

# Analyst Meeting

**Audited Financial Statements**

**As of 31 December 2022**

**MOVE ON  
TOGETHER**  
ก้าวต่อไป ก้าวไปด้วยกัน

**THANACHART GROUP**

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# TGROUP

## 2022 Highlights



# TCAP's Shareholding Structure

As of 31 December 2022

## Thanachart Capital

1 

Banking Business

24.85%



ทีเอ็มบีธนชาต  
TMBThanachart

ttb is held by:

- TCAP 24.30%
- Thanachart SPV1 0.55%

2 

Securities Business

89.96%

Thanachart Securities\*\*

3 

Insurance Business

89.96%

Thanachart Insurance\*\*

100%  
 ทีไลฟ์ประกันชีวิต  
T Life Assurance

100%  
 ทีโบรกเกอร์  
T Broker

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

23.32%



- TCAP 21.56%
- Thanachart SPV1 1.76%

100%

T-PLUS

99.98%

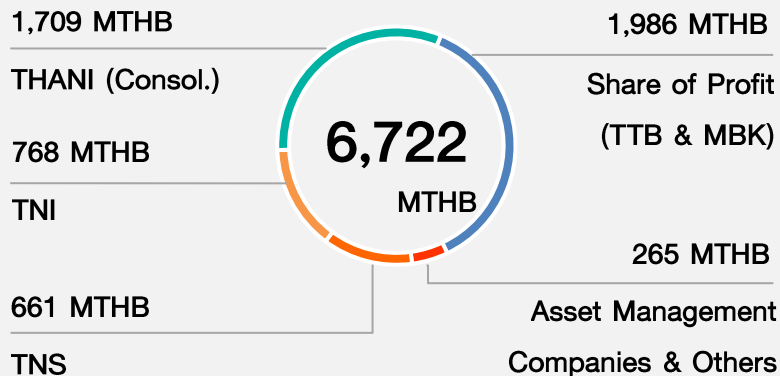
Thanachart  
SPV2\*

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

\*\* The Company has increased its shareholding in Thanachart Securities and Thanachart Insurance from 50.96% to 89.96% since 27 October 2022; Source: Company data

# 2022 TGROUP Net Profit

## 2021 TGROUP Net Profit



### TCAP Net Profit\*

**5,287** MTHB

### EPS

**5.04** THB

### ROAA

**4.73** %

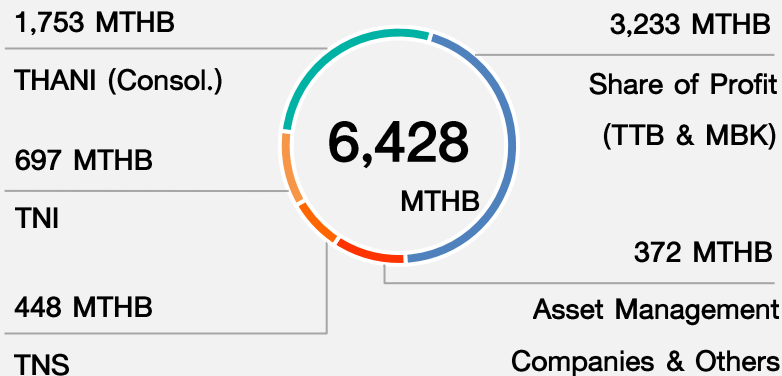
### ROAE

**8.31** %

### IBDE\*\*

**0.18** Times

## 2022 TGROUP Net Profit



### TCAP Net Profit\*

**5,220** MTHB

- 1.27% Y-Y

If the special gain from reversal of NPA in 2021 was excluded, 2022 net profit +13.7% Y-Y

### EPS

**4.98**

THB

### ROAA

**4.19** %

### ROAE

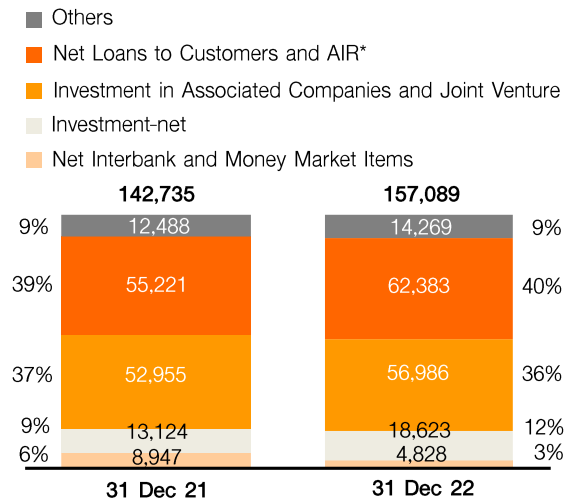
**7.93** %

### IBDE\*\*

**0.30** Times

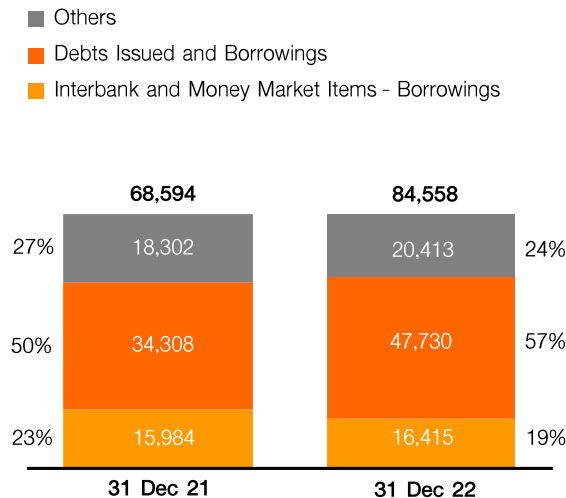
# Balance Sheet Highlights

## Assets (MTHB)



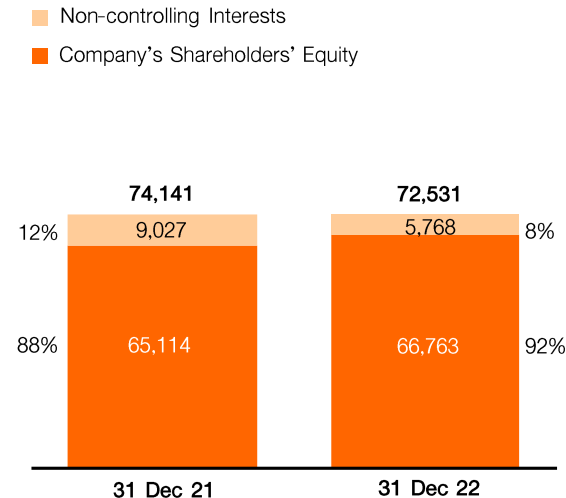
- Net investment increased 5,499 MTHB or 41.90% from the additional investments in debt securities.
- Investment in associated companies and joint venture increased 4,031 MTHB or 7.61% due to additional investment in TTB.
- Net loans increased 7,162 MTHB or 12.97%, due to loan expansions of THANI, T-PLUS, and TNS.

## Liabilities (MTHB)



- Interbank and money market items – borrowings from financial institutions and debts issued and borrowings increased 13,853 MTHB or 27.55%, 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 1,649 MTHB or 2.53%. This was mainly due to the operating net profit of the Company and its subsidiaries in 2022 of 5,220 MTHB offsetting by dividend payment of 3,146 MTHB.
- Non-controlling interests decreased 3,259 MTHB or 36.10% from the increase in shareholding proportion of Thanachart Insurance and Thanachart Securities.

# Operating Performance

Unit: Million Baht

	2021	2022	
<b>Net Interest Income</b>	2,671	3,004	» Up 12.47% y-y, mainly from the expansion of asset-based financing, margin loans, and hire purchase loans.
<b>Non-interest Income</b>	8,513	7,964	» Down 6.45% y-y, mainly due to lower net fees and service income and lower other operating income.
Net Fees and Service Income	1,454	1,113	» Down 23.45% y-y, mainly due to lower brokerage fees, which was in line with TNS's trading volume.
Share of Profit from Associated Companies	1,986	3,233	» Up 62.79% y-y, mainly from the improvement in operating performance of associated companies in line with the economic recovery.
Other Non-interest Income	5,073	3,618	» Down 28.68% y-y, mainly due to lower gains on property foreclosed as there was the reversal of NPA reserves in the previous year.
<b>Operating Expenses</b>	3,143	3,275	» Up 4.20% y-y, mainly due to legal expenses, IT system costs, and marketing expenses of subsidiary companies.
<b>Expected Credit Loss</b>	483	493	» Up 2.07% y-y, from the lower reversal of provision on other assets.

# Important Subsidiaries Performances





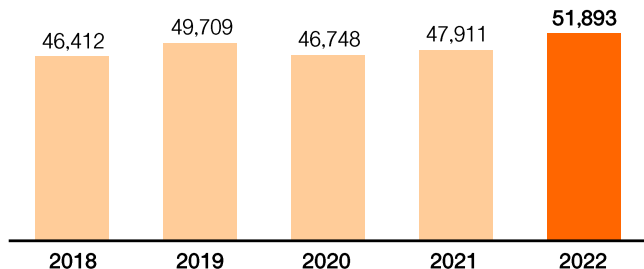
# Subsidiaries Performances

Subsidiaries	% held as of 31 Dec 2022	Net Profit (MTHB)				
		2018	2019	2020	2021	2022
Ratchthani Leasing Pcl. (Consol.)	60.61%	1,641	1,964	1,860	1,709	1,753
Thanachart Insurance Pcl.	89.96%	1,042	1,449	745	768	697
Thanachart Securities Pcl.	89.96%	593	1,674	479	661	448
TS AMC	99.99%	237	135	24	43	58
MAX AMC	83.44%	201	224	7	34	62
NFS AMC	100.00%	14	135	(25)	88	19
T Life Assurance Pcl.*	100.00%	(63)	(231)	(383)	111	101
Thanachart Plus**	100.00%	-	-	-	7	118

# Ratchthani Leasing (Consolidated)

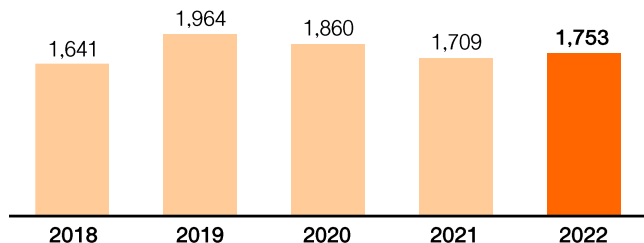
## THANI HP Loan Portfolio (MTHB)

HP portfolio grew by 8.31% y-y, with the average new drawdown of around 2,300 MTHB per month.

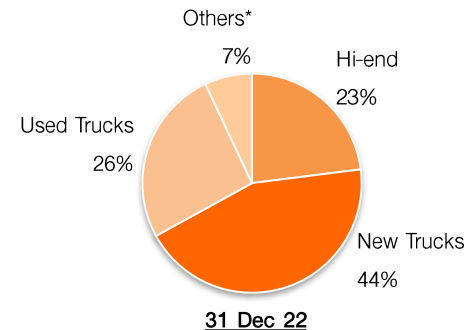
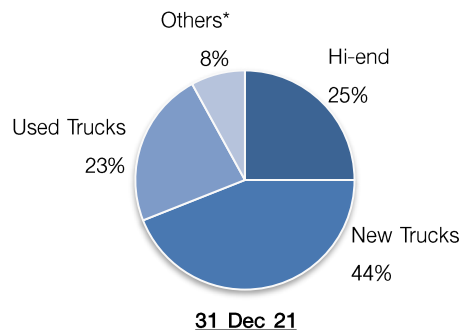


## THANI Net Profit (MTHB)

2022 net profit +2.57% y-y as total income increased in line with loan growth.



## THANI HP Breakdown (Percent)

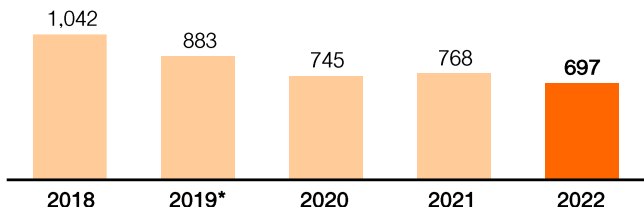


## THANI's Ratios

Performance Parameters (Percent)		2020	2021	2022
Profitability	ROAE	20.12%	15.27%	14.65%
	ROAA	3.74%	3.50%	3.40%
	Net Profit Margin	43.64%	40.44%	39.45%
	Spread	4.34%	4.55%	4.41%
	Cost to Income	16.80%	17.64%	21.99%
Loans	Loan Growth	(5.96%)	2.49%	8.31%
Asset Quality	NPL Ratio	3.13%	3.77%	2.51%
	Credit Cost	0.68%	1.20%	1.08%
Capital	D/E Ratio (Times)	3.48	3.26	3.36

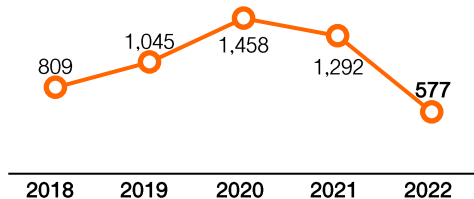
## TNI Net Profit (MTHB)

2022 net profit -9.24% y-y from higher claims and commission expenses which increased when insurance premium income increased significantly .



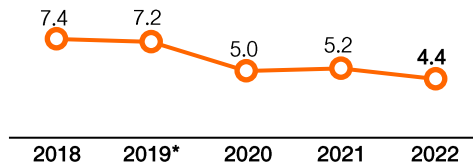
## TNI Financial Ratios (Percent)

### Capital Adequacy Ratio



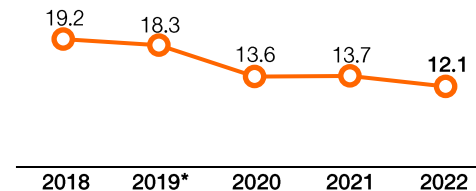
Capital Adequacy Ratio has been declining from higher market risk but is still very strong and much higher than 140% minimum requirement of the OIC.

### ROA



ROA and ROE in 2022 declined as TNI's insurance premium income grew significantly.

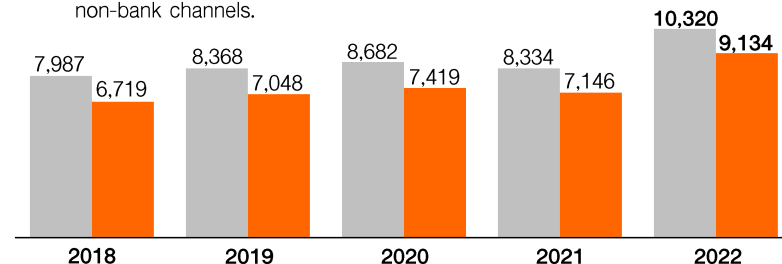
### ROE



## TNI Direct VS Motor Insurance (MTHB)

■ Direct Premium ■ Motor Premium

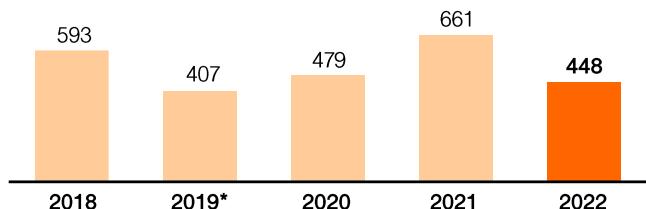
2022 direct premium +23.83% y-y from higher sales through non-bank channels.



Non-bank : Bank increased from 47 : 53 in 2021 to 55 : 45 in 2022

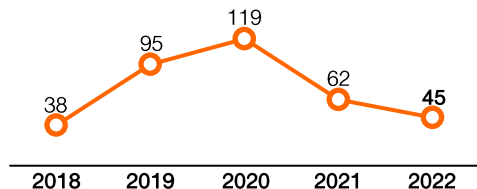
## TNS Net Profit (MTHB)

2022 net profit -32.22% y-y, mainly from the global market situation leading to lower trading volume; however, interest income on margin loans increased as margin loans outstanding grew significantly.



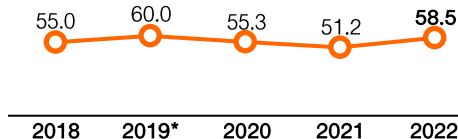
## TNS Financial Ratios (Percent)

### Net Liquid Capital Rules (NCR)



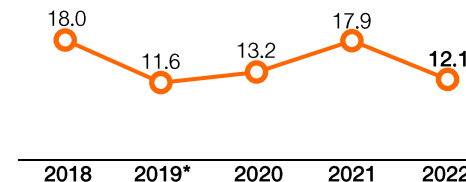
Capital adequacy ratio is still strong and much higher than 7% minimum requirement of the SEC.

### Cost to Income Ratio



2022 cost-to-income ratio picked up from lower income while expenses were effectively managed.

### ROE

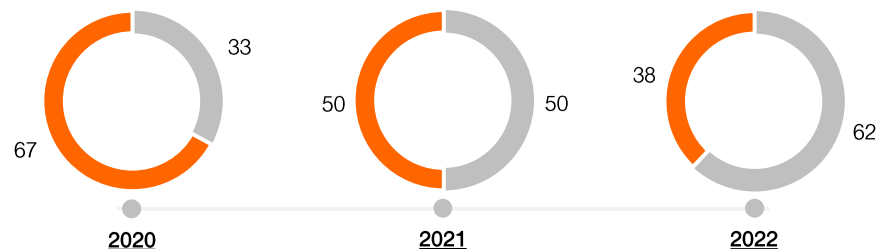


ROEs remained decent, although income has declined.

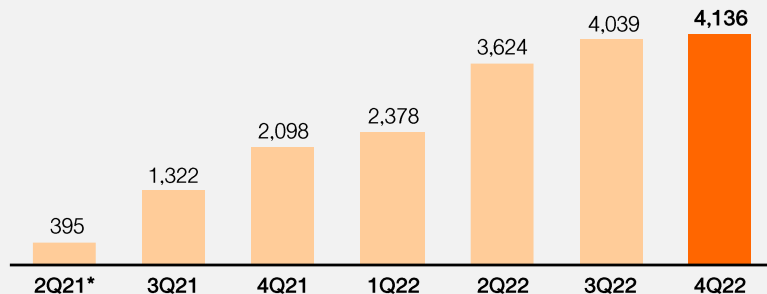
## Profit Contribution (Percent)

Cash Equity Non-cash Equity

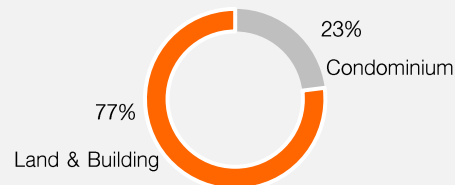
TNS has successfully executed according to its strategy as they relied less and less on cash equity business. In 2022, cash equity accounted for only 38% of its net profit.



## T-PLUS Loan Portfolio (MTHB)



## Property Type



## NPL

0 THB

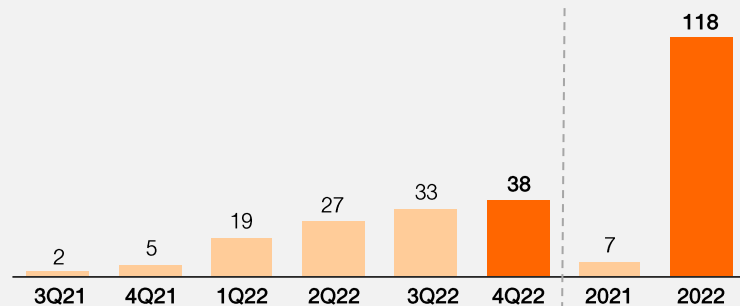
## Interest Rate

11.0%

## LTV

41.0%

## T-PLUS Net Profit (MTHB)



# TGROUP: Comparison to Targets & 2023 Updates

# TGROUP Core Businesses: 2022 Targets



	2022F	2022A
Loan Growth	+2%	+0.4%
Deposit Growth	+3%	+4.5%
NIM	Stable 2.97% in 2021	2.95%
NIR/Assets	0.8-0.9%	0.79%
CI Ratio	45-47% 48% in 2021	45.1%
% Stage 3	≤ 3.2% 2.81% in 2021	2.7%
Credit Cost	140-160 bps 157 bps in 2021	133 bps



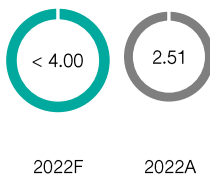
## New Drawdown (MB)



## Total Port Size (MB)



## NPL Ratio (%)



Keep strong relationship with dealers

Expand new market in local area



Target in logistic and construction

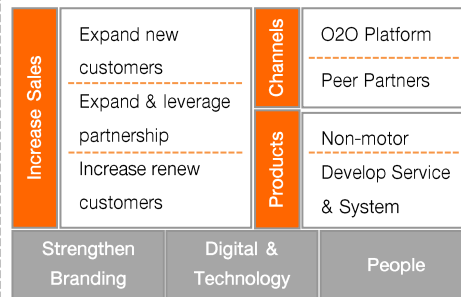
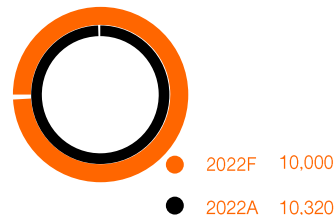
Find more products with high yield



Maintain quick approval process



## Total Premium (MB)

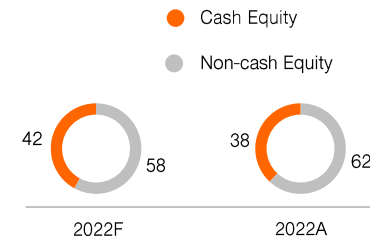


## Product Highlights



## Margin Loans

## Profit Contribution (%)



# Investment Proceeds for Future Growth

Total investments in 2022 of TCAP amounted to **8,267** million baht, which would generate a full-year return in 2023

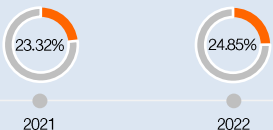
1

## Additional equity investments in associated companies and subsidiaries

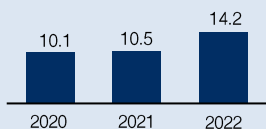
### Investing in Additional Shares of TTB



% of shareholding in TTB



Net Profit (BTHB)



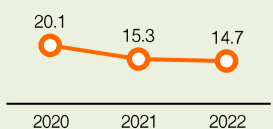
### Investing in Additional Shares of THANI



% of shareholding in THANI



ROE (%)



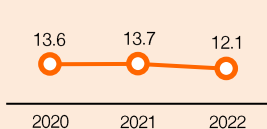
### Investing in Additional Shares of TNI



% of shareholding in TNI



ROE (%)



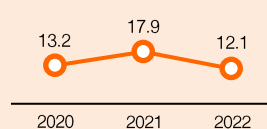
### Investing in Additional Shares of TNS



% of shareholding in TNS



ROE (%)



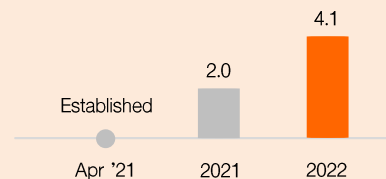
2

## Financial support to T-PLUS

### Lending to T-PLUS



Loan Outstanding (BTHB)



NPL

0 THB

Interest Rate

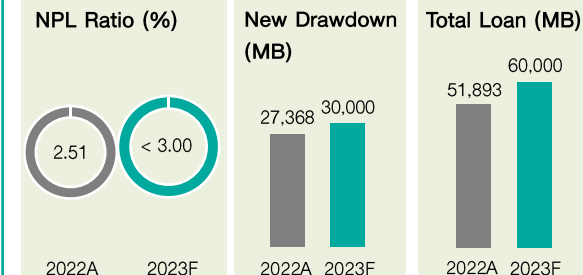
11 %



# TGROUP Core Businesses: 2023 Targets

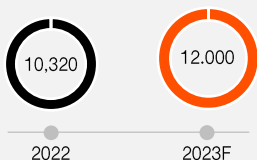


TTB's 2023 Financial Targets	Loan Growth	Deposit Growth	NIM	Non-NII Growth	CI Ratio	% Stage 3	Credit Cost
2022 Actual	+0.4%	+4.5%	2.95%	-	45.5%	2.7%	133 bps
2023 Targets	Approx. +3%	In line with loan growth	3.0-3.1%	Low single digit growth	Mid-40s	≥ 2.9%	125-135 bps

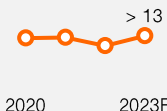


"A leader in SMART retail insurer with Technology & Data-Analytic to protect and meet the needs of each customer"

Total Premium (MB)



ROE (%)



Business Model Transformation

Low-margin  
middleman



High-margin  
Investment solutions

Product Highlights

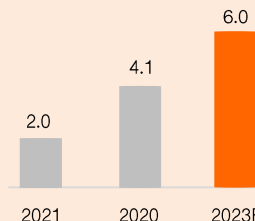


Margin Loans

ROE (%)



Loan Outstanding (BB)



Key Success Factors

- Proactive Marketing
- Building L-T relationship
- Flexible terms
- Fast loan approval and disbursement

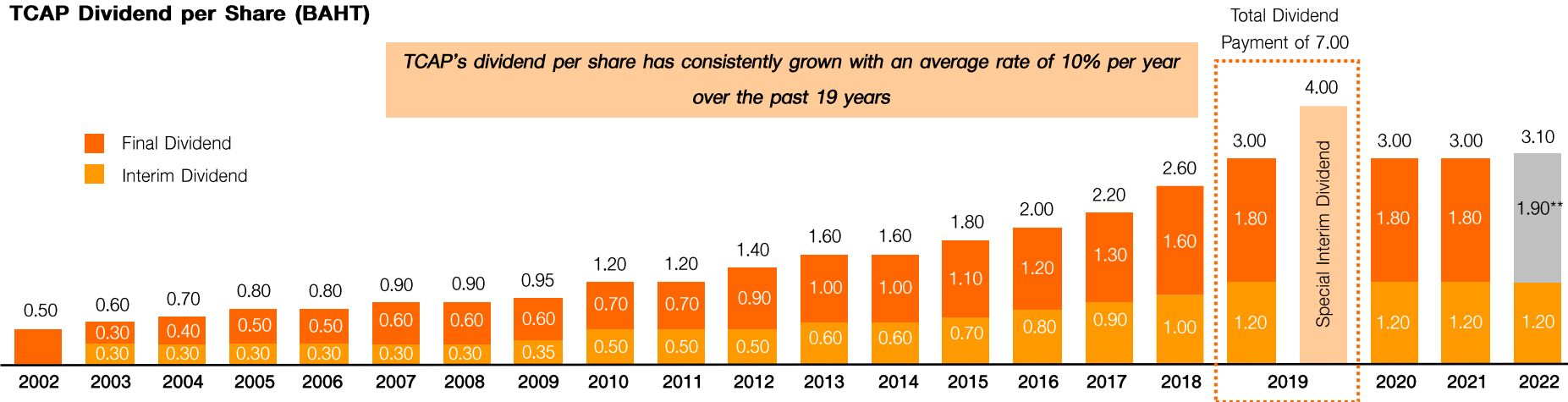
# Appendix



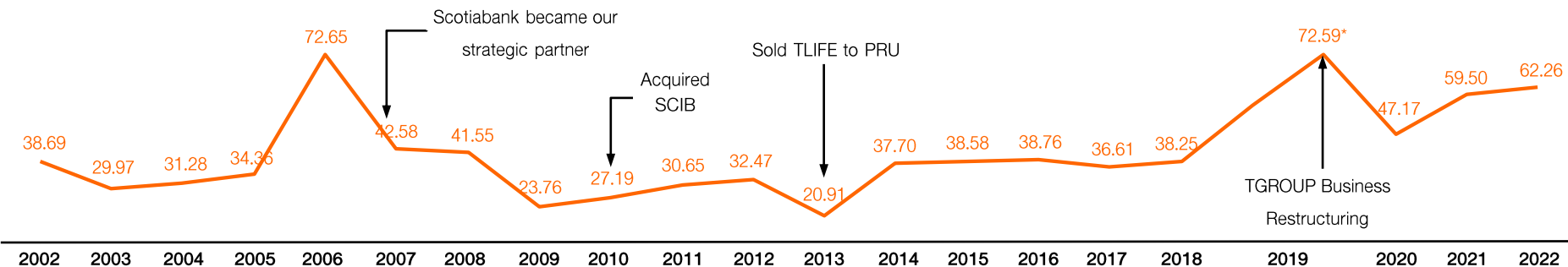
# TCAP: Dividend Payment

## TCAP Dividend per Share (BAHT)

TCAP's dividend per share has consistently grown with an average rate of 10% per year over the past 19 years



## TCAP Total Dividend Payout Ratio (Percent)



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