

The top half of the slide features a background image with a warm orange and yellow color palette. It depicts a person in a business suit holding a glowing yellow line graph, with a network of red lines and dots overlaid. Silhouettes of trees are visible in the background.

# Analyst Meeting

**Reviewed Financial Statements**

**As of 30 September 2020**





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# TGROUP 3Q20 & 9M20 Highlights





# TCAP's Shareholding Structure

As of 30 September 2020

## Thanachart Capital

1

**Banking Business**

**20.11%**

**TMB**  
Make THE Difference

99.98%

**Thanachart Bank**

TCAP holds 20.11% in TMB and TMB holds TBANK 99.98%

**TMB | Thanachart**

2

**Securities Business**

**50.96%**

**Thanachart Securities**

3

**Insurance Business**

**50.96%**

**Thanachart Insurance**

**51.00%**

**MBK LIFE**  
ASSURANCE

4

**Distressed Asset Management**

**100%**

NFS-AMC

**83.44%**

MAX-AMC

**99.99%**

TS-AMC

5

**HP Business**

**57.49%**

ราชธานีลีซซิ่ง  
Ratchathani Leasing  
A Thanachart Group Company

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

6

**Other Businesses**

**22.42%**

**MBK**

**19.60%**

Patum Rice Mill and Granary

**99.98%**

Thanachart SPV2\*

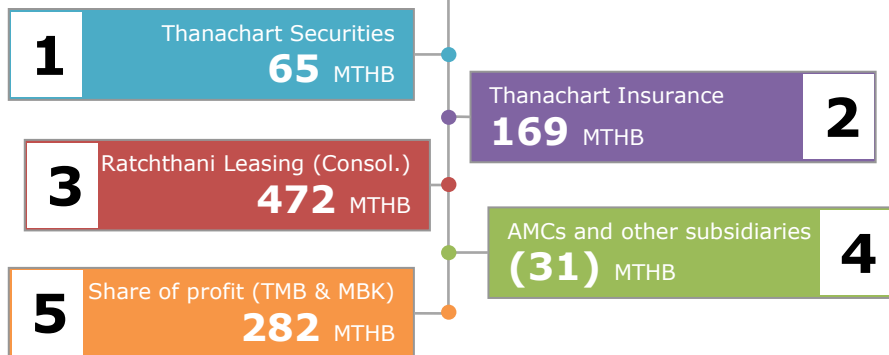
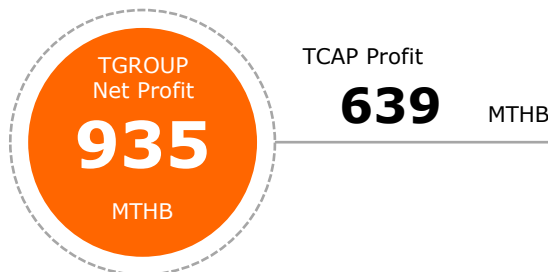
Note: \*Thanachart SPV2 holds non-core investments which include, Seacon Pcl, Thanachart Group Leasing, Thanachart Training & Development, Security Scib Services, and Thanachart Management & Service; Source: Company data



# 3Q20 & 9M20 TGROUP Net Profit

## 3Q20 Net Profit

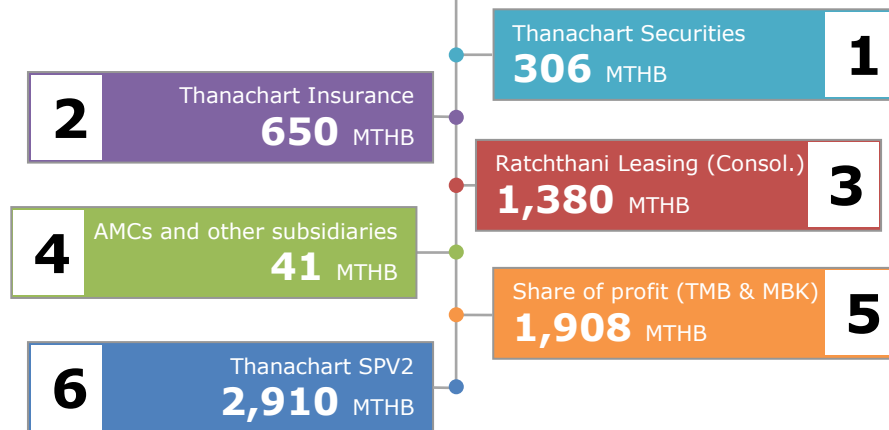
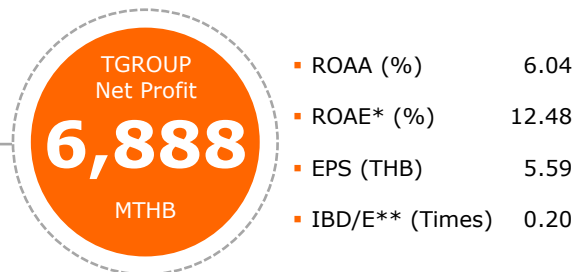
- ROAA (%) 2.57
- ROAE\* (%) 4.08
- EPS (THB) 0.61
- IBD/E\*\* (Times) 0.20



## 9M20 Net Profit

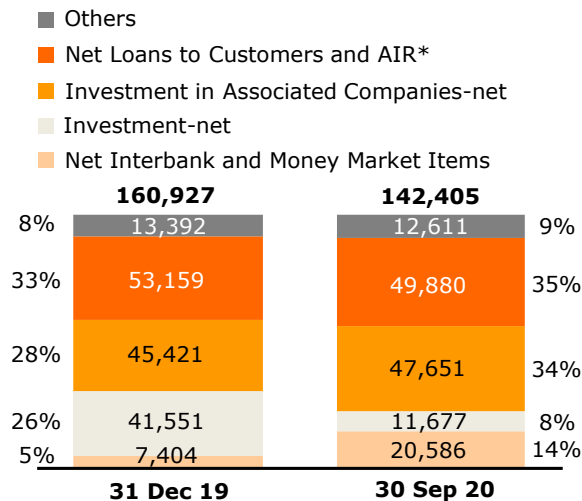
TCAP Profit

**5,984** MTHB



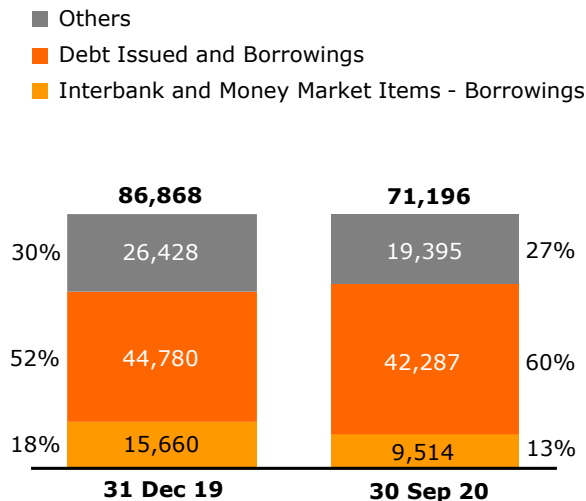
# Balance Sheet Highlights

## Assets (MTHB)



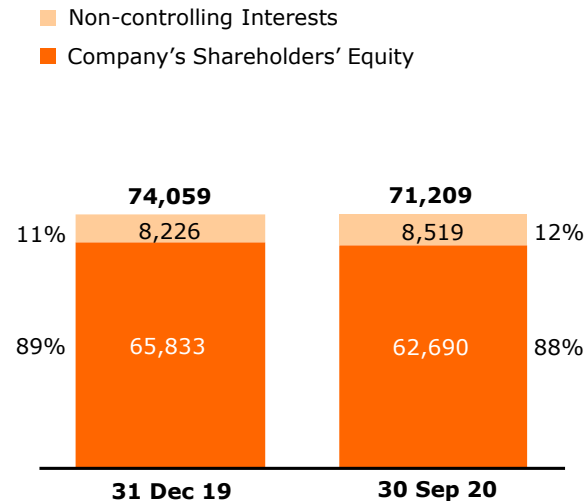
- Net interbank and money market items **increased 13,182 MTHB or 178%** from liquidity management. Although, net investment **decreased 29,874 MTHB or 71.90%**. This was mainly due to the sale and maturity of government bonds.
- Net investment in associated companies **increased 2,230 MTHB or 4.91%**.
- Net loans **decreased 3,279 MTHB or 6.17%**, mainly due to the decrease in new lending of THANI due to cautious lending and slowdown in economy.

## Liabilities (MTHB)



- Interbank and money market items-borrowings from financial institutions **decreased 6,146 MTHB or 39.25%**, mainly from liquidity management.
- Debt issued and borrowings **decreased 2,493 MTHB or 5.57%**. This was due to the fact that the Company redeemed its debt securities.

## Shareholder's Equity (MTHB)



- Equity attributable to the owners of the Company **decreased 3,143 MTHB or 4.77%**. 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 9M20.
- Equity attributable to NCI **increased 293 MTHB or 3.56%**.

Note: \*Accrued Interest Receivables; Source: Company data



# Operating Performance

Unit: Million Baht

	2Q20	3Q20		9M19 (Restated)	9M20	
<b>Net Interest Income</b>	605	610	▪ NII <b>up 0.83%</b> Q-Q, due to the reduction of interest expenses on interbank and money market items-borrowing from financial institutions.	2,065	1,943	▪ NII <b>down 5.91%</b> Y-Y, due to the increase in interest expenses for debt securities of THANI, to widen the time to maturity of borrowings.
<b>Non-interest Income</b>	2,019	1,238	▪ Non-interest income <b>down 38.68%</b> Q-Q, which was in line with the economic contraction from the impact of COVID-19.	4,086	8,860	▪ Non-interest income <b>up 116.84%</b> Y-Y, mainly due to the sale of AJT's shares.
Net Fees and Service Income	299	238	▪ Net fees and service income <b>down 20.40%</b> Q-Q, mainly due to the decline of securities brokerage fees income.	849	848	▪ Net fees and service income <b>down 0.12%</b> Y-Y.
Gains on Investments	6	2	▪ Gains on investments <b>down 66.67%</b> Q-Q.	454	3,752	▪ Gains on investments <b>significantly up Y-Y</b> , mostly from gains on the sale of AJT's shares.
Share of Profit from Associated Companies	672	282	▪ 3Q20 share of profit <b>decreased 58.04%</b> Q-Q, mainly due to the economic contraction.	212	1,908	▪ 9M20 share of profit <b>increased significantly</b> , due to profit sharing from associated companies.
<b>Operating Expenses</b>	681	743	▪ OPEX <b>up 9.10%</b> Q-Q, mainly from the performance allowance paid to the directors.	2,319	2,113	▪ OPEX <b>down 8.88%</b> Y-Y, mainly due to the fact that last year there was one-time expenses of retirement pension and severance payment.
<b>ECL/Impairment Loss</b>	216	5	▪ ECL <b>down 97.69% Q-Q</b> due to the reversal of expected credit losses of the Company.	(450) Impairment Loss	378 ECL	▪ ECL <b>up 184.00%</b> Y-Y, mainly due to the fact that last year there was a reversal of impairment loss of loans and debt securities.

Note: AJT stands for Ajinomoto Company (Thailand) Limited; Source: Company data

# Important Subsidiaries Performances





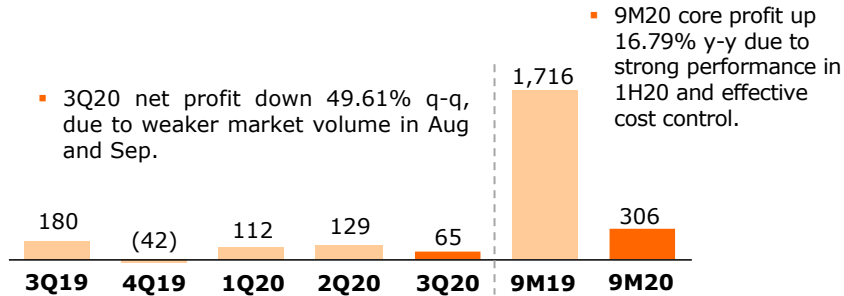
# Subsidiaries Performances

Subsidiaries	% held	Net Profit (MTHB)				
		3Q19	2Q20	3Q20	9M19	9M20
Thanachart Securities Pcl.	50.96%	180	129	65	1,716	306
Thanachart Insurance Pcl.	50.96%	246	296	169	1,329	650
TS AMC	99.99%	289	25	1	541	29
Ratchthani Leasing Pcl. (Consol.)	57.49%	475	443	472	1,482	1,380
NFS AMC	100.00%	(8)	(11)	(4)	122	(21)
MAX AMC	83.44%	90	(6)	(5)	225	5
MBK Life Assurance Pcl.	51.00%	(59)	(153)	(38)	(141)	(323)



# Thanachart Securities

## TNS Net Profit (MTHB)



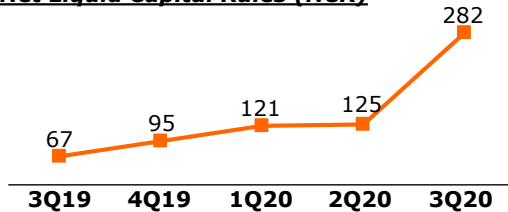
## Trading Volume

	3Q19	4Q19	1Q20	2Q20	3Q20	9M19	9M20
Mkt. Share (%)	2.94	3.07	2.73	2.40	2.60	2.84	2.58
Avg. Daily Trading (MTHB)	3,152	2,648	3,240	3,095	2,607	2,670	2,985

Average daily trading volume of TNS increased in 9M20, following to the increase in market trading volume.

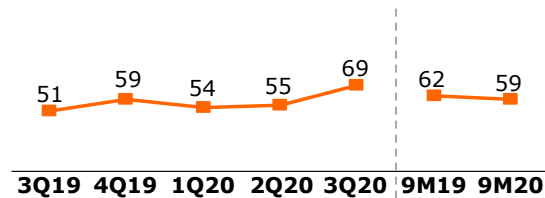
## TNS Financial Ratios (Percent)

### Net Liquid Capital Rules (NCR)



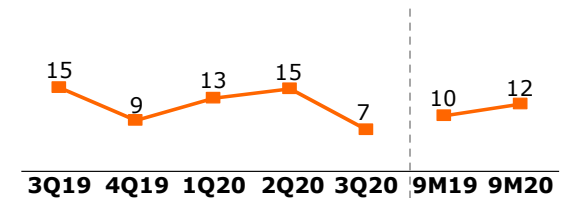
Capital adequacy ratio is very strong and much higher than 7% minimum requirement of the SEC.

### Cost to Income Ratio



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

### ROE\*

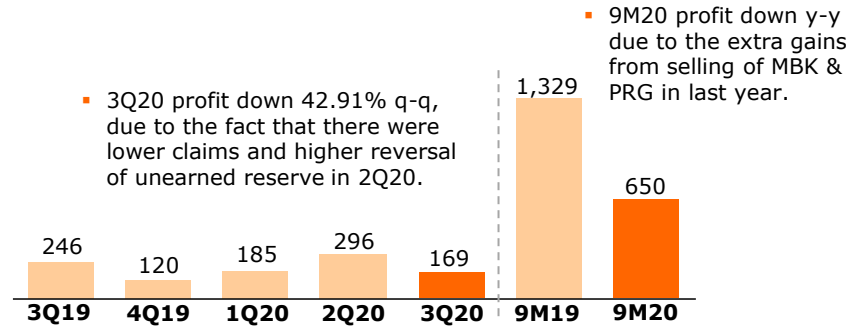


3Q20 ROE decreased Y-Y mainly due to the decrease in brokerage fees from lower trading volume of the market which impacted the net profit of this quarter.

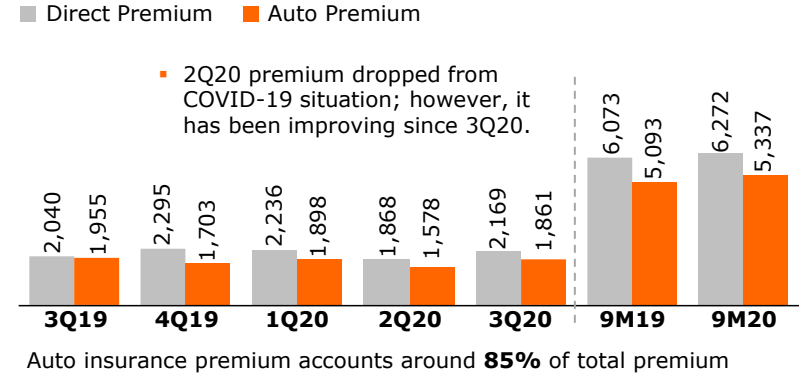


# Thanachart Insurance

## TNI Net Profit (MTHB)

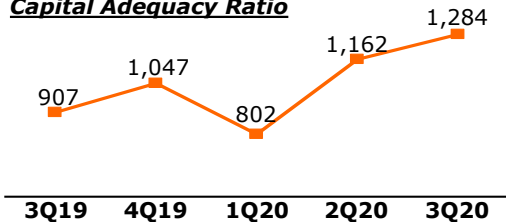


## TNI Direct VS Auto Insurance (MTHB)



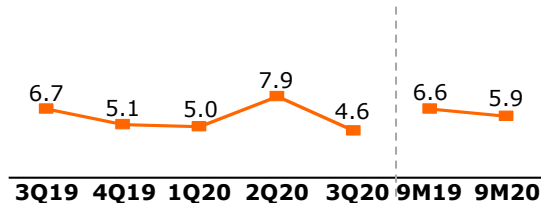
## TNI Financial Ratios (Percent)

### Capital Adequacy Ratio



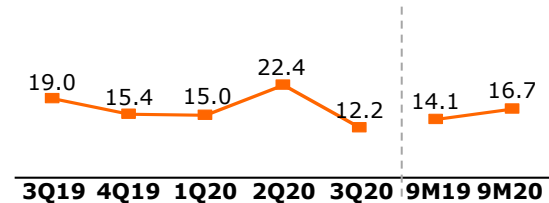
Capital Adequacy Ratio is very strong and much higher than 140% minimum requirement of the OIC.

### ROA\*



3Q20 ROA decreased Y-Y mainly due to decrease in net profit.

### ROE\*

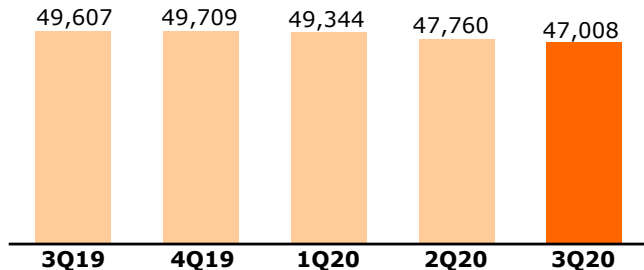


3Q20 ROE decreased Y-Y mainly due to the decrease in net profit.

# Ratchthani Leasing

## THANI HP Loan Portfolio (MTHB)

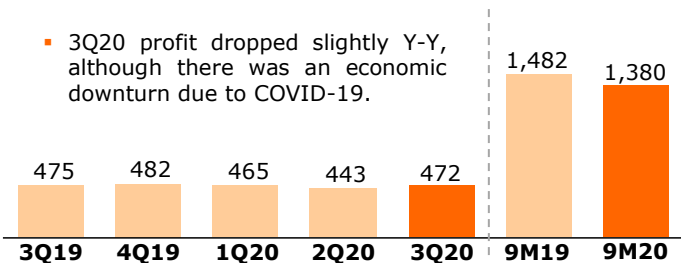
- HP portfolio dropped by 5.43% YTD, due to the economic slowdown from COVID-19.



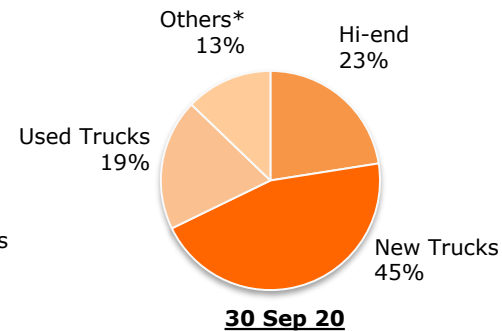
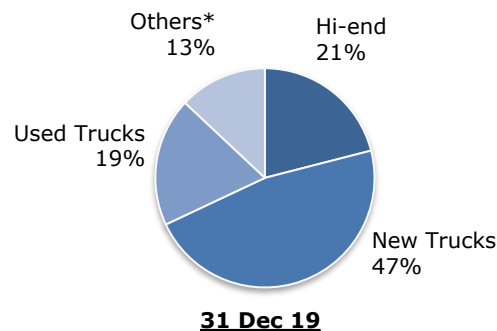
## THANI Net Profit (MTHB)

- 9M20 profit dropped 102 MTHB or 6.88% Y-Y, mainly from economic downturn due to COVID-19 and higher provision provided for ECL according to TFRS 9.

- 3Q20 profit dropped slightly Y-Y, although there was an economic downturn due to COVID-19.



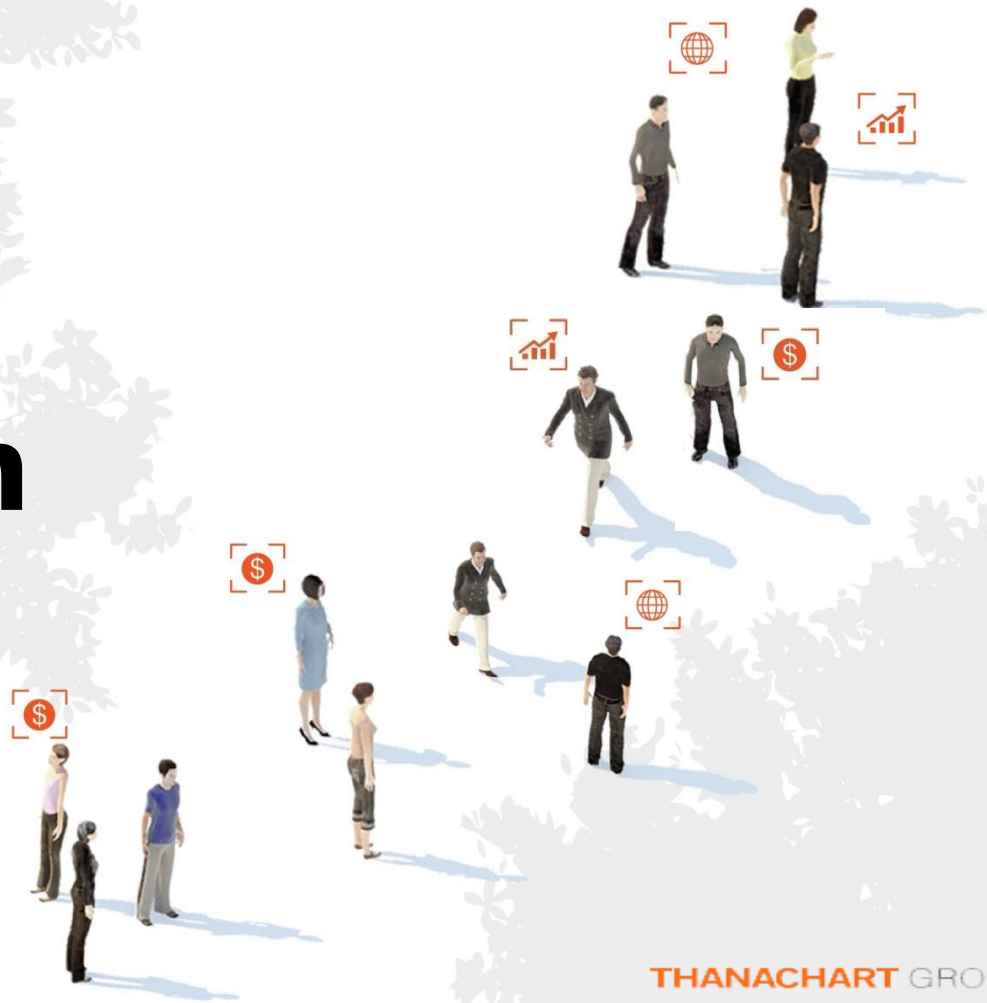
## THANI HP Breakdown (Percent)



## THANI's Ratios

Performance Parameters (Percent)		2018A	2019A	9M20A
Profitability	ROAE	25.59%	26.42%	23.08%
	ROAA	3.77%	3.99%	3.93%
	Net Profit Margin	42.87%	46.33%	43.73%
	Spread	4.80%	4.56%	4.36%
	Cost to Income	17.03%	17.67%	17.35%
Loans	Loan Growth	20.24%	7.10%	(5.43%)
Asset Quality	NPL Ratio	3.69%	3.95%	5.40%
	Credit Cost (excl. Gen)	0.52%	0.56%	0.54%
Capital	D/E Ratio (Times)	5.61	5.63	4.80

# TGROUP: Comparison to Targets

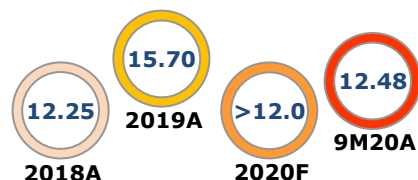




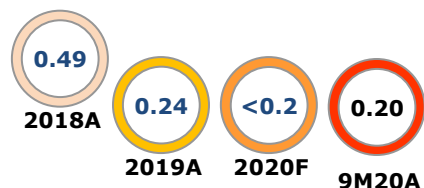
# TG GROUP: Comparison to Targets

## TG GROUP 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
9M20A	(2.1%) YTD	2.98%	0.76%	46% (44%, exclude PPA impact)	160 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)	9M20A
Loan Growth (%)	Flat	(5.43)
Drawdown (MTHB)	~ 18,000	12,928
HP Outstanding (MTHB)	~ 50,000	47,008
NPL (%)	< 5.00	5.40

- Helping customers affected by COVID-19 in accordance with the BOT's measures
- Tighter approval process of new drawdown
- Focusing on used trucks

### 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

- ZEAL's AUM reached new high at 9M20 when compared to the start of the year.
- Two ZEAL funds were ranked in top 10 of 300+ Thai equity funds and one was in top 20.



**DW16**  
Thanachart Securities

# Appendix



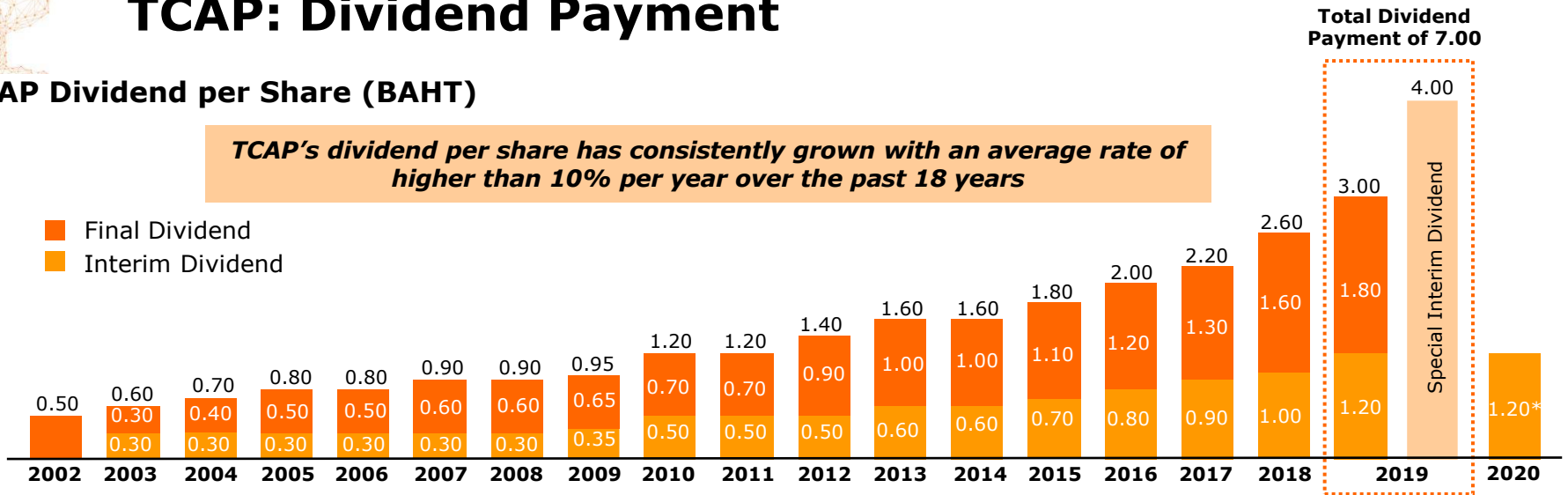


# TCAP: Dividend Payment

## 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



Total Dividend Payment of 7.00

4.00

3.00

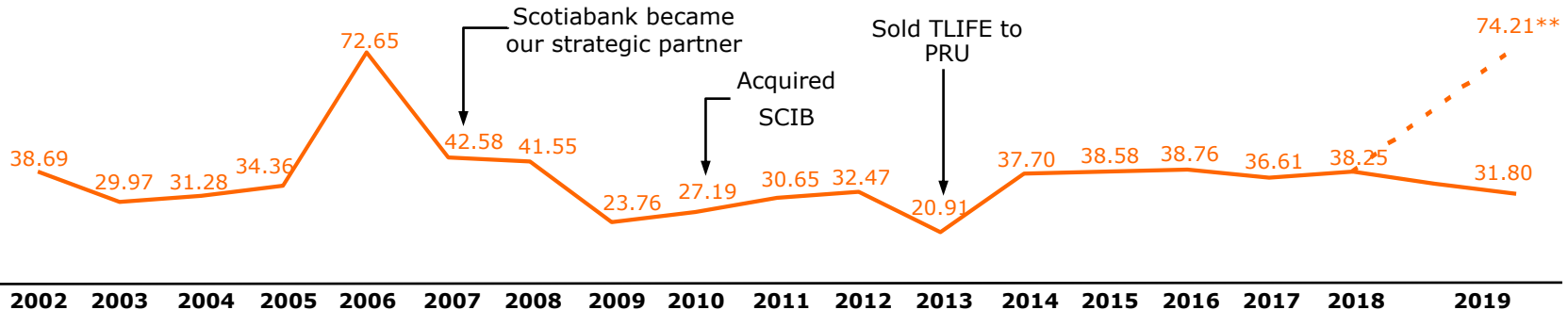
1.80

Special Interim Dividend

1.20

1.20\*

## 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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