

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the second quarter and the first six-month period ended 30 June 2023

(Reviewed Financial Statements)

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THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Management's Discussion and Analysis (Reviewed Financial Statements)

Economics Outlook and Commercial Banking Industry

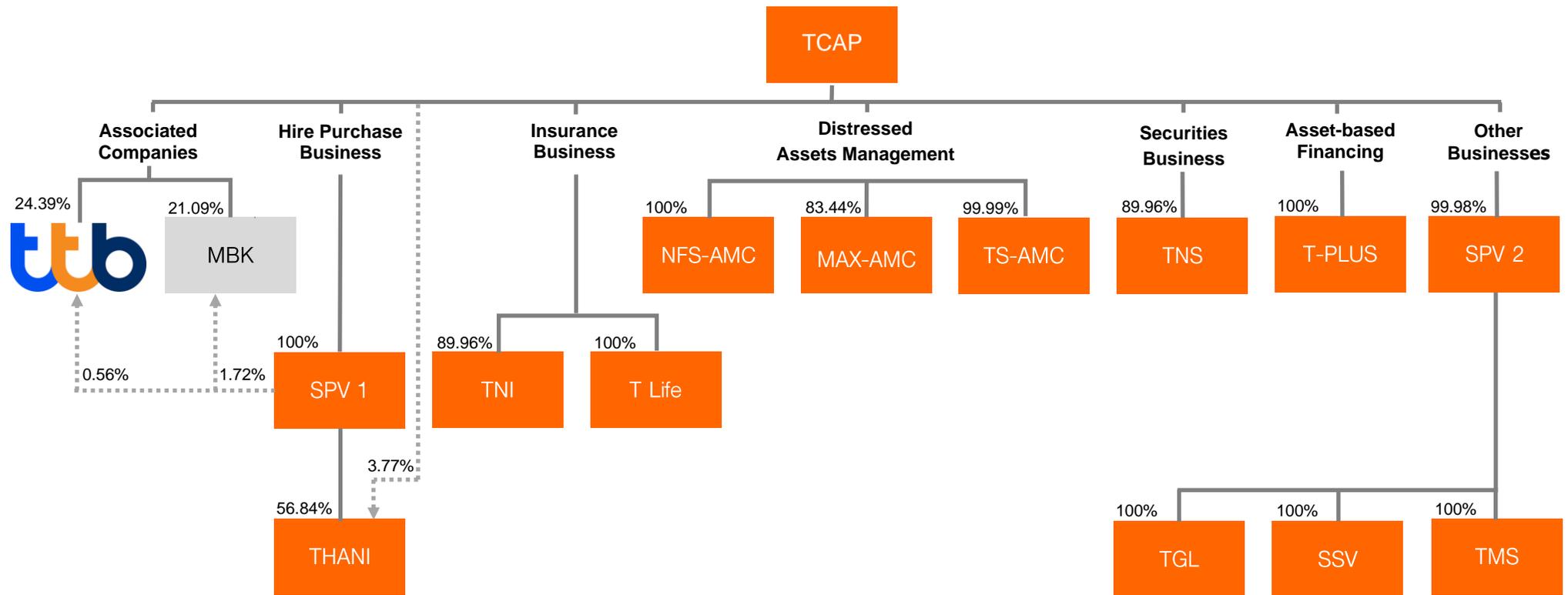
Overall, the Thai economy in the second quarter of 2023 continued expanding when compared to the previous quarter. The key driving factor behind this expansion was the recovery of the tourism sector, thanks to the continuously increasing numbers of both Thai and foreign tourists. This had positive impacts on the improvements of the service sector and private consumption in line with the increased employment and consumer confidence. Private investment also showed signs of improvements. However, the export sector was still affected by the slowdown in the global economic recovery due to high inflation and policy rates. While the Thai economy was expected to continue recovery, there were limitations caused by the global economic slowdown risk as well as persistently high household debts. In this connection, the Bank of Thailand's Monetary Policy Committee (MPC) adopted a resolution approving the increase in the policy rate by 0.25 percent per annum in the second quarter of 2023. And most recently on 2 August 2023, MPC adopted a resolution approving the increase in the policy rate by another 0.25 percent per annum. As a result, the benchmark rate was raised to 2.25 percent per annum in line with the economic trends and inflation risk.

Loans of Thai commercial banks in the second quarter of 2023 increased slightly when compared to the previous quarter. This was mainly attributable to the increases in corporate loans and retail loans. Meanwhile, deposits decreased when compared to the previous quarter. The purpose was to manage banks' liquidity and deposit costs. On the other hand, non-performing loans continued to decrease when compared to the previous quarter, in line with efficient management of banks' asset quality.

Key Events in the First Six-month Period of 2023

1. On 7 April 2023, the Annual General Meeting of Shareholders for the year 2023 of the Company had a resolution to pay dividend to shareholders at the rate of 3.10 baht per share or 3,251 million baht in total representing 62.28 percent of the net profit for the year 2022. However, the Company's Board of Directors already approved to make interim dividend payment at the rate of 1.20 baht per share to shareholders and the payment was made on 28 October 2022. As a result, the remaining dividend payment to be made amounted to 1.90 baht per share. The dividend payment was scheduled to be made on 3 May 2023.
2. On 2 May 2023, the Company's Board of Directors had a resolution approving the Company to decrease its paid-up capital from the treasury stock project in the amount of 97,045,970 shares, at a par value of 10 baht per share. This is the process of decreasing paid-up capital after the last day of reselling the Company's repurchased shares. As a result, the Company's paid-up capital decreased from 11,457 million baht to 10,486 million baht.

Thanachart Group's Shareholding Structure As of 30 June 2023



Remark : TCAP = Thanachart Capital PCL., ttb = TMBThanachart Bank PCL., MBK = MBK PCL., SPV 1 = Thanachart Special Purpose Vehicle 1 Co., Ltd., THANI = Ratchthani Leasing PCL., TNI = Thanachart Insurance PCL., T Life = T Life Assurance PCL., NFS-AMC = NFS Asset Management Co., Ltd., MAX-AMC = MAX Asset management Co., Ltd., TS-AMC = TS Asset management Co., Ltd., TNS = Thanachart Securities PCL., T-PLUS = Thanachart Plus Co., Ltd., SPV 2 = Thanachart Special Purpose Vehicle 2 Co., Ltd., TGL = Thanachart Group leasing Co., Ltd., SSV = Security Scib Services Co., Ltd., TMS = Thanachart Management and Service Co., Ltd.

Operating Results for the Second Quarter and the First Six-month Period of 2023

Performance Overview

In the second quarter of 2023, the Company and its subsidiaries' net profit according to the consolidated financial statements amounted to 1,973 million baht. This was mainly due to the operating results of the important subsidiary and associated companies as follows:

- Ratchthani Leasing Public Company Limited had a consolidated net profit of 425 million baht
- Thanachart Insurance Public Company Limited had a net profit of 228 million baht
- Thanachart Securities Public Company Limited had a net profit of 62 million baht
- Share of profit from investments accounted for under equity method – associated companies and joint venture was 1,152 million baht
- Asset Management Companies and other subsidiaries had net profits of 147 million baht

As a result, **net profit attributable to the Company amounted to 1,777 million baht, an increase of 198 million baht or 12.54 percent** from the previous quarter. This was mainly due to an increase in net interest income and non-interest income as well as a reduction in expected credit loss.

Earnings per share (EPS) of the Company in the second quarter of 2023 were 1.69 baht, an increase from 1.51 baht. Return on Average Assets (ROAA) and Return on Average Equity of the Company's shareholders (ROAE) were at 4.90 and 10.48 percent, respectively.

In the first six-month period of 2023, the Company and its subsidiaries' net profit according to the consolidated financial statements amounted to 3,760 million baht. This was mainly due to the operating results of the important subsidiary and associated companies as follows:

- Ratchthani Leasing Public Company Limited had a consolidated net profit of 875 million baht
- Thanachart Insurance Public Company Limited had a net profit of 439 million baht
- Thanachart Securities Public Company Limited had a net profit of 164 million baht
- Share of profit from investments accounted for under equity method – associated companies and joint venture was 2,253 million baht
- Asset Management Companies and other subsidiaries had net profits of 166 million baht

As a result, **net profit attributable to the Company amounted to 3,356 million baht, an increase of 548 million baht or 19.52 percent** from the same period last year. This was mainly due to an increase in interest income from loan growth and an increase in market interest rates. In addition, non-interest income increased from share of profit from investments accounted for under equity method which increased in line with the performance of associated companies that continued improving.

EPS of the Company in the first six-month period of 2023 were 3.20 baht, an increase from 2.68 baht. ROAA and ROAE were at 4.70 and 9.93 percent, respectively.

Financial Highlights

Financial Highlights

Reviewed Financial Statements	For the 3 months ended			For the 6 months ended	
	30-Jun-23	31-Mar-23	30-Jun-22	30-Jun-23	30-Jun-22
Operating Performance (Million Baht)					
Interest Income	1,343	1,268	1,108	2,611	2,155
Interest Expenses	482	447	356	929	697
Net Interest Income	861	821	752	1,682	1,458
Non-interest Income	2,311	2,197	2,469	4,508	4,283
Net Operating Income ⁽¹⁾	3,172	3,018	3,221	6,190	5,741
Other Operating Expenses	876	835	814	1,711	1,604
Expected Credit Losses	129	187	43	316	181
Profit before Tax	2,167	1,996	2,364	4,163	3,956
Income Tax	194	209	242	403	444
Profit for the Period	1,973	1,787	2,122	3,760	3,512
Net Profit Attributable to the Company	1,777	1,579	1,772	3,356	2,808
Basic Earnings per Share (Baht)	1.69	1.51	1.69	3.20	2.68
	30-Jun-23	31-Mar-23	31-Dec-22		
Financial Position (Million Baht)					
Net Loans to Customers and Accrued Interest Receivables	65,665	64,565	62,383		
Investments in Associated Companies and Joint Ventures	58,186	58,530	56,986		
Total Assets	161,082	160,773	157,089		
Debts Issued and Borrowings	52,654	47,744	47,730		
Total Liabilities	87,241	86,232	84,558		
Company's Shareholders' Equity	68,110	68,566	66,763		
Non-controlling Interests	5,731	5,975	5,768		
Total Shareholders' Equity	73,841	74,541	72,531		
	30-Jun-23	31-Mar-23	30-Jun-22	30-Jun-23	30-Jun-22
Operating Performance Ratios (Percent)					
ROAA	4.90	4.50	5.59	4.70	4.71
ROAE ⁽²⁾	10.48	9.34	10.86	9.93	8.60
	30-Jun-23	31-Mar-23	31-Dec-22		
D/E Ratio (times)	1.18	1.16	1.17		

(1) Net Operating Income = Net Interest Income + Non-interest Income

(2) ROAE is calculated from equity attributable to the Company's shareholders

Net Interest Income

Net Interest Income (Million Baht)

	2Q23	1Q23	Change		6M23	6M22	Change	
			+ / (-)	%			+ / (-)	%
Interest Income	1,343	1,268	75	5.91	2,611	2,155	456	21.16
Interbank and Money Market Items – Deposits								
at Financial Institutions	18	12	6	50.00	30	35	(5)	(14.29)
Financial Assets Measured at Fair Value								
through Profit or Loss	3	3	-	-	6	7	(1)	(14.29)
Investments in Debt Securities Measured at								
Amortized Cost	12	17	(5)	(29.41)	29	-	29	100.00
Investments in Debt Securities Measured at								
Fair Value through Other Comprehensive								
Income	106	94	12	12.77	200	54	146	270.37
Loans to Customers	293	238	55	23.11	531	350	181	51.71
Hire Purchase and Financial Lease	911	904	7	0.77	1,815	1,709	106	6.20
Interest Expenses	482	447	35	7.83	929	697	232	33.29
Interbank and Money Market Items - Borrowings								
from Financial Institutions	89	70	19	27.14	159	118	41	34.75
Debts Issued and Borrowings	385	369	16	4.34	754	564	190	33.69
Borrowing Cost	5	5	-	-	10	9	1	11.11
Others	3	3	-	-	6	6	-	-
Net Interest Income	861	821	40	4.87	1,682	1,458	224	15.36

In the second quarter of 2023, the Company and its subsidiaries had 861 million baht in net interest income, an increase of 40 million baht or 4.87 percent from the previous quarter. Interest income was 1,343 million baht, an increase of 75 million baht or 5.91 percent. This was due to the loan expansion of subsidiary companies and the increase in market interest rates, which led to the increase in interest income on loans and interest income on investments. Meanwhile, interest expenses were 482 million baht, an increase of 35 million baht or 7.83 percent from the previous quarter. This was due to the increases in market interest rates and the amount of debt issued and borrowings to support business growth.

For the first six-month period of 2023, the Company and its subsidiaries had 1,682 million baht in net interest income, an increase of 224 million baht or 15.36 percent from the same period last year. Interest income was 2,611 million baht, an increase of 456 million baht or 21.16 percent, due to the increases in asset-based financing, margin loans, and hire purchase loans as well as the increase in interest income on investments. Interest expenses were 929 million baht, an increase of 232 million baht or 33.29 percent from the increases in market interest rates and the amount of debt issued and borrowings to support business growth.

Non-interest Income

Non-interest Income (Million Baht)

	2Q23	1Q23	Change		6M23	6M22	Change	
			+ / (-)	%			+ / (-)	%
Net Fees and Service Income	179	259	(80)	(30.89)	438	612	(174)	(28.43)
Total Operating Income	2,132	1,938	194	10.01	4,070	3,671	399	10.87
Gains on Financial Instruments								
Measured at Fair Value through Profit or Loss	68	2	66	3,300.00	70	436	(366)	(83.94)
Gains (Loss) on Investments	(1)	28	(29)	(103.57)	27	2	25	1,250.00
Share of Profit from Investments Accounted for under Equity Method	1,152	1,101	51	4.63	2,253	1,446	807	55.81
Gains on Property Foreclosed and Other Assets	26	140	(114)	(81.43)	166	29	137	472.41
Net Insurance / Life Insurance Income	673	533	140	26.27	1,206	1,465	(259)	(17.68)
Dividend Income	98	25	73	292.00	123	82	41	50.00
Other Income	116	109	7	6.42	225	211	14	6.64
Total Non-interest Income	2,311	2,197	114	5.19	4,508	4,283	225	5.25

In the second quarter of 2023, non-interest income of the Company and its subsidiaries amounted to 2,311 million baht, an increase of 114 million baht or 5.19 percent from the previous quarter. This was mainly due to the following:

- Net fees and service income amounted to 179 million baht, a decrease of 80 million baht or 30.89 percent. This was mainly due to the decrease in brokerage fees from the lower securities trading volume of Thanachart Securities.
- Other operating income amounted to 2,132 million baht, an increase of 194 million baht or 10.01 percent. This was mainly due to the increase in net insurance / life insurance income from an increase in insurance premium as well as a decrease in life insurance reserve under GPV method following the increase in long-term bond yield, seasonal increase in dividend income, and the increase in share of profit from investments accounted for under equity method from the improvement in operating performance of associated companies.

For the first six-month period of 2023, non-interest income of the Company and its subsidiaries amounted to 4,508 million baht, an increase of 225 million baht or 5.25 percent from the same period last year. This was mainly due to the following:

- Net fees and service income amounted to 438 million baht, a decrease of 174 million baht or 28.43 percent. This was mainly due to the decrease in brokerage fees from the securities business which was in line with the decline in trading volume according to market condition.
- Other operating income amounted to 4,070 million baht, an increase of 399 million baht or 10.87 percent. This was mainly due to the increase in share of profit from investments accounted for under equity method from the improvement in operating performance of associated companies, especially TMBThanachart Bank operating performance which increased by 33.6 percent.

Other Operating Expenses

Other Operating Expenses (Million Baht)

	2Q23	1Q23	Change		6M23	6M22	Change	
			+ / (-)	%			+ / (-)	%
Personnel Expenses	508	522	(14)	(2.68)	1,030	1,005	25	2.49
Premises and Equipment Expenses	69	68	1	1.47	137	139	(2)	(1.44)
Taxes and Duties	12	10	2	20.00	22	10	12	120.00
Directors' Remuneration	51	12	39	325.00	63	62	1	1.61
Other Expenses	236	223	13	5.83	459	388	71	18.30
Total Other Operating Expenses	876	835	41	4.91	1,711	1,604	107	6.67

In the second quarter of 2023, other operating expenses of the Company and its subsidiaries amounted to 876 million baht, an increase of 41 million baht or 4.91 percent from the previous quarter.

For the first six-month period of 2023, other operating expenses of the Company and its subsidiaries amounted to 1,711 million baht, an increase of 107 million baht or 6.67 percent. This was mainly due to computer and work system expenses and legal expenses.

Expected Credit Loss (Reversal)

Expected Credit Loss (Reversal) (Million Baht)

	2Q23	1Q23	Change		6M23	6M22	Change	
			+ / (-)	%			+ / (-)	%
Investments in Debt Securities Measured at Amortized Cost	-	-	-	-	-	(2)	2	100.00
Investments in Debt Securities Measured at Fair Value through Other Comprehensive Income	-	1	(1)	(100.00)	1	(36)	37	102.78
Loans to Customers and Accrued Interest Receivables	188	217	(29)	(13.36)	405	262	143	54.58
Other Assets	(59)	(31)	(28)	(90.32)	(90)	(43)	(47)	(109.30)
Expected Credit Loss	129	187	(58)	(31.02)	316	181	135	74.59

In the second quarter of 2023, the Company and its subsidiaries had expected credit loss in the amount of 129 million baht, a decrease of 58 million baht or 31.02 percent from the previous quarter.

For the first six-month period of 2023, the Company and its subsidiaries had expected credit loss in the amount of 316 million baht, an increase of 135 million baht or 74.59 percent from the same period last year. This was due to an increase in credit-impaired loans of a subsidiary company.

Financial Position

Consolidated Statements of Financial Position (Million Baht)

	30 June 2023		31 December 2022		Change	
	Amount	%	Amount	%	+/(-)	%
Cash	9	0.01	5	0.00	4	80.00
Interbank and Money Market Items - net						
- Deposits at Financial Institutions	3,662	2.27	4,828	3.07	(1,166)	(24.15)
Financial Assets Measured at Fair Value through Profit or Loss	2,023	1.26	2,490	1.59	(467)	(18.76)
Investments - net	20,077	12.46	18,623	11.86	1,454	7.81
Investments in Associated Companies and Joint venture	58,186	36.12	56,986	36.28	1,200	2.11
Net Loans to Customers and Accrued Interest Receivables	65,665	40.77	62,383	39.71	3,282	5.26
Property Foreclosed - net	3,906	2.42	3,854	2.45	52	1.35
Land, Premises, Equipment and Right-of-use Assets - net	632	0.39	682	0.43	(50)	(7.33)
Other Assets	6,922	4.30	7,238	4.61	(316)	(4.37)
Total Assets	161,082	100.00	157,089	100.00	3,993	2.54
Interbank and Money Market Items						
- Borrowings from Financial Institutions	13,826	8.58	16,415	10.45	(2,589)	(15.77)
Debts Issued and Borrowings	52,654	32.69	47,730	30.38	4,924	10.32
Insurance Contracts Liabilities	13,125	8.15	12,543	7.99	582	4.64
Other Liabilities	7,636	4.74	7,870	5.01	(234)	(2.97)
Total Liabilities	87,241	54.16	84,558	53.83	2,683	3.17
Company's Shareholders' Equity	68,110	42.28	66,763	42.50	1,347	2.02
Non-controlling Interests	5,731	3.56	5,768	3.67	(37)	(0.64)
Total Shareholders' Equity	73,841	45.84	72,531	46.17	1,310	1.81
Total Liabilities and Shareholders' Equity	161,082	100.00	157,089	100.00	3,993	2.54
Book Value per Share (Baht)	64.95		63.67			

Assets

As of 30 June 2023, Thanachart Group's total assets amounted to 161,082 million baht, an increase of 3,993 million baht or 2.54 percent from the end of 2022. Key factors were as follows:

- Net interbank and money market items – deposits at financial institutions amounted to 3,662 million baht, a decrease of 1,166 million baht or 24.15 percent. This was due to liquidity management.

- Net investments amounted to 20,077 million baht, an increase of 1,454 million baht or 7.81 percent. This was mainly due to the additional investments in debt securities.
- Investment in associated companies and joint venture amounted to 58,186 million baht, an increase of 1,200 million baht or 2.11 percent. This was mainly due to the additional investments in TMBThanachart Bank and the improvement in operating performance of associated companies.
- Net loans to customers and accrued interest receivables amounted to 65,665 million baht, an increase of 3,282 million baht or 5.26 percent. This was mainly due to the loan expansion of the subsidiaries including Ratchthani Leasing and Thanachart Plus.

Liabilities

Total liabilities of Thanachart Group as of 30 June 2023 **were 87,241 million baht, an increase of 2,683 million baht or 3.17 percent** from the end of 2022. Interbank and money market items - borrowings from financial Institutions and debts issued and borrowings totaled 66,480 million baht, an increase of 2,335 million baht or 3.64 percent. This was due to the issuance and offering of debentures of the Company and its subsidiaries to support business growth.

Shareholders' Equity

Total shareholders' equity as of 30 June 2023 **was 73,841 million baht, an increase of 1,310 million baht or 1.81 percent** from the end of 2022. The total shareholders' equity comprised of the following:

- Equity attributable to the owners of the Company was 68,110 million baht, an increase of 1,347 million baht or 2.02 percent. This was mainly due to the operating net profit of the Company and its subsidiaries in the first six-month of 2023 in the amount of 3,356 million baht and the dividend payment paid from the performance in the second half of 2022 of 1,992 million baht.
- Equity attributable to non-controlling interest amounted to 5,731 million baht, a decrease of 37 million baht or 0.64 percent. This was mainly from the operating results of subsidiary companies.

Operating Results of Subsidiaries

Operating Results of Subsidiaries (Million Baht)

Subsidiaries	% Shareholding	Net Profit (Loss)				
		2Q23	1Q23	2Q22	6M23	6M22
Ratchthani Leasing Public Company Limited (Consol.)	60.61%	425	450	492	875	947
Thanachart Insurance Public Company Limited	89.96%	228	211	199	439	392
Thanachart Securities Public Company Limited	89.96%	62	102	107	164	283
TS AMC Company Limited	99.99%	(4)	71	(6)	67	(12)
MAX AMC Company Limited	83.44%	(4)	(4)	(1)	(8)	(8)
NFS AMC Company Limited	100.00%	7	(10)	(2)	(3)	(2)
T Life Assurance Public Company Limited	100.00%	75	(51)	173	24	276
Thanachart Plus Company Limited	100.00%	38	32	27	70	46

Ratchthani Leasing Public Company Limited (Consolidated)

As of 30 June 2023, Ratchthani Leasing Public Company Limited and its subsidiary had total assets of 56,179 million baht, an increase of 2,270 million baht or 4.21 percent from the end of 2022. The company had **hire purchase and financial leases in the amount of 53,355 million baht, an increase of 1,462 million baht or 2.82 percent** and loans in the amount of 460 million baht, an increase of 252 million baht or 121.15 percent. Total loans represented 95.79 percent of total assets. Total liabilities amounted to 43,905 million baht while shareholders' equity was 12,274 million baht.

Net profit for the second quarter of 2023 amounted to 425 million baht, a decrease of 25 million baht or 5.56 percent from the previous quarter. Total income amounted to 1,143 million baht, a decrease of 48 million baht or 4.03 percent. Interest expenses amounted to 287 million baht, an increase of 25 million baht or 9.54 percent. Expected credit loss amounted to 140 million baht, decreased by 42 million baht or 23.08 percent. **Return on equity (ROE) of the company in the second quarter of 2023 was 13.84 percent.**

Net profit for the first six-month period of 2023 amounted to 875 million baht, representing a decrease of 72 million baht or 7.60 percent from the same period last year. Total income amounted to 2,334 million baht, an increase of 152 million baht or 6.67 percent. Interest expenses amounted to 549 million baht, an increase of 106 million baht or 23.93 percent. Expected credit loss amounted to 322 million baht, an increase of 125 million baht or 63.45 percent due to an increase in credit-impaired loans. However, the company closely monitored and managed credit-impaired loans through various measures to help debtors in the long term as appropriate for each group of customers. **Return on equity (ROE) of the company in the first six-month period of 2023 was 14.33 percent.**

Thanachart Insurance Public Company Limited

In the second quarter of 2023, Thanachart Insurance Public Company Limited had total insurance premium of 2,730 million baht, a decrease of 76 million baht or 2.71 percent from the previous quarter. This was due to lower sales of auto insurance. Auto insurance premium amounted to 2,428 million baht, a decrease of 82 million baht or 3.26 percent

from the previous quarter. At the same time, **the company's total insurance premium in the first six-month period of 2023 amounted to 5,537 million baht, an increase of 686 million baht or 14.14 percent** from the same period last year. This was due to the increase in sales through the broker channels. Auto insurance premium amounted to 4,939 million baht, an increase of 703 million baht or 16.59 percent from the same period last year.

For operating results, **the net profit of the company in the second quarter of 2023 amounted to 228 million baht, an increase of 17 million baht or 8.06 percent** from the previous quarter. This was mainly due to the increase in net earned premium of 82 million baht, although gross premium written decreased, unearned premium reserve reversal increased. Commission and brokerage expenses decreased by 17 million baht in line with the decrease in reinsurance premium. Also, total investment income increased by 8 million baht. However, gross claims and loss adjustment expenses increased by 88 million baht in line with the increasing number of incidents and the increase in auto insurance premium portfolio. **Return on equity (ROE) of the company in the second quarter of 2023 was 14.70 percent.**

For the operating result in the first six-month period of 2023, the company had a net profit of 439 million baht, an increase of 47 million baht or 11.99 percent from the same period last year. This was mainly due to the increase in net earned premium of 558 million baht in line with the increase in gross premium written. Also, fee and commission income from reinsurers increased by 50 million baht in line with the increase in reinsurance premium. Total investment income increased by 149 million baht. However, gross claims and loss adjustment expenses increased by 372 million baht in line with the increasing number of incidents and the increasing in auto insurance premium portfolio since 2022. Commission and brokerage expenses increased by 126 million baht and other underwriting expenses increased by 111 million baht in line with higher insurance premium in line with the increase in gross premium written. **Return on equity (ROE) of the company in the first six-month period of 2023 was 14.30 percent.**

Capital fund at the end of June 2023 was at 537.22 percent, a decrease from 577.19 percent at the end of December 2022. The decrease was due to the increase in market risks which was in line with higher investments in long-term debentures and the increase in insurance risk as insurance premium and incurred loss reserve for auto insurance increased. However, the capital fund was well above the requirement of 140.00 percent set by the Office of Insurance Commission (OIC).

Thanachart Securities Public Company Limited

Average daily securities trading volume of Thanachart Securities Public Company Limited in the second quarter of 2023 was 1,464 million baht, a decrease from the average trading volume of 2,104 million baht in the previous quarter. The company's market share of securities trading was at 1.70 percent. The trading volume could be divided into 63.86 percent of retails, 34.80 percent of institutions, and 1.34 percent of foreign investors. Average daily trading volume of the company in the first six-month period of 2023 was 1,797 million baht, a decrease from the average daily trading volume of 2,939 million baht in the same period last year. However, in the first six-month period last year, the company's customers had large volume of trading transactions (Big Lot) and the average daily trading volume excluded the Big Lot amounted to 2,793 million baht. The company's market share of securities trading in the first six-month period of this year was 1.65 percent. The trading volume could be divided into 63.92 percent of retails, 34.65 percent of institutions, and 1.43 percent of foreign investors.

Net profit for the second quarter of 2023 amounted to 62 million baht, a decrease of 40 million baht or 39.22 percent from the previous quarter. Total income was 290 million baht, a decrease of 75 million baht or 20.55 percent, divided into brokerage fees of 144 million baht, a decrease of 70 million baht or 32.71 percent in line with the trading volume of the company and the decline in trading condition of the stock market; gains and returns on financial

instruments of 18 million baht, a decrease of 10 million baht; fees and service income of 28 million baht; and interest income of 100 million baht, an increase of 12.36 percent in line with the expansion of margin loan transactions and the interest rates increase. Meanwhile, total expenses amounted to 212 million baht, a decrease of 10.92 percent. The company's total expenses consisted of interest expenses and fees and service expenses of 49 million baht and operating expenses of 163 million baht. **Return on equity (ROE) of the company in the second quarter of 2023 was 6.94 percent.**

Net profit for the first six-month period of 2023 amounted to 164 million baht, a decrease of 119 million baht or 42.05 percent from the same period last year. Total income was 655 million baht, a decrease of 22.21 percent. This was mainly due to a 31.94 percent decrease in brokerage income in line with the trading condition of the stock market and the decrease in securities trading volume of the company. According to investment conditions in the stock market, gains and returns on financial instruments amounted to 46 million baht, a decrease of 47.73 percent from the same period last year. Fees and service income amounted to 60 million baht, consisting of fees income related to the investment allocation plan (ZEAL) of 33 million baht, fees income from mutual fund trading of 15 million baht, and debenture underwriting fees and advisory fees of 9 million baht. However, interest income was 189 million baht, an increase of 17.39 percent. Meanwhile, interest expenses amounted to 50 million baht, an increase of 31.38 percent in line with the interest rates increase. Total expenses excluding interest expenses amounted to 400 million baht, a decrease of 11.78 percent in line with the decrease in the company's income. **Return on equity (ROE) of the company in the first six-month period of 2023 was 9.32 percent.**

As of 30 June 2023, the company maintained its liquidity ratio (Net Liquid Capital Rules: NCR) at 54.32 percent, higher than the minimum requirement by the Securities and Exchange Commissions (SEC) of 7.00 percent of general indebtedness and securities pledged.

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