

# Analyst Meeting

**Unreviewed Financial Statements**

**Information as of 30 September 2018**



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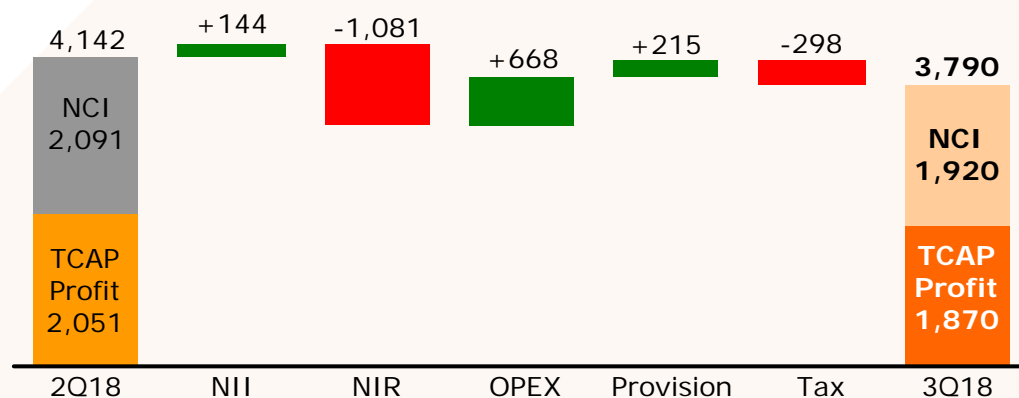
# TGroup 3Q18 & 9M18 Financial Highlights





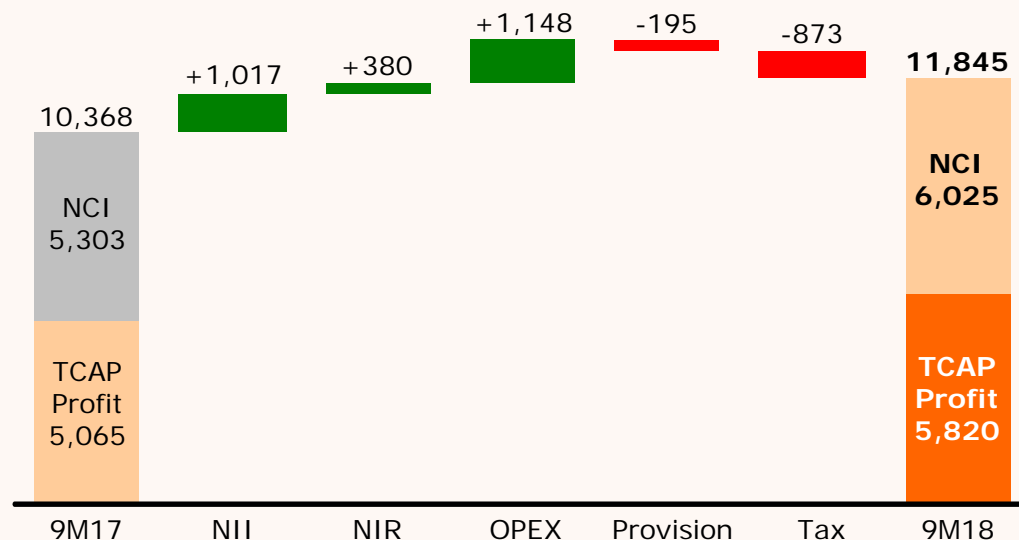
# TGroup: Profit Movement

## Movement of Total Profit 3Q18 VS 2Q18 (MTHB)



- Group profit decreased 352 MTHB or 8.50%
- TCAP profit decreased 181 MTHB or 8.82%
- NII increased 144 MTHB or 1.89% from higher loan volume and wider spread. Loans grew 1.66% q-q and spread improved from 2.93% to 2.97%
- NIR decreased 1,081 MTHB or 28.97% mainly from:
  - Lower gains on investments of 893 MTHB
  - Lower gains on properties foreclose 246 MTHB
  - Lower dividend income 155 MTHB
- OPEX decreased 668 MTHB or 12.98%
- Provision decreased 215 MTHB or 14.85%
- Tax increased 298 MTHB or 47.99% as TBANK's tax shield was fully utilized in 2Q18

## Movement of Total Profit 9M18 VS 9M17 (MTHB)



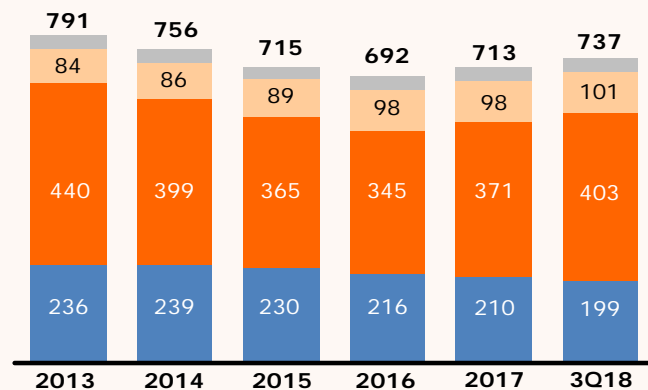
- Group profit increased 1,477 MTHB or 14.25%
- TCAP profit increased 755 MTHB or 14.91%
- NII increased 1,017 MTHB or 4.66% from higher loan volume (+5.34% Y-Y) while spread was stable 2.92%
- NIR increased 380 MTHB or 4.00% mainly from:
  - Higher net fees and service income of 698 MTHB from fund management and insurance commission
- OPEX decreased 1,148 MTHB or 7.09% from effective cost management
- Provision increased 195 MTHB or 4.98% from loan growth
- Tax increased 873 MTHB as TBANK's tax shield was fully utilized in 2Q18 and higher pre-tax profit

Source: Company data

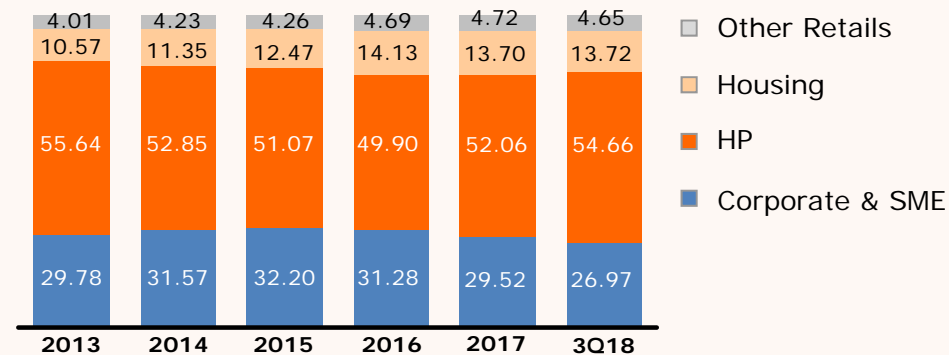


# TGroup: Loans Portfolio

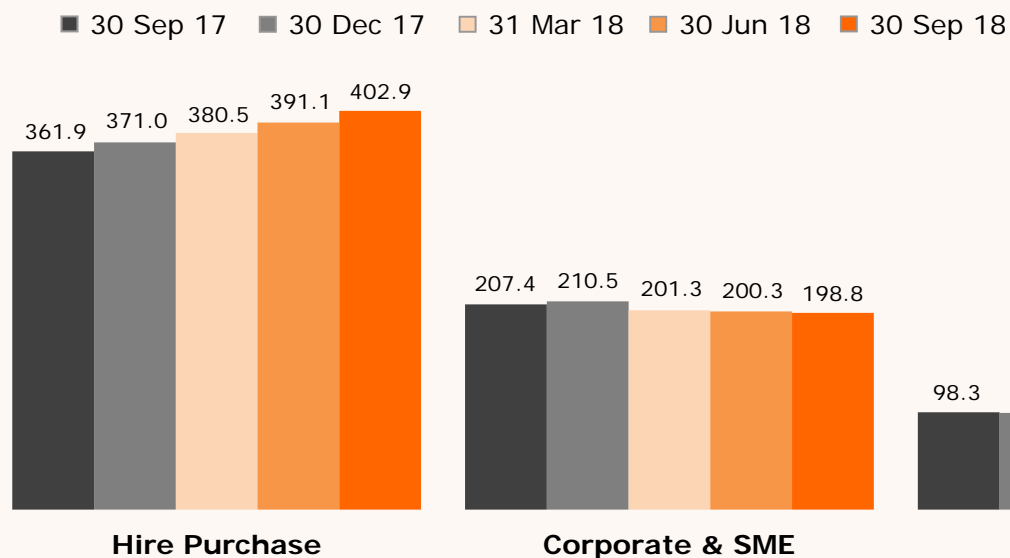
TGroup Loans Breakdown (BTHB)



TGroup Loans Breakdown (Percent)



TGroup Loans Breakdown by Quarter (BTHB)



Loan Growth (Percent)	Y-Y	YTD
Hire Purchase	11.32	8.58
Corporate & SME	(4.14)	(5.54)
Housing	2.96	3.58
Other Retails	6.41	1.98
<b>Total Loans</b>	<b>5.34</b>	<b>3.42</b>

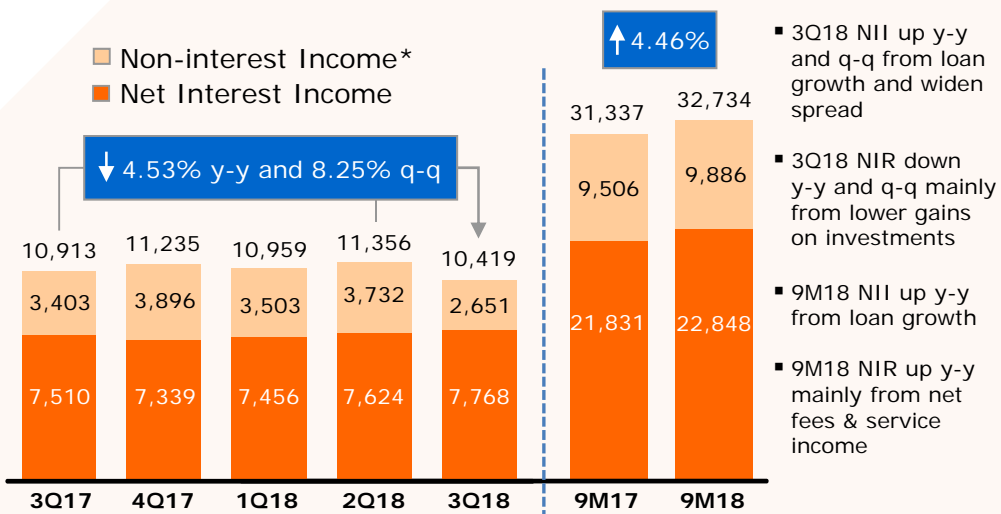
Loans (MTHB)	3Q17	4Q17	2Q18	3Q18
<b>Total Loans</b>	699,751	712,761	725,080	737,109

Source: Company data

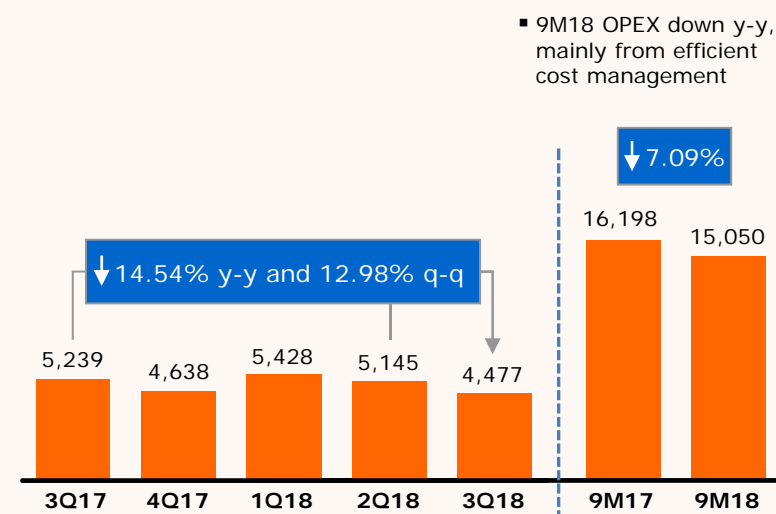


# TGroup's Financial Highlights

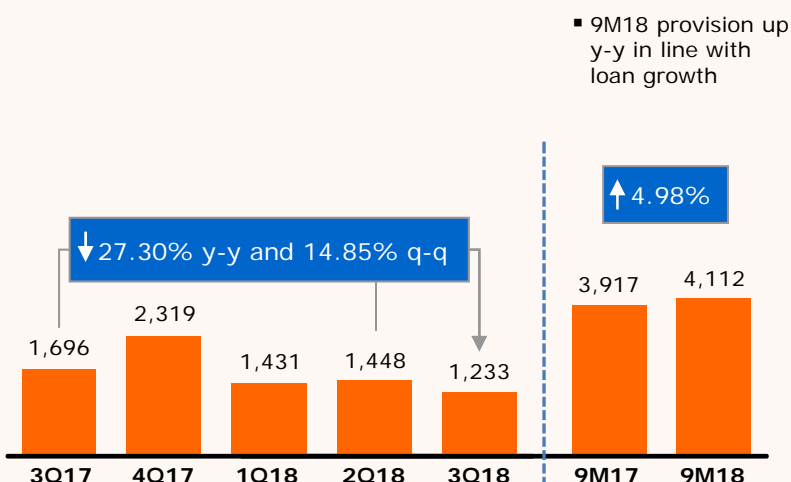
## Total Income (MTHB)



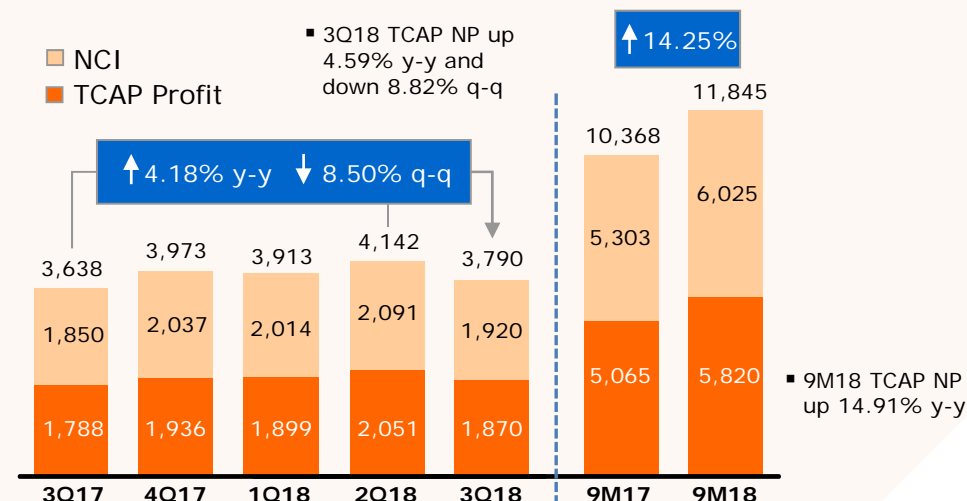
## Operating Expenses (MTHB)



## Provision (MTHB)

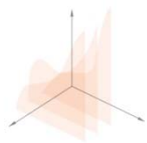


## Net Profit (MTHB)



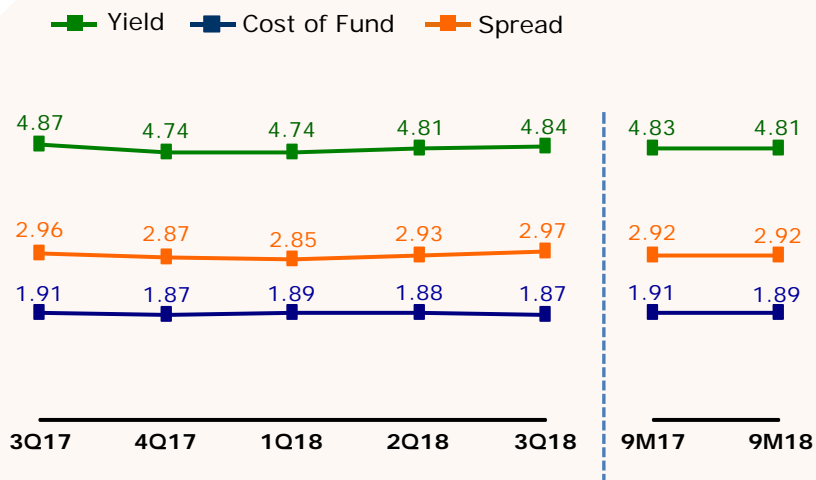
Note: \*Net of insurance expenses \*\*From Normal Business Operation; Source: Company data



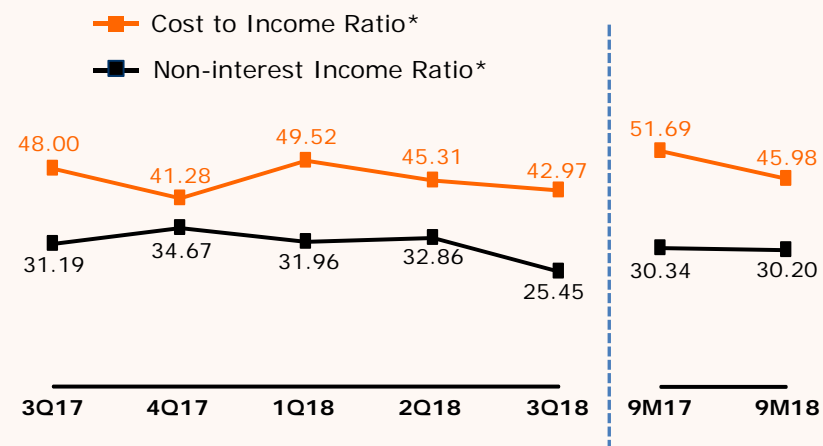


# TGroup: Financial Ratios

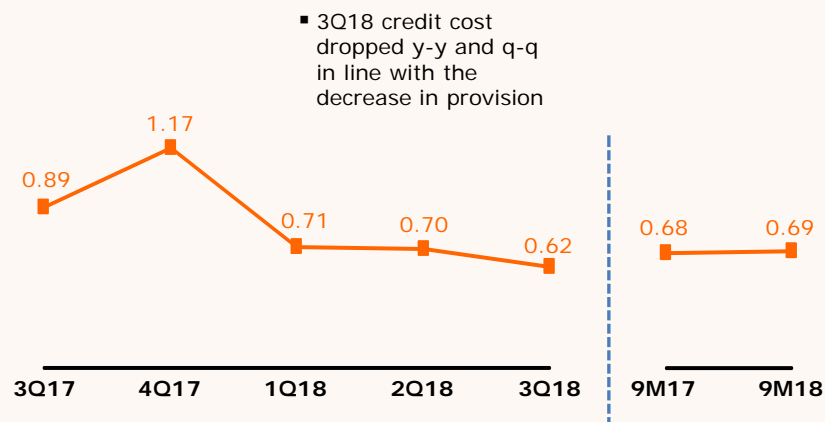
## Yield, COF, and Spread (Percent)



## Non-interest Income Ratio (Percent) Cost to Income Ratio (Percent)



## Credit Cost (Percent)



## Other Key Ratios (Percent)

Ratios (%)	3Q17	4Q17	1Q18	2Q18	3Q18	9M17	9M18
ROAA	1.45	1.58	1.53	1.63	1.48	1.41	1.55
ROAE**	11.94	12.66	12.06	12.92	11.61	11.51	12.20
ROAE** - GW <sup>(1)</sup>	13.99	14.8	14.04	15.04	13.48	13.53	14.19
Loan Spread	3.92	3.83	3.85	3.87	3.89	3.83	3.86
NPL	2.21	2.40	2.48	2.35	2.52		
Coverage	143.1	131.1	127.5	128.9	125.0		
Reserve / Required Reserve	172.0	170.5	167.2	163.6	159.1		

<sup>(1)</sup> Goodwill at the end of 3Q18 = 17,759 MTHB

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



# TGroup: Comparison to Targets

Performance Parameters		2016A	2017A	2018F	9M18A
Profitability	ROAE (excl. NCI)	10.89%	11.80%	11.00-12.00%	12.20%
	ROAE (excl. GW)	12.91%	13.85%		14.19%
	ROAA	1.29%	1.45%	1.40-1.50%	1.55%
	Spread	2.86%	2.90%	2.90-3.00%	2.92%
	Non-interest Income Ratio*	30.05%	31.48%	30.00-31.00%	30.20%
	Cost to Income Ratio*	51.66%	48.94%	47.00-49.00%	45.98%
Loans	Loan Growth	-3.16%	2.99%	> 5.00%	3.42%
Deposits	CASA Ratio**	45.58%	42.92%	45.00%	48.59%
Asset Quality	NPL Ratio	2.41%	2.40%	< 2.50%	2.52%
	Credit Cost	0.71% (From Normal Business Operation)	0.79%	0.60-0.70%	0.69%
Capital	TBANK BIS Ratio	19.15%	18.94%	> 18.00%	19.32%

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



# **TBANK 3Q18 & 9M18 Financial Highlights**

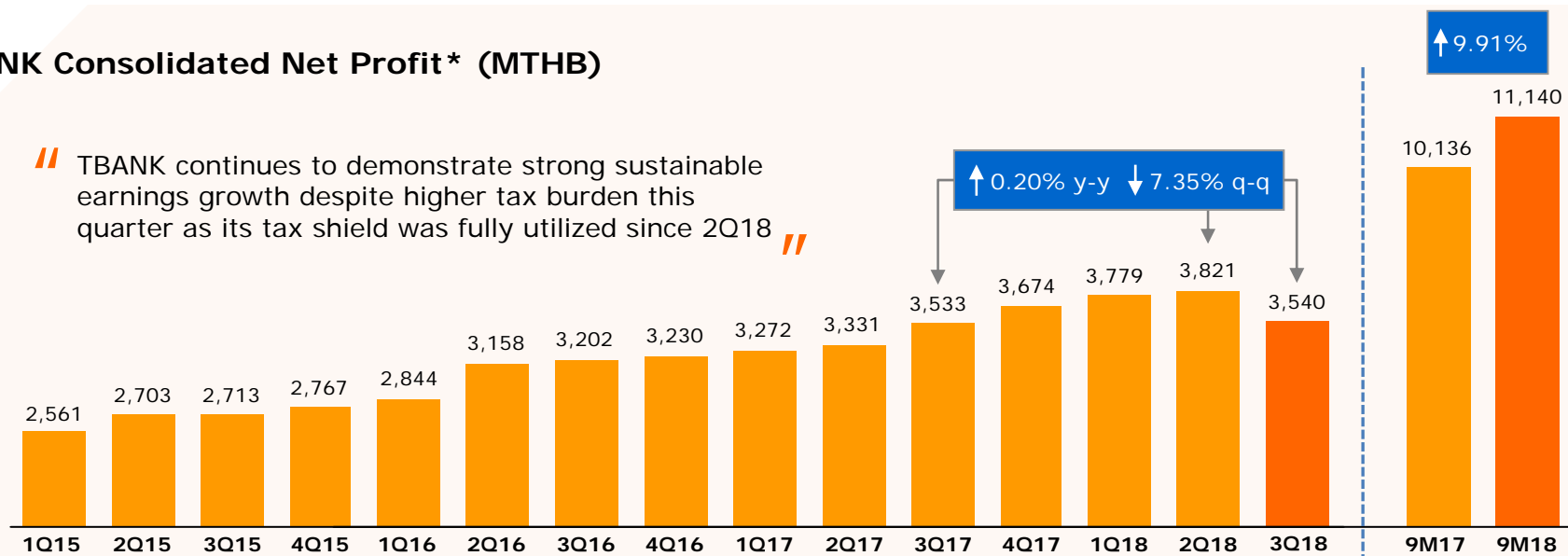




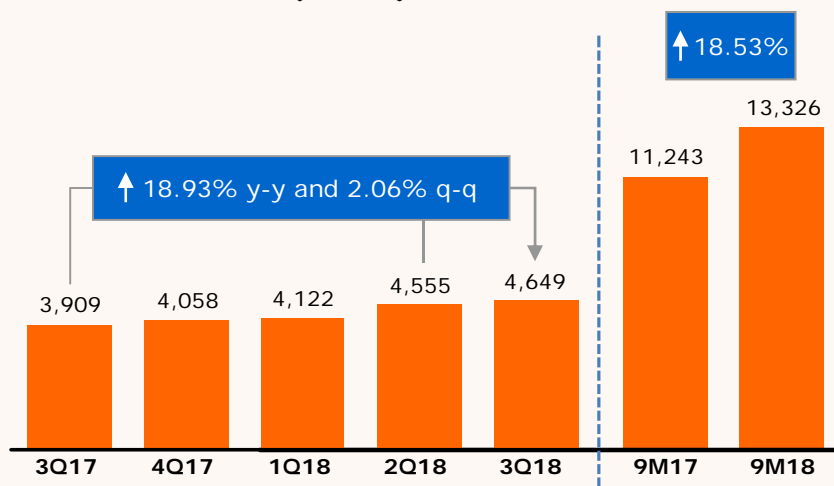
# TBANK's Performance

## TBANK Consolidated Net Profit\* (MTHB)

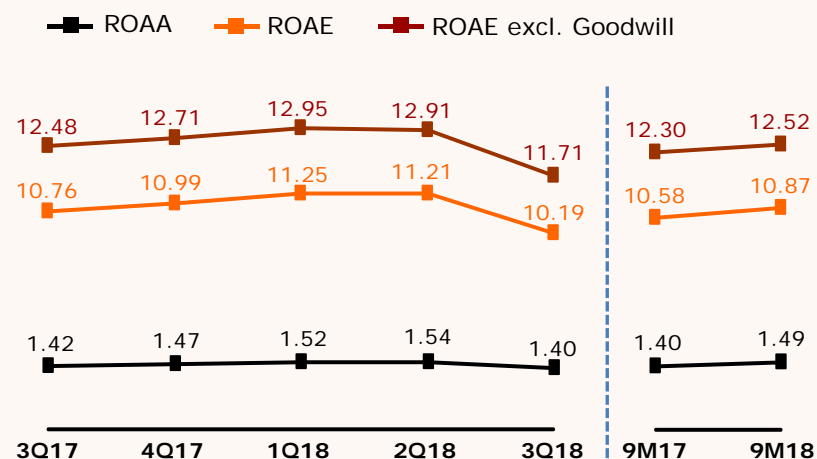
// TBANK continues to demonstrate strong sustainable earnings growth despite higher tax burden this quarter as its tax shield was fully utilized since 2Q18 //



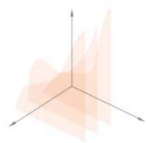
## Profit before Tax (MTHB)



## ROAA & ROAE\* (Percent)



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

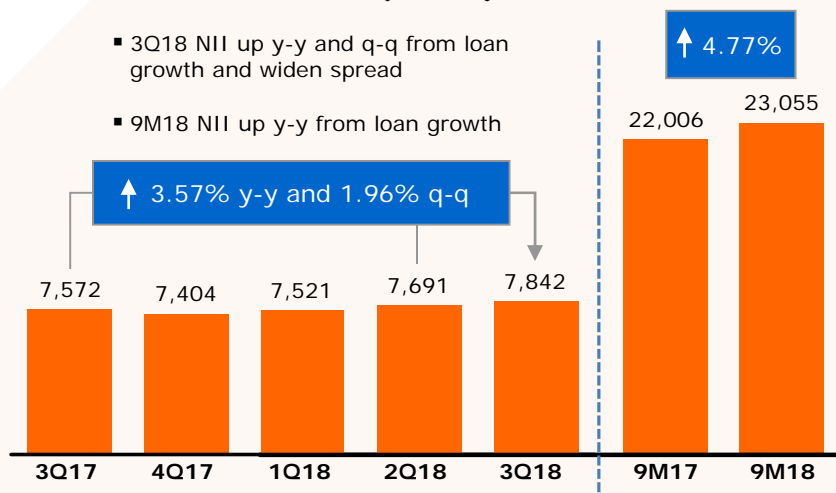


# TBANK: Total Income

## Net Interest Income (MTHB)

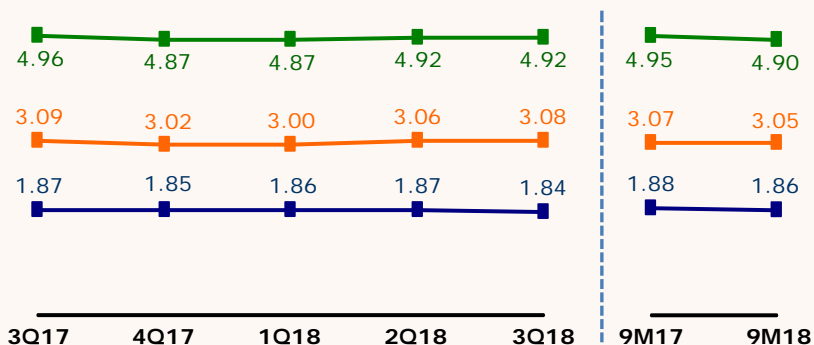
- 3Q18 NII up y-y and q-q from loan growth and widen spread

- 9M18 NII up y-y from loan growth



## Yield, Cost of Fund, and Spread (Percent)

Yield (green line), Cost of Fund (blue line), Spread (orange line)



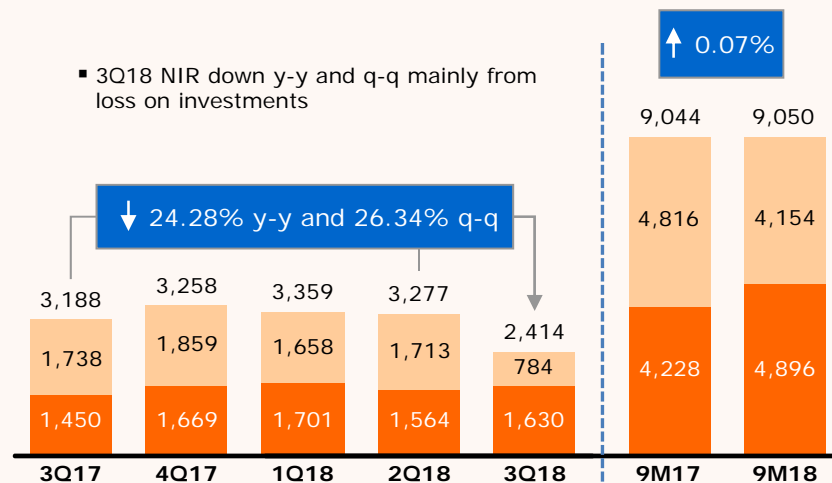
NIM (%)	3Q17	4Q17	1Q18	2Q18	3Q18	9M17	9M18
TBANK	3.28	3.21	3.27	3.31	3.29	3.28	3.29
Industry	3.17	3.15	3.12	3.12	3.14	3.19	3.13

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

## Non-interest Income (MTHB)

- Operating Income\*
- Net Fees & Service Income

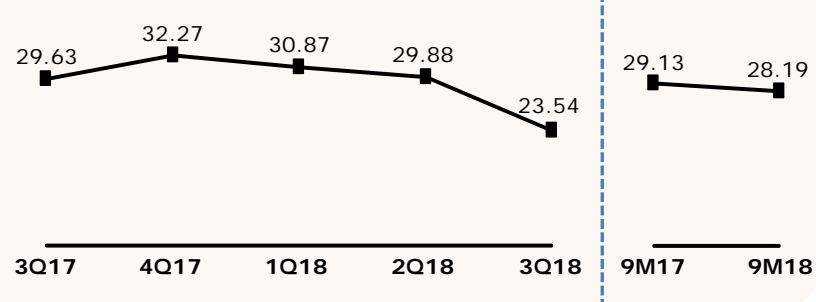
- 9M18 fees income up 15.80% y-y mainly from fund management fees and insurance commission



## Non-interest Income Ratio\* (Percent)

- 3Q18 NIR ratio dropped in line with the decline in NIR

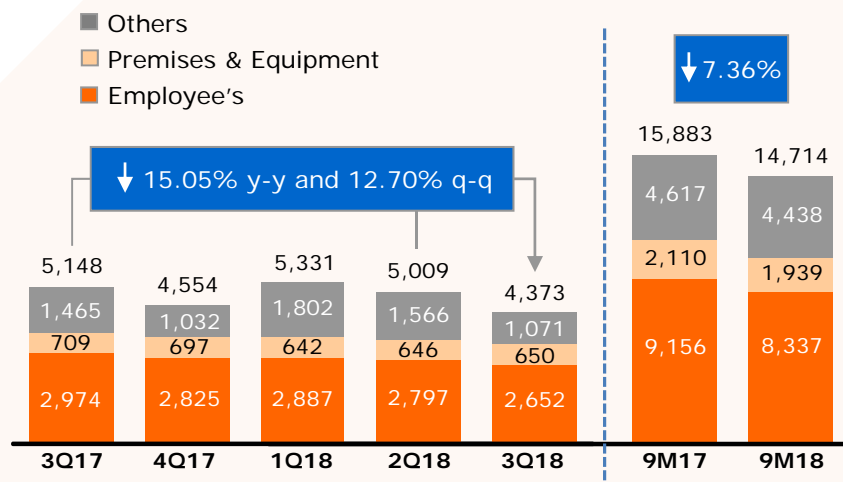
- 9M18 NIR ratio down from higher growth of NII



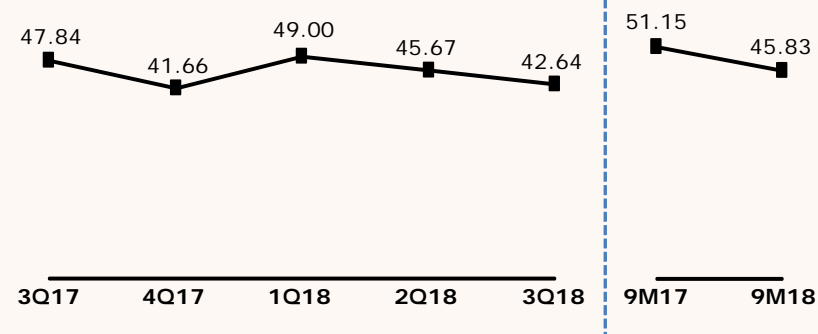


# TBANK: OPEX & Provision

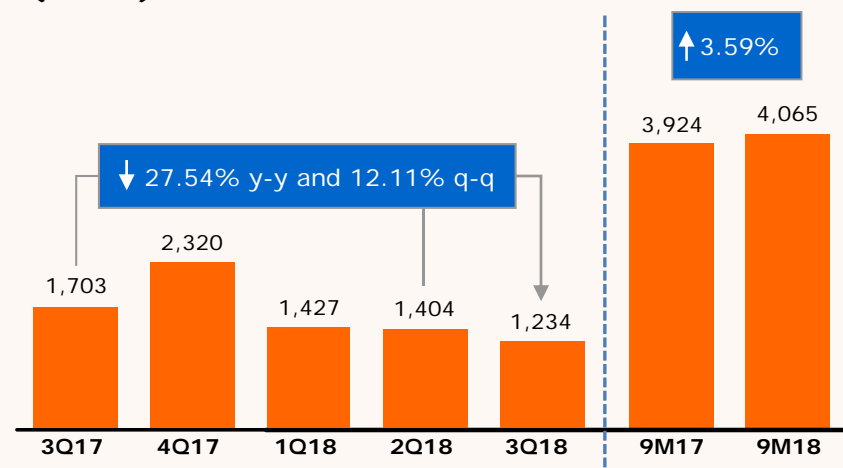
## Operating Expenses (MTHB)



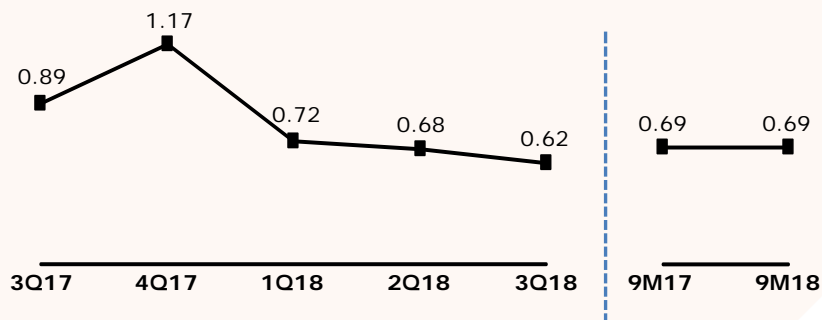
## Cost to Income Ratio\* (Percent)



## Impairment Loss of Loans & Debt Securities (MTHB)



## Credit Cost\* (Percent)

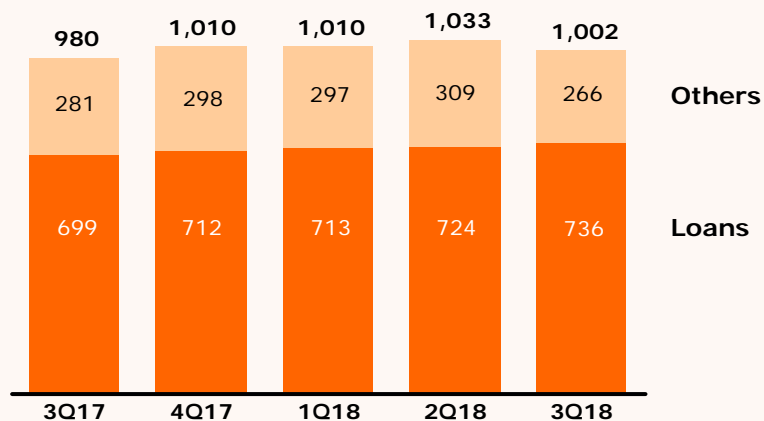


Note: \*Net of insurance expenses; Source: Company data

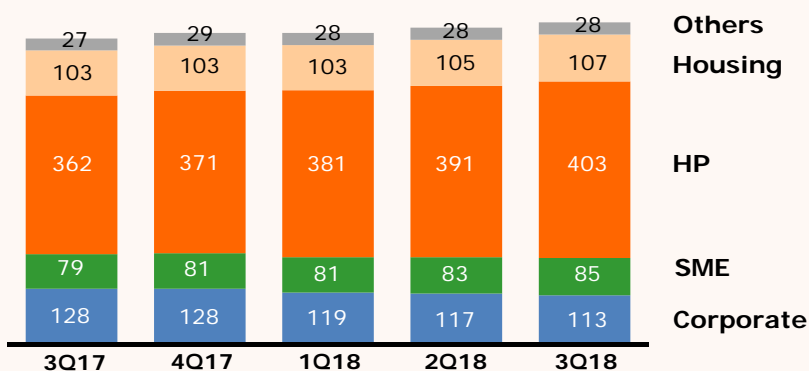


# TBANK: Assets

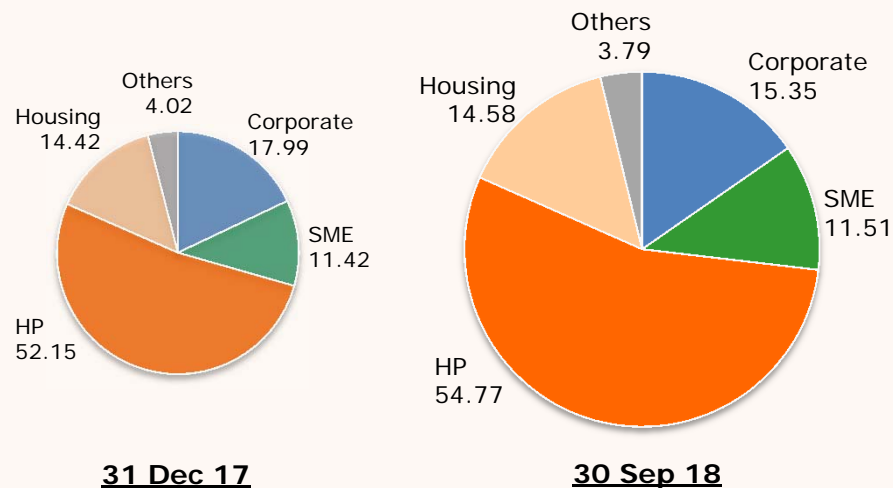
Assets (BTHB)



Loans Breakdown (BTHB)



Loans Breakdown (Percent)



## Highlights

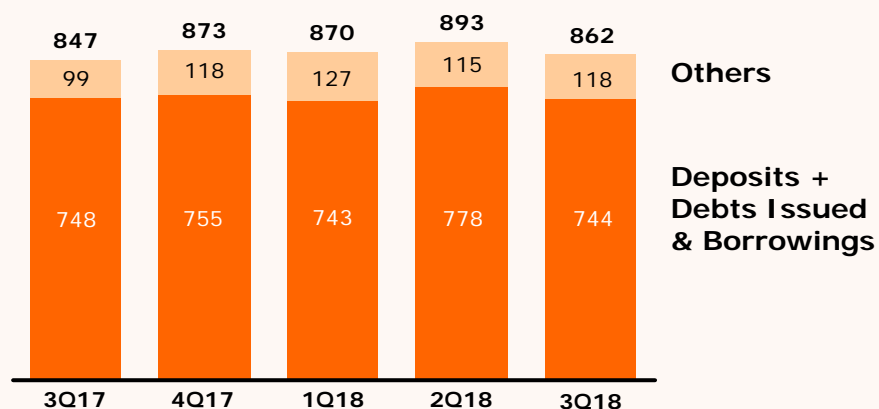
Percent Growth	Q-Q	YTD	Y-Y
<b>Loans</b>	<b>1.66</b>	<b>3.41</b>	<b>5.36</b>
HP	3.02	8.62	11.36
Housing	1.94	4.52	4.11
SME	2.40	4.23	7.68
Corporate	(3.00)	(11.78)	(11.43)

- **HP** at the end of 3Q18 accounted for 54.77% of total loans, up from 52.15% at the end of 2017
- **Retails** at the end of 3Q18 accounted for 73.14% of total loans, up from 70.59% at the end of 2017

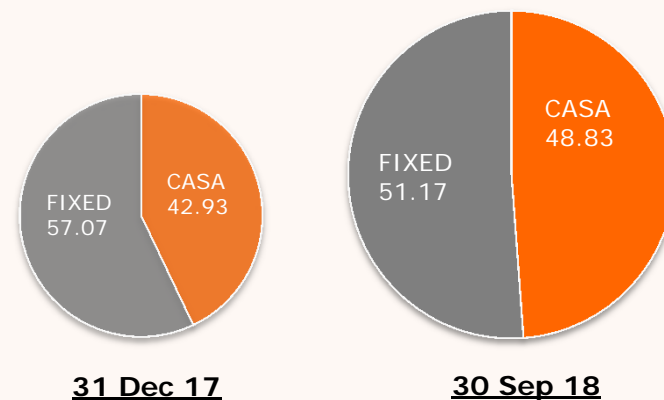


# TBANK: Liabilities

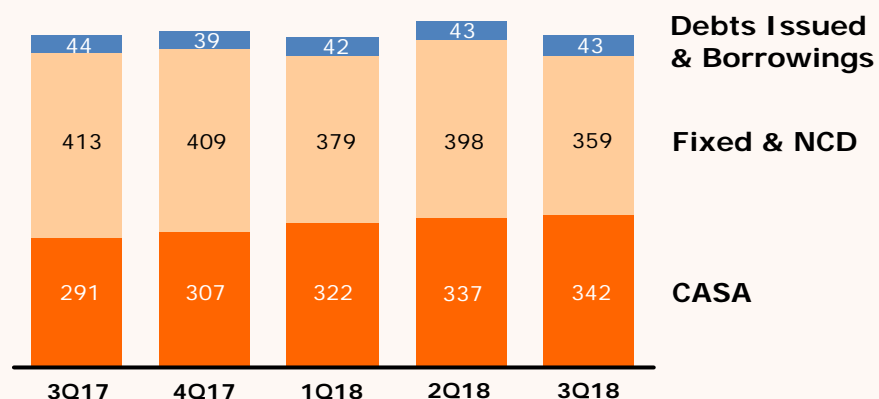
Liabilities (BTHB)



Deposits Breakdown (Percent)



Deposits + Debts Issued & Borrowings (BTHB)



## Highlights

### Deposits + Debt Issued & Borrowings growth:

Percent Growth	Q-Q	YTD	Y-Y
Deposits + Debt Issued & Borrowings	(4.38)	(1.59)	(0.57)
CASA	1.60	11.21	17.70
Fixed & NCD	(9.95)	(12.32)	(13.20)
Debt Issued & Borrowings	0.28	9.95	(2.78)

- CASA at the end of 2Q18** accounted for 48.83%, up from 42.93% at the end of 2017

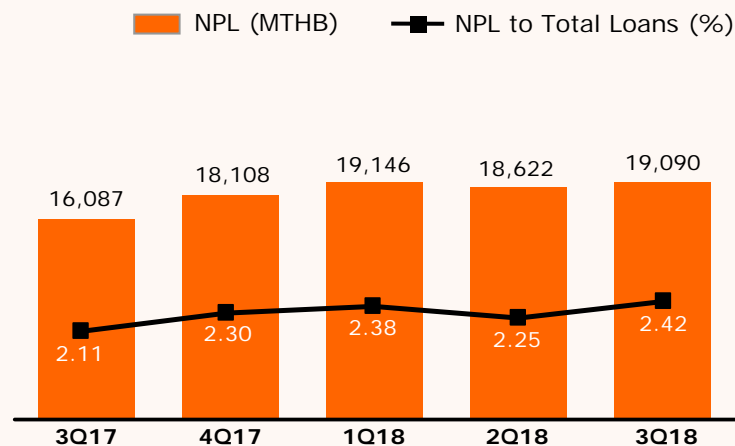
Moreover, the Bank continued to maintain strong Liquidity Coverage Ratio (LCR) of more than 100% which was much higher than the requirement of the Bank of Thailand



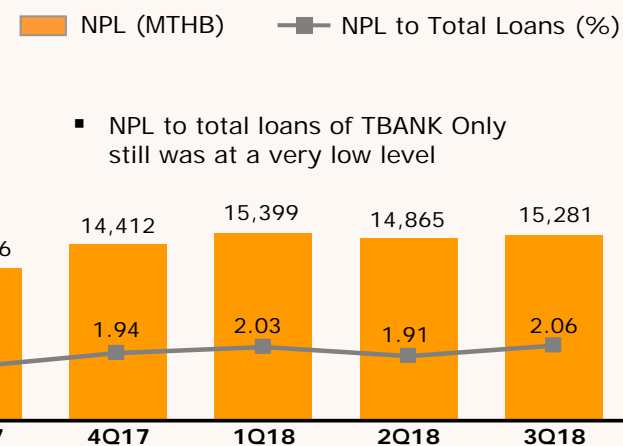
# TBANK: NPLs and Reserve

## TBANK's NPL vs. NPL to Total Loans

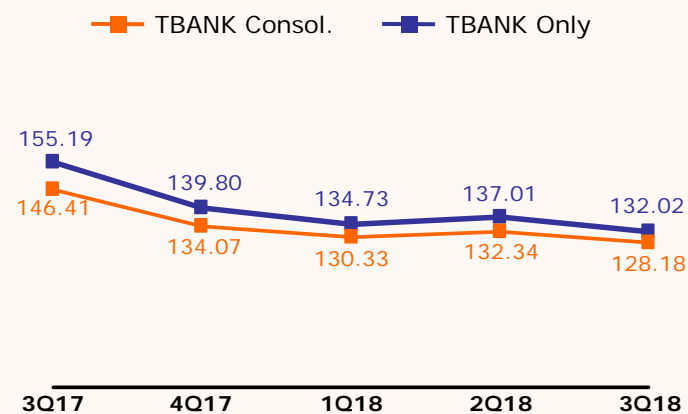
### TBANK Consolidated



### TBANK Only



## Coverage Ratio (Percent)



## Reserve (MTHB)

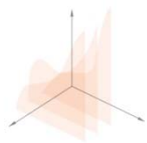
TBANK (Consol.)	3Q17	4Q17	1Q18	2Q18	3Q18
Reserve	23,552	24,278	24,954	24,645	24,469
Excess Reserve	10,059	10,237	10,221	9,769	9,234
Reserve to Required Reserve by BOT (%)	174.55	172.91	169.38	165.67	160.61

TBANK Only	3Q17	4Q17	1Q18	2Q18	3Q18
Reserve	19,392	20,149	20,747	20,367	20,174
Excess Reserve	9,318	9,632	9,619	9,172	8,591
Reserve to Required Reserve by BOT (%)	192.49	191.59	186.45	181.93	174.16

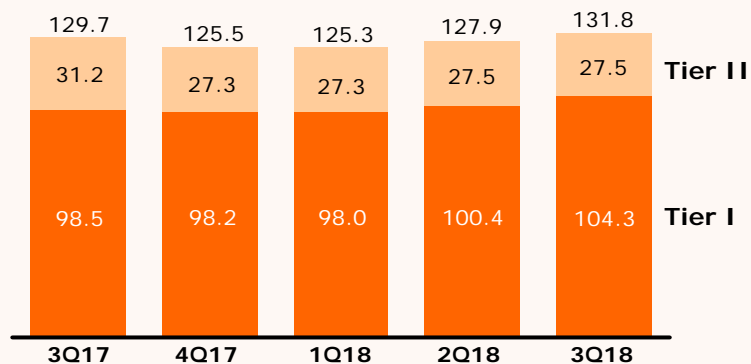
Source: Company data



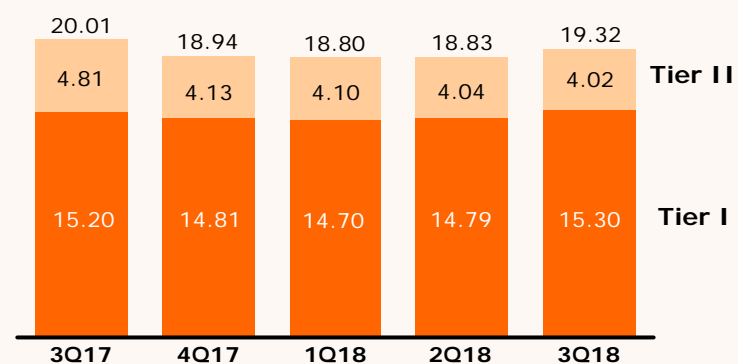


# Capital Adequacy

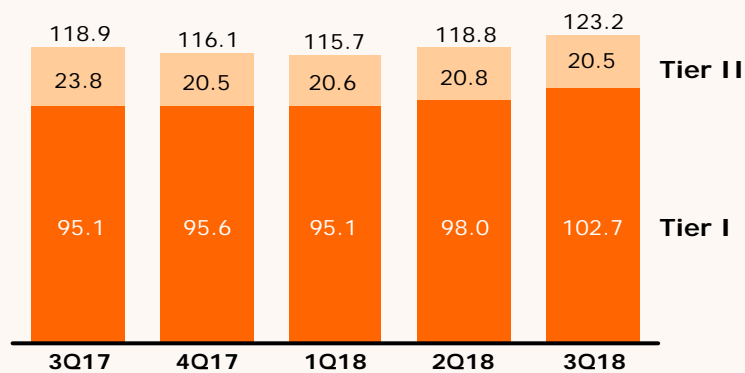
**TBANK's Capital (Solo Basis) (BTHB)**



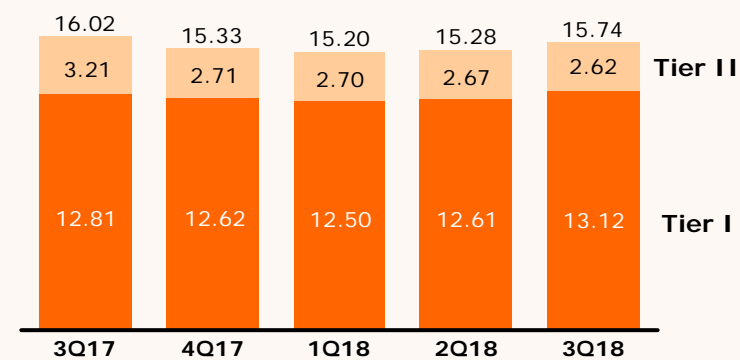
**TBANK's BIS Ratio (Solo Basis) (Percent)**



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



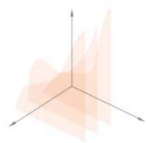
**TCAP's BIS Ratio (Full Consol.) (Percent)**



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

# Appendix





# Detailed TGroup's Financial Info.

Consolidated statements of comprehensive income	3Q17	4Q17	1Q18	2Q18	3Q18	9M17	9M18
Interest income	11,485	11,255	11,330	11,542	11,742	33,426	34,614
Interest expenses	3,975	3,916	3,874	3,918	3,974	11,595	11,766
<b>Net interest income</b>	<b>7,510</b>	<b>7,339</b>	<b>7,456</b>	<b>7,624</b>	<b>7,768</b>	<b>21,831</b>	<b>22,848</b>
Fees and service income	2,257	2,508	2,608	2,439	2,526	6,589	7,573
Fees and service expenses	808	841	902	867	883	2,366	2,652
<b>Net fees and service income</b>	<b>1,449</b>	<b>1,667</b>	<b>1,706</b>	<b>1,572</b>	<b>1,643</b>	<b>4,223</b>	<b>4,921</b>
Gain on tradings and foreign exchange transactions	162	174	152	15	31	491	198
Gain on Investment	586	781	467	393	(500)	1,127	360
Share of income from investment in associated	89	68	78	101	175	269	354
Gains on properties foreclosed and other assets	(19)	(12)	(17)	288	42	64	313
Dividend income	90	67	94	250	95	490	439
Insurance premium income	1,878	1,912	1,932	1,894	1,921	5,444	5,747
Other operating income	352	387	355	348	443	1,001	1,146
<b>Total operating income</b>	<b>12,097</b>	<b>12,383</b>	<b>12,223</b>	<b>12,485</b>	<b>11,618</b>	<b>34,940</b>	<b>36,326</b>
Insurance expenses	1,184	1,148	1,264	1,129	1,199	3,603	3,592
<b>Net operating income</b>	<b>10,913</b>	<b>11,235</b>	<b>10,959</b>	<b>11,356</b>	<b>10,419</b>	<b>31,337</b>	<b>32,734</b>
Personnel expenses	3,024	2,872	2,944	2,856	2,716	9,330	8,516
Premises and equipment expenses	716	704	649	653	657	2,131	1,959
Taxes and duties	195	182	180	187	183	564	550
Directors' remuneration	12	13	12	65	12	80	89
Other expenses	1,292	867	1,643	1,384	909	4,093	3,936
<b>Total operating expenses</b>	<b>5,239</b>	<b>4,638</b>	<b>5,428</b>	<b>5,145</b>	<b>4,477</b>	<b>16,198</b>	<b>15,050</b>
Impairment loss of loans and debt securities	(1,696)	(2,319)	(1,431)	(1,448)	(1,233)	(3,917)	(4,112)
<b>Profit before corporate income tax</b>	<b>3,978</b>	<b>4,278</b>	<b>4,100</b>	<b>4,763</b>	<b>4,709</b>	<b>11,222</b>	<b>13,572</b>
Income Tax	(340)	(305)	(187)	(621)	(919)	(854)	(1,727)
<b>Profit for the period</b>	<b>3,638</b>	<b>3,973</b>	<b>3,913</b>	<b>4,142</b>	<b>3,790</b>	<b>10,368</b>	<b>11,845</b>
<b>Net profit of the Company</b>	<b>1,788</b>	<b>1,936</b>	<b>1,899</b>	<b>2,051</b>	<b>1,870</b>	<b>5,065</b>	<b>5,820</b>

Consolidated statements of financial position	31-Dec-17	30-Sep-18
Cash	11,453	8,951
Interbank and money market items-interest	89,206	62,285
Interbank and money market items-no interest	6,712	9,631
Net Interbank and MM	95,918	71,916
Net investments	178,703	172,539
Net Investment in associated companies	2,827	2,801
<b>Loans and receivables</b>	<b>767,890</b>	<b>799,348</b>
Accrued interest receivables	601	599
Deferred revenue	(55,129)	(62,239)
Allowance for doubtful accounts	(24,518)	(24,756)
Net loans and accrued interest receivables	688,844	712,952
Properties foreclosed - net	4,747	4,806
Intangible assets - net	2,263	1,912
Goodwill	17,637	17,759
Other assets	23,133	24,693
<b>Total assets</b>	<b>1,025,525</b>	<b>1,018,329</b>
<b>Deposits</b>	<b>716,091</b>	<b>697,096</b>
Interbank and money market items-interest	80,636	80,467
Interbank and money market items-no interest	1,707	1,792
Net interbank and money market items	82,343	82,259
<b>Debt issued and borrowings</b>	<b>51,596</b>	<b>58,236</b>
Insurance contract liabilities	14,641	13,797
Other liabilities	30,784	32,149
<b>Total liabilities</b>	<b>895,455</b>	<b>883,537</b>
Company shareholders' equity	62,020	64,523
Non-controlling interest	68,050	70,269
<b>Shareholders' equity</b>	<b>130,070</b>	<b>134,792</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>1,025,525</b>	<b>1,018,329</b>

Note: \*Including gains/losses on property foreclosed; Source: Company data



# Subsidiaries Performance

Subsidiaries	% held	Net Profit (MTHB)						
		3Q17	4Q17	1Q18	2Q18	3Q18	9M17	9M18
Thanachart Bank Pcl. (Consolidated)		3,533	3,674	3,779	3,821	3,540	10,136	11,140
Thanachart Securities Pcl.	50.96%	134	215	249	116	133	394	498
Thanachart Fund Management	38.22%	107	112	171	171	165	314	507
Thanachart Insurance Pcl.	50.96%	333	263	274	276	257	788	807
TS AMC	50.96%	53	30	(4)	121	49	180	166
Ratchthani Leasing Pcl.	33.22%	302	320	364	391	431	806	1,186
NFS AMC	100.00%	-	(19)	(6)	30	(5)	43	19
MAX AMC	83.44%	5	(10)	46	125	(2)	55	169
MBK Life Assurance Pcl. *	51.00%	(24)	104	(24)	40	(12)	(74)	4



# Investor Relations

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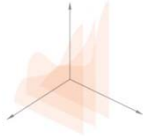
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