

# Analyst Meeting

**Reviewed Financial Statements**

**As of 30 June 2022**

**MOVE ON  
TOGETHER**  
ก้าวต่อไป ด้วยกัน

**THANACHART GROUP**

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# TGROUP

## 2Q22 & 1H22

## Highlights



# TCAP's Shareholding Structure

## Thanachart Capital

1 

Banking Business

24.89%



ทีเอ็มบีธนชาต  
TMBThanachart

ttb is held by:

- TCAP 24.33%
- Thanachart SPV1 0.56%

2 

Securities Business

50.96%

Thanachart Securities

3 

Insurance Business

50.96%

Thanachart Insurance

100%



100%



4 

Distressed Asset

Management

100%

NFS-AMC

83.44%

MAX-AMC

99.99%

TS-AMC

5 

HP Business

60.61%



THANI is held by:

- Thanachart SPV1 56.84%
- TCAP 3.77%

6 

Other Businesses

23.68%



- TCAP 21.89%
- Thanachart SPV1 1.79%

100%

T-PLUS

99.98%

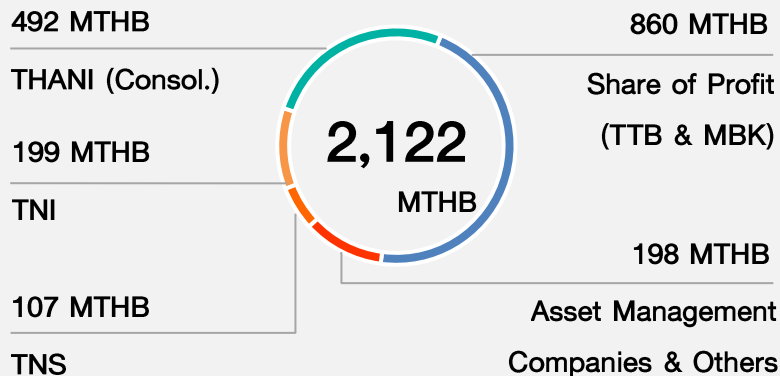
Thanachart  
SPV2\*

Note: \*Thanachart SPV2 holds non-core investments which include Thanachart Group Leasing, Thanachart Training & Development, Security Scib Services, and Thanachart Management & Service

\*\* MBK Life Assurance Pcl. has changed its name to T Life Assurance Pcl. on 6 July 2022; Source: Company data

# 2Q22 & 1H22 TGROUP Net Profit

## 2Q22 TGROUP Net Profit



### TCAP Net Profit\*

**1,772** MTHB

+ 70.88% Q-Q

### EPS

**1.69** THB

1Q22 = 0.99 THB

### ROAA

**5.59** %

1Q22 = 3.79%

### ROAE

**10.86** %

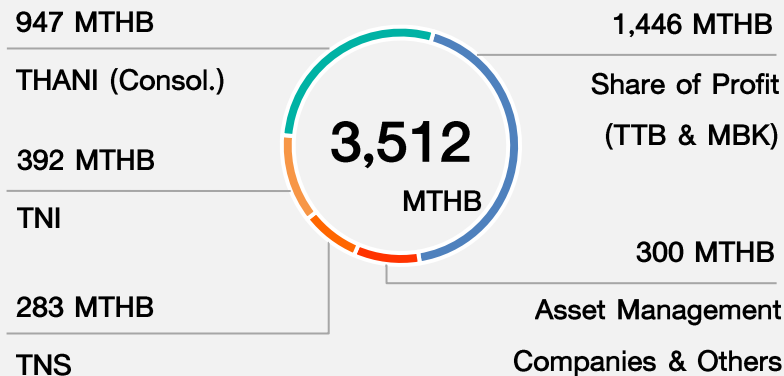
1Q22 = 6.33%

### IBDE\*\*

**0.27** Times

1Q22 = 0.21 Times

## 1H22 TGROUP Net Profit



### TCAP Net Profit\*

**2,808** MTHB

+ 28.51% Y-Y

### EPS

**2.68** THB

1H21 = 2.08 THB

### ROAA

**4.71** %

1H21 = 4.16%

### ROAE

**8.60** %

1H21 = 6.89%

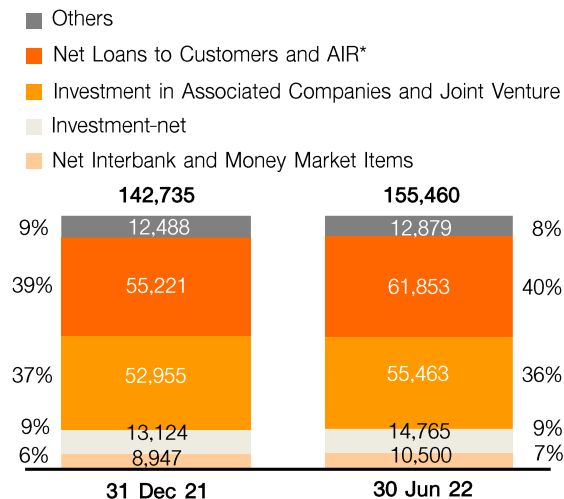
### IBDE\*\*

**0.27** Times

1H21 = 0.17 Times

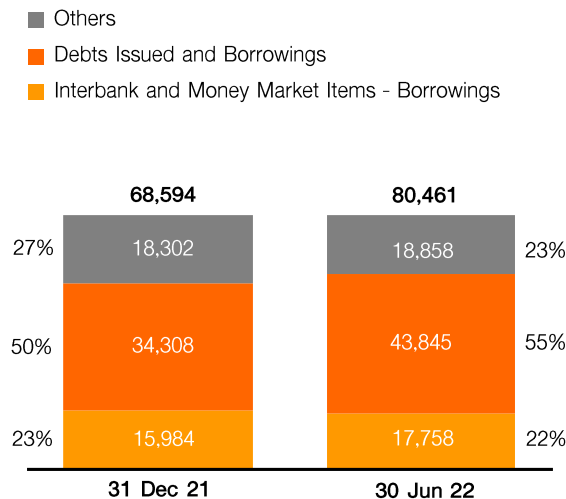
# Balance Sheet Highlights

## Assets (MTHB)



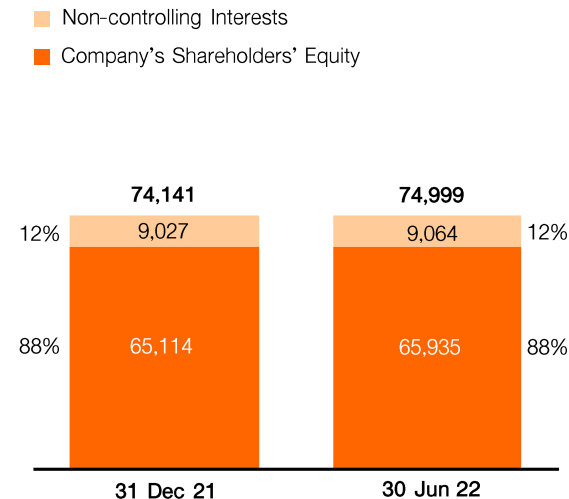
- Net investment increased 1,641 MTHB or 12.50% from the additional investments in debt securities.
- Investment in associated companies and joint venture increased 2,508 MTHB or 4.74% due to additional investment in TTB.
- Net loans increased 6,632 MTHB or 12.01%, due to loan expansions of THANI, T-PLUS, and TNS.

## Liabilities (MTHB)



- Interbank and money market items – borrowings from financial institutions and debts issued and borrowings increased 11,311 MTHB or 22.49%, due to the issuance and offering of debentures of the Company and its subsidiaries to support business growth.

## Shareholder's Equity (MTHB)



- Company's shareholders' equity increased 821 MTHB or 1.26%. This was mainly due to the operating net profit of the Company and its subsidiaries in 1H22 of 2,808 MTHB offsetting by dividend payment of 1,888 MTHB.
- Non-controlling interests increased 37 MTHB or 0.41% from operating results of subsidiary companies.

# Operating Performance

Unit: Million Baht

	1Q22	2Q22		1H21	1H22	
<b>Net Interest Income</b>	706	752	Up 6.52% q-q, mainly due to higher interest income on secured loans, margin loans, and HP loans.	1,292	1,458	Up 12.85% y-y, mainly due to higher interest income on secured loans, margin loans, and HP Loans.
<b>Non-interest Income</b>	1,814	2,469	Up 36.11% q-q, mainly due to higher gains on financial instruments measured at FVTPL and share of profit from associated companies.	3,951	4,283	Up 8.40% y-y, mainly due to higher share of profit from associated companies, net insurance income, and gains on financial instruments measured at FVTPL.
Net Fees and Service Income	345	267	Down 22.61% q-q, mainly due to lower brokerage fees as trading volume of TNS declined in line with the market condition.	743	612	Down 17.63% y-y, mainly due to lower brokerage fees and mutual fund trading fees.
Share of Profit from Associated Companies	586	860	Up 46.76% q-q, due to higher net profit of TTB and MBK.	1,088	1,446	Up 32.90% y-y, due to higher net profit of TTB and MBK in line with the economic recovery.
Other Non-interest Income	883	1,342	Up 51.98% q-q, mainly due to gains on financial instruments measured at FVTPL.	2,120	2,225	Up 4.95% y-y, mainly due to higher net insurance income, and gains on financial instruments measured at FVTPL..
<b>Operating Expenses</b>	790	814	Up 3.04% q-q.	1,565	1,604	Up 2.49% y-y, mainly due to higher legal expenses of a subsidiary company.
<b>Expected Credit Loss</b>	138	43	Down 68.84% q-q from improving asset quality.	236	181	Down 23.31% y-y, from effective asset quality control.

# Important Subsidiaries Performances





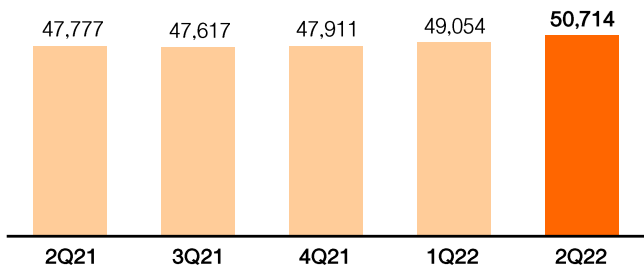
# Subsidiaries Performances

Subsidiaries	% held as of 30 Jun 2022	Net Profit (MTHB)				
		2Q21	1Q22	2Q22	1H21	1H22
Ratchthani Leasing Pcl. (Consol.)	60.61%	427	455	492	854	947
Thanachart Insurance Pcl.	50.96%	214	193	199	392	392
Thanachart Securities Pcl.	50.96%	159	176	107	359	283
TS AMC	99.99%	38	(6)	(6)	35	(12)
MAX AMC	83.44%	(3)	(7)	(1)	(15)	(8)
NFS AMC	100.00%	92	-	(2)	86	(2)
MBK Life Assurance Pcl.*	100.00%	(55)	103	173	73	276
Thanachart Plus	100.00%	-	19	27	-	46

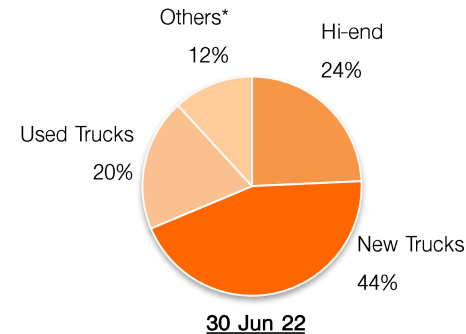
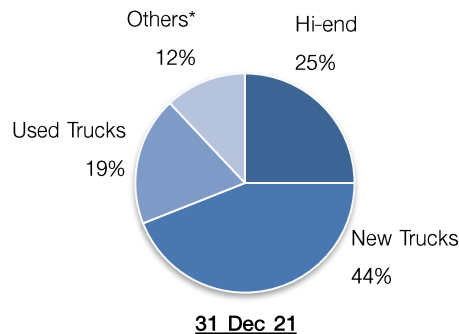
# Ratchthani Leasing (Consolidated)

## THANI HP Loan Portfolio (MTHB)

HP portfolio grew by 5.85% ytd, with the average new drawdown of 2,401 MTHB per month.

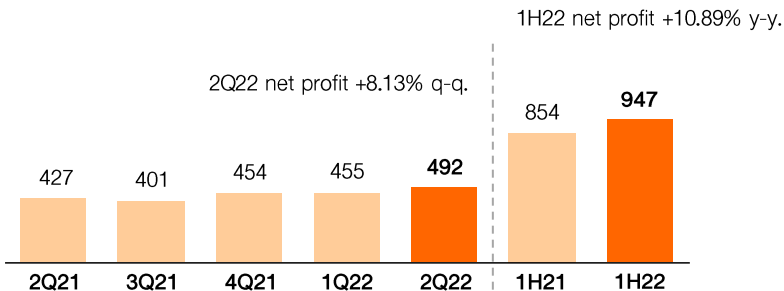


## THANI HP Breakdown (Percent)



## THANI Net Profit (MTHB)

Due to THANI's loan growth and effective asset quality control, its net profit increased



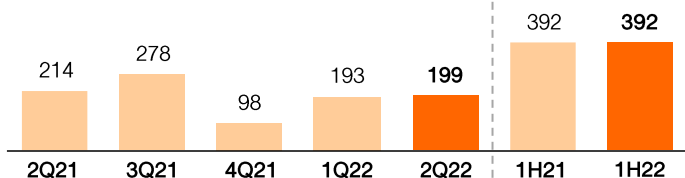
## THANI's Ratios

Performance Parameters (Percent)		2020	2021	1H22
Profitability	ROAE	20.12%	15.27%	16.53%
	ROAA	3.74%	3.50%	3.76%
	Net Profit Margin	43.64%	40.44%	43.42%
	Spread	4.34%	4.55%	4.44%
	Cost to Income	16.80%	17.64%	20.84%
Loans	Loan Growth	(5.96%)	2.49%	5.85%
Asset Quality	NPL Ratio	3.13%	3.77%	2.38%
	Credit Cost	0.68%	1.20%	0.78%
Capital	D/E Ratio (Times)	3.48	3.26	3.53

## TNI Net Profit (MTHB)

2Q22 net profit +3.11% q-q from higher net earned premium and higher investment income.

1H22 net profit was flat y-y from better net earned premium and higher investment income offset by higher commission.

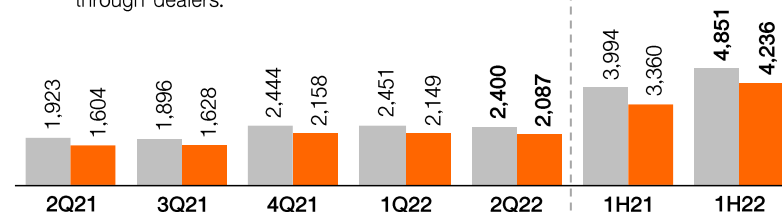


## TNI Direct VS Motor Insurance (MTHB)

■ Direct Premium ■ Motor Premium

2Q22 direct premium -2.08% q-q from lower sales through dealers.

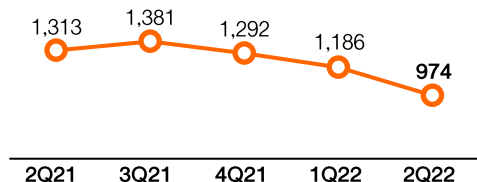
1H22 direct premium +21.46% y-y from higher sales through non-bank channels.



Non-bank : Bank increased from 47 : 53 at 2021 to 54 : 46 at 2Q22

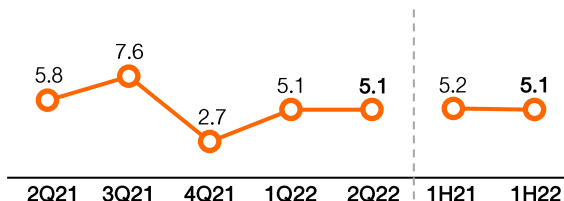
## TNI Financial Ratios (Percent)

### Capital Adequacy Ratio

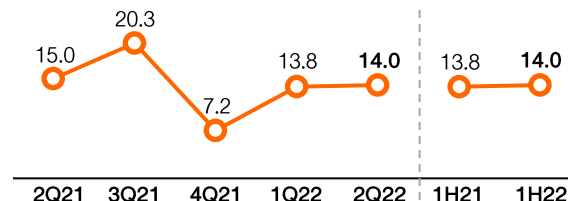


Capital Adequacy Ratio is very strong and much higher than 140% minimum requirement of the OIC.

### ROA



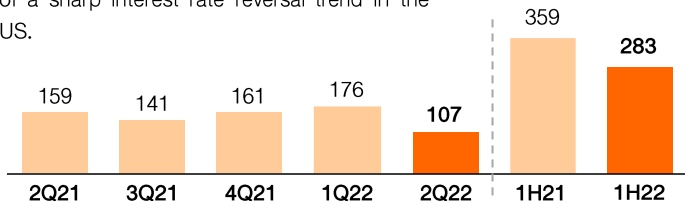
### ROE



## TNS Net Profit (MTHB)

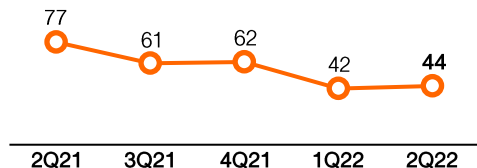
2Q22 net profit -39.20% q-q, mainly from lower trading volume, due to the expectation of a sharp interest rate reversal trend in the US.

1H22 net profit -21.17% y-y, mainly from lower trading volume, due to both impacts on Russia-Ukraine war and the expectation of sharp interest rate since the start of the year. However, ZEAL and margin loan businesses were doing well.



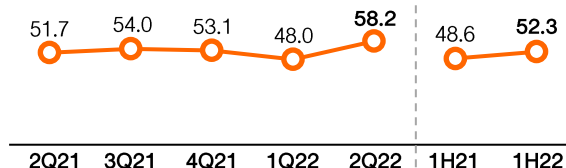
## TNS Financial Ratios (Percent)

### Net Liquid Capital Rules (NCR)



Capital adequacy ratio is still strong and much higher than 7% minimum requirement of the SEC.

### Cost to Income Ratio

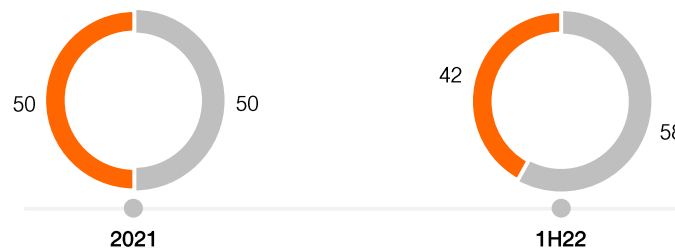


2Q22 and 1H21 cost-to-income ratio picked up from lower income

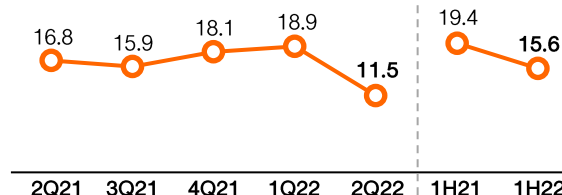
## Profit Contribution (Percent)

Cash Equity Non-cash Equity

TNS has relied less on cash equity business. In 1H22, non-cash equity accounted for 58% of its net profit.

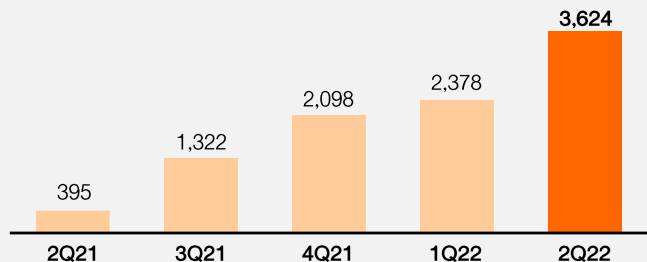


### ROE



ROEs remained decent, although income has declined.

## T-PLUS Loan Portfolio (MTHB)



## Property Type



## NPL

0 THB

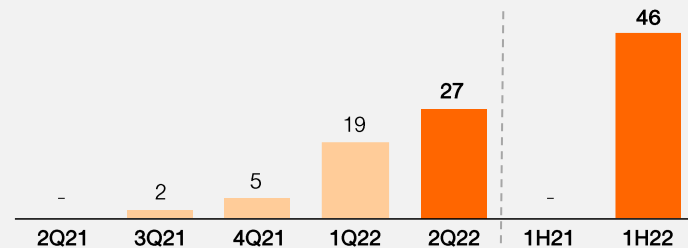
## Interest Rate

11.1%

## LTV

48.6%

## T-PLUS Net Profit (MTHB)



# TGROUP: Comparison to Targets



# TGROUP Core Businesses: 2022 Targets



	2022F	1H22A
Loan Growth	+2%	+1.6%
Deposit Growth	+3%	+4.2%
NIM	Stable (2.97%)	2.87%
NIR/Assets	0.8-0.9%	0.79%
CI Ratio	45-47%	45%
% Stage 3	≤ 3.2%	2.63%
Credit Cost	140-160 bps	135 bps



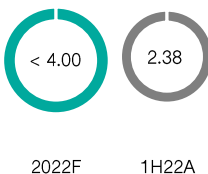
## New Drawdown (MB)



## Total Port Size (MB)



## NPL Ratio (%)



Keep strong relationship with dealers

Expand new market in local area



Target in logistic and construction

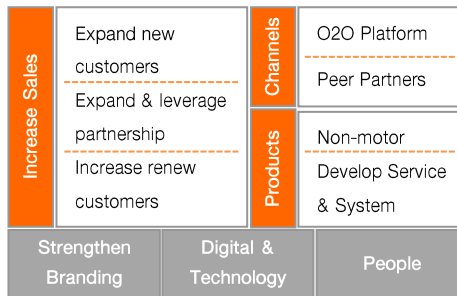
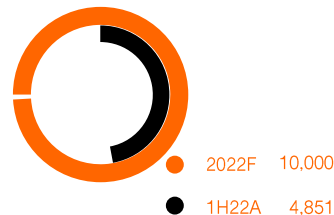
Find more products with high yield



Maintain quick approval process



## Total Premium (MB)

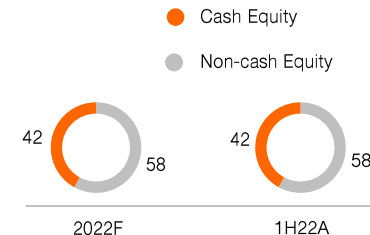


## Product Highlights



## Margin Loans

## Profit Contribution (%)



# Appendix



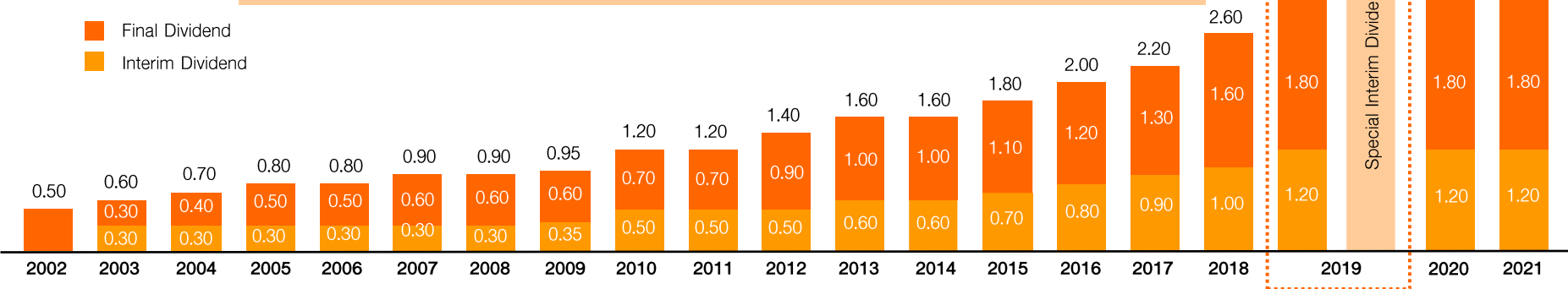


# TCAP: Dividend Payment

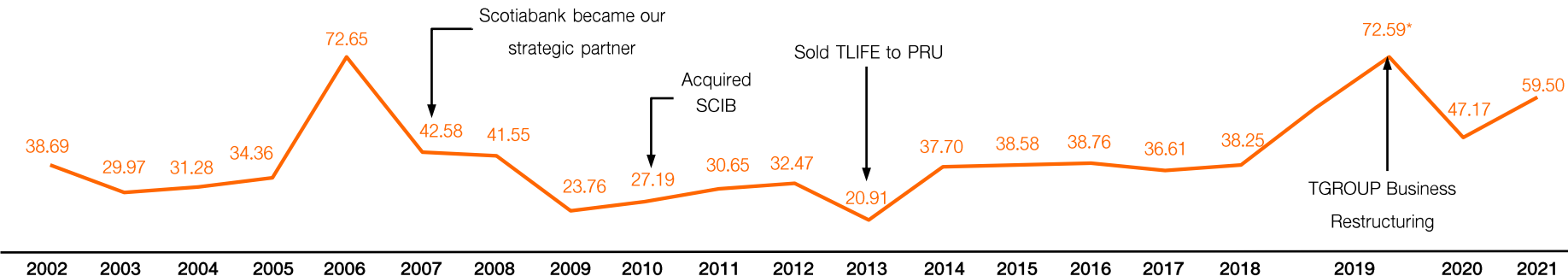
## TCAP Dividend per Share (BAHT)

TCAP's dividend per share has consistently grown with an average rate of higher than 10% per year over the past 18 years

Final Dividend  
 Interim Dividend



## TCAP Total Dividend Payout Ratio (Percent)



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