



Analyst Meeting

Reviewed Financial Statements

As of 30 June 2020



Contents

1

TGROUP 2Q20 & 1H20 Highlights

2

Important Subsidiaries Performances

3

TGROUP: Comparison to Targets

4

Appendix

TGROUP 2Q20 & 1H20 Highlights





TCAP's Shareholding Structure

Thanachart Capital

1

Banking Business

20.12%



99.98%

Thanachart Bank

TCAP holds 20.12% in TMB and TMB holds TBANK 99.98%



2

Securities Business

50.96%

Thanachart Securities

3

Insurance Business

50.96%

Thanachart Insurance

51.00%



4

Distressed Asset Management

100%

NFS-AMC

83.44%

MAX-AMC

99.99%

TS-AMC

5

HP Business

57.49%



THANI is held by:
 ■ Thanachart SPV1 55.47%
 ■ TCAP 2.02%

6

Other Businesses

22.42%



19.60%

Patum Rice Mill and Granary

99.98%

Thanachart SPV2*

Note: *Thanachart SPV2 holds non-core investments which include, Seacon Pcl, Thanachart Group Leasing, Thanachart Training & Development, Security Scib Services, and Thanachart Management & Service; Source: Company data



2Q20 & 1H20 TGROUP Net Profit

2Q20 Net Profit

- ROAA (%) 3.60
- ROAE* (%) 6.54
- EPS (THB) 0.98
- IBD/E** (Times) 0.19

TGROUP
Net Profit

1,351

MTHB

TCAP Profit

1,029 MTHB

1

Thanachart Securities

129 MTHB

Thanachart Insurance

296 MTHB

2

3

Ratchthani Leasing (Consol.)

443 MTHB

AMCs and other subsidiaries

(95) MTHB

4

5

Share of profit (TMB & MBK)

672 MTHB

1H20 Net Profit

TCAP Profit

5,345 MTHB

TGROUP
Net Profit

5,953

MTHB

- ROAA (%) 7.67
- ROAE* (%) 16.56
- EPS (THB) 4.94
- IBD/E** (Times) 0.19

2

Thanachart Insurance

481 MTHB

4

AMCs and other subsidiaries

77 MTHB

6

Thanachart SPV2

2,905 MTHB

1

Thanachart Securities

241 MTHB

3

Ratchthani Leasing (Consol.)

908 MTHB

5

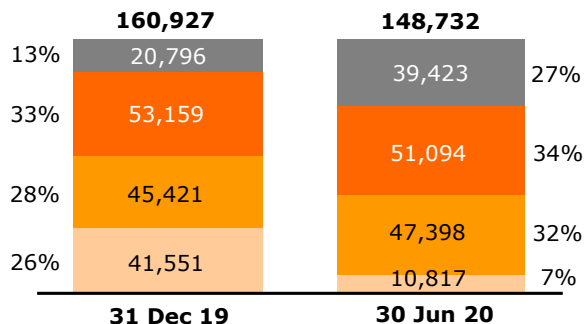
Share of profit (TMB & MBK)

1,626 MTHB

Balance Sheet Highlights

Assets (MTHB)

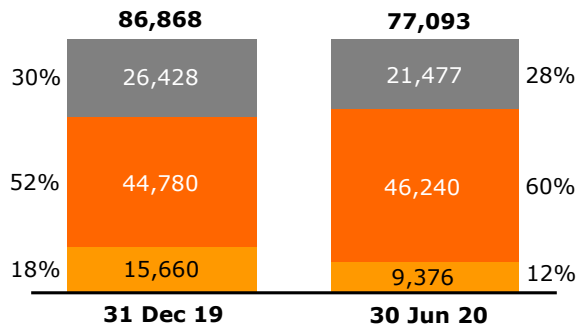
- Others
- Net Loans to Customers and AIR*
- Investment in Associated Companies-net
- Investment-net



- Net investment **decreased 30,734 MTHB or 73.97%**. This was mainly due to the sale and maturity of government bonds.
- Net Investment in Associated Companies **increased 1,977 MTHB or 4.35%**.
- Net loans **decreased 2,065 MTHB or 3.88%**, mainly due to the decrease in new lending of THANI due to cautious lending and slowdown in economy.

Liabilities (MTHB)

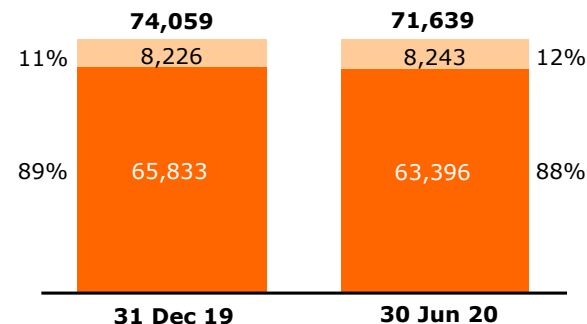
- Others
- Debt Issued and Borrowings
- Interbank and Money Market Items - Borrowings



- Interbank and money market items-borrowings from financial institutions **decreased 6,284 MTHB or 40.13%**, mainly from liquidity management.
- Debt issued and borrowings **increased 1,460 MTHB or 3.26%**. This was mainly from issuing debt securities in the amount of 13,232 MTHB by a subsidiary and redemption of debt securities by the Company and its subsidiary in the amount of 10,478 MTHB.

Shareholder's Equity (MTHB)

- Non-controlling Interests
- Company's Shareholders' Equity



- Equity attributable to the owners of the Company **decreased 2,437 MTHB or 3.70%**. This was mainly due to the share repurchased, the interim dividend payment for second half of 2019 and the operating net profit of the Company in 6M20.
- Equity attributable to NCI **increased 17 MTHB or 0.21%**.

Note: *Accrued Interest Receivables; Source: Company data

Operating Performance

Unit: Million Baht

	1Q20	2Q20		1H19 (Restated)	1H20	
Net Interest Income	731	608	▪ NII down 16.83% Q-Q, due to the reduction of interest income of HP loans of THANI.	1,383	1,339	▪ NII down 3.18% Y-Y, due to the increase in interest expenses for debt securities of THANI, to widen the time to maturity of borrowings.
Non-interest Income	5,645	2,040	▪ Non-interest income down 63.86% Q-Q, mainly due to the sale of AJT's shares in 1Q20.	2,475	7,685	▪ Non-interest income up 210.51% Y-Y, mainly due to the sale of AJT's shares.
Net Fees and Service Income	352	320	▪ Net fees and service income down 9.09% Q-Q, mainly due to the decline of insurance brokerage fees income.	558	672	▪ Net fees and service income up 20.43% Y-Y, mainly due to higher brokerage fees, which was in line with the SET's trading volume.
Gains on Investments	3,744	6	▪ Gains on investments down Q-Q, mostly from the gains on the sale of AJT's shares in 1Q20.	202	3,750	▪ Gains on investments significantly up Y-Y, mostly from gains on the sale of AJT's shares.
Share of Profit from Associated Companies	954	672	▪ 2Q20 share of profit decreased 29.56% Q-Q, mainly due to the declined in share of profit from TMB.	140	1,626	▪ 1H20 share of profit increased significantly mainly from the share of profit from TMB.
Operating Expenses	734	705	▪ OPEX down 3.95% Q-Q, mainly due to reduction of expenses on marketing, PR and advertising.	1,610	1,439	▪ OPEX down 10.62% Y-Y, mainly due to the fact that last year there was one-time expenses of retirement pension and severance payment.
ECL/Impairment Loss	157	216	▪ ECL up 37.58% Q-Q , to support the risks that may arise in the future due to the economic condition.	(286) Impairment Loss	373 ECL	▪ ECL up 230.42% Y-Y, mainly due to the fact that last year there was a reversal of impairment loss of loans and debt securities.

Important Subsidiaries Performances





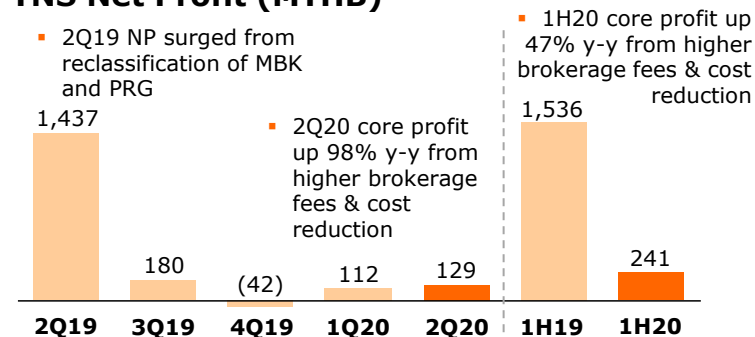
Subsidiaries Performances

Subsidiaries	% held	Net Profit (MTHB)				
		2Q19	1Q20	2Q20	6M19	6M20
Thanachart Securities Pcl.	50.96%	1,437	112	129	1,536	241
Thanachart Insurance Pcl.	50.96%	805	185	296	1,083	481
TS AMC	99.99%	1	3	25	252	28
Ratchthani Leasing Pcl. (Consol.)	57.49%	511	465	443	1,007	908
NFS AMC	100.00%	19	(6)	(11)	130	(17)
MAX AMC	83.44%	(4)	16	(6)	135	10
MBK Life Assurance Pcl.	51.00%	(52)	(132)	(153)	(82)	(285)



Thanachart Securities

TNS Net Profit (MTHB)



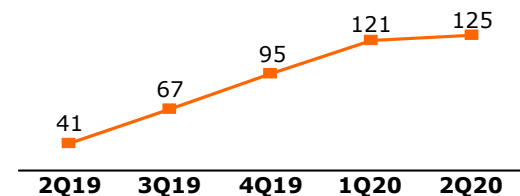
Trading Volume

	2Q19	3Q19	4Q19	1Q20	2Q20	1H19	1H20
Mkt. Share (%)	2.65	2.94	3.07	2.73	2.39	2.78	2.57
Avg. Daily Trading (MTHB)	2,486	3,152	2,648	3,240	3,095	2,339	3,169

Average daily trading volume of TNS increased in 1H20, following to the increase in market trading volume.

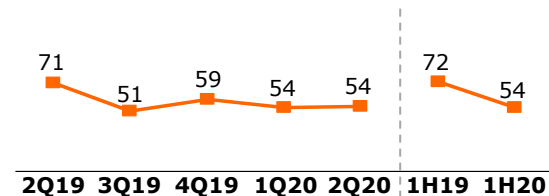
TNS Financial Ratios (Percent)

Net Liquid Capital Rules (NCR)



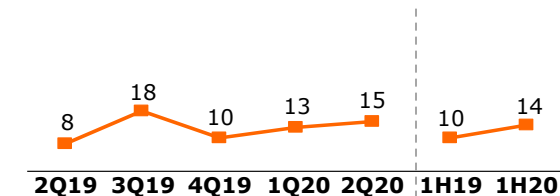
Capital adequacy ratio is very strong and much higher than 7% minimum requirement of the SEC

Cost to Income Ratio*



Cost to income ratio has been much lower than the industry average.

ROE*



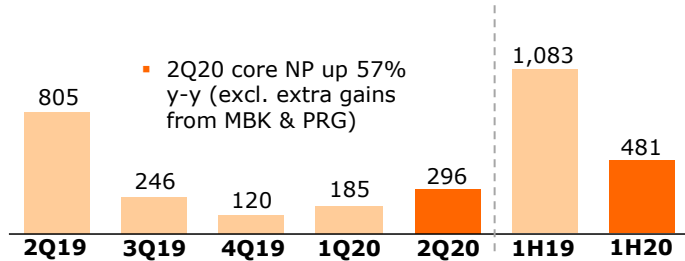
2Q20 ROE improved Y-Y and key drivers were higher market volume, rising market share from retail, HNW and internet clients, and aggressive cost management.



Thanachart Insurance

TNI Net Profit (MTHB)

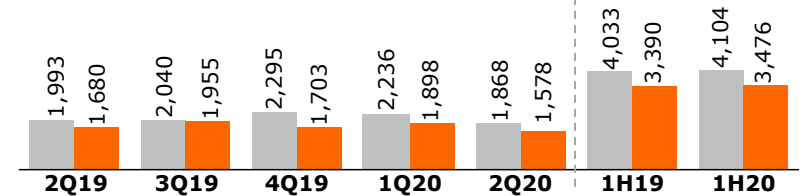
- 2Q19 NP surged from gains on reclassification of MBK & PRG investments
- 1H20 core profit up 3.3% y-y (excl. extra gains from MBK & PRG)



TNI Direct VS Auto Insurance (MTHB)

■ Direct Premium ■ Auto Premium

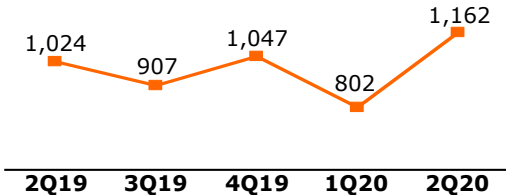
- 2Q20 premium dropped from COVID-19 situation



Auto insurance premium accounts around **85%** of total premium

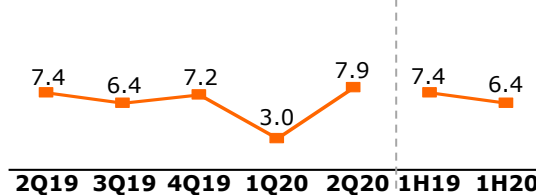
TNI Financial Ratios (Percent)

Capital Adequacy Ratio



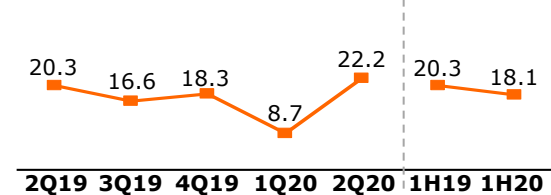
Capital Adequacy Ratio is very strong and much higher than 140% minimum requirement of the OIC.

ROA*



ROA* & ROE* increased in 2Q20, due to an increase in NP from reduction of insurance premium which resulted in a reversal of unearned premium reserves as income, as well as the decline in car insurance claims during lockdown period.

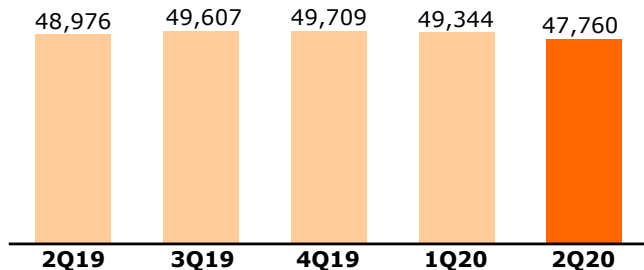
ROE*



Ratchthani Leasing

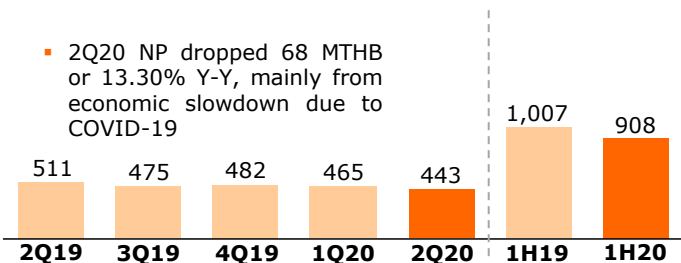
THANI HP Loan Portfolio (MTHB)

- HP Portfolio dropped by 3.92% YTD, due to the economic slowdown from COVID-19

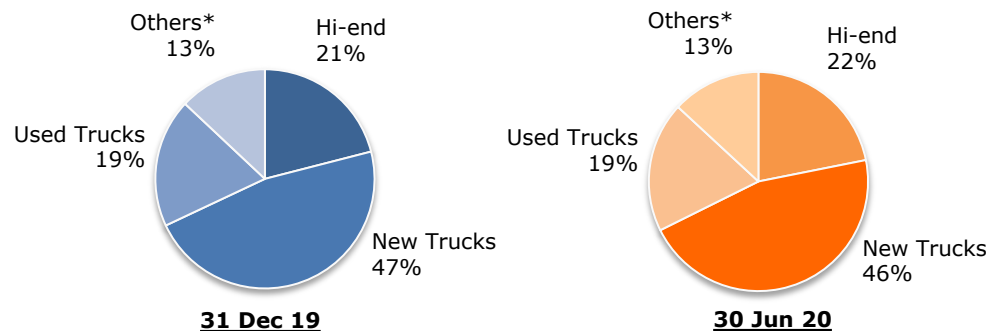


THANI Net Profit (MTHB)

- 1H20 NP dropped 99 MTHB or 9.83% Y-Y, mainly from economic slowdown due to COVID-19 and higher provision provided for ECL according to TFRS 9



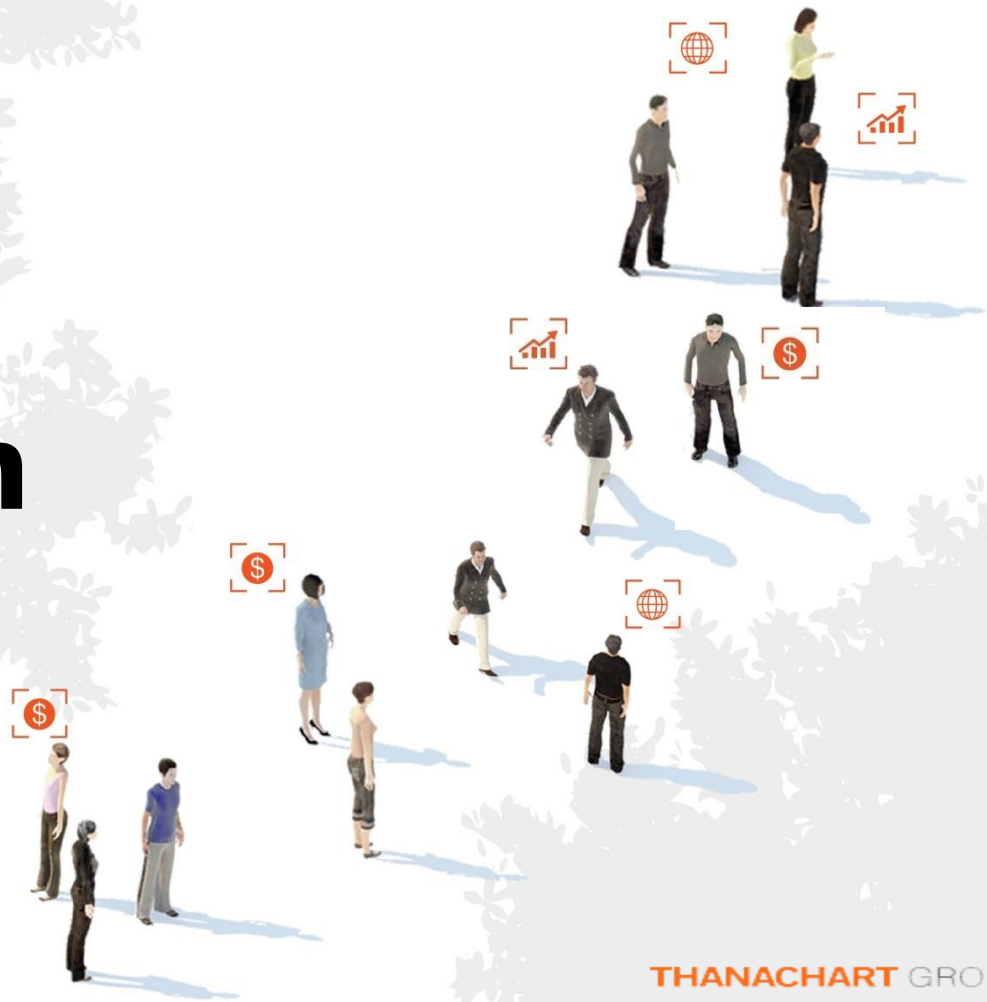
THANI HP Breakdown (Percent)



THANI's Ratios

Performance Parameters (Percent)		2018A	2019A	1H20A
Profitability	ROAE	25.59%	26.42%	23.41%
	ROAA	3.77%	3.99%	3.54%
	Net Profit Margin	42.87%	46.33%	42.12%
	Spread	4.80%	4.56%	4.48%
	Cost to Income	17.03%	17.67%	16.49%
Loans	Loan Growth	20.24%	7.10%	(3.92)%
Asset Quality	NPL Ratio	3.69%	3.95%	5.10%
	Credit Cost (excl. Gen)	0.52%	0.56%	0.12%
Capital	D/E Ratio (Times)	5.61	5.63	5.59

TGROUP: Comparison to Targets

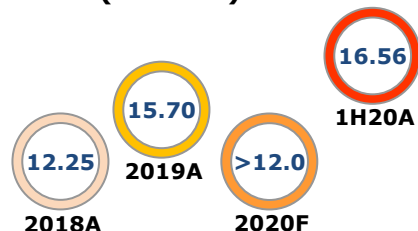




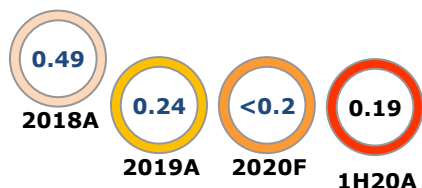
TGROUP: Comparison to Targets

TGROUP Targets

ROAE (Percent)



IBD/E (Times)*



Core Businesses Targets

TMB

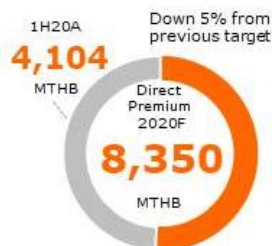
	Loan Growth	NIM	NIR/ Assets	CI Ratio	Credit Cost
2020F (Revised)	≤ Flat	2.80-2.90%	0.80-0.95%	48-50%	160-170 bps
1H20A	(0.7%) YTD	3.00%	0.82%	46% (44%, exclude PPA impact)	141 bps**

THANI

2020 revised targets were due to COVID-19 pandemic and the company plan to achieve these targets by implementing the following measures:

	2020F (Revised)	1H20A	
Loan Growth (%)	Flat	(3.92)	Helping customers affected by COVID-19 in accordance with the BOT's measures
Drawdown (MTHB)	~ 18,000	8,344	Tighter approval process of new drawdown
HP Outstanding (MTHB)	~ 50,000	47,760	Focusing on used trucks
NPL (%)	< 5.00	5.10	

TNI



- Focusing on insurance renewal
- Focusing on cross-selling to TMB customers starting from March
- Plan to expand more into external new channels. i.e. external broker sales
- New campaigns: a) Short-term premiums, b) Increase installment periods, c) Special discount for lower usage customer groups

TNS

- After reducing exposure on loss-making single stock DW products, hedging income from overall derivatives business has already outweighed all the hedging losses made earlier in the year.
- ZEAL is doing quite well despite the sharp drop in SET Index.



DW16
Thanachart Securities

Appendix



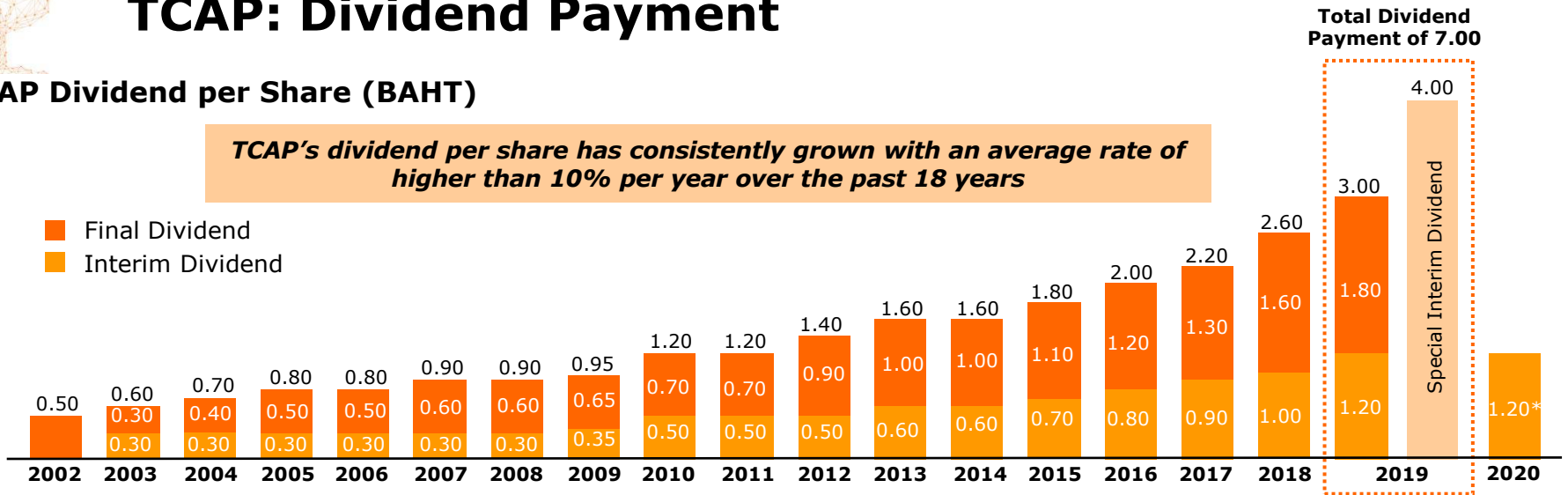


TCAP: Dividend Payment

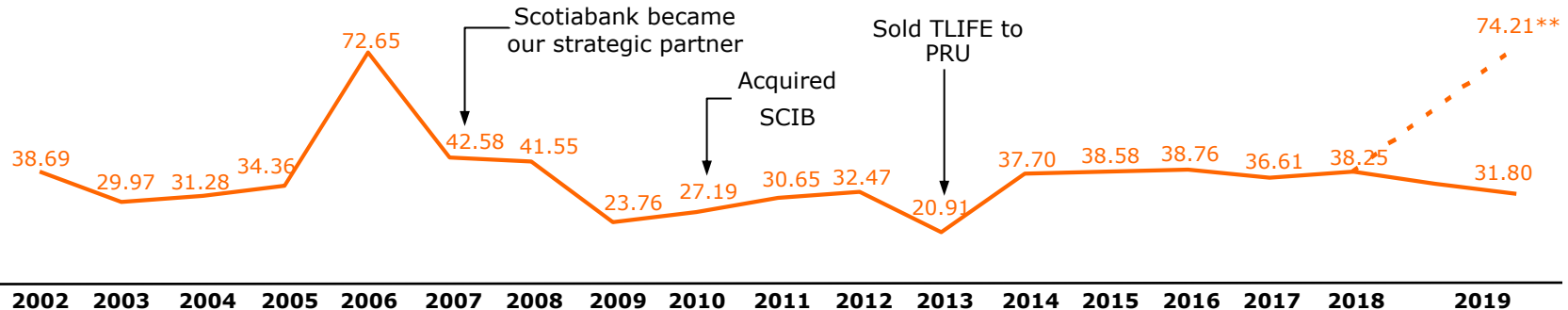
TCAP Dividend per Share (BAHT)

TCAP's dividend per share has consistently grown with an average rate of higher than 10% per year over the past 18 years

Final Dividend
Interim Dividend



TCAP Total Dividend Payout Ratio (Percent)



Note: *Payment made on 27 August 2020, **Including Special Interim Dividend of 4.00 baht per share; Source: Company data



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