

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended 31 December 2018
(Audited Financial Statements)

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THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Management's Discussion and Analysis (Audited Financial Statements)

Economics Outlook and Banking Industry

In 2018, the Thai economy expanded by 4.1 percent, an increase from the previous year growth of 4.0 percent, mainly from export sector, although the growth rate has slowed down in the second half of the year as a results of the subdued economies of the trade partnering countries and the trade war between the US and China. Government spending, private investment and private consumption are expected to continue growing. As for the tourism sector, the growth rate shows a declining trend from the previous year mainly due to declining number of Chinese tourists. As the Thai economy shows a trend of expansion while inflation has been increasing gradually following increase in demand, the Monetary Policy Committee of the Bank of Thailand issued a resolution to increase the policy rate from 1.50 percent per annum to 1.75 percent per annum in the fourth quarter of 2018, in order to mitigate risk for financial stability and to enhance future economic growth.

In 2018, loan volume in the commercial bank industry shows an increasing trend following economic improvement. Corporate loans show a tendency to grow especially in the wholesale and retail businesses, as well as in real-estate. Retail loans should increase from housing loans and hire purchase loans. Non-performing loans are expected to increase slightly from the previous year.

For 2019, the Thai economy is expected to grow 3.5 - 4.5 percent as predicted by the Office of the National Economic and Social Development Council. The key supporting drivers include private consumption that tends to have a favorable growth, private investment and public investment that are expected to grow strongly, as well as expected recovery from tourism sector to its normal level. However, export sector may slow down as the global economy may be subdued and trade war between the US and China continues.

Key Events in the Year 2018

1. On 25 April 2018, the Annual General Meeting of Shareholders for the year 2018 of Thanachart Capital Public Company Limited (“the Company”) had a resolution to pay dividend to shareholders at the rate of 1.30 baht per share, amounting to 1,515 million baht. The dividend payment was made on 17 May 2018. Taking into account this round of dividend payment and the interim dividend payment worth 0.90 baht per share or 1,048 million baht, total dividend payment in 2017 amounted to 2.20 baht per share or 2,563 million baht.
2. On 24 July 2018, the Board of Directors of the Company had a resolution to approve share repurchase project for financial management. The amount of share repurchase would not be more than 1,000 million baht and the repurchase period would be from 8 August 2018 to 7 February 2019. The total number of share repurchase would not be more than 79,296,648 shares, and after combining the aforementioned share repurchase with the previous share repurchase program of 41,350,000 shares bought from 10 February 2015 to 9 August 2015, the total number of share repurchase will be 120,646,648 shares or account for not exceeding 10 percent of total paid-up shares of the Company.
3. On 27 August 2018, the Board of Directors of Thanachart Capital Public Company Limited (“the Company”) had a resolution to decrease its paid-up shares due to the end of Treasury Stock Project in the amount of 41,350,000 shares, worth 1,400 million baht. The Company registered capital reduction of 413,500,000 baht with the Ministry of Commerce on 31 August 2018 which resulted in a decrease of registered and paid-up capital from 12,064,797,030 baht to 11,651,297,030 baht.
4. On 24 September 2018, the Company’s Board of Directors had a resolution to approve the payment of interim dividend for the first six-month of 2018 at a rate of 1.00 baht per share to all shareholders of the Company. The payment was made on 22 October 2018.

For clarification of information disclosure, Thanachart Group has submitted Management’s Discussion and Analysis of Thanachart Bank and its subsidiaries separately from this report.

Financial Highlights

Financial Highlights

Audited Financial Statements	For the 3 months ended			For the year ended	
	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17
Operating Performance (Million Baht)					
Interest Income	11,945	11,742	11,255	46,559	44,681
Interest Expenses	4,026	3,974	3,916	15,792	15,511
Net Interest Income	7,919	7,768	7,339	30,767	29,170
Non-interest Income	3,522	2,651	3,896	13,408	13,402
Net Operating Income ⁽¹⁾	11,441	10,419	11,235	44,175	42,572
Other Operating Expenses	5,929	4,477	4,638	20,979	20,836
Pre-Provision Operating Profit (PPOP)	5,512	5,942	6,597	23,196	21,736
Impairment Loss of Loans and Debt Securities	673	1,233	2,319	4,785	6,236
Profit before Tax	4,839	4,709	4,278	18,411	15,500
Income Tax	878	919	305	2,605	1,159
Profit for the Period	3,961	3,790	3,973	15,806	14,341
Net Profit Attributable to the Company	2,019	1,870	1,936	7,839	7,001
Operating Performance Ratios (Percent)					
ROAA	1.53	1.48	1.58	1.54	1.45
ROAE ⁽²⁾	12.39	11.61	12.66	12.25	11.80
Interest Spread ⁽³⁾	2.98	2.97	2.87	2.94	2.90
Loan Spread ⁽⁴⁾	3.89	3.89	3.83	3.87	3.83
Credit Cost	0.32	0.62	1.17	0.57	0.79
Non-interest Income Ratio ⁽⁵⁾	30.78	25.45	34.67	30.35	31.48
Cost to Income Ratio ⁽⁶⁾	51.82	42.97	41.28	47.49	48.94
	31-Dec-18	30-Sep-18	31-Dec-17		
Financial Position (Million Baht)					
Loans	754,613	737,109	712,761		
Total Assets	1,060,929	1,018,329	1,025,525		
Deposits	751,917	697,096	716,091		
Total Liabilities	923,011	883,537	895,455		
Total Equity	137,918	134,792	130,070		
Financial Position Quality					
Loans to Deposits (%)	100.36	105.74	99.53		
Non-performing Loans (Million Baht)	20,172	19,967	18,894		
NPL Ratio (%)	2.40	2.52	2.40		
Coverage Ratio ⁽⁷⁾ (%)	120.49	125.04	131.06		
Reserve to Required Reserve ⁽⁸⁾ (%)	153.56	159.08	170.48		

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

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

(3) Interest Spread = Yield – Cost of Fund

Yield = Interest Income / Average Earning Assets

Cost of Fund = Interest Expenses / Average Paying Liabilities

(4) Loan Spread = Loan Yield – Cost of Fund

(5) Non-interest Income Ratio = Non-interest Income / Net Operating Income

(6) Cost to Income Ratio = Other Operating Expenses / Net Operating Income

(7) Coverage Ratio = Total Allowance / Non-performing Loans

(8) Reserve to Required Reserve = Total Allowance / Reserve Required by the BOT

Operating Results for the Year 2018

Performance Overview

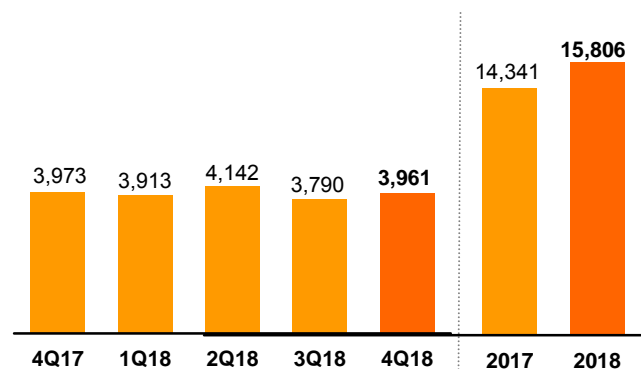
Thanachart Capital Public Company Limited (“the Company”) operates as the holding company and thus is the parent company of Thanachart Financial Business Conglomerate. The Company’s performance is mainly from the performance of Thanachart Bank and its subsidiaries. The Company holds shares in Thanachart Bank 50.96 percent. As a result, profit attributable to the Company is calculated from the proportion shareholding of the Company in each subsidiary company. In order to compare its operating results with other companies’ in the industry, the financial information presented in this report is based on consolidated financial statements.

In 2018, the Company and its subsidiaries’ net profit according to the consolidated financial statements amounted to 15,806 million baht, an increase of 1,465 million baht or 10.22 percent from the previous year. The increase was the fourth consecutive year of net profit growth. This was mainly from the increase in net operating income. Net interest income increased from loan growth while non-interest income increased from net fees and service income. From the Group’s effective management of asset quality, its impairment loss of loans and debt securities declined. At the same time, operating expenses increased slightly from decent cost management. As a result, profit before tax of the Company and its subsidiaries increased by 18.78 percent. However, income tax increased due to the fact that Thanachart Bank fully utilized all of its tax benefit in May 2018.

On assets side, Thanachart Group had a loan growth of 5.87 percent from the end of last year. The growth was mainly from retail loans, especially hire purchase loans and SME loans. Deposits increased from the increase in savings deposits. As a result, CASA ratio accounted for 48.50 percent, an increase from 42.92 at the end of the previous year.

On asset quality, NPL ratio was at 2.40 percent, stable from the previous year. Coverage ratio was at 120.49 percent. On capital fund, TBANK had capital adequacy ratio of 19.45 percent.

Net Profit of Thanachart Group (Million Baht)



In 2018, net profit attributable to the Company was 7,839 million baht, an increase of 838 million baht or 11.97 percent from the previous year. Earning per share (EPS) was 6.74 baht, an increase from 6.01 baht. Return on average assets (ROAA) and return on average equity (ROAE) of the Company’s shareholders were at 1.54 percent and 12.25 percent, respectively.

Summary of Key Operating Results

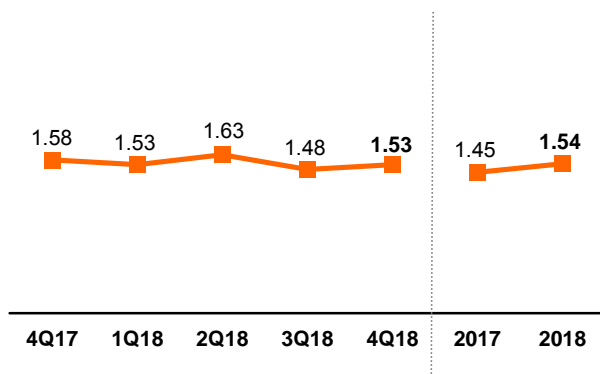
Summary of key operating results in **2018 comparing with those of 2017** is as follows:

- Net profit of Thanachart Group amounted to 15,806 million baht, an increase of 10.22 percent.
- Net profit of the Company amounted to 7,839 million baht, an increase of 11.97 percent.
- Net interest income increased by 5.47 percent from the expansion of loans and the wider spread which was at 2.94 percent.
- Non-interest income increased by 0.04 percent, mainly from net fees and service income.
- Operating expenses increased by 0.69 percent from effective cost management.
- Impairment loss of loans and debt securities decreased by 23.27 percent.
- Profit before tax increased by 18.78 percent from the growth of its core business and the effective cost management.
- NPL ratio stayed at 2.40 percent, stable from the end of 2017.

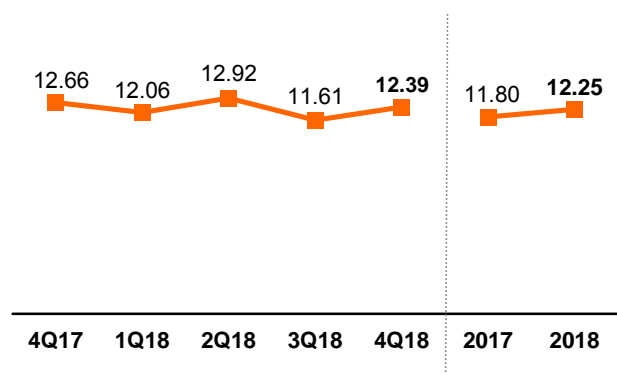
Net Profit (Million Baht)

Audited Financial Statements	For the 3 months ended			For the year ended	
	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17
Net Profit (Million Baht)					
Profit for the Period	3,961	3,790	3,973	15,806	14,341
Net Profit Attributable to the Company	2,019	1,870	1,936	7,839	7,001
Net Profit Attributable to Non-controlling Interest	1,942	1,920	2,037	7,967	7,340
Basic Earning per Share (Baht)	1.74	1.60	1.66	6.74	6.01

ROAA (Percent)



ROAE* (Percent)



*Equity attributable to the Company's shareholders

Net Interest Income

Net Interest Income (Million Baht)								
	4Q18	3Q18	Change		2018	2017	Change	
			+ / (-)	%			+ / (-)	%
Interest Income	11,945	11,742	203	1.73	46,559	44,681	1,878	4.20
Interbank and Money Market Items	381	467	(86)	(18.42)	1,779	1,391	388	27.89
Investments for Tradings	65	73	(8)	(10.96)	257	238	19	7.98
Investments for Debts Securities	714	652	62	9.51	2,689	3,191	(502)	(15.73)
Loans	4,430	4,431	(1)	(0.02)	17,579	17,786	(207)	(1.16)
Hire Purchase and Financial Leases	6,355	6,119	236	3.86	24,255	22,075	2,180	9.88
Interest Expenses	4,026	3,974	52	1.31	15,792	15,511	281	1.81
Deposits	2,298	2,257	41	1.82	9,063	8,698	365	4.20
Interbank and Money Market Items	280	277	3	1.08	997	791	206	26.04
Fund Contributed to FIDF and DPA	881	869	12	1.38	3,482	3,348	134	4.00
Debts Issued	563	568	(5)	(0.88)	2,238	2,666	(428)	(16.05)
Borrowing Fee	4	3	1	33.33	12	8	4	50.00
Net Interest Income	7,919	7,768	151	1.94	30,767	29,170	1,597	5.47

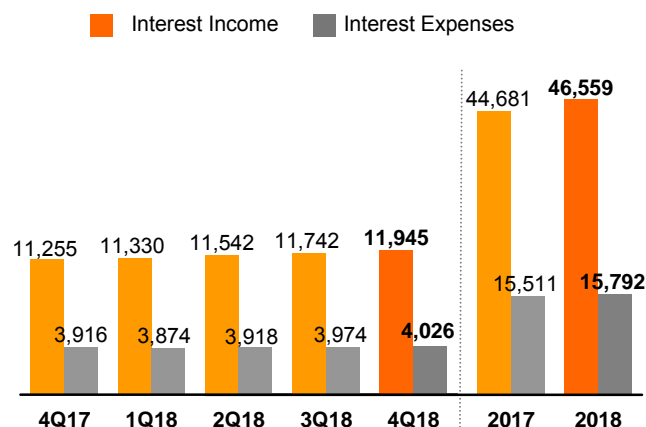
In 2018, the Company and its subsidiaries had 30,767 million baht in net interest income, an increase of 1,597 million baht or 5.47 percent from the previous year. Interest Spread was at 2.94 percent, an increase from 2.90 percent in the end of last year.

- Interest income was 46,559 million baht, an increase of 1,878 million baht or 4.20 percent. This was from the expansion of loans, especially the hire purchase loans and the increase in yield on earning assets from 4.80 percent to 4.82 percent.
- Interest expenses were 15,792 million baht, an increase of 281 million baht or 1.81 percent. This was due to the effective cost of fund management under TBANK's liquidity management strategy. As a result, the cost of fund declined from 1.90 percent to 1.88 percent.

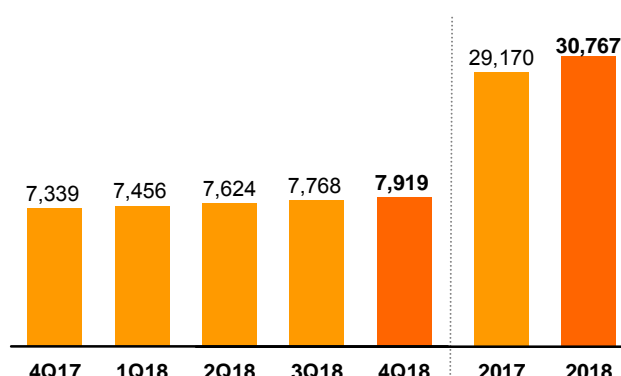
Yield, Cost of Fund, and Interest Spread (Percent)

	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Average Policy Interest Rate	1.54	1.50	1.50	1.50	1.50	1.51	1.50
Yield	4.86	4.84	4.81	4.74	4.74	4.82	4.80
Cost of Fund	1.88	1.87	1.88	1.89	1.87	1.88	1.90
Interest Spread	2.98	2.97	2.93	2.85	2.87	2.94	2.90

Interest Income and Interest Expenses (Million Baht)



Net Interest Income (Million Baht)



Non-interest Income

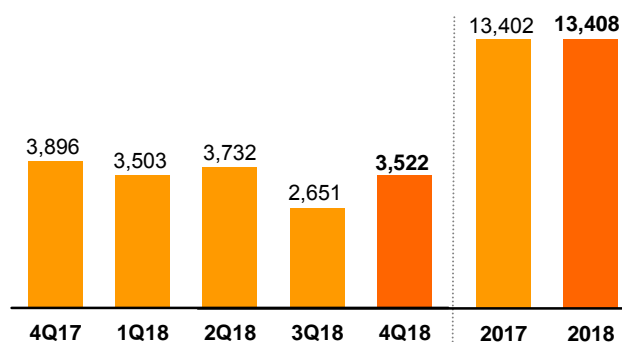
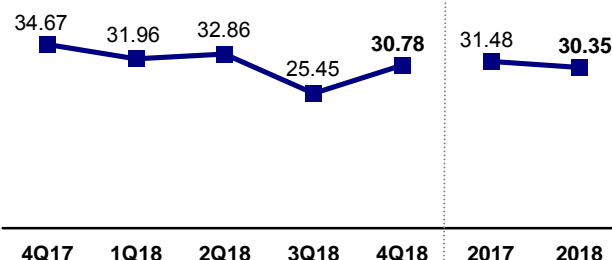
Non-interest Income (Million Baht)

	4Q18	3Q18	Change		2018	2017	Change	
			+ / (-)	%			+ / (-)	%
Net Fees and Service Income	1,737	1,643	94	5.72	6,658	5,890	768	13.04
Gains on Trading and F/X Transactions	112	31	81	261.29	310	665	(355)	(53.38)
Gains (Loss) on Investments	99	(500)	599	119.80	459	1,908	(1,449)	(75.94)
Share of Profit from Investments in Associated Companies Accounted for under Equity Method	189	175	14	8.00	543	337	206	61.13
Gains on Properties Foreclose and Other Assets	275	42	233	554.76	588	52	536	1,030.77
Net Insurance / Life Insurance Income	653	722	(69)	(9.56)	2,808	2,605	203	7.79
Dividend Income	63	95	(32)	(33.68)	502	557	(55)	(9.87)
Other Income	394	443	(49)	(11.06)	1,540	1,388	152	10.95
Total Operating Income	1,785	1,008	777	77.08	6,750	7,512	(762)	(10.14)
Total Non-interest Income	3,522	2,651	871	32.86	13,408	13,402	6	0.04

Non-interest income of the Company and its subsidiaries in 2018 amounted to 13,408 million baht, an increase of 6 million baht or 0.04 percent from the previous year. This was mainly due to the following.

- Net fees and service income amounted to 6,658 million baht, an increase of 768 million baht or 13.04 percent. This was mainly due to the increases in fund management fees and commission received from selling insurance / life insurance.
- Other operating income amounted to 6,750 million baht, a decrease of 762 million baht or 10.14 percent. This was mainly due to the decrease of 1,449 million baht in gains on investments from portfolio adjustment to be appropriate with the market condition.

Non-interest income ratio of 2018 was at 30.35 percent, a decrease from 31.48 percent of the previous year. The decrease was a result of the increase in net interest income at a higher rate than that of the non-interest income.

Non-interest Income (Million Baht)**Non-interest Income Ratio (Percent)****Other Operating Expenses****Other Operating Expenses (Million Baht)**

	4Q18	3Q18	Change		2018	2017	Change	
			+/(-)	%			+/(-)	%
Employee's Expenses	2,897	2,716	181	6.66	11,413	12,202	(789)	(6.47)
Premises and Equipment Expenses	670	657	13	1.98	2,629	2,835	(206)	(7.27)
Taxes and Duties	183	183	-	-	733	746	(13)	(1.74)
Directors' Remuneration	13	12	1	8.33	102	93	9	9.68
Other Expenses	2,166	909	1,257	138.28	6,102	4,960	1,142	23.02
Total Other Operating Expenses	5,929	4,477	1,452	32.43	20,979	20,836	143	0.69

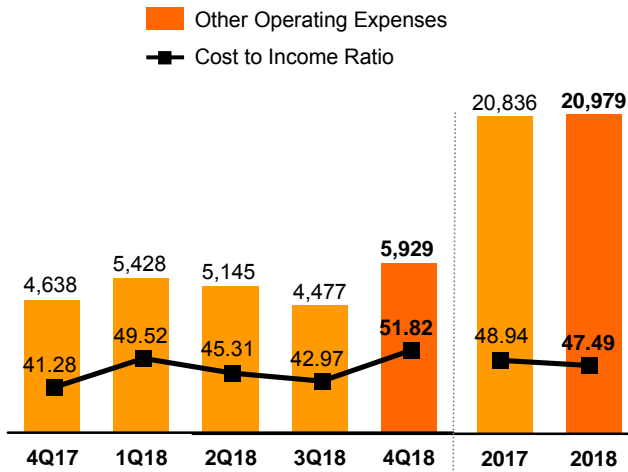
In 2018, other operating expenses of the Company and its subsidiaries amounted to 20,979 million baht, an increase of 143 million baht or 0.69 percent from the previous year, due to the effective cost management. As a result, cost to income ratio of 2018 was at 47.49 percent, a decrease from the previous year of 48.94 percent.

Impairment Loss of Loans and Debt Securities**Impairment Loss of Loans and Debt Securities (Million Baht)**

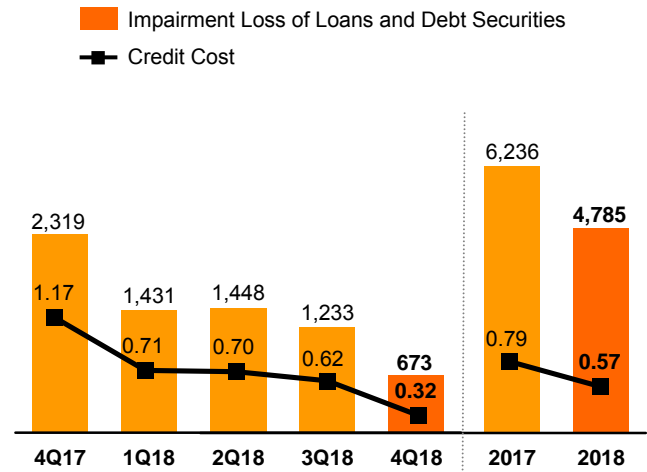
	4Q18	3Q18	Change		2018	2017	Change	
			+/(-)	%			+/(-)	%
Impairment Loss of Loans and Debt Securities	673	1,233	(560)	(45.42)	4,785	6,236	(1,451)	(23.27)
Credit Cost (%)	0.32	0.62	(0.30)	(48.39)	0.57	0.79	(0.22)	(27.85)

In 2018, the Company and its subsidiaries had impairment loss of loans and debt securities in the amount of 4,785 million baht, a decrease of 1,451 million baht or 23.27 percent from the previous year. As a result, credit cost was at 0.57 percent, a decrease from the previous year of 0.79 percent.

Other Operating Expenses (Million Baht) and Cost to Income Ratio (Percent)



Impairment Loss of Loans and Debt Securities (Million Baht) and Credit Cost (Percent)



Financial Position

Consolidated Statements of Financial Position (Million Baht)

	31 December 2018		31 December 2017		Change	
	Amount	%	Amount	%	+/(−)	%
Cash	11,022	1.04	11,453	1.12	(431)	(3.76)
Interbank and Money Market Items-net	99,117	9.34	95,918	9.35	3,199	3.34
Investment-net	170,437	16.07	178,703	17.42	(8,266)	(4.63)
Investment in Associated Company-net	3,027	0.29	2,827	0.28	200	7.07
Loans	754,613	71.13	712,761	69.50	41,852	5.87
Accrued Interest Receivables	657	0.06	601	0.06	56	9.32
Allowance for Doubtful Accounts and Revaluation Allowance for Debt Restructuring	(24,145)	(2.28)	(24,518)	(2.39)	373	(1.52)
Property Foreclosed-net	4,822	0.45	4,747	0.46	75	1.58
Intangible Assets Acquired in a Business Combination-net	361	0.03	677	0.07	(316)	(46.68)
Goodwill	17,799	1.68	17,637	1.72	162	0.92
Other Assets	23,219	2.19	24,719	2.41	(1,500)	(6.07)
Total Assets	1,060,929	100.00	1,025,525	100.00	35,404	3.45
Deposits	751,917	70.87	716,091	69.83	35,826	5.00
Interbank and Money Market Items	71,923	6.78	82,343	8.03	(10,420)	(12.65)
Debt Issued and Borrowings	55,013	5.19	51,596	5.03	3,417	6.62
Other Liabilities	44,158	4.16	45,425	4.43	(1,267)	(2.79)
Total Liabilities	923,011	87.00	895,455	87.32	27,556	3.08
Company's Shareholders' Equity	65,735	6.20	62,020	6.05	3,715	5.99
Non-controlling Interests	72,183	6.80	68,050	6.63	4,133	6.07
Total Shareholders' Equity	137,918	13.00	130,070	12.68	7,848	6.03
Total Liabilities and Shareholders' Equity	1,060,929	100.00	1,025,525	100.00	35,404	3.45
Book Value per Share (Baht)	57.15		53.23			

Assets

As of 31 December 2018, Thanachart Group's total assets amounted to 1,060,929 million baht, an increase of 35,404 million baht or 3.45 percent from the end of 2017. Key factors are as follows:

- Net interbank and money market amounted to 99,117 million baht, an increase of 3,199 million baht or 3.34 percent from the end of last year due to liquidity management.
- Net investment amounted to 170,437 million baht, a decrease of 8,266 million baht or 4.63 percent from the end of last year. This was mainly due to an appropriate management of investment yield.

- Loans amounted to 754,613 million baht, an increase of 41,852 million baht or 5.87 percent from the end of last year. The growth was from retail and SME loans especially hire purchase loans which continued increasing. Portion of retail loans to corporate and SME loans was 74 percent to 26 percent.

Liabilities

Total liabilities of Thanachart Group as of 31 December 2018 **were 923,011 million baht, an increase of 27,556 million baht or 3.08 percent** from the end of 2017. The key items were as follows:

Deposits (Million Baht)

	31 December 2018		31 December 2017		Change	
	Amount	%	Amount	%	+/(−)	%
Current	12,759	1.70	11,953	1.67	806	6.74
Savings	351,939	46.80	295,390	41.25	56,549	19.14
Fixed Deposits						
Less than 6 Months	44,025	5.86	36,529	5.10	7,496	20.52
6 Months and up to 1 Year	41,832	5.56	63,772	8.91	(21,940)	(34.40)
Over 1 Year	215,902	28.71	165,942	23.17	49,960	30.11
Certificate of Deposits	85,460	11.37	142,505	19.90	(57,045)	(40.03)
Total Deposits	751,917	100.00	716,091	100.00	35,826	5.00

- Deposits were 751,917 million baht, an increase of 35,826 million baht or 5.00 percent from the end of last year. This increase in deposits was mainly from the increase in savings deposits. As a result, the ratio of current and savings accounts to total deposits (CASA) was 48.50 percent, an increase from 42.92 percent at the end of last year.
- Interbank and money market items were 71,923 million baht, a decrease of 10,420 million baht or 12.65 percent from the end of last year. This was due to liquidity management.
- Debt issued and borrowings amounted to 55,013 million baht, an increase of 3,417 million baht or 6.62 percent from the end of last year. This was mainly from the issuance of debt securities of a subsidiary of Thanachart Bank.

Shareholders' Equity

Total shareholders' equity as of 31 December 2018 **was 137,918 million baht, an increase of 7,848 million baht or 6.03 percent** from the end of 2017. The total shareholders' equity comprised of the following:

- Equity attributable to the owners of the Company was 65,735 million baht, an increase of 3,715 million baht or 5.99 percent. This was mainly from the increase in operating profit attributable to the Company in the year 2018 which amounted to 7,839 million baht. At the same time, there were dividend payments paid for the performance in the second half of 2017 in the amount of 1,515 million baht and interim dividend payments paid for the performance in the first six-month period of 2018 in the amount of 1,165 million baht.

- Equity attributable to non-controlling interest amounted to 72,183 million baht, an increase of 4,133 million baht or 6.07 percent. This was mainly from the operating results of subsidiary companies.

Non-performing Loans: NPLs

NPLs

	TCAP (Consol.)				
	31-Dec-18	30-Sep-18	30-Jun-18	31-Mar-18	31-Dec-17
NPL-gross (Million Baht)	20,172	19,967	19,511	19,959	18,894
Total Allowance* (Million Baht)	24,306	24,967	25,144	25,443	24,762
NPL-gross to Total Loans (%)	2.40	2.52	2.35	2.48	2.40
NPL-net to Total Loans-net (%)	1.26	1.36	1.23	1.23	1.23
Reserve to Required Reserve (%)	153.56	159.08	163.64	167.15	170.48
Coverage Ratio (%)	120.49	125.04	128.87	127.47	131.06

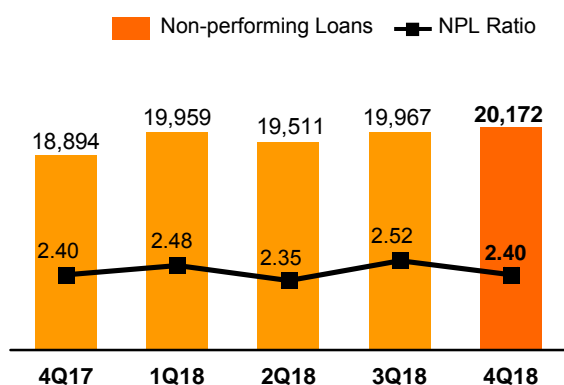
* Including allowance for interbank and money market items and revaluation allowance for debt restructuring.

Under the market and economic conditions that continued to gradually recover, the Company and its subsidiaries still placed strong emphasis on managing NPLs through systematic and effective control. **NPLs** as of 31 December 2018 **amounted to 20,172 million baht, an increase of 1,278 million baht or 6.76 percent** from the end of the previous year. **Non-performing loans to total loans (NPL Ratio) was at 2.40 percent**, stable from the end of last year. Non-performing loans after deducting reserve (NPL-net) amounted to 10,467 million baht while the ratio of NPL-net to total loans-net was at 1.26 percent.

At the end of December 2018, coverage ratio was at 120.49 percent while the ratio of reserve to required reserve under the BOT's regulation was at 153.56 percent. Excess reserve was 8,478 million baht.

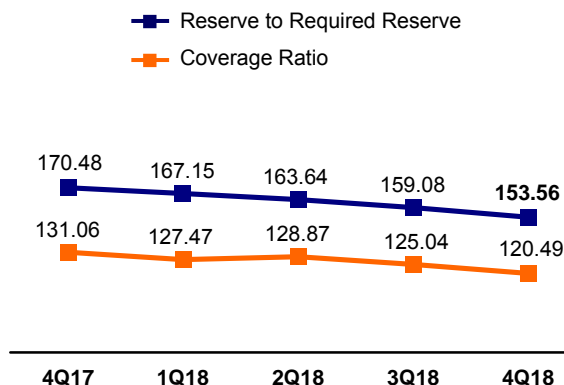
Non-performing Loans (Million Baht) and

NPL Ratio (Percent)



Coverage Ratio (Percent) and

Reserve to Required Reserve (Percent)



Operating Results of Subsidiaries

Operating Results of Subsidiaries (Million Baht)

Subsidiaries	% holding Direct/Indirect	Net Profit (Loss)				
		4Q18	3Q18	4Q17	2018	2017
Thanachart Bank Public Company Limited Consolidated Financial Statements*		3,563	3,540	3,674	14,703	13,810
Thanachart Securities Public Company Limited	50.96%	95	133	215	593	609
Thanachart Fund Management Company Limited	38.22%	147	166	112	654	426
Thanachart Insurance Public Company Limited	50.96%	235	257	263	1,042	1,051
TS AMC Company Limited	50.96%	71	49	30	237	210
Ratchthani Leasing Public Company Limited	33.22%	455	431	320	1,641	1,126
NFS AMC Company Limited	100.00%	(5)	(5)	(19)	14	24
MAX AMC Company Limited	83.44%	32	(2)	(10)	201	45
MBK Life Assurance Public Company Limited	51.00%	(67)	(12)	104	(63)	30

* Only the profit attributable to the owners of Thanachart Bank.

Risk Management and Risk Factors

For risk management, the Company and its subsidiaries have put in place the process to manage risk systematically by having the Company's Board of Directors specify risk management policies of Thanachart Group to ensure complete policy alignment throughout the entire organization. There is a business unit that is dedicatedly responsible for risk management and consistently monitors and controls risks to be in accordance with the specified policies of the Company. The measurement and analysis of various risks are done by using an appropriate tools and methodology. Such various risks include strategic risk, credit risk, market risk, interest rate risk, liquidity risk, and operational risk. For risk measurement and monitoring discipline, the risk limit and warning signal are set to ensure that business operation would always be within such acceptable risk limit. Moreover, the Executive Committee and the Board of Directors of the Company closely govern and monitor risk status and the efficiency of risk management system on a monthly basis.

In overall view, the risks of the Company and subsidiaries are within the risk limit and have enough capital after risk allocation to support the business expansion in sustainable and secure manner.

Disclaimer

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