MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fourth quarter and full year ended 31 December 2024

(Audited Financial Statements)

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THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Management's Discussion and Analysis (Audited Financial Statements)

Thailand's Economic Outlook and Commercial Banking Industry

Thai economic growth for 2024 was at 2.5 percent, up from 2.0 percent in 2023. However, this was below initial forecasts and uneven, driven mainly by tourism sector's resurgence and its positive impact on service sector activity and employment. Export growth also contributed, fueled by increased demand from trading partners and the growth of government spending, which expanded in line with economic stimulus measures and budget disbursement. Nevertheless, household spending remained constrained by elevated levels of household debt, and the business sector continued to grapple with structural issues affecting competitiveness. The Bank of Thailand projected a headline inflation rate of 0.4% for 2024. In response, the Monetary Policy Committee (MPC) lowered the policy interest rate by 25 basis points from 2.50% per annum to 2.25% per annum in October 2024, taking into account prevailing economic trends, the inflation target, and heightened near-term uncertainties.

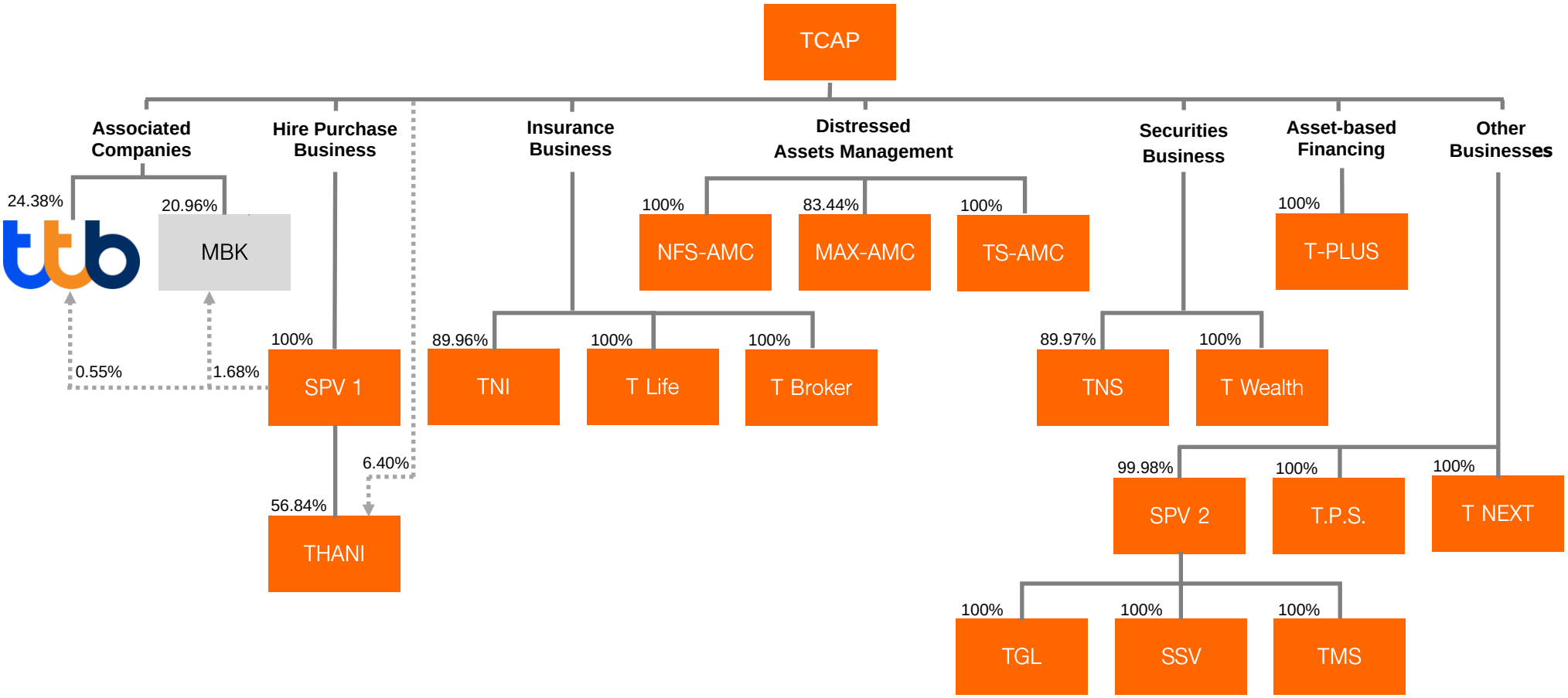
In 2024, commercial bank loans in Thailand experienced a slight decline compared to the previous year. This decrease was primarily attributable to a reduction in retail loans, particularly hire-purchase loans, which correlated with low car sales. A decrease in SME lending also contributed to this trend, driven by concerns regarding credit risk and competitiveness. On the other hand, deposits increased, primarily in the form of fixed deposits, consistent with the high interest rate environment prevalent during the nine-month period of the year. Non-performing loans saw an increase, reflecting the uneven pace of economic recovery and the persistent high debt burden.

The Thai economy is projected to expand in 2025, albeit at a reduced rate. Growth will be primarily driven by the ongoing expansion of the tourism sector, government expenditure, private consumption, and technology product exports. However, the economy still faces pressures from external and internal factors, including major economies' policies, trading partner slowdowns, geopolitical conflicts, and household debt, among others. The Office of the National Economic and Social Development Council (NESDC) forecasts that the Thai economy will expand in the range of 2.3 - 3.3 percent, with a median projection of 2.8 percent.

Key Event in 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.
2. On 2 September 2024, the Board of Directors of the Company had a resolution to approve the interim dividend payment at a rate of 1.25 baht per share or 1,311 million baht to the shareholders of the Company. The list of shareholders entitled to receive the interim dividend was set on 13 September 2024 and the payment of the interim dividend was made on 30 September 2024.
3. On 7 November 2024, the Company as a major shareholder of Thanachart Securities Public Company Limited (TNS) has signed the Non-binding Memorandum of Understanding with TMBThanachart Bank Public Company Limited (TTB) regarding the purchase and sale of all TNS's shares, held by TCAP, to TTB. By having a large commercial bank as a major shareholder of TNS, this will help enhance financial strength and business network of TNS which will be beneficial to employees, customers, and all stakeholders. In addition, the Company is still an indirect shareholder of TNS by being one of the major shareholders of TTB with a shareholding of around 25 percent.

Thanachart Group's Shareholding Structure As of 31 December 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., T Broker = T Broker Co., Ltd., 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 Fourth Quarter and Full Year of 2024

Performance Overview

In the fourth quarter of 2024, the Company and its subsidiaries' net profit according to the consolidated financial statements amounted to 1,371 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 122 million baht
- Thanachart Insurance Public Company Limited had a net profit of 70 million baht
- Thanachart Securities Public Company Limited had a net loss of 177 million baht
- Share of profit from investments accounted for under equity method – associated companies and joint venture was 1,412 million baht

As a result, **net profit attributable to the Company amounted to 1,337 million baht, a decrease of 284 million baht or 17.52 percent** from the previous quarter. This was mainly due to a decrease in non-interest income in accordance with the decrease in net insurance income as a result of the increase in insurance premium while unearned premium reserve increased. In addition, dividend income from investments decreased as well. Meanwhile, the expected credit losses of a subsidiary company increased, due to the fact that there were expected credit losses provided for the default on margin loans and receivables resulting from closing block trade transactions. However, share of profit from investments accounted for under equity method continued increasing.

Earnings per share (EPS) of the Company in the fourth quarter of 2024 were 1.28 baht, a decrease from 1.55 baht. Return on Average Assets (ROAA) and Return on Average Equity of the Company's shareholders (ROAE) were at 3.36 and 7.36 percent, respectively.

In 2024, the Company and its subsidiaries' net profit according to the consolidated financial statements amounted to 7,027 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 800 million baht
- Thanachart Insurance Public Company Limited had a net profit of 733 million baht
- Thanachart Securities Public Company Limited had a net loss of 21 million baht
- Share of profit from investments accounted for under equity method – associated companies and joint venture was 5,565 million baht

As a result, **net profit attributable to the Company amounted to 6,646 million baht, an increase of 43 million baht or 0.65 percent** from the previous 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 operating performances of associated companies. Meanwhile, net interest income decreased, due mainly to the interest income on hire purchase loans of Ratchthani Leasing from its stricter lending policy and the slowdown in the trucking industry. However, the loan portfolio of Thanachart Plus continued expanding. Interest expenses increased in line with the increased market interest rates. Expected credit losses increased from the default of a margin loans debtor and the receivables resulting from the closing block trade transactions.

EPS of the Company in 2024 were 6.34 baht, an increase from 6.30 baht. ROAA and ROAE were at 4.29 and 9.27 percent, respectively.

Financial Highlights

Financial Highlights

	For the 3 months ended			For the year ended	
Audited Financial Statements	31-Dec-24	30-Sep-24	31-Dec-23	31-Dec-24	31-Dec-23
Operating Performance (Million Baht)					
Interest Income	1,301	1,299	1,365	5,191	5,338
Interest Expenses	520	525	526	2,095	1,964
Net Interest Income	781	774	839	3,096	3,374
Non-interest Income	2,026	2,240	2,001	9,137	8,954
Net Operating Income (1)	2,807	3,014	2,840	12,233	12,328
Other Operating Expenses	871	863	862	3,458	3,410
Expected Credit Losses	536	398	362	1,316	1,016
Profit before Tax	1,400	1,753	1,616	7,459	7,902
Income Tax	29	78	103	432	695
Profit for the Period	**1,371**	**1,675**	**1,513**	**7,027**	**7,207**
Net Profit Attributable to the Company	**1,337**	**1,621**	**1,435**	**6,646**	**6,603**
Basic Earnings per Share (Baht)	1.28	1.55	1.37	6.34	6.30

	31-Dec-24	30-Sep-24	31-Dec-23
Financial Position (Million Baht)			Restated
Net Loans to Customers and Accrued Interest Receivables	59,257	62,317	64,583
Investments in Associated Companies and Joint Ventures	61,940	62,093	59,085
Total Assets	164,697	164,519	161,646
Debts Issued and Borrowings	52,859	54,734	53,321
Total Liabilities	85,748	86,664	85,832
Company's Shareholders' Equity	73,124	71,982	69,915
Non-controlling Interests	5,825	5,873	5,899
Total Shareholders' Equity	78,949	77,855	75,814

	31-Dec-24	30-Sep-24	31-Dec-23	31-Dec-24	31-Dec-23
Operating Performance Ratios (Percent)			Restated		Restated
ROAA	3.36	4.12	3.72	4.29	4.48
ROAE (2)	7.36	9.01	8.26	9.27	9.66

	31-Dec-24	30-Sep-24	31-Dec-23
D/E Ratio (times)	1.09	1.11	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)

	4Q24	3Q24	Change +/(-)	Change %	2024	2023	Change +/(-)	Change %
Interest Income	**1,301**	**1,299**	**2**	**0.15**	**5,191**	**5,338**	**(147)**	**(2.75)**
Interbank and Money Market Items – Deposits at Financial Institutions	44	37	7	18.92	166	70	96	137.14
Financial Assets Measured at Fair Value through Profit or Loss	-	-	-	-	-	8	(8)	(100.00)
Investments in Debt Securities Measured at Amortized Cost	15	15	-	-	60	59	1	1.69
Investments in Debt Securities Measured at Fair Value through Other Comprehensive Income	104	101	3	2.97	424	431	(7)	(1.62)
Loans to Customers	361	336	25	7.44	1,257	1,146	111	9.69
Hire Purchase and Financial Lease	777	810	(33)	(4.07)	3,284	3,624	(340)	(9.38)
Interest Expenses	**520**	**525**	**(5)**	**(0.95)**	**2,095**	**1,964**	**131**	**6.67**
Interbank and Money Market Items - Borrowings from Financial Institutions	69	72	(3)	(4.17)	281	338	(57)	(16.86)
Debts Issued and Borrowings	443	443	-	-	1,776	1,591	185	11.63
Borrowing Cost	6	7	(1)	(14.29)	27	23	4	17.39
Others	2	3	(1)	(33.33)	11	12	(1)	(8.33)
Net Interest Income	**781**	**774**	**7**	**0.90**	**3,096**	**3,374**	**(278)**	**(8.24)**

In the fourth quarter of 2024, the Company and its subsidiaries had 781 million baht in net interest income, an increase of 7 million baht or 0.90 percent from the previous quarter. Interest income was 1,301 million baht, an increase of 2 million baht or 0.15 percent while interest expenses were 520 million baht, a decrease of 5 million baht or 0.95 percent.

For the year 2024, the Company and its subsidiaries had 3,096 million baht in net interest income, a decrease of 278 million baht or 8.24 percent from the previous year. Interest income was 5,191 million baht, a decrease of 147 million baht or 2.75 percent, due mainly to the decrease in the hire purchase loans of Ratchthani Leasing from its stricter lending policy and the slowdown of the trucking industry. Interest expenses were 2,095 million baht, an increase of 131 million baht or 6.67 percent from the increase in financial cost in accordance with the high market interest rate during the nine-month period of 2024.

Non-interest Income

Non-interest Income (Million Baht)

	4Q24	3Q24	Change +/(-)	Change %	2024	2023	Change +/(-)	Change %
Net Fees and Service Income	**140**	**164**	**(24)**	**(14.63)**	**615**	**782**	**(167)**	**(21.36)**
Total Operating Income	**1,886**	**2,076**	**(190)**	**(9.15)**	**8,522**	**8,172**	**350**	**4.28**
Gains on Financial Instruments Measured at Fair Value through Profit or Loss	22	22	-	-	167	328	(161)	(49.09)
Gains (Losses) on Investments	2	6	(4)	(66.67)	36	(61)	97	159.02
Share of Profit from Investments Accounted for under Equity Method	1,412	1,391	21	1.51	5,565	4,663	902	19.34
Gains (Losses) on Property Foreclosed and Other Assets	(104)	(57)	(47)	(82.46)	(165)	98	(263)	(268.37)
Net Insurance / Life Insurance Income	430	536	(106)	(19.78)	2,198	2,346	(148)	(6.31)
Dividend Income	11	88	(77)	(87.50)	309	218	91	41.74
Other Income	113	90	23	25.56	412	580	(168)	(28.97)
Total Non-interest Income	**2,026**	**2,240**	**(214)**	**(9.55)**	**9,137**	**8,954**	**183**	**2.04**

In the fourth quarter of 2024, non-interest income of the Company and its subsidiaries amounted to 2,026 million baht, a decrease of 214 million baht or 9.55 percent from the previous quarter. This was mainly due to the following:

- Net fees and service income amounted to 140 million baht, a decrease of 24 million baht or 14.63 percent. This was mainly due to the decrease in brokerage fees from the lower securities trading volume which was in line with the market conditions.
- Other operating income amounted to 1,886 million baht, a decrease of 190 million baht or 9.15 percent. This was mainly due to the decreases in net insurance / life insurance income and dividend income. Meanwhile, share of profit from investments accounted for under equity method continued increasing.

For the year 2024, non-interest income of the Company and its subsidiaries amounted to 9,137 million baht, an increase of 183 million baht or 2.04 percent from the previous year. This was mainly due to the following:

- Net fees and service income amounted to 615 million baht, a decrease of 167 million baht or 21.36 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 8,522 million baht, an increase of 350 million baht or 4.28 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. Meanwhile, there were losses on impairment of repossessed trucks due to unfavorable market conditions. In addition, net insurance / life insurance income decreased.

Other Operating Expenses

Other Operating Expenses (Million Baht)

	4Q24	3Q24	Change		2024	2023	Change	
			+/(-)	%			+/(-)	%
Personnel Expenses	500	528	(28)	(5.30)	2,077	2,058	19	0.92
Premises and Equipment Expenses	70	71	(1)	(1.41)	284	281	3	1.07
Taxes and Duties	14	14	-	-	52	48	4	8.33
Directors' Remuneration	14	13	1	7.69	91	90	1	1.11
Other Expenses	273	237	36	15.19	954	933	21	2.25
Total Other Operating Expenses	**871**	**863**	**8**	**0.93**	**3,458**	**3,410**	**48**	**1.41**

In the fourth quarter of 2024, other operating expenses of the Company and its subsidiaries amounted to 871 million baht, an increase of 8 million baht or 0.93 percent from the previous quarter.

For the year 2024, other operating expenses of the Company and its subsidiaries amounted to 3,458 million baht, an increase of 48 million baht or 1.41 percent from the previous year. This was mainly due to an increase in personnel expenses from the increase in the number of employees of subsidiaries. In addition, the other expenses increased due to the contribution to the General Insurance Fund from the increase in contribution rate from 0.25 percent to 0.50 percent.

Expected Credit Loss (Reversal)

Expected Credit Loss (Reversal) (Million Baht)

	4Q24	3Q24	Change		2024	2023	Change	
			+/(-)	%			+/(-)	%
Interbank and Money Market Items	6	-	6	100.00	9	-	9	100.00
Investments in Debt Securities Measured at Fair Value through Other Comprehensive Income	(27)	10	(37)	(370.00)	(18)	1	(19)	(1,900.00)
Loans to Customers and Accrued Interest Receivables	448	424	24	5.66	1,353	1,221	132	10.81
Other Assets	(50)	(36)	(14)	(38.89)	(187)	(206)	19	9.22
Provisions	159	-	159	100.00	159	-	159	100.00
Expected Credit Loss	**536**	**398**	**138**	**34.67**	**1,316**	**1,016**	**300**	**29.53**

In the fourth quarter of 2024, the Company and its subsidiaries had expected credit loss in the amount of 536 million baht, an increase of 138 million baht or 34.67 percent from the previous quarter.

For the year 2024, the Company and its subsidiaries had expected credit loss in the amount of 1,316 million baht, an increase of 300 million baht or 29.53 percent from the previous year. This was mainly due to the fact

that there were expected credit losses from the default of a margin loans debtor and the receivables resulting from the closing block trade transactions.

Financial Position

Consolidated Statements of Financial Position (Million Baht)

	31 December 2024		31 December 2023 Restated		Change	
	Amount	%	Amount	%	+/(-)	%
Cash	2	0.00	7	0.00	(5)	(71.43)
Interbank and Money Market Items - net						
- Deposits at Financial Institutions	9,466	5.75	4,208	2.60	5,258	124.95
Financial Assets Measured at Fair Value through Profit or Loss	2,419	1.47	1,712	1.06	707	41.30
Investments - net	19,327	11.73	20,158	12.47	(831)	(4.12)
Investments in Associated Companies and Joint venture	61,940	37.61	59,085	36.55	2,855	4.83
Net Loans to Customers and Accrued Interest Receivables	59,257	35.98	64,583	39.95	(5,326)	(8.25)
Property Foreclosed - net	4,623	2.81	4,539	2.81	84	1.85
Land, Premises, Equipment and Right-of-use Assets - net	493	0.30	574	0.36	(81)	(14.11)
Other Assets	7,170	4.35	6,780	4.20	390	5.75
Total Assets	**164,697**	**100.00**	**161,646**	**100.00**	**3,051**	**1.89**
Interbank and Money Market Items						
- Borrowings from Financial Institutions	10,765	6.54	11,477	7.10	(712)	(6.20)
Debts Issued and Borrowings	52,859	32.09	53,321	32.99	(462)	(0.87)
Insurance Contracts Liabilities	14,798	8.98	13,536	8.37	1,262	9.32
Other Liabilities	7,326	4.45	7,498	4.64	(172)	(2.29)
Total Liabilities	**85,748**	**52.06**	**85,832**	**53.10**	**(84)**	**(0.10)**
Company's Shareholders' Equity	73,124	44.40	69,915	43.25	3,209	4.59
Non-controlling Interests	5,825	3.54	5,899	3.65	(74)	(1.25)
Total Shareholders' Equity	**78,949**	**47.94**	**75,814**	**46.90**	**3,135**	**4.14**
Total Liabilities and Shareholders' Equity	**164,697**	**100.00**	**161,646**	**100.00**	**3,051**	**1.89**
Book Value per Share (Baht)	69.73		66.67			

Assets

As of 31 December 2024, **Thanachart Group's total assets amounted to 164,697 million baht, an increase of 3,051 million baht or 1.89 percent** from the end of 2023. Key factors were as follows:

- Net interbank and money market items – deposits at financial institutions amounted to 9,466 million baht, an increase of 5,258 million baht or 124.95 percent. This was due to liquidity management.
- Net investments amounted to 19,327 million baht, a decrease of 831 million baht or 4.12 percent. This was mainly due to the decrease in debt instruments from portfolio adjustment while the equity instruments increased from the additional investments.
- Investment in associated companies and joint venture amounted to 61,940 million baht, an increase of 2,855 million baht or 4.83 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 59,257 million baht, a decrease of 5,326 million baht or 8.25 percent. This was mainly due to the decrease in hire purchase loans of Ratchthani Leasing following the tighter lending policy and the slowdown in the trucking industry while loans of Thanachart Plus continued growing.

Liabilities

Total liabilities of Thanachart Group as of 31 December 2024 **were 85,748 million baht, a decrease of 84 million baht or 0.10 percent** from the end of 2023. Interbank and money market items - borrowings from financial Institutions and debts issued and borrowings totaled 63,624 million baht, a decrease of 1,174 million baht or 1.81 percent. This was from proper asset and liability management to be in line with the declining interest rate trend.

Shareholders' Equity

Total shareholders' equity as of 31 December 2024 **was 78,949 million baht, an increase of 3,135 million baht or 4.14 percent** from the end of 2023. The total shareholders' equity comprised of the following:

- Equity attributable to the owners of the Company was 73,124 million baht, an increase of 3,209 million baht or 4.59 percent. This was mainly due to the operating net profit of the Company and its subsidiaries in 2024 of 6,646 million baht and the dividend payment of 3,408 million baht .
- Equity attributable to non-controlling interest amounted to 5,825 million baht, a decrease of 74 million baht or 1.25 percent. This was mainly from a decrease in shareholding proportion of non-controlling interest as the Company increased its investments in a subsidiary company during the year.

Operating Results of Subsidiaries

Operating Results of Subsidiaries (Million Baht)

Subsidiaries	% Shareholding	Net Profit (Loss)				
		4Q24	3Q24	4Q23	2024	2023
Ratchthani Leasing Public Company Limited (Consol.)	63.24%	122	80	162	800	1,287
Thanachart Insurance Public Company Limited	89.96%	70	188	90	733	697
Thanachart Securities Public Company Limited	89.97%	(177)	61	64	(21)	307
TS AMC Company Limited	100.00%	(8)	(9)	(5)	(29)	56
MAX AMC Company Limited	83.44%	(9)	(3)	(8)	(5)	(21)
NFS AMC Company Limited	100.00%	(14)	(12)	(11)	(46)	(27)
T Life Assurance Public Company Limited	100.00%	(39)	(54)	(78)	(76)	32

Ratchthani Leasing Public Company Limited (Consolidated)

As of 31 December 2024, Ratchthani Leasing Public Company Limited and its subsidiary had total assets of 51,163 million baht, a decrease of 4,097 million baht or 7.41 percent from the end of 2023. **The company had hire purchase and financial leases in the amount of 44,700 million baht, a decrease of 6,964 million baht or 13.48 percent**, due mainly from its tighter lending policy and a slowdown in trucking industry while the company had loan receivables in the amount of 972 million baht, an increase of 253 million baht or 35.19 percent. Total loans represented 89.27 percent of total assets. Total liabilities amounted to 37,798 million baht while shareholders' equity was 13,364 million baht.

Net profit for the fourth quarter of 2024 amounted to 122 million baht, an increase of 42 million baht or 52.50 percent from the previous quarter, due to the lower expected credit losses. In this regard, the expected credit losses amounted to 269 million baht, a decrease of 134 million baht or 33.25 percent. The company still adhered to the principle of caution in setting aside reserves by considering risks that may occur in the future through additional management overlay provisions. This helped ensure that reserves were at a sufficient level to cope with risks that might arise from fluctuations in the global economy and the domestic economy that might affect the recovery of the Thai economy in the future. In addition, the company remined cautious and maintained the quality of loan portfolio with a plan to improve its quality of loan portfolio by reducing the risks of weak loans continuously and tightening the new lending criteria. **Return on equity (ROE) of the company in the fourth quarter of 2024 was 3.65 percent.**

Net profit for the year 2024 amounted to 800 million baht, representing a decrease of 487 million baht or 37.84 percent from the previous year. This was mainly due to the fact that the total income amounted to 4,229 million baht, a decrease of 368 million baht or 8.01 percent while interest expenses amounted to 1,210 million baht, an increase of 38 million baht or 3.24 percent. In addition, the expected credit losses amounted to 1,112 million baht, an increase of 64 million baht or 6.11 percent in order to support the loan quality that has been affected by the uneven economic recovery. **ROE of the company in 2024 was 6.14 percent.**

Thanachart Insurance Public Company Limited

In the fourth quarter of 2024, Thanachart Insurance Public Company Limited had **total insurance premium of 3,315 million baht, an increase of 606 million baht or 22.37 percent** from the previous quarter. This was due to the fact that insurance sales in the last quarter of the year are higher than those in other quarters. Auto insurance premium amounted to 3,080 million baht, an increase of 627 million baht or 25.56 percent from the previous quarter. At the same time, **the company's total insurance premium in the year 2024 amounted to 11,494 million baht, a decrease of 56 million baht or 0.48 percent** from the previous year. This was a result of higher competition in the market. Auto insurance premium amounted to 10,445 million baht, an increase of 46 million baht or 0.44 percent from the previous year as a result of the development of products and services to reach target customers and the continuous expansion of distribution channels.

For operating results, **the net profit of the company in the fourth quarter of 2024 amounted to 70 million baht, a decrease of 118 million baht or 62.77 percent** from the previous quarter. This was mainly due to a decrease of 35 million baht in net earned premium as unearned premium reserve increased. Investment income decreased by 18 million baht while commission and brokerage expenses increased by 96 million baht. In addition, other underwriting expenses increased by 28 million baht in line with the increase in insurance premium. Meanwhile, fees and commission income on reinsurers increased by 25 million baht in line with the increase in reinsurance premium. **ROE of the company in the fourth quarter of 2024 was 4.17 percent.**

For the operating result of 2024, the company had a net profit of 733 million baht, an increase of 36 million baht or 5.16 percent from the previous year**.** This was mainly due to the increase in net earned premium of 358 million baht as unearned premium reserve decreased following the falling insurance premium. Investment income increased by 131 million baht and fee and commission income on reinsurers increased by 114 million baht. However, gross claims and loss adjustment expenses increased by 575 million baht in line with the increasing number of incidents as auto insurance premium increased. Operating expenses increased by 47 million baht. **ROE of the company in 2024 was 11.25 percent.**

Capital fund at the end of December 2024 was at 629.28 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 risks increased and credit risks also 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 fourth quarter of 2024 was 1,303 million baht, a decrease from the average trading volume of 1,446 million baht in the previous quarter as the market condition declined. The company's market share of securities trading in the fourth quarter of 2024 was at 1.49 percent, a decrease from 1.58 percent in the previous quarter. The trading volume could be divided into 57.57 percent of retails, 40.78 percent of institutions, and 1.65 percent of foreign investors. Average daily trading volume of the company in 2024 was 1,626 million baht, a slight increase from the average daily trading volume of 1,600 million baht in the previous year. The company's market share of securities trading in 2024 was at 1.62 percent. However, this year, the company's customers had large volume of trading transactions (Big Lot) and the average daily trading volume excluding the Big Lot amounted to 1,310 million baht. The trading volume could be divided into 59.50 percent of retails, 29.66 percent of institutions, and 10.84 percent of foreign investors.

For the operating results in the fourth quarter of 2024, the company had a net loss of 177 million baht when compared to a net profit of 61 million baht in the previous quarter. Brokerage fees decreased by 26 million baht as the company's trading volume decreased, which was in line with the declined investment situation in the stock market. Total interest income decreased by 6 million baht, due mainly to a decrease in the margin loans volume and a decrease in interest rate. At the same time, the company realized expected credit losses increased in this quarter. Total expenses including fees and service expenses and interest expenses were 171 million baht, a decrease of 28 million baht, due to the company's cost control measures.

For the operating results of 2024, the company had a net loss in the amount of 21 million baht when compared to a net profit of 307 million baht in the previous year. Total income was 1,064 million baht, a decrease of 15.62 percent. This was mainly due to a 17.48 percent decrease in brokerage income in line with the trading conditions 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 65.31 percent. Interest income was 379 million baht while fees and service income amounted to 117 million baht. Total expenses amounted to 1,091 million baht, an increase from the previous year of 881 million baht. This was mainly due to the fact that there were expected credit losses from the default of a margin loans debtor and the receivables resulting from the closing block trade transactions. Meanwhile, total expenses amounted to 790 million baht, a decrease of 10.33 percent in line with the decrease in the company's income.

As of 31 December 2024, the company maintained its liquidity ratio (Net Liquid Capital Rules: NCR) at 78.92 percent, higher than the minimum requirement by the Securities and Exchange Commissions (SEC) of 7.00 percent of general indebtedness and securities pledged. The above NCR was not lower than the minimum rate of 21 percent of the Early Warning set by Thailand Clearing House.

Disclaimer

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