

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three-month period ended 31 March 2023

(Reviewed Financial Statements)

Thanachart Capital Public Company Limited

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THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Management's Discussion and Analysis (Reviewed Financial Statements)

Economics Outlook and Competition in Banking Industry

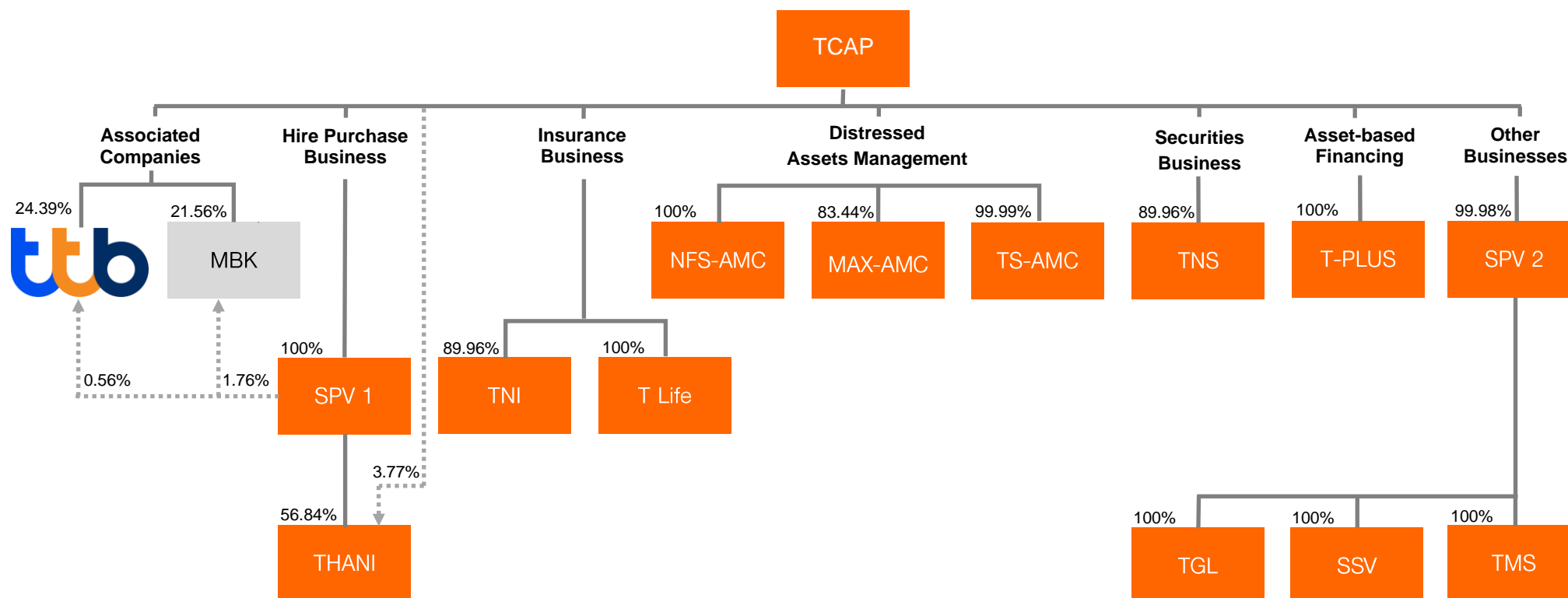
Overall, the Thai economy in the first quarter of 2023 was expected to continue expanding when compared to the previous quarter. The main contributing factors included the recovery of the tourism sector due to the increase in the number of Thai and foreign tourists, as well as the additional support in the form of the government's stimulus measures in the early part of the year, which led to improvements in the service sector and the private consumption. Meanwhile, the export value increased in line with the production of the manufacturing sector and the private investment indicators. However, Thailand's economic growth was still faced with constraints arising from the global economic slowdown risk amidst the increasing inflation rates and the hikes in policy rates. Also noteworthy were the challenges facing foreign financial institutions and the uncertainties caused by protracted geopolitical conflicts. As a result, the Bank of Thailand's Monetary Policy Committee (MPC) decided to raise the policy interest rate twice in the first quarter of 2023, each time by 0.25 percent per annum. As a result, the benchmark rate increased from 1.25 percent per annum to 1.75 percent per annum. The continuous hikes in the policy rate were in line with the economic and inflationary trends.

Loans of Thai commercial banks in the first quarter of 2023 slightly decreased from the previous quarter. This was mainly due to the decrease in corporate loans as a result of lower loan demand caused by rising interest rates. However, consumer loans improved, mainly due to increase in mortgage loans. In the meantime, when compared with the previous quarter, deposits decreased in line with the decrease in loans. On the other hand, non-performing loans continued to decrease from the previous quarter in line with the economic expansion.

Key Events Occurred before the Announcement of 1Q23 Financial Statements

1. On 30 January 2023, the Company's Board of Directors had a resolution to establish Thanachart Wealth Company Limited to support the Company's new business operation. Thanachart Wealth was established on 11 April 2023 with the initial registered and paid-up capital of 5,000,000 baht, or 500,000 shares at a par value of 10 baht per share. In this regard, the Company holds Thanachart Wealth 100 percent of total paid-up shares.
2. On 7 April 2023, the Annual General Meeting of Shareholders for the year 2023 of the Company had a resolution to pay dividend to shareholders at the rate of 3.10 baht per share or 3,251 million baht in total representing 62.28 percent of the net profit for the year 2022. However, the Company's Board of Directors already approved to make interim dividend payment at the rate of 1.20 baht per share to shareholders and the payment was made on 28 October 2022. As a result, the remaining dividend payment to be made amounted to 1.90 baht per share. The dividend payment was scheduled to be made on 3 May 2023.
3. On 2 May 2023, the Company's Board of Directors had a resolution approving the Company to decrease its paid-up capital from the treasury stock project in the amount of 97,045,970 shares, at a par value of 10 baht per share. This is the process of decreasing paid-up capital after the last day of reselling the Company's repurchased shares. As a result, the Company's paid-up capital decreased from 11,456,627,030 baht to 10,486,167,330 baht.

Thanachart Group's Shareholding Structure As of 31 March 2023



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-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.

Operating Results for the First Quarter of 2023

Performance Overview

In the first quarter of 2023, the Company and its subsidiaries' net profit according to the consolidated financial statements amounted to 1,787 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 450 million baht
- Thanachart Insurance Public Company Limited had a net profit of 211 million baht
- Thanachart Securities Public Company Limited had a net profit of 102 million baht
- Share of profit from investments accounted for under equity method – associated companies and joint venture was 1,101 million baht
- Asset Management Companies and other subsidiaries had net profits of 19 million baht

As a result, **net profit attributable to the Company amounted to 1,579 million baht, an increase of 493 million baht or 45.40 percent** from the previous quarter. This was mainly due to an increase in net interest income and non-interest income while expected credit losses declined. In this connection, the non-interest income increased from share of profit from investments accounted for under equity method – associated companies which was in line with the continued improvement of operating performance of associated companies as well as the increases in gains on property foreclosed and net insurance / life insurance income. Meanwhile, net interest income increased in line with the loan expansion of subsidiary companies and the increase in market interest rates which resulted in the increases in interest income on loans and interest income on investments.

Earnings per share (EPS) of the Company in the first quarter of 2023 were 1.51 baht. ROAA and ROAE were at 4.50 and 9.34 percent, respectively.

For the first quarter of 2023 compared with the first quarter of 2022, net profit attributable to the Company increased by 543 million baht or 52.41 percent. This was mainly due to an increase in net interest income and non-interest income, which in particular, increased significantly from share of profit from investments accounted for under equity method – associated companies.

Financial Highlights

Financial Highlights

For the 3 months ended

| Reviewed Financial Statements | 31-Mar-23 | 31-Dec-22 | 31-Mar-22 |
|---|--------------|--------------|--------------|
| Operating Performance (Million Baht) | | | |
| Interest Income | 1,268 | 1,226 | 1,047 |
| Interest Expenses | 447 | 458 | 341 |
| Net Interest Income | 821 | 768 | 706 |
| Non-interest Income | 2,197 | 1,756 | 1,814 |
| Net Operating Income ⁽¹⁾ | 3,018 | 2,524 | 2,520 |
| Other Operating Expenses | 835 | 844 | 790 |
| Expected Credit Losses | 187 | 222 | 138 |
| Profit before Tax | 1,996 | 1,458 | 1,592 |
| Income Tax | 209 | 172 | 202 |
| Profit for the Period | 1,787 | 1,286 | 1,390 |
| Net Profit Attributable to the Company | 1,579 | 1,086 | 1,036 |
| Basic Earnings per Share (Baht) | 1.51 | 1.04 | 0.99 |

| | 31-Mar-23 | 31-Dec-22 | 31-Mar-22 |
|---|-----------|-----------|-----------|
| Financial Position (Million Baht) | | | |
| Net Loans to Customers and Accrued Interest Receivables | 64,565 | 62,383 | 59,330 |
| Investments in Associated Companies and Joint Ventures | 58,530 | 56,986 | 53,547 |
| Total Assets | 160,773 | 157,089 | 149,676 |
| Debts Issued and Borrowings | 47,744 | 47,730 | 37,960 |
| Total Liabilities | 86,232 | 84,558 | 74,437 |
| Company's Shareholders' Equity | 68,566 | 66,763 | 65,899 |
| Non-controlling Interests | 5,975 | 5,768 | 9,340 |
| Total Shareholders' Equity | 74,541 | 72,531 | 75,239 |

| | 31-Mar-23 | 31-Dec-22 | 31-Mar-22 |
|---|-----------|-----------|-----------|
| Operating Performance Ratios (Percent) | | | |
| ROAA | 4.50 | 3.25 | 3.79 |
| ROAE ⁽²⁾ | 9.34 | 6.54 | 6.33 |
| D/E Ratio (times) | 1.16 | 1.17 | 0.99 |

(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)

| | 1Q23 | 4Q22 | Change Q-Q | | 1Q22 | Change Y-Y | |
|--|--------------|--------------|-------------|---------------|--------------|------------|--------------|
| | | | +/(-) | % | | +/(-) | % |
| Interest Income | 1,268 | 1,226 | 42 | 3.43 | 1,047 | 221 | 21.11 |
| Interbank and Money Market Items – | | | | | | | |
| Deposits at Financial Institutions | 12 | 18 | (6) | (33.33) | 17 | (5) | (29.41) |
| Financial Assets Measured at Fair Value through Profit or Loss | 3 | 2 | 1 | 50.00 | 3 | - | - |
| Investments in Debt Securities Measured at Amortized Cost | 17 | 9 | 8 | 88.89 | - | 17 | 100.00 |
| Investments in Debt Securities Measured at Fair Value through Other Comprehensive Income | 94 | 75 | 19 | 25.33 | 22 | 72 | 327.27 |
| Loans to Customers | 238 | 221 | 17 | 7.69 | 162 | 76 | 46.91 |
| Hire Purchase and Financial Lease | 904 | 901 | 3 | 0.33 | 843 | 61 | 7.24 |
| Interest Expenses | 447 | 458 | (11) | (2.40) | 341 | 106 | 31.09 |
| Interbank and Money Market Items - | | | | | | | |
| Borrowings from Financial Institutions | 70 | 67 | 3 | 4.48 | 59 | 11 | 18.64 |
| Debts Issued and Borrowings | 369 | 382 | (13) | (3.40) | 274 | 95 | 34.67 |
| Borrowing Cost | 5 | 5 | - | - | 4 | 1 | 25.00 |
| Others | 3 | 4 | (1) | (25.00) | 4 | (1) | (25.00) |
| Net Interest Income | 821 | 768 | 53 | 6.90 | 706 | 115 | 16.29 |

For the first quarter of 2023 compared with the fourth quarter of 2022, the Company and its subsidiaries had 821 million baht in net interest income, an increase of 53 million baht or 6.90 percent. Interest income was 1,268 million baht, an increase of 42 million baht or 3.43 percent. This was mainly due to loan expansion of subsidiary companies and the increase in market interest rates which resulted in the increases in interest income on loans and interest income on investments. Meanwhile, interest expenses were 447 million baht, a decrease of 11 million baht or 2.40 percent. This was a result of the proper cost of fund management to be in line with the market interest rate.

For the first quarter of 2023 compared with the first quarter of 2022, net interest income increased by 115 million baht or 16.29 percent. Interest income increased by 221 million baht or 21.11 percent, due to the increases in asset-based financing, margin loans, and hire purchase loans as well as the increase in interest income on investments which was in line with the market interest rates. Interest expenses increased by 106 million baht from the increase in debt issued and borrowings outstanding.

Non-interest Income

Non-interest Income (Million Baht)

| | 1Q23 | 4Q22 | Change Q-Q | | 1Q22 | Change Y-Y | |
|--|--------------|--------------|------------|--------------|--------------|-------------|----------------|
| | | | + / (-) | % | | + / (-) | % |
| Net Fees and Service Income | 259 | 212 | 47 | 22.17 | 345 | (86) | (24.93) |
| Total Operating Income | 1,938 | 1,544 | 394 | 25.52 | 1,469 | 469 | 31.93 |
| Gains (Losses) on Financial Instruments | | | | | | | |
| Measured at Fair Value through Profit or Loss | 2 | 87 | (85) | (97.70) | 36 | (34) | (94.44) |
| Gains (Losses) on Investments | 28 | (30) | 58 | 193.33 | - | 28 | 100.00 |
| Share of Profit from Investments Accounted for under Equity Method – Associated Companies | 1,101 | 954 | 147 | 15.41 | 586 | 515 | 87.88 |
| Gains on Property Foreclosed and Other Assets | 140 | 18 | 122 | 677.78 | - | 140 | 100.00 |
| Net Insurance / Life Insurance Income | 533 | 363 | 170 | 46.83 | 703 | (170) | (24.18) |
| Dividend Income | 25 | 17 | 8 | 47.06 | 35 | (10) | (28.57) |
| Other Income | 109 | 135 | (26) | (19.26) | 109 | - | - |
| Total Non-interest Income | 2,197 | 1,756 | 441 | 25.11 | 1,814 | 383 | 21.11 |

For the first quarter of 2023 compared with the fourth quarter of 2022, non-interest income of the Company and its subsidiaries amounted to 2,197 million baht, an increase of 441 million baht or 25.11 percent. This was mainly due to the following.

- Net fees and service income amounted to 259 million baht, an increase of 47 million baht or 22.17 percent. This was mainly due to an increase in brokerage fees which was in line with the trading volume of Thanachart Securities.
- Other operating income amounted to 1,938 million baht, an increase of 394 million baht or 25.52 percent. This was mainly due to the increase in share of profit investments accounted for under equity method – associated companies which was in line with the continued improvement of operating performance of associated companies. Also, gains on property foreclosed and net insurance / life insurance income.

For the first quarter of 2023 compared with the first quarter of 2022, non-interest income increased by 383 million baht or 21.11 percent, mainly from the following.

- Net fees and service income declined by 86 million baht or 24.93 percent. This was mainly due to a decrease in brokerage fees which was in line with the trading volume of Thanachart Securities.
- Other operating income increased by 469 million baht or 31.93 percent. This was mainly due to the significant increase in share of profit investments accounted for under equity method – associated companies in line with the improvement of operating performance of associated companies, especially TMBThanachart Bank operating performance which increased by 34.4 percent.

Other Operating Expenses

Other Operating Expenses (Million Baht)

| | 1Q23 | 4Q22 | Change Q-Q | | 1Q22 | Change Y-Y | |
|---------------------------------------|------------|------------|------------|---------------|------------|------------|-------------|
| | | | +/(-) | % | | +/(-) | % |
| Personnel Expenses | 522 | 515 | 7 | 1.36 | 515 | 7 | 1.36 |
| Premises and Equipment Expenses | 68 | 66 | 2 | 3.03 | 70 | (2) | (2.86) |
| Taxes and Duties | 10 | 9 | 1 | 11.11 | 6 | 4 | 66.67 |
| Directors' Remuneration | 12 | 13 | (1) | (7.69) | 16 | (4) | (25.00) |
| Other Expenses | 223 | 241 | (18) | (7.47) | 183 | 40 | 21.86 |
| Total Other Operating Expenses | 835 | 844 | (9) | (1.07) | 790 | 45 | 5.70 |

For the first quarter of 2023 compared with the fourth quarter of 2022, other operating expenses of the Company and its subsidiaries amounted to 835 million baht, a decrease of 9 million baht or 1.07 percent. This was mainly due to a decrease in marketing expenses.

For the first quarter of 2023 compared with the first quarter of 2022, other operating expenses of the Company and its subsidiaries increased by 45 million baht or 5.70 percent. This was mainly due to computer and work system expenses and legal expenses.

Expected Credit Loss (Reversal)

Expected Credit Loss (Reversal) (Million Baht)

| | 1Q23 | 4Q22 | Change Q-Q | | 1Q22 | Change Y-Y | |
|--|------------|------------|-------------|----------------|------------|------------|--------------|
| | | | +/(-) | % | | +/(-) | % |
| Investments in Debt Securities Measured at Amortized Cost | - | 1 | (1) | (100.00) | - | - | - |
| Investments in Debt Securities Measured at Fair Value through Other Comprehensive Income | 1 | 1 | - | - | 1 | - | - |
| Loans to Customers and Accrued Interest Receivables | 217 | 272 | (55) | (20.22) | 160 | (57) | (35.63) |
| Other Assets | (31) | (52) | 21 | 40.38 | (23) | (8) | (34.78) |
| Expected Credit Loss | 187 | 222 | (35) | (15.77) | 138 | 49 | 35.51 |

For the first quarter of 2023 compared with the fourth quarter of 2022, the Company and its subsidiaries had expected credit loss in the amount of 187 million baht, a decrease of 35 million baht or 15.77 percent. This was mainly due to good repayment ability from customers of a subsidiary company.

For the first quarter of 2023 compared with the first quarter of 2022, expected credit loss of the Company and its subsidiaries increase by 49 million baht or 35.51 percent. This was mainly due to loan expansion when compared to the same quarter last year.

Financial Position

Consolidated Statements of Financial Position (Million Baht)

| | 31 March 2023 | | 31 December 2022 | | Change | |
|--|----------------|---------------|------------------|---------------|--------------|-------------|
| | Amount | % | Amount | % | +/(−) | % |
| Cash | 5 | 0.00 | 5 | 0.00 | - | - |
| Interbank and Money Market Items - net | | | | | | |
| - Deposits at Financial Institutions | 3,757 | 2.34 | 4,828 | 3.07 | (1,071) | (22.18) |
| Financial Assets Measured at Fair Value through Profit or Loss | 2,348 | 1.46 | 2,490 | 1.59 | (142) | (5.70) |
| Investments - net | 20,251 | 12.60 | 18,623 | 11.86 | 1,628 | 8.74 |
| Investments in Associated Companies and Joint venture | 58,530 | 36.40 | 56,986 | 36.28 | 1,544 | 2.71 |
| Net Loans to Customers and Accrued Interest Receivables | 64,565 | 40.16 | 62,383 | 39.71 | 2,182 | 3.50 |
| Property Foreclosed - net | 3,855 | 2.40 | 3,854 | 2.45 | 1 | 0.03 |
| Land, Premises, Equipment and Right-of-use Assets - net | 657 | 0.41 | 682 | 0.43 | (25) | (3.67) |
| Other Assets | 6,805 | 4.23 | 7,238 | 4.61 | (433) | (5.98) |
| Total Assets | 160,773 | 100.00 | 157,089 | 100.00 | 3,684 | 2.35 |
| Interbank and Money Market Items | | | | | | |
| - Borrowings from Financial Institutions | 17,288 | 10.75 | 16,415 | 10.45 | 873 | 5.32 |
| Debts Issued and Borrowings | 47,744 | 29.70 | 47,730 | 30.38 | 14 | 0.03 |
| Insurance Contracts Liabilities | 13,095 | 8.15 | 12,543 | 7.99 | 552 | 4.40 |
| Other Liabilities | 8,105 | 5.04 | 7,870 | 5.01 | 235 | 2.99 |
| Total Liabilities | 86,232 | 53.64 | 84,558 | 53.83 | 1,674 | 1.98 |
| Company's Shareholders' Equity | 68,566 | 42.65 | 66,763 | 42.50 | 1,803 | 2.70 |
| Non-controlling Interests | 5,975 | 3.71 | 5,768 | 3.67 | 207 | 3.59 |
| Total Shareholders' Equity | 74,541 | 46.36 | 72,531 | 46.17 | 2,010 | 2.77 |
| Total Liabilities and Shareholders' Equity | 160,773 | 100.00 | 157,089 | 100.00 | 3,684 | 2.35 |
| Book Value per Share (Baht) | 65.39 | | 63.67 | | | |

Assets

As of 31 March 2023, **Thanachart Group's total assets amounted to 160,773 million baht, an increase of 3,684 million baht or 2.35 percent** from the end of 2022. Key factors were as follows:

- Net interbank and money market items – deposits at financial institutions amounted to 3,757 million baht, a decrease of 1,071 million baht or 22.18 percent. This was due to liquidity management.

- Net investments amounted to 20,251 million baht, an increase of 1,628 million baht or 8.74 percent. This was mainly due to the increased investments in debt securities.
- Investment in associated companies and joint venture amounted to 58,530 million baht, an increase of 1,544 million baht or 2.71 percent. This was mainly due to the additional investments in TMBThanachart Bank and the operating performances of associated companies that continued improving.
- Net loans to customers and accrued interest receivables amounted to 64,565 million baht, an increase of 2,182 million baht or 3.50 percent. This was mainly due to the loan expansion of the subsidiaries including Ratchthani Leasing, Thanachart Plus, and Thanachart Securities.

Liabilities

Total liabilities of Thanachart Group as of 31 March 2023 **were 86,232 million baht, an increase of 1,674 million baht or 1.98 percent** from the end of 2022. Interbank and money market items - borrowings from financial Institutions and debts issued and borrowings totaled 65,032 million baht, an increase of 887 million baht or 1.38 percent. This was from financing to support loan growth.

Shareholders' Equity

Total shareholders' equity as of 31 March 2023 **was 74,541 million baht, an increase of 2,010 million baht or 2.77 percent** from the end of 2022. The total shareholders' equity comprised of the following:

- Equity attributable to the owners of the Company was 68,566 million baht, an increase of 1,803 million baht or 2.70 percent. This was mainly due to the operating net profit of the Company and its subsidiaries in the first quarter of 2023 in the amount of 1,579 million baht.
- Equity attributable to non-controlling interest amounted to 5,975 million baht, an increase of 207 million baht or 3.59 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) | | |
|---|----------------|-------------------|-------|------|
| | | 1Q23 | 4Q22 | 1Q22 |
| Ratchthani Leasing Public Company Limited (Consol.) | 60.61% | 450 | 353 | 455 |
| Thanachart Insurance Public Company Limited | 89.96% | 211 | 168 | 193 |
| Thanachart Securities Public Company Limited | 89.96% | 102 | 70 | 176 |
| TS AMC Company Limited | 99.99% | 71 | (4) | (6) |
| MAX AMC Company Limited | 83.44% | (4) | (6) | (7) |
| NFS AMC Company Limited | 100.00% | (10) | 27 | - |
| T Life Assurance Public Company Limited | 100.00% | (51) | (196) | 103 |
| Thanachart Plus Company Limited | 100.00% | 32 | 38 | 19 |

Ratchthani Leasing Public Company Limited (Consolidated)

As of 31 March 2023, Ratchthani Leasing Public Company Limited and its subsidiary had total assets of 54,937 million baht, an increase of 1,028 million baht or 1.91 percent from the end of 2022. The company had **hire purchase and financial leases in the amount of 52,809 million baht, an increase of 916 million baht or 1.77 percent** and loans in the amount of 363 million baht, an increase of 155 million baht or 74.52 percent. Total loans represented 96.79 percent of total assets. Total liabilities amounted to 42,126 million baht while shareholders' equity was 12,811 million baht.

Net profit for the first quarter of 2023 when compared with the fourth quarter of 2022 amounted to 450 million baht, an increase of 97 million baht or 27.48 percent. Total income increased by 60 million baht or 5.31 percent while interest expenses increased by 9 million baht or 3.56 percent. Expected credit loss amounted to 182 million baht, decreased by 54 million baht or 22.88 percent as a result of careful risk management and good repayment ability from customers. **Return on equity (ROE) of the company in the first quarter of 2023 was 14.34 percent.**

For the first quarter of 2023 compared with first quarter of 2022, the company's net profit decreased by 5 million baht or 1.10 percent. Total income increased by 108 million baht or 9.97 percent. Interest expenses increased by 42 million baht or 19.09 percent while expected credit loss increased by 56 million baht or 44.44 percent. The increase in expected credit loss was partly due to loan expansion while credit quality remained manageable.

Thanachart Insurance Public Company Limited

In the first quarter of 2023, Thanachart Insurance Public Company Limited had total insurance premium of 2,806 million baht, a decrease of 156 million baht or 5.27 percent from the previous quarter. This was due to the fact that in the last quarter of the year, there will be higher insurance than other quarters. However, **the insurance premium increased by 355 million baht or 14.48 percent** from the same quarter last year. This was due to the increase in sales through the broker and dealer channels. Auto insurance premium in the first quarter of 2023 amounted to 2,510 million baht, a decrease of 169 million baht or 6.30 percent from the previous quarter and an increase of 361 million baht or 16.82 percent from the same quarter last year.

For operating results, **the net profit of the company in the first quarter of 2023 when compared with the fourth quarter of 2022 was 211 million baht, an increase of 43 million baht or 25.60 percent.** This was mainly due to an increase in net earned premium of 76 million baht as unearned premium reserve decreased; an increase in investment income of 129 million baht; a decrease in commission and brokerage expenses of 27 million baht; a decrease in other underwriting expenses of 5 million baht; and a decrease in operating expenses of 13 million baht. However, fee and commission income on reinsurers decreased by 10 million baht which was in line with the decrease in reinsurance premium; other income decreased by 12 million baht; net claims and loss adjustment expenses increased by 26 million baht; and expected credit loss increased by 149 million baht. **Return on equity (ROE) of the company in the first quarter of 2023 was 13.60 percent.**

For the first quarter of 2023 compared with the first quarter of 2022, the company's net profit increased by 18 million baht or 9.33 percent. This was mainly due to an increase in net earned premium of 255 million baht which was in line with the increase in gross premium written; an increase in fee and commission income on reinsurers of 20 million baht which was in line with the increase in reinsurance premium; and an increase in investment income of 74 million baht. However, net claims and loss adjustment expenses increased by 167 million baht while commission and brokerage expenses increased by 66 million baht which was in line with the increase in gross premium written. As well,

other underwriting expenses and operating expenses increased by 52 million baht and 29 million baht, respectively. Expected credit loss increased by 13 million baht.

Capital fund at the end of March 2023 was at 533.13 percent, a decrease from 577.19 percent at the end of December 2022. The decrease was due to the increase in market risks which was in line with higher investments in debt securities and the increase in insurance risk 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 first quarter of 2023 was 2,104 million baht, an increase from the previous quarter's average daily trading excluding large securities trading (Big Lot) which amounted to 2,006 million baht. The company's market share of securities trading was at 1.70 percent. The trading volume could be divided into 63.96 percent of retails, 34.56 percent of institutions, and 1.48 percent of foreign investors. Compared with the same quarter last year, the average daily trading volume of the company decreased from the same quarter last year's average daily trading excluding Big Lot which amounted to 3,035 million baht.

Net profit for the first quarter of 2023 when compared with the fourth quarter of 2022 amounted to 102 million baht, an increase of 32 million baht or 45.71 percent. Total income was 365 million baht, an increase of 47 million baht or 14.78 percent, divided into brokerage fees of 214 million baht, an increase of 31 million baht or 16.94 percent in line with the trading volume of the company; interest income on margin loans of 78 million baht, an increase of 13.04 percent which was in line with the expansion of margin loans outstanding and the increase in interest rates; gains and returns on financial instruments of 28 million baht, and fees and service income of 32 million baht. Meanwhile, total expenses amounted to 238 million baht, an increase of 3.03 percent. The company's total expenses consisted of interest expenses and fees and service expenses of 51 million baht and operating expenses of 187 million baht. **Return on equity (ROE) of the company in the first quarter of 2023 was 11.44 percent.**

For the first quarter of 2023 compared with the first quarter of 2022, the company's net profit declined by 74 million baht. Brokerage fees decreased by 88 million baht in line with the decrease in trading volume of the company, meanwhile, gains and returns on financial instruments amounted to 28 million baht, a decrease of 61.64 percent in line with the investment situation in the stock market. Total interest income increased by 14 million baht, due to the increase in interest rates, which resulted in the increase in interest expenses. Fees and service expenses and operating expenses decreased by 28 million baht in line with the decrease in revenue and transaction volume.

As of 31 March 2023, the company maintained its liquidity ratio (Net Liquid Capital Rules: NCR) at 45.66 percent, higher than the minimum requirement by the Securities and Exchange Commissions (SEC) of 7.00 percent of general indebtedness and securities pledged.

Thanachart Capital Public Company Limited ('the Company') had provided this report to publish the Company's performance. The 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.