

Analyst Meeting

Statements Unreviewed

As of 31 March 2017



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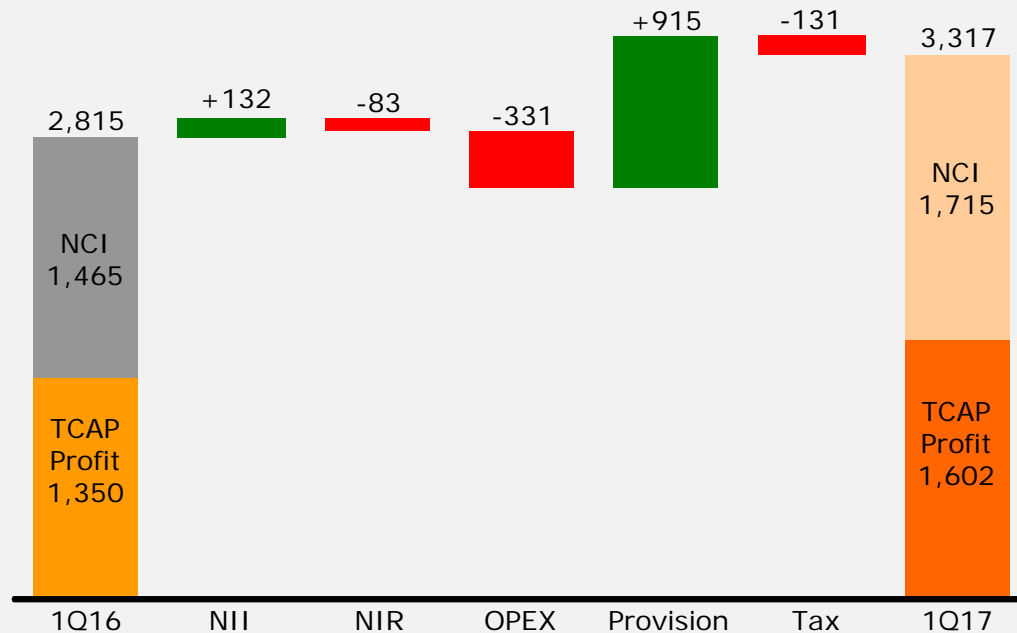
TGroup 1Q17 Financial Highlights

1Q17 Overview

- **Asset quality continued to improve ytd**
 - TGroup NPL ratio = 2.32%, down from 2.41%
 - TGroup coverage ratio = 152.12%, up from 146.79%
 - TBANK NPL ratio = 2.21%, down from 2.29%
 - TBANK coverage ratio = 156.82%, up from 151.16%
- **1Q17 Net Profit: Strong Start**
 - TGroup net profit = 3,317 MTHB, up 17.83% y-y
 - TCAP net profit = 1,602 MTHB, up 18.67% y-y
 - TBANK net profit = 3,272 MTHB, up 9 quarters
- **Capital position remains strong**
 - TBANK BIS Ratio is the second highest in the industry, rose to 19.55%

TGroup: Profit Movement 1Q17

Movement of Total Profit YoY (MTHB)

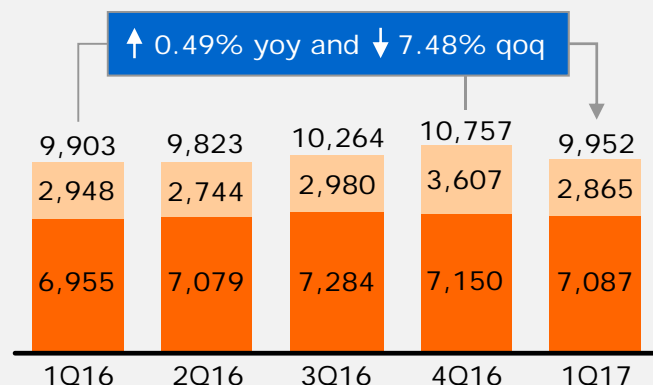


- Group profit increased 502 MTHB or 17.83%
- TCAP profit increased 252 MTHB or 18.67%
- NII increased 1.90% from widened spread, up from 2.70% to 2.89%
- NIR decreased 2.82% due mainly from:
 - Gains on investments dropped 326 MTHB
 - Net fees & service income up 149 MTHB
 - Net insurance/life insurance income up 236 MTHB
- OPEX increased 6.45% from:
 - Employee's expenses increased 209 MTHB
 - Expenses related to IT and reorganization increased 179 MTHB
- Provision decreased 51.78% from effective risk management

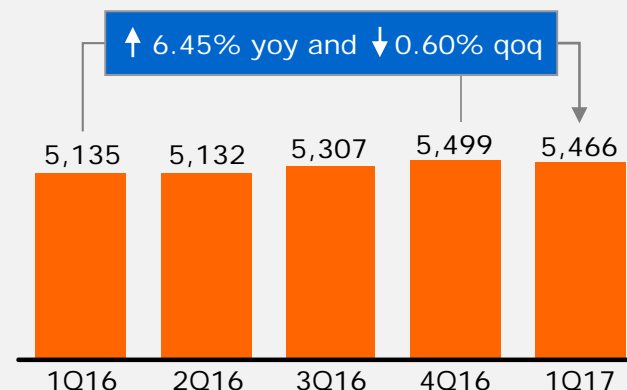
TGroup: Financial Highlights

Total Income (MTHB)

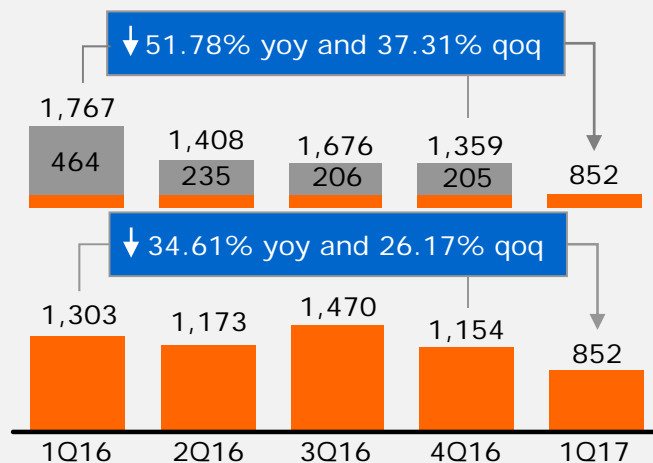
Non-interest Income*
Net Interest Income



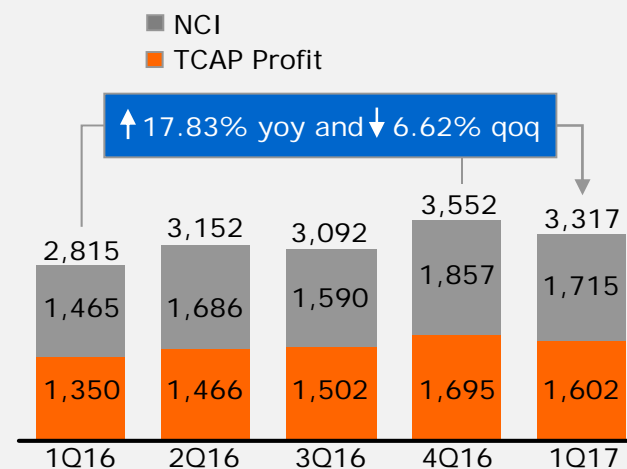
Operating Expenses (MTHB)



Impairment Loss of Loans & Debt Securities(MTHB)



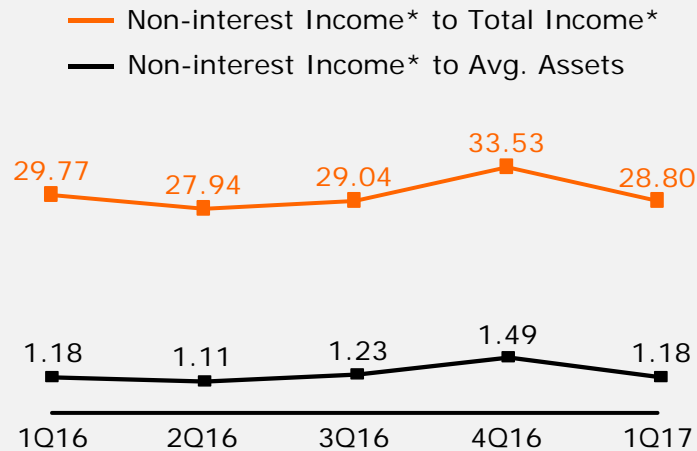
Net Profit (MTHB)



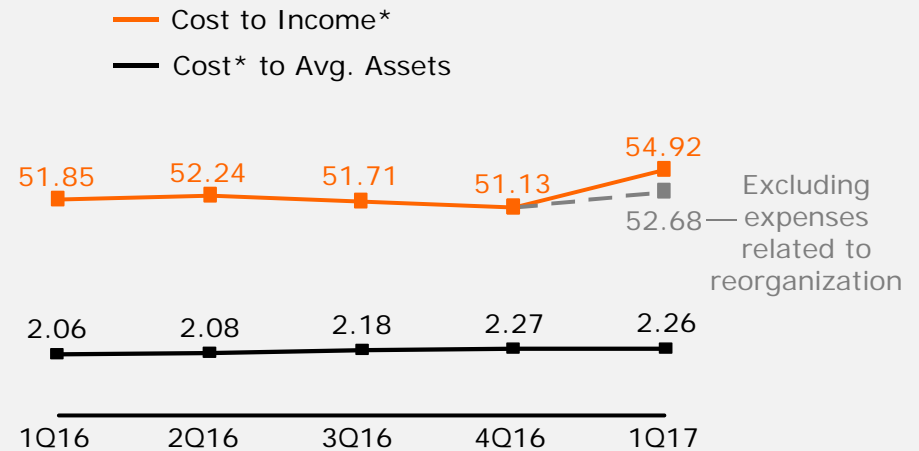
Note: *Net of insurance expenses; Source: Company data

TGroup: Financial Ratio

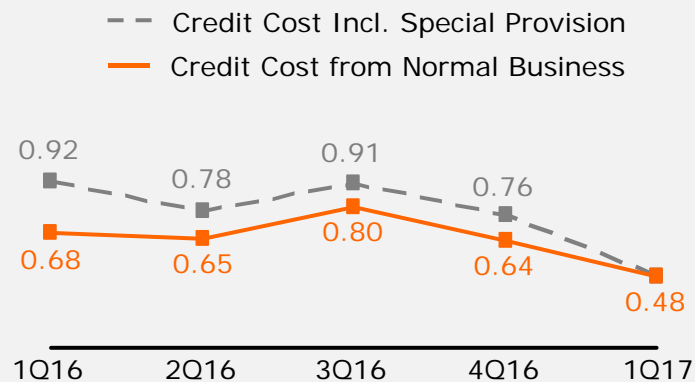
Ratios of Non-interest Income* (Percent)



Ratios of Operating Expenses* (Percent)



Credit Cost (Percent)



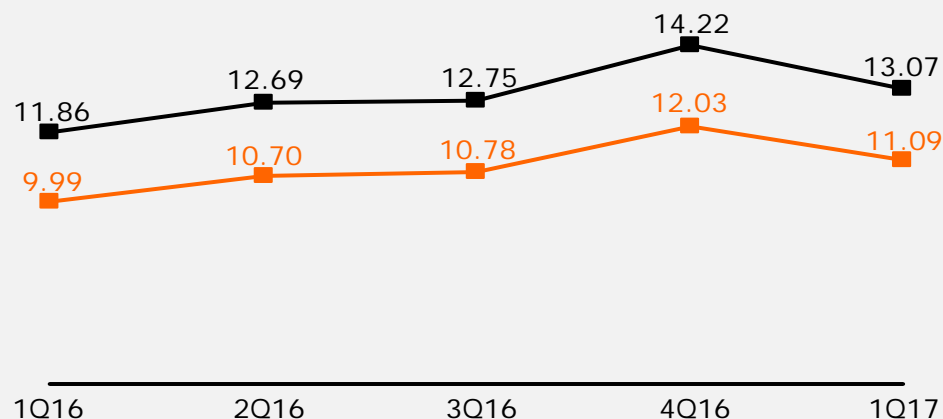
Other Key Ratios (Percent)

Ratios (%)	Quarterly				
	1Q16	2Q16	3Q16	4Q16	1Q17
ROAA	1.13	1.28	1.27	1.47	1.37
ROAE**	9.99	10.70	10.78	12.03	11.09
Loan Spread	3.56	3.68	3.88	3.81	3.76
Interest Spread	2.70	2.81	2.98	2.92	2.89
Cost of Fund	2.25	2.10	1.93	1.91	1.88
NPL	2.81	2.71	2.56	2.41	2.32
Coverage	119.4	126.0	132.9	146.8	152.1

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 1Q17 amounted to 17,488 MTHB.
- ROAE excluding goodwill of TCAP is higher than ROAE around 2 percent.



TGroup: Comparison to Targets

Performance Parameters		2015A	2016A	2017F	1Q17A
Profitability	ROAE (excl. NCI)	10.48%	10.89%	11.00-12.00%	11.09%
	ROAE (excl. GW)	12.52%	12.91%		13.07%
	ROAA	1.12%	1.29%	1.30-1.40%	1.37%
	Spread	2.70%	2.86%	2.90-3.00%	2.89%
	Non-interest Income Ratio*	30.49%	30.13%	30.00-31.00%	28.80%
	Cost to Income Ratio*	50.15%	51.72%	50.00%	54.92%
Loans	Loan Growth	-5.43%	-3.16%	3.00-5.00%	-1.28%
Deposits	CASA Ratio**	40.13%	45.58%	50.00%	44.22%
Asset Quality	NPL Ratio	2.96%	2.41%	< 2.50%	2.32%
	Credit Cost	0.83% (From Normal Business Operation)	0.71% (From Normal Business Operation)	0.50-0.60%	0.48%
	Coverage Ratio	117.16%	146.79%	> 130.00%	152.12%
Capital	TBANK BIS Ratio	17.92%	19.15%	> 18.00%	19.55%

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

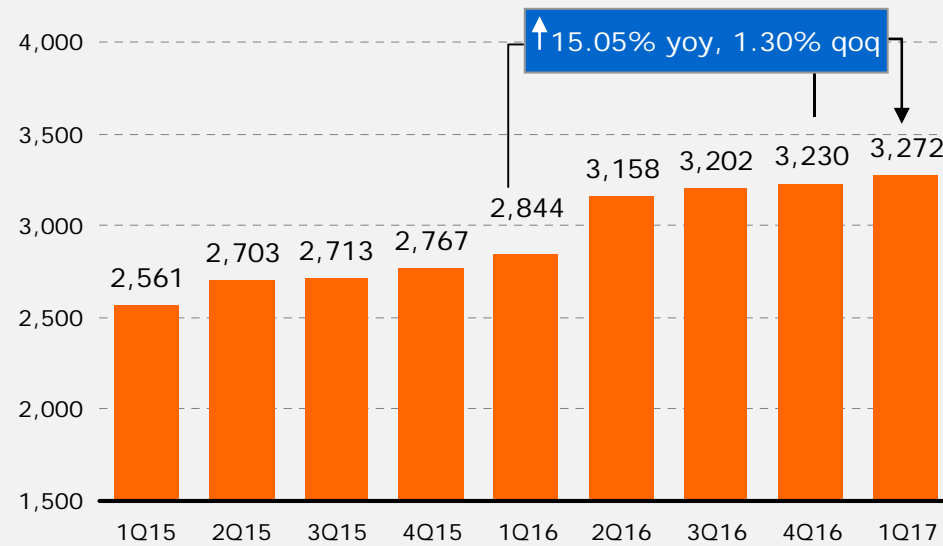


TBANK 1Q17

Financial Highlights

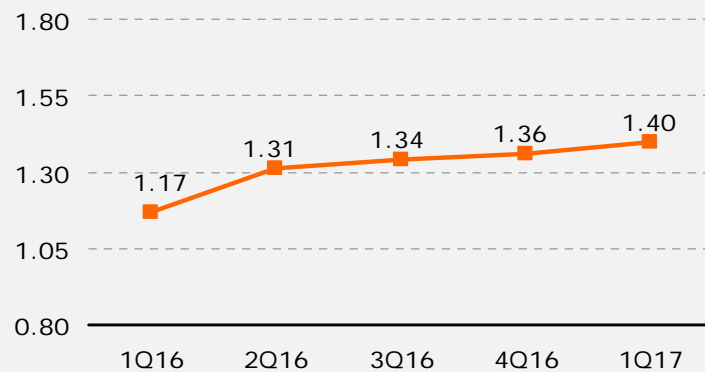
TBANK: Profitability

**Net Profit
(MTHB) ***

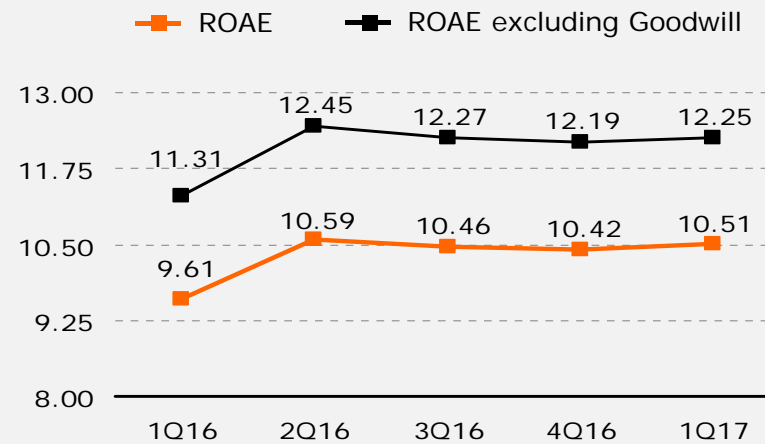


Net Profit of TBANK and its subsidiaries has increased for 9 consecutive quarters.

ROAA (Percent)



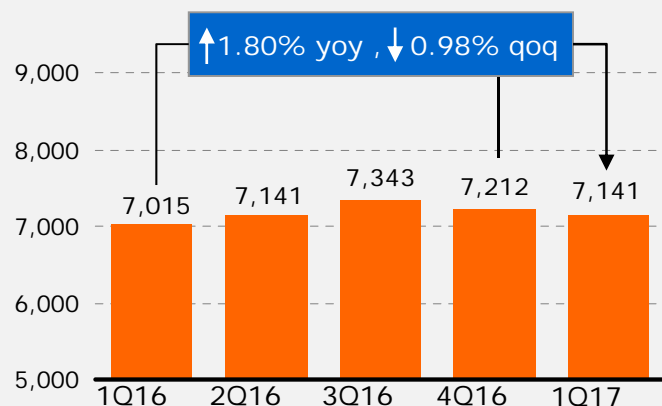
ROAE* (Percent)



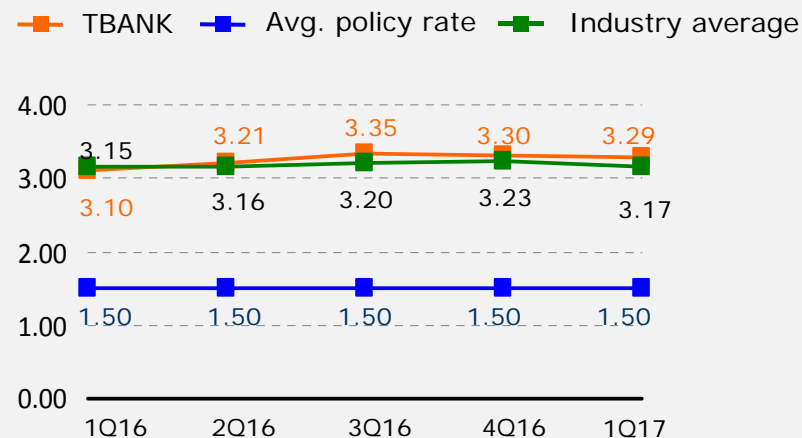
Note: *Excluding non-controlling interest; Source: Company data

TBANK: Net Interest Income

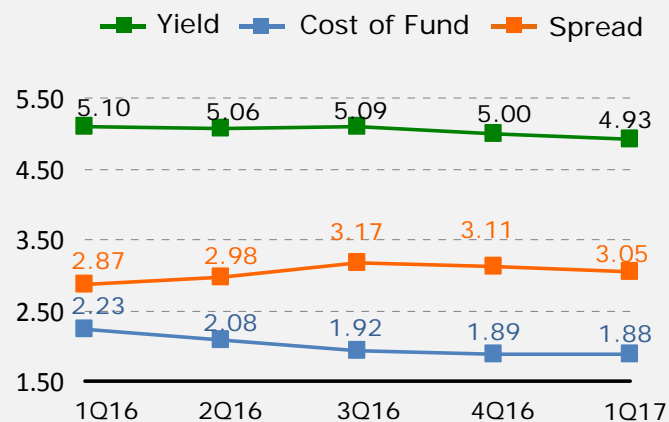
Net Interest Income (MTHB)



Net Interest Margin (Percent)



Yield, Cost of Fund, and Spread (Percent)

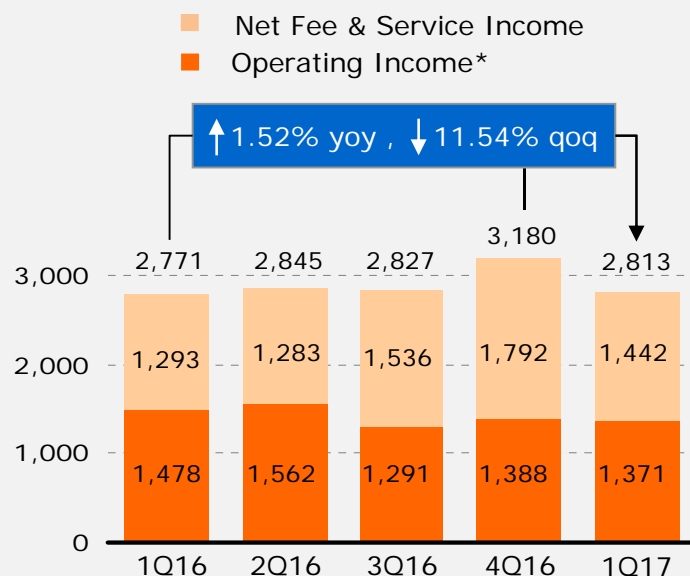


Highlights

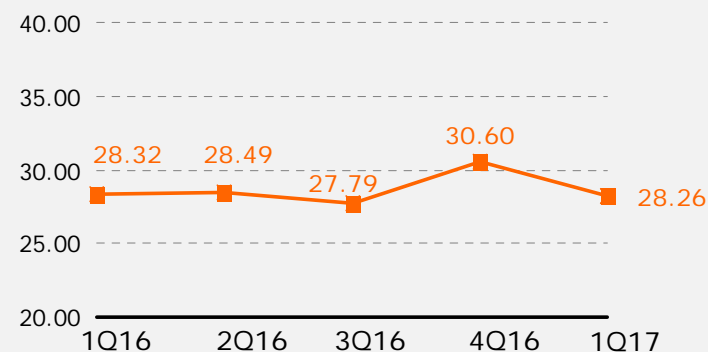
- 1Q17 interest income decreased by 801 MTHB or 6.93% yoy, mainly from a decrease in loan volume and yield on earning assets.
- 1Q17 interest expenses decreased by 927 MTHB or 20.37% yoy, mainly from an efficient cost of fund management.
- 1Q17 interest spread widened from 2.87% in 1Q16 to 3.05%.

TBANK: Non-interest Income

Non-interest Income (MTHB)



Non-interest Income Ratio* (Percent)



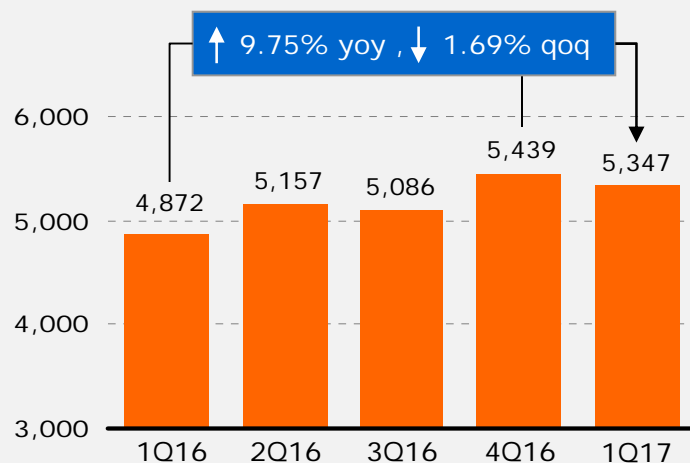
Highlights

- 1Q17 non-interest income increased by 42 MTHB or 1.52% yoy.
- 1Q17 net fees and service income increased by 149 MTHB or 11.52%. This was due to an increase in insurance premium commission and fees from fund management and securities businesses.
- 1Q17 operating income decreased by 107 MTHB or 7.24%. This was mainly from a decrease in gain on investment, although partially offset by an increase in dividend income and other income from gain on sale of foreclosed assets.
- 1Q17 non-interest income ratio was at 28.26%, a slight decrease from 28.32% in 1Q16.

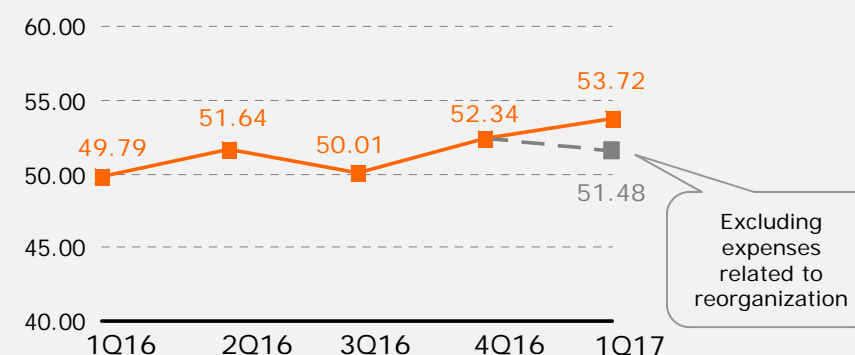
Note: *Net of insurance expenses; Source: Company data

TBANK: Operating Expenses

Operating Expenses (MTHB)



Cost to Income Ratio* (Percent)



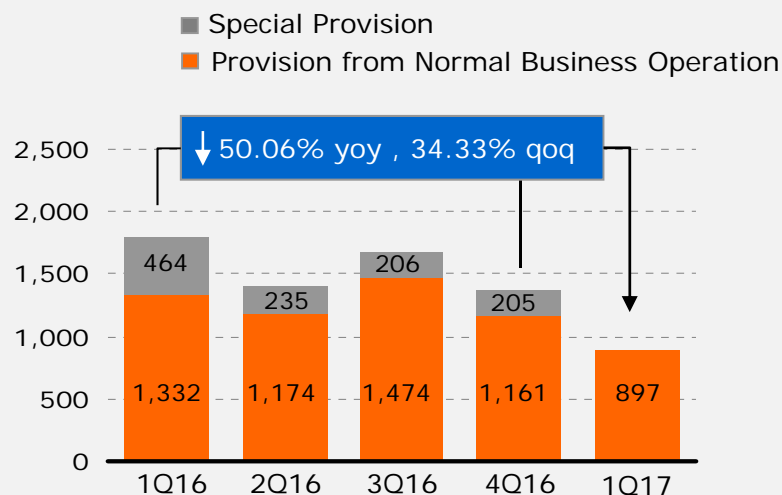
Highlights

- 1Q17 operating expenses** increased by 475 MTHB or 9.75% yoy. This was mainly from;
 - Personnel expenses** increased by 202 MTHB or 7.19%, mainly from a result of annual salary and bonus increase and incentive increase following sale volume.
 - Other expenses** increased by 330 MTHB or 29.62%, mainly from investment in IT system, advertising and sale promotion expenses and expenses related to reorganization.
- 1Q17 cost to income was at 53.72%**, an increase from 49.79% in 1Q16. **If exclude the expenses related to reorganization, cost to income would be at 51.48%.**

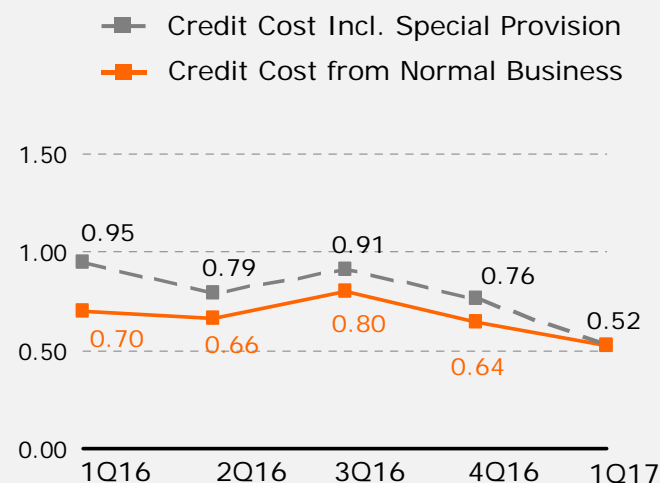
Note: *Net of insurance expenses; Source: Company data

TBANK: Provision Expenses

Impairment Loss of Loans (MTHB)



Credit Cost (Percent)

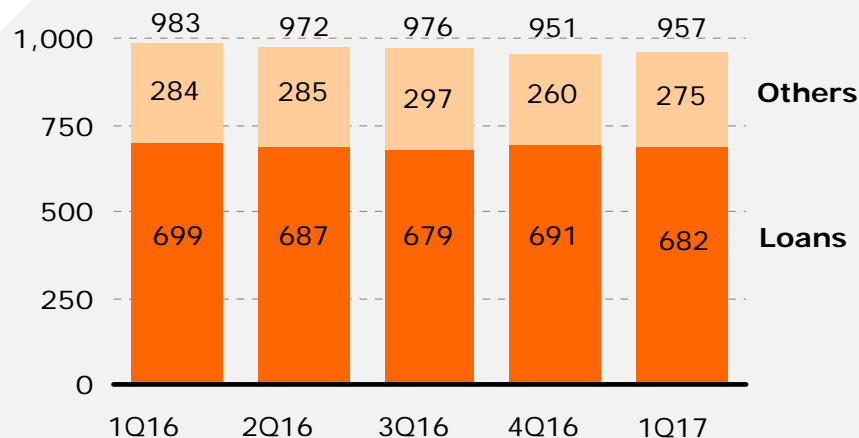


Highlights

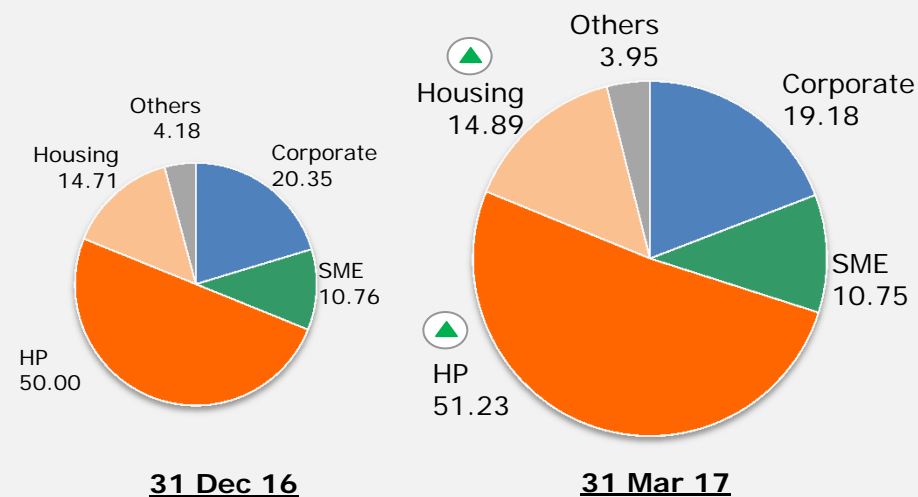
- **1Q17 provision expenses** decreased by 899 MTHB or 50.06% yoy. This was due to an effective risk management, resulting in stronger asset quality.
- **1Q17 credit cost** was 0.52%, a decrease from 0.95% in 1Q16.
- **At the end of March 2017, the Bank had tax losses in the amount of 12,671 MTHB, equivalent to a tax benefit of 2,534 MTHB.**

TBANK: Assets

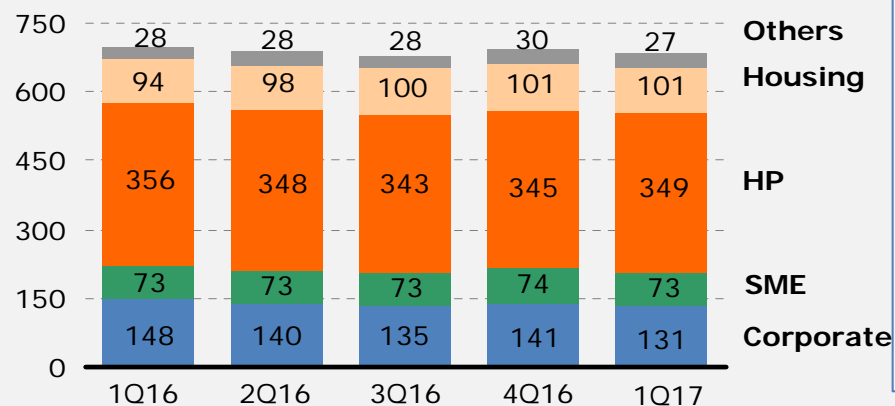
Assets (BTHB)



Loans Breakdown (Percent)



Loans Breakdown (BTHB)

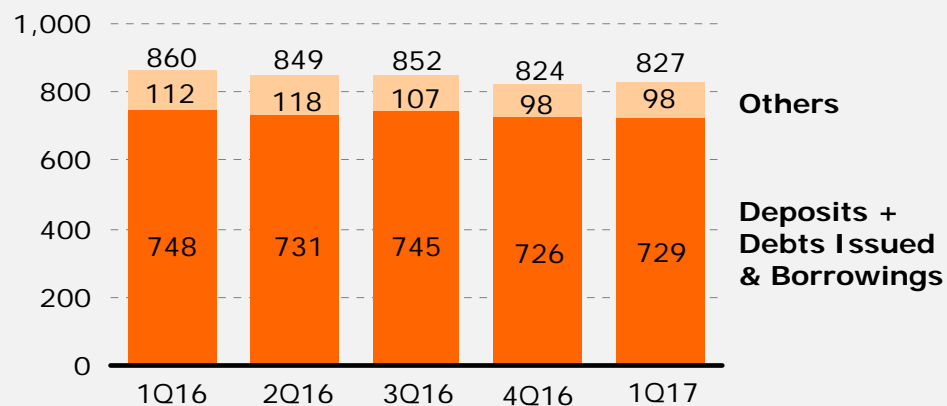


Highlights

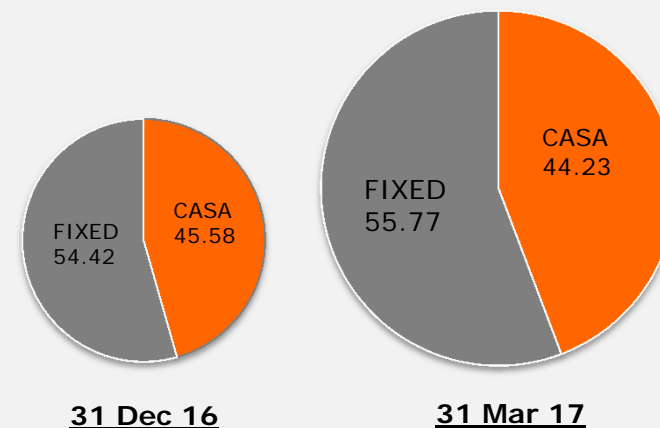
- 1Q17 Asset slightly increased by 0.64% from the end of 2016.
- 1Q17 Loans volume decreased by 1.27% but HP up 1.15% from the end of 2016. Loan decline was mainly contributed by corporate and SME loan.
- Furthermore, the Bank continued to strengthen its asset quality and NPL has been on a consistent decline.
- The proportion of retail to corporate and SME loan was 70 : 30.

TBANK: Liabilities

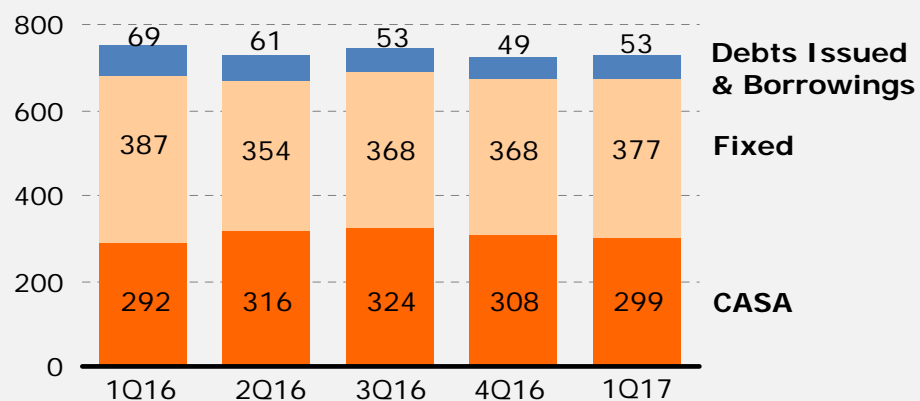
Liabilities (BTHB)



Deposits Breakdown (Percent)



Deposits + Debts Issued & Borrowings (BTHB)



Highlights

- 1Q17 deposits decreased by 0.08% from the end of 2016. 1Q17 CASA to total deposit portion was 44.23%, a decline from 45.58% at the end of 2016.
- 1Q17 debt issued and borrowings increased by 6.50% from the end of last year.
- 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.

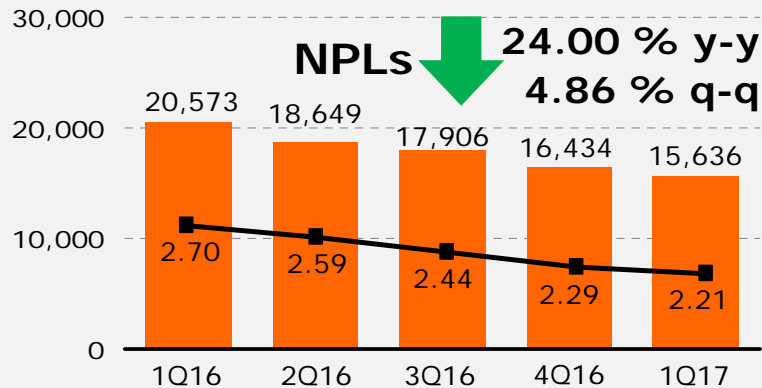
4.0

TBANK: NPLs and Reserve

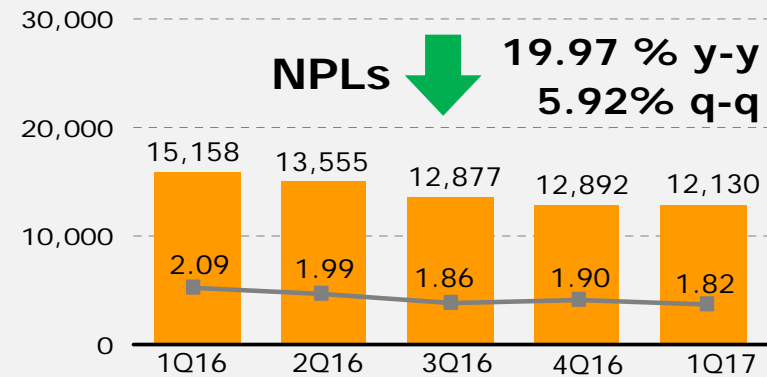
TBANK's NPL vs. NPL to Total Loans

■ NPL (MTHB) — NPL to Total Loans (%)

TBANK Consolidated

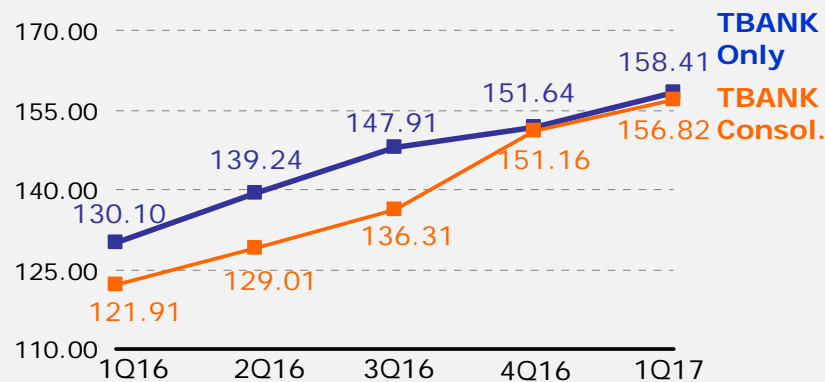


TBANK Only



Coverage Ratio (Percent)

- 1Q17 Reserve to Required Reserve by the BOT (Consolidated) = **198.15%**
- 1Q17 Reserve to Required Reserve by the BOT (Bank Only) = **211.14%**



Highlights

TBANK Consol.

NPLs dropped **798** MTHB ytd with the NPL

ratio of **2.21%** excess reserve of **12,146** MTHB

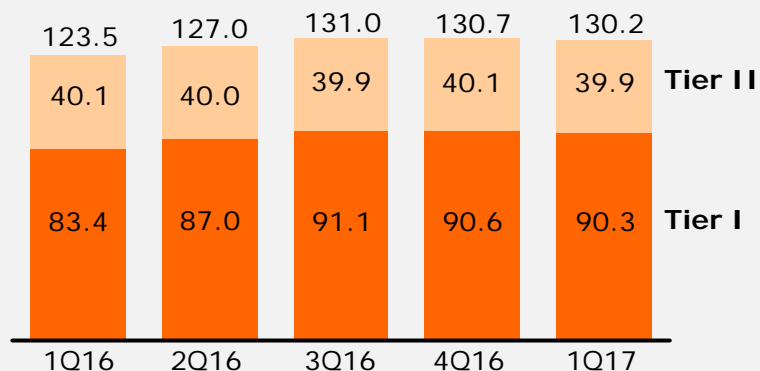
TBANK Only

Coverage increased to

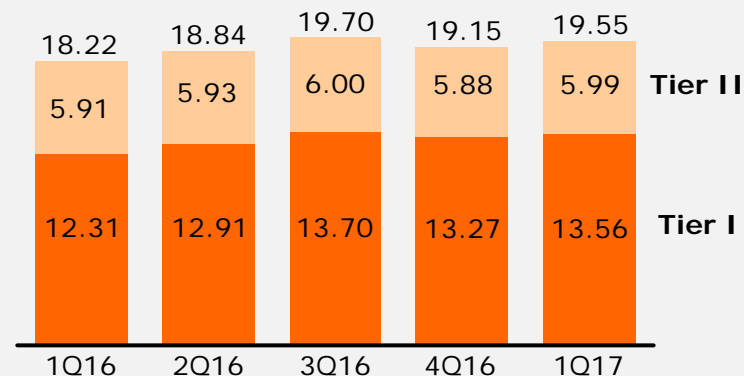
156.82%

Capital Adequacy

TBANK's Capital (Solo Basis) (BTHB)

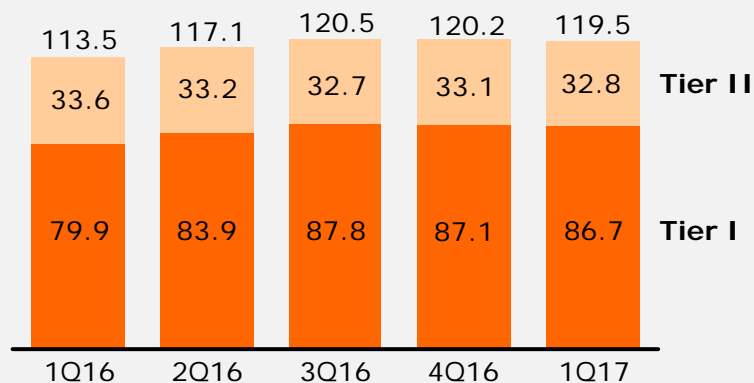


TBANK's BIS Ratio (Solo Basis) (Percent)

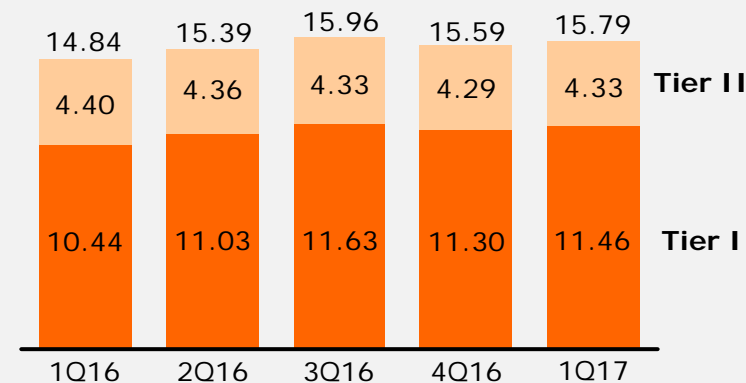


As the Bank focused on strengthening the capital position, BIS ratio of the Bank has been growing as evidenced by an industry leading level of 19.55% at the end of 1Q17.

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	1Q16	2Q16	3Q16	4Q16	1Q17
Interest income	11,649	11,383	11,188	10,988	10,849
Interest expenses	4,694	4,304	3,904	3,838	3,762
Net interest income	6,955	7,079	7,284	7,150	7,087
Fees and service income	2,006	1,971	2,283	2,543	2,238
Fees and service expenses	715	690	750	760	798
Net fees and service income	1,291	1,281	1,533	1,783	1,440
Gains on tradings and foreign exchange transactions	328	1	97	33	185
Gains on Investments	517	130	203	211	191
Share of income from investment in associated	109	115	87	84	75
Dividend income	57	290	94	55	89
Insurance premium income	1,646	1,645	1,661	1,723	1,735
Other operating income	315	319	358	329	318
Total operating income	11,218	10,860	11,317	11,368	11,120
Insurance expenses	1,315	1,037	1,053	611	1,168
Net operating income	9,903	9,823	10,264	10,757	9,952
Personnel expenses	2,865	2,890	2,985	3,136	3,074
Premises and equipment expenses	755	764	772	790	711
Taxes and duties	200	192	197	186	187
Directors' remuneration	10	53	10	9	10
Other expenses	1,305	1,233	1,343	1,378	1,484
Total operating expenses	5,135	5,132	5,307	5,499	5,466
Impairment loss of loans and debt securities	(1,767)	(1,408)	(1,676)	(1,359)	(852)
Profit before corporate income tax	3,001	3,283	3,281	3,899	3,634
Income Tax	(186)	(131)	(189)	(347)	(317)
Profit for the period	2,815	3,152	3,092	3,552	3,317
Net profit of the Company	1,350	1,466	1,502	1,695	1,602

Consolidated statements of financial position	31-Dec-16	31-Mar-17
Cash	12,077	9,553
Interbank and money market items-interest	43,958	29,119
Interbank and money market items-no interest	4,776	10,222
Net Interbank and MM	48,734	39,341
Net investments	186,928	213,047
Net Investment in associated companies	2,890	2,823
Loans to customers	740,219	732,748
Accrued interest receivables	631	577
Deferred revenue	(48,173)	(49,538)
Allowance for doubtful accounts	(25,155)	(24,796)
Net loans and accrued interest receivables	667,522	658,991
Properties foreclosed - net	4,992	4,851
Intangible assets - net	2,709	2,577
Goodwill	17,439	17,488
Other assets	23,576	24,310
Total assets	966,867	972,981
Deposits	676,456	675,909
Interbank and money market items-interest	64,397	58,041
Interbank and money market items-no interest	1,304	1,681
Net interbank and money market items	65,701	59,722
Debt issued and borrowings	61,704	64,869
Insurance contract liabilities	14,589	14,952
Other liabilities	28,566	34,086
Total liabilities	847,016	849,538
Company shareholders' equity	56,891	58,621
Non-controlling interest	62,960	64,822
Shareholders' equity	119,851	123,443
Total liabilities & shareholders' equity	966,867	972,981

Source: Company data

Subsidiaries Performance

Subsidiaries	% held	Net Profit (MTHB)				
		1Q16	2Q16	3Q16	4Q16	1Q17
Thanachart Bank Pcl. (Consolidated)		2,844	3,158	3,202	3,230	3,272
Thanachart Securities Pcl.	50.96%	139	92	216	215	168
Thanachart Fund Management	38.22%	86	92	93	84	100
Thanachart Insurance Pcl.	50.96%	251	267	256	231	216
TS AMC	50.96%	(71)	116	163	(19)	51
Ratchthani Leasing Pcl.	33.22%	210	216	218	237	246
NFS AMC	100.00%	(10)	(15)	(8)	88	29
MAX AMC	83.44%	(7)	50	15	34	1
MBK Life Assurance Pcl.	51.00%	(123)	(19)	(27)	291	(10)

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>

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