

Analyst Meeting

Statements Unreviewed

As of 30 September 2016



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TGroup 3Q16 Financial Highlights





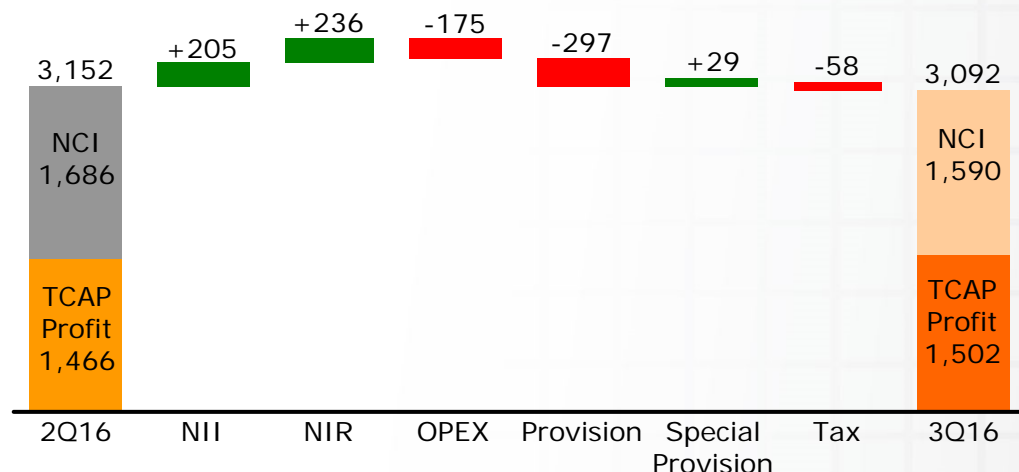
3Q16 Overview

- ▶ **Asset quality continued to improve q-q**
 - ▶ TGroup NPL ratio = 2.56%, down from 2.71%
 - ▶ TGroup coverage ratio = 132.94%, up from 125.98%
 - ▶ TBANK NPL ratio = 2.44%, down from 2.59%
 - ▶ TBANK coverage ratio = 136.31%, up from 129.01%
- ▶ **3Q16 Performance**
 - ▶ TGroup net profit = 3,092 MTHB
 - ▶ TCAP net profit = 1,502 MTHB, up 2.46%
- ▶ **Capital position remains strong**
 - ▶ TBANK BIS Ratio is the second highest in the industry, rose to 19.70%



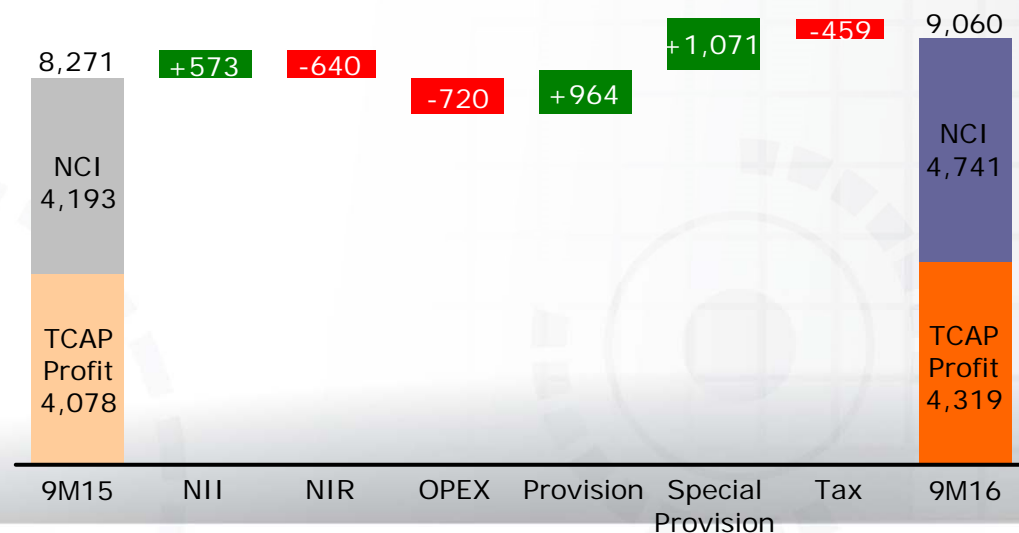
TGroup: Profit Movement

Movement of Total Profit 3Q16 VS 2Q16 (MTHB)



- ▶ Group profit decreased 60 MTHB or 1.90%
- ▶ TCAP profit increased 36 MTHB or 2.46%
- ▶ NII increased 205 MTHB or 2.90% from widened spread, up from 2.81% to 2.98%
- ▶ NIR increased 236 MTHB or 8.60% due mainly to an increase in brokerage fees
- ▶ OPEX increased 175 MTHB or 3.41% from expenses on property foreclosed management, advertising, and incentive
- ▶ Normal provision increased 297 MTHB or 25.32% from general provision provided to protect against the economic uncertainties and future regulations
- ▶ Tax increased 58 MTHB

Movement of Total Profit 9M16 VS 9M15 (MTHB)

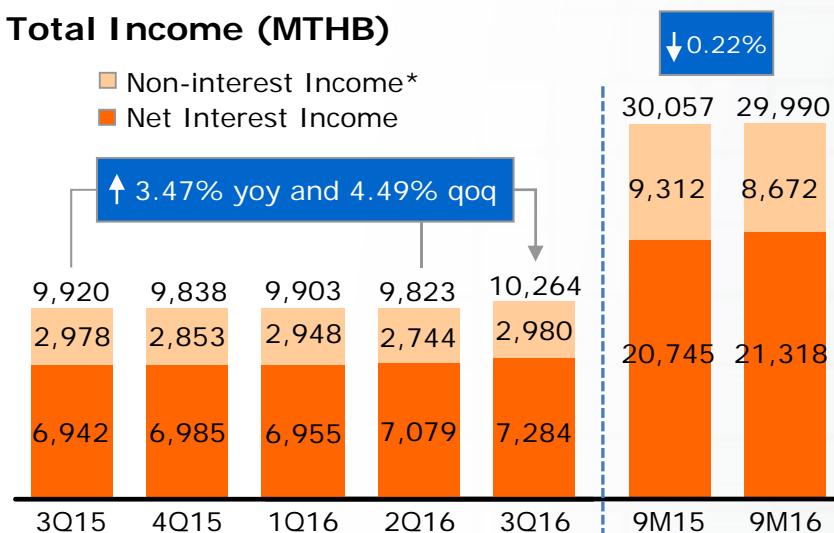


- ▶ Group profit increased 789 MTHB or 9.54%
- ▶ TCAP profit increased 241 MTHB or 5.91%
- ▶ NII increased 573 MTHB or 2.76% from effective cost of fund management
- ▶ NIR decreased 640 MTHB or 6.87% mainly from less gains on investments
- ▶ OPEX increased 720 MTHB or 4.85% mainly from annual salary increase and incentive expenses
- ▶ Normal provision decreased 964 MTHB or 19.63% from effective management of asset quality
- ▶ Tax increased by 459 MTHB

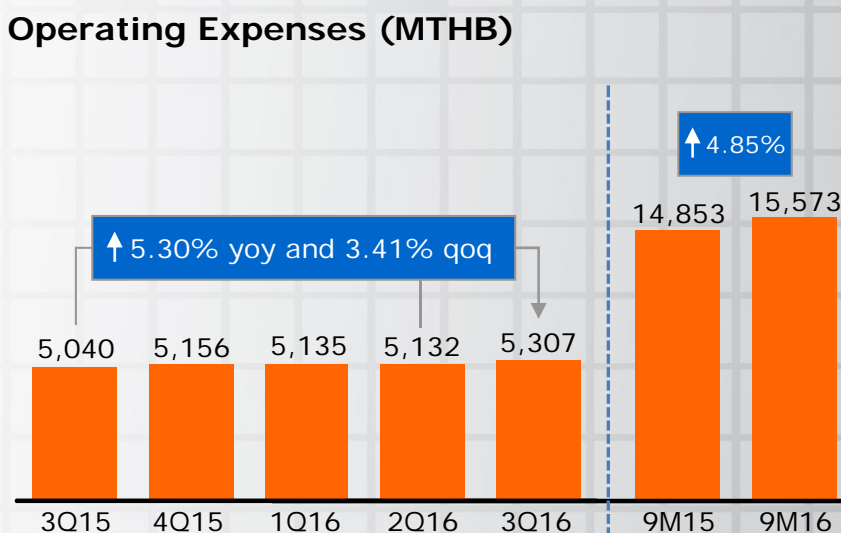


TGroup: Financial Highlights

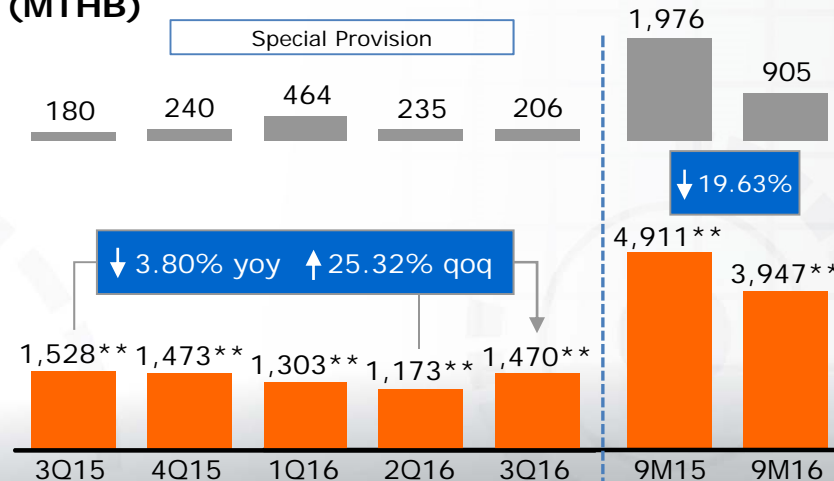
Total Income (MTHB)



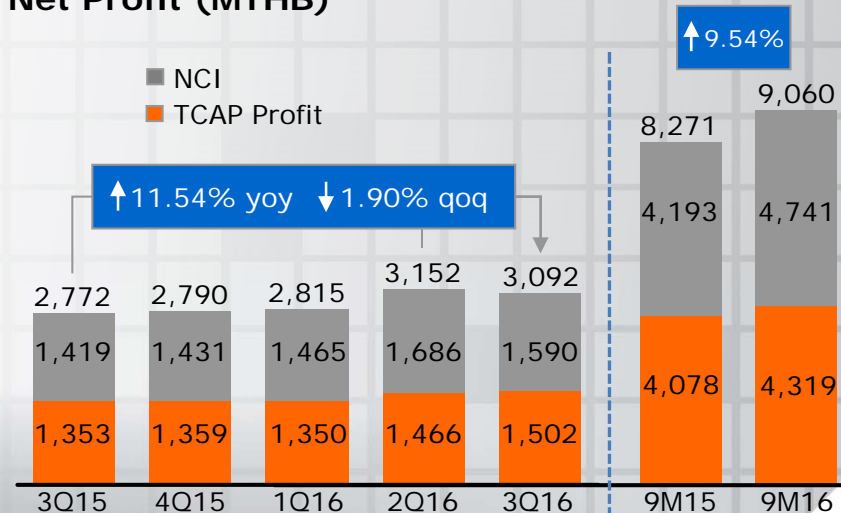
Operating Expenses (MTHB)



Impairment Loss of Loans & Debt Securities (MTHB)



Net Profit (MTHB)

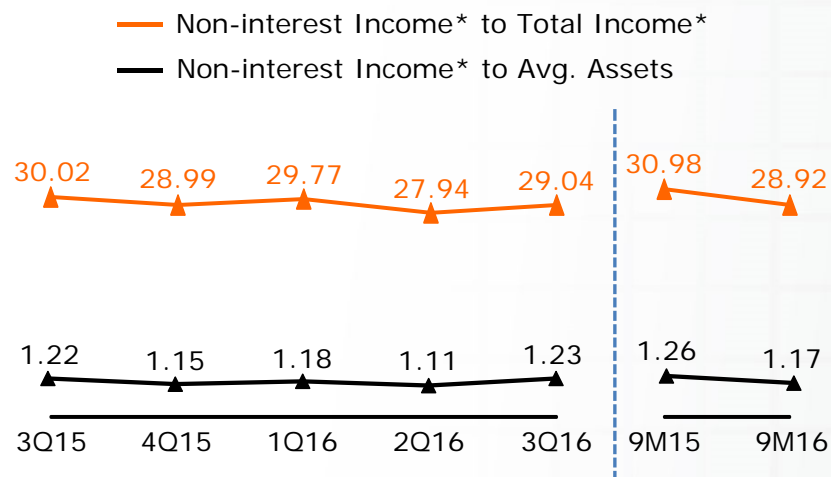


Note: *Net of insurance expenses **From Normal Business Operation; Source: Company data

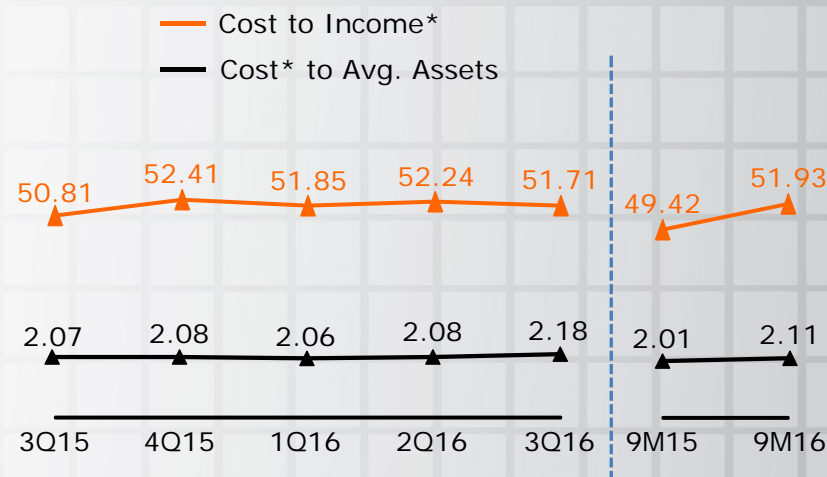


TGroup: Financial Ratio

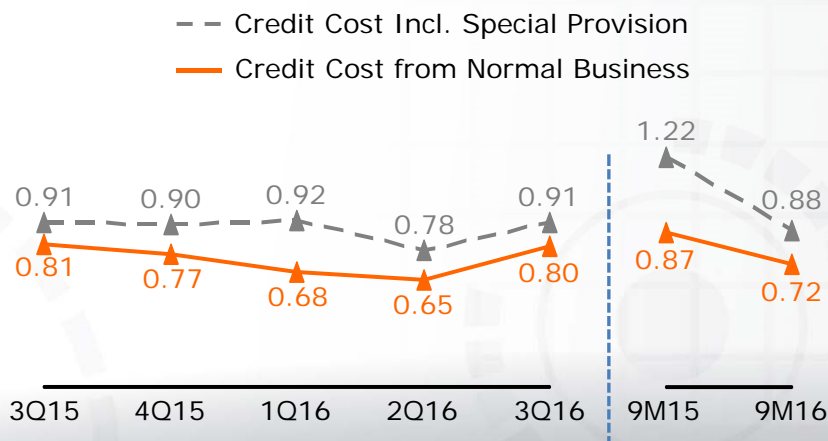
Ratios of Non-interest Income* (Percent)



Ratios of Operating Expenses* (Percent)



Credit Cost (Percent)



Other Key Ratios (Percent)

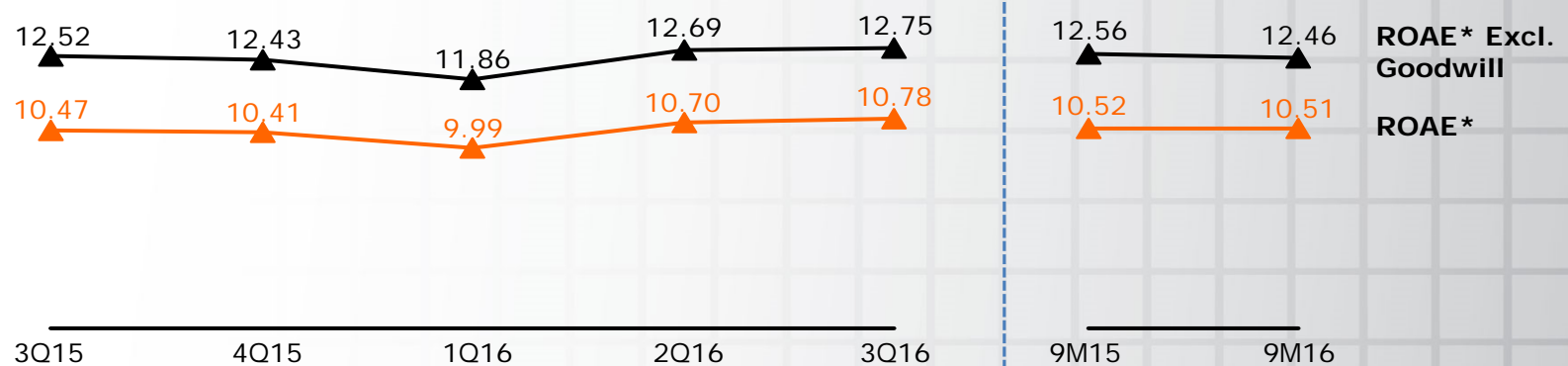
Ratios (%)	Quarterly					9-month	
	3Q15	4Q15	1Q16	2Q16	3Q16	9M15	9M16
ROAA	1.14	1.12	1.13	1.28	1.27	1.12	1.23
ROAE**	10.47	10.41	9.99	10.70	10.78	10.52	10.51
Loan Spread	3.47	3.53	3.56	3.68	3.88	3.35	3.70
Interest Spread	2.74	2.72	2.70	2.81	2.98	2.70	2.83
Cost of Fund	2.44	2.34	2.25	2.10	1.93	2.57	2.10
NPL	3.54	2.96	2.81	2.71	2.56		
Coverage	109.8	117.2	119.4	126.0	132.9		

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 3Q16 amounted to 17,381 MTHB.
- ▶ ROAE excluding goodwill of TCAP is higher than ROAE around 2 percent.



TGroup: Comparison to Targets

Performance Parameters		2014A	2015A	2016F (Revised)	9M16A
Profitability	ROAE (excl. NCI)	10.39%	10.48%	10.50-11.50%	10.51%
	ROAE (excl. GW)	12.48%	12.52%		12.46%
	ROAA	1.02%	1.12%	1.20-1.30%	1.23%
	Spread	2.55%	2.70%	2.70-2.80%	2.83%
	Non-interest Income Ratio*	31.18%	31.03%	30.00-31.00%	28.92%
	Cost to Income Ratio*	49.69%	50.54%	50.00%	51.93%
Loans	Loan Growth	-4.49%	-5.43%	0.00-1.00%	-4.80%
Deposits	CASA Ratio**	35.76%	40.13%	45.00-50.00%	46.74%
Asset Quality	NPL Ratio	4.21%	2.96%	2.60-2.70%	2.56%
	Credit Cost	0.89%	0.83% (From Normal Business Operation)	0.65-0.70%	0.72% (From Normal Business Operation)
	Coverage Ratio	84.89%	117.16%	>130.00%	132.94%
Capital	TBANK BIS Ratio	15.83%	17.92%	> 18.00%	19.70%

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

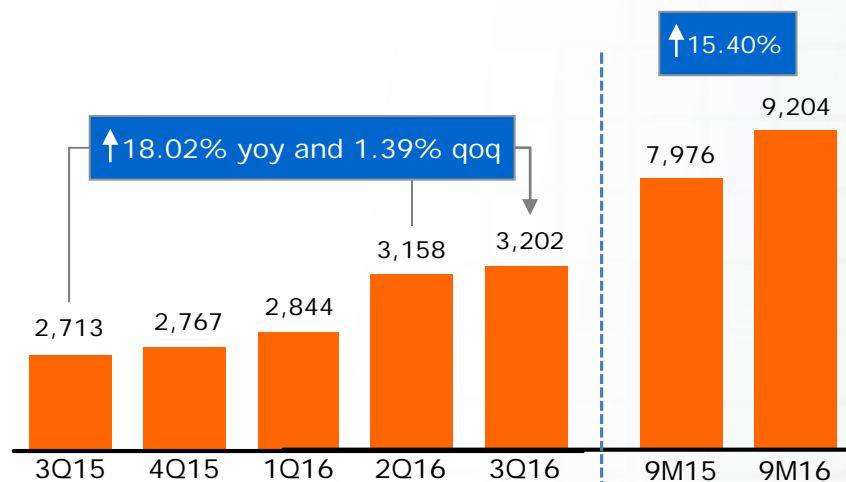
TBANK 3Q16 Financial Highlights



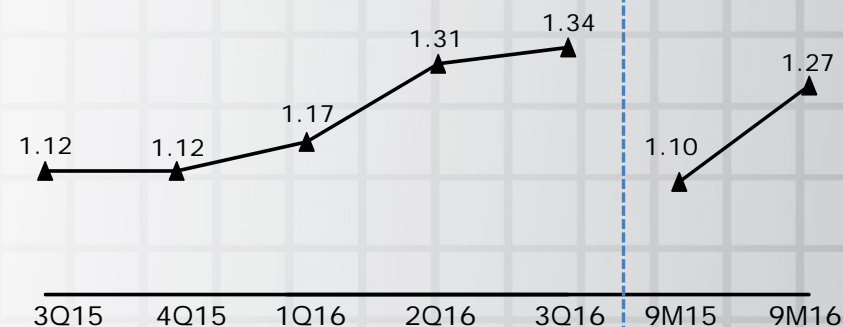


TBANK: Profitability

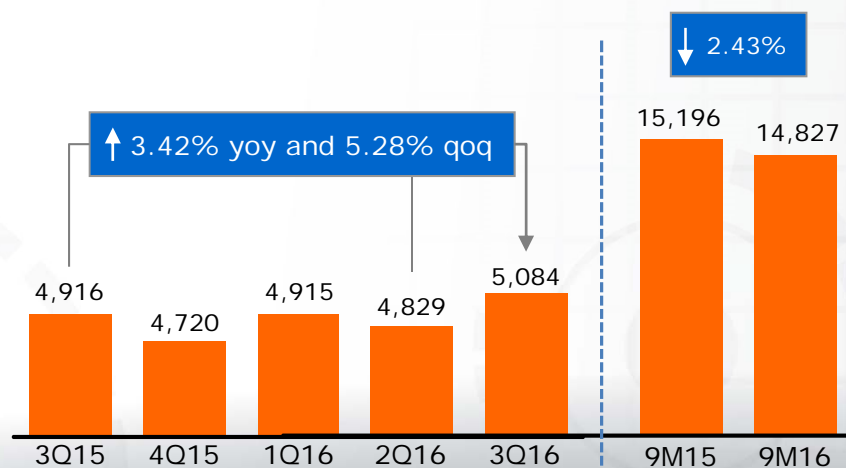
Net Profit (MTHB) *



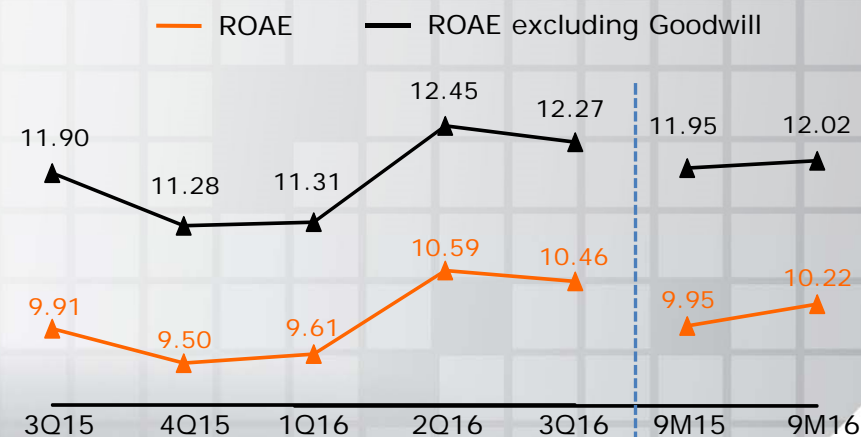
ROAA (Percent)



Pre-Provision Operating Profit (MTHB)



ROAE* (Percent)

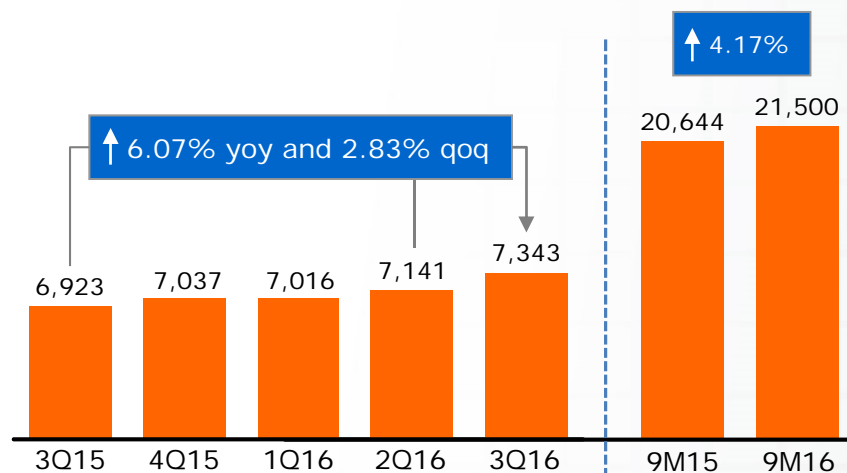


Note: *Excluding non-controlling interest; Source: Company data

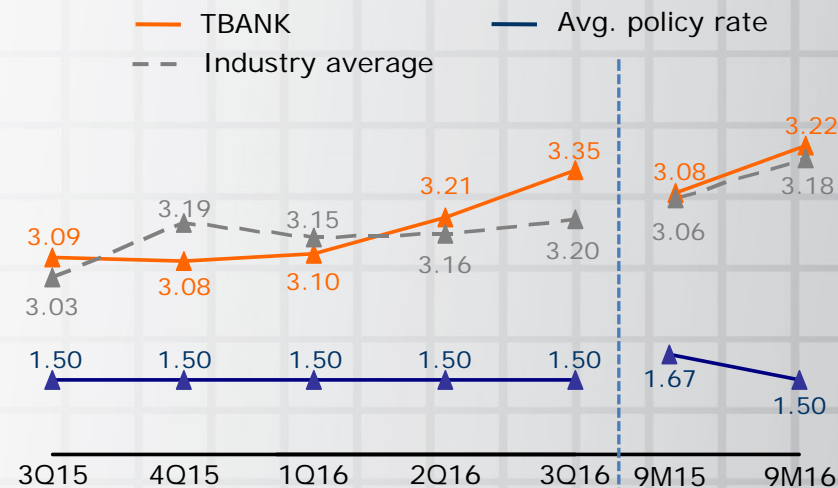


TBANK: Net Interest Income

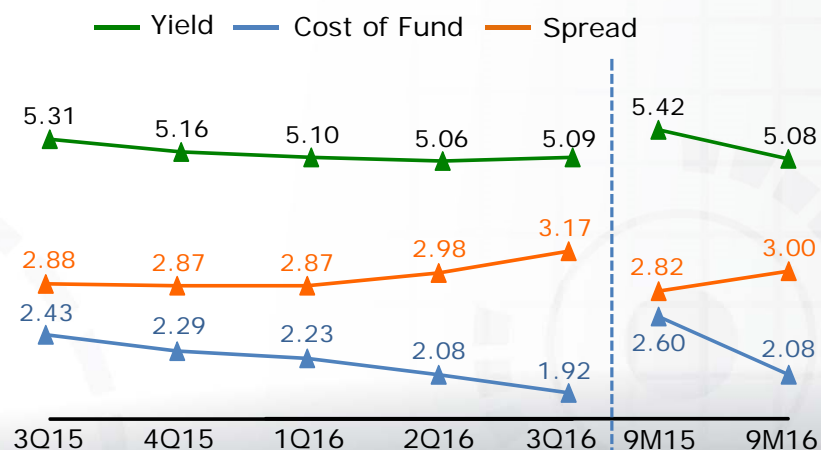
Net Interest Income (MTHB)



Net Interest Margin (Percent)



Yield, Cost of Fund, and Spread (Percent)



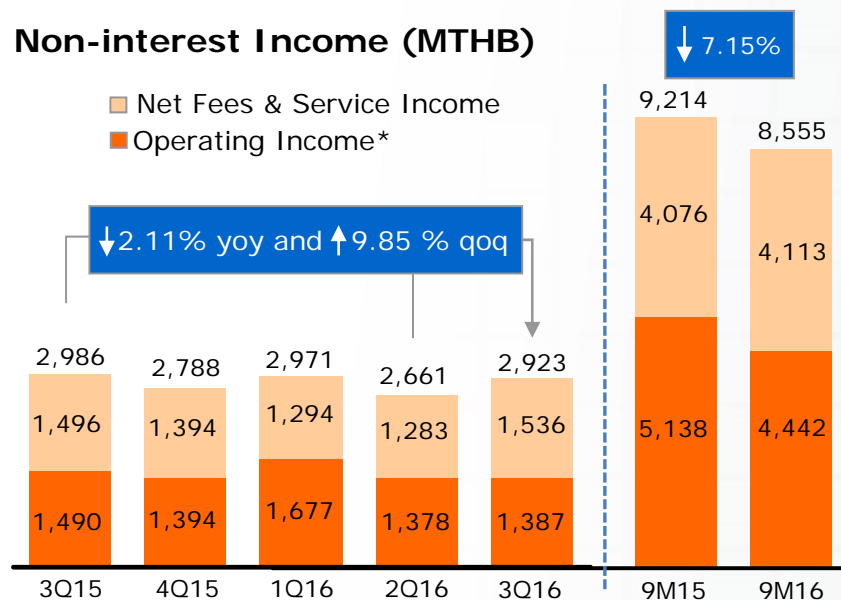
Highlights

- ▶ 3Q16 interest income dropped by 198 MTHB or 1.75% qoq.
- ▶ 3Q16 interest expenses dropped by 400 MTHB or 9.61% qoq.
- ▶ 3Q16 net interest margin was 3.35%, an increase of 14 bps from 3.21% in 2Q16.
- ▶ 3Q16 interest spread was 3.17%, an increase of 19 bps from 2.98% in 2Q16.
- ▶ 9M16 interest income decreased by 2,476 MTHB or 6.79% yoy.
- ▶ 9M16 interest expenses decreased by 3,332 MTHB or 21.08% yoy.
- ▶ 9M16 net interest margin was 3.22%, an increase of 14 bps from 3.08% in 9M15.
- ▶ 9M16 interest spread was 3.00%, an increase of 18 bps from 2.82% in 9M15.

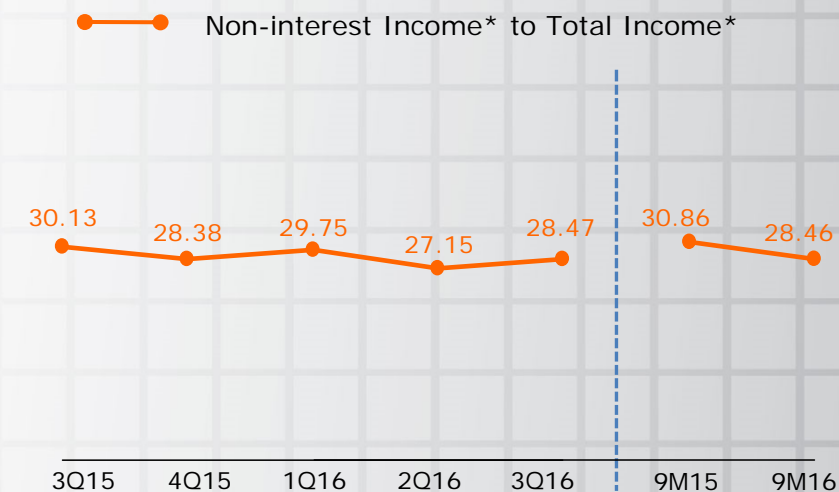


TBANK: Non-interest Income

Non-interest Income (MTHB)



Ratios of Non-interest Income* (Percent)



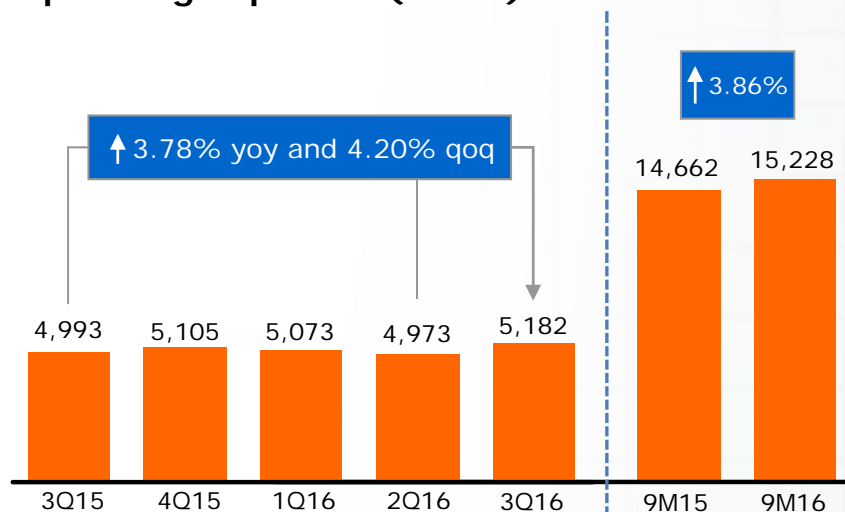
Highlights

- ▶ 3Q16 non-interest income increased by 262 MTHB or 9.85% qoq.
- ▶ 3Q16 net fees and service income increased by 253 MTHB or 19.72% qoq, mainly from brokerage fee and fee from fund management and investment banking businesses.
- ▶ 3Q16 operating income increased by 9 MTHB or 0.65% qoq, mainly from gains on trading and foreign exchange transactions, gains on investments and net insurance income.
- ▶ 3Q16 non-interest income ratio was 28.47%, an increase from 27.15% in 2Q16.
- ▶ 9M16 non-interest income decreased by 659 MTHB or 7.15% yoy.
- ▶ 9M16 net fees and service income increased by 31 MTHB or 0.76% yoy, mainly from brokerage fee.
- ▶ 9M16 operating income decreased by 690 MTHB or 13.44% yoy, mainly from gains on investment and gain on trading and foreign exchange transactions.
- ▶ 9M16 non-interest income ratio was 28.46%, a decrease from 30.86% in the same period last year.

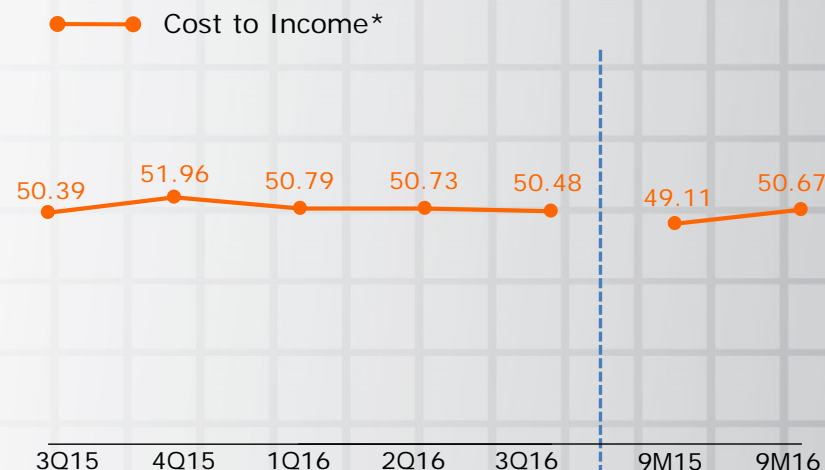


TBANK: Operating Expenses

Operating Expenses (MTHB)



Ratios of Operating Expenses* (Percent)



Highlights

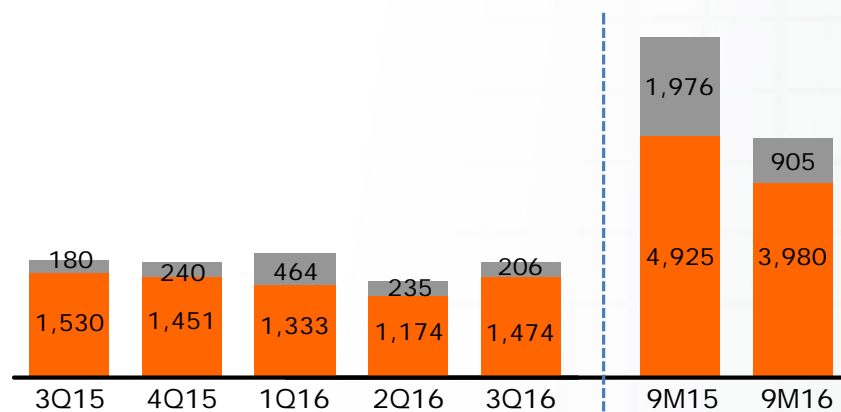
- ▶ 3Q16 operating expenses increased by 209 MTHB or 4.20% qoq, mainly from:
 - Personnel expenses increased by 97 MTHB or 3.42% qoq, due to incentive expenses.
 - Other expenses increased by 121 MTHB or 10.37% qoq, mainly from prudent management in property foreclosed, advertising expense, and sale promotion expense from several product launches.
- ▶ 3Q16 cost to income ratio was 50.48%, a slightly decrease from 50.73% in 2Q16.
- ▶ 9M16 operating expenses increased by 566 MTHB or 3.86% yoy, mainly from:
 - Personnel expenses increased by 344 MTHB or 4.18% yoy, due to an increase in annual salary and incentive expense.
 - Premise and equipment expense increased by 88 MTHB or 4.03% yoy, mainly from depreciation expense from branch renovation and decoration.
 - Other expenses increased by 188 MTHB or 5.25% yoy, mainly from prudent management in property foreclosed and advertising expense.
- ▶ 9M16 cost to income ratio was 50.67%, an increase from 49.11% in the same period last year.



TBANK: Provision Expenses

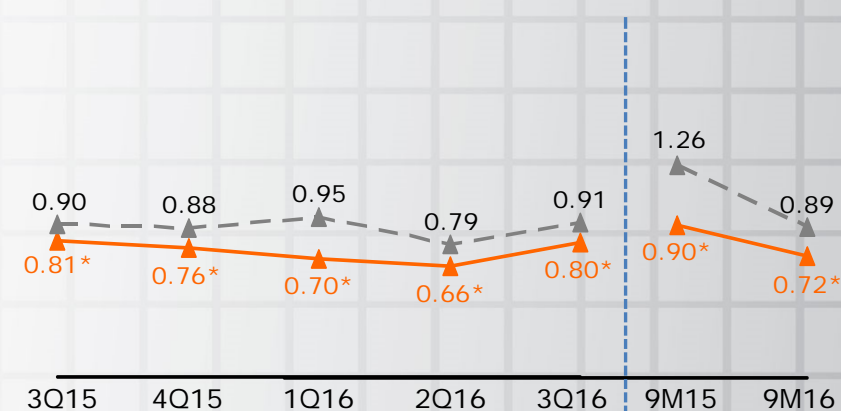
Impairment Loss of Loans (MTHB)

- Special Provision
- Provision from Normal Business Operation



Credit Cost (Percent)

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



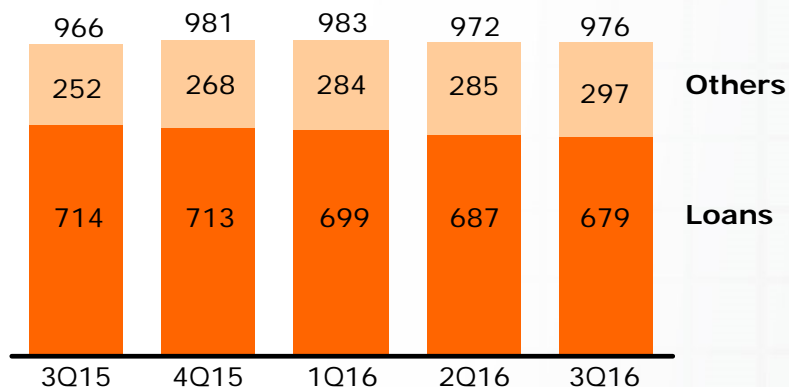
Highlights

- ▶ 3Q16 provision expenses from normal business operation increased by 300 MTHB or 25.55% qoq. This was mainly due to strengthening financial position and being prepared against economic uncertainty and future regulation.
- ▶ 3Q16 the Bank has utilized its tax benefit to put in 206 MTHB of special provision which does not effect normal operating profit of the Bank.
- ▶ 3Q16 credit cost from normal business operation was 0.80%, an increase from 0.66% in 2Q16. However, total credit cost was 0.91%.
- ▶ 9M16 provision expenses from normal business operation decreased by 945 MTHB or 19.19% yoy, mainly from an effective management in asset quality.
- ▶ 9M16 the Bank has utilized its tax benefit to put in 905 MTHB of special provision to be vigilant against volatile economic uncertainty and to enhance a financial position.
- ▶ 9M16 credit cost from normal business operation was 0.72%, a decrease from 0.90% in 9M15. However, Total credit cost was 0.89%.

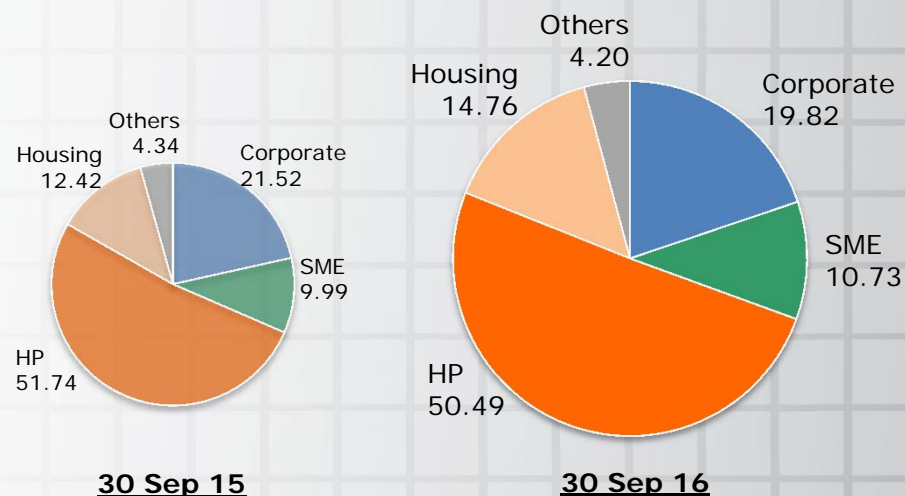


TBANK: Assets

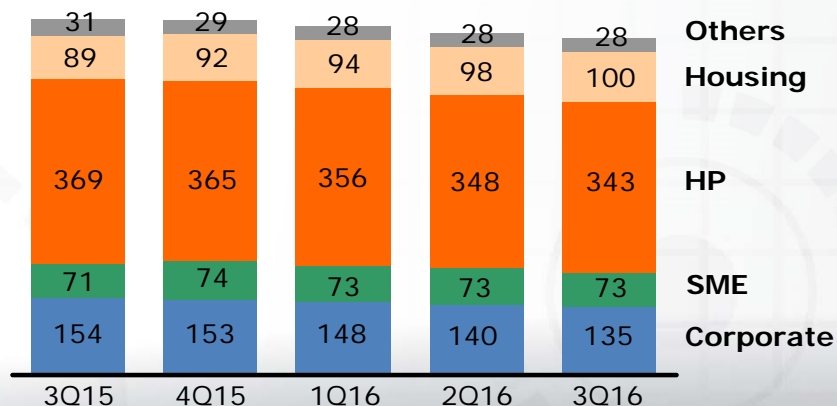
Assets (BTHB)



Loans Breakdown (Percent)



Loans Breakdown (BTHB)



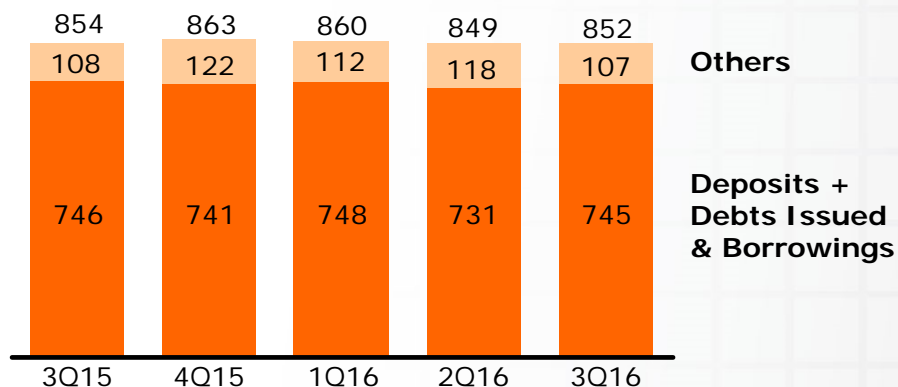
Highlights

- ▶ 3Q16 assets slightly decreased by 0.51% from the end of 2015.
- ▶ 3Q16 loans volume decreased by 4.81% from the end of 2015. This was mainly from hire purchase loans which dropped by 6.10% from the end of last year following a slow automotive vehicles market. On the other hand, other retail loans increased by 8.04% from the end of last year.
- ▶ Furthermore, the Bank put focus on asset quality improvement and NPL reduction.
- ▶ The proportion of retail to corporate and SME loan was 69 : 31.

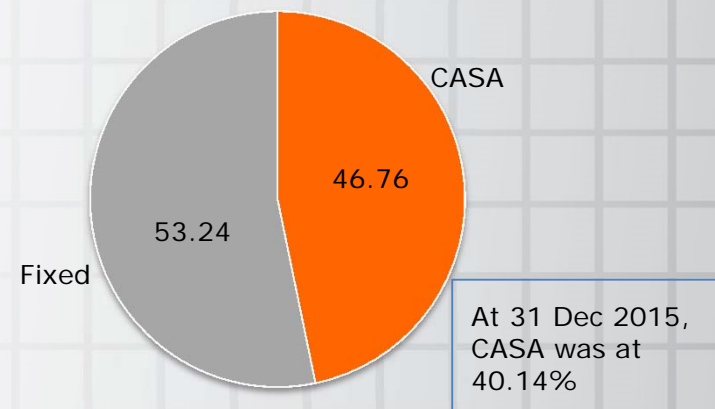


TBANK: Liabilities

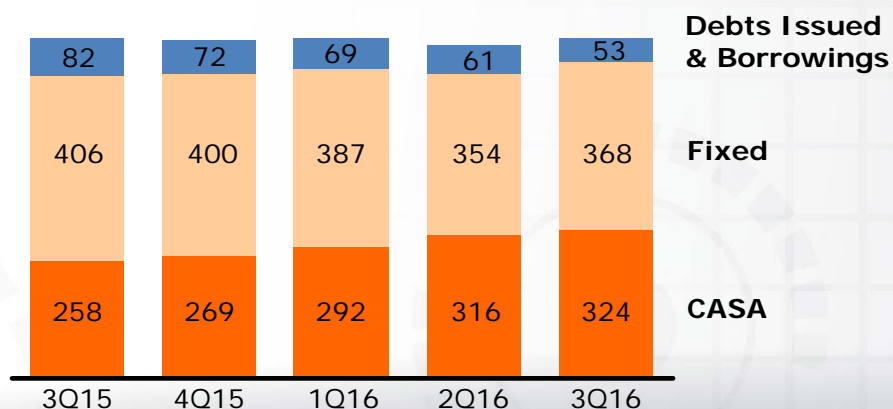
Liabilities (BTHB)



Deposits Breakdown (30 Sep 15) (Percent)



Deposits + Debts Issued & Borrowings (BTHB)



Highlights

- ▶ 3Q16 deposits increased by 3.32% from the end of last year. This was mainly from deposit restructuring and cost of fund management.
- ▶ CASA to total deposit portion was 46.76%, a 6.62% growth from the end of last year at 40.14%.
- ▶ 3Q16 debt issued and borrowings decreased by 25.85% from the end of last year, mainly from the maturity of short term debentures.
- ▶ Moreover, the Bank continued to maintain strong Liquidity Coverage Ratio (LCR) of more than 100% which higher than the regulated requirement of the Bank of Thailand.

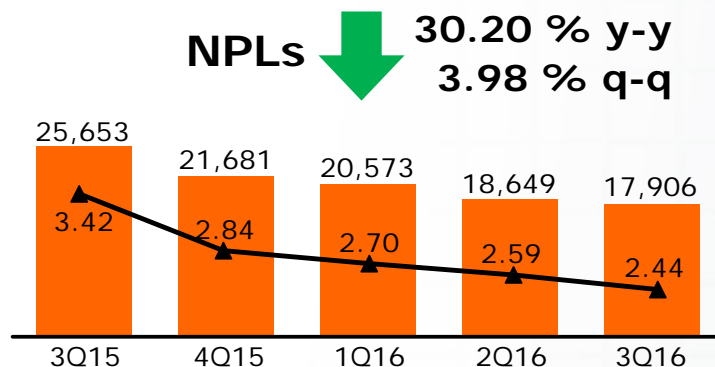


TBANK: NPLs and Reserve

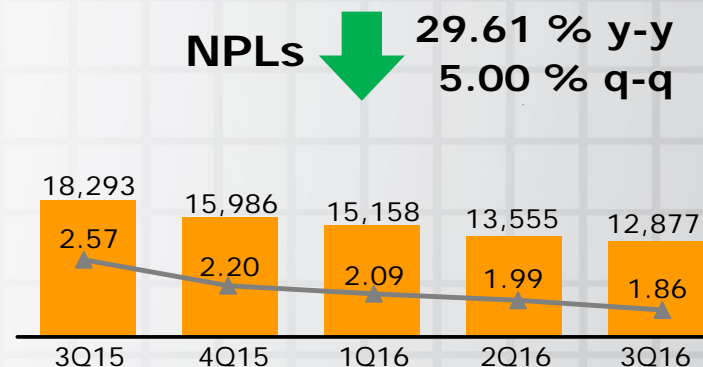
TBANK's NPL vs. NPL to Total Loans

■ NPL (MTHB) — NPL to Total Loans (%)

TBANK Consolidated

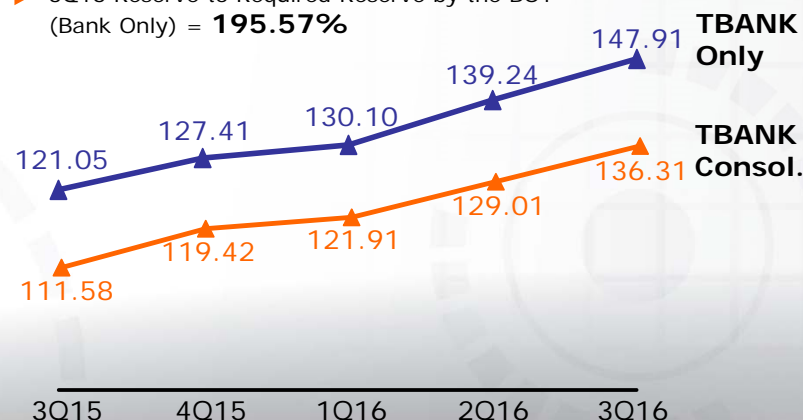


TBANK Only



Coverage Ratio (Percent)

- ▶ 3Q16 Reserve to Required Reserve by the BOT (Consolidated) = **172.39%**
- ▶ 3Q16 Reserve to Required Reserve by the BOT (Bank Only) = **195.57%**



Highlights

TBANK Consol.

NPLs dropped **3,775** MTHB ytd with the NPL ratio of **2.44%** excess reserve of **10,249** MTHB

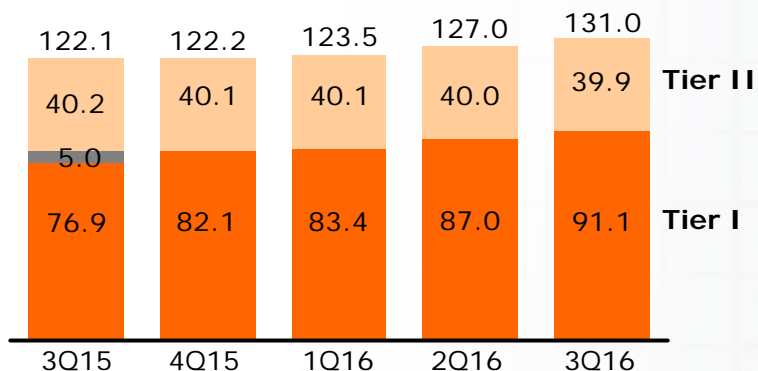
TBANK Only

Coverage increased to **147.91%**

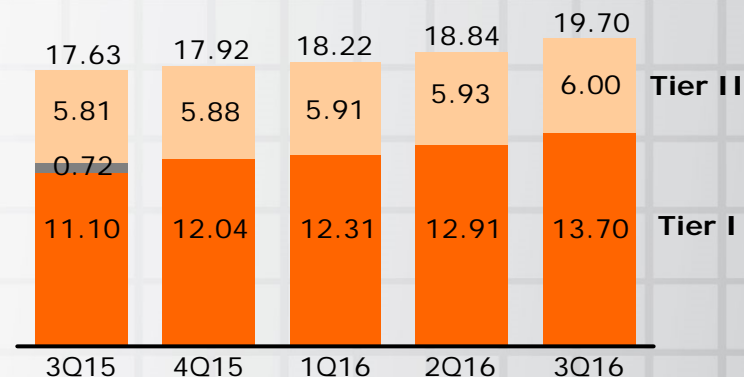


Capital Adequacy

TBANK's Capital (Solo Basis) (BTHB)

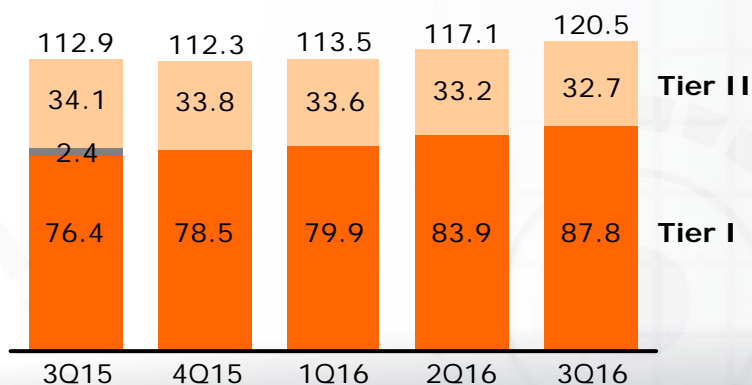


TBANK's BIS Ratio (Solo Basis) (Percent)

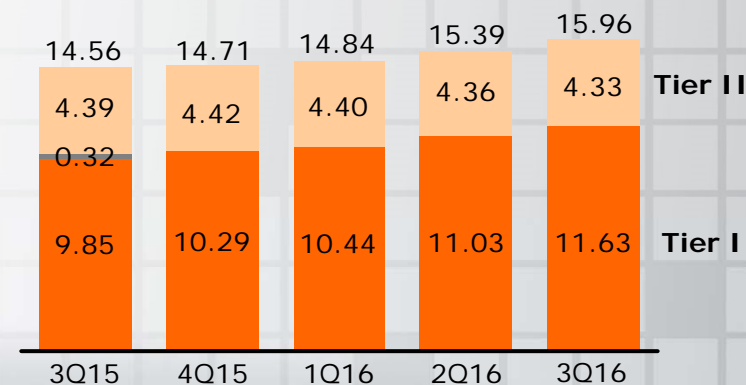


As the Bank focused on strengthening the capital position, BIS ratio of the Bank has been growing as evidenced by an industry leading level of 19.70% at the end of 3Q16.

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



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



On consolidated level, TCAP's BIS Ratio is considered strong and sufficient to expand its business in long run.

Appendix





Detailed Group's Financial Info.

Consolidated statements of comprehensive income	3Q15	4Q15	1Q16	2Q16	3Q16	9M15	9M16
Interest income	11,957	11,860	11,649	11,383	11,188	36,780	34,219
Interest expenses	5,015	4,875	4,694	4,304	3,904	16,035	12,901
Net interest income	6,942	6,985	6,955	7,079	7,284	20,745	21,318
Fees and service income	2,169	2,072	2,006	1,971	2,283	6,103	6,261
Fees and service expenses	675	680	715	690	750	2,030	2,155
Net fees and service income	1,494	1,392	1,291	1,281	1,533	4,073	4,106
Gain on tradings and foreign exchange transactions	153	195	328	1	97	548	426
Gain on Investment	220	354	517	130	203	1,602	850
Share of income from investment in associated	54	62	109	115	87	211	310
Dividend income	185	49	57	290	94	310	440
Insurance premium income	1,706	1,677	1,646	1,645	1,661	5,046	4,952
Other operating income	386	323	315	319	358	1,003	993
Total operating income	11,140	11,037	11,218	10,860	11,317	33,538	33,395
Insurance expenses	1,220	1,199	1,315	1,037	1,053	3,481	3,405
Net operating income	9,920	9,838	9,903	9,823	10,264	30,057	29,990
Personnel expenses	2,793	2,775	2,865	2,890	2,985	8,377	8,740
Premises and equipment expenses	775	797	755	764	772	2,202	2,292
Taxes and duties	212	212	200	192	197	652	589
Directors' remuneration	10	10	10	53	10	69	72
Other expenses	1,250	1,362	1,305	1,233	1,343	3,553	3,880
Total operating expenses	5,040	5,156	5,135	5,132	5,307	14,853	15,573
Impairment loss of loans and debt securities	(1,708)	(1,713)	(1,767)	(1,408)	(1,676)	(6,887)	(4,852)
Profit before corporate income tax	3,172	2,969	3,001	3,283	3,281	8,317	9,565
Income Tax	(400)	(179)	(186)	(131)	(189)	(46)	(505)
Profit for the period	2,772	2,790	2,815	3,152	3,092	8,271	9,060
Net profit of the Company	1,353	1,359	1,350	1,466	1,502	4,078	4,319

Consolidated statements of financial position	31-Dec-15	30-Sep-16
Cash	13,337	10,213
Interbank and money market items-interest	53,944	75,854
Interbank and money market items-no interest	4,194	11,014
Net Interbank and MM	58,138	86,868
Net investments	184,562	184,475
Net Investment in associated companies	2,353	3,037
Loans and receivables	765,167	727,320
Accrued interest receivables	667	604
Deferred revenue	(50,539)	(47,021)
Allowance for doubtful accounts	(26,244)	(24,752)
Net loans and accrued interest receivables	689,051	656,151
Properties foreclosed - net	6,334	5,816
Intangible assets - net	3,011	2,722
Goodwill	17,207	17,381
Other assets	23,588	27,061
Total assets	997,581	993,724
Deposits	669,454	691,573
Interbank and money market items-interest	84,083	72,636
Interbank and money market items-no interest	1,517	697
Net interbank and money market items	85,600	73,333
Debt issued and borrowings	84,929	65,415
Insurance contract liabilities	14,595	14,706
Other liabilities	31,680	31,375
Total liabilities	886,258	876,402
Company shareholders' equity	52,674	55,738
Non-controlling interest	58,649	61,584
Shareholders' equity	111,323	117,322
Total liabilities & shareholders' equity	997,581	993,724

Source: Company data



Subsidiaries Performance

Subsidiaries	% held	Net Profit (MTHB)						
		3Q15	4Q15	1Q16	2Q16	3Q16	9M15	9M16
Thanachart Bank Pcl. (Consolidated)		2,713	2,767	2,844	3,158	3,202	7,976	9,204
Thanachart Securities Pcl.	50.96%	89	122	139	92	216	366	447
Thanachart Fund Management	38.22%	83	80	86	92	93	240	271
Thanachart Insurance Pcl.	50.96%	298	219	251	267	256	898	774
TS AMC	50.96%	120	(71)	(71)	116	163	53	208
Ratchthani Leasing Pcl.	33.22%	215	169	210	216	218	579	644
NFS AMC	100.00%	11	7	(10)	(15)	(8)	43	(33)
MAX AMC	83.44%	4	71	(7)	50	15	(3)	59
MBK Life Assurance Pcl.*	51.00%	(47)	(45)	(123)	(19)	(27)	(75)	(169)

Note: *Siam City Life Assurance Public Company Limited Changed its name to MBK Life Assurance Public Company Limited on 8 August 2016; Source: Company data



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