

TBANK Financial Performance Results in Net Profit Growth, Strengthened Capital, Lower NPLs, and High Liquidity

Thanachart Bank (TBANK) announced its operating results for the year 2015 which was a year of accomplishments across its various business lines. The Bank was able to achieve continuous improvement in all areas. This included growth in net profit of the Bank which continuously increased for four consecutive quarters. As a result, **the Bank and its subsidiaries' net profit in 2015 amounted to 10,743 million baht.** Asset quality continued to improve, especially in terms of NPLs which decreased to below the 3 percent level. The Coverage Ratio improved to the industry average. Furthermore, the Bank's capital adequacy position was strengthened to industry leading levels, and liquidity was managed effectively. Customers can take comfort from the fact that, at present, the Bank's LCR (Liquidity Coverage Ratio) already exceeds the Year 2020 benchmark established by the Bank of Thailand.

Mr. Somjate Moosirilert, CEO and President of Thanachart Bank Public Company Limited (TBANK) said that "Although the economic slowdown and high household debt in 2015 has resulted in unfavorable loan growth, the Bank's strategies were successful in addressing the challenging environment. Consequently, the Bank and its subsidiaries achieved an excellent all-round improvement, resulting in a net profit of 10,743 million baht, an increase of 821 million baht or 8.27 percent from the end of the previous year.

Also contributing to the year over year improvement was a decrease in loan impairments from normal business operations. Asset quality has been improving since the end of 2014 from effective management, resulting in a year over year decrease of 34 percent in NPLs. The NPL ratio of the Bank reduced significantly, from 4.09 percent at the end of 2014, to 2.84 percent at the end of 2015. The decrease is counter to the industry trend. The coverage ratio also improved from 85.52 percent at the end of 2014 to 119.42 percent at the end of 2015, which was close to the industry average. Moreover, the Bank's capital position strengthened from 15.83 percent at the end of 2014 to 17.92 percent at the end of 2015. This positions us well for sustained business growth in the future.

Mr. Somjate also stated that "since January 2016 the Bank of Thailand has implemented the Liquidity Coverage Ratio (LCR) standard. In this connection, commercial banks have to maintain the minimum LCR at 60 percent in 2016 and gradually increase the minimum by 10 percent each year until it meets 100 percent in 2020. However, Thanachart Bank has achieved an LCR of more than 100 percent in the first year of implementation. This reflects our ability to generate high liquidity levels, giving a strong sense of confidence in our Bank to both our depositors and customers."