



Analyst Meeting

Audited Financial Statements

As of 31 December 2020



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TGROUP 2020 Highlights





TCAP's Shareholding Structure

As of 31 December 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

58.85%

ราชธานีลีซซิ่ง
Ratchathani Leasing
A Thanachart Group Company

THANI is held by:
▪ Thanachart SPV1 55.73%
▪ TCAP 3.13%

6

Other Businesses

22.42%

MBK

99.98%

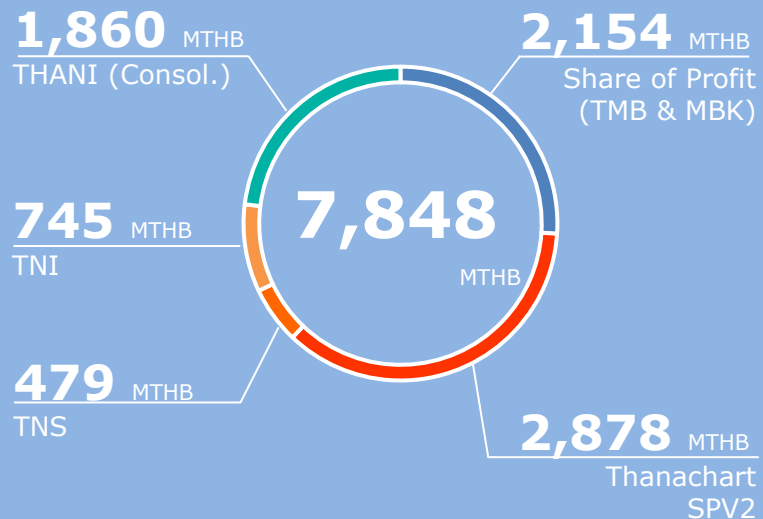
Thanachart
SPV2*

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



2020 TGROUP Net Profit

TGROUP Net Profit



TCAP Net Profit*

6,669 MTHB

ROAA

5.24 %

EPS

6.26 THB

IBDE**

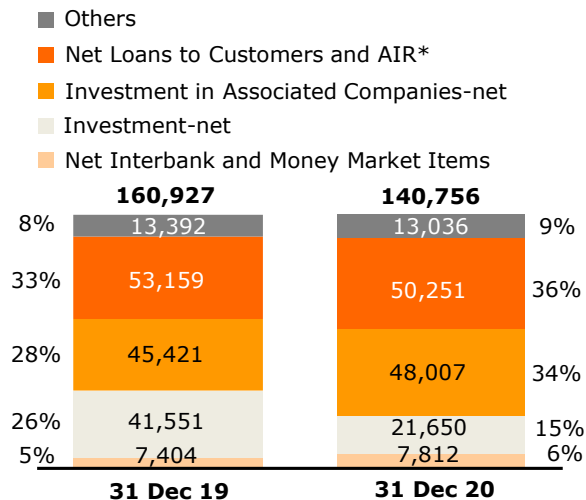
0.16 Times

ROAE

10.47 %

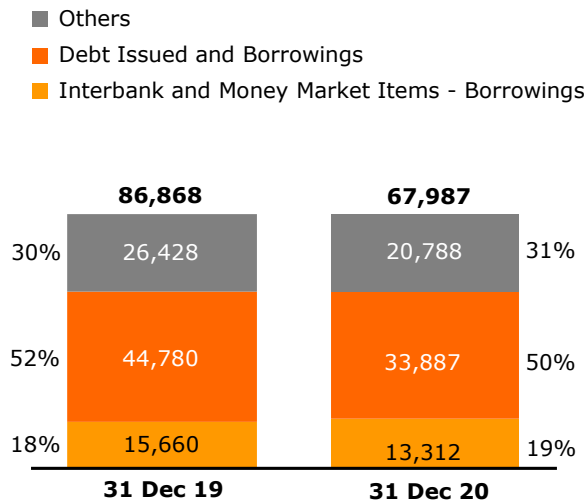
Balance Sheet Highlights

Assets (MTHB)



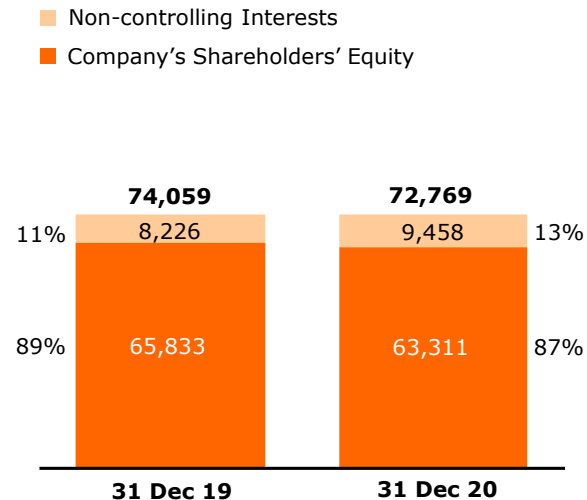
- Net interbank and money market items **increased 408 MTHB or 5.51%** from liquidity management. Although, net investment **decreased 19,901 MTHB or 47.90%**. This was mainly due to the decrease of bonds and private debt instruments.
- Net investment in associated companies **increased 2,586 MTHB or 5.69%**.
- Net loans **decreased 2,908 MTHB or 5.47%**, 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 2,348 MTHB or 14.99%**, mainly from liquidity management.
- Debt issued and borrowings **decreased 10,893 MTHB or 24.33%**. This was due to the maturity of debt securities.

Shareholder's Equity (MTHB)



- Equity attributable to the owners of the Company **decreased 2,522 MTHB or 3.83%**. This was mainly due to the share repurchased, the dividend payment and the operating net profit of the Company in 2020.
- Equity attributable to NCI **increased 1,232 MTHB or 14.98%**.

Note: *Accrued Interest Receivables; Source: Company data



Operating Performance

Unit: Million Baht

	2019	2020	
Net Interest Income	2,740	2,593	▪ NII down 5.36% Y-Y, due to the decline in interest income from investments due to decline in interest rates following market conditions.
Non-interest Income	4,744	10,317	▪ Non-interest income up 117.47% Y-Y, mainly due to the sale of AJT's shares.
Net Fees and Service Income	1,084	1,249	▪ Net fees and service income up 15.22% Y-Y, mainly due to increase in brokerage fees of TNS which was in line with the SET's trading volume.
Gains on Investments	514	3,757	▪ Gains on investments significantly up Y-Y , mostly from gains on the sale of AJT's shares.
Share of Profit from Associated Companies	367	2,154	▪ 2020 share of profit increased significantly , due to profit sharing from associated companies.
Operating Expenses	3,034	2,910	▪ OPEX down 4.09% Y-Y, mainly due to effective cost control amidst the economic slowdown.
ECL/Impairment Loss	(316)	595	▪ ECL up 288.29% Y-Y to accommodate the potential impact of COVID-19 outbreak on overall asset quality.
	Impairment Loss	ECL	

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

Important Subsidiaries Performances





Subsidiaries Performances

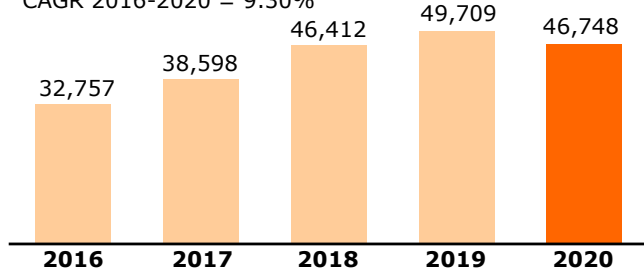
Subsidiaries	% held	Net Profit (MTHB)				
		2016	2017	2018	2019	2020
Ratchthani Leasing Pcl. (Consol.)	58.85%	881	1,126	1,641	1,964	1,860
Thanachart Insurance Pcl.	50.96%	1,005	1,051	1,042	1,449	745
Thanachart Securities Pcl.	50.96%	662	609	593	1,674	479
TS AMC	99.99%	189	210	237	135	24
MAX AMC	83.44%	92	45	201	224	7
NFS AMC	100.00%	55	24	14	135	(25)
MBK Life Assurance Pcl.	51.00%	122	30	(63)	(231)	(383)

Ratchthani Leasing

THANI HP Loan Portfolio (MTHB)

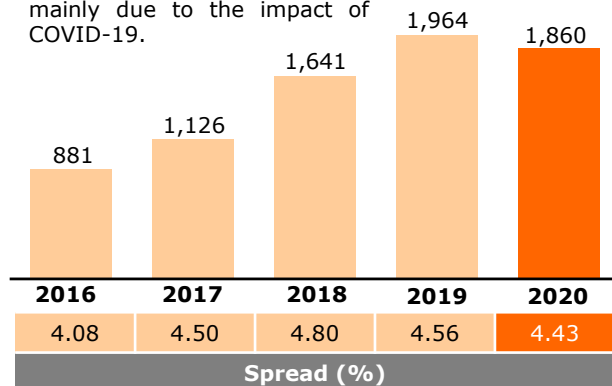
- HP portfolio dropped by 5.96% YTD, mainly due to the impact of COVID-19.

CAGR 2016-2020 = 9.30%

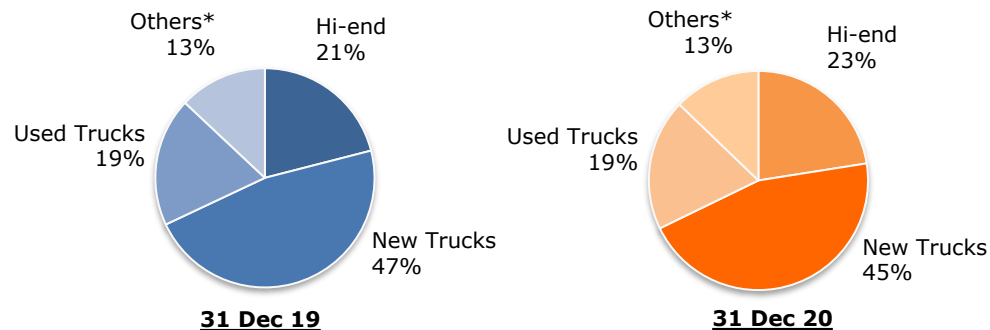


THANI Net Profit (MTHB)

- 2020 NP down 5.30% y-y, mainly due to the impact of COVID-19.



THANI HP Breakdown (Percent)



THANI's Ratios

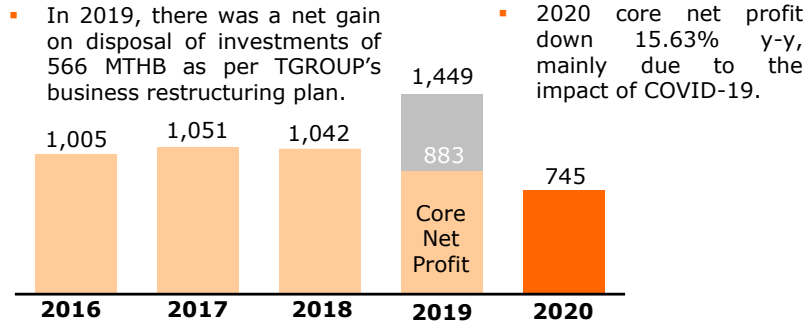
Performance Parameters (Percent)		2018A	2019A	2020A
Profitability	ROAE	25.59%	26.42%	21.63%
	ROAA	3.77%	3.99%	3.92%
	Net Profit Margin	42.87%	46.33%	44.03%
	Spread	4.80%	4.56%	4.43%
	Cost to Income	17.03%	17.67%	17.01%
Loans	Loan Growth	20.24%	7.10%	(5.96%)
Asset Quality	NPL Ratio	3.69%	3.95%	3.13%
	Credit Cost (excl. Gen)	0.52%	0.56%	0.60%
Capital	D/E Ratio (Times)	5.61	5.63	3.50

Note: Based on consolidated financial statements of THANI *Others include tail trailers, motor bikes, taxis, used cars, and others; Source: THANI

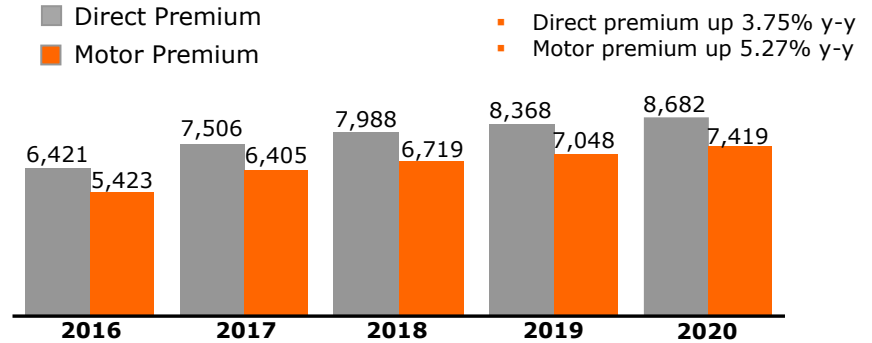


Thanachart Insurance

TNI Net Profit (MTHB)



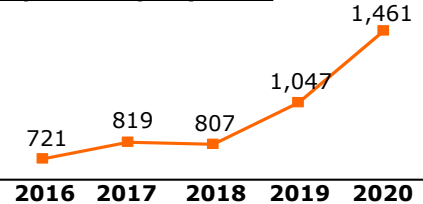
TNI Direct VS Motor Insurance (MTHB)



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

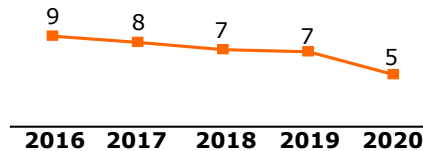
TNI Financial Ratios (Percent)

Capital Adequacy Ratio



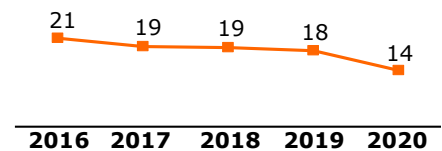
Capital Adequacy Ratio is very strong and much higher than 140% minimum requirement of the OIC.

ROA*



2020 ROA and ROE decreased Y-Y mainly due to the decreased in net profit, on account of the impact of COVID-19.

ROE*

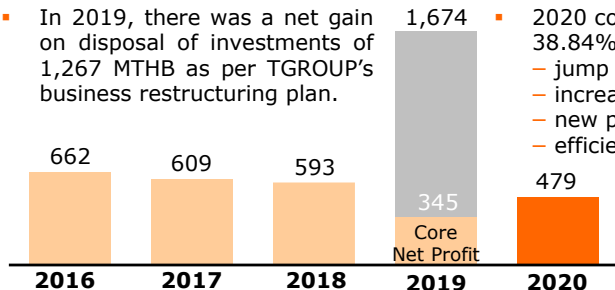




Thanachart Securities

TNS Net Profit (MTHB)

- In 2019, there was a net gain on disposal of investments of 1,267 MTHB as per TGROUP's business restructuring plan.



- 2020 core net profit up 38.84% y-y, due to
 - jump in market volume
 - increase retail market share
 - new profit contributions
 - efficient cost management

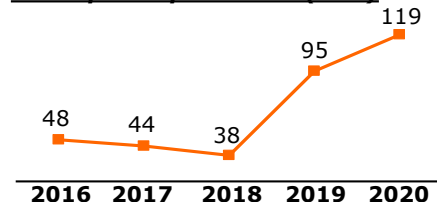
Trading Volume

TNS	2016	2017	2018	2019	2020
Mkt. Share (%)	4.17	3.78	3.11	2.90	2.91
Avg. Daily Trading (MTHB)	3,921	3,388	3,152	2,664	3,567

Both market share and trading volume increased in 2020. TNS commission rate is still higher than the industry from high quality of stock analysis reports.

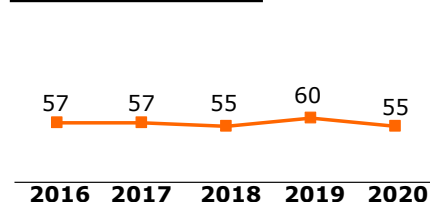
TNS Financial Ratios (Percent)

Net Liquid Capital Rules (NCR)



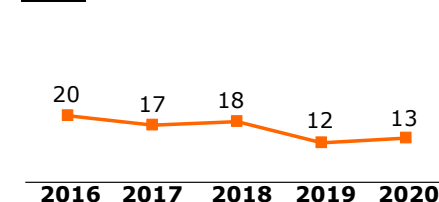
Capital adequacy ratio is very strong and much higher than 7% minimum requirement of the SEC.

Cost to Income Ratio



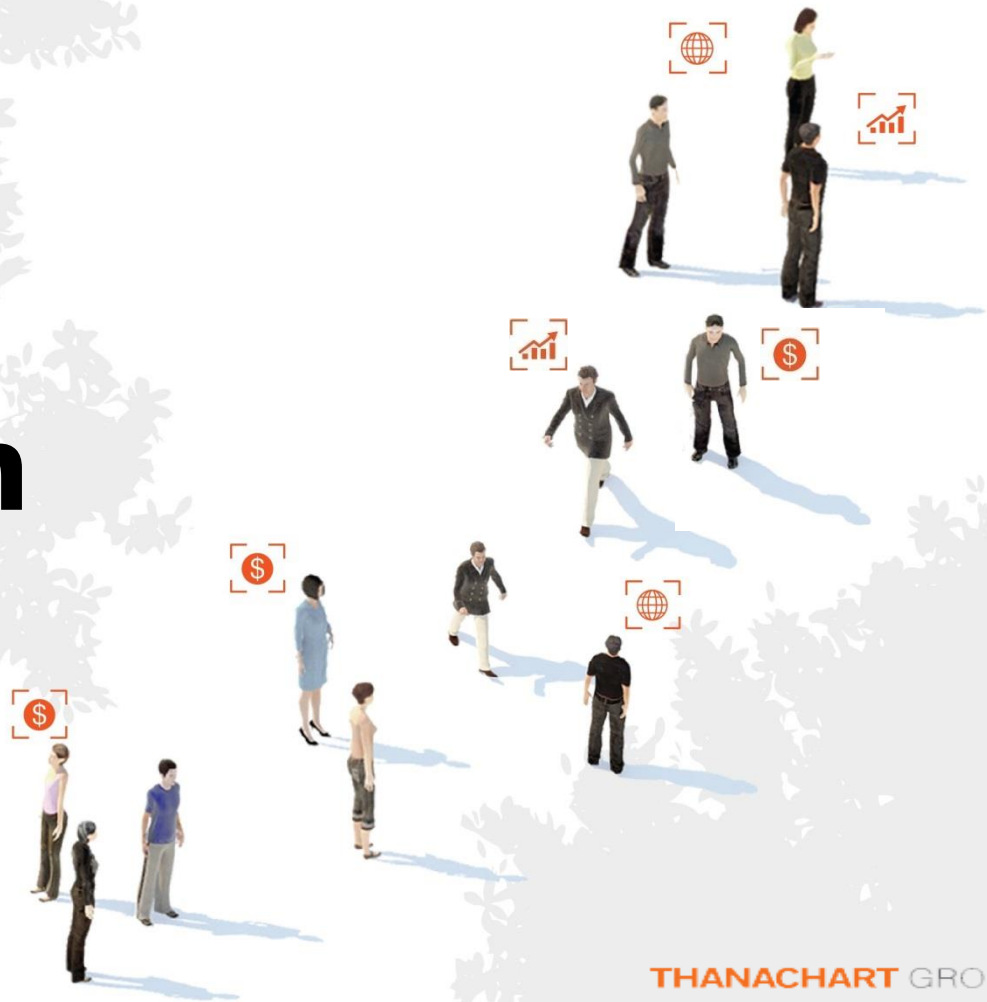
TNS' cost-to-income ratio is among the lowest in the industry which averages over 80%.

ROE*



2020 ROE increased was due to a combination of higher business volume and rising net margin from high-margin businesses.

TGROUP: Comparison to Targets





TGROUP: Comparison to Targets of Core Businesses

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
2020A	Flat	3.00%	0.81%	46% (45%, exclude PPA impact)	179 bps

THANI

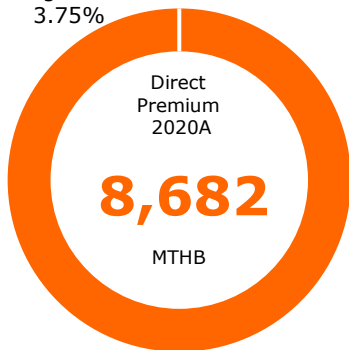
2020 revised targets were due to COVID-19 pandemic.

	2020F (Revised)	2020A
Loan Growth (%)	Flat	(5.96)
Drawdown (MTHB)	~ 18,000	18,100
HP Outstanding (MTHB)	~ 50,000	46,748
NPL (%)	< 4.00	3.13

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

TNI

Y-Y growth of 3.75%



- Focused on insurance renewal
- Focused on cross-selling to TMB customers starting from March
- Expanded 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

- TNS increased profit in 2020 was due to a combination of higher business volume and rising net margin from high-margin businesses
- Fee based income products especially IB and ZEAL became significant contributors in 2020.



DW16
Thanachart Securities



TGROUP Core Businesses: 2021 Targets

TMB

	Loan Growth	NIM	NIR/ Assets	CI Ratio	Credit Cost
2020A	Flat	3.00%	0.81%	46% (45%, exclude PPA impact)	179 bps
2021F	≤ Flat	Stable	0.80-0.90%	47-49%	160 - 180 bps

THANI

	2020A	2021F
HP Outstanding (MTHB)	46,748	~ 50,000
Credit Cost (%) *	0.60	< 1.00
Debt to Equity (Times)	3.50	< 4.00
NPL (%)	3.13	< 4.00

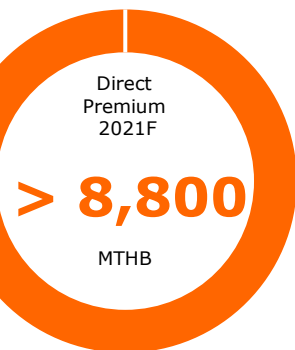
- Keep strong relationship with dealers
- Expand into new market
- Find products with high yield
- Quick approval process
- Target in logistic and construction segments

TNI

- Expand sale volume on TMB customers
- Maintain penetration rate on auto loan business and improve renewal ratio
- Increase sale vol. with profitable products
- Build up expertise on truck, super car, TNI's sale team and TNI's customer engagement
- Alliance with strategic brokers

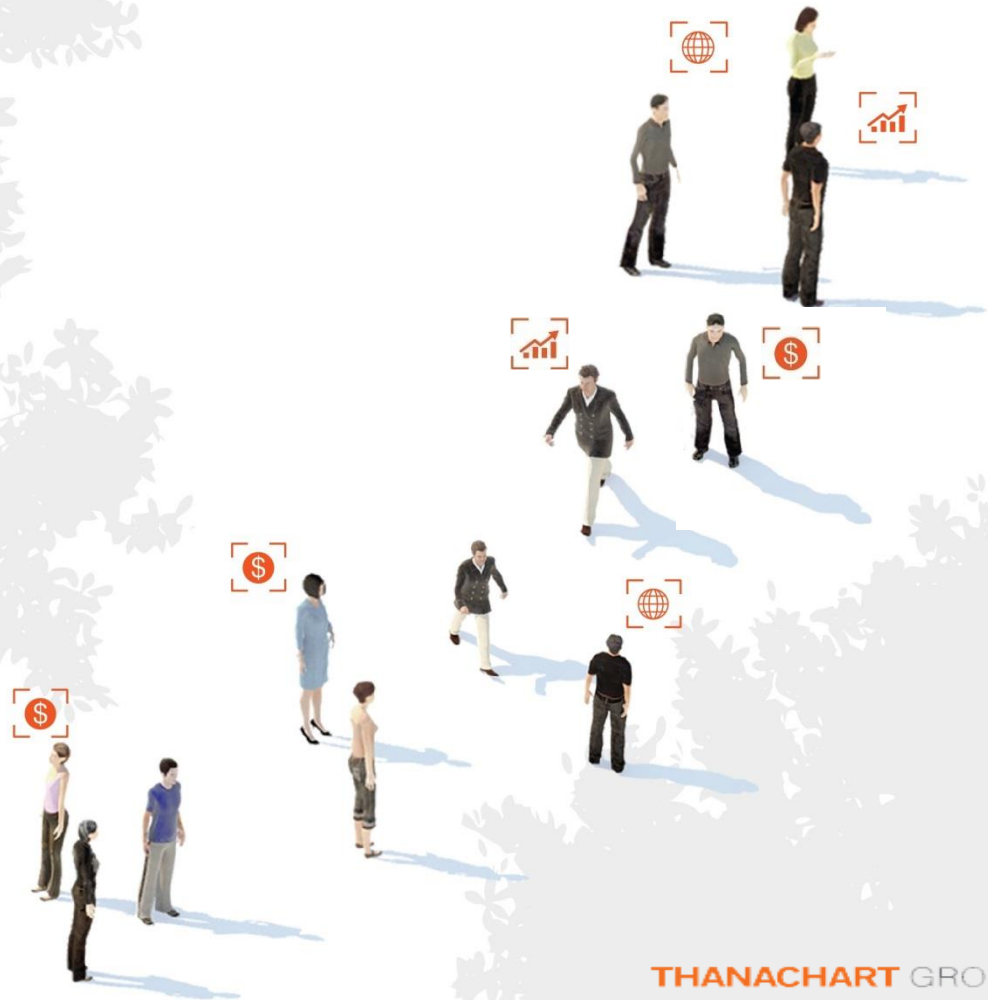
TNS

- Continue focusing on high-margin investment solutions
- Add more product lines to support high fee based businesses



Note: *Exclude general provisions; Source: TMB, THANI, TNI, and TNS

Appendix



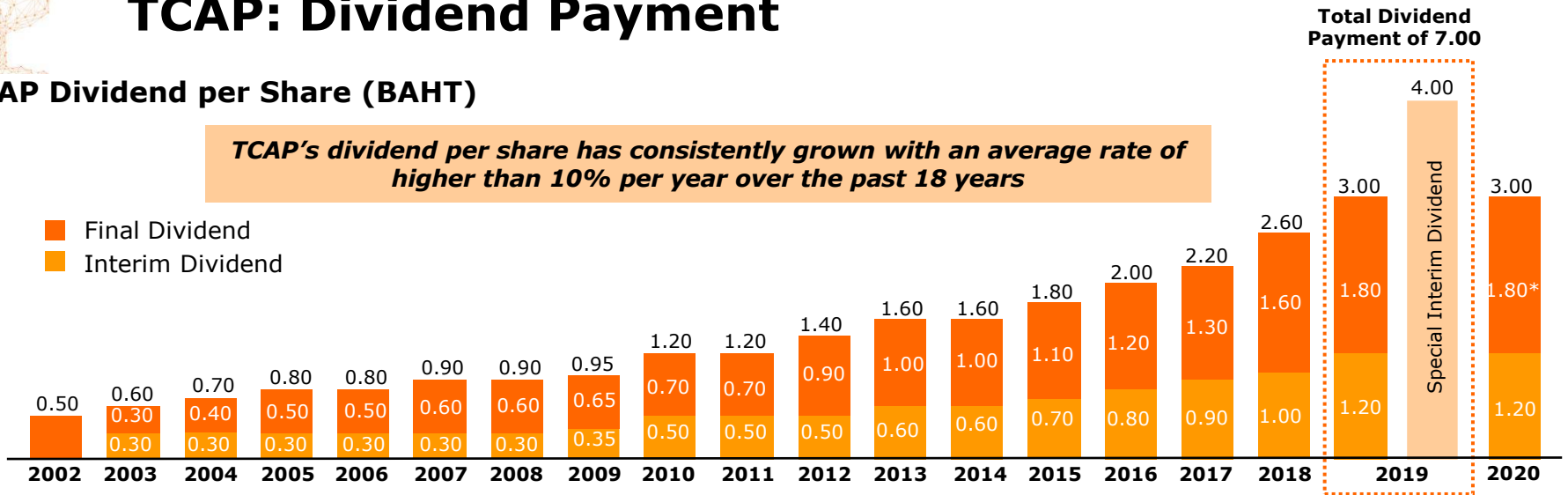


TCAP: Dividend Payment

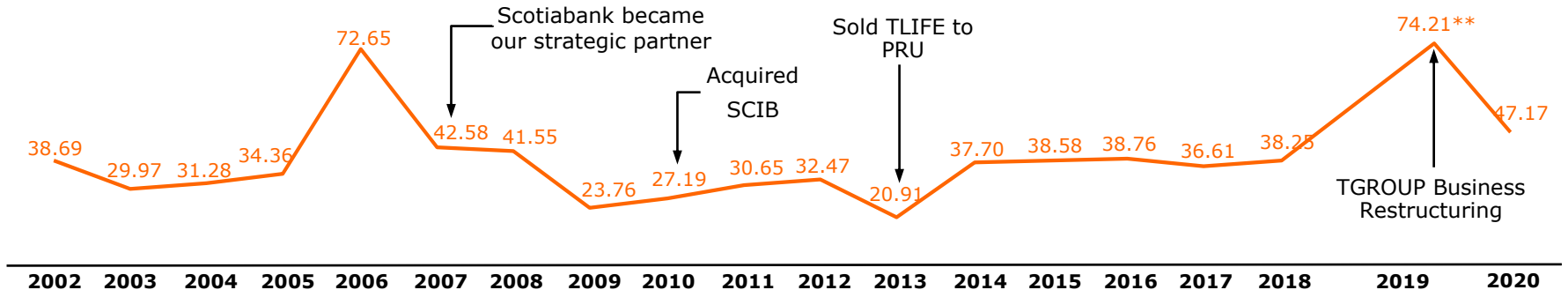
TCAP Dividend per Share (BAHT)

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: *To be approved by 2021 AGM, **Including Special Interim Dividend of 4.00 baht per share; Source: Company data



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