



Thitikorn Public Company Limited

“ #1 Motorcycle Hire-Purchase in Thailand ”

November 16, 2011



- I. Company Profile**
- II. Industry Overview**
- III. Operational Results**
- IV. Financial Highlights**





I.

Company Profile

- **1972** Established with 1MB registered capital to provide motorcycle HP in Bangkok
- **1978** No.1 in term of market share of motorcycle HP in Bangkok
- 1991 Increased registered capital to 70 MB
- 1995 Acquired 99.99% of CVA to expand HP business in Central and Eastern area
- 2000 Initiated insurance program to minimize risk which later become the industry standard
- **2002** Received award from The Consumer Protection Board
- 2003 Acquired CYP to provide automobile HP
- **2003** Listed on the SET and raised fund of 1,100 MB
- **2005** Issued first TK's Thai Baht-Debenture of 745 MB
- **2007** Secure 600 MB loan 3 to 3.5 years. With additional credit line of 1,725 MB from KBANK, BBL and ACL
- 2008 4-Stars Corporate Governance Scoring appraised by Thai Institute of Directors Association (IOD)
- 2009 Extensive 76 branches covering 44 provinces in Thailand
- 2010 **TRIS A- (stable)**
Issued TK's Thai Baht-Debenture of 1,100 MB and Secure 700 MB loan 3 to 4 years.
- **2011** Issued TK's Thai Baht-Debenture of 1,050 MB
Acquired Cetelem (Thailand) Company Limited.

Total gross portfolio of 12,296 MB

Thitikorn Plc. (TK)



Motorcycle hire purchase provider
with 10,505 MB portfolio size

99.99%

C.V.A . Co., Ltd. (CVA)



Motorcycle Hire-Purchase
and **debt collection service**

99.99%

Chayapak Co., Ltd. (CYP)



Automobile hire purchase provider in
Bangkok & Metropolitan area
with 1,791 MB portfolio size

99.99%

TK Debt Services Co., Ltd.



Debt collection services for TK and its
subsidiaries (previously Cetelem Thailand
Co., Ltd)

* As of September 30, 2011

Proven Track Record

- No.1 in motorcycle HP since 1978
- Most recognizable brand by motorcycle dealers & customers
- Reputable major shareholders - *Dr.Chumpol Phornprapha & Families*
- Proven management with market expertise more than three decades in HP industry
- Never been an NPL with any finance institutions since founded
- Large valuable database of over 3,000,000 customers (included 1,000,000 customers from Cetelem)
- Extensive & nationwide outlets with 78 branches in 45 provinces
- Consistency provide HP service during any economic condition

Solid Financial Position

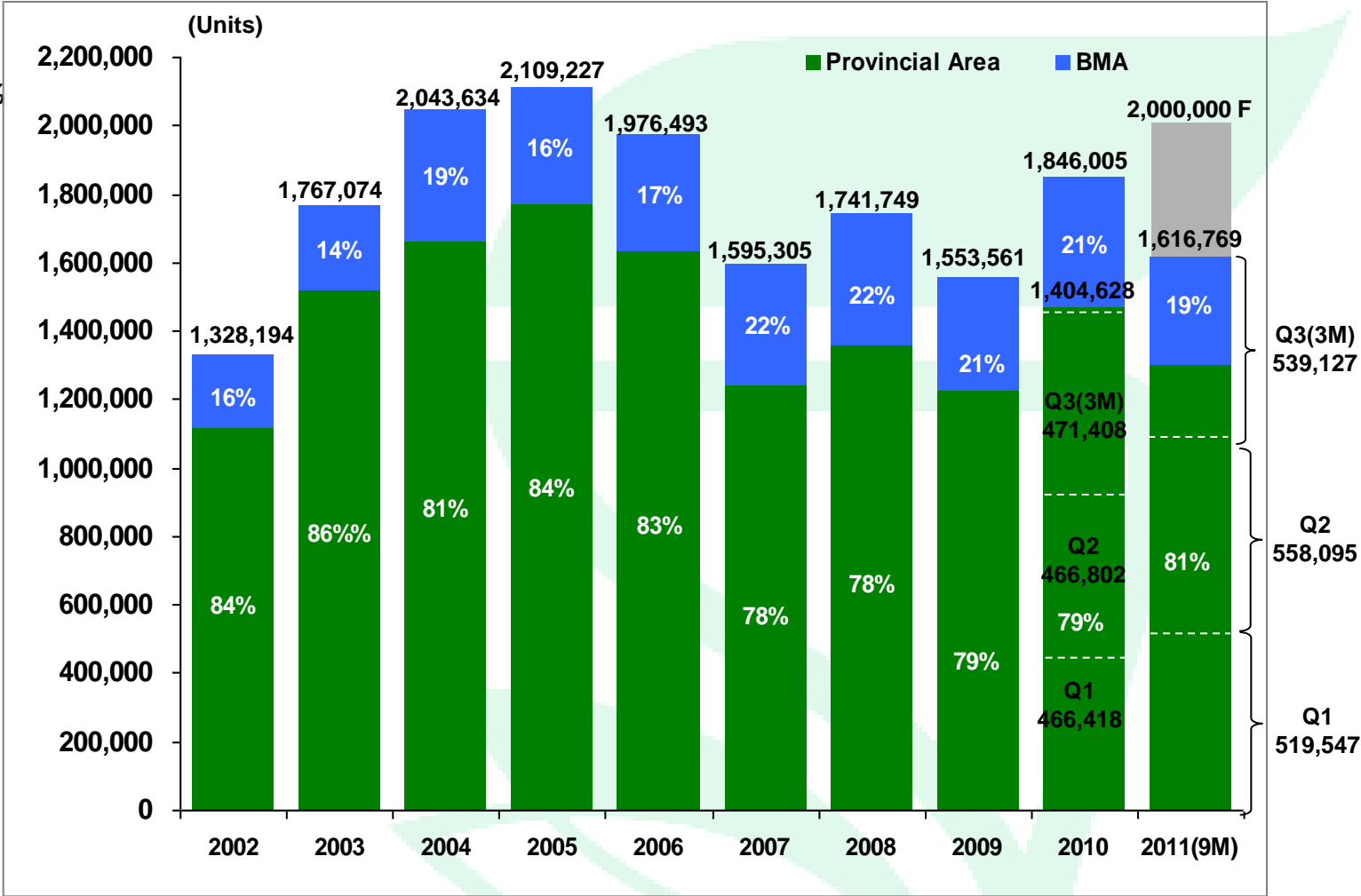
- Solid Capital Base : *3,436 million baht*
- D/E ratio of 1.6 times : *average D/E of financial sector is 9.3 times*
- Abundant credit line from the leading financial institutions with favorable terms & conditions
- 88.6 % of Total Assets are income generating assets
- High quality motorcycle HP portfolio with less than 3.2 % NPL
- Very conservative accounting policy : *recognized full amount of commission at day one*
- Stringent loan provision : *reserve full amount of the whole contract value*
- A⁻ rating by Thai Rating Information System (TRIS)



II. Industry Overview

Thailand Motorcycle Sales

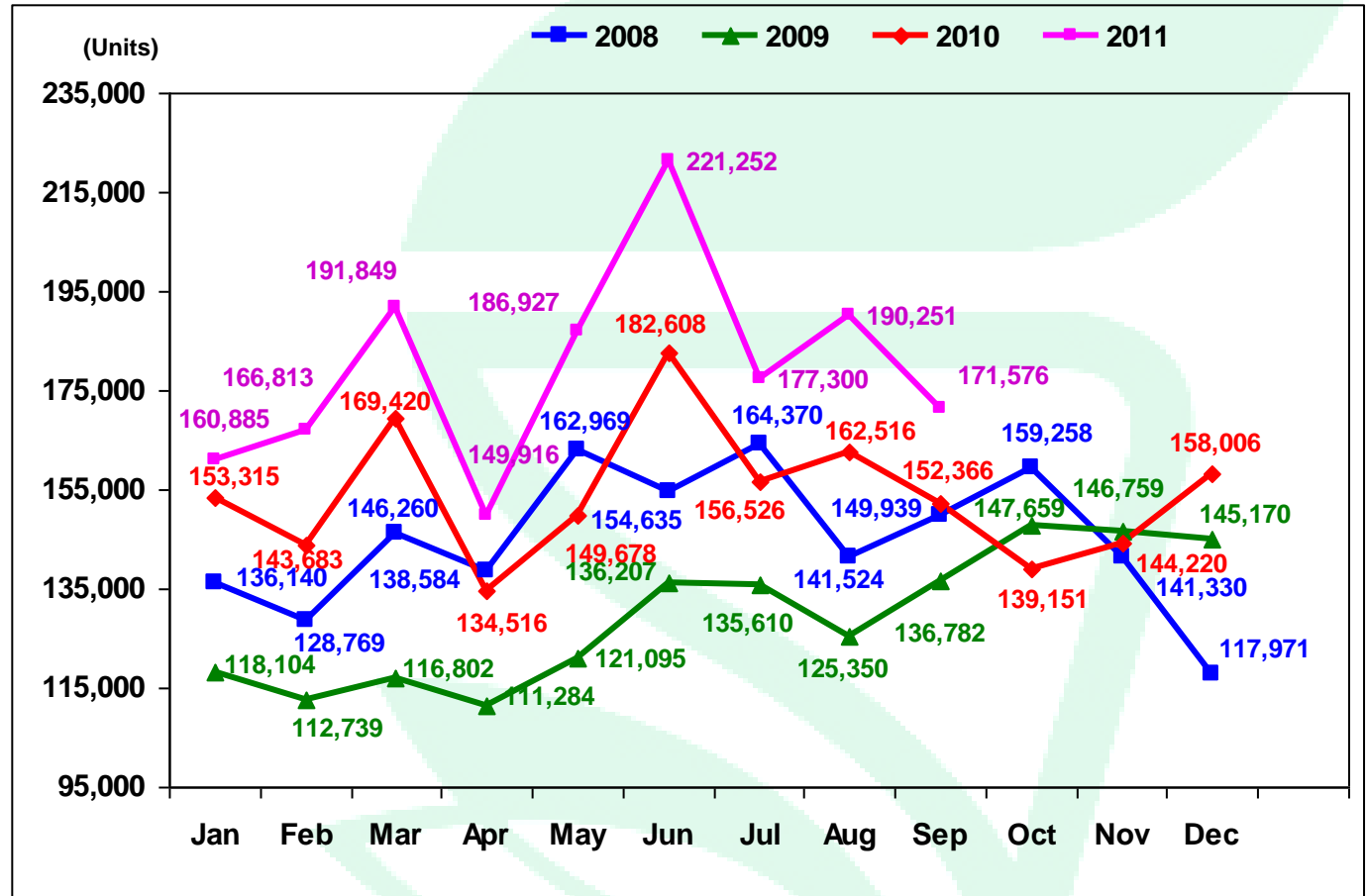
In 2010 sales increased 18.8% from 2009 and continue expanding in 2011



Source : Thailand Motorcycle Hire Purchase Association

Monthly Motorcycle Sales

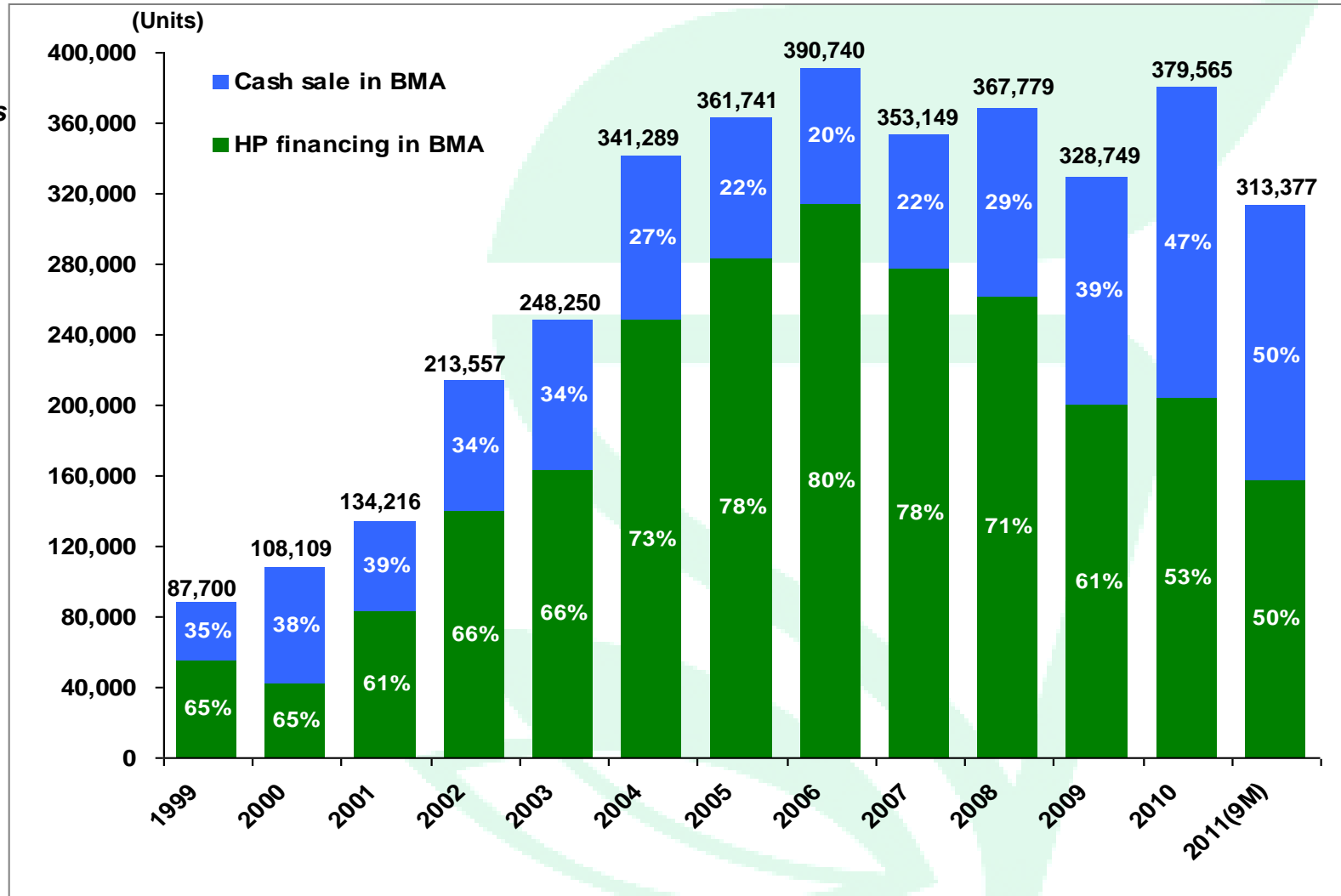
Motorcycle sales increased 18.8% for 2010 and monthly sales continue to expand.



Source : Department of Land Transport

Motorcycle Hire Purchase in BMA

The increasing cash sales portion due to HP operators tighten their lending policy.



Source : Thailand Motorcycle Hire Purchase Association



 **SUZUKI**



 **YAMAHA**



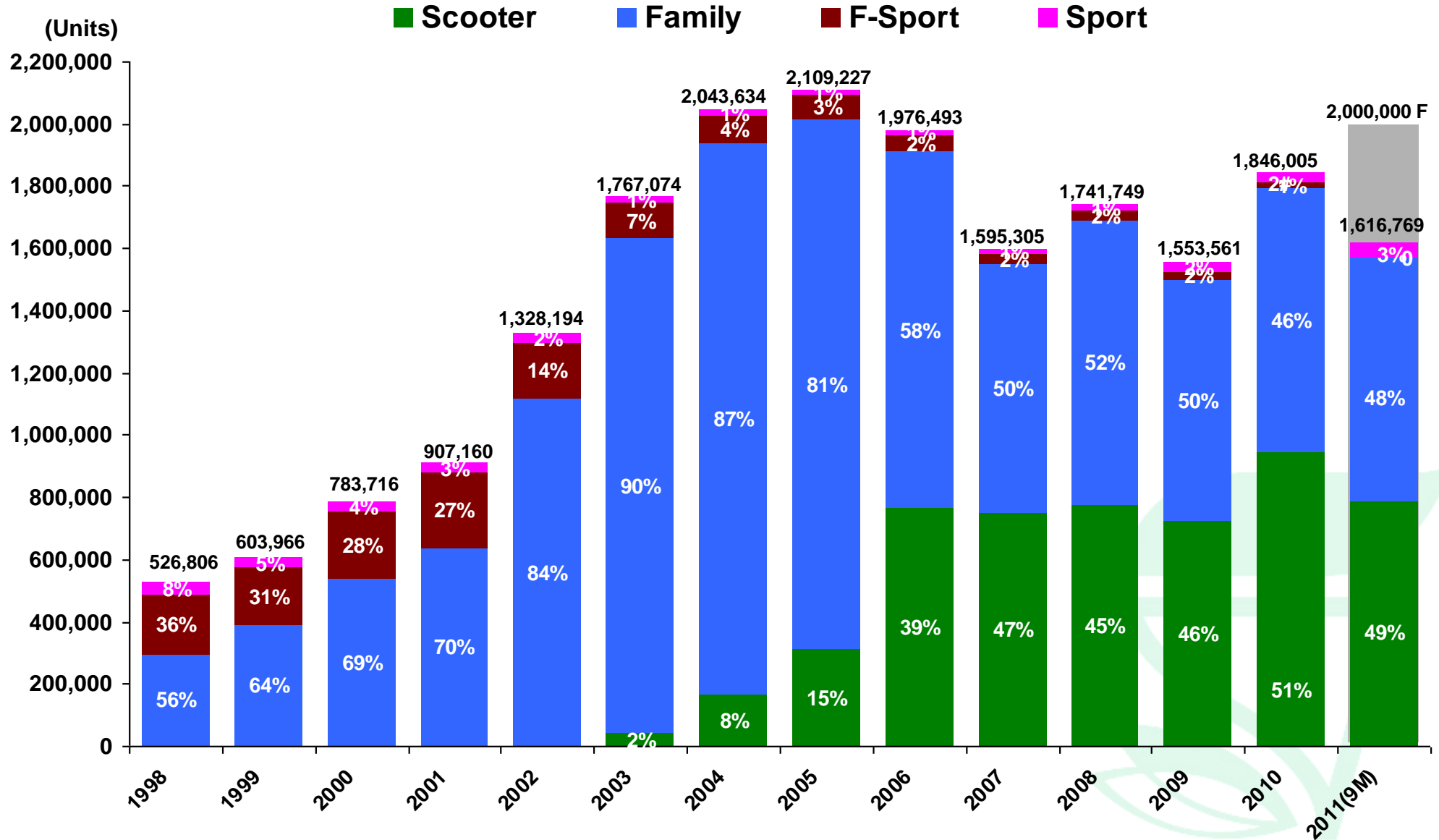
 **HONDA**







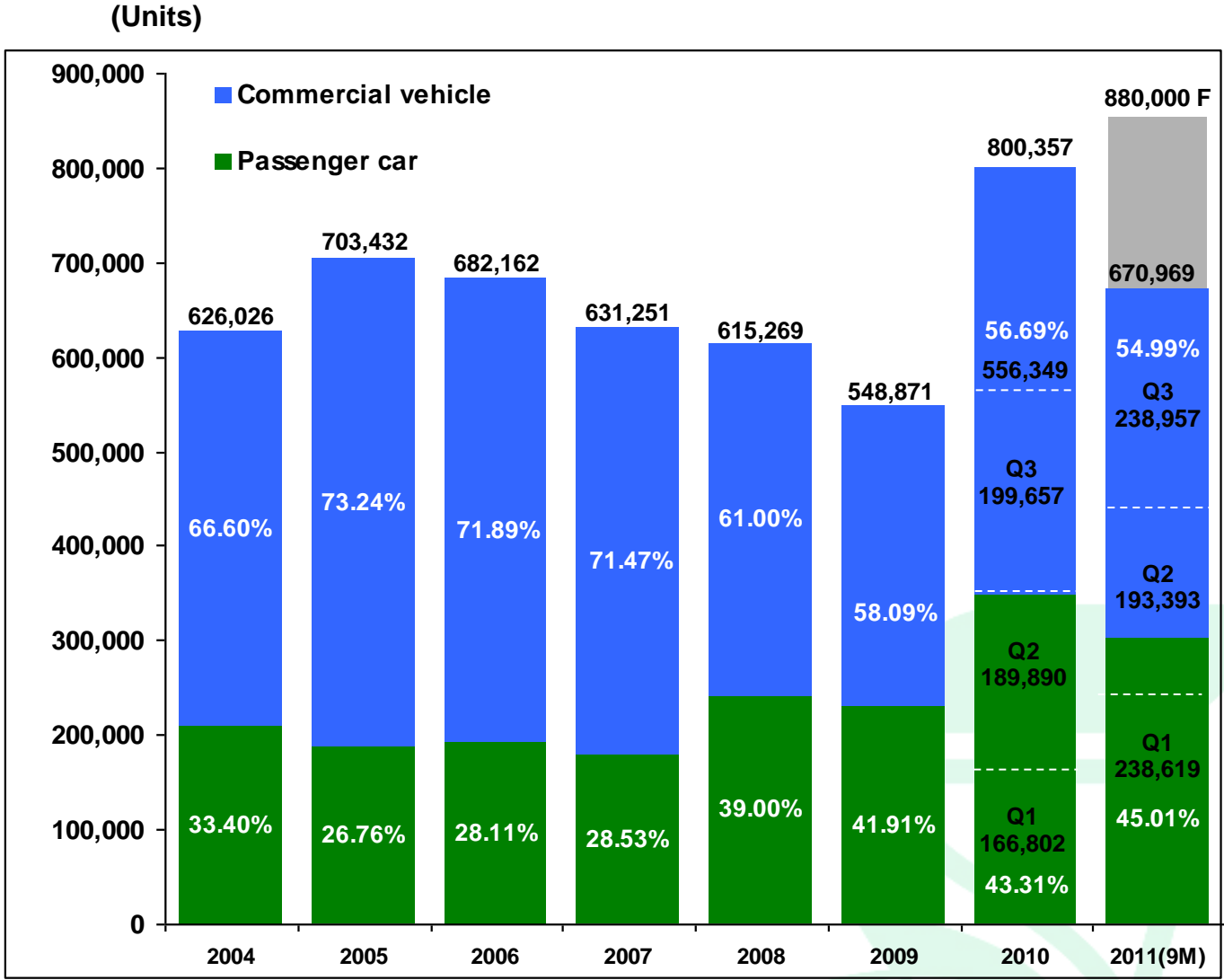
Motorcycle by Category



Thailand Automobile Sales

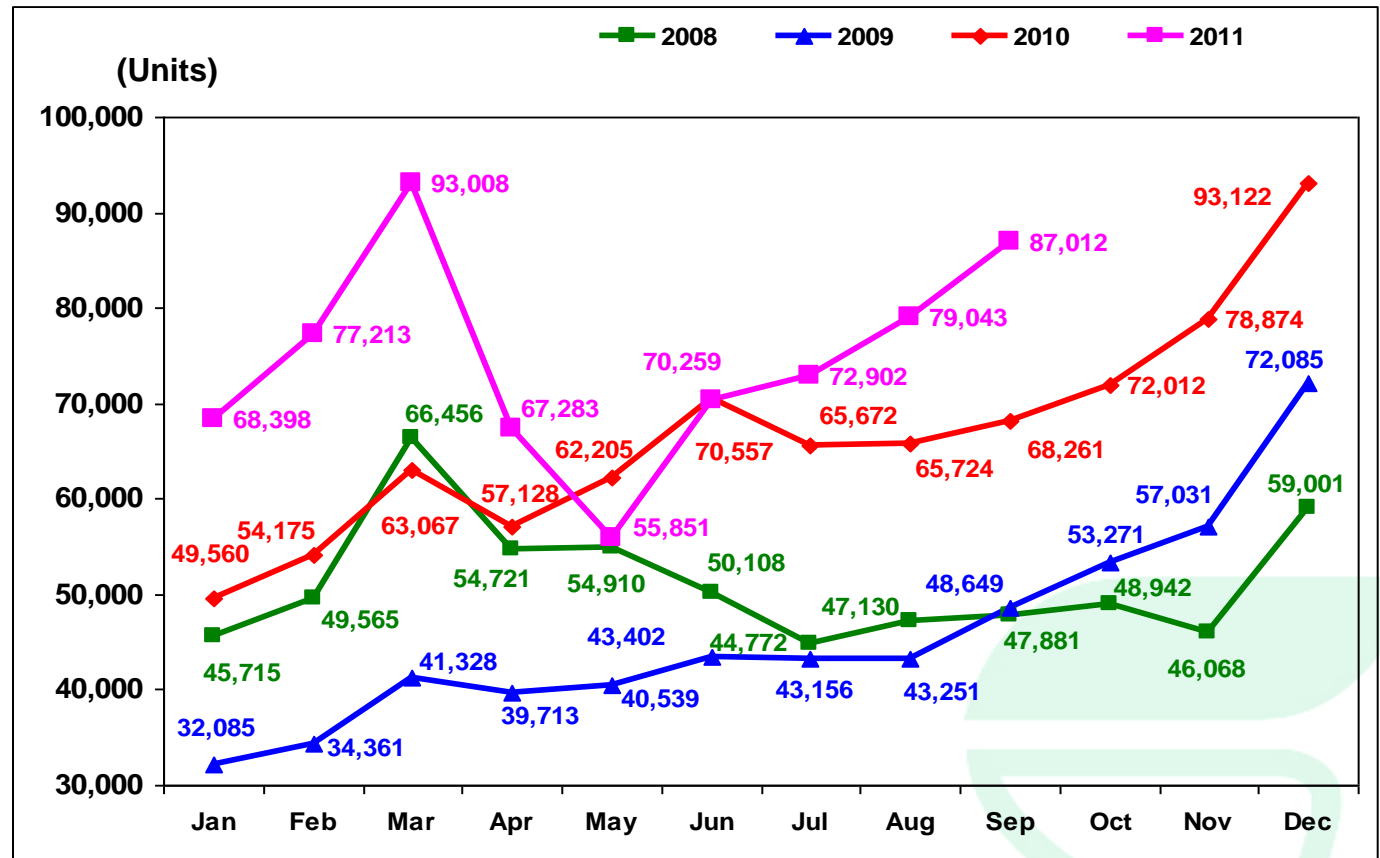
In 2009 Automobile sales decreased by 10.8% yoy due to domestic economy slowdown, world financial crisis together with HP operators tighten their lending policy and political uncertainty.

However, 2010 sales expected to sharply increase and surpass the last peak of 2005.



Source : Toyota Motor Thailand Co.,Ltd.

Automobile sales increased 45.8% for 2010 and monthly sales continue to expand



Source : Department of Land Transport





III.
Operational Results

Business Policy

Motorcycle

Hire purchase provider for all brands

Focus on new motorcycle hire purchase

Hire purchase term of 24 - 30 months

Automobile

Hire purchase provider mainly second hand cars
(4% second hand cars and 96% new cars)

Hire purchase term of 36 - 60 months

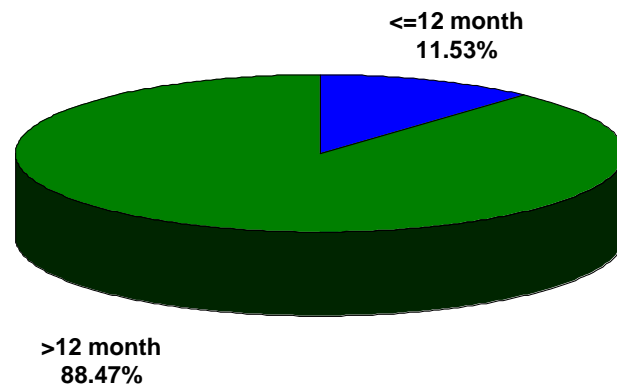
Product Brands

All brands such as Honda, Suzuki, Yamaha, Kawasaki, etc.

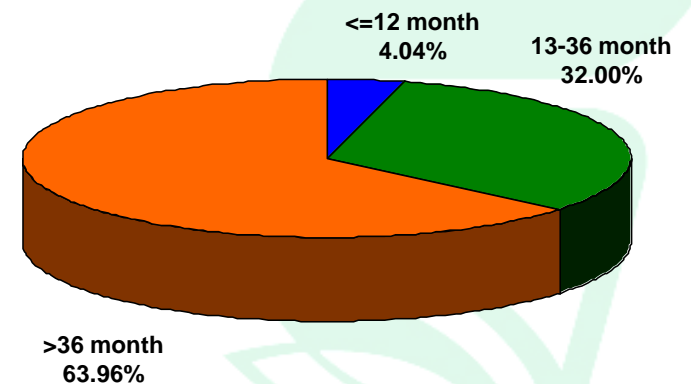
All brands mainly Toyota, Nissan, Mitsubishi, Honda, Isuzu etc.

Categorized by Outstanding Duration

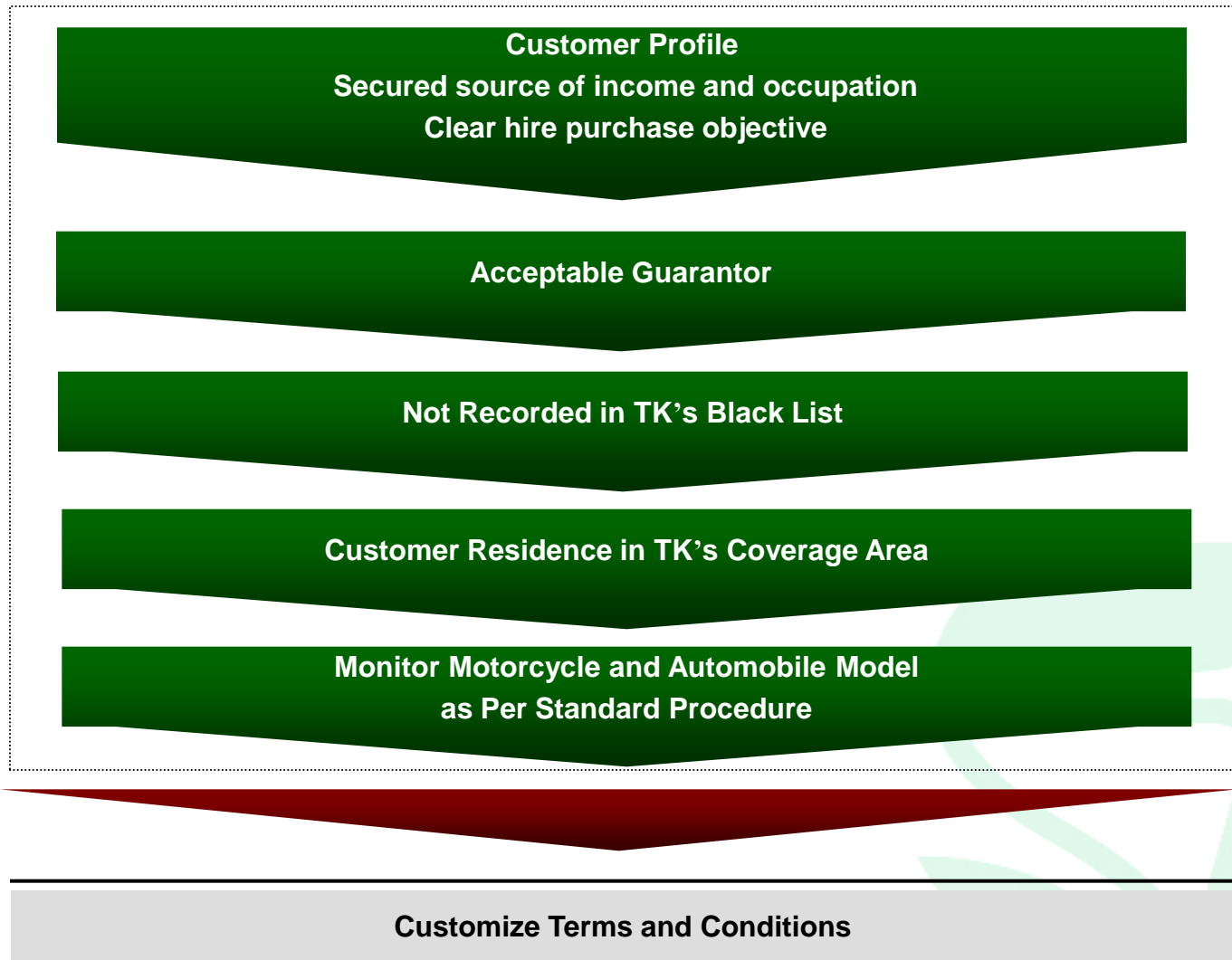
Hire Purchase Account Receivables Balance as of September 11



Categorized by Outstanding Duration



Proprietary credit approval policy and customize terms and conditions for each customers



Preliminary Credit Checking

Potential customers apply for credit approval; review customers' profile

Record & Documentation Checking

Verify accuracy of customers' profile and collect required documents

Credit Approval

- Analyze customers' credibility through credit scoring system and customize net financing
- Transfer customer profile to company's database for future reference

Debt Settlement

Provide multiple payment channels through bill collectors, banks, counter service and internet

Debt Collection

- | | | |
|--------------------------|-----|---------------------------------------|
| - unpaid debt <3 months | --> | payment warnings |
| - unpaid debt 4-6 months | --> | agreement termination |
| - unpaid debt >6 months | --> | bad debt write off |
| | --> | repossess and appraisal after verdict |

Branches

- Extensive **78** branches in **45** provinces out of 77 provinces in Thailand

Networks

- Servicing over **833** motorcycle strategic alliances
- Servicing over **45** automobile strategic alliances
- Multiple payment channels nationwide

CENTRAL

- Bangkok
- Chainart
- Nakornnayok
- AngThong
- Ayudhya
- Kanchanaburi
- Nakhon Prathom
- Lopburi
- Supanburi
- Singburi
- Lamnarai
- Saraburi
- Ratchburi
- Samutsongkhram
- Baan pong

NORTH

- Kampong Petch
- Nakorn Sawan
- Sukhothai
- Chiangmai
- Chiangrai
- Lampang
- Phitsanulok

NORTH-EAST

- Nakornratsima
- Kornkan
- Burirum
- Udonrthani
- Roiet
- Nangrong
- Mahasarakham
- Kalasin
- Chaiyaphum
- Ubonratchathani
- Sisaket Q3/2553



WEST

- Petch Buri
- Prachuap Khiri Khan

SOUTH

- Hua Hin
- Surathani
- Nakornsriathamrat
- Chumporn
- Trang
- Ranong
- Phuket
- Thungsong Q2/2554

EAST

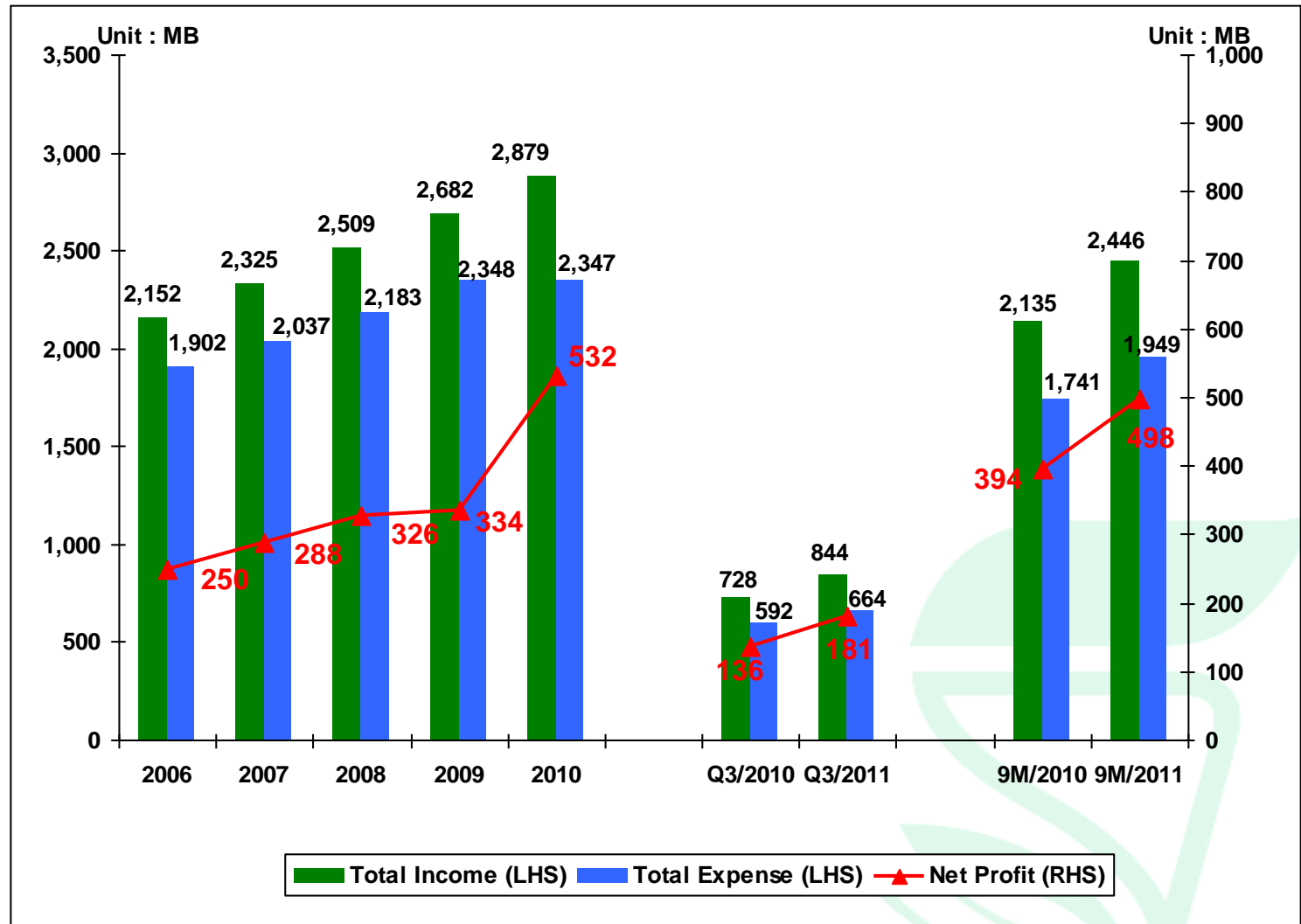
- Rayong
- Chachengsaow
- Cholburi
- Chantaburi
- Sri-racha
- Banchang
- Klang
- Trad
- Pattaya
- Panomsarakam
- Kabinburi
- Srimahaphot
- Sapan 4



IV.
Financial Highlights

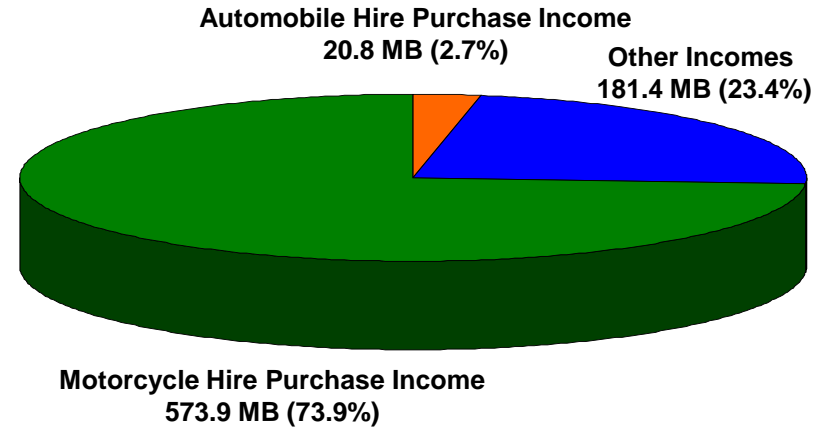
Revenue, Expense and Net Profit

Expansion with stringent credit approval procedures and efficient collection ensure sustainable growth of TK

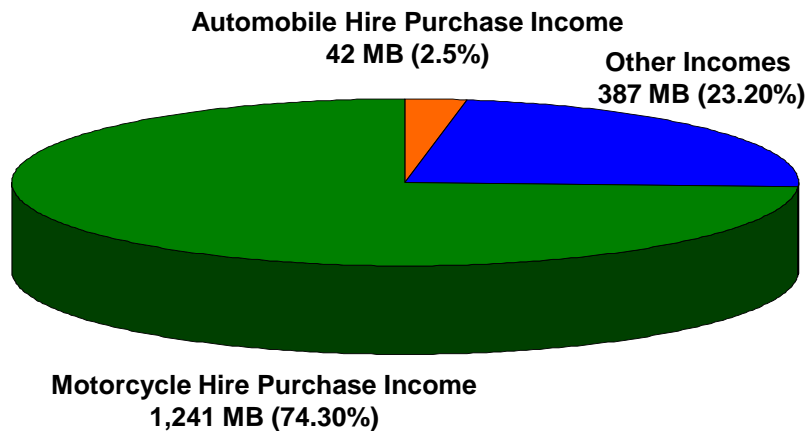


97.5% of Total Revenues contributed by Motorcycle HP interest and Other Incomes, with the remaining from Automobile HP interest

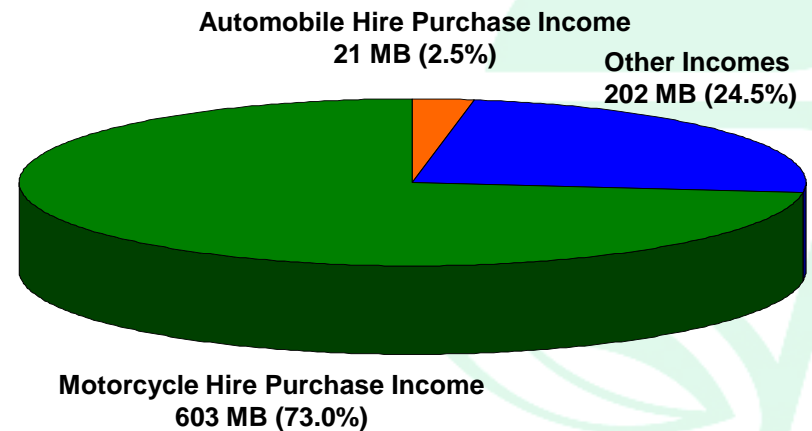
Q1/2011 Total Revenues = 776.1 MB



Q3/2011 Total Revenues = 1,670 MB

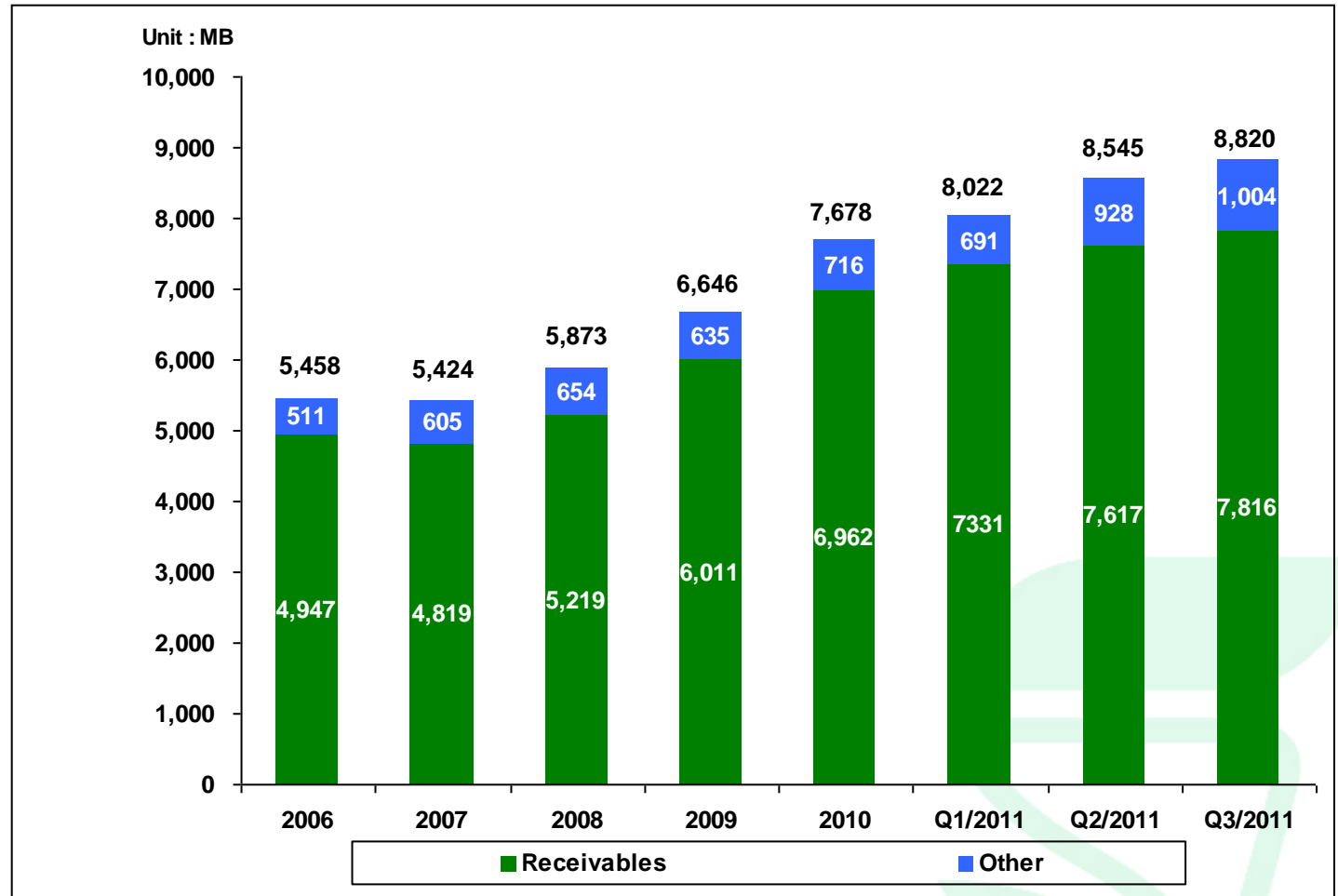


Q2/2011 Total Revenues = 826 MB



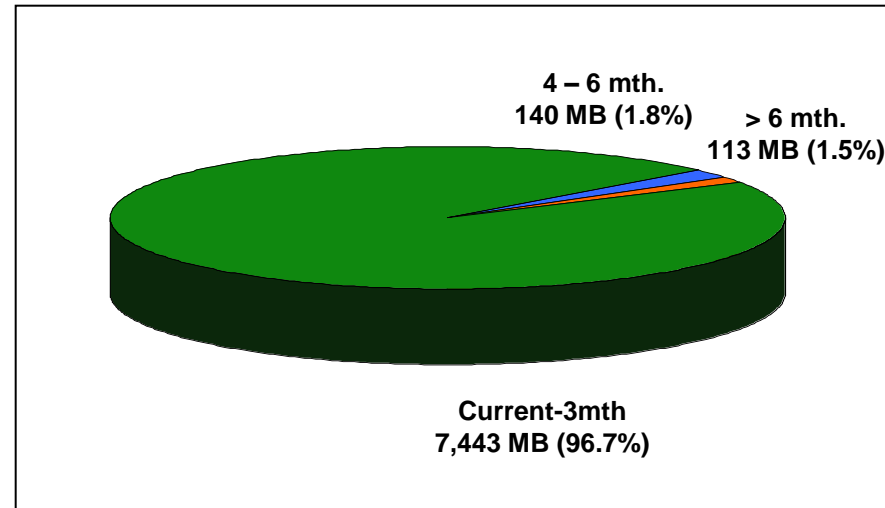
Total Assets vs. Hire Purchase Account Receivables

88.6% of TK Total assets are high quality HP portfolio which generate stable monthly cash inflow from diversify monthly installment

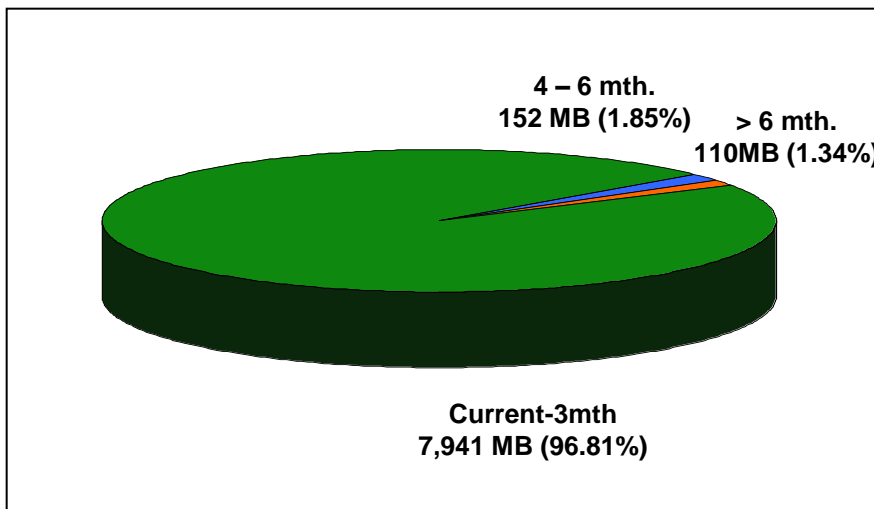


Prudent expanding policy with strictly credit approval process and strong collection team create high quality HP portfolio.

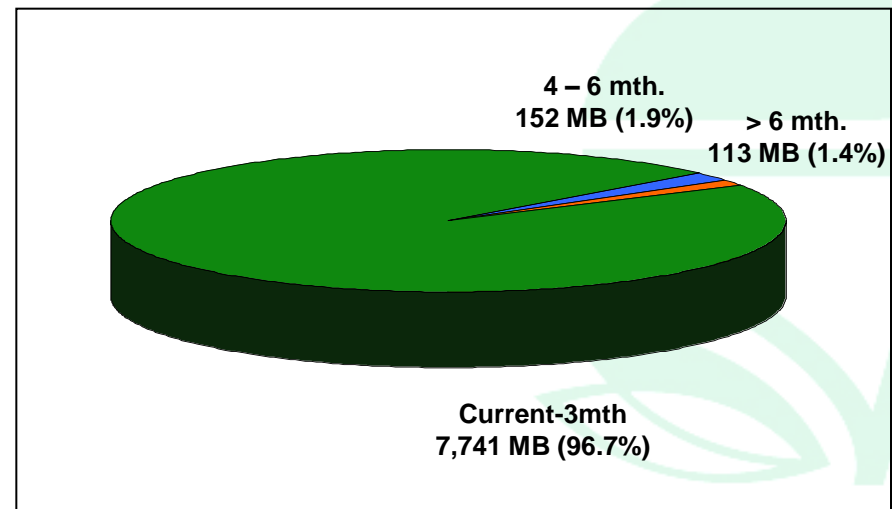
Q1 /2011:Aging of Total HP Portfolio (7,696 MB)



Q3 /2011:Aging of Total HP Portfolio (8,203 MB)



Q2 /2011:Aging of Total HP Portfolio (8,006 MB)



Income Recognition and Charge-Off Policy

- Past due over 3 months will be charged off
- One time commission charged at the beginning of the contract

Write-Off Policy

- Motorcycle with past due over 6 months will be written off (without verdict process)
- Automobile with past due over 6 months that had gone through verdict will be written off

Provision for Doubtful Account Policy

TK does not deduct the collateral value before setting provision for motorcycle HP

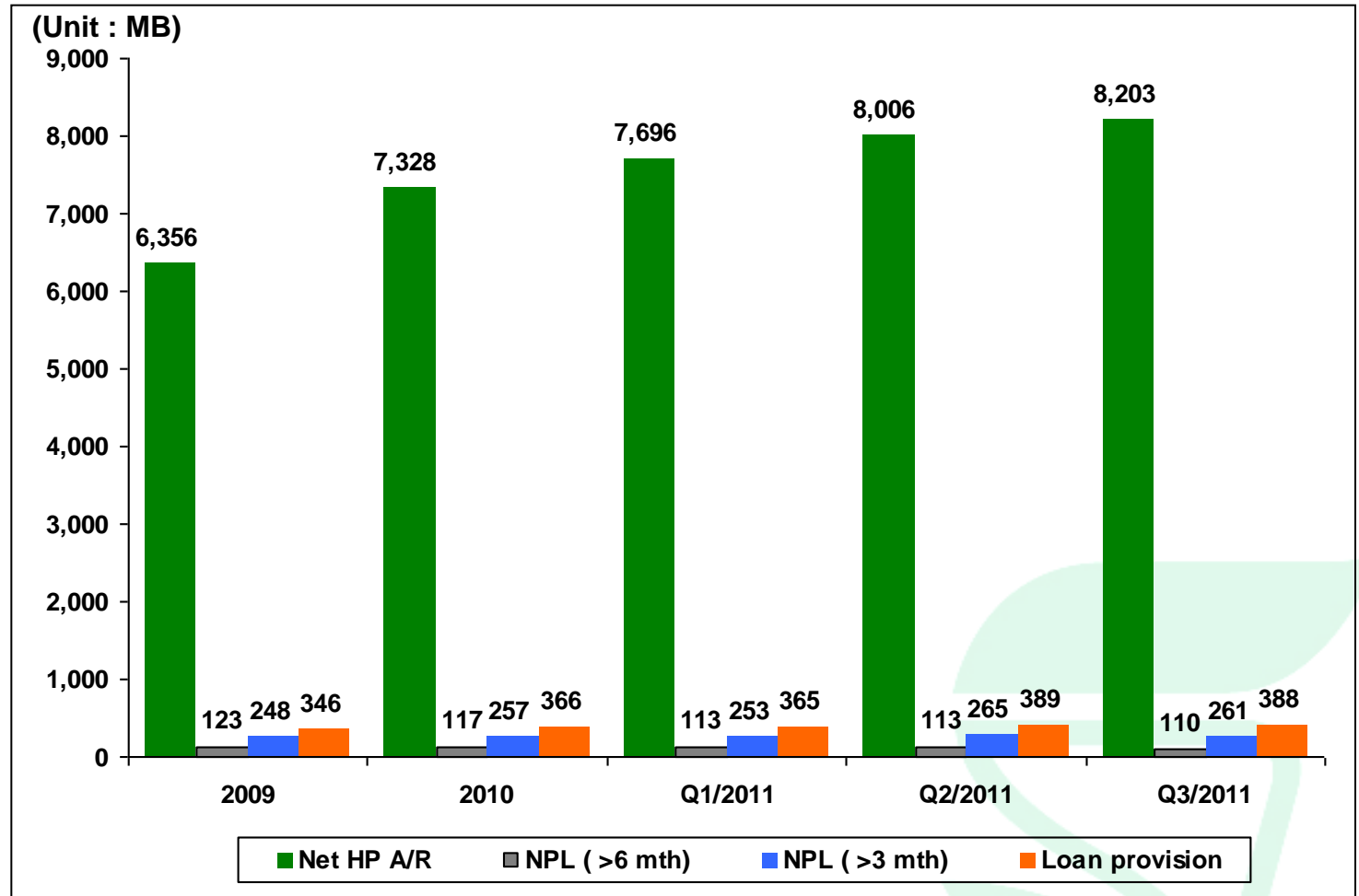
Provision for Doubtful Account of Motorcycle Hire Purchase

Net Account Receivables	Provision for Doubtful Account (%)
Current portion \leq 1 Months	1
1 < Overdue \leq 3 Months	20
3 < Overdue \leq 6 Months	50
Overdue > 6 Months	100

Provision for Doubtful Account of Automobile Hire Purchase

Net Account Receivables	Provision for Doubtful Account (%)
Current portion \leq 1 Months	1
1 < Overdue \leq 3 Months	2
3 < Overdue \leq 6 Months	20
6 < Overdue \leq 12 Months	50
Overdue > 12 Months	100

Robust reserve for loan loss with 148.66% coverage ratio or 4.73% of total HP portfolio





Hire-Purchase by Thitikorn

Thitikorn Public Company Limited

69 Ramkamhaeng Rd., Huamark, Bangkok, Bangkok 10240

Tel: 662-310-7000 Fax: 662-318-3339

e-mail: investor@tk.co.th