



Abstract background featuring horizontal streaks of light in shades of orange, yellow, and white against a dark background. A blurred figure of a person is visible in the center, suggesting motion or a dynamic environment.

GATHERING  
MOMENTUM

# Company Profile



Statements Audited  
**30 June 2010**

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*"Being a business group, with cooperation from every department, that offers fully integrated financial services with focus given on providing excellent quality of services and product development to be able to respond to every financial need of its target customer groups".*

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# About Thanachart Group

**Gathering Momentum**

# History

## Profile

Thanachart Group began its business operation in 1980 by establishing Thanachart Capital (formerly named as National Finance and Securities (NFS)) and gradually expanded into other financial businesses. The Group is now offering a fully integrated range of financial services.

## 1997-2002

- Finance and Securities businesses were separated in 1997.
- Thanachart Insurance and Thanachart Life Assurance were established in 1997.
- Thanachart Fund Management was established in 1998.
- Thanachart Bank was established in 2002.

## 2005-2009

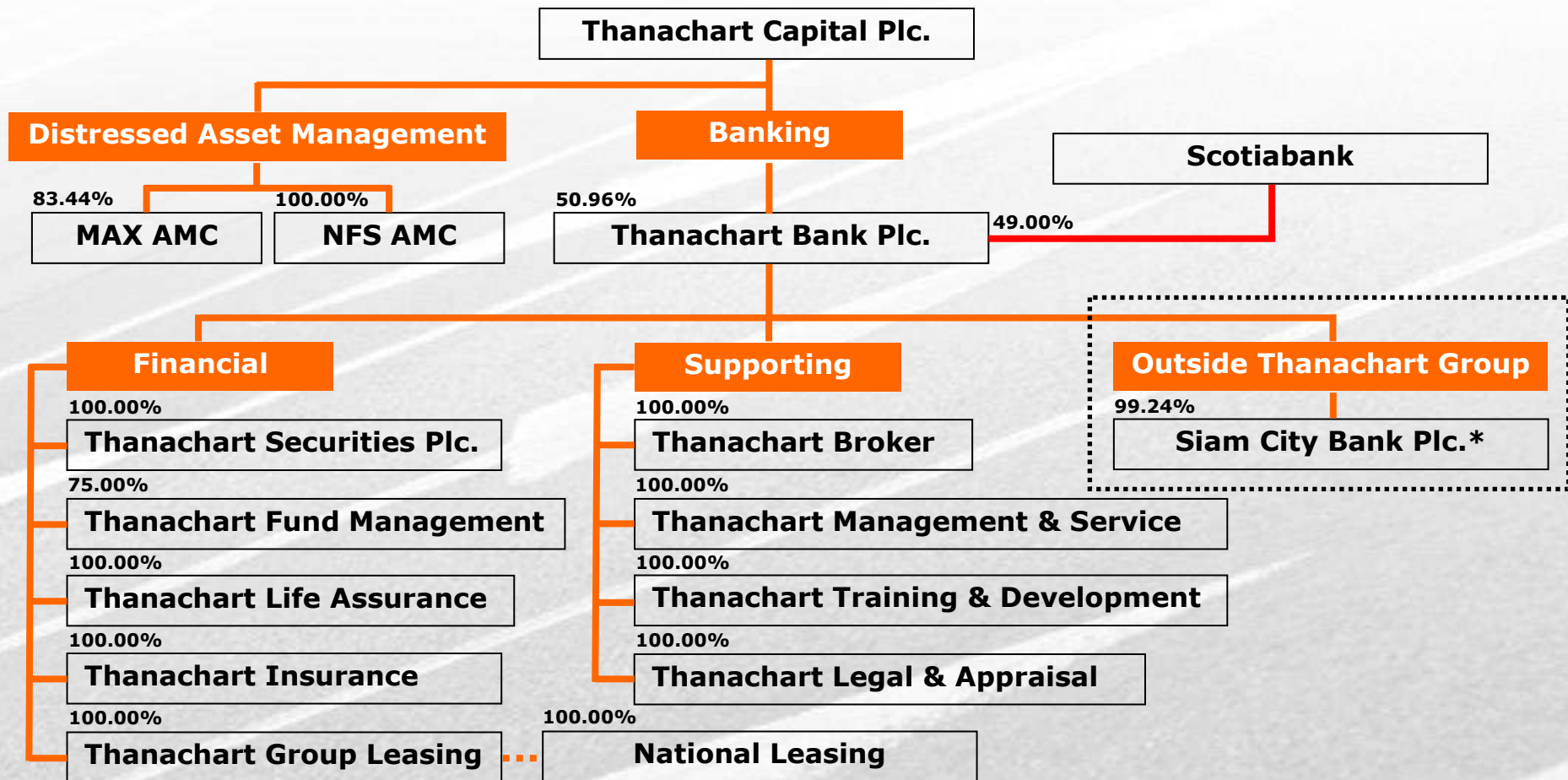
- In March 2006, TCAP returned its Finance Business License, and became the holding company.
- Scotiabank became our strategic partner by holding 24.98% of TBANK's shares in 2007.
- In February 2009, Scotiabank completed the acquisition an additional 24% of TBANK raising Scotiabank's holding in TBANK to 49%.

## 2010

- TBANK completed the purchase of 47.58% of SCIB shares held by the FIDF on 9 April 2010.
- On 9 June 2010, TBANK has completed the tender offer for the remaining shares of SCIB resulting in the total shareholding of 99.24%.

# Company Structure

As at 9 June 2010



**Remark:** \*Assets and liabilities of Siam City Bank Public Company Limited and its subsidiaries will be counted as part of Thanachart Group after the Entire Business Transfer is done.

*“Being a business group, with cooperation from every department, that offers fully integrated financial services with focus given on providing excellent quality of services and product development to be able to respond to every financial need of its target customer groups”.*

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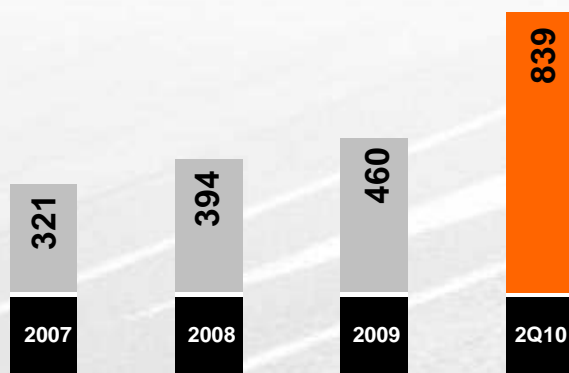
# Financial Highlights



**Gathering Momentum**

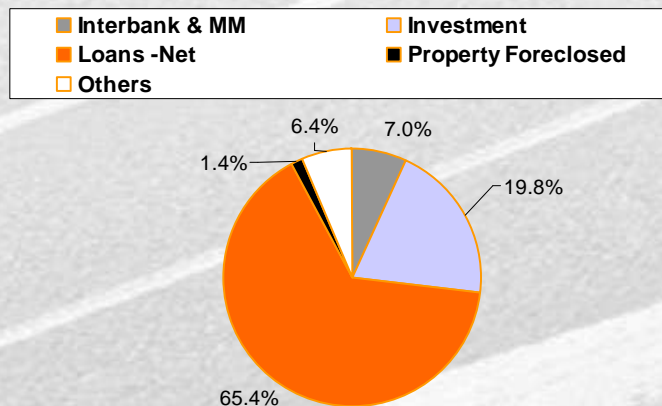
# Assets & Liabilities

## Assets (Billion Baht)



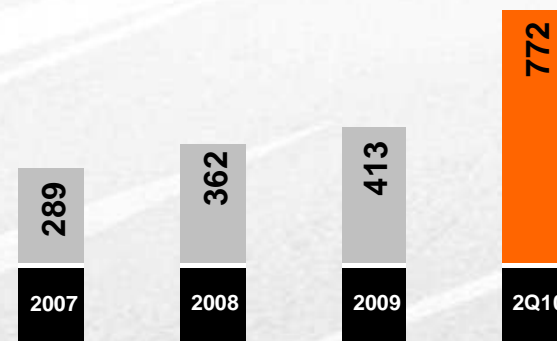
Source: Company Data

## Assets Breakdown (%)



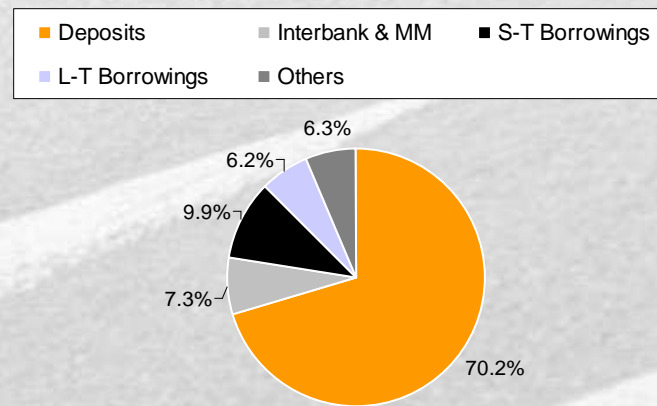
Source: Company Data (As at 30 Jun 2010)

## Liabilities (Billion Baht)



Source: Company Data

## Liabilities Breakdown (%)



Source: Company Data (As at 30 Jun 2010)

# Loans Portfolio

## Proportion of Loans (TBANK+SCIB)



- Loans in 2Q10 grew 99.4% from end 2009. This was due to the consolidated financial statements which incorporate the performance of SCIB and its subsidiaries.
- HP loans up 4.8%, due mainly to the better market condition in domestic car sales.
- TCAP has been able to maintain market share of new car financing at around 25%.

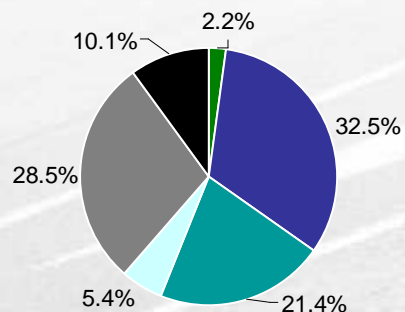
Source: Company Data

Unit: Million Baht

Loans and Accrued Interest	2007	%	2008	%	2009	%	2Q10	%
Manufacturing & Commerce	7,717	3.2	13,404	4.8	16,772	5.8	87,769	15.2
Real Estate & Construction	7,258	3.0	15,596	5.6	16,289	5.6	51,095	8.9
Public Utilities & Services	9,129	3.8	13,829	5.0	16,184	5.6	64,629	11.2
Hire Purchase	191,025	80.0	211,828	76.0	211,564	73.1	221,688	38.4
Housing Loans	8,143	3.4	7,724	2.8	7,241	2.5	75,071	13.0
Personal Loans	8,519	3.6	8,556	3.1	8,206	2.8	25,741	4.5
Others	6,929	2.9	7,953	2.9	13,167	4.5	51,030	8.8
<b>Total</b>	<b>238,720</b>	<b>100.0</b>	<b>278,890</b>	<b>100.0</b>	<b>289,423</b>	<b>100.0</b>	<b>577,023</b>	<b>100.0</b>

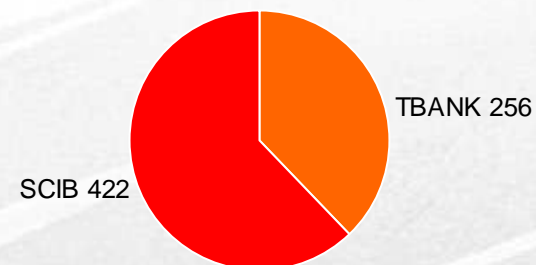
# Deposits & Borrowings

## Deposits+BE Breakdown (%)



Source: Company Data (As at 30 Jun 2010)

## Branches (Excl. headquarters)



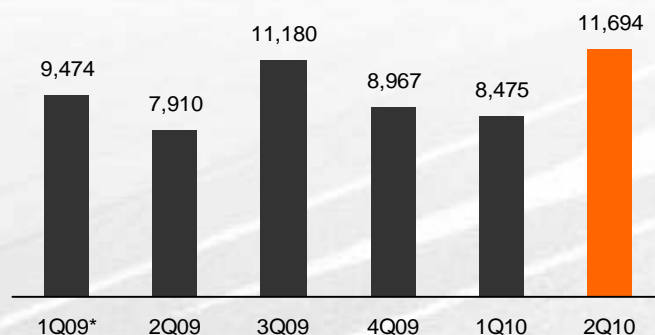
Source: Company Data (As at 30 Jun 2010)

Unit: Million Baht

Borrowings & Deposits	2007	2008	2009	2Q10	%
<b>Deposits + B/E from Public</b>	<b>239,525</b>	<b>314,065</b>	<b>334,471</b>	<b>602,744</b>	<b>83.4%</b>
Public Deposits	188,166	269,730	265,871	541,866	75.0%
B/E from Public	51,359	44,335	68,600	60,878	8.4%
<b>Interbank and Money Market Items</b>	<b>3,709</b>	<b>7,293</b>	<b>20,939</b>	<b>56,261</b>	<b>7.8%</b>
<b>Borrowings</b>	<b>28,606</b>	<b>21,128</b>	<b>28,705</b>	<b>63,806</b>	<b>8.8%</b>
Debentures	6,845	12,741	28,705	44,949	6.2%
Promissory Notes	7,730	500	-	-	0.0%
B/E and Others	14,031	7,887	-	18,857	2.6%
<b>Total</b>	<b>271,840</b>	<b>342,486</b>	<b>384,115</b>	<b>722,811</b>	<b>100.0%</b>

# Performance

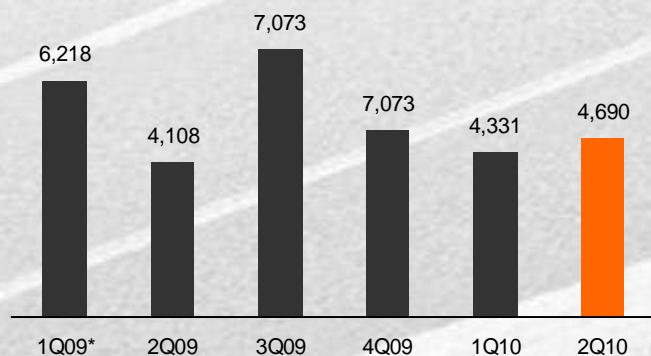
## Total Income (Million Baht)



Source: Company Data

\*Gain on selling another 24% of TBANK in 1Q09 is included.

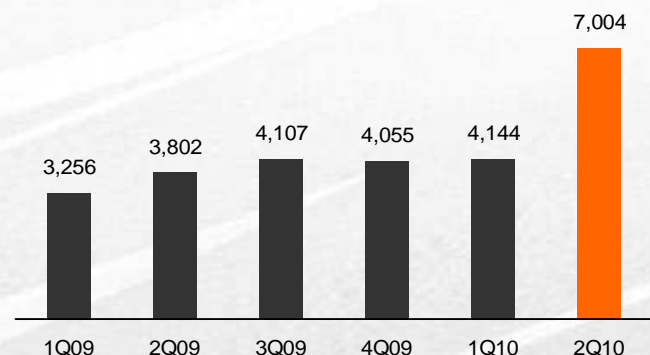
## Non-interest Income (Million Baht)



Source: Company Data

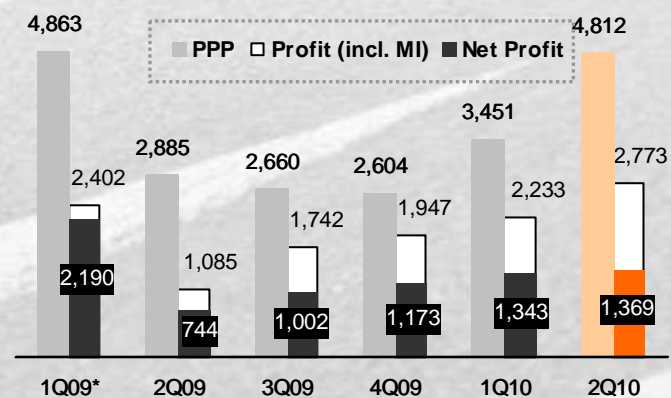
\*Gain on selling another 24% of TBANK in 1Q09 is included.

## Net Interest Income (Million Baht)



Source: Company Data

## Pre-provision Profit & Net Profit (Million Baht)



Source: Company Data

\*Gain on selling another 24% of TBANK in 1Q09 is included.

# Financial Ratio

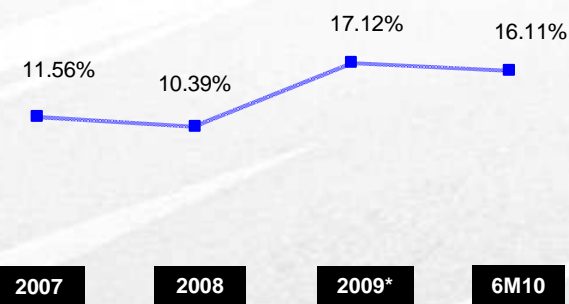
## ROAA (%)



Source: Company Data

\*Gain on selling another 24% of TBANK in 1Q09 is included.

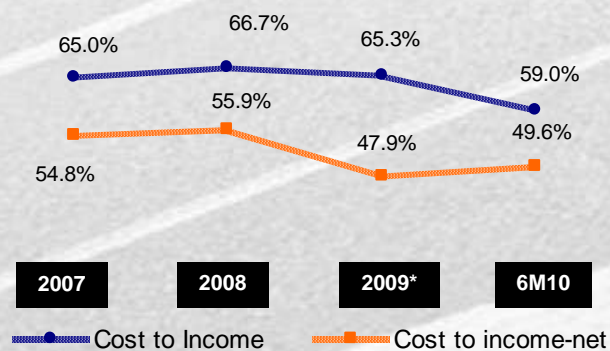
## ROAE (%)



Source: Company Data

\*Gain on selling another 24% of TBANK in 1Q09 is included.

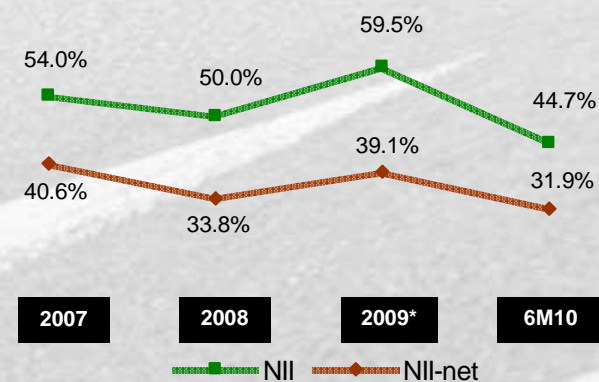
## Cost to Income Ratio (%)



Source: Company Data

\*Gain on selling another 24% of TBANK in 1Q09 is included.

## Non-interest Income Ratio (%)

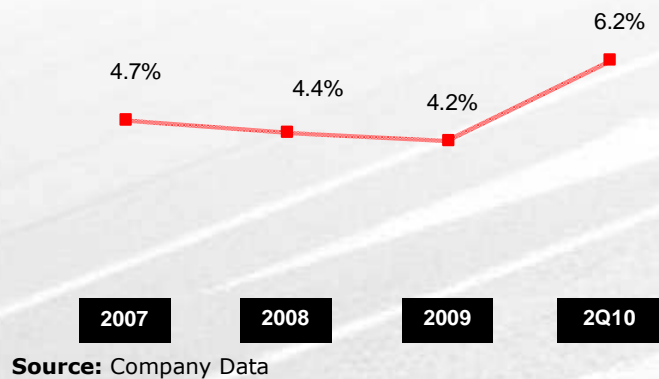


Source: Company Data

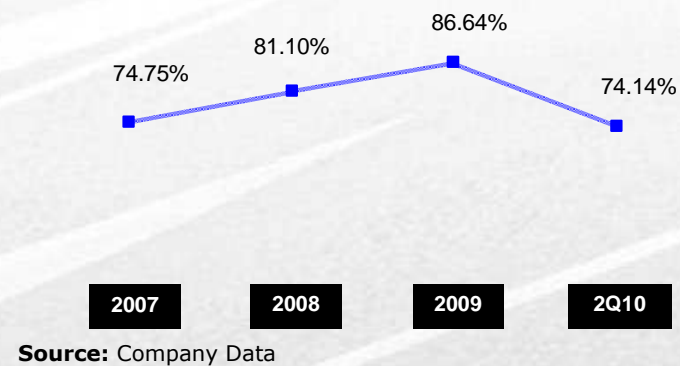
\*Gain on selling another 24% of TBANK in 1Q09 is included.

# Assets Quality & Capital Profile

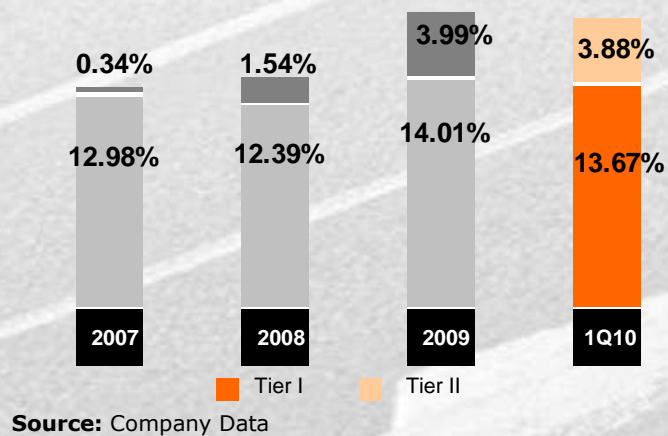
**NPLs / Total Loans (%)**



**LLR / NPLs (%)**



**Capital Adequacy Ratio (%) (Basel I)**



**Equity / Assets (%)**



# Subsidiaries Performance

Unit: Million Baht

Subsidiaries Performance	% of Holding	2Q09	2Q10	6M09	6M10
<b>Thanachart Bank (Consol.)</b>		649	2,237	1,038	4,012
▪ Thanachart Bank (Bank Only)	50.96%	713	1,959	1,051	3,356
▪ Thanachart Securities	50.96%	123	131	93	175
▪ Thanachart Fund Management	38.22%	25	33	47	67
▪ Thanachart Insurance	50.96%	98	95	82	172
▪ Thanachart Life Assurance	50.96%	117	180	186	317
▪ Thanachart Group Leasing	50.96%	(20)	47	(17)	111
▪ Siam City Bank (Bank Only)	50.57%	-	1,205	-	2,244
▪ Siam City Life Assurance	50.57%	-	41	-	106
▪ Siam City Securities	50.47%	-	(5)	-	(10)
▪ Siam City Asset Management	30.34%	-	(6)	-	(9)
NFS-AMC	100.00%	128	10	130	168
MAX-AMC	83.44%	13	10	53	60

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# Summary of HP Business

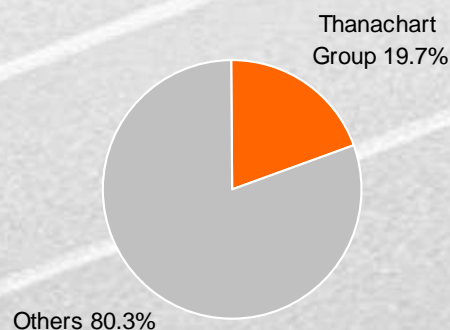
**Gathering Momentum**

# HP Business

	2009	6M09	6M10	% Growth YoY
Domestic New Car Sales (Units)	548,871	231,428	356,692	54.13%
Number of Thanachart Group HP Lease (Units)	197,529	91,331	109,497	19.89%
Total Number of Thanachart Group HP Lease (Units)	832,408	822,703	831,180	1.03%
Amount of Thanachart Group HP Loans (MB)	80,294	38,917	50,966	30.96%
Total Outstanding Thanachart Group HP Loans (MB)	211,564	211,600	221,688	4.77%

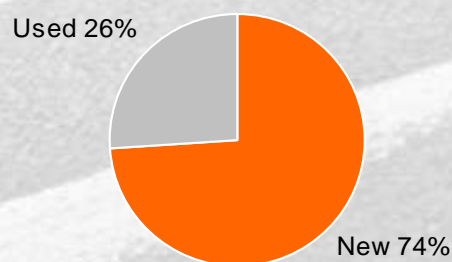
Source: BOT; Company Data

**6M10 New Car Penetration rate (%)**



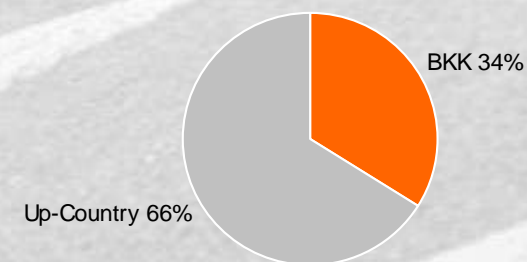
Source: Company Data

**Amount of HP Portfolio by Type of Car (%)**



Source: Company Data (As at 30 Jun 2010)

**HP Contact Value by Region (%)**



Source: Company Data (as at 30 Jun 2010)

# HP Assets Quality

Unit: Million Baht

30-Jun-10	New Cars		Used Cars		Car Fleet	Total
	Bangkok	Other Areas	Bangkok	Other Areas		
PL	54,424	98,457	16,822	37,899	1,088	208,690
	98.41%	98.06%	97.68%	97.55%	99.82%	98.04%
NPL	880	1,943	399	950	2	4,174
	1.59%	1.94%	2.32%	2.45%	0.18%	<b>1.96%</b>

31-Dec-09	New Cars		Used Cars		Car Fleet	Total
	Bangkok	Other Areas	Bangkok	Other Areas		
PL	50,673	94,898	15,975	35,885	1,261	198,692
	98.33%	98.15%	97.89%	97.75%	100.00%	98.11%
NPL	859	1,788	345	827	0	3,819
	1.67%	1.85%	2.11%	2.25%	0.00%	<b>1.89%</b>

Thanachart Capital and Thanachart Bank only and excluding Cash Your Car loans

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# Purchase Price Allocation

**Gathering Momentum**

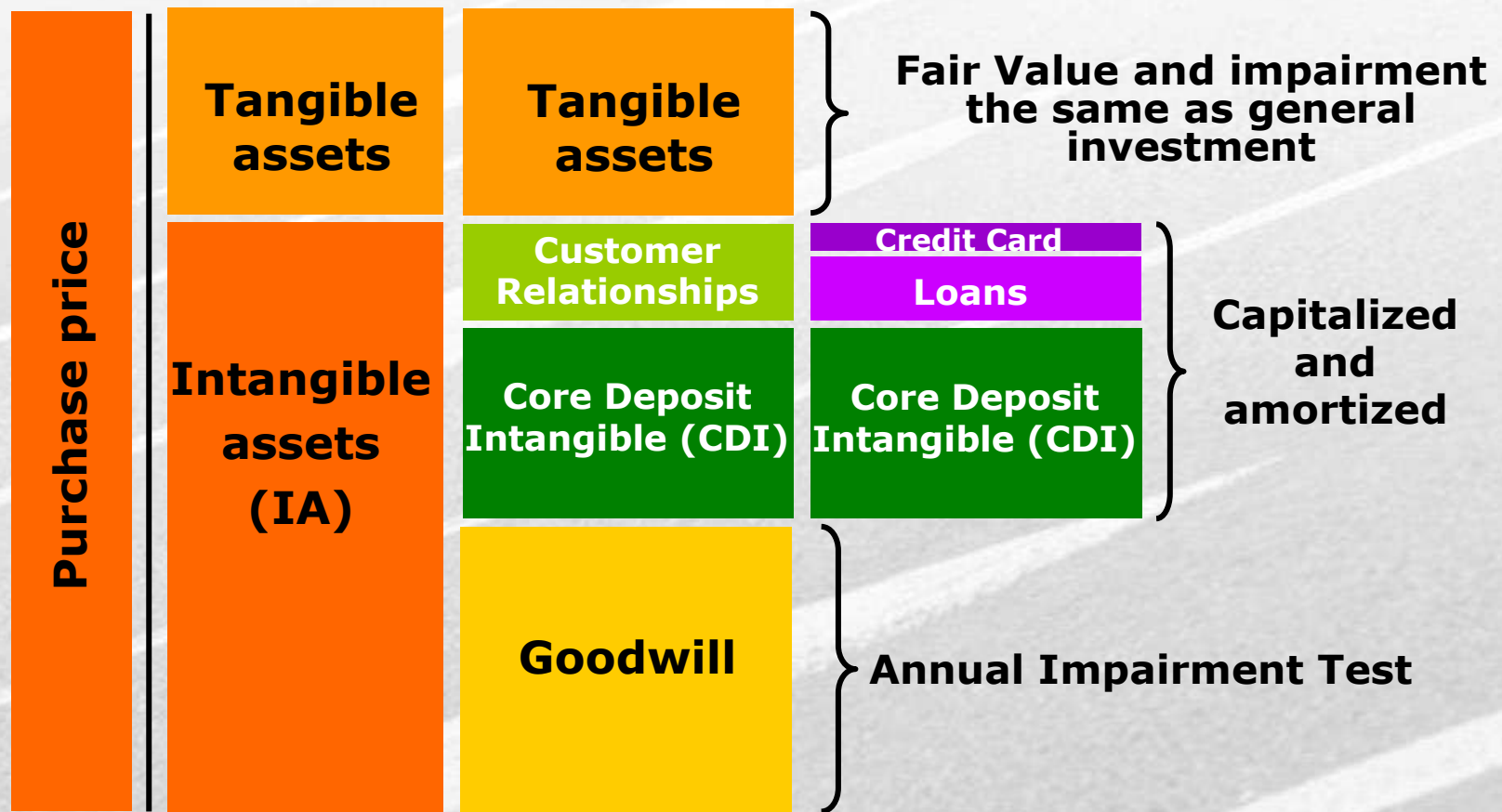
# Purchase Price Allocation (PPA)

**Rationale:** According to SCIB shares acquisition, Purchase Price Allocation (PPA) has to be allocated following the accounting standard

- **Ask for the approval:**
  - ✓ **Principle of Purchase Price Allocation (PPA)**
  - ✓ **Preliminary amount of Intangible assets (IA) that could be adjusted within 1 year**
- **Overview of Purchase Price Allocation (PPA)**

# PPA Illustration

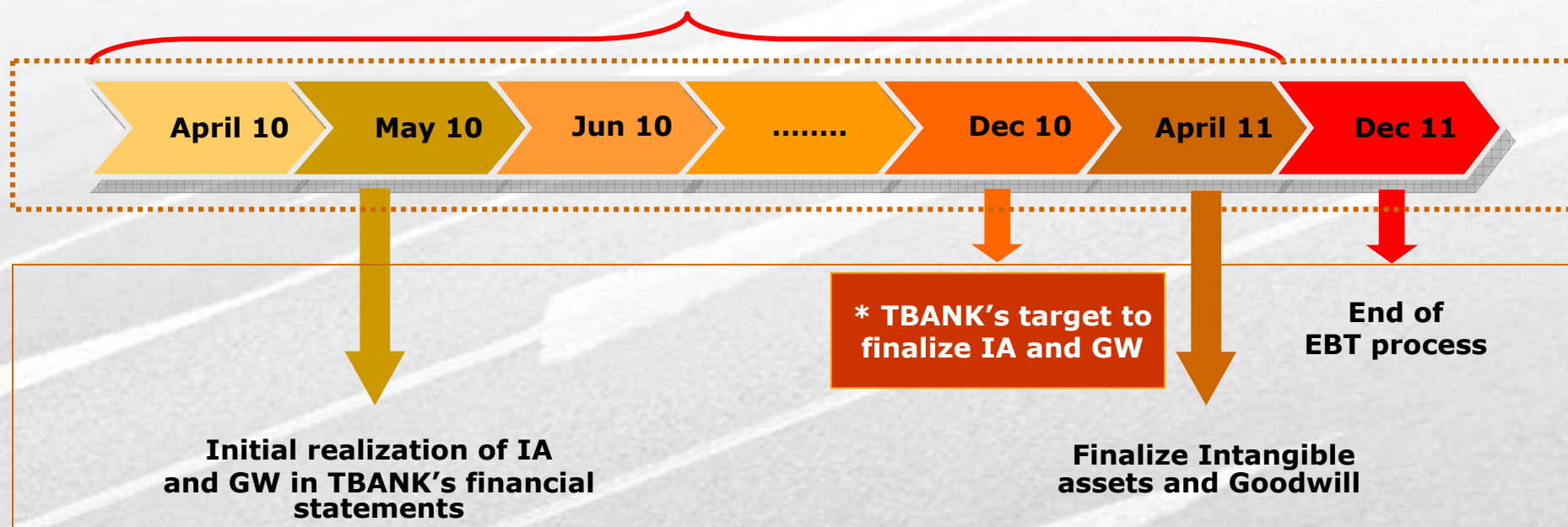
- Identified intangible assets is amortized and treated as expenses in profit and loss statement.  
However this can not be used for tax purposes.
- Goodwill is not amortized as expense but subject to annual impairment test or when occurrence of indicator.



Remark: Not represent the actual scale, only intent to clarify the methodology

# Timeframe to Adjust PPA (concept and database)

**1 Year Adjustment Period**  
*(April 2010-April 2011)*



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# Appendix



**Gathering Momentum**

# Financial Information

Unit: Million Baht

Balance Sheets	2008	2009	6M10
Interbank and MM	65,790	64,867	58,954
Investments	39,385	97,113	165,905
Loans	278,566	289,113	576,077
Goodwill	-	44	16,469
Others	10,349	8,871	21,370
<b>Total Assets</b>	<b>394,090</b>	<b>459,965</b>	<b>838,775</b>
Deposits	269,730	265,871	541,866
Borrowings			
S-T Borrowings	46,653	74,929	76,474
L-T Borrowings	18,811	22,377	48,210
Interbank and MM	7,293	20,939	56,261
Others	19,241	28,443	48,706
<b>Total Liabilities</b>	<b>361,728</b>	<b>412,559</b>	<b>771,517</b>
Company's Equity	26,592	33,323	33,544
Minority interest	5,769	14,084	33,713
<b>Total Equity</b>	<b>32,361</b>	<b>47,407</b>	<b>67,258</b>
NPLs	12,265	12,046	38,280
Loan loss reserve	9,947	10,436	28,380
Coverage Ratio	82.76%	86.64%	74.14%

Unit: Million Baht

Income Statements	2Q09	1Q09	2Q10
Interest income	5,469	5,711	9,686
Interest expense	1,666	1,567	2,682
Net interest income	3,802	4,144	7,004
Non-interest income	4,108	4,331	4,690
Operating expenses	5,025	5,024	6,882
Pre-provision profit	2,885	3,451	4,812
Provision	(1,362)	(275)	(628)
Income before tax	1,523	3,175	4,184
Tax	(438)	(942)	(1,411)
Minority interest	(341)	(890)	(1,404)
<b>Net income</b>	<b>744</b>	<b>1,343</b>	<b>1,369</b>
EPS (Baht)	0.58	1.05	1.07
ROAA	0.75%	1.22%	0.64%
ROAE	10.38%	15.65%	16.59%
Yield	5.66%	5.35%	4.74%
Funding cost	2.01%	1.75%	1.48%
Interest spread	3.65%	3.60%	3.26%
NIM	3.94%	3.89%	3.43%
Net profit margin	7.77%	13.38%	9.52%
Cost to income	63.53%	59.28%	58.85%
Cost to income net insurance	49.47%	46.09%	51.78%

# Investor Relations

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**Website: <http://www.thanachart.co.th/ir.html>**

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