

# MANAGEMENT'S DISCUSSION AND ANALYSIS

For the second quarter and the first six-month period ended 30 June 2024

(Reviewed Financial Statements)

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# THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## Management's Discussion and Analysis (Reviewed Financial Statements)

### Thailand's Economic Outlook and Commercial Banking Industry

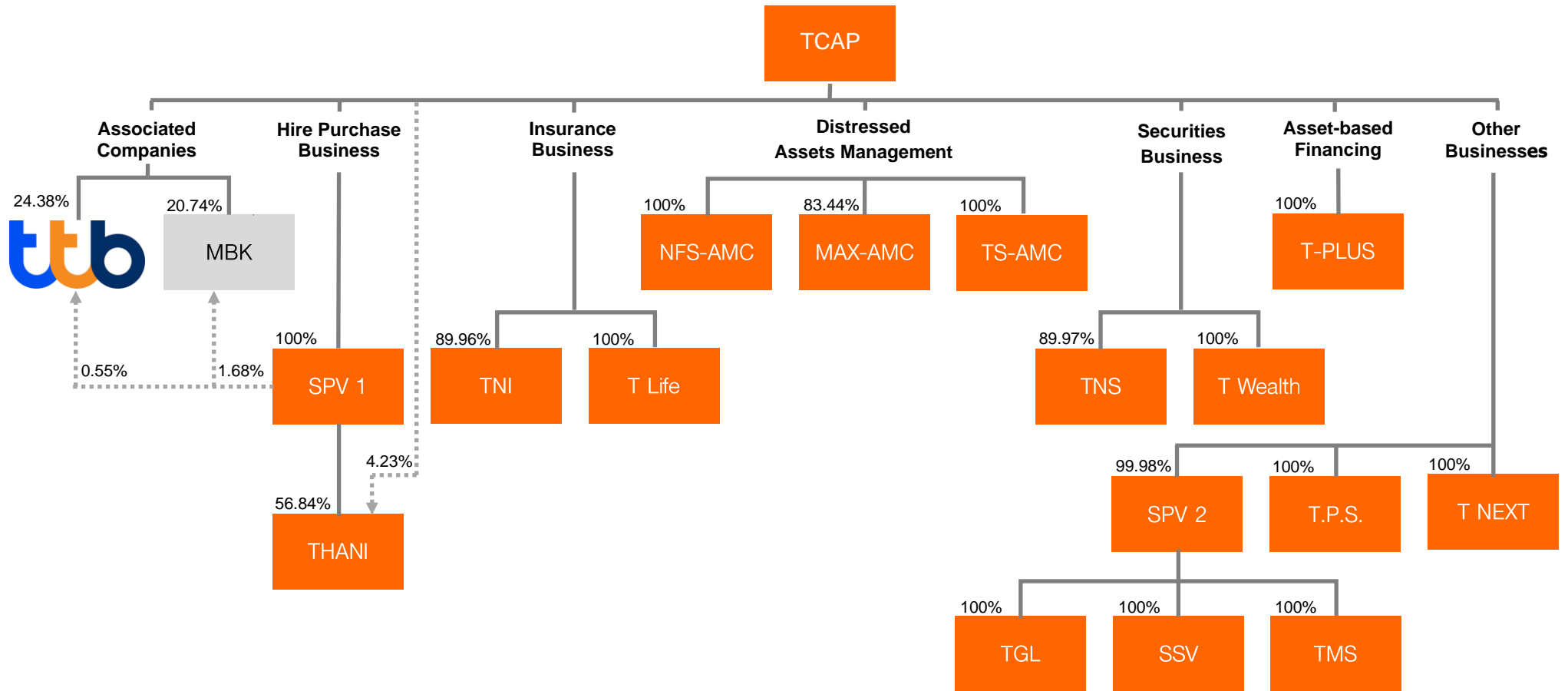
The Thai economy in the second quarter of 2024 was expected to grow slower than the previous quarter. The key factor supporting the economic growth in this quarter remained the expansion of the tourism sector. However, this was hampered by the decline in the average monthly tourists, resulting in a slowdown in tourism-related service businesses. Consumer confidence declined due to concerns over higher living costs and sluggish economic recovery. Meanwhile, exports were expected to grow, driven by a surge in agricultural products entering the market. Government spending rose sharply after the enactment of the 2024 fiscal year budget bill in late April. Inflation increased modestly, driven primarily by higher energy and fresh food prices, but was expected to rise gradually for the remainder of the year. Therefore, the Bank of Thailand's Monetary Policy Committee decided to keep the policy interest rate at 2.50 percent per annum, deeming it suitable for the economic and inflation outlook and supportive of long-term economic and financial stability.

Loans from Thai commercial banks experienced a slight decline in the second quarter of 2024 when compared to the previous quarter. This decline was mainly due to a decrease in retail loans, particularly in automobile hire purchases and credit card financing, stemming from a deterioration in credit quality and increased caution in lending practices among financial institutions. Deposits also declined from the previous quarter, reflecting the decrease in loans. Meanwhile, non-performing loans increased as a result of the fragile economic recovery.

### Key Event in the First Six-month Period of 2024

1. On 5 April 2024, the Annual General Meeting of Shareholders for the year 2024 of the Company had a resolution to pay dividend to shareholders at the rate of 3.20 baht per share or 3,355 million baht in total representing 50.82 percent of the net profit for the year 2023. However, the Company's Board of Directors already approved to make interim dividend payment on 30 October 2023 at the rate of 1.20 baht per share to shareholders. As a result, the remaining dividend payment to be made amounted to 2.00 baht per share. The dividend payment was scheduled to be made on 3 May 2024.

# Thanachart Group's Shareholding Structure As of 30 June 2024



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 Wealth = Thanachart Wealth Securities Co., Ltd., 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., T.P.S. = T.P.S. Asset 1 Co., Ltd., T NEXT = T NEXT Co., Ltd.

## Operating Results for the Second Quarter and the First Six-month Period of 2024

### Performance Overview

In the second quarter of 2024, the Company and its subsidiaries' net profit according to the consolidated financial statements amounted to 2,057 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 255 million baht
- Thanachart Insurance Public Company Limited had a net profit of 263 million baht
- Thanachart Securities Public Company Limited had a net profit of 29 million baht
- Share of profit from investments accounted for under equity method – associated companies and joint venture was 1,411 million baht
- Asset Management Companies and other subsidiaries had net net profits of 75 million baht

As a result, **net profit attributable to the Company amounted to 1,926 million baht, an increase of 164 million baht or 9.31 percent** from the previous quarter. This was mainly due to an increase in non-interest income, particularly dividend income from investments in listed stock and increased net insurance / life insurance income. Additionally, there was a rise in the share of profit from investments accounted for under equity method. Meanwhile, net interest income saw a slight decline, while expected credit losses increased due to conservative loan loss provisioning of a subsidiary.

Earnings per share (EPS) of the Company in the second quarter of 2024 were 1.84 baht, an increase from 1.68 baht. Return on Average Assets (ROAA) and Return on Average Equity of the Company's shareholders (ROAE) were at 4.95 and 10.81 percent, respectively.

In the first six-month period of 2024, the Company and its subsidiaries' net profit according to the consolidated financial statements amounted to 3,981 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 598 million baht
- Thanachart Insurance Public Company Limited had a net profit of 475 million baht
- Thanachart Securities Public Company Limited had a net profit of 95 million baht
- Share of profit from investments accounted for under equity method – associated companies and joint venture was 2,762 million baht
- Asset Management Companies and other subsidiaries had net profits of 5 million baht

As a result, **net profit attributable to the Company amounted to 3,688 million baht, an increase of 332 million baht or 9.89 percent** from the same period last year. This was mainly due to an increase in share of profit from investments accounted for under equity method which increased in line with the performance of associated companies that continued improving. Meanwhile, net interest income decreased in line with a decrease in the outstanding loans of a subsidiary and an increase in interest expenses according to the market interest rate. Expected credit losses increased from a prudent provisioning of a subsidiary to be in line with the fragile economic environment.

EPS of the Company in the first six-month period of 2024 were 3.52 baht, an increase from 3.20 baht. ROAA and ROAE were at 4.83 and 10.38 percent, respectively.

## Financial Highlights

### Financial Highlights

Reviewed Financial Statements	For the 3 months ended			For the 6 months ended	
	30-Jun-24	31-Mar-24	30-Jun-23	30-Jun-24	30-Jun-23
<b>Operating Performance (Million Baht)</b>					
Interest Income	1,298	1,294	1,343	2,592	2,611
Interest Expenses	528	522	482	1,050	929
Net Interest Income	770	772	861	1,542	1,682
Non-interest Income	2,591	2,278	2,311	4,869	4,508
Net Operating Income <sup>(1)</sup>	3,361	3,050	3,172	6,411	6,190
Other Operating Expenses	883	841	876	1,724	1,711
Expected Credit Losses	251	131	129	382	316
Profit before Tax	2,227	2,078	2,167	4,305	4,163
Income Tax	170	154	194	324	403
<b>Profit for the Period</b>	<b>2,057</b>	<b>1,924</b>	<b>1,973</b>	<b>3,981</b>	<b>3,760</b>
<b>Net Profit Attributable to the Company</b>	<b>1,926</b>	<b>1,762</b>	<b>1,777</b>	<b>3,688</b>	<b>3,356</b>
Basic Earnings per Share (Baht)	1.84	1.68	1.69	3.52	3.20
	30-Jun-24	31-Mar-24	31-Dec-23		
<b>Financial Position (Million Baht)</b>					
Net Loans to Customers and Accrued Interest Receivables	63,201	62,726	64,583		
Investments in Associated Companies and Joint Ventures	60,666	60,938	59,324		
Total Assets	163,455	165,704	161,944		
Debts Issued and Borrowings	54,732	56,214	53,321		
Total Liabilities	85,979	87,587	85,837		
Company's Shareholders' Equity	71,437	72,074	70,192		
Non-controlling Interests	6,039	6,043	5,915		
Total Shareholders' Equity	77,476	78,117	76,107		
	30-Jun-24	31-Mar-24	30-Jun-23	30-Jun-24	30-Jun-23
<b>Operating Performance Ratios (Percent)</b>					
ROAA	4.95	4.70	4.90	4.83	4.70
ROAE <sup>(2)</sup>	10.81	9.91	10.48	10.38	9.93
	30-Jun-24	31-Mar-24	31-Dec-23		
D/E Ratio (times)	1.11	1.12	1.13		

(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)

	2Q24	1Q24	Change		6M24	6M23	Change	
			+ / (-)	%			+ / (-)	%
<b>Interest Income</b>	<b>1,298</b>	<b>1,294</b>	<b>4</b>	<b>0.31</b>	<b>2,592</b>	<b>2,611</b>	<b>(19)</b>	<b>(0.73)</b>
Interbank and Money Market Items – Deposits								
at Financial Institutions	49	35	14	40.00	84	30	54	180.00
Financial Assets Measured at Fair Value								
through Profit or Loss	-	-	-	-	-	6	(6)	(100.00)
Investments in Debt Securities Measured at								
Amortized Cost	15	15	-	-	30	29	1	3.45
Investments in Debt Securities Measured at								
Fair Value through Other Comprehensive								
Income	105	114	(9)	(7.89)	219	200	19	9.50
Loans to Customers	298	263	35	13.31	561	531	30	5.65
Hire Purchase and Financial Lease	831	867	(36)	(4.15)	1,698	1,815	(117)	(6.45)
<b>Interest Expenses</b>	<b>528</b>	<b>522</b>	<b>6</b>	<b>1.15</b>	<b>1,050</b>	<b>929</b>	<b>121</b>	<b>13.02</b>
Interbank and Money Market Items - Borrowings								
from Financial Institutions	65	75	(10)	(13.33)	140	159	(19)	(11.95)
Debts Issued and Borrowings	453	437	16	3.66	890	754	136	18.04
Borrowing Cost	7	7	-	-	14	10	4	40.00
Others	3	3	-	-	6	6	-	-
<b>Net Interest Income</b>	<b>770</b>	<b>772</b>	<b>(2)</b>	<b>(0.26)</b>	<b>1,542</b>	<b>1,682</b>	<b>(140)</b>	<b>(8.32)</b>

In the second quarter of 2024, the Company and its subsidiaries had 770 million baht in net interest income, a decrease of 2 million baht or 0.26 percent from the previous quarter. Interest income was 1,298 million baht, an increase of 4 million baht or 0.31 percent. This was due to the loan expansion of Thanachart Plus while hire purchase loans of Ratchthani Leasing declined in line with its tighter lending policy. Meanwhile, interest expenses were 528 million baht, an increase of 6 million baht or 1.15 percent from the previous quarter. This was due to the increase in market interest rates.

For the first six-month period of 2024, the Company and its subsidiaries had 1,542 million baht in net interest income, a decrease of 140 million baht or 8.32 percent from the same period last year. Interest income was 2,592 million baht, a decrease of 19 million baht or 0.73 percent, due to the decrease in hire purchase loans. Interest expenses were 1,050 million baht, an increase of 121 million baht or 13.02 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)

	2Q24	1Q24	Change		6M24	6M23	Change	
			+ / (-)	%			+ / (-)	%
<b>Net Fees and Service Income</b>	<b>150</b>	<b>161</b>	<b>(11)</b>	<b>(6.83)</b>	<b>311</b>	<b>438</b>	<b>(127)</b>	<b>(29.00)</b>
<b>Total Operating Income</b>	<b>2,441</b>	<b>2,117</b>	<b>324</b>	<b>15.30</b>	<b>4,558</b>	<b>4,070</b>	<b>488</b>	<b>11.99</b>
Gains on Financial Instruments								
Measured at Fair Value through Profit or Loss	55	68	(13)	(19.12)	123	70	53	75.71
Gains on Investments	3	25	(22)	(88.00)	28	27	1	3.70
Share of Profit from Investments Accounted for under Equity Method	1,411	1,351	60	4.44	2,762	2,253	509	22.59
Gains (Losses) on Property Foreclosed and Other Assets	22	(26)	48	184.62	(4)	166	(170)	(102.41)
Net Insurance / Life Insurance Income	661	571	90	15.76	1,232	1,206	26	2.16
Dividend Income	195	15	180	1,200.00	210	123	87	70.73
Other Income	94	113	(19)	(16.81)	207	225	(18)	(8.00)
<b>Total Non-interest Income</b>	<b>2,591</b>	<b>2,278</b>	<b>313</b>	<b>13.74</b>	<b>4,869</b>	<b>4,508</b>	<b>361</b>	<b>8.01</b>

In the second quarter of 2024, non-interest income of the Company and its subsidiaries amounted to 2,591 million baht, an increase of 313 million baht or 13.74 percent from the previous quarter. This was mainly due to the following:

- Net fees and service income amounted to 150 million baht, a decrease of 11 million baht or 6.83 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 2,441 million baht, an increase of 324 million baht or 15.30 percent. This was mainly due to the increase in dividend income from the investment in stocks of a listed company as well as the increases in net insurance / life insurance income and share of profit from investments accounted for under equity method.

For the first six-month period of 2024, non-interest income of the Company and its subsidiaries amounted to 4,869 million baht, an increase of 361 million baht or 8.01 percent from the same period last year. This was mainly due to the following:

- Net fees and service income amounted to 311 million baht, a decrease of 127 million baht or 29.00 percent. This was mainly due to the lower brokerage fees from the securities business which was in line with the decline in trading volume according to the market conditions.
- Other operating income amounted to 4,558 million baht, an increase of 488 million baht or 11.99 percent. This was mainly due to the increase in share of profit from investments accounted for under equity method from the operating performance of associated companies which continued improving.

## Other Operating Expenses

### Other Operating Expenses (Million Baht)

	2Q24	1Q24	Change		6M24	6M23	Change	
			+/(-)	%			+/(-)	%
Personnel Expenses	520	529	(9)	(1.70)	1,049	1,030	19	1.84
Premises and Equipment Expenses	72	71	1	1.41	143	137	6	4.38
Taxes and Duties	12	12	-	-	24	22	2	9.09
Directors' Remuneration	52	13	39	300.00	65	63	2	3.17
Other Expenses	227	216	11	5.09	443	459	(16)	(3.49)
<b>Total Other Operating Expenses</b>	<b>883</b>	<b>841</b>	<b>42</b>	<b>4.99</b>	<b>1,724</b>	<b>1,711</b>	<b>13</b>	<b>0.76</b>

In the second quarter of 2024, other operating expenses of the Company and its subsidiaries amounted to 883 million baht, an increase of 42 million baht or 4.99 percent from the previous quarter.

For the first six-month period of 2024, other operating expenses of the Company and its subsidiaries amounted to 1,724 million baht, an increase of 13 million baht or 0.76 percent from the same period last year.

This was mainly due to an increase in personnel expenses from the establishment of new subsidiary companies. Meanwhile, computer and work system expenses declined.

### Expected Credit Loss (Reversal)

#### Expected Credit Loss (Reversal) (Million Baht)

	2Q24	1Q24	Change		6M24	6M23	Change	
			+/(-)	%			+/(-)	%
Interbank and Money Market Items	1	2	(1)	(50.00)	3	-	3	100.00
Investments in Debt Securities Measured at Fair Value through Other Comprehensive Income	-	(1)	1	100.00	(1)	1	(2)	(200.00)
Loans to Customers and Accrued Interest								
Receivables	280	201	79	39.30	481	405	76	18.77
Other Assets	(30)	(71)	41	57.75	(101)	(90)	(11)	(12.22)
<b>Expected Credit Loss</b>	<b>251</b>	<b>131</b>	<b>120</b>	<b>91.60</b>	<b>382</b>	<b>316</b>	<b>66</b>	<b>20.89</b>

In the second quarter of 2024, the Company and its subsidiaries had expected credit loss in the amount of 251 million baht, an increase of 120 million baht or 91.60 percent from the previous quarter. This was from the prudent provisioning of a subsidiary company.

For the first six-month period of 2024, the Company and its subsidiaries had expected credit loss in the amount of 382 million baht, an increase of 66 million baht or 20.89 percent from the same period last year. This was due to an increase in credit-impaired loans and the prudent provisioning of a subsidiary company to be in line with the fragile economic environment.



## Financial Position

### Consolidated Statements of Financial Position (Million Baht)

	30 June 2024		31 December 2023		Change	
	Amount	%	Amount	%	+/(-)	%
Cash	4	0.00	7	0.00	(3)	(42.86)
Interbank and Money Market Items - net						
- Deposits at Financial Institutions	5,605	3.43	4,208	2.60	1,397	33.20
Financial Assets Measured at Fair Value through Profit or Loss	1,845	1.13	1,712	1.06	133	7.77
Investments - net	20,183	12.35	20,158	12.45	25	0.12
Investments in Associated Companies and Joint venture	60,666	37.11	59,324	36.63	1,342	2.26
Net Loans to Customers and Accrued Interest Receivables	63,201	38.67	64,583	39.88	(1,382)	(2.14)
Property Foreclosed - net	4,276	2.62	4,539	2.80	(263)	(5.79)
Land, Premises, Equipment and Right-of-use Assets - net	590	0.36	641	0.40	(51)	(7.96)
Other Assets	7,085	4.33	6,772	4.18	313	4.62
<b>Total Assets</b>	<b>163,455</b>	<b>100.00</b>	<b>161,944</b>	<b>100.00</b>	<b>1,511</b>	<b>0.93</b>
Interbank and Money Market Items						
- Borrowings from Financial Institutions	9,930	6.08	11,477	7.09	(1,547)	(13.48)
Debts Issued and Borrowings	54,732	33.48	53,321	32.93	1,411	2.65
Insurance Contracts Liabilities	13,600	8.32	13,536	8.35	64	0.47
Other Liabilities	7,717	4.72	7,503	4.63	214	2.85
<b>Total Liabilities</b>	<b>85,979</b>	<b>52.60</b>	<b>85,837</b>	<b>53.00</b>	<b>142</b>	<b>0.17</b>
Company's Shareholders' Equity	71,437	43.70	70,192	43.35	1,245	1.77
Non-controlling Interests	6,039	3.70	5,915	3.65	124	2.10
<b>Total Shareholders' Equity</b>	<b>77,476</b>	<b>47.40</b>	<b>76,107</b>	<b>47.00</b>	<b>1,369</b>	<b>1.80</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>163,455</b>	<b>100.00</b>	<b>161,944</b>	<b>100.00</b>	<b>1,511</b>	<b>0.93</b>
Book Value per Share (Baht)	68.12		66.94			

### Assets

As of 30 June 2024, **Thanachart Group's total assets amounted to 163,455 million baht, an increase of 1,511 million baht or 0.93 percent** from the end of 2023. Key factors were as follows:

- Net interbank and money market items – deposits at financial institutions amounted to 5,605 million baht, an increase of 1,397 million baht or 33.20 percent. This was due to liquidity management.

- Net investments amounted to 20,183 million baht, an increase of 25 million baht or 0.12 percent. This was mainly due to the additional investment in the equity instrument while debt instruments decreased from portfolio adjustment.
- Investment in associated companies and joint venture amounted to 60,666 million baht, an increase of 1,342 million baht or 2.26 percent. This was mainly due to the operating performance of associated companies that continued improving.
- Net loans to customers and accrued interest receivables amounted to 63,201 million baht, a decrease of 1,382 million baht or 2.14 percent. This was mainly due to the decrease in loans of Ratchthani Leasing following the tighter lending policy while loans of Thanachart Plus continued growing.

### Liabilities

**Total liabilities of Thanachart Group** as of 30 June 2024 were **85,979 million baht, an increase of 142 million baht or 0.17 percent** from the end of 2023. Interbank and money market items - borrowings from financial Institutions and debts issued and borrowings totaled 64,662 million baht, a decrease of 136 million baht or 0.21 percent. This was from proper asset and liability management.

### Shareholders' Equity

**Total shareholders' equity** as of 30 June 2024 was **77,476 million baht, an increase of 1,369 million baht or 1.80 percent** from the end of 2023. The total shareholders' equity comprised of the following:

- Equity attributable to the owners of the Company was 71,437 million baht, an increase of 1,245 million baht or 1.77 percent. This was mainly due to the operating net profit of the Company and its subsidiaries in the first six-month of 2024 in the amount of 3,688 million baht while there was the dividend payment paid from the performance in the second half of 2023 of 2,097 million baht.
- Equity attributable to non-controlling interest amounted to 6,039 million baht, an increase of 124 million baht or 2.10 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)				
		2Q24	1Q24	2Q23	6M24	6M23
Ratchthani Leasing Public Company Limited (Consol.)	61.07%	255	343	425	598	875
Thanachart Insurance Public Company Limited	89.96%	263	212	228	475	439
Thanachart Securities Public Company Limited	89.97%	29	66	62	95	164
TS AMC Company Limited	100.00%	(7)	(6)	(4)	(13)	67
MAX AMC Company Limited	83.44%	9	(3)	(4)	7	(8)
NFS AMC Company Limited	100.00%	(11)	(10)	7	(21)	(3)
T Life Assurance Public Company Limited	100.00%	41	(24)	75	18	24

**Ratchthani Leasing Public Company Limited (Consolidated)**

As of 30 June 2024, Ratchthani Leasing Public Company Limited and its subsidiary had total assets of 52,183 million baht, a decrease of 3,077 million baht or 5.57 percent from the end of 2023. The company had **hire purchase and financial leases in the amount of 48,841 million baht, a decrease of 2,823 million baht or 5.46 percent** and loan receivables in the amount of 646 million baht, a decrease of 73 million baht or 10.15 percent. Total loans represented 94.83 percent of total assets. Total liabilities amounted to 39,014 million baht while shareholders' equity was 13,169 million baht.

**Net profit for the second quarter of 2024 amounted to 255 million baht, a decrease of 88 million baht or 25.66 percent** from the previous quarter. Total income amounted to 1,074 million baht, a decrease of 37 million baht or 3.33 percent. Interest expenses amounted to 308 million baht, a decrease of 8 million baht or 2.53 percent. Expected credit loss amounted to 263 million baht, increased by 86 million baht or 48.59 percent. **Return on equity (ROE) of the company in the second quarter of 2024 was 7.79 percent.**

**Net profit for the first six-month period of 2024 amounted to 598 million baht, representing a decrease of 277 million baht or 31.66 percent** from the same period last year. Total income amounted to 2,185 million baht, a decrease of 149 million baht or 6.38 percent. Interest expenses amounted to 624 million baht, an increase of 75 million baht or 13.66 percent. Expected credit loss amounted to 440 million baht, an increase of 118 million baht or 36.65 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 2024 was 9.32 percent.**

**Thanachart Insurance Public Company Limited**

**In the second quarter of 2024**, Thanachart Insurance Public Company Limited had **total insurance premium of 2,621 million baht, a decrease of 228 million baht or 8.00 percent** from the previous quarter. This was due to lower sales of auto insurance. Auto insurance premium amounted to 2,336 million baht, a decrease of 241 million baht or 9.36 percent from the previous quarter. At the same time, **the company's total insurance premium in the first six-month period of 2024 amounted to 5,470 million baht, a decrease of 67 million baht or 1.21 percent** from the same period last year. This was a result of higher competition in the market which caused a decrease in sales through the broker channels. Auto insurance premium amounted to 4,912 million baht, a decrease of 26 million baht or 0.54 percent from the same period last year.

For operating results, **the net profit of the company in the second quarter of 2024 amounted to 263 million baht, an increase of 51 million baht or 23.83 percent** from the previous quarter. This was mainly due to a decrease of 47 million baht in commission and brokerage expenses which was in line with the decrease in reinsurance premium. Investment income increased by 18 million baht while net earned premium decreased by 20 million baht as premium declined. However, gross claims and loss adjustment expenses increased by 13 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 2024 was 16.22 percent.**

**For the operating result in the first six-month period of 2024, the company had a net profit of 475 million baht, an increase of 36 million baht or 8.13 percent** from the same period last year. This was mainly due to the increase in net earned premium of 366 million baht as unearned premium reserve decreased. Total investment income increased by 72 million baht and fee and commission income from reinsurers increased by 33 million baht. However, gross claims

and loss adjustment expenses increased by 418 million baht in line with the increasing number of incidents and the increasing in auto insurance premium portfolio while operating expenses increased by 25 million baht. **Return on equity (ROE) of the company in the first six-month period of 2024 was 14.83 percent.**

Capital fund at the end of June 2024 was at 608.39 percent, an increase from 535.73 percent at the end of December 2023. The increase was due to the decrease in market risks following the adjustment of debenture investment portfolio by shortening the duration and investing more in good rating debentures. Meanwhile, insurance risk increased as 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 2024 was 1,285 million baht, a decrease from the average trading volume of 2,428 million baht in the previous quarter. This was due to the fact that in the previous quarter, there were large securities trading transactions (Big Lot) from customers of the company. The average daily trading volume excluding Big Lot amounted to 1,257 million baht. The company's market share of securities trading in the second quarter of 2024 was at 1.53 percent. The trading volume could be divided into 63.33 percent of retails, 33.77 percent of institutions, and 2.90 percent of foreign investors. Average daily trading volume of the company in the first six-month period of 2024 was 1,885 million baht, an increase from the average daily trading volume of 1,797 million baht in the same period last year. However, in the first six-month period this 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 1,262 million baht. The company's market share of securities trading in the first six-month period of this year was 2.23 percent. The trading volume could be divided into 58.67 percent of retails, 24.06 percent of institutions, and 17.27 percent of foreign investors.

**Net profit for the second quarter of 2024 amounted to 29 million baht, a decrease of 37 million baht** from the previous quarter. Total income was 237 million baht, a decrease of 62 million baht or 20.74 percent, divided into brokerage fees of 115 million baht, a decrease of 22 million baht or 16.06 percent; fees and service income of 29 million baht, close to that of the previous quarter; gains and returns on financial instruments decreased by 36 million baht; and interest income of 93 million baht, a slight decrease from the previous quarter. Meanwhile, total expenses amounted to 201 million baht, a decrease of 6.94 percent. The company's total expenses consisted of interest expenses and fees and service expenses of 44 million baht and operating expenses of 157 million baht. **Return on equity (ROE) of the company in the second quarter of 2024 was 3.28 percent.**

**Net profit for the first six-month period of 2024 amounted to 95 million baht, a decrease of 69 million baht or 42.07 percent** from the same period last year. Total income was 536 million baht, a decrease of 18.17 percent. This was mainly due to a 29.61 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 30 million baht, a decrease of 34.78 percent from the same period last year. Fees and service income amounted to 59 million baht, consisting of fees income related to the investment allocation plan (ZEAL) of 26 million baht, fees income from mutual fund trading of 25 million baht, and underwriting fees and advisory fees of 4 million baht. However, interest income was 191 million baht, a slight increase from the same period last year. Meanwhile, interest expenses amounted to 57 million baht, an increase of 14.00 percent. Total expenses excluding interest expenses amounted to 360 million baht, a decrease of 10.00 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 2024 was 5.43 percent.**

As of 30 June 2024, the company maintained its liquidity ratio (Net Liquid Capital Rules: NCR) at 59.60 percent, higher than the minimum requirement by the Securities and Exchange Commissions (SEC) of 7.00 percent of general indebtedness and securities pledged.

#### Disclaimer

Thanachart Capital Public Company Limited ('the Company') had provided this report to publish the Company's performance. Information contained in this report is the Company's past performance. Some information may be based on financial information and any information from the other sources as of the date of this report, which are subject to be changed according to economies and politics both inside and outside country. The readers or recipients should consider the information carefully and please use your discretion before making a decision in any transaction. However, the Company reserves the right with its own discretion to amend or modify the information contained in this report without any prior notice. The Company shall have no responsibility for any inaccuracy, inappropriate or incomplete of any information contained in this report.