

Analyst Meeting

Statements Unaudited

As of 31 December 2016



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Contents

1

TGroup 2016 Financial Highlights

2

TBANK 2016 Financial Highlights

3

2017 Financial Targets

4

Appendix

TGroup 2016 Financial Highlights





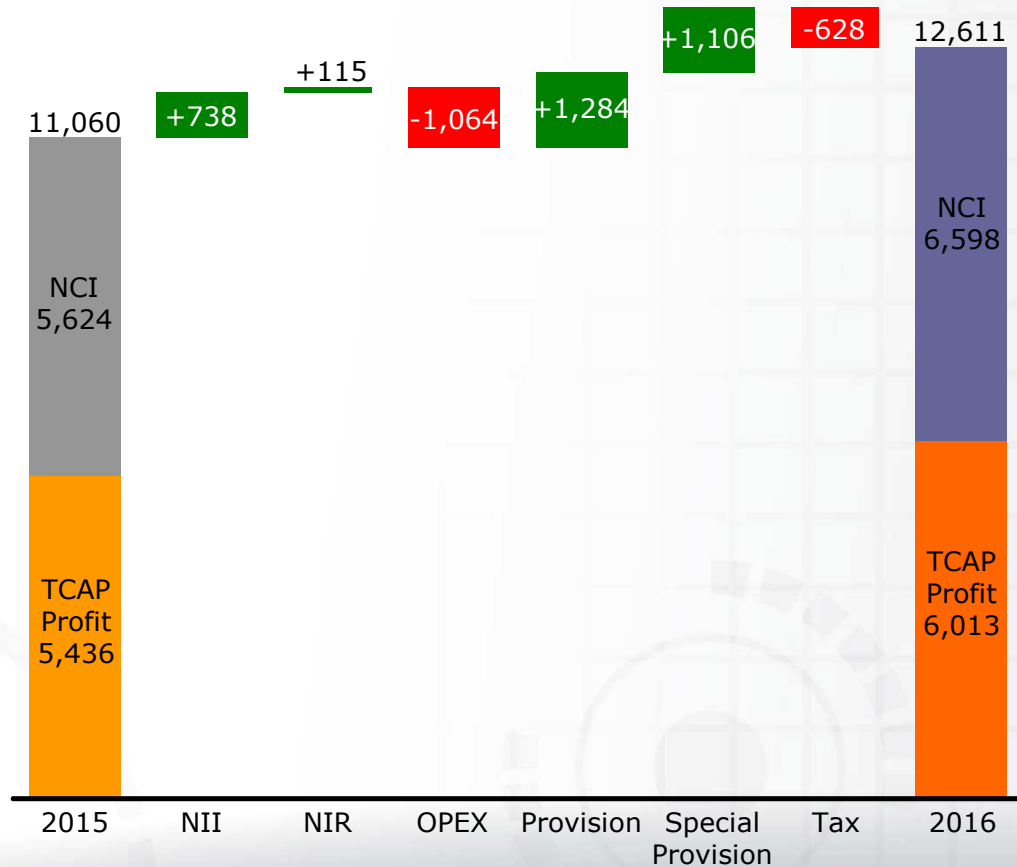
2016 Overview

- ▶ **Asset quality continued to improve y-y**
 - ▶ TGroup NPL ratio = 2.41%, down from 2.96%
 - ▶ TGroup coverage ratio = 146.79%, up from 117.16%
 - ▶ TBANK NPL ratio = 2.29%, down from 2.84%
 - ▶ TBANK coverage ratio = 151.16%, up from 119.42%
- ▶ **2016 Performance**
 - ▶ TGroup net profit = 12,611 MTHB, up 14.02%
 - ▶ TCAP net profit = 6,013 MTHB, up 10.61%
- ▶ **Capital position remains strong**
 - ▶ TBANK BIS Ratio is the second highest in the industry, rose to 19.15%



TGroup: Profit Movement 2016

Movement of Total Profit 2016 VS 2015 (MTHB)



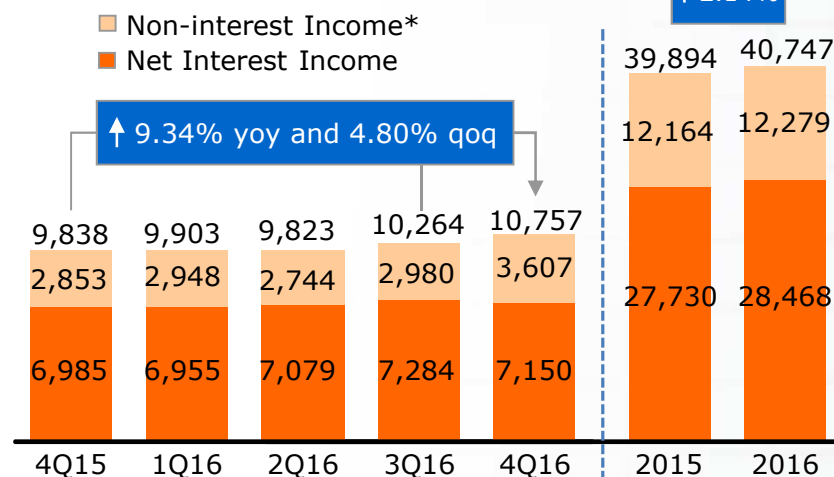
Highlights

- Group profit increased by 1,551 MTHB or 14.02%
- TCAP profit increased by 577 MTHB or 10.61%
- NII increased by 738 MTHB or 2.66% from
 - Interest expenses down 4,170 MTHB or 19.94% from an effective cost of fund management
 - Interest income down 3,432 MTHB or 7.06% from loans contraction and lending rates cuts
- NIR increased by 115 MTHB or 0.95% from
 - Net fees and service income up 423 MTHB from brokerage fees, fund management fees, and life insurance commission
 - Net insurance / life insurance income up 616 MTHB
 - Gains on investments down 895 MTHB
 - Gains on trading and f/x down 283 MTHB
- OPEX increased by 1,064 MTHB or 5.32% due mainly to increases in employee's expenses and investment in IT systems
- Normal provision decreased by 1,284 MTHB or 20.11% and special provisions decreased 1,106 MTHB or 49.91%
- Tax increased by 628 MTHB

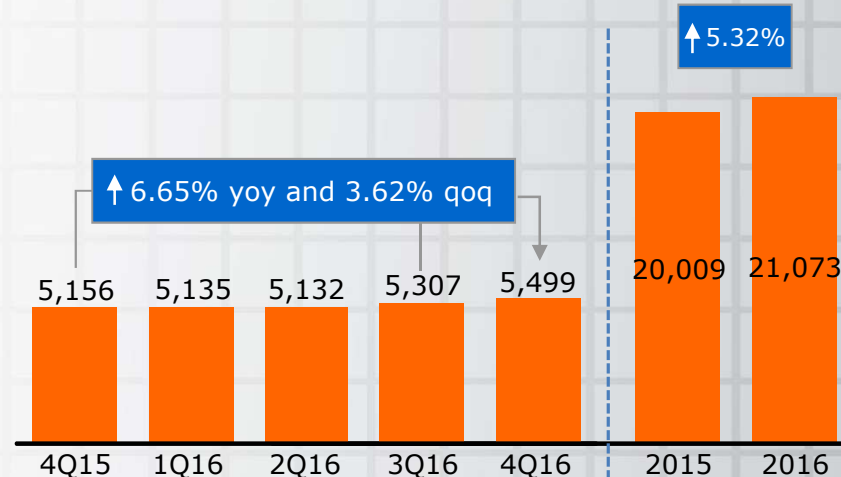


TGroup: Financial Highlights

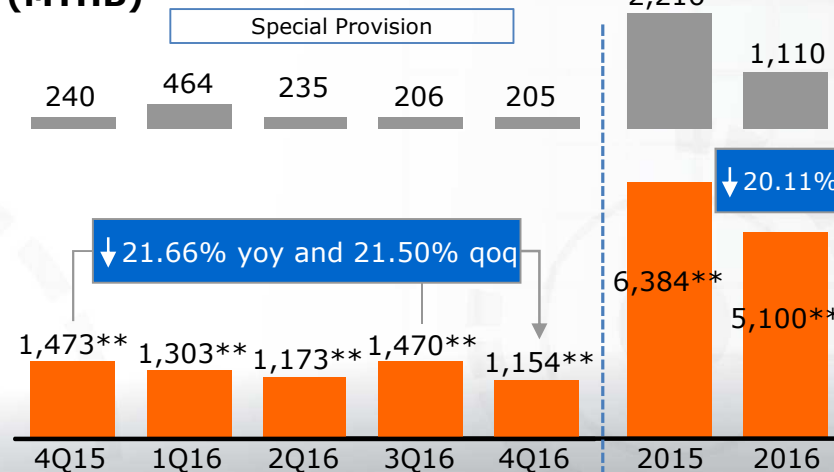
Total Income (MTHB)



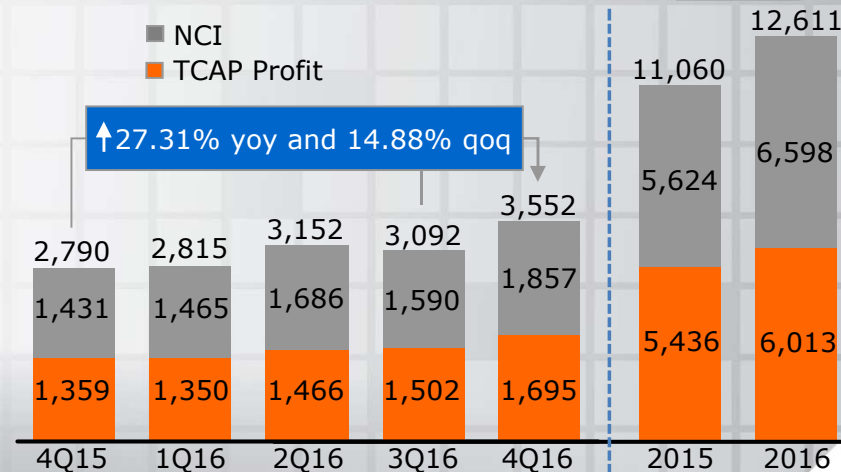
Operating Expenses (MTHB)



Impairment Loss of Loans & Debt Securities (MTHB)



Net Profit (MTHB)

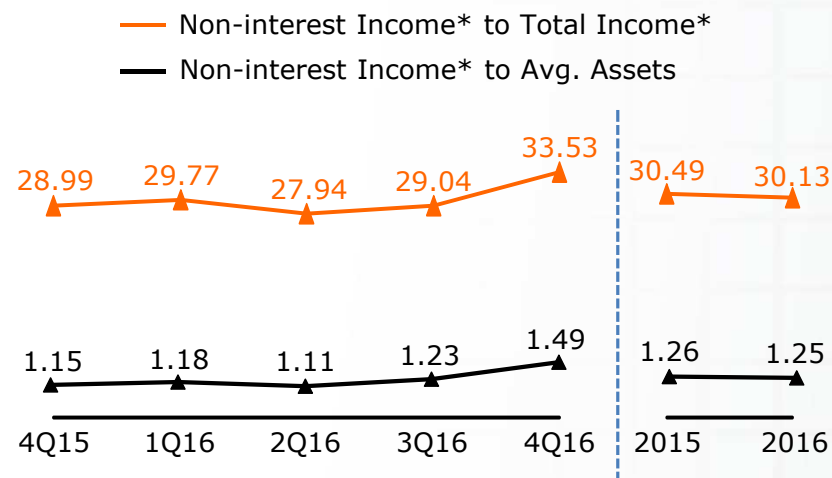


Note: *Net of insurance expenses **From Normal Business Operation; Source: Company data

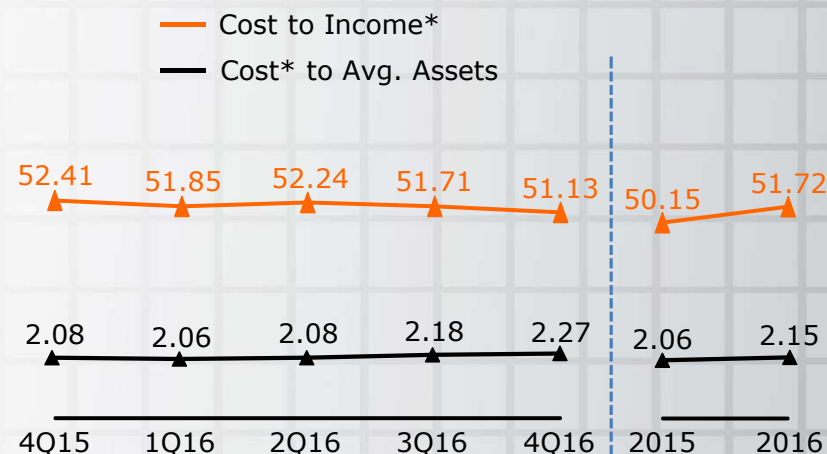


TGroup: Financial Ratio

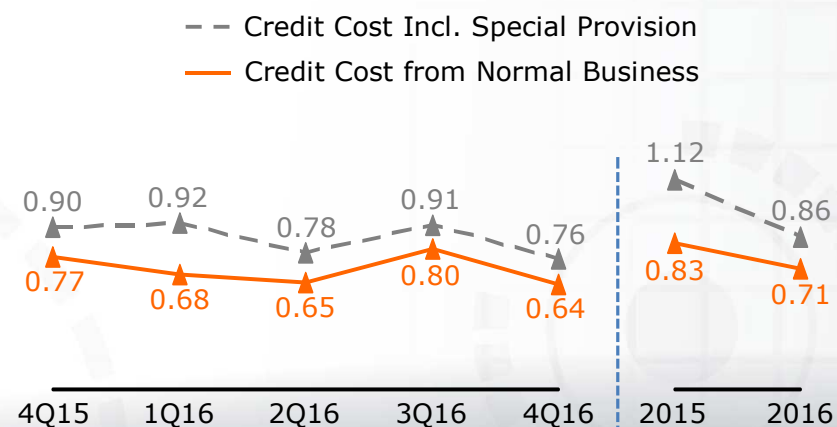
Ratios of Non-interest Income* (Percent)



Ratios of Operating Expenses* (Percent)



Credit Cost (Percent)



Other Key Ratios (Percent)

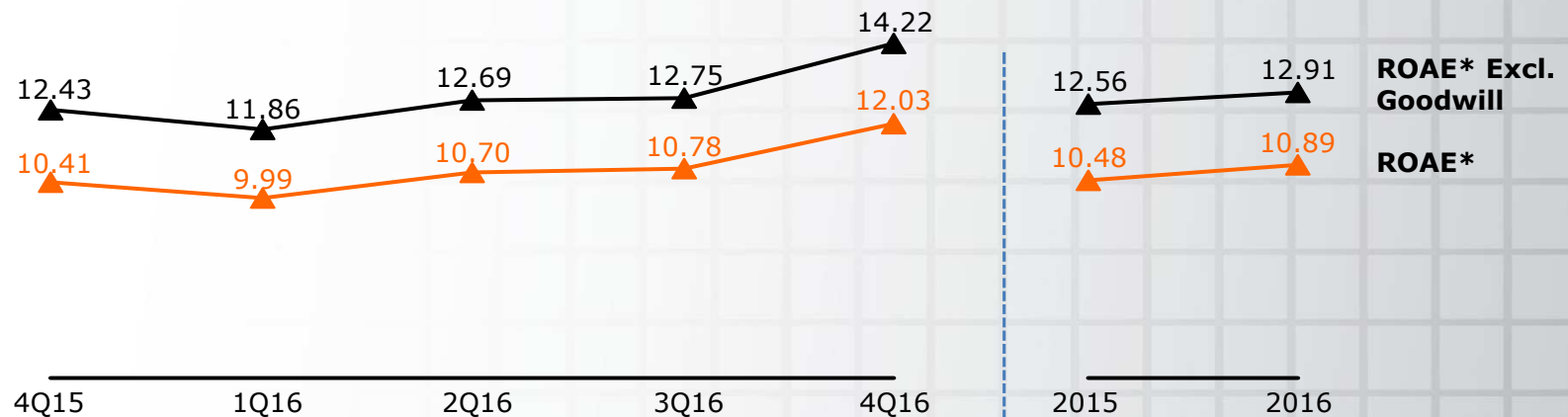
Ratios (%)	Quarterly					Yearly	
	4Q15	1Q16	2Q16	3Q16	4Q16	2015	2016
ROAA	1.12	1.13	1.28	1.27	1.47	1.12	1.29
ROAE**	10.41	9.99	10.70	10.78	12.03	10.48	10.89
Loan Spread	3.53	3.56	3.68	3.88	3.81	3.40	3.72
Interest Spread	2.72	2.70	2.81	2.98	2.92	2.70	2.86
Cost of Fund	2.34	2.25	2.10	1.93	1.91	2.51	2.06
NPL	2.96	2.81	2.71	2.56	2.41		
Coverage	117.2	119.4	126.0	132.9	146.8		

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 2016 amounted to 17,439 MTHB.
- ▶ ROAE excluding goodwill of TCAP is higher than ROAE around 2 percent.



TGroup: Comparison to Targets

Performance Parameters		2014A	2015A	2016F (Revised)	2016A
Profitability	ROAE (excl. NCI)	10.39%	10.48%	10.50-11.50%	10.89% ■
	ROAE (excl. GW)	12.48%	12.52%		12.91%
	ROAA	1.02%	1.12%	1.20-1.30%	1.29% ■
	Spread	2.55%	2.70%	2.70-2.80%	2.86% ■
	Non-interest Income Ratio*	31.18%	30.49%	30.00-31.00%	30.13% ■
	Cost to Income Ratio*	49.69%	50.15%	50.00%	51.72% ■
Loans	Loan Growth	-4.49%	-5.43%	0.00-1.00%	-3.16% ■
Deposits	CASA Ratio**	35.76%	40.13%	45.00-50.00%	45.58% ■
Asset Quality	NPL Ratio	4.21%	2.96%	2.60-2.70%	2.41% ■
	Credit Cost	0.89%	0.83% (From Normal Business Operation)	0.65-0.70%	0.71% (From Normal Business Operation) ■
	Coverage Ratio	84.89%	117.16%	>130.00%	146.79% ■
Capital	TBANK BIS Ratio	15.83%	17.92%	> 18.00%	19.15% ■

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

TBANK 2016 Financial Highlights



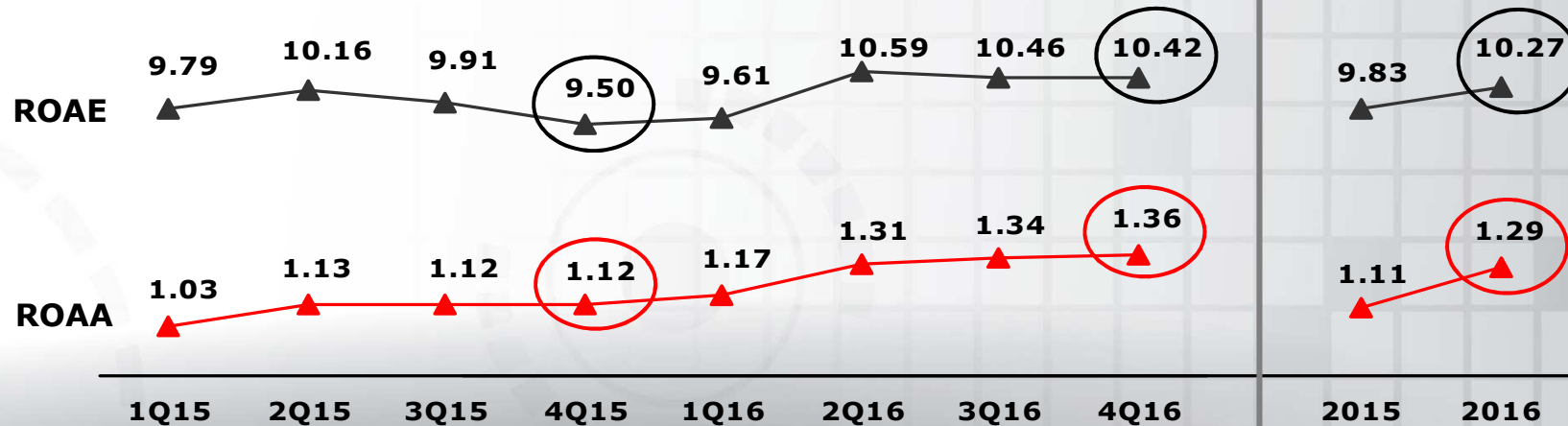


TBANK: Profitability

Net Profit (MTHB)*



ROAA & ROAE* (Percent)

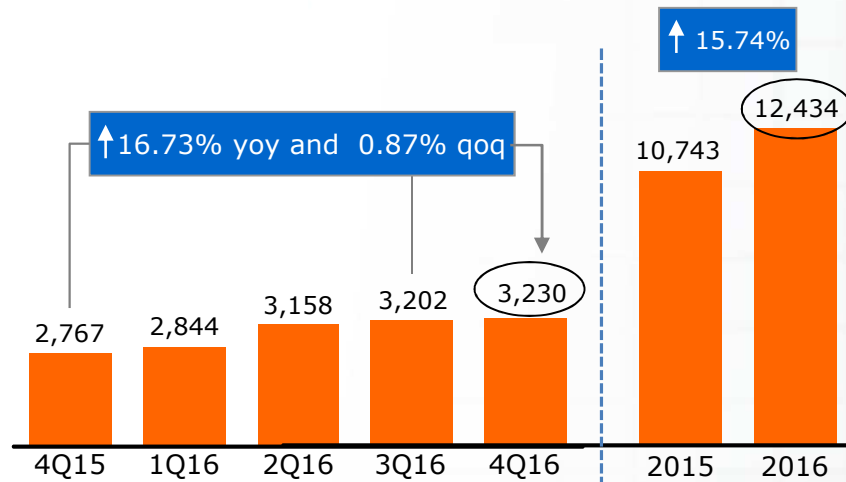


Note: *Excluding non-controlling interest; Source: Company data

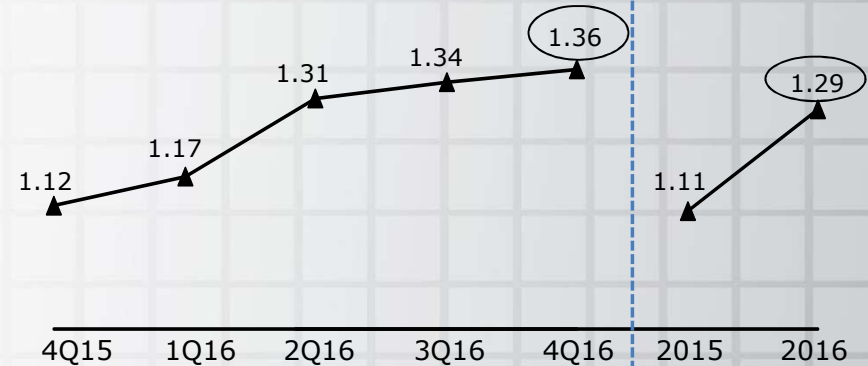


TBANK: Profitability

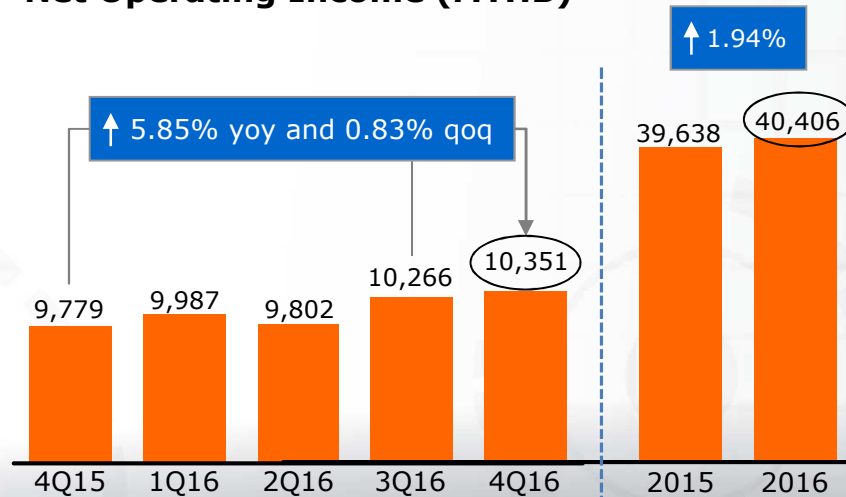
Net Profit (MTHB)*



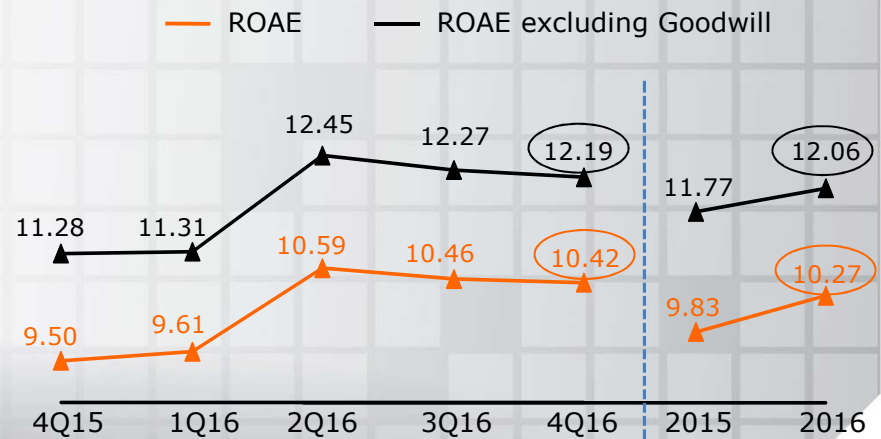
ROAA (Percent)



Net Operating Income (MTHB)



ROAE* (Percent)

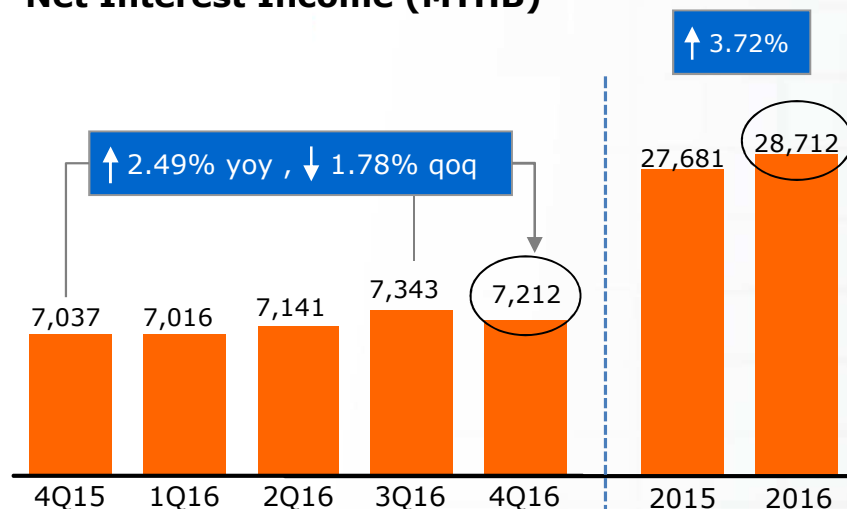


Note: *Excluding non-controlling interest; Source: Company data

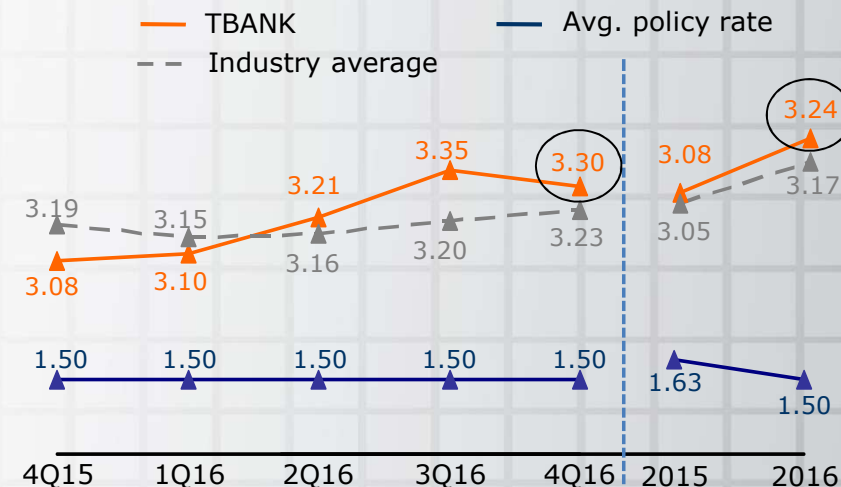


TBANK: Net Interest Income

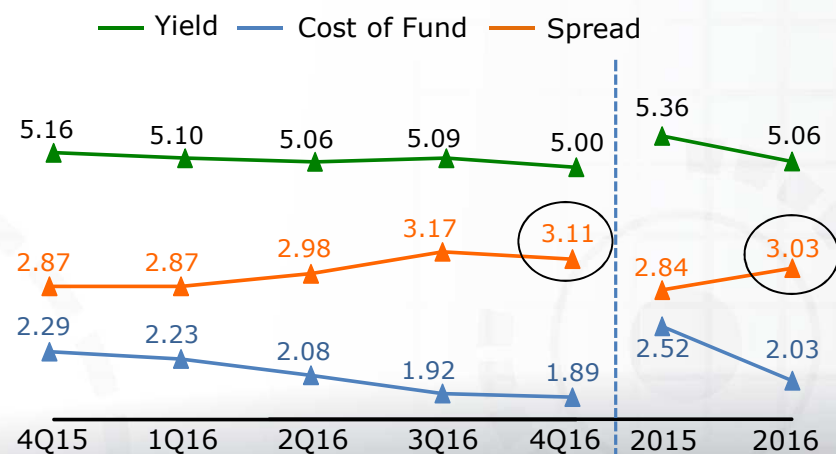
Net Interest Income (MTHB)



Net Interest Margin (Percent)



Yield, Cost of Fund, and Spread (Percent)



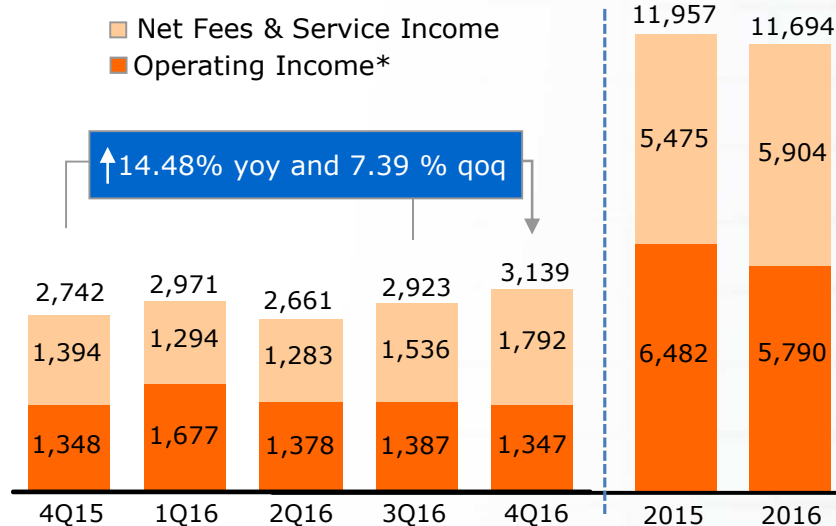
Highlights

- ▶ **4Q16 interest income** decreased by 196 MTHB or 1.76% qoq, mainly from a decrease in yield on earning asset. However, loan outstanding has increased from all loan types.
- ▶ **4Q16 interest expenses** decreased by 65 MTHB or 1.73% qoq, mainly from an efficient cost of fund management.
- ▶ **2016 interest income** decreased by 3,331 MTHB or 6.91% yoy. This was mainly from a contraction in loan volume and decrease in yield on earning asset following the market rate trend.
- ▶ **2016 interest expenses** decreased by 4,362 MTHB or 21.24% yoy. This was mainly from a result of strategically management in cost of fund to enhance liquidity and deposit restructuring.

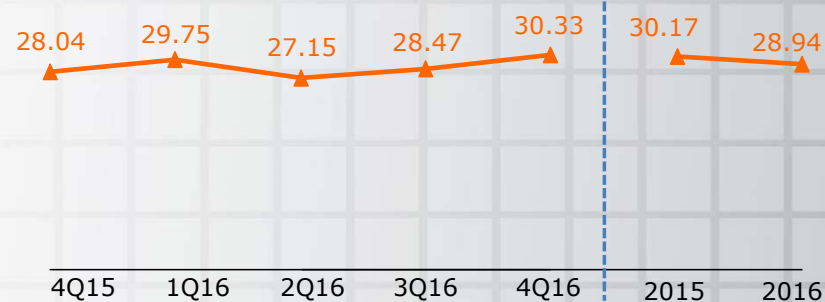


TBANK: Non-interest Income

Non-interest Income (MTHB)



Non-interest Income Ratio* (Percent)



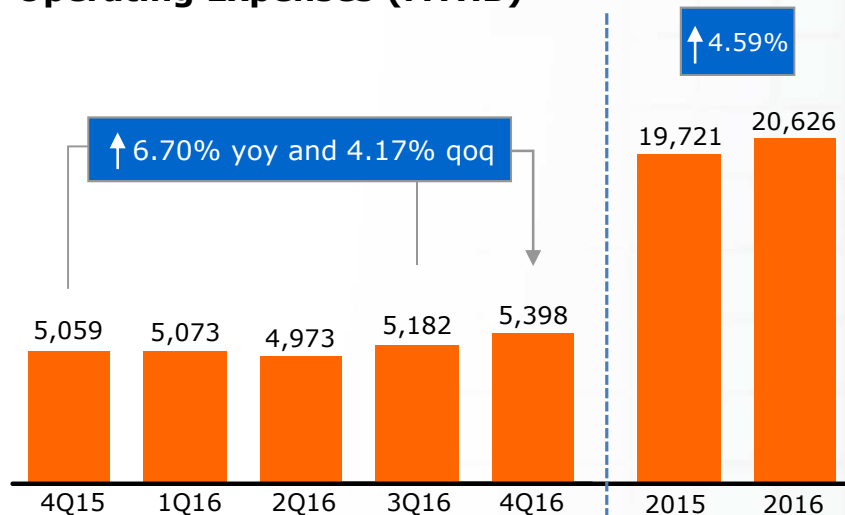
Highlights

- ▶ 4Q16 Non-interest income increased by 216 MTHB or 7.39% qoq.
 - ▶ Net fees and service income increased by 256 MTHB or 16.67% qoq, mainly from an all round improvement in key core business areas.
 - ▶ Operating income decreased by 40 MTHB or 2.88% qoq, mainly from a decrease in dividend income, share of profit from investments in associated companies and gains on investment.
- ▶ 2016 Non-interest income decreased by 263 MTHB or 2.20% yoy.
 - ▶ Net fees and service income increased by 429 MTHB or 7.84% yoy, mainly from brokerage fees and insurance payment fees.
 - ▶ Operating income decreased by 692 MTHB or 10.68% yoy, mainly from gains on investment and gains on trading and foreign exchange transactions.

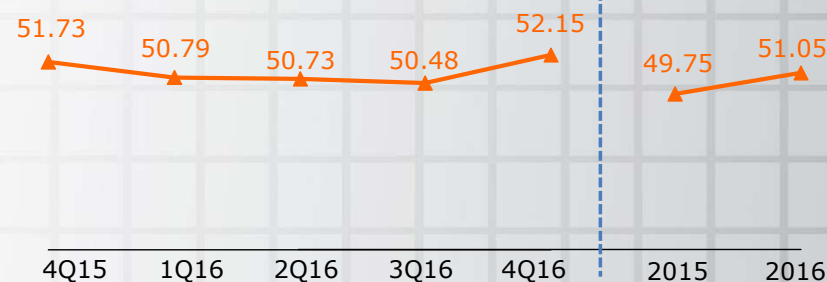


TBANK: Operating Expenses

Operating Expenses (MTHB)



Cost to Income Ratio* (Percent)



Highlights

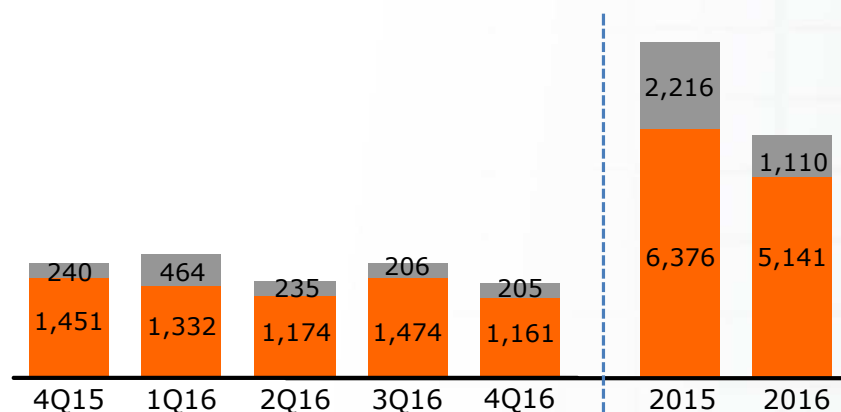
- ▶ 4Q16 Operating expenses increased by 216 MTHB or 4.17% qoq, mainly from;
 - ▶ Employee's expenses increased by 144 MTHB or 4.91% qoq, mainly from incentive expenses.
 - ▶ Other expenses increased by 67 MTHB or 5.20% qoq, mainly from advertising and sale promotion expenses.
- ▶ 2016 Operating expenses increased by 905 MTHB or 4.59% yoy, mainly from;
 - ▶ Employee's expenses increased by 695 MTHB or 6.35 % yoy, due to an increase in annual salary and incentive expense.
 - ▶ Premise and equipment expenses increased by 81 MTHB or 2.73% yoy, mainly from depreciation expenses from branch renovation.
 - ▶ Other expenses increased by 207 MTHB or 4.21% yoy, mainly from IT system and infrastructure investment and advertising expenses.
- ▶ Although cost to income ratio increased, however, operating expenses compared to net profit decreased from the previous year as there was more expenses related to asset quality management.



TBANK: Provision Expenses

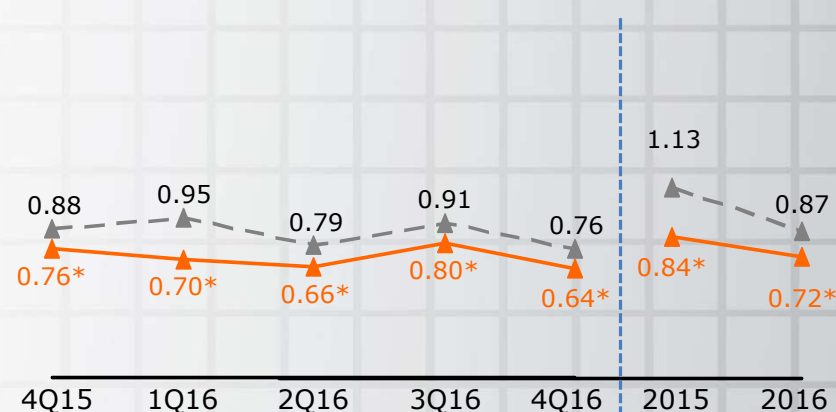
Impairment Loss of Loans (MTHB)

- Special Provision
- Provision from Normal Business Operation



Credit Cost (Percent)

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



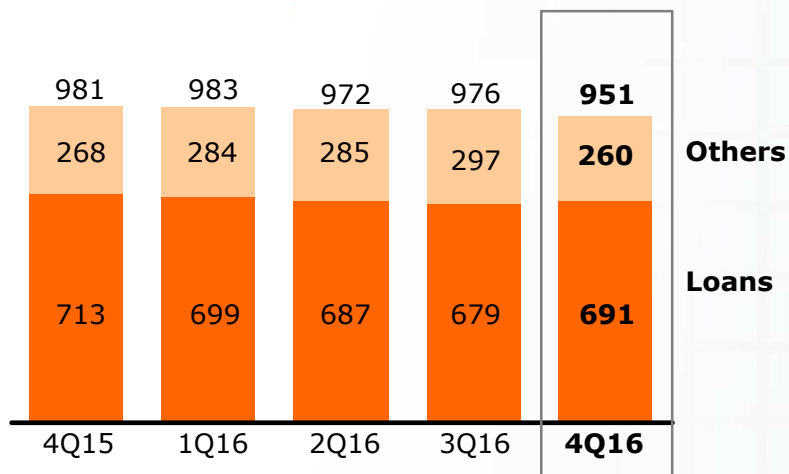
Highlights

- ▶ 4Q16 provision expenses from normal business operation decreased by 313 MTHB or 21.23% qoq.
- ▶ 4Q16 the Bank has utilized its tax benefit to put in 205 MTHB of special provision.
- ▶ **At the end of 2016, the Bank still had tax losses in the amount of 14,669 MTHB, equivalent to a tax benefit of 2,934 MTHB.**
- ▶ 2016 provision expenses from normal business operation decreased by 1,235 MTHB or 19.37% yoy.
- ▶ 2016 the Bank has utilized its tax benefit to put in 1,110 MTHB of special provision to be vigilant against volatile economic uncertainty and future regulations.
- ▶ 2016 credit cost from normal business operation was 0.72%, a decrease from 0.84% in 2015. This was mainly from an efficient risk management.

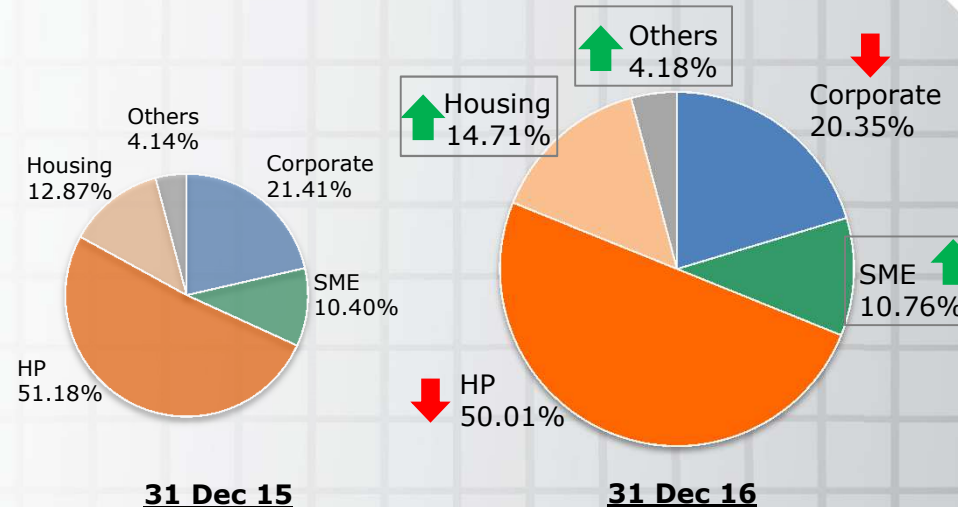


TBANK: Assets

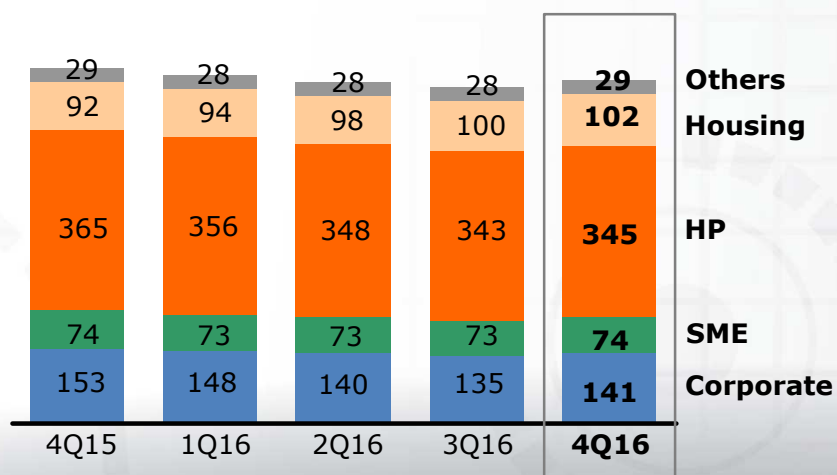
Assets (BTHB)



Loans Breakdown (Percent)



Loans Breakdown (BTHB)



Highlights

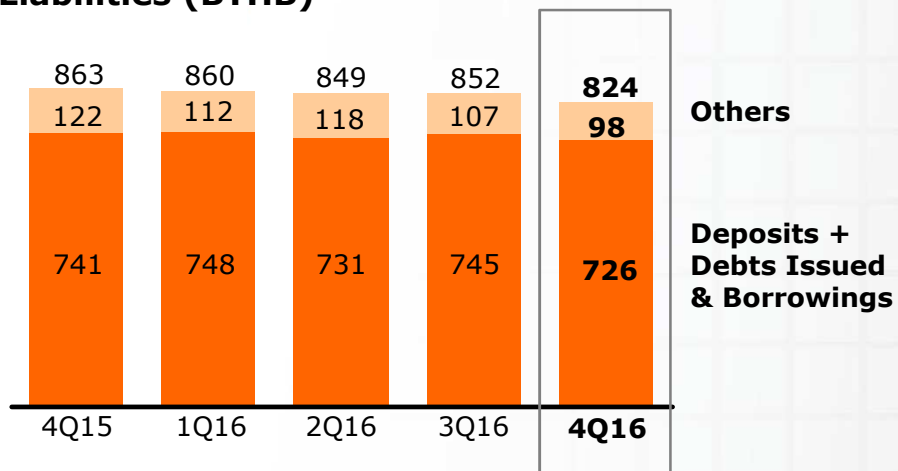
- ▶ 2016 Assets decreased by 3.11% from the end of 2015.
- ▶ 2016 Loans decreased by 3.16% from the end of 2015.

Loans		% change from the end of 2015		The proportion of	
Corporate & SME		- 5.29%		Retail	Corporate & SME
Hire Purchase		- 5.39%		69%	31%
Housing		+ 10.65%			

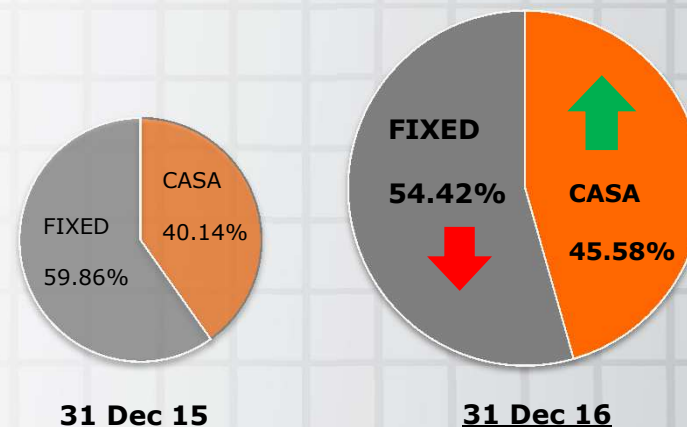


TBANK: Liabilities

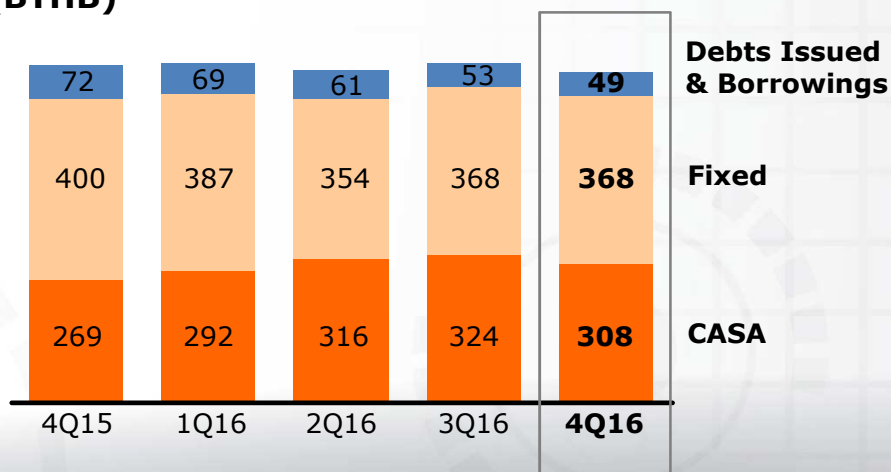
Liabilities (BTHB)



Deposits Breakdown (Percent)



Deposits + Debts Issued & Borrowings (BTHB)



Highlights

- ▶ 2016 deposits increased by 1.05% from the end of 2015. This was mainly from deposit restructuring and cost of fund management.
- ▶ 2016 CASA to total deposit portion was 45.58% which grew from 40.14% at the end of 2015.
- ▶ 2016 debt issued and borrowings decreased by 31.03% from the end of 2015, mainly from the maturity of short term debentures.
- ▶ Moreover, the Bank continued to maintain strong Liquidity Coverage Ratio (LCR) of more than 100% which was much higher than the requirement of the Bank of Thailand.

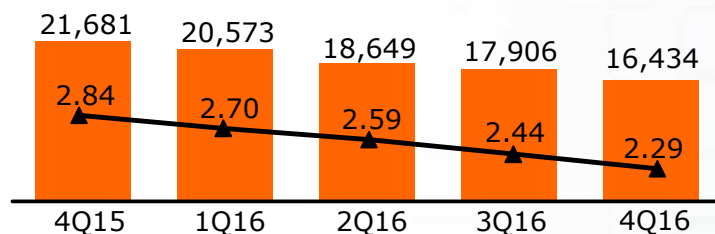


TBANK: NPLs and Reserve

TBANK's NPL vs. NPL to Total Loans

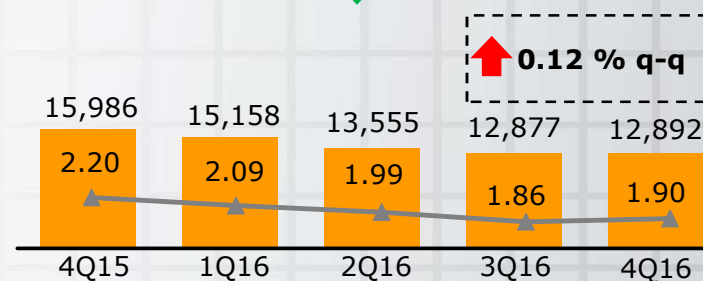
TBANK Consolidated

NPLs  **24.20 % y-y**
8.22 % q-q



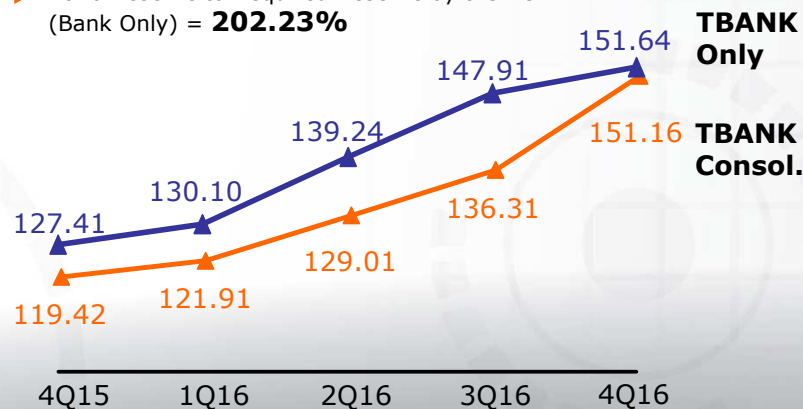
TBANK Only

NPLs  **19.35 % y-y**



Coverage Ratio (Percent)

- ▶ 2016 Reserve to Required Reserve by the BOT (Consolidated) = **192.57%**
- ▶ 2016 Reserve to Required Reserve by the BOT (Bank Only) = **202.23%**



Highlights

TBANK Consol.

NPLs dropped **5,247** MTHB y-y with the NPL ratio of **2.29%** **excess reserve** of **11,941** MTHB

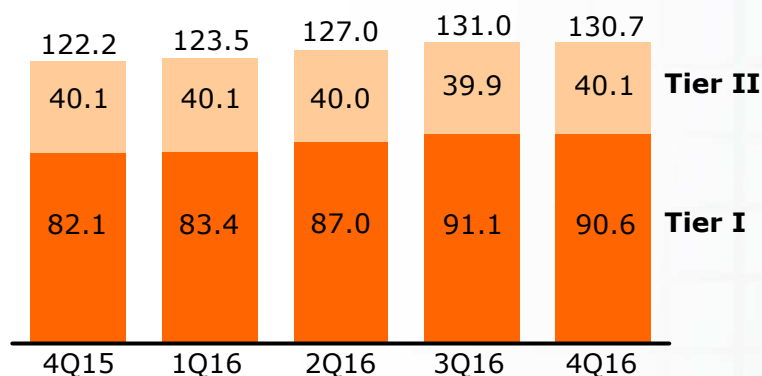
TBANK Only

Coverage increased to **151.64%**

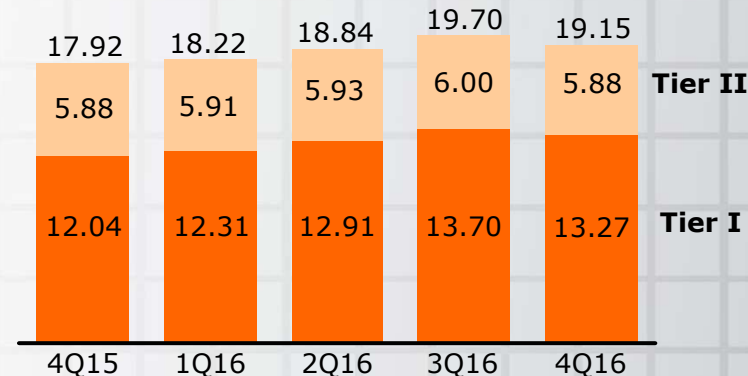


Capital Adequacy

TBANK's Capital (Solo Basis) (BTHB)

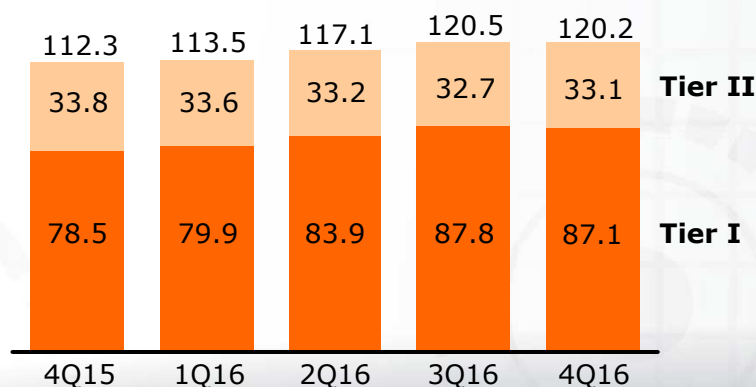


TBANK's BIS Ratio (Solo Basis) (Percent)

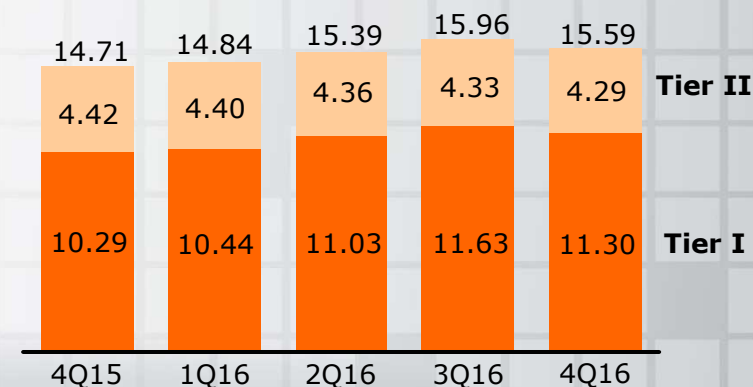


As the Bank focused on strengthening the capital position, BIS ratio of the Bank has been growing as evidenced by an industry leading level of 19.15% at the end of 2016.

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.



2017 Financial Targets



TGroup: 2017 Financial Targets

Performance Parameters		2015A	2016A	2017F
Profitability	ROAE (excl. NCI)	10.48%	10.89%	11.00-12.00%
	ROAE (excl. GW)	12.52%	12.91%	
	ROAA	1.12%	1.29%	1.30-1.40%
	Spread	2.70%	2.86%	2.90-3.00%
	Non-interest Income Ratio*	31.03%	30.13%	30.00-31.00%
	Cost to Income Ratio*	50.54%	51.72%	50.00%
Loans	Loan Growth	-5.43%	-3.16%	3.00-5.00%
Deposits	CASA Ratio**	40.13%	45.58%	50.00%
Asset Quality	NPL Ratio	2.96%	2.41%	~2.50%
	Credit Cost	0.83% (From Normal Business Operation)	0.71% (From Normal Business Operation)	0.60-0.70% (From Normal Business Operation)
	Coverage Ratio	117.16%	146.79%	>130.00%
Capital	TBANK BIS Ratio	17.92%	19.15%	> 18.00%

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

Appendix





Detailed Group's Financial Info.

Consolidated statements of comprehensive income	4Q15	1Q16	2Q16	3Q16	4Q16	2015	2016
Interest income	11,860	11,649	11,383	11,188	10,988	48,640	45,208
Interest expenses	4,875	4,694	4,304	3,904	3,838	20,910	16,740
Net interest income	6,985	6,955	7,079	7,284	7,150	27,730	28,468
Fees and service income	2,072	2,006	1,971	2,283	2,543	8,175	8,803
Fees and service expenses	680	715	690	750	760	2,710	2,915
Net fees and service income	1,392	1,291	1,281	1,533	1,783	5,465	5,888
Gain on tradings and foreign exchange transactions	195	328	1	97	33	742	459
Gain on Investment	354	517	130	203	211	1,956	1,061
Share of income from investment in associated	62	109	115	87	84	272	395
Dividend income	49	57	290	94	55	359	496
Insurance premium income	1,677	1,646	1,645	1,661	1,723	6,723	6,675
Other operating income	323	315	319	358	329	1,327	1,321
Total operating income	11,037	11,218	10,860	11,317	11,368	44,574	44,763
Insurance expenses	1,199	1,315	1,037	1,053	611	4,680	4,016
Net operating income	9,838	9,903	9,823	10,264	10,757	39,894	40,747
Personnel expenses	2,775	2,865	2,890	2,985	3,136	11,152	11,876
Premises and equipment expenses	797	755	764	772	790	3,000	3,081
Taxes and duties	212	200	192	197	186	864	775
Directors' remuneration	10	10	53	10	9	78	82
Other expenses	1,362	1,305	1,233	1,343	1,378	4,915	5,259
Total operating expenses	5,156	5,135	5,132	5,307	5,499	20,009	21,073
Impairment loss of loans and debt securities	(1,713)	(1,767)	(1,408)	(1,676)	(1,359)	(8,600)	(6,210)
Profit before corporate income tax	2,969	3,001	3,283	3,281	3,899	11,285	13,464
Income Tax	(179)	(186)	(131)	(189)	(347)	(225)	(853)
Profit for the period	2,790	2,815	3,152	3,092	3,552	11,060	12,611
Net profit of the Company	1,359	1,350	1,466	1,502	1,695	5,436	6,013

Consolidated statements of financial position	31-Dec-15	30-Dec-16
Cash	13,337	12,077
Interbank and money market items-interest	53,944	43,958
Interbank and money market items-no interest	4,194	4,776
Net Interbank and MM	58,138	48,734
Net investments	184,562	186,928
Net Investment in associated companies	2,353	2,890
Loans and receivables	765,167	740,219
Accrued interest receivables	667	631
Deferred revenue	(50,539)	(48,173)
Allowance for doubtful accounts	(26,244)	(25,155)
Net loans and accrued interest receivables	689,051	667,522
Properties foreclosed - net	6,334	4,992
Intangible assets - net	3,011	2,709
Goodwill	17,207	17,439
Other assets	23,588	23,576
Total assets	997,581	966,867
Deposits	669,454	676,456
Interbank and money market items-interest	84,083	64,397
Interbank and money market items-no interest	1,517	1,304
Net interbank and money market items	85,600	65,701
Debt issued and borrowings	84,929	61,704
Insurance contract liabilities	14,595	14,589
Other liabilities	31,680	28,566
Total liabilities	886,258	847,016
Company shareholders' equity	52,674	56,891
Non-controlling interest	58,649	62,960
Shareholders' equity	111,323	119,851
Total liabilities & shareholders' equity	997,581	966,867

Source: Company data



Subsidiaries Performance

Subsidiaries	% held	Net Profit (MTHB)						
		4Q15	1Q16	2Q16	3Q16	4Q16	2015	2016
Thanachart Bank Pcl. (Consolidated)		2,767	2,844	3,158	3,202	3,230	10,743	12,434
Thanachart Securities Pcl.	50.96%	122	139	92	216	215	488	662
Thanachart Fund Management	38.22%	80	86	92	93	84	320	355
Thanachart Insurance Pcl.	50.96%	219	251	267	256	231	1,117	1,005
TS AMC	50.96%	(71)	(71)	116	163	(19)	(18)	189
Ratchthani Leasing Pcl.	33.22%	169	210	216	218	237	749	881
NFS AMC	100.00%	7	(10)	(15)	(8)	88	50	55
MAX AMC	83.44%	71	(7)	50	15	34	69	92
MBK Life Assurance Pcl.*	51.00%	(45)	(123)	(19)	(27)	291	(121)	122

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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