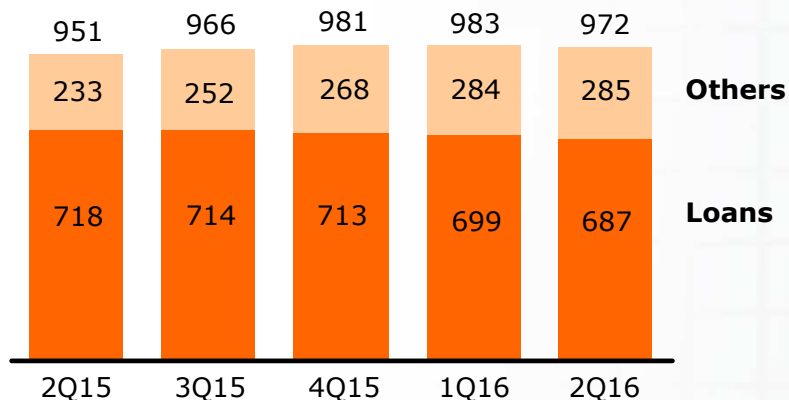
Highlights

- ▶ 2Q16 Provision expenses excluding special provision decreased by 159 MTHB or 11.93% qoq. This was due to strong asset quality which was resulted from an effective management in non-performing loans.
- ▶ 2Q16 The Bank has utilized its tax benefit to put in 235 MTHB as a special provision to be vigilant against uncertain economic.
- ▶ 2Q16 Credit cost excluding special provision was at 0.66%, a decrease from 0.70%. However, total credit cost was 0.79%.
- ▶ 1H16 Provision expenses excluding special provision decreased by 888 MTHB or 26.16% yoy.
- ▶ 1H16 The Bank has utilized its tax benefit to put in 699 MTHB of special provision to be vigilant against volatile economic conditions and to enhance a financial position.
- ▶ 1H16 Credit cost excluding special provision was 0.70%, a decrease of 18 basis point from 0.88% in 1H15. Total credit cost decreased from 1.35% in 1H15 to 0.90%

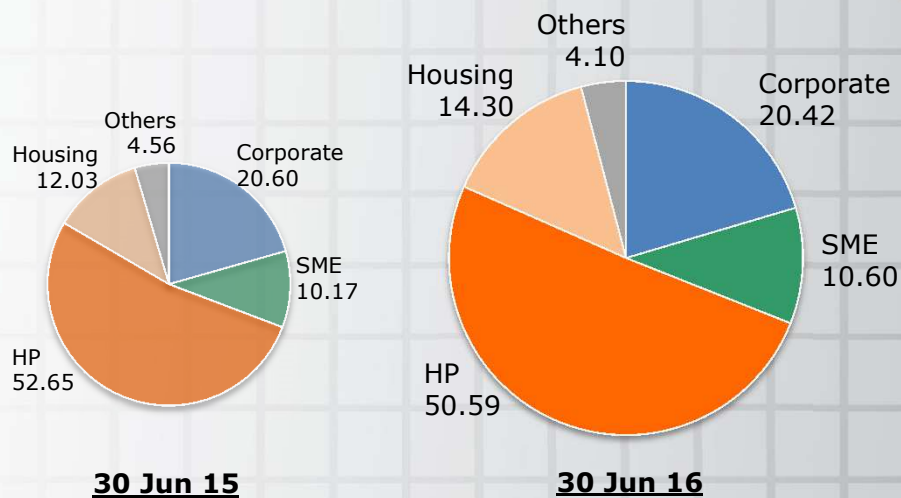


TBANK: Assets

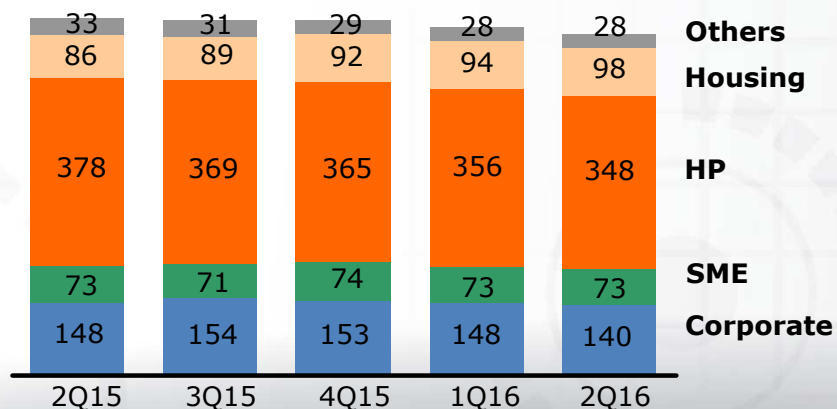
Assets (BTHB)



Loans Breakdown (Percent)



Loans Breakdown (BTHB)



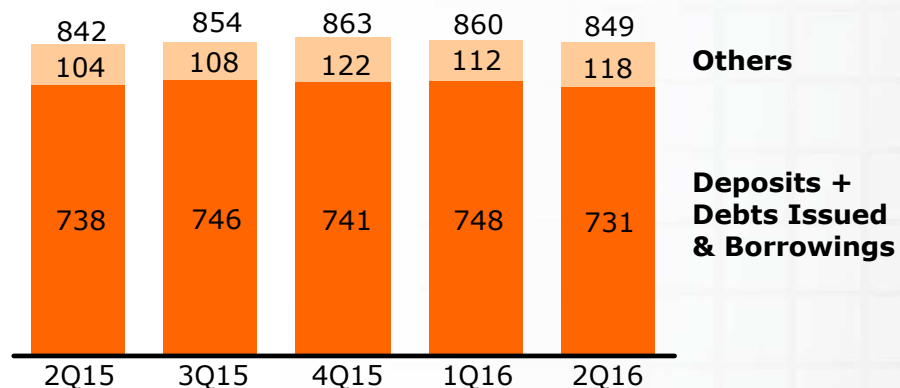
Highlights

- ▶ 2Q16 Assets slightly decreased by 0.95% from the end of last year.
- ▶ 2Q16 Loan volume still declined from the end of previous year. This was due to a 4.78% decrease of hire purchase loans following a slow automotive vehicles market while other retail loans increased by 5.69% from the end of last year.
- ▶ However, new loan booking experienced a growth of 7.42% when compared to the same period of last year.
- ▶ Furthermore, the Bank continued to put focus on strengthen asset quality and NPL reduction.
- ▶ The proportion of retail to corporate and SME loan was 69 : 31.

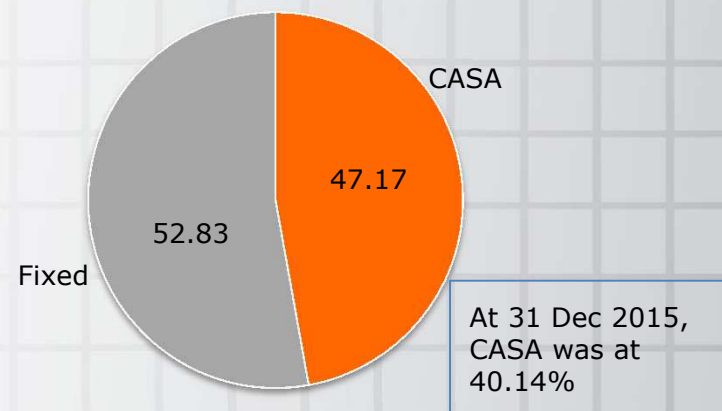


TBANK: Liabilities

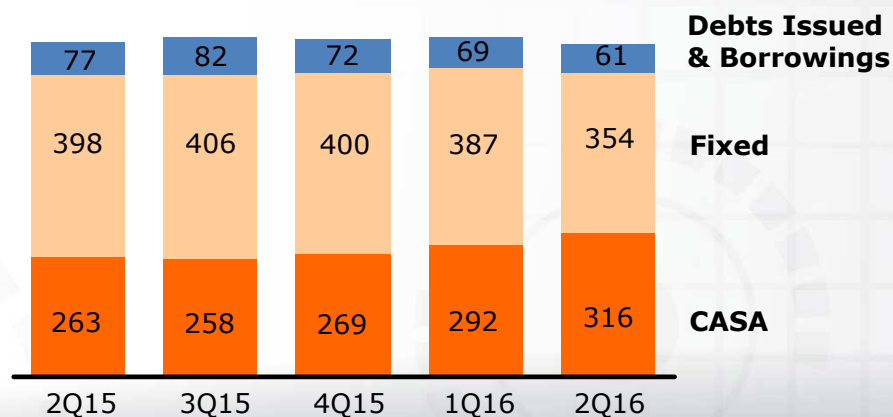
Liabilities (BTHB)



Deposits Breakdown (30 Jun 15) (Percent)



Deposits + Debts Issued & Borrowings (BTHB)



Highlights

- ▶ 2Q16 Deposits and debt issued and borrowings decreased by 1.41% from the end of last year. This was due to deposit restructuring and cost of fund management.
- ▶ However, CASA ratio increased from 40.14% at the end of last year to 47.17%.
- ▶ Furthermore, the Bank continued to maintain a solid LCR ratio of more than 100% in accordance with Basel III regulation implementation.



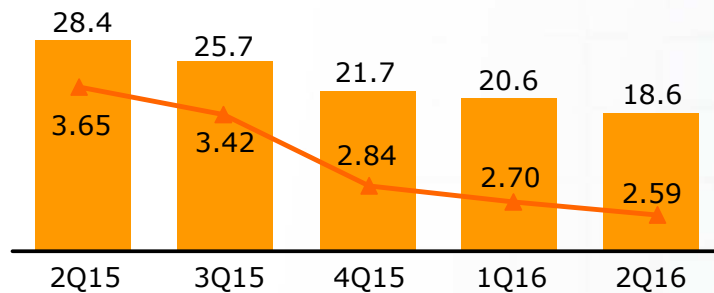
TBANK: NPLs and Reserve

TBANK's NPL vs. NPL to Total Loans

■ NPL (BTHB) — NPL to Total Loans (%)

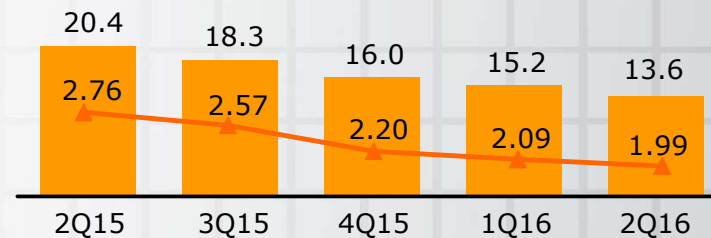
TBANK Consol.

↓ **34.22 % yoy**
9.35 % qoq



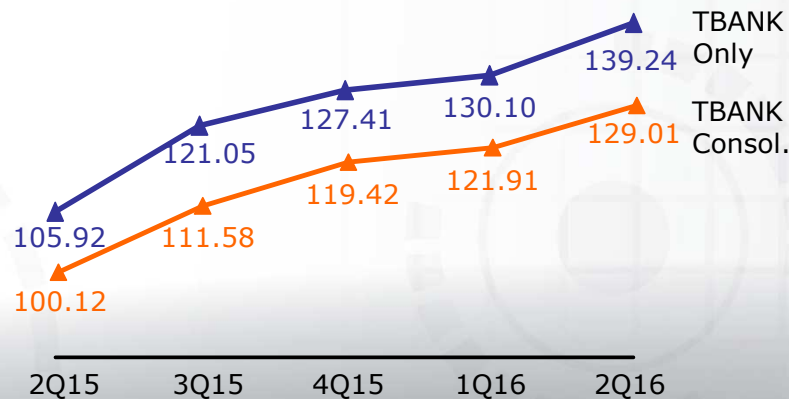
TBANK Only

↓ **33.57 % yoy**
10.58 % qoq



Coverage Ratio (Percent)

- 2Q16 Reserve to Required Reserve by the BOT (Consolidated) = 165.82%
- 2Q16 Reserve to Required Reserve by the BOT (Bank Only) = 186.43%



TBANK Consol.

NPLs dropped **3,032** MTHB ytd with the NPL

ratio of

2.59%

excess reserve of
9,549 MTHB

TBANK Only

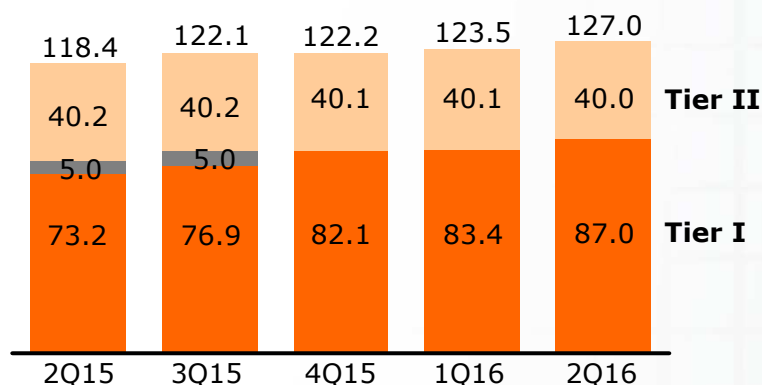
Coverage increased to

139.24%

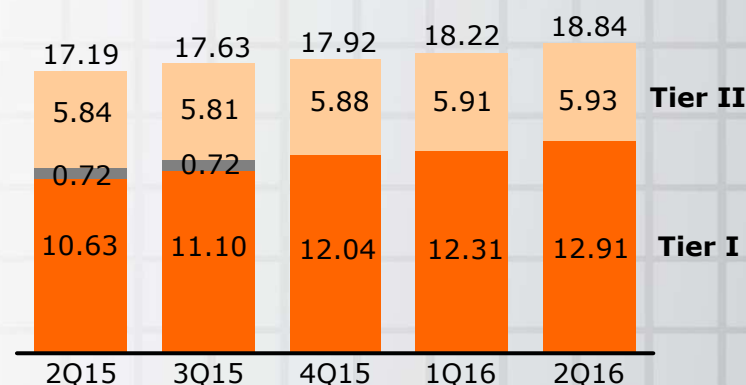


Capital Adequacy

TBANK's Capital (Solo Basis) (BTHB)

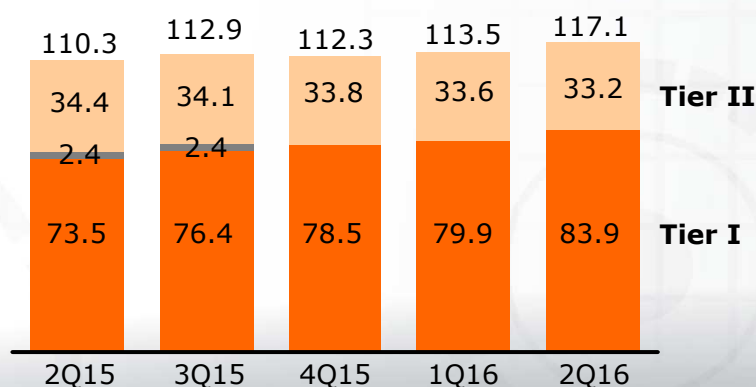


TBANK's BIS Ratio (Solo Basis) (Percent)

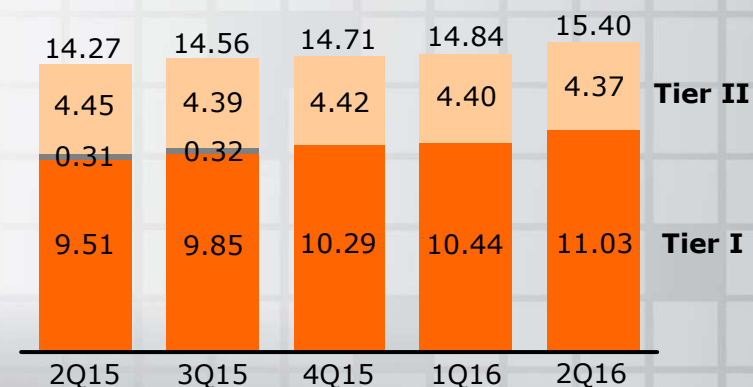


As the Bank focused on strengthening the capital position, BIS ratio of the Bank has been growing as evidenced by an industry leading level of 18.84% at the end of 2Q16.

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



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



Appendix





Detailed Group's Financial Info.

Consolidated statements of comprehensive income	2Q15	3Q15	4Q15	1Q16	2Q16	1H15	1H16	Consolidated statements of financial position	31-Dec-15	30-Jun-16
Interest income	12,228	11,957	11,860	11,649	11,383	24,823	23,031	Cash	13,337	10,242
Interest expenses	5,297	5,015	4,875	4,694	4,304	11,020	8,998	Interbank and money market items-interest	53,944	52,203
Net interest income	6,931	6,942	6,985	6,955	7,079	13,803	14,033	Interbank and money market items-no interest	4,194	6,029
Fees and service income	1,879	2,169	2,072	2,006	1,971	3,934	3,977	Net Interbank and MM	58,138	58,232
Fees and service expenses	666	675	680	715	690	1,355	1,405	Net investments	184,562	199,404
Net fees and service income	1,213	1,494	1,392	1,291	1,281	2,579	2,572	Net Investment in associated companies	2,353	2,923
Gain on tradings and foreign exchange transactions	138	153	195	328	1	394	329	Loans and receivables	765,167	735,901
Gain on Investment	705	220	354	517	130	1,383	647	Accrued interest receivables	667	646
Share of income from investment in associated	84	54	62	109	115	157	223	Deferred revenue	(50,539)	(47,377)
Gain on properties foreclose and other assets	287	(20)	38	(127)	134	291	7	Allowance for doubtful accounts	(26,244)	(24,403)
Dividend income	55	185	49	57	290	125	347	Net loans and accrued interest receivables	689,051	664,767
Insurance premium income	1,682	1,706	1,677	1,646	1,645	3,340	3,291	Properties foreclosed - net	6,334	5,727
Other operating income	302	386	323	315	319	618	635	Intangible assets - net	3,011	2,834
Total operating income	11,397	11,120	11,075	11,091	10,994	22,690	22,084	Goodwill	17,207	17,323
Insurance expenses	1,098	1,220	1,199	1,315	1,037	2,261	2,352	Other assets	23,588	26,741
Net operating income	10,299	9,900	9,876	9,776	9,957	20,429	19,732	Total assets	997,581	988,193
Personnel expenses	2,786	2,793	2,775	2,865	2,890	5,584	5,754	Deposits	669,454	669,711
Premises and equipment expenses	717	775	797	755	764	1,427	1,520	Interbank and money market items-interest	84,083	79,524
Taxes and duties	218	212	212	200	192	440	392	Interbank and money market items-no interest	1,517	1,496
Directors' remuneration	49	10	10	10	53	59	62	Net interbank and money market items	85,600	81,020
Other expenses	1,220	1,230	1,400	1,178	1,367	2,595	2,545	Debt issued and borrowings	84,929	73,192
Total operating expenses	4,990	5,020	5,194	5,008	5,266	10,105	10,273	Insurance contract liabilities	14,595	14,713
Impairment loss of loans and debt securities	(3,532)	(1,708)	(1,713)	(1,767)	(1,408)	(5,179)	(3,175)	Other liabilities	31,680	33,159
Profit before corporate income tax	1,777	3,172	2,969	3,001	3,283	5,145	6,284	Total liabilities	886,258	871,795
Income Tax	1,042	(400)	(179)	(186)	(131)	354	(317)	Company shareholders' equity	52,674	55,254
Profit for the period	2,819	2,772	2,790	2,815	3,152	5,499	5,967	Non-controlling interest	58,649	61,144
Net profit of the Company	1,393	1,353	1,359	1,350	1,466	2,724	2,817	Shareholders' equity	111,323	116,398
								Total liabilities & shareholders' equity	997,581	988,193

Source: Company data



Subsidiaries Performance

Subsidiaries	% held	Net Profit (MTHB)						
		2Q15	3Q15	4Q15	1Q16	2Q16	1H15	1H16
Thanachart Bank Plc. (Consolidated)		2,702	2,713	2,767	2,844	3,158	5,263	6,002
Thanachart Securities Plc.	50.96%	93	89	122	139	92	276	231
Thanachart Fund Management	38.22%	73	83	80	86	92	157	178
Thanachart Insurance Plc.	50.96%	297	298	219	251	267	600	518
TS AMC	50.96%	37	120	(71)	(71)	116	(67)	45
Ratchthani Leasing Plc.	33.22%	191	215	169	210	216	365	426
NFS AMC	100.00%	7	11	7	(10)	(15)	32	(25)
MAX AMC	83.44%	(2)	4	71	(7)	50	(7)	43
SCILIFE	51.00%	(27)	(47)	(45)	(123)	(11)	(29)	(134)



Investor Relations

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