

Press Release

**TCAP's Q1 2020 profit surges 114% from last year**

**with over 10 billion baht of excess cash on path to sustainable growth**

Thanachart Capital Public Company Limited (TCAP) posts net profit of 4,316 million baht for the first quarter of 2020, up 114% compared with the same quarter a year earlier. The net profit consisted of net profit from each subsidiary and share of profit from associated companies.

Mr. Somjate Moosirilert, Chief Executive Officer of Thanachart Capital Public Company Limited (TCAP), said, "In the first quarter of 2020, TCAP and its subsidiaries registered net profit of 4,602 million baht. This included 1) the net profit of important subsidiary companies in the amount of 3,713 million baht, a part of which was from the recognition of the gain from disposal of the investment in Ajinomoto (Thailand) Company Limited (AJT) with sale of the investment worth about 7,167 million baht, 2) share of profit from associated companies, which was mainly from recognition of TMB's profit as per the Company's shareholding of 20.12%. In this connection, TMB posted net profit of 4,163 million baht for the first quarter of 2020. As a result, the net profit attributable to the Company amounted to 4,316 million baht, up 114% compared with the same quarter a year earlier."

"The move to hold an equity stake in TMB which acquired Thanachart Bank (TBANK) represented a shift in our strategy. The acquisition resulted in a larger bank whose asset size doubled. It also led to higher competitiveness and greater strength for the bank, which augured well for the future of TCAP. Moreover, the fact that TCAP currently held equity stakes directly in subsidiaries helped improve the diversification of its income sources. Earlier, TCAP's main income was from TBANK, which accounted for about 80-90%. After TCAP disposed its investment in TBANK and became a shareholder of TMB, TCAP's income from the banking business accounted for about 50-60% while about 30% was from its subsidiaries including Ratchthani Leasing Public Company Limited (THANI), Thanachart Insurance Public Company Limited (TNI), and Thanachart Securities Public Company Limited (TNS) with the remaining income being from other businesses such as MBK Public Company Limited (MBK) and Patum Rice Mill and Granary Public Company Limited (PRG) as well as the management of non-performing loans (NPLs) and non-performing assets (NPAs),"

"We previously indicated that the shift in the strategy would provide TCAP with excess cash of about 14 billion baht. The Board of Directors had approved measures to manage the excess cash. One of the measures was to provide the shareholders with a special interim dividend payment at the rate of 4 baht per share or 4,583 million baht in total, which was made on 16 January 2020. Another measure was to repurchase shares worth no more than 6 billion baht. In this connection, the shares worth 4,863 million baht in total were already repurchased and the share repurchase program was terminated on 27 April 2020. In view of the above as well as the disposal of the investment in AJT, TCAP's remaining excess cash would amount to over 10 billion baht. We plan to make

investment in the businesses in which we have expertise. These include financial business and management of non-performing assets. The objective is to generate appropriate and sustainable income for shareholders.”

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