



รายงานประจำปี | 2567
Annual Report | 2024

SUSTAINABLE GROWTH



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Message from Chairman

Dear shareholders and colleagues:

During 2024, economy in the Kingdom of Thailand (the “Kingdom”) gradually recovered, driven by expansion of the exportation and tourism sectors, coupled with the easing of monetary policy and lower inflation in the Kingdom and trading partners. Private consumption was also fostered by the government’s economic stimulus packages. However overall investment was pressured by the delay in the disbursement of the 2024 budget.

In 2025, economy of the Kingdom is expected to continue to grow, mainly driven by private consumption which is boosted by the government’s economic stimulus packages. Public investment is likely to expand well, which will help igniting private investment to improve in the same direction. The exportation and tourism sectors will continue to grow in line with the recovery of the global economy. However, the economy of the Kingdom still faces several risk factors: trade war and geopolitical tensions among the superpowers, economic slowdown in certain exporting markets, domestically the high household debt is a major concern, and the main exporting items are concentrating in low value-added products. These factors may be obstacles to an overall economic recovery.

In 2024, Land and Houses Bank Public Company Limited (the “Bank”) reflected a sound performance with net profit of Baht 2,010.34 million, an increase of Baht 317.37 million or 18.75 percent when compared to 2023. For the 2025 business strategy, we lay stress on expanding business loans in target industries, trade finance and FX products to support domestic customers and those businesses that relocated their production bases to the Kingdom, expanding loans to SME and housing loan markets, broadening our deposit and wealth customers base. We will also develop digital and AI capabilities to enhance customer service, operation efficiency, risk management and internal control. Furthermore, the Bank will leverage the expertise of CTBC Bank, the parent company, in cross-boarder referrals and tailoring products that meet customer needs.

The Bank is committed to sustainable banking by focusing on environmental, social and governance factors. In this respect, the Bank has drawn up the sustainable operation framework that underpins the goal of dwindling greenhouse gases and environmental problems according to the Sustainable Development Goals of the United Nations by setting a target to reduce greenhouse gas emissions to Net Zero by 2050. The Bank also strongly supports customers in various segments who are conscious of enviornmental sustainability, by providing environmentally sustainable lending and investment in ESG bonds, the Bank will work with our customers towards a low carbon society.

The Bank would like to thank all stakeholders for their trust and support placed in business operations of Land and Houses Bank in the past year and the year to come.



(Mr. Lee, Yu-Chou)
Chairman



Company Profile

Land and Houses Bank Public Company Limited is a financial institution which positions itself as a new choice for consumers. It originated from the inspiration of a leading group of property developers – Land & Houses Public Company Limited and Quality Houses Public Company Limited. Both are listed companies on the Stock Exchange of Thailand, engaging in the development and management of real estate projects and holding the largest market share. Apart from their strong financial positions, they both are committed to management with good corporate governance. In 2004, the government announced a financial institutions development plan. Viewing this as an opportunity to diversify its business to be more comprehensive, the group had Land and Houses Credit Foncier Public Company Limited of which 43% of paid-up share capital held by Land and Houses Public Company Limited submit a plan to the Ministry of Finance to set up a commercial retail bank and on December 19, 2005, the Ministry of Finance gave its approval to operate Land and Houses Bank Retail Bank Public Company Limited.

On June 19, 2009, LH Financial Group Public Company Limited submitted an application to the Bank of Thailand to establish a financial business group. Then, on October 28, 2009, the Bank of Thailand allowed the company to set up a financial business group, with LH Financial PLC. acting as the parent company of financial business group, and the bank as a subsidiary under the solo consolidation group.

On December 16, 2011, the Ministry of Finance, by the recommendation of the Bank of Thailand, approved the bank's business plan to upgrade to a commercial bank from a retail banking position under the name of Land and Houses Bank Public Company Limited. Officially commenced its business on December 19, 2011, the bank could provide a complete commercial banking service to a more diverse range of customers.

General Information

1. Type of Business, Number of Shares, Par Value and All Types of Shares and Issued Share Capital

Company Name	:	Land and Houses Bank Public Company Limited
Symbol	:	LH Bank
Registration Number	:	0107548000234
Type of Business	:	Commercial Bank
Website	:	www.lhbank.co.th
Head Office	:	1 Q.House Lumpini Building, G, 1 st , 5 th , 6 th and 32 nd Floor, South Sathon Rd., Thungmahamek, Sathon, Bangkok 10120
Registered Capital	:	Baht 20,000,000,000
Paid-up Capital	:	Baht 20,000,000,000
Par Value	:	10 Baht
Types of Share	:	Ordinary shares 2,000,000,000 shares
and Issued Share Capital	:	Preferred shares - None -
Accounting Period	:	1 January - 31 December
Contact	:	Head Office Telephone : 0 2359 0000 or 1327 Fax : 0 2677 7223 E-mail : Presidentoffice@lhbank.co.th
Audit Committee	:	Mr. Pradit Sawattananond Chairman of the Audit Committee Telephone : 08 1868 1487 E-mail : pradits@lhbank.co.th
	:	Prof. Piphob Veraphong Member of the Audit Committee Telephone : 08 9206 9064 E-mail : piphobv@lhbank.co.th
	:	Dr. Supriya Kuandachakupt Member of the Audit Committee Telephone : 08 6357 3999 E-mail : supriyak@lhbank.co.th
	:	Mr. Pichai Dusdeekulchai Member of the Audit Committee Telephone : 09 8992 8295 E-mail : pichaid@lhbank.co.th
Auditor	:	KPMG Phoomchai Audit Limited
List of Auditors	:	Ms. Orawan Chotiwiwiyakul CPA Registration No. 10566 Mr. Chanchai Sakulkoedsin CPA Registration No. 6827 Mr. Chokechai Ngamwutikul CPA Registration No. 9728 Ms. Thitima Pongchaiyong CPA Registration No. 10728
Head Office	:	50 th Floor, Empire Tower, 1 South Sathorn Road Yannawa, Sathorn, Bangkok 10120
Telephone	:	0 2677 2000
Fax	:	0 2677 2222
Website	:	www.home.kpmg/th

2. Factors Affecting Investment Decisions

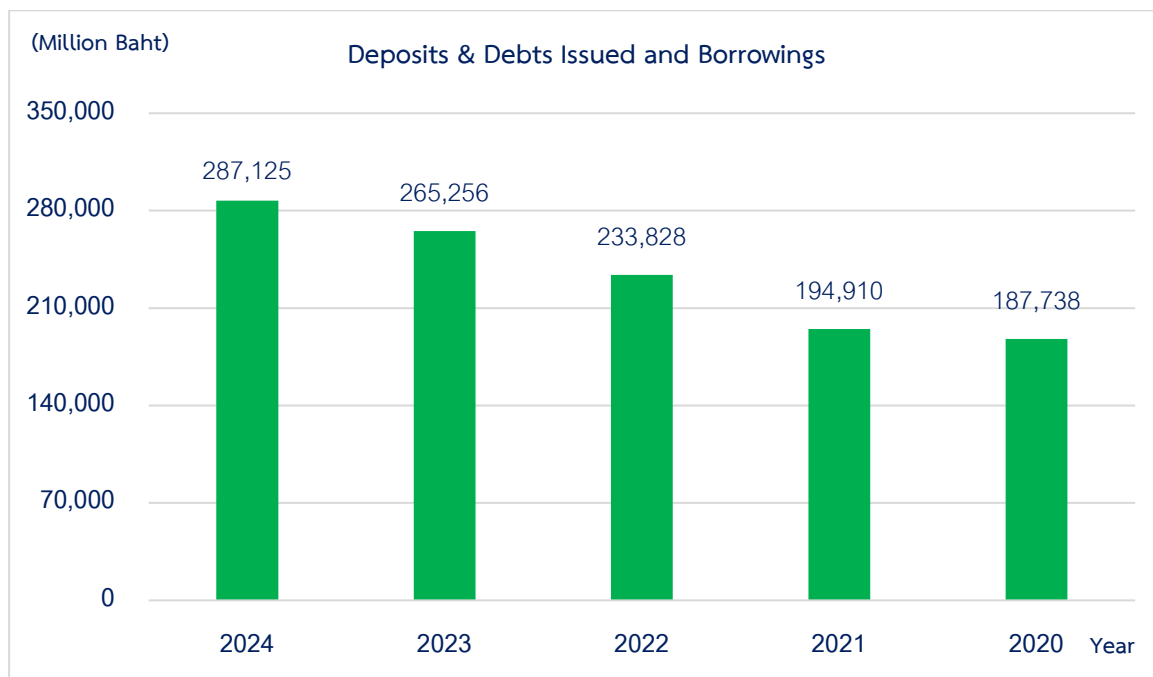
Legal Disputes

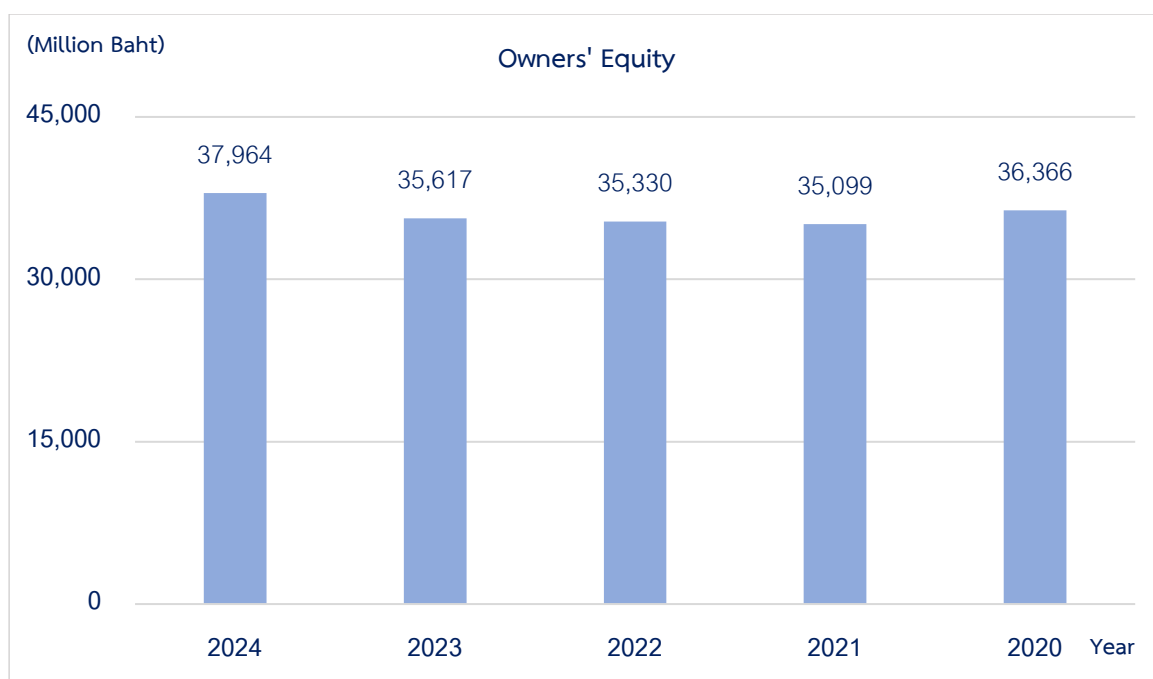
As of December 31, 2024 and 2023, the bank had several lawsuits being claimed for damages in the total amount of Baht 640.26 million and Baht 633.88 million, respectively. These cases had not yet been final and the bank had already set aside the provision of Baht 121.24 million. Management of the bank had assessed the litigation results with their discretion and were confident that such provision was sufficient to cover the potential loss arising from those lawsuits.

Financial Highlights

Items	Separate Financial Statement				
	2024	2023	2022	2021	2020
Statements of financial position : Million Baht					
Total assets	340,446	316,339	295,846	251,479	240,085
Investments	42,728	42,864	44,376	41,734	43,983
Loans to customers	252,125	236,520	218,726	177,083	160,970
Expected Credit Loss (ECL)	14,375	13,417	11,659	8,940	6,004
Non-performing loans (Gross NPLs)	6,764	6,299	5,248	5,110	5,368
Debts issued and borrowings	7,217	14,172	2,396	2,397	5,003
Deposits	279,908	251,453	231,432	192,513	182,735
Total liabilities	302,482	280,722	260,516	216,380	203,719
Total owners' equity	37,964	35,617	35,330	35,099	36,366
Registered share capital	20,000	20,000	20,000	20,000	20,000
Paid-up share capital	20,000	20,000	20,000	20,000	20,000
Statements of comprehensive income : Million Baht					
Interest income	13,151	11,725	8,736	7,751	7,927
Interest expenses	(6,207)	(4,620)	(2,452)	(2,186)	(2,975)
Net interest income	6,944	7,105	6,284	5,565	4,952
Non-interest income	700	775	709	1,293	1,671
Operating income	7,644	7,880	6,993	6,858	6,623
Non-interest expenses	(3,859)	(3,669)	(3,125)	(2,759)	(2,591)
Expected Credit Loss (ECL)	(1,283)	(2,130)	(2,551)	(3,284)	(2,298)
Profits before income tax expenses	2,502	2,081	1,317	815	1,734
Net profits	2,010	1,693	1,093	691	1,408
Ratio per share : Baht					
Basic earnings per share	1.01	0.85	0.55	0.35	0.70
Dividend per share	0.425	0.250	-	0.170	0.350
Book value per share	18.982	17.809	17.665	17.550	18.183
Financial ratio (%)					
Average Return on assets (ROA)	0.64	0.58	0.41	0.28	0.60
Average Return on equity (ROE)	5.45	4.75	3.14	1.93	3.88
Dividend payout ratio	42.28	29.53	-	49.22	49.73
Loans to deposit and borrowing	90.07	94.06	94.86	91.79	85.77
Non-interest income to total income	9.16	9.83	10.14	18.85	25.24
Non-interest expense to total income	50.48	46.56	44.69	40.23	39.12
Total capital to risk assets ratio	15.222	15.017	15.483	18.357	19.802
Tier 1 capital to risk asset ratio	13.119	12.880	13.498	16.165	17.068
Capital : Million Baht					
Tier 1 capital	34,311.01	32,413.20	32,961.26	33,914.86	33,959.46
Total capital	39,811.99	37,792.19	37,807.99	38,513.90	39,398.17







Board of Directors



Name:	Mr. Lee, Yu-Chou
Position:	Chairman
Appointed As Director:	July 3, 2023
Age (Years):	70
Education:	<ul style="list-style-type: none"> - Master of Comparative Law, University of Illinois at Urbana-Champaign, USA - LL.B., National Taiwan University
Training:	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) 211/2023 : IOD - PDPA Update 2023 : LH Bank - AML/CFT Risks and Money Laundering Trends : AMLO - Sustainable Finance 2024 : Thai Bankers' Association - Information Technology Security Awareness Training 2024 : LH Bank - None

Relationship with executives:

Work experiences in the past 5 years

❖ Current Position in 1 Listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Jul. 2023 - Present	Director	LH Financial Group PLC

❖ Current Position in 1 Non-listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Apr. 2024 - Present	Chairman	Land and Houses Bank PLC
Jul. 2023 - Mar. 2024	Member of the Executive Committee	
Jul. 2023 - Mar. 2024	Vice Chairman	
2020 - Jun. 2023	Chairman	CTBC Bank Corp. (Canada)
2015 - 2020	CEO, Retail Banking Group	CTBC Bank Co., Ltd.
2013 - 2015	Senior Advisor to Bank President	
2011 - 2013	Chairman	Threadneedle SICE Taiwan
2011 - 2012	Senior Advisor	Nomura International (Hong Kong)
2007 - 2009	Chairman and Country CEO	Merrill Lynch (Securities) Taiwan

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Name: Dr. Supriya Kuandachakupt

Position: Independent Director
Chairman of the Risk Oversight Committee
Member of the Audit Committee
Member of the Sustainability and Corporate Governance Committee
Member of the Nomination and Remuneration Committee

Appointed as Director: August 1, 2017

Age (Years): 71

Education:

- Ph.D. in Economics, University of Hawaii, USA
- Master of Arts in Economics (English Program), Thammasat University
- Bachelor of Economics, University of Tasmania, Australia

Training:

- Diploma of Tertiary Education, University of New England, Australia
- Certificate of Population Studies, University of Hawaii, USA
- Director Accreditation Program (DAP) 56/2006 : IOD
- Director Certification Program (DCP) 97/2007 : IOD
- Financial Statements for Directors (FSD) 10/2010 : IOD
- How to Develop a Risk Management Plan (HRP) 4/2013 : IOD
- Advanced Audit Committee Program (AACP) 31/2018 : IOD
- Risk Management Program for Corporate Leaders (RCL) 26/2022 : IOD
- PDPA Update 2023 : LH Bank
- AML/CFT Risk and Money Laundering Trends : AMLO
- Sustainable Finance 2024 : Thai Bankers' Association
- Enhancing Governance, Standards, and Financial Insights 4/2024 : IOD
- Information Technology Security Awareness Training 2024 : LH Bank
- None

Relationship with executives:

Work experiences in the past 5 years

❖ Current Position in 2 Listed Companies on the Stock Exchange of Thailand

Period	Position	Organization/Company
Aug. 2017 - Present	Independent Director Member of the Audit Committee Member of the Sustainability and Corporate Governance Committee Member of the Nomination and Remuneration Committee	LH Financial Group PLC
Sep. 2018 - Oct. 2021	Member of the Risk Oversight Committee	
2006 - Present	Independent Director Member of the Audit Committee	Asia Sermkij Leasing PLC

❖ Current Position in 2 Non-listed Companies on the Stock Exchange of Thailand

Period	Position	Organization/Company
Jun. 2023 - Present	Independent Director Member of the Audit Committee	Land and Houses Securities PLC
Oct. 2021 - Present	Chairman of the Risk Oversight Committee Member of the Nomination and Remuneration Committee	Land and Houses Bank PLC
Aug. 2017 - Present	Independent Director Member of the Audit Committee Member of the Sustainability and Corporate Governance Committee	
Jul. 2018 - Aug. 2018	Member of the Nomination and Remuneration Committee	
Aug. 2017 - Feb. 2018	Member of the Nomination and Remuneration Committee	
2002 - 2021	Director	P.A.K. Supply Co., Ltd.
2013 - Sep. 2018	Special Senior Fellows, Faculty of Economics	Kasetsart University
1986 - Sep. 2018	Associate Professor, Economics Department Faculty of Economics	



Name:	Mr. Pradit Sawattananond
Position:	Independent Director Chairman of the Audit Committee Chairman of the Sustainability and Corporate Governance Committee Member of the Nomination and Remuneration Committee
Appointed as Director:	March 21, 2018
Age (Years):	76
Education:	<ul style="list-style-type: none">- Master of Business Administration, Central State University, USA- Bachelor of Commerce, Chulalongkorn University
Training:	<ul style="list-style-type: none">- Director Certification Program (DCP) 3/2000 : IOD- Advanced Audit Committee Program (AAP) 13/2013 : IOD- How to Develop a Risk Management Plan (HRP) 4/2013 : IOD- Cyber Resilience Leadership: Mission for Embracing the Future of AI & Cybersecurity : BOT- PDPA Update 2023 : LH Bank- AML/CFT Risk and Money Laundering Trends : AMLO- Sustainable Finance 2024 : Thai Bankers' Association- Enhancing Governance, Standards, and Financial Insights 2/2024 : IOD- Information Technology Security Awareness Training 2024 : LH Bank- None

Relationship with executives:

Work experiences in the past 5 years

❖ Current Position in 3 Listed Companies on the Stock Exchange of Thailand

Period	Position	Organization/Company
Oct. 2021 - Present	Chairman of the Risk Oversight Committee Member of the Nomination and Remuneration Committee	LH Financial Group PLC
Apr. 2018 - Present	Independent Director Member of the Audit Committee Member of the Sustainability and Corporate Governance Committee	
Jul. 2018 - Sep. 2018	Member of the Nomination and Remuneration Committee	
2004 - Present	Independent Director Chairman of the Audit Committee	Asia Sermkij Leasing PLC
2000 - Present	Independent Director Member of the Audit Committee	KGI Securities (Thailand) PLC
2015 - Nov. 2020	Independent Director Chairman of the Audit Committee	Nusasiri PLC
2004 - Dec. 2019	Independent Director Member of the Audit Committee	Thai Film Industries PLC

❖ Current Position in 1 Non-listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Apr. 2020 - Present	Chairman of the Audit Committee Chairman of the Sustainability and Corporate Governance Committee	Land and Houses Bank PLC
Jul. 2018 - Present	Member of the Nomination and Remuneration Committee	
Mar. 2018 - Present	Independent Director	
Sep. 2018 - Oct. 2021	Member of the Risk Oversight Committee	
Mar. 2018 - Mar. 2020	Member of the Audit Committee Member of the Sustainability and Corporate Governance Committee	



Name: Professor Piphob Veraphong

Position: Independent Director
Chairman of Nomination and Remuneration Committee
Member of the Audit Committee
Member of the Sustainability and Corporate Governance Committee

Appointed as Director: June 29, 2022

Age (Years): 62

Education:

- LL.M., Harvard University
- LL.M., Taxation, Boston University
- Bachelor of Law (Honors), Chulalongkorn University
- Barrister - at - Law, Thai Bar Association

Training:

- Certificate of International Taxation, Harvard University
- Director Accreditation Program (DAP) 50/2006 : IOD
- Director Certification Program (DCP) 238/2017 : IOD
- PDPA Update 2023 : LH Bank
- AML/CFT Risk and Money Laundering Trends : AMLO
- Enhancing Governance, Standards, and Financial Insights 2/2024 : IOD
- Sustainable Finance 2024 : Thai Bankers' Association
- Information Technology Security Awareness Training 2024 : LH Bank

Relationship with executives: - None

Work experiences in the past 5 years

❖ Current Position in 3 Listed Companies on the Stock Exchange of Thailand

Period	Position	Organization/Company
2015 - Present	Independent Director Chairman of the Nomination and Remuneration Committee Member of the Audit Committee	Land and Houses PLC
Jun. 2022 - Present	Independent Director Chairman of the Audit Committee Chairman of the Sustainability and Corporate Governance Committee	LH Financial Group PLC
2004 - Present	Independent Director Member of the Audit Committee	Bangkok Chain Hospital PLC

❖ Current Position in 2 Non-listed Companies on the Stock Exchange of Thailand

Period	Position	Organization/Company
Jun. 2022 - Present	Independent Director Chairman of the Nomination and Remuneration Committee Member of the Audit Committee Member of the Sustainability and Corporate Governance Committee	Land and Houses Bank PLC
2002 - Present	Partner	Law Alliance Ltd.

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Name: Mr. Pichai Dusdeekulchai
Position: Independent Director
 Member of the Audit Committee
 Member of the Sustainability and Corporate Governance Committee
 Member of the Risk Oversight Committee
Appointed as Director: March 27, 2020
Age (Years): 63
Education:
 - Master of Business Administration, Ashland University, Ohio, USA
 - Bachelor of Arts in Mathematics and Statistics, Thammasat University
Training:
 - Global Management Program, APTD 2015
 - Director Certification Program (DCP) 278/2019 : IOD
 - Advanced Audit Committee Program (ACCP) 38/2020 : IOD
 - Cyber Resilience Leadership "Tone From the Top" 2020 : BOT
 - PDPA Update 2023 : LH Bank
 - ESG & Climate Risk Management 2023 : Deloitte
 - AML/CFT Risk and Money Laundering Trends : AMLO
 - Sustainable Finance 2024 : Thai Bankers' Association
 - Information Technology Security Awareness Training 2024 : LH Bank
 - None

Relationship with executives:

Work experience in the past 5 years

❖ Current Position in 3 Listed Companies on the Stock Exchange of Thailand

Period	Position	Organization/Company
2022 - Present	Independent Director Chairman of the Audit Committee Chairman of the Nomination and Remuneration Committee Member of the Risk Management Committee	Kijcharoen Engineering Electric PLC
Jul. 2020 - Present	Independent Director Chairman of the Nomination and Remuneration Committee Member of the Audit Committee Member of the Risk Oversight Committee	LH Financial Group PLC
May 2021 - Present	Member of Environmental, Social and Governance Committee	Banpu PLC
Apr. 2019 - Present	Independent Director Member of the Audit Committee	

❖ Current Position in 1 Non-listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Jun. 2022 - Present	Member of the Risk Oversight Committee	Land and Houses Bank PLC
Mar. 2020 - Present	Independent Director Member of the Audit Committee Member of the Sustainability and Corporate Governance Committee	
May 2018 - Mar. 2019	General Manager Deputy to Country Head of Thailand	Sumitomo Mitsui Banking Corporation, Bangkok Branch
Apr. 2002 - May 2018	Head of Business Promotion (Non-Japanese Corporate)	



Name: Mr. Sirichai Sombutsiri
Position: Director
 Chairman of the Executive Committee
Appointed as Director: January 2, 2014
Age (Years): 71
Education:

- Master of Business Administration (Finance), University of Southern California
- Bachelor of Accountancy (Honors), Thammasat University

Training:

- Advanced Management Program, Harvard Business School
- Director Accreditation Program (DAP) 25/2004 : IOD
- National Defense College, Class 4515
- Cyber Resilience Leadership “Tone from the Top” 2020 : BOT
- Information Technology Security Awareness Training 2023 : LH Bank
- PDPA Update 2023 : LH Bank
- ESG & Climate Risk Management 2023 : Deloitte
- AML/CFT Risk and Money Laundering Trends : AMLO
- Sustainable Finance 2024 : Thai Bankers’ Association
- None

Relationship with executives:

Work experiences in the past 5 years

❖ Current Position in 3 Listed Companies on the Stock Exchange of Thailand

Period	Position	Organization/Company
Dec. 2016 - Present	Chairman	Pre-Built PLC
Sep. 2016 - Present	Independent Director	
Jan. 2013 - Present	Chairman	Buriram Sugar PLC
Jan. 2013 - Feb. 2021	Chairman of the Audit Committee	
Apr. 2010 - Present	Independent Director	OHTL PLC
Apr. 2000 - Sep. 2013	Chief Officer	Siam Commercial Bank PLC

❖ Current Position in 1 Non-listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Jun. 2017 - Present	Chairman of the Executive Committee	Land and Houses Bank PLC
Jan. 2014 - Present	Director	
Jan. 2014 - Jun. 2017	Member of the Executive Committee	



Name: Mr. Naporn Sunthornchitcharoen
Position: Director (Authorized Director)
 Member of the Executive Committee
 December 19, 2005

Appointed as Director:

Age (Years): 66

Education:

Training:

- Master of Business Administration, Thammasat University
- Bachelor of Engineering Program in Civil Engineering, Chiangmai University
- Stanford Executive Program (SEP), Stanford Graduate School of Business, Stanford University, USA
- National Defense College of Thailand, Class of 2006
- Director Accreditation Program (DAP) 25/2004 : IOD
- Director Certification Program (DCP) 53/2005 : IOD
- Financial Institutions Governance Program (FGP) 2/2011: IOD
- PDPA Update 2023 : LH Bank
- AML/CFT Risk and Money Laundering Trends : AMLO
- Sustainable Finance 2024 : Thai Bankers' Association
- Information Technology Security Awareness Training 2024 : LH Bank
- None

Relationship with executives:

Work experience in the past 5 years

❖ Current Position in 5 Listed Companies on the Stock Exchange of Thailand

Period	Position	Organization/Company
Aug. 2017 - Present	Chairman, Chairman of the Executive Committee	Land and Houses PLC
1992 - Present	Director	
May 2013 - Aug. 2017	Member of the Executive Committee President (Operations)	
Mar. 2024 - Present	Member of the Nomination and Remuneration Committee	Quality Houses PLC
Jun. 2017 - Present	Director	
May 2011 - Present	Director	LH Financial Group PLC
Sep. 2018 - Mar. 2019	Member of the Nomination and Remuneration Committee	
May 2011 - Jul. 2018	Member of the Nomination and Remuneration Committee	
May 2011 - Jun. 2017	Member of the Executive Committee	
2015 - Present	Member of the Nomination and Remuneration Committee	Home Product Center PLC
2001 - Present	Member of the Executive Committee	
1995 - Present	Director	
1994 - Present	Director	Quality Construction Products PLC

❖ Current Position in 15 Non-listed Companies on the Stock Exchange of Thailand

Period	Position	Organization/Company
2022 - Present	Director	L&H Property Co., Ltd.
Dec. 2013 - Jun. 2023	Director	Land and Houses Securities PLC
2012 - Present	Director	Land and Houses USA, INC.
2012 - Present	Director	Land and Houses Property and Loan Fund - II
2005 - Present	Director, Member of the Executive Committee	Land and Houses Bank PLC
2005 - Jul. 2018	Member of the Nomination and Remuneration Committee	
2004 - Present	Director	LH Asset Co., Ltd.
2003 - Present	Director	LH Mall Co., Ltd.
2002 - Present	Director	Land and Houses Property Fund 2
2000 - Present	Director	Land and Houses Property Fund 1
1995 - Present	Director	Land and Houses North-East Co., Ltd.
1995 - Present	Director	Land and Houses North Co., Ltd.
1995 - Present	Director	LH Muang Mai Co., Ltd.
1993 - Present	Director	Siam Tanee Real Estate Co., Ltd.
1990 - Present	Director	Siam Tanee Property Co., Ltd.
1987 - Present	Director	Atlantic Real Estate Co., Ltd.
1986 - Present	Director	LH Mall & Hotel Co., Ltd.



Name: Mr. Vichian Amornpoonchai
Position: Director (Authorized Director)
Appointed as Director: October 25, 2021
Age (Years): 63
Education:

- Master of Business Administration, Mahanakorn University of Technology
- Bachelor of Accounting, Dhurakijpundit University

Training:

- Certified Professional Internal Auditor (CPIA) : Institute of Internal Auditors of Thailand (IIAT)
- Modern Managers Program : Chulalongkorn University
- Director Accreditation Program (DAP) 153/2018 : IOD
- Ethical Leadership Program (ELP) 19/2020 : IOD
- Financial Statements for Directors (FSD) 47/2022 : IOD
- Refreshment Training Program (RFP) 10/2023 : IOD
- Hot Issue for Directors : Climate Governance 1/2023 : IOD
- PDPA Update 2023 : LH Bank
- Successful Formulation & Execution of Strategy (SEF) 45/2024 : IOD
- Enhancing Governance, Standards, and Financial Insights 4/2024 : IOD
- AML/CFT Risk and Money Laundering Trends : AMLO
- Sustainable Finance 2024 : Thai Bankers' Association
- Information Technology Security Awareness Training 2024 : LH Bank
- None

Relationship with executives:

Work experiences in the past 5 years

❖ **Current Position in 1 Listed Company on the Stock Exchange of Thailand**

Period	Position	Organization/Company
Oct. 2021 - Present	Director	LH Financial Group PLC
Feb. 2021 - Present	Deputy President, Corporate Affairs Group	
May 2009 - Present	Company Secretary	
May 2021 - Oct. 2021	Acting Chief Executive Officer and President	
May 2020 - Jan. 2021	First Executive Vice President, Corporate Affairs Group	
Aug. 2019 - May 2020	First Executive Vice President, Corporate Affairs and Legal Group	

❖ **Current Position in 2 Non-listed Companies on the Stock Exchange of Thailand**

Period	Position	Organization/Company
Oct. 2021 - Present	Director	Land and Houses Bank PLC
Mar. 2008 - Oct. 2021	Company Secretary	
Mar. 2019 - Aug. 2019	First Executive Vice President, Corporate Affairs and Legal Group	
Aug. 2017 - Mar. 2019	Executive Vice President, Corporate Affairs and Legal Group	
Jan. 2014 - Present	Director	Land and Houses Advisory Co., Ltd.

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Name: Ms. Chiu, Ya-Ling

Position: Director (Authorized Director)
Member of the Executive Committee

Appointed as Director: March 8, 2014

Age (Years): 56

Education:

- MBA, University of Minnesota, Twin Cities, USA

Training:

- PDPA Update 2023 : LH Bank
- AML/CFT Risks and Money Laundering Trends : AMLO
- Sustainable Finance 2024 : Thai Bankers' Association
- Information Technology Security Awareness Training 2024 : LH Bank

Relationship with executives:

- None

Work experience in the past 5 years

- ❖ Current Position in Listed Company on the Stock Exchange of Thailand – None –
- ❖ Current Position in 3 Non-listed Companies on the Stock Exchange of Thailand

Period	Position	Organization/Company
Mar. 2024 - Present	Director Member of the Executive Committee	Land and Houses Bank PLC
Jun. 2024 - Present	Director	CTBC Bank (Philippines) Corp.
Nov. 2022 - Present	Deputy Chief Executive Officer of Retail Banking	CTBC Bank Co., Ltd.
Oct. 2023 - Present	Head of International Retail Banking Group	
Jan. 2021 - Oct. 2022	Head of Finance Management Group	
Sep. 2013 - Dec. 2020	Head of Global Finance Management Division	
Jan. 2017 - Oct. 2022	Chief Financial Officer	CTBC Financial Holding Co., Ltd.
Oct. 2021 - Nov. 2022	Supervisor	HH-CTBC Capital Management Co., Ltd.
Jun. 2021 - Nov. 2022	Supervisor	CTBC Sports Entertainment Co., Ltd.
Sep. 2018 - Dec. 2022	Supervisor	Xiamen Jinmeixin Consumer Finance Co., Ltd.
Nov. 2013 - Nov. 2022	Supervisor	CTBC Financial Leasing Co., Ltd.
Jul. 2008 - Oct. 2022	Supervisor	Taiwan Lottery Co., Ltd.



Name: Mr. Liao, Jen-Wen
Position: Director
Member of the Executive Committee
Member of the Risk Oversight Committee
Appointed as Director: March 19, 2024
Age (Years): 58
Education: - MBA, School of Business Administration, University of Michigan, USA
Training: - PDPA Update 2023 : LH Bank
- AML/CFT Risk and Money Laundering Trends : AMLO
- Sustainable Finance 2024 : Thai Bankers' Association
- Information Technology Security Awareness Training 2024 : LH Bank
Relationship with executives: - None

Work experiences in the past 5 years

- ❖ Current Position in Listed Companies on the Stock Exchange of Thailand – None –
- ❖ Current Position in 4 Non-listed Companies on the Stock Exchange of Thailand

Period	Position	Organization/Company
May 2024 - Present	Member of the Risk Oversight Committee	Land and Houses Bank PLC
Mar. 2024 - Present	Director	
	Member of the Executive Committee	
Jul. 2023 - Present	Director	CTBC Bank (Philippines) Corp.
Sep. 2022 - Jun. 2024	Director	CTBC Bank Corp. (USA)
Jan. 2022 - Present	Head of International Credit Risk Management Division	CTBC Bank Co., Ltd.
May 2019 - Dec. 2021	Head of International Institutional Credit Risk Management Department	
Jul. 2019 - Present	Senior Vice President of Risk Management Department	CTBC Financial Holding Co., Ltd.
May 2010 - Apr. 2019	Executive Director and Country Credit Officer, Corporate and Investment Bank	JPMorgan Chase Bank (Taipei Branch)



Name: Mr. Shih, Jiing-Fuh

Positions: Director (Authorized Director)
Member of the Executive Committee
Member of the Risk Oversight Committee
Chief Executive Officer and President

Appointed as Director: August 1, 2017

Age (Years): 60

Education:

- Master of Business Administration, University of Texas at Austin, USA
- Bachelor of Economics, National Taiwan University, Taiwan

Training:

- CTBC Executive Program 2016 : CTBC BANK & Wharton Business School
- Director Accreditation Program (DAP) 146/2018 : IOD
- PDPA Update 2023 : LH Bank
- AML/CFT Risk and Money Laundering Trends : AMLO
- Sustainable Finance 2024 : Thai Bankers' Association
- Information Technology Security Awareness Training 2024 : LH Bank

Relationship with executives: None

Work experience in the past 5 years

❖ Current Position in 1 Listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Oct. 2021 - Present	Member of the Risk Oversight Committee	LH Financial Group PLC
Aug. 2017 - Present	Director	
Oct. 2021 - Nov. 2024	President	
Sep. 2018 - Oct. 2021	Chairman of the Risk Oversight Committee	
Mar. 2019 - Oct. 2021	Member of the Nomination and Remuneration Committee	

❖ Current Position in 1 Non-listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Sep. 2023 - Present	CEO and President	Land and Houses Bank PLC
Oct. 2021 - Present	Member of the Executive Committee	
	Member of the Risk Oversight Committee	
Aug. 2017 - Present	Director	
Sep. 2018 - Oct. 2021	Member of the Nomination and Remuneration Committee	
	Chairman of the Risk Oversight Committee	
2017 - 2021	Head of Global Operations Group	CTBC Bank Co., Ltd.
2013 - 2017	Head of Southeast Asia	
2013 - 2017	Chief Strategy Officer	
2017 - 2018	Commissioner	PT Bank CTBC Indonesia
2013 - 2017	Director	CTBC Bank (Philippines) Corp.
2013 - 2017	Director	CTBC Capital Corp.

Management Team

Name:	Mr. Shih, Jiing-Fuh
Position:	CEO and President, Member of the Executive Committee, Member of the Risk Oversight Committee, Director
Age (Years):	60
Education:	<ul style="list-style-type: none"> - Master of Business Administration, University of Texas at Austin, USA - Bachelor of Economics, National Taiwan University, Taiwan
Training:	<ul style="list-style-type: none"> - CTBC Executive Program 2016 : CTBC BANK & Wharton Business School - Director Accreditation Program (DAP) 146/2018 : IOD - PDPA Update 2023 : LH Bank - AML/CFT Risk and Money Laundering Trends : AMLO - Sustainable Finance 2024 : Thai Bankers' Association - Information Technology Security Awareness Training 2024 : LH Bank

Work experiences in the past 5 years:

❖ Current Position in 1 Listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Oct. 2021 - Present	Member of the Risk Oversight Committee	LH Financial Group PLC
Aug. 2017 - Present	Director	
Oct. 2021 - Nov. 2024	President	
Sep. 2018 - Oct. 2021	Chairman of the Risk Oversight Committee	
Mar. 2019 - Oct. 2021	Member of the Nomination and Remuneration Committee	

❖ Current Position in 1 Non-listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Sep. 2023 - Present	CEO and President	Land and Houses Bank PLC
Oct. 2021 - Present	Member of the Executive Committee	
	Member of the Risk Oversight Committee	
Aug. 2017 - Present	Director	
Sep. 2018 - Oct. 2021	Chairman of the Risk Oversight Committee	
	Member of the Nomination and Remuneration Committee	
2017 - 2021	Head of Global Operations Group	CTBC Bank Co., Ltd.
2013 - 2017	Head of South East Asia	
2013 - 2017	Chief Strategy Officer	
2017 - 2018	Commissioner	PT Bank CTBC Indonesia
2013 - 2017	Director	CTBC Bank (Philippines) Corp.
2013 - 2017	Director	CTBC Capital Corp.

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Name: Mr. Thanee Phalawong
Position: Chief Information Technology Officer
Age (Years): 61
Education:

- Master of Public Administration (Public and Private Management), National Institute of Development Administration (NIDA)
- Bachelor of Science, Chiangmai University

Training:

- PDPA update 2023 : LH Bank
- Information Technology Security Awareness Training 2024 : LH Bank

Work experiences in the past 5 years:

❖ Current Position in Listed Company on the Stock Exchange of Thailand - None -

Period	Position	Organization/Company
-	-	-

❖ Current Position in 1 Non-listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Jun. 2019 - Present	Chief Information Technology Officer	Land and Houses Bank PLC
Jan. 2012 - May 2019	Executive Vice President	
	Information and Technology Group	

Name: Mr. Pansalit Trakarnkitvichit
Position: Chief Credit Underwriting and Credit Development Officer
Age (Years): 61
Education:

- Master of Business Administration in Finance, Woodbury University
- Bachelor of Arts in Economics, California State University, Northridge

Training:

- AML/CTPF (Anti-money Laundering & Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing) for Financial Institution Executives
- PDPA update 2023 : LH Bank
- Information Technology Security Awareness Training 2024 : LH Bank

Work experiences in the past 5 years:

❖ Current Position in Listed Company on the Stock Exchange of Thailand - None -

Period	Position	Organization/Company
2014 - 2019	First Executive Vice President	Kiatnakin Bank PLC

❖ Current Position in 1 Non-listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
2019 - Present	Chief Credit Underwriting and Credit Development Officer	Land and Houses Bank PLC

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Name: Mr. Chen, Ching-Ming
Position: Chief Institutional Banking Officer
Age (Years): 56
Education:

- Master of Arts in Finance, University of Iowa, USA
- Bachelor of Arts in Public Finance, National Chengchi University, Taiwan

Training:

- Pacific Rim Bankers Program (2011) : University of Washington
- Wharton Executive (2012-2017) : Wharton University of Pennsylvania
- PDPA update 2023 : LH Bank
- Information Technology Security Awareness Training 2024 : LH Bank

Work experiences in the past 5 years:

❖ Current Position in Listed Company on the Stock Exchange of Thailand - None -

Period	Position	Organization/Company
-	-	-

❖ Current Position in 1 Non-listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Mar. 2025 - Present Dec. 2017 - Present	Chief Institutional Banking Officer Chief Taiwanese Business Development Officer	Land and Houses Bank PLC
Feb. 2015 - Dec. 2017	CEO & General Manager	CTBC Singapore
Jun. 2008 - Feb. 2015	President and Chief Executive Officer Board Director	CTBC Bank (Philippines) Corp. (ex Chinatrust)

Name: Mr. Kosol Kavayavong
Position: Chief Operations Officer
Age (Years): 59
Education:

- Bachelor of Economics in Finance and Banking, Ramkhamhaeng University

Training:

- PDPA update 2023 : LH Bank
- Information Technology Security Awareness Training 2024 : LH Bank

Work experiences in the past 5 years:

❖ Current Position in Listed Company on the Stock Exchange of Thailand - None -

Period	Position	Organization/Company
-	-	-

❖ Current Position in 1 Non-listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Feb. 2021 - Present Aug. 2016 - Jan. 2021 Oct. 2013 - Jul. 2016	Chief Operation Officer Senior Executive Vice President of Operation First Senior Vice President, Assets and Operation Group	Land and Houses Bank PLC

Name: Mr. Suwat Chritamara
Position: Chief Corporate Strategy & Innovation Officer
Age (Years): 53
Education:

- Doctor of Business Administration (Finance), Newcastle University Joint Award with Grenoble Ecole de Management
- Doctor of Engineering in Civil Engineering, Asian Institute of Technology
- Master of Science in Quantitative Finance, University of London
- Master of Engineering in Civil Engineering, University of Texas
- Master of Science in Data Science, Johns Hopkins University
- Master of Business Administration, Chulalongkorn University
- Bachelor of Engineering in Civil Engineering, Chulalongkorn University

Training:

- PDPA update 2023 : LH Bank
- Information Technology Security Awareness Training 2024 : LH Bank

Work experiences in the past 5 years:

❖ **Current Position in Listed Company on the Stock Exchange of Thailand - None -**

Period	Position	Organization/Company
Dec. 2020 - 2022	Senior Executive Vice President of Risk Management and Corporate Strategy Group	LH Financial Group PLC
2019 - Dec. 2020	First Executive Vice President of Risk Management and Corporate Strategy Group	
2013 - 2017	First Vice President of Credit Underwriting	Kasikornbank PLC

❖ **Current Position in 1 Non-listed Company on the Stock Exchange of Thailand**

Period	Position	Organization/Company
2022 - Present	Chief Corporate Strategy & Innovation Officer	Land and Houses Bank PLC
2017 - 2019	Senior Vice President of Risk Policy and Capital Market	Thanachart Bank PLC

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รายงานประจำปี 2567

Name: Mr. Peerapatana Ketboonchoo
Position: Chief Retail Banking Officer
Age (Years): 47
Education: • Master of Engineering Business Management
Training: • PDPA update 2023 : LH Bank
• Information Technology Security Awareness Training 2024 : LH Bank

Work experiences in the past 5 years:

❖ Current Position in Listed Company on the Stock Exchange of Thailand - None -

Period	Position	Organization/Company
-	-	-

❖ Current Position in 1 Non-Listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Mar. 2025 - Present	Chief Retail Banking Officer	Land and Houses Bank PLC
Feb. 2021 – Mar. 2025	Acting Chief Retail Banking Officer	

1.2 Nature of Business Operation

Overview

The bank has developed its strategic plan and business plan in accordance with the vision and missions by operating business in line with sustainability, considering environment, society, good governance, risk management, technology development and innovation, providing knowledge and promoting financial discipline, developing products and services that meet the needs of all customer segments, expanding channels for easy and convenient access to financial services for the best interest of all stakeholders. The bank also takes into account business environments including economic situations, domestic and foreign politics as well as other internal factors such as strengths, weaknesses, opportunities, threats, key success factors and other significant issues that must be followed. The bank shall consider all factors to determine the organization strategy in each year, and regularly review the action plan to be updated with situations and lead the organization, society and nation towards sustainable growth.

Vision, Missions, Corporate Values and Target

The Board of Directors has determined the vision and missions to be the guidelines for business operations and strategic plan with the aim of aligning with the goals, reviewed the suitability of vision and missions on an annual basis, followed up the execution of strategy to achieve the goals as well as monitored the company's performance on a regular basis.

The Board of Directors' Meeting No. 12/2024, held on December 19, 2024, approved the review of vision and missions as follows:

Vision

To be a leading mid-size bank, renowned for delivering exceptional value and exceeding the expectations of corporate, SME, and retail customers through innovative and personalized solutions

Mission

- To provide outstanding customer experience by delivering innovative products, services, and expert advice with a focus on quality and value
- To foster a positive and empowering workplace that promotes employee happiness, engagement, and professional growth
- To lead with integrity by adhering to principles of good governance to promote lasting economic and environment benefits while maximizing value for society, stakeholders, and shareholders
- To generate strong and sustainable returns, creating long-term value for shareholders

Corporate Value

The core values have played a key role in driving the business to sustainable growth. Therefore, the core values have been defined to catch up with the dynamic trends and adhere to good corporate principles as foundation. CDAA is the core values including C: Customer Centric, D: Dynamic and A: Accountability A: Adaptability.

C : Customer Centric

Customers are the center, we have to understand their needs, develop products and services to truly address them.

**D : Dynamic**

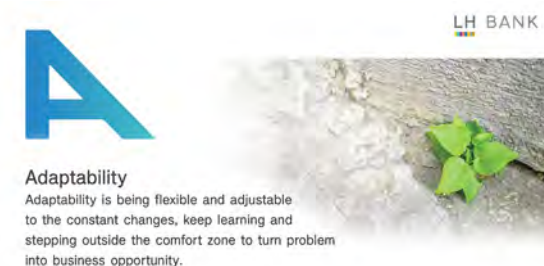
Always be resilient to developments and changes, dare to think differently, do not stick to old practices, make questions for better changes

**A : Accountability**

Have a sense of ownership and responsibilities for all dimensions not only in your own department but collaboration with others to achieve the goal

**A : Adaptability**

To have the ability to efficiently and flexibly adapt to the changing environment, dare to try and learn new things, foresee the problems and create business opportunities from them



Target

The bank has established the strategic plan and business plan in accordance with the vision and missions by considering business ecosystem including economic conditions both domestic and overseas, strengths, weaknesses, opportunities, threats, key success factors and other significant issues. The bank takes into account all these factors to determine the organization's strategies for each year and review the operation plans to keep pace with changing situations and environments. The bank also puts an emphasis on good corporate governance principles in business operations, prevention of corrupt payment, comprehensive risk management and environmental and social accountability.

The bank is expanding loans to new segments, especially those with good returns, such as SME customers and personal loan customers; growing deposit customer base; increasing service channels, enhancing employees to have knowledge and expertise in financial products; developing products and services to meet the needs of all groups of customers; enhancing information systems to streamline processes and move forward to digital banking as well as marketing through social media such as LINE, Facebook, YouTube and TikTok, etc., to reach out more target groups.

Strategy 2025 - 2029

- 1) Focus on growing loan portfolios that generate good returns
- 2) Develop products and services that meet customer needs on all customer base
- 3) Grow fee income
- 4) Cross sell the bank's products via the ecosystem of business partners
- 5) Enhance digital potential such as digital platform that provides comprehensive financial transactions and investments for both corporate and retail customers and utilize AI tools to enhance services and create long lasting experiences for customers, to manage the risks and to create business value
- 6) Focus on sustainable banking by reducing greenhouse gas (GHG) emissions from both own operation and customers who receive loans from the bank (Financed Emission), increasing support for environmentally sustainable lending and corporate loans to support investments in transition to greenhouse gas reduction (Transition Loan), and disclosing information on ESG according to international standards

Credit Rating

Land and Houses Bank Public Company Limited has been rated by Fitch Ratings Thailand Limited and TRIS Rating Company Limited as follows:

Fitch Ratings Thailand Limited	
National Long-term Rating	AA+(tha)
Outlook	"Stable"
National Short-term Rating	F1+(tha)
Basel III Tier 2 Debentures	AA-(tha)

TRIS Rating Company Limited	
Company Rating	AAA
Outlook	"Stable"
Basel III Tier 2 Debentures	AA

Market shares of assets, deposits and net loans to customers of commercial banking system

Unit : Million

Bank	Asset	Market Share (%)	Deposit	Market Share (%)	Net Loan to Customers	Market Share (%)
Bangkok Bank	4,012,052	16.49	2,722,473	15.76	2,051,898	14.10
Krungthai Bank	3,643,621	14.97	2,737,477	15.85	2,460,576	16.90
Kasikombank	3,585,890	14.74	2,679,406	15.51	2,269,661	15.59
Siam Commercial Bank	3,486,539	14.33	2,473,626	14.32	2,280,603	15.67
Bank of Ayudhya	2,393,109	9.83	1,804,335	10.45	1,588,341	10.91
TMBThanachart Bank	1,741,698	7.16	1,329,152	7.70	1,189,538	8.17
UOB	928,444	3.82	727,156	4.21	609,165	4.18
CIMB Thai Bank	505,578	2.08	279,306	1.62	245,812	1.69
Kiatnakin Phatra Bank	481,800	1.98	359,968	2.08	356,577	2.45
Land and Houses Bank	340,446	1.40	279,908	1.62	241,882	1.66
Tisco Bank	281,877	1.16	206,537	1.20	225,598	1.55
ICBC (Thai) Bank	216,544	0.89	149,515	0.87	89,128	0.61
Standard Chartered Bank (Thai)	188,023	0.77	100,324	0.58	23,306	0.16
Thai Credit Bank	183,426	0.75	132,819	0.77	159,731	1.10
Sumitomo Mitsui Trust Bank (Thai)	121,918	0.50	39,626	0.23	81,725	0.56
Bank of China (Thai)	87,082	0.36	68,760	0.40	38,025	0.26
Mega ICBC Bank	43,831	0.18	27,948	0.16	25,028	0.17
Total Registered Domestic Commercial Bank	22,241,878	91.41	16,118,334	93.32	13,936,596	95.74
International Commercial Bank	2,091,351	8.59	1,153,966	6.68	619,921	4.26
Commercial Banking System	24,333,229	100.00	17,272,300	100.00	14,556,516	100.00

Source: Bank of Thailand's C.B. 1.1. Summary Statement of Assets and Liabilities, bank-only financial statements

Factors affecting the opportunity or limitation of business operations can be categorized into 3 factors as follows:

1. Economic Factor

The growth of the global economy and Thai economy directly affected the loan demand in corporate sector and household sector. The adjustment of policy rates by Fed and BOT also impacted the bank's cost of funds. Besides, the high level of household debt is the risk factor that may impact loan growth and loan quality.

2. Competition Factor

Competition from the new financial service providers, establishment of virtual banks and rapid changes in technologies cause the banking industry to adapt and innovate to meet the customers' needs including more intense competition between banks and non-bank financial institutions.

3. Regulation and Policy Factor

The changes in laws, regulations, accounting standards, regulatory policies and government policies could cause the bank to adapt and may increase operating costs.

However, all 3 factors play part in driving growth opportunities for the bank's new businesses such as supporting loans for environmentally-friendly projects, financial innovations, development of new products and services such as digital lending, mobile banking, and extension of investment services through online platforms and building business partnerships.

In 2024, the bank executed its business plan to meet the customers' needs as follows:

- **Development of loan operation system (LOS)**

To meet the customers' demand with new technologies and digital channels that facilitate the loan request process beginning with the application through online channels, credit analysis, quick approval, loan management and collection status. Customers can access services easily, quickly, safely and transparently.

- **Development of customer relationship management (CRM)**

To better categorize the SME customers by collecting SME customers' information, use of information to do marketing campaigns, close monitoring and taking care of customers, and secure customers' information allowing the bank to build a sustainable relationship with customers and enhance their satisfaction

- **Development of Solar system**

A platform that provides a more convenient, quick and safe service for FX, bonds, FX options, cross currency swap and margin call (CSA & Repo).

- **Development of anti-money laundering system (AML)**

To detect and prevent money laundering and analyze any suspicious transactions to accurately and rapidly detect any irregularities in the transaction

- **Development of new fraud system**

To protect any fraud and to enhance security during transactions and accessing customers' information

- **Expand high return loan**

To focus on expanding SME loans through 9 product programs in targeted industries

- **Expanding deposit customer base through business alliance**

Such as offering special privileges to BTS customers that use digital saving service.

- **Expanding environmentally lending**

Providing green transition loan as well as advisory service on increasing the efficiency on energy consumption, reduction of greenhouse gas emissions and pollution, and registration for carbon credit through business partners such as Electrical and Electronics Institute, Management System Certification Institute (Thailand) or MASCI and ABEAM Consulting.

Branches of the Bank

By the end of 2024, Land and Houses Bank Public Company Limited had the total of 71 branches, decreased by 1 branch from 2023.

- Bangkok and its vicinity	31	branches
- Regional branches	40	branches

Products and Services

The bank has been continuously developing its products and services to respond to a variety of customers' needs. Products and services can be divided into 4 main categories as follows:

1. Deposit

Various types of deposits include:

- **Savings Deposit**

- Non-Fixed Deposit is a high-yield savings account in which deposits and withdrawals can be made anytime.

- Pro-Fit Digital Savings is an account that offers high interest rates with no passbooks.

- Biz Savings is suitable for corporate customers with high interest rates paid on a monthly basis.

- Savings Super Shield 1 is for individual customers aged 15 to 70 years old offering the maximum coverage up to 25 times of the remaining balance of 1 day before accidental death. The minimum opening balance is only Baht 1,000. Neither health check-ups nor premium is required.

- Savings Super Shield 2 is for individual customers aged 15 to 70 years old offering the maximum coverage up to 3 times of the remaining balance of 1 day before accidental death. The minimum opening balance is only Baht 100,000 with coverage up to Baht 15 million where neither health check-ups nor premium is required.

- B-You Wealth savings account, a deposit with high interest rate paid monthly and customers can open an account through LHB You application anywhere any time without the need to visit a branch.

- **Current Deposit** increases business agility

- **Fixed Deposit and Fixed Deposit Receipt (FDR)** help secure future financial stability through desired options of terms.

- **Tax Free Deposit** requires monthly equal deposits with the period according to the bank's criteria such as 24 months or 36 months and the total amount of deposit must not more than Baht 600,000 throughout the deposit period. The earned interest is tax free.

- **Foreign Currency Deposit** provides more convenience for businesses with high interest while reducing the risks from currency fluctuations and it is convenient for overseas transactions. The deposit can be made through savings accounts and fixed deposit accounts.

Competition Strategy for Deposit

The bank continues developing and designing new deposit products for customers as savings alternatives which can address their various demands with attractive returns. In addition, the bank arranges various activities, and promotional campaigns to give them a payback, retain its customer base and build good ties with them for more use of services.

LHB You application and the bank's branches are the channel for expanding the deposit customer base, facilitating customers with convenient transactional services and giving them advice to ensure their satisfaction.

The bank determines its interest rates by considering internal and external factors including costs of fund, trend of interest rate, economic direction and competitive conditions, etc. However, the bank does not focus mainly on competitive interest rates, rather offer satisfactory products and services in order to fulfill the needs of each segment of customers.

2. Loan Service

The bank has implemented a conservative credit expansion by taking into account the economic situation, competition, trends of each industry, risk management and development of products and services by applying technology to provide more convenient and faster services with easy access to credit. The bank also emphasizes and supports transition loan and credit with business models that promote sustainability on environmental, social, and governance aspects, for instance, renewable energy projects, environmentally-friendly transportation programs, clean energy power plants, green finance through green loans, sustainability-linked loan

and green transition advisory loan by setting credit limits and interest rates that are consistent with the risk of each customer with advice provided and close monitoring of credit quality.

The bank categorizes its lending services into 3 segments consisting of conglomerate & corporate, commercial & SME and retail loans with details as follows:

1. Loans for Conglomerate & Corporate

It is a lending service for conglomerate & corporate for working capital or liquidity support, expansion of production capacity or investments in buildings, plants, machines and equipment. Both short-term and long-term loans are made available to suit business types and customers' needs.

2. Loans for Commercial & SME

It is a lending service for small and medium-sized businesses for working capital or liquidity support, expansion of production capacity or investments in buildings, plants, machines and equipment. Short-term and long-term loans are available to suit business types and needs of customers.

Types of loans classified by purposes are as follows:

- Short-term Loan

It is a lending service to support liquidity and manage cash flow. It can be drawn down and repaid throughout the tenor of not more than 1 year, such as overdraft (O/D), promissory note (P/N).

- Long-term Loan

It is a lending service to develop medium-term and long-term businesses with clear purposes. Its repayment schedule will be determined in line with the project progress or cash flow of project or business. The loan aims to support entrepreneur's investments in various projects including business expansion, factory/office construction, purchase of fixed assets such as machines, vehicles and investments in real estate such as land acquisition for factory construction.

- Factoring Loan

It is one of financial services for working capital of entrepreneurs to increase liquidity by having assignment of their account receivables to the bank after the entrepreneurs have delivered products and services to customers (A/R). Once the customers submitted their commercial documents such as invoice, purchase order, packing slip, billing note and receipt to the bank, they will receive loans according to the agreed ratio without any collateral, for example, 70-80% of the value specified in the invoice, purchase order, packing order, billing note, receipt, etc. After receiving payment from the account receivables, the bank will pay the remaining amount to customers.

- Loan and Trade Finance

These are loans and services to support import and export operators through the bank networks worldwide with various and comprehensive services as follows:

- Letter of Credit
- Bills for Collection
- Remittance
- Trust Receipt
- Packing Credit
- Bank Guarantee, Standby L/C

- Acceptance, Aval and L/G

It is a service for the Acceptance of B/E and issuance of Aval and L/G for customers requiring the bank's letter of guarantee to be placed with employer when signing a contract, submitting a bid or for other guarantee purposes, for example:

1. Bid Bond or Tender Guarantee
2. Performance Bond
3. Advance Payment Guarantee / Security and Retention Bond
4. Other bank guarantees

3. Retail Lending

It is a lending service for individuals or small business owners. It can be divided by types of lending purposes as follows:

- **Housing Loan** is a loan for customers who want to buy houses from any housing project, plus a top-up credit for renovations, decorations or furniture.
- **Refinance** is a loan to pay existing housing loans with existing financial institutions.
- **Home for Cash Top Up** is a multi-purpose loan related to home loan to allow additional credit for customers to improve their home or install solar cell system to save energy and sustainably reduce expenses.
- **Personal Loan** is an unsecured consumer loan to support customers' liquidity.

Furthermore, the bank sees the importance of sustainable finance and supports the environmentally friendly lending as follows:

Renewable Energy and Bridge Transition Technology in Energy Loan

The bank is aware of climate change, rooted from greenhouse gas emissions. Fossil fuel power plants are the industry that involves a considerable portion of greenhouse gas emissions. In order to support the substantial reduction of greenhouse gas emissions, the bank promotes the transition from using fossil fuel to renewable energy. By the end of 2024, the bank financed the power plant industry using the bridge transition technology in energy loan amounting to Baht 17,744 million and outstanding loan for renewable energy amounting to Baht 2,069 million.

Sustainable Finance through Green Loan and Sustainability-linked Loan

The bank provides loan services related to the organization sustainability operation in form of green loan and sustainability-linked Loan (SLL) to build incentives for customers to achieve their sustainability performance target and reduce energy consumptions and greenhouse gas emissions. In 2024, the bank provided sustainable finance to 5 projects in a total of Baht 2,200 million comprising green loan of Baht 1,300 million and SLL of Baht 900 million.

Green Transition Loan

To enhance the SME businesses' competitiveness to be able to estimate the level of investments and to develop business potential towards environmental sustainability or shift from brown to less brown businesses

Competition Strategy for Lending Service

The bank categorizes its customers into different segments to grasp their unique needs with the aim to continuously foster a robust relationship with all segments of customers and to offer comprehensive financial products and services to the right customers by taking into account the loan structure, interest rate, type of credit facilities and repayment period suitable for each customer with quick underwriting process. Besides, the bank also puts the emphasis on the strategy for loan extension to existing customers with good track records. This helps the bank create business opportunities and retain the long-term customer base. For new customers, the bank targets to offer loans to wealth segment by using its branches to offer loans and to have existing customers refer the bank's loan products to their friends or business partners.

Housing loan strategy primarily focuses and places the emphasis on customers' satisfaction. The bank creates a well-designed customer journey to deliver a good experience to its customers applying for housing loans by the first day they need some loans, perception of the bank's products, product comparison, decision making to use services. The bank, therefore, develops products for optimal benefits of customers, for instance, special interest rate, fast approval and more service channel via digital banking.

The bank has a corporate loan strategy with a plan to support 2 main segments including SME and customers under the industry related to environmental, social and governance : ESG by designing loan products to suit their needs. In 2024, the bank developed 9 loan products according to business types that met the demand of 79 customers with the approved loan of Baht 695.5 million.

3. Electronic Service

The bank puts great importance on electronic services as Thailand has advanced to the digital age. The transactions or services from now on will primarily be made on digitalization. The bank is committed to consistently enhancing the financial platforms and adding electronic services including:

Financial services and investments through application accommodate quick and convenient transactions every day, anywhere, anytime.

1. Profita investment application - Investment in your palm

- Support buy-sell/switch funds with other leading fund management companies 24 hours
- One-stop service in one application for information, fund news update and Morningstar rating. Investors can compare up to 15 funds at the same time.
- Able to set stop loss alert when investment reaches the trigger point
- Robo Advisor helps investment planning such as:
 - To achieve goals in various stages of life such as retirement plan
 - To obtain investment growth with desirable return and automatic portfolio management that allows investors who have not much knowledge on investments or investors who do not have any advisor to be able to professionally plan and manage their portfolios



2. LHB You Application

- Money transfer and bill payment, payment for products and services via QR code scan
- Cardless ATM through SCB, BBL, KBank and BAAC ATM machines nationwide
- Transaction verification service and account statement
- Apply for direct debit service with Land and Houses Securities Public Company Limited and Land and Houses Fund Management Company Limited
- Special privileges and rewards

The bank adds the facial recognition feature in the case of a fund transfer of more than Baht 50,000 per transaction or transaction of more than Baht 200,000 per day.

- Internet Banking Service for Corporate customers (LH Bank Speedy) is a service to facilitate financial transactions every day, anywhere, anytime. The service is equipped with double security authentication to ensure customers' confidence in any transactions.



LH Bank Debit Chip Card is a card used via ATMs of all banks nationwide, secured by recording information in chip cards which cannot be copied. The cards can also be used for cash withdrawal abroad at any ATMs with the UnionPay International (UPI) logo, merchant shopping and online shopping. Customers can enjoy many special promotions from UPI participating stores.



LH Bank Premium Card is a card with personal accident protection with the maximum coverage of Baht 300,000 insured by Chubb Samaggi Insurance PLC with no health check. Customers just fill in their health

records in the application form and the protection will become effective immediately for medical expenses from any accident by presenting the LH Bank Premium Card together with ID card to contracted hospitals.

Automatic Teller Machine (ATM) is available for cash withdrawal, money transfer, payments for goods and services and PromptPay fund transfer. The bank's ATMs accept ATM and Debit cards of all banks including the UnionPay International (UPI) chip card to provide Thai-Baht cash withdrawal service for businessmen, tourists and individuals.

As of December 31, 2024, the bank had 2 ATMs in total.

LH Bank PromptPay is a simple and easy service to transfer and receive funds. Just tie the bank account with the ID card number or mobile phone number, such transactions can be made without the bank account number.



LH Bank Business PromptPay is a new choice of fund transfer service for corporate customers by getting their corporate bank account tied with their 13-digit tax ID number.

4. Other Services

Cash Management Service is a convenient and fast financial service for businesses which helps reduce paperwork and administrative costs while boosting business management efficiency as follows:

1. Salary payroll service
2. Bulk payment
3. Bill payment
4. Direct debit and direct credit

Insurance Service There are various insurance products both life insurance and non-life insurance from various firms available for customers as follows:

1. Life insurance plus investment (Unit-Linked): A financial planning helper that has been completely tailored to meet different needs in every stage of life including investment in mutual funds, life and health coverage in one policy.

- Flexi Invest Link One+ : One-time payment, increase investment opportunities and earn more returns plus future security for you and your family

- Flexi Invest Link Design : Stability and wellness that can be designed, add peace of mind with additional contract for health and critical illnesses with fixed premiums throughout the contract period (Additional Contract UDR) UDR health premiums are fixed premiums throughout the contract. It does not increase with ages, like general health insurance does.

- Unit-Linked 15/6 builds a life portfolio to grow wealthy and build confidence for customers in every investment situation with life protection of 15 years.

2. Life-time Insurance builds “Big Security” with “Small Money”, pass on the wealth from generation to generation effectively with lifetime insurance package.

- Happy Life 9920 provides security throughout the contract with easy installment of 20 years.
- Happy Life 997 creates security for later generations, pay premium in a short period of time with cashback throughout the contract.

- Happy Life 9090 protects the elderly up to 80 years of age, happy life protection for 100 percent of the sum insured.

- Lifetime Insurance 995 is an assistant planner for inheritance, pass on the wealth from generation to generation, pay premium for only 5 years with protection up to the age of 99 years old.

3. Extra health insurance, high coverage, addressing health needs

- D-Health Plus : Easy to understand, uncomplicated with one-time payment of maximum Baht 5 million.
- Elite Health Plus : Choose more exclusive package, high coverage, meet your health needs with a coverage limit of Baht 20-100 million per year at an easily accessible premium price covering deadly diseases, pandemics and common diseases

4. Pension Insurance “HAPPY RETIRE 855”, happy after retirement, receive a pension of 20 percent per year with guaranteed pension payment for 15 years

5. Savings Insurance “Sup Perm Poon 888”, the financial future you can design to receive annual cashback 8 percent of the sum insured, death protection up to 800 percent and accidental death up to 6,400 percent of the sum insured.

6. Non-life Insurance Broker with alternative insurance products for customers include;

- Home Insurance
- Condominium Insurance
- Bike Insurance
- Skate Surf Insurance
- Cyber Insurance
- Pet Insurance
- Travel Insurance
- Car Insurance
- Compulsory Car Insurance, Personal Accident Insurance Act

Fund Selling Agent Service The bank is a selling agent of the unit trusts for many fund management companies which offer various types of mutual funds such as fixed income fund, equity fund and tax-benefit fund.

Payments for Goods and Services such as utility bills, credit cards, life insurance premiums and other expenses including the automatic transfer system (ATS).

Deposit, Withdrawal and Loan Repayment Service through Banking Agent at all 7-Eleven shops. Customers can do such transactions 24 hours by merely showing their ID card, bank account number and mobile

phone number to verify their identity. Customers will get a receipt/slip confirming the transaction.

Safe Deposit Box Service

Call Center Service is an inquiry service for products and services and other services.

Fraud Prevention Measures according to Regulators

The bank follows the policies and measures of the regulatory bodies on financial fraud by fraudsters and online scams by setting guidelines for customer care to ensure confidence in financial transactions and prevent damage to customers' assets, for example:

- Establishing a financial fraud hotline 0 2000 0000, 24 hours a day
- Developing a process for connecting with relevant agencies to stop suspicious transactions in a

timely manner, for instance, internal units of the bank, interbank units, government agencies, and mobile phone network providers. In addition, a connection has been linked to the online hotline, AOC (Anti Online Scam Operation Center) of the Online Crime Operation Center to increase channels for victims to contact, inquire, report incidents and track status. AOC is acting as a mediator to coordinate with various banks and facilitate the process.

Income Structure

Income structure for the year 2024, 2023 and 2022 is as follows:

Table: Income Structure

Income Structure	Separate Financial Statements					
	2024		2023		2022	
	Amount (Million Baht)	%	Amount (Million Baht)	%	Amount (Million Baht)	%
Interest income						
Loans to customers	11,628.09	152.13	10,519.29	133.49	7,493.89	107.16
Investments in debt securities	898.90	11.76	780.16	9.90	775.07	11.08
Interbank and money market items	586.12	7.67	405.32	5.14	460.77	6.59
Hire Purchase	28.99	0.38	15.23	0.19	5.38	0.08
Others	9.01	0.12	5.10	0.06	0.90	-
Total interest income	13,151.11	172.05	11,725.10	148.79	8,736.01	124.91
Interest expenses						
Deposits	(4,700.43)	(61.49)	(3,240.06)	(41.12)	(1,696.38)	(24.26)
Interbank and money market items	(34.62)	(0.45)	(114.21)	(1.45)	(165.32)	(2.36)
Contributions to the Deposit Protection Agency and the Bank of Thailand	(1,161.91)	(15.20)	(1,070.20)	(13.58)	(486.19)	(6.95)
Debts issued	(277.12)	(3.63)	(176.70)	(2.24)	(90.42)	(1.29)
Others	(32.74)	(0.43)	(18.57)	(0.24)	(13.54)	(0.19)
Total interest expenses	(6,206.82)	(81.20)	(4,619.74)	(58.63)	(2,451.85)	(35.05)
Net interest income	6,944.29	90.85	7,105.36	90.17	6,284.16	89.86
Fees and service income						
Acceptances, avals and guarantees	99.89	1.31	84.58	1.07	62.67	0.90
Commission income	273.18	3.57	279.88	3.55	216.10	3.09
Other	70.39	0.92	84.37	1.07	81.90	1.17
Total fees and service income	443.46	5.80	448.83	5.70	360.67	5.16
Fees and service expenses						
Fees and charges	(91.84)	(1.20)	(99.00)	(1.26)	(78.28)	(1.12)
Others	(3.92)	(0.05)	(4.17)	(0.05)	(7.04)	(0.10)
Total fees and service expenses	(95.76)	(1.25)	(103.17)	(1.31)	(85.32)	(1.22)
Net fees and service income	347.70	4.55	345.66	4.39	275.35	3.94
Other incomes						
Gains on investments	(30.68)	(0.40)	10.86	0.14	-	-
Dividend Income	204.24	2.67	365.19	4.63	423.69	6.06
Other operating income	178.18	2.33	53.01	0.67	9.75	0.14
Total Other incomes	351.74	4.60	429.06	5.44	433.44	6.20
Total operating incomes	7,643.73	100.00	7,880.08	100.00	6,992.95	100.00

Based on the table above, the income structure can be categorized into 3 types as follows:

1. Net Interest Income

Interest income consists of incomes from loans to customers, gains on investments in debt securities, interbank and money market items income, hire purchase income and others. In 2024, the bank had interest income amounting to Baht 13,151.11 million, increasing by Baht 1,426.01 million or 12.16% from 2023.

Interest expenses consist of interest expenses for deposits, interbank and money market items, contributions to the Deposit Protection Agency and the Bank of Thailand, debts issued and others. In 2024, the bank had interest expenses amounting to Baht 6,206.82 million, increasing by Baht 1,587.08 million or 34.35% from 2023.

Net interest income is Baht 6,944.29 million or 90.85% of total operating income. Net interest income decreased by Baht 161.07 million or 2.27% from 2023.

2. Net Fees and Service Income

Fees and service income are mainly from fees from credit management such as fees from acceptances, avals, guarantees, commission income and other fees and service incomes (ATM fee, fund management fee, penalty charge, cheque fee). In 2024, the bank had fees and service income amounting to Baht 443.46 million, decreasing by Baht 5.37 million or 1.20% from 2023.

Fees and service expenses are Baht 95.76 million, decreasing by Baht 7.41 million or 7.18% from 2023.

Net fees and service income is Baht 347.70 million or 4.55% of total operating income, increasing by Baht 2.04 million or 0.59% from 2023.

3. Other Incomes

Other incomes consist of gains on investments, dividend income and other operating incomes. In 2024, the bank had other incomes amounting to Baht 351.74 million, decreasing by Baht 77.32 million or 18.02% from 2023 mainly from dividend income which decreased by Baht 160.95 million or 44.07%.

Securities and Shareholders Information

1. Securities information

1.1 Ordinary shares

As of December 31, 2024, the authorized capital was Baht 20,000,000,000 divided into 2,000,000,000 ordinary shares at the par value of Baht 10 and the paid-up capital was Baht 20,000,000,000.

1.2 Preferred shares

- None -

1.3 Warrants

- None -

2. Shareholders

2.1 Shareholding structure

The shareholders of the bank as of December 31, 2024 were as follows:

List of Shareholders	Number of Shares	%
1. LH Financial Group Public Company Limited	1,999,999,900	99.99
2. 17 Minority Shareholders	100	0.01
Total	2,000,000,000	100.00

2.2 Major shareholder

LH Financial Group Public Company Limited is the major shareholder of the bank by holding 99.99% of the paid-up capital.

LH Financial Group Public Company Limited was established in 2009 to invest in the bank according to the Financial Institution Business Act B.E. 2551 and the Bank of Thailand's notification regarding the consolidated supervision. On October 28, 2009, the Bank of Thailand approved the establishment of the financial business group having LH Financial Group Public Company Limited as the parent company, Land and Houses Bank Public Company Limited as the subsidiary under the solo consolidation group and Land and Houses Fund Management Company Limited as the subsidiary under the non-solo consolidation group.

The Stock Exchange of Thailand accepted the ordinary shares of LH Financial Group Public Company Limited as listed securities and the first trading day was on May 10, 2011 under symbol "LHBANK" and on April 24, 2018, the securities symbol was changed to "LHFG".

3. Issuing other securities

The bank had issued debt instruments as detailed below.

Name	Type	Amount (Million Baht)	Duration (Year)	Interest Rate	Maturity Date
Subordinated Instrument to be qualified as Tier 2 Capital of Land and Houses Bank Public Company Limited No. 1/2021, which can be written off (in part or in full) if a regulator decides to grant financial assistance to the fund issuer and the fund issuer has the right to premature redemption.	Subordinated Bond	2,400	10.01	3.75%	21/05/2031
Bill of Exchange (LHBANK25121A)	Bill of Exchange	1,000	154 Days	-	21/01/2025
Bill of Exchange (LHBANK25220B)	Bill of Exchange	850	182 Days	-	20/02/2025
Bill of Exchange (LHBANK25220A)	Bill of Exchange	1,000	182 Days	-	20/02/2025
Bill of Exchange (LHBANK25527A)	Bill of Exchange	2,000	270 Days	-	27/05/2025

4. Dividend payment policy

4.1 Dividend payment policy

For dividend payment, the bank takes into account the operating results and shareholders' return in the long term.

4.2 Regulations and criteria related to dividend payments

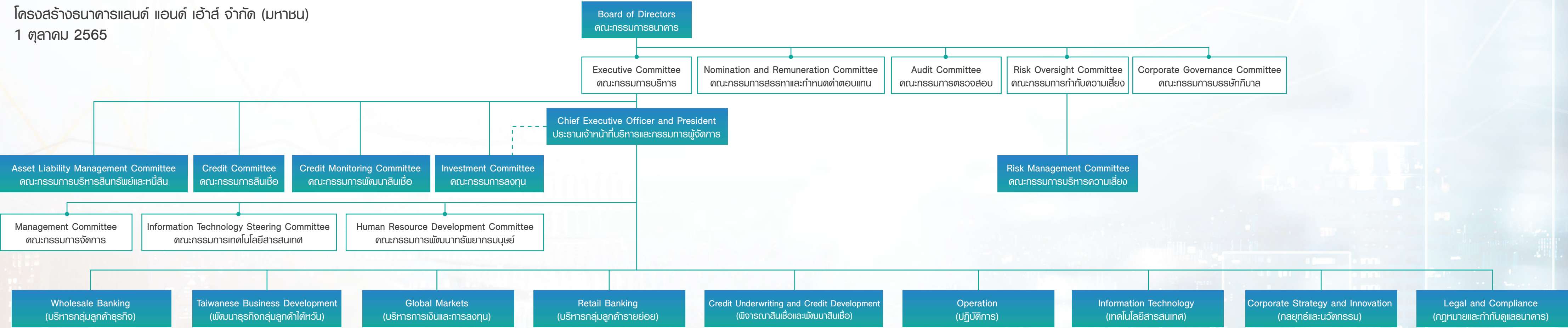
According to the Bank of Thailand's Notification on the Criteria for Classification and Provisioning, any financial institution which has not yet written off damaged assets from its balance sheets or not yet provisioned in full for potentially damaged and undamaged assets and obligations. Such financial institution is not allowed to pay dividends or other forms of remuneration to its shareholders.

According to the Bank of Thailand's Notification on Guidelines on Accounting of Financial Institutions for dividend policy, financial institutions should not pay any dividends from the transactions that result in unrealized gains or no real cash inflows such as profits from mark-to-market of securities trading or the reclassification of financial assets. Neither should they pay any dividends from the profits arising from the asset disposal which does not actually take place which generate a higher profit or lower loss, such as profits from the sale of foreclosed assets under the condition that financial institution may repurchase or obtain the rights to repurchase them in the future.

5. Number and type of shares the company holds in other companies equal or more than 10% (Direct and Indirect)

- None -

โครงสร้างธนาคารแลนด์ แอนด์ เฮ้าส์ จำกัด (มหาชน)
1 ตุลาคม 2565



Management Structure

1. Board of Directors

As of December 31, 2024, the Board of Directors consisted of 11 directors as follows:

Name	Position	Type of Director
1. Mr. Lee, Yu-Chou	Chairman	Non-executive Director
2. Dr. Supriya Kuandachakupt	Vice Chairman Chairman of Risk Oversight Committee Member of Audit Committee Member of Sustainability and Corporate Governance Committee Member of Nomination and Remuneration Committee	Independent Director
3. Mr. Pradit Sawattananond	Chairman of Audit Committee Chairman of Sustainability and Corporate Governance Committee Member of Nomination and Remuneration Committee	Independent Director
4. Prof. Piphob Veraphong	Chairman of Nomination and Remuneration Committee Member of Audit Committee Member of Sustainability and Corporate Governance Committee	Independent Director
5. Mr. Pichai Dusdeekulchai	Member of Audit Committee Member of Sustainability and Corporate Governance Committee Member of Risk Oversight Committee	Independent Director
6. Mr. Sirichai Sombutsiri	Chairman of Executive Committee	Executive Director
7. Mr. Naporn Sunthornchitcharoen	Member of Executive Committee	Executive Director
8. Mr. Shih, Jiing-Fuh	Member of Executive Committee Chief Executive Officer and President	Executive Director
9. Mr. Vichian Amornpoonchai	Director	Executive Director
10. Ms. Chiu, Ya-Ling	Member of Executive Committee	Executive Director
12. Mr. Liao, Jen-Wen	Member of Executive Committee	Executive Director

2. Composition of Board of Directors

Gender	Number	Proportion
Male	9	81.82% of total number of directors
Female	2	18.18% of total number of directors
Type of Directors	Number	Proportion
Independent Director	4	36.36% of total number of directors
Executive Director	6	54.55% of total number of directors
Non-executive Director	1	9.09% of total number of directors

Directors are qualified with sound knowledge and ability beneficial for business operation of the bank and are qualified as the director and independent director according to related laws and the Articles of Association.

Authorized Signatories of the Bank

Mr. Naporn Sunthornchitcharoen, Mr. Vichian Amornpoonchai, Mr. Shih, Jiing-Fuh, Ms. Chiu, Ya-Ling and Mr. Liao, Jen-Wen, two of five directors co-sign on behalf of the bank with the company's seal affixed.

The management structure of Land and Houses Bank Public Company Limited consists of the Board of Directors which appoints 5 sub-committees: Executive Committee, Audit Committee, Sustainability and Corporate Governance Committee, Nomination and Remuneration Committee and Risk Oversight Committee. The Board of Directors and sub-committees have composition, qualifications, clearly separate duties and responsibilities according to the notification of the Bank of Thailand on Corporate Governance of Financial Institutions, Directors, Managers, and Persons with Power of Management, which are subject to approval by the Bank of Thailand. Details are as follows:

1. Board of Directors

The Board of Directors consists of 11 directors as follows:

- | | | | |
|-----|--------------|----------------------------|--|
| 1. | Mr. Lee, | Yu-Chou ¹ | Chairman |
| 2. | Dr. Supriya | Kuandachakupt ² | Vice Chairman and Independent Director |
| 3. | Mr. Pradit | Sawattananond | Independent Director |
| 4. | Prof. Piphob | Veraphong | Independent Director |
| 5. | Mr. Pichai | Dusdeekulchai | Independent Director |
| 6. | Mr. Naporn | Sunthornchitcharoen | Director |
| 7. | Mr. Sirichai | Sombutsiri | Director |
| 8. | Ms. Chiu, | Ya-Ling ³ | Director |
| 9. | Mr. Liao, | Jen-Wen ⁴ | Director |
| 10. | Mr. Vichian | Amornpoonchai | Director |
| 11. | Mr. Shih, | Jiing-Fuh | Chief Executive Officer and President |
| | Ms. Chayawan | Budsayalap Thaidech | Secretary |

Note: ¹Mr. Lee, Yu-Chou was appointed as chairman on April 22, 2024.

²Dr. Supriya Kuandachakupt was appointed as vice chairman on April 22, 2024.

³Ms. Chiu, Ya-Ling was appointed as director on March 8, 2024.

⁴Mr. Liao, Jen-Wen was appointed as director on March 19, 2024.

Duties and Responsibilities of the Board of Directors

The Board of Directors has a duty to supervise the bank's operations with integrity and conservatism for the best interests of the organization without conflicts of interest of any shareholders. Their duties and responsibilities include:

1. Perform the duties in compliance with laws, objectives, Articles of Association and regulations of related agencies as well as the resolutions of the shareholders meetings with integrity and care for the best interests of the bank
2. Determine the directions and strategic goals for the bank with sustainable banking including environmental, social and governance aspects, approve the policies and material transactions as well as risk management affecting financial position, performance and reputation. The strategic plan, key policies and risk oversight framework are subject to review with proper frequency or when there are material changes.
3. Supervise the management to effectively and efficiently implement the approved policies in order to protect the interests of the bank and its shareholders
4. Make provisions of the code of conduct, code of ethics as well as ethics for directors, executives and employees as organizational guidelines
5. Monitor the bank's operations at all times to ensure that the executive directors and the management adhere to the applicable laws and policies
6. Ensure that the management is capable of managing the bank's operations, including the nomination of top executives
7. Ensure that the bank has efficient internal control and organizational structure that is conducive to independent control, oversight and audit functions (Three Lines of Defense)
8. Ensure that all important matters of the bank are escalated by the management to the Board of Directors and a reporting process is implemented by the management in order to provide the Board of Directors with adequate information so that they can fulfill their duties and responsibilities
9. Ensure that the bank has the risk governance framework and risk culture and ensure that the bank complies with market conduct
10. Approve the roles and responsibilities of the sub-committees and any changes in their compositions, including any significant changes that may affect the operations of sub-committees
11. Ensure proper procedure of reporting (Management Letter) from external auditors and the integration of management's opinions shall be obtained and submitted to the Board of Directors in a timely manner
12. Provide the check-and-balance mechanism between the management and/or major shareholders at appropriate levels by determining an appropriate composition or number of the independent directors in the Board of Directors
13. Ensure that each director shall attend the meeting at least 75 percent of the total meetings held each year unless a reasonable ground is provided
14. To approve any proposal, the quorum shall be at least two-thirds of total directors

In case any director or related person having interests or conflicts of interest in any matter, he/she must report to the Board of Directors for acknowledgement and he/she will not be authorized to approve such transaction according to the Articles of Association and regulatory requirements.

Roles of the Chairman

1. Supervise, monitor and ensure that the performance of the Board of Directors is effective and achieves the objectives and goals of the organization
2. Oversee and promote the organizational culture based on ethics and good corporate governance
3. Allocate sufficient time for all matters proposed by the management and for directors to discuss on significant issues by providing independent opinions
4. Strengthen good relations among the directors and management
5. Chair the Board of Directors meeting, call for the meeting, and determine agenda items
6. Chair the shareholders' meeting and ensure the meeting complies with applicable laws, regulations and the Articles of Association, allocate appropriate time for each agenda item as determined in the invitation letter, and give an opportunity for shareholders to freely express their opinions and ask questions relevant to the bank

2. Executive Committee

The Executive Committee consists of 5 members as follows:

1.	Mr. Sirichai	Sombutsiri	Chairman
2.	Mr. Naporn	Sunthornchitcharoen	Member
3.	Mr. Shih,	Jiing-Fuh	Member
4.	Ms. Chiu,	Ya-Ling ^{/1}	Member
5.	Mr. Liao,	Jen-Wen ^{/2}	Member
	Officer of Secretary Division		Secretary

Note: ^{/1} Ms. Chiu, Ya-Ling was appointed as member of the Executive Committee on March 8, 2024.

^{/2} Mr. Liao, Jen-Wen was appointed as member of the Executive Committee on March 19, 2024.

Duties and Responsibilities of the Executive Committee

The Executive Committee has the duties and responsibilities approved by the Board of Directors as follows:

1. Set policies, strategic plans and directions of the bank, propose them to the Board of Directors for approval and implement such policies.
2. Determine policies regarding lending and investment for connected persons.
3. Approve loans and/or investments according to the limit set by the bank.
4. Scrutinize loans and/or investments under the Board of Directors' approval authority.
5. Consider and screen matters before proposing to the Board of Directors
6. Manage and develop organization effectively.
7. Assign and coordinate with lower levels of management, monitor the performance to align with the specified plan, follow up and evaluate the performance as well as analyze it to find pros and cons and solutions.
8. Report significant matters to the Board of Directors.

In case any director or related person has interests or conflicts of interest, he/she will not be authorized to approve any transaction within the bank or subsidiaries according to the Articles of Association, regulations of the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

3. Audit Committee

The Audit Committee consists of 4 independent directors as follows:

1.	Mr. Pradit*	Sawattananond	Chairman
2.	Dr. Supriya *	Kuandachakupt	Member
3.	Prof. Piphob	Veraphong	Member
4.	Mr. Pichai	Dusdeekulchai	Member
	Ms. Thanawan	Theekautamakorn	Secretary

Note: * The director who has knowledge and experience in accounting and finance.

Duties and Responsibilities of the Audit Committee

The Audit Committee has the duties and responsibilities approved by the Board of Directors as follows:

1. Review the financial reporting of the bank to ensure that it is accurate and adequate
2. Review and evaluate whether the bank has set an appropriate and effective internal control and internal audit
3. Supervise the Internal Audit Group to conduct the internal audit effectively with appropriate number of employees and working systems, be independent from any departments to be audited, and align with the professional standard for internal audit and the Bank of Thailand's guidelines on internal audit of financial institutions.
4. Ensure that the bank complies with the laws related to securities and exchange, requirements of the Securities and Exchange of Thailand or laws related to financial institutions
5. Consider, select, and propose the appointments and terminations of auditors and their remunerations
6. Consider the accuracy and completeness of the bank's information disclosure, especially the related-party transactions or transactions with conflicts of interest
7. Provide the corporate governance's report of the Audit Committee and disclose it in the annual report
8. Determine the duties of the Audit Committee including the changes to its composition and significant changes to the performance of the Audit Committee clearly in writing as approved by the Board of Directors and disclose them to shareholders via the annual report
9. Ensure the bank has adequate internal control and complies with the whistleblower policy
10. Provide guidelines and internal control to prevent any corruption and monitor potential risks of corruption in the bank, communicate them to all employees together with training provided
11. Obtain regular updates from the Risk Oversight Committee for matters required improvements to be in line with the policies and strategies of the bank
12. Share opinions with the Audit Committee and the Risk Oversight Committee in case of a review of the adequacy and efficiency of overall policies, risk management strategies and risk appetite as to evaluate whether they can cover all kinds of risks, including emerging risks, and also the effective and efficient implementation of the policies and strategies
13. Report to the Board of Directors to correct in the time specified by the Audit Committee in case that the Audit Committee found or doubted about the following incidents or acts:
 - Transactions with conflicts of interest
 - Frauds or abnormalities or significant defects in internal control

- Violation of law relating to banking operations, Securities and Exchange Act, the Stock Exchange of Thailand's regulations, the Bank of Thailand's regulations and other laws relating to banking operations, securities and other laws

If the board or management fails to make corrections within the time specified by the Audit Committee, the Audit Committee shall disclose the said actions in the annual report and report them to the Bank of Thailand.

14. Assess the performance of the head of Internal Audit Group

15. Perform other tasks assigned by the Board of Directors with the consent from the Audit Committee

4. Sustainability and Corporate Governance Committee

The Sustainability and Corporate Governance Committee consists of 4 independent directors as follows:

1.	Mr. Pradit	Sawattananond	Chairman
2.	Dr. Supriya	Kuandachakupt	Member
3.	Prof. Piphob	Veraphong	Member
4.	Mr. Pichai	Dusdeekulchai	Member
	Mr. Jumpon	Suwannawong	Secretary

Duties and Responsibilities of the Sustainability and Corporate Governance Committee

The Sustainability and Corporate Governance Committee has the duties and responsibilities approved by the Board of Directors as follows:

- 1) Consider policies, directions and sustainable frameworks, environment, climate change, society and governance and propose them to the Board of Directors for approval
- 2) Ensure the compliance with the policies and give recommendations and necessary supports to related working team in order to achieve the operational plans
- 3) Evaluate the performance of the bank according to the good corporate governance policy and the anti-corruption policy with the corporate governance principles to determine matters that require improvements
- 4) Evaluate the performance of the bank regarding the compliance with laws, rules, regulations, standards and operational guidelines applicable to transactions as stipulated by regulators
- 5) Represent the bank in communicating and executing corporate governance activities and preventing any act of corruption among executives, employees and external agencies
- 6) Oversee the sustainability performance
 - Supervise and monitor the sustainability performance
 - Supervise internal and external communication on sustainability of the bank as well as information disclosure in accordance with sustainability frameworks and standards
- 7) Perform other tasks assigned by the Board of Directors

5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 3 independent directors as follows:

1.	Prof. Piphob Veraphong	Chairman
2.	Mr. Pradit Sawattananond	Member
3.	Dr. Supriya Kuandachakupt	Member
	Ms. Nuanprae Sueyai	Secretary

Duties and Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has the duties and responsibilities approved by the Board of Directors as follows:

1. Determine policies, criteria, qualifications, and methods for the selections of candidates for directors, persons with power of management, advisors, members of other sub-committees as well as their remunerations and other benefits including amounts that reflects the goals, their duties and responsibilities and relevant risks with the clear and transparent criteria before proposing them to the Board of Directors for approval
2. Select and nominate qualified candidates that comply with the Notification of the Bank of Thailand on Regulations on the Approval of Appointment of Directors, Managers, Persons with Power of Management, or Advisors of Financial Institutions, Financial Institutions' Parent Companies, and Subsidiaries Undertaking Financial Business to propose to the Board of Directors for approve the appointment as follows:
 - 2.1 Directors
 - 2.2 Persons with power of management
 - 2.3 Advisors
 - 2.4 Members of sub-committees
3. Supervise and ensure the Board of Directors has the members and the composition that is appropriate for the organization, adjust them according to changing environments, ensure that the mechanism or tool to support the process of selection and nomination of new directors are in place. The Board of Directors shall be composed of qualified candidates with appropriate behaviors, knowledge, abilities and experiences in various areas which are beneficial to the long-term operations, and suitable for directions and strategies of the bank. The Nomination and Remuneration Committee is also responsible for ensuring the development of a skill matrix.
4. Ensure that directors and persons with power of management receive remunerations commensurate with their duties and responsibilities
5. Consider the budget for merit increase, bonus and other benefits as follows:
 - 5.1 Consider the budget for merit increase, bonus and other benefits of employees
 - 5.2 Consider the overall remuneration structure and benefits for expatriates, such as accommodation costs, living expenses, fees and service charges relating to work as agreed upon the management's proposals
6. Oversee the formulation of succession plans for key positions to ensure the continuity of administration
7. Define the hiring criteria for retired employees
8. Determine the evaluation guideline for directors and persons with power of management as to consider adjusting annual remuneration by taking into account their duties, responsibilities and related risks and increased value of owners' equity in the long term
9. Ensure that the policy and details of the selection method for directors and persons with power of management, the remuneration policy and various form of remunerations are disclosed and prepare remuneration report, at least, containing the details about the factors used in determining the overall performance, goals and operations as well as the opinion of the Nomination and Remuneration Committee including methods and channels for paying compensation to reflect the risks in the annual report
10. Perform other tasks assigned by the Board of Directors

Nomination of Directors and Independent Directors

The Nomination and Remuneration Committee shall select and screen persons with proper qualifications, knowledge, extensive experiences, adequate understanding in banking, finance, economics, laws and other related areas to ensure the appropriate composition of the Board of Directors as required. The board skill matrix was created to assist the selection and nomination process to be in line with business directions and strategies by taking into account the necessity of organization and good corporate governance principles. The Nomination and Remuneration Committee shall listen to suggestions from minor shareholders who nominate qualified persons for directors or independent directors. The bank has given opportunities for shareholders to nominate candidates for election as directors during the Annual General Meeting of Shareholders according to the rules of the bank. Details of this matter are presented in the business sustainability report under the topic of good corporate governance.

The Nomination and Remuneration Committee shall propose the Board of Directors to appoint directors and/or independent directors in the event of a vacancy of directors for any reason other than the retirement by rotation or shall propose the shareholders' meeting to elect directors and/or independent directors as a replacement for those retired by rotation or shall propose the shareholders' meeting to elect new additional directors. Rules for the election and dismissal of directors are as follows:

Composition of the Board of Directors

The Board of Directors, determined by the shareholders' meeting, shall consist of at least 5 directors. The number of independent directors shall be at least 3 directors or one-thirds of the total directors, whichever is higher.

Election of Directors

1. In casting votes for directors, the shareholders' meeting shall comply with the following rules and procedures:
 - (A) Each shareholder is entitled to cast one vote per share.
 - (B) Each shareholder may exercise all the votes he or she has for any individual director, or a group of directors by the non-cumulative voting. Splitting the number of votes to any person in a group is not allowed.
 - (C) The candidates shall be ranked in descending order, from the highest number of votes to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to exceed the required number, the chairman of the meeting shall exercise a casting vote.
2. Termination of Office and Removal of Directors
 - (A) Retirement by rotation
 - At every Annual General Meeting of Shareholders, one-thirds of the directors must vacate their offices.
 - For directors who need to be retired by rotation in the first and second years after the company registration, a drawing of lots must be held to decide which directors shall be retired. For subsequent years, the directors who have served in office for the longest terms shall be retired.
 - Any director who retired by rotation can be re-elected.
 - (B) Death

(C) Resignation

(D) Being disqualified or prohibited under the laws

(E) Being removed by a resolution of the shareholders' meeting with votes of not less than three-quarters of the attending shareholders with voting rights and the aggregate number of shares of not less than half of the shares held by all the shareholders attending the meeting and having the rights to vote.

(F) Being removed by an order of the court

3. In the event of a vacancy of directors for any reason other than the retirement by rotation:

The Board of Directors shall elect a qualified person with no prohibited characteristics under the Public Company Limited Act to be the director in their next meeting unless the remaining term of office of the vacating director is less than two months. The substitute director shall serve only for the remaining term of office of the director whom he or she replaces. Such resolution of the Board of Directors shall require the votes of not less than three-quarters of the remaining directors.

Selection Process of Directors

Nomination of directors shall comply with the guidelines on director appointment as stipulated by the Articles of Association, which can be divided into 2 cases:

Case 1 To appoint a new director due to retirement by rotation, the Nomination and Remuneration Committee shall select and screen persons with proper qualifications, knowledge, extensive experiences and adequate understanding in banking, finance, economics and laws, consistent with business strategies by taking into account the necessity of organization and good corporate governance principles. The Nomination and Remuneration Committee shall then propose the list of qualified candidates to the Board of Directors for consideration and screening before presenting to the shareholders' meeting for approval.

Case 2 To appoint a new director to replace the resigned director before the end of the term, the Nomination and Remuneration Committee shall select and screen persons with proper qualifications, knowledge, extensive experiences and adequate understanding in banking, finance, economics and laws, consistent with business strategies by taking into account the organization's necessity and good corporate governance principles. The list of qualified persons shall then be proposed to the Board of Directors for approval.

Nomination of Executives

The Nomination and Remuneration Committee shall select and screen persons with proper capabilities and qualifications by taking into consideration their ethics, morals and integrity to take high-ranking positions - First Senior Vice President and higher. Preliminary factors for consideration include qualifications, capabilities, and experiences. Nominated persons should have ideas and vision regarding management in line with the Board of Directors in order to ensure the accomplishment of the bank's targets. The top executive and the Board of Directors must place great trust in one another and work in close coordination. The Nomination and Remuneration Committee shall propose the list of nominees to the Board of Directors for further consideration and the appointment shall be in accordance with the regulations of the Bank of Thailand.

Regarding the appointment of other executive positions, Chief Executive Officer and President shall consider their qualifications and approve.

Qualifications of Independent Directors

To nominate and appoint independent directors, candidates must possess the qualifications of independent director required by the bank and align with the good corporate governance policy which is more stringent than those announced by the Capital Market Supervisory Board and the Bank of Thailand. The qualifications of independent directors are as follows:

An independent director must not have any business or work related to the bank, which may affect their independent decision with the following qualifications.

1. Holding not more than 0.5% of the total number of voting shares of the bank, or parent company, subsidiaries, associated companies, major shareholders, or control person, which shall be inclusive of the shares held by any related person of such an independent director

2. Neither being nor having been a director participating in management roles, or an employee, an officer, an advisor who receives regular salary, or a person having control power of the bank or parent company, subsidiaries, associated companies, a subsidiary at the same level, major shareholders, or control person, unless the foregoing status has ended at least two years prior to the date on which such an independent director has been appointed

3. Not being a person related by blood or legal registration as a father, mother, spouse, sibling, and child, including as a spouse of a child of other directors, management, major shareholders, control person, or the person being nominated to be a director, management or a control person of the bank.

4. Neither holding nor having held any business relationship with the bank or parent company, subsidiaries, associated companies, major shareholders, or control person in the manner in which his/her independent discretion might be affected, and is not and has not been a significant shareholder or a control person of the person that has business relationship with the bank, or the parent company, subsidiaries, associated companies, major shareholders, or control person, unless the foregoing status has ended at least two years prior to the date on which such an independent director has been appointed.

A business relationship shall include any trading transaction in the ordinary course of business for any commercial lease or property for rent, any transaction relating to asset or service, or granting or accepting any financial support by way of either borrowing, lending, guaranteeing, or collateral providing, including any other act in similar manner thereto, that could result in a creation of the bank's obligation or the obligation of its counterparty, to repay its debt to other parties in an amount equal to 3% or more of the net tangible asset value of the bank or Baht twenty million or more, whichever is lower. The method for calculation of the value of the connected transaction pursuant to the notification of the Capital Market Supervisory Board concerning regulations in respect of entering into connected transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the past one year prior to the date on which such business relationship with such a person exists must also be counted.

5. Neither being nor having been an auditor of the bank or parent company, subsidiaries, associated companies, major shareholders, or control person, and is not a significant shareholder, a control person, or a partner of any audit firm or office for which the auditor of the bank, or the parent company, subsidiaries, associated companies, major shareholders, or control person is working, unless the foregoing status has ended at least two years prior to the date on which such an independent director has been appointed.

6. Neither being nor having been any professional service provider, including legal or financial advisor who obtains fee of more than Baht two million per year from the bank or parent company, subsidiaries, associated companies, major shareholders, or control person, and not be a significant shareholder, or a control person, or a partner of any of such professional service provider unless the foregoing status has ended at least two years prior to the date on which such an independent director has been appointed.

7. Not being a director who has been appointed as a representative of a director, a representative of a major shareholder, or a representative of a shareholder who is a related person of a major shareholder.

8. Not undertaking any business the nature of which is the same as that of bank and which, in any material respect, is competitive with the business of the bank or not be a significant partner in a partnership, or a director engaging in any management role, an employee, an officer, an advisor with regular salary, or a shareholder holding more than 1% of the shares with voting rights of other companies engaging in any business the nature of which is the same as that of the bank.

9. Not having any other characteristics that prevent the exertion of independent opinions concerning business operation. After having been appointed, an independent director may be assigned by the Board of Directors to take part in the collective decision-making process of the bank, parent company, subsidiaries, associated companies, subsidiaries in the same level of the bank, or by major shareholders, or a control person.

6. Risk Oversight Committee

The Risk Oversight Committee consists of 3 members as follows:

1. Dr. Supriya	Kuandachakupt	Chairman
2. Mr. Pichai	Dusdeekulchai	Member
3. Mr. Liao, Jen-Wen*		Member
Head of Risk Management		
or assigned person		Secretary

Note: *Mr. Liao, Jen-Wen was appointed as member of the Risk Oversight Committee on May 14, 2024.

Duties and Responsibilities of the Risk Oversight Committee

The Risk Oversight Committee has the duties and responsibilities approved by Board of Directors as follows:

1. Supervise the formulation of risk management policies on key matters such as credit risk, market risk, liquidity risk, operational risk, and reputation risk as well as determining the comprehensive framework for information technology risk management in accordance with the international standards
2. Oversee the assessment and monitoring systems to oversee risk management of the management at appropriate level according to the bank's policies and ensure the appropriate risk management of the business to be competitive and supervise the management to provide measures to protect, correct and control risks appropriately, especially for the concentration of any particular risk
3. Supervise the system or the procedure for reviewing policies, risk management strategies and overall risk management systems at least once a year or upon significant changes that may affect the bank's stability by taking into consideration overall risk profile, risk appetite and risk management strategy
4. Supervise capital forecasts under stress test by determining scenarios consistent with nature, volume and complexity of transactions
5. Supervise the organization structure that supports the risk governance
6. Supervise the IT risk management and the procedures of risk management that cover the continuous assessment and monitoring IT and cyber risks while ensuring the cyber resilience and reporting to the Board of Directors about IT and cyber risks
7. Promote the IT risk awareness culture throughout the organization by encouraging employees to be aware of IT and cyber risks and to have sufficient knowledge for risk prevention regularly
8. Provide the development of the personnel specialized in IT risk and cyber security risk management adequately

9. Supervise the risk management of conduct risk with appropriate procedures to ensure the business operation's compliance with the principles and guidelines of market conduct, as well as procedures to prevent the risk of service mistakes, procedures to handle complaints from customers, and procedures to manage the risk impact in accordance with the criteria of the regulatory agencies

10. Oversee and ensure that the top executives and head of risk management department comply with the policies and the strategies of risk management and risk appetite

11. Formulate capital and liquidity management strategies to cope with risks and control them to be in line with approved risk appetite

12. Report to the Board of Directors about the risk profile, efficiency of risk management and compliance status with the risk culture, including significant factors, challenges, and issues required improvements to align with risk policies and risk management strategies

13. Provide the Board of Directors with advice on the risk oversight framework

14. Discuss and share ideas with the Audit Committee to assess the coverage of the risk management policy and risk management strategies to ensure that they cover all types of risks, as well as emerging risks, and that the execution of such policy and strategies is effective and efficient

15. Provide comments or participate in the assessment of the effectiveness and efficiency of the head of risk management department

7. Other Sub-committees

In addition to the sub-committees set up by the Board of the Directors for the benefit of monitoring and overseeing each area of the bank's operations as mentioned above, the Executive Committee has appointed other sub-committees to supervise specific areas of the operations as follows:

7.1 Credit Committee

It has the duty and authority to approve loans as determined by the bank and screen the credit under the approval authority of the Executive Committee and the Board of Directors.

7.2 Credit Monitoring Committee

It has the duty and authority to consider, determine and review the processes of lending, collecting debts and litigation. The committee also gives opinions on the classification of loans and guideline on debt collection and correction. It has the approval authority as assigned by the Executive Committee and report to the Executive Committee.

7.3 Asset-Liability Management Committee

It has the duty and authority to set the target of the bank's financial structure for both assets and liabilities, set the threshold of liquidity and interest rate risks to align with the bank's revenue goal, approve investment policy to manage liquidity and interest rate risks by focusing on instruments, determine the loan rate, deposit rate and board rate, approve the launch of financial products related to fund mobilization to respond to the needs and investment goals of customers and to maximize the effectiveness of the bank's liquidity management, consider and keep track of the bank's cash flow and deposit and withdrawal trends to evaluate the liquidity risk and lay down strategies for different scenarios appropriately and in compliance with the bank's policies, determine key indicators to be used as tools in reflecting the management of assets and liabilities to be in line with the bank's policies, and set investment plan and ensure its implementation.

7.4 Investment Committee

It has the duty and authority to set investment plan (equity instrument) to align with investment policies, overall policies on strategy, business operation and returns, study and adhere to the bookkeeping principle of accounting standards, determine the process and investment procedure, operation, investment-related staff management, and report overall investment results to the Executive Committee.

Board of Directors and Sub-committee Meetings

The bank regularly organizes the Board of Directors meetings. At each meeting, its agenda are determined clearly in advance. The important agenda items include the consent of quarterly financial statement, monitoring the performance of the bank. The invitation letter with agenda items and relevant supporting documents will be sent to the directors prior to the meeting date, allowing sufficient time for them to consider and study the information. The meeting minutes are well prepared and will be carefully kept for auditing purposes after being approved by the Board of Directors.

In 2024, the bank held meetings of the Board of Directors and sub-committees throughout the year. Details on directors' attendance, number of meetings and percentage of an individual director's attendance for each meeting are summarized as follows:

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Table : Meeting Attendance of Directors in 2024

Name of Directors	Board of Directors			Executive Committee			Audit Committee			Sustainability and Sustainability and Corporate Governance Committee			Nomination and Remuneration Committee			Risk Oversight Committee			Shareholders Meeting		
	Total 12 Meetings			Total 26 Meetings			Total 12 Meetings			Total 12 Meetings			Total 10 Meetings			Total 12 Meetings			Total 1 Meetings		
Total Meeting (Time)	In person	Online	%	In person	Online	%	In person	Online	%	In person	Online	%	In person	Online	%	In person	Online	%	In person	Online	%
1. Mr. Lee, Yu-Chou ¹	12	-	100	4	-	80.00													1	-	100
2. Dr. Supriya Kuandachakupt	11	1	100				1	11	100	1	11	100				12	-	100	1	-	100
3. Mr. Pradit Sawattananond	12	-	100				1	11	100	1	11	100	-	10	100				1	-	100
4. Prof. Piphob Veraphong	8	4	100				-	12	100	-	12	100	-	10	100				1	-	100
5. Mr. Pichai Dusdeekulchai	11	1	100				1	11	100	1	11	100	-	10	100	10	2	100	1	-	100
6. Mr. Sirichai Sombutsiri	6	4	83.33	21	3	92.31													-	1	100
7. Mr. Naporn Sunthornchitcharoen	11	1	100	24	2	100													1	-	100
8. Mr. Vichian Amornpoonchai	12	-	100																1	-	100
9. Ms. Chiu, Ya-Ling ²	6	4	100	6	11	81.00													1	-	100
10. Mr. Liao, Jen-Wen ³	3	6	100	2	15	81.00										1	6	100			
11. Mr. Shih, Jiing-Fuh	11	1	100	26	-	100										5	-	100	1	-	100

Note: ¹Mr. Lee, Yu-Chou was appointed as member of the Executive Committee until March 18, 2024 (5 times of Executive Committee Meeting in total).

²Ms. Chiu, Ya-Ling was appointed as director and member of the Executive Committee on March 8, 2024, attended the Board of Directors Meeting No. 3/2024 on March 18, 2024 (10 times of the Board of Directors Meeting in total) and attended the Executive Committee Meeting No. 6/2024 on March 22, 2024 (21 times of Executive Committee Meeting in total).

³Mr. Liao, Jen-Wen was appointed as director and member of the Executive Committee on March 19, 2024, attended the Board of Directors Meeting No. 4/2024 on April 22, 2024

(9 times of the Board of Directors Meeting in total), attended the Executive Committee Meeting No. 6/2024 on March 22, 2024 (21 times of Executive Committee Meeting in total), was appointed as member of the Risk Oversight Committee to replace Mr. Shih, Jiing-Fuh on May 14, 2024 and attended the Risk Oversight Meeting No. 6/2024 on June 17, 2024 (7 times of the Risk Oversight Meetings in total).

Executives

Land and Houses Bank Public Company Limited has 7 top executives as follows:

List of Executives	Position in the Bank
1. Mr. Shih, Jiing-Fuh	Chief Executive Officer and President
2. Mr. Thanee Phalawong	Chief Information Technology Officer
3. Mr. Pansalit Trakarnkitvichit	Chief Credit Underwriting and Credit Development Officer
4. Mr. Kosol Kavayavong	Chief Operation Officer
5. Mr. Chen, Jing-Ming	Chief Institutional Banking Officer
6. Mr. Suwat Chritamara	Chief Corporate Strategy & Innovation Officer
7. Mr. Peerapatana Ketboonchoo	Chief Retail Banking Officer

8. Company Secretary

The Board of Directors has appointed Ms. Chayawan Budsayalap Thaidech, Vice President of Company Secretary and Translator Division of LH Financial Group Public Company Limited as the company secretary since April 24, 2023 as prescribed by the laws. The Board of Directors has supported and encouraged the company secretary to continuously receive trainings and expand knowledge in law, accounting or other areas relevant to the duties of the company secretary. The details of her profile are as follows:

Name :	Ms. Chayawan Budsayalap Thaidech
Position :	Company Secretary
Age : (Years)	40
Education :	<ul style="list-style-type: none"> - Master Degree of Public Law, Dhurakij Pundit University - Bachelor of Law, Bangkok University
Training :	<ul style="list-style-type: none"> - Advances for Corporate Secretaries 2015 : Thai Listed Companies Association - Board Reporting Program (BRP) 25/2018 : IOD - Effective Minutes Taking (EMT) 35/2018 : IOD - Company Reporting Program (CRP) 22/2018 : IOD - Professional Development Program for Company Secretary 2022 : Thai Listed Companies Association - ASEAN CG Scorecard Coaching 2023 : IOD
Direct Shareholding :	- None -
Number of Shared Held by Spouse and Minor Child :	- None -
Relationship with Executives :	- None -
Work Experiences in Past 5 Years :	

❖ Current Position in 1 Listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Mar. 2023 - Present	Vice President, Company Secretary and Translator	LH Financial Group PLC
2022 - Feb. 2023	Assistant Vice President, Company Secretary and Translator	
2019 - 2022	Division Manager, Company Secretary	

❖ Current Position in 1 Non-Listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
Apr. 2023 - Present	Company Secretary	Land and Houses Bank PLC
2014 - 2019	Senior Officer, Corporate Affairs Group	

Duties and Responsibilities of the Company Secretary

1. Prepare and retain the following documents:
 - 1.1 Director registration
 - 1.2 Invitation letter to the Board of Directors meetings, minutes of the Board of Directors meetings and the bank's annual report.
 - 1.3 Invitation letter to the shareholder's meeting and minutes of shareholder's meeting
2. Retain reports on the interests declared by directors or executives
 - 2.1 The directors and executives have a duty to report their stakeholding. (Directors and executives are responsible for reporting their interests and those involved to the bank.)
 - 2.2 The company secretary shall submit the report copies to the chairman of the bank and the chairman of the Audit Committee within 7 business days from the receipt date of the report.
 - 2.3 Provide a system to accurately and completely store relevant documents and evidence that can be traced back at least five years from the date such documents or information have been prepared.
3. Perform any other tasks prescribed by the Capital Market Supervisory Board

Remuneration of Directors and Executives**Remuneration Policy for Directors and Executives**

The remuneration of directors has been determined by the shareholders' meeting, which was considered and recommended by the Nomination and Remuneration Committee. Both amounts and components of such remuneration must be attractive to the directors who are talented and critical for the performance of the board. Excessive remuneration payment shall be avoided. Remuneration for directors shall be determined based on the industry practices by considering work experiences, knowledge, abilities, dedication and other benefit that each director has contributed to the bank and comparing with listed companies of the similar size in the same industry.

Determination of remuneration shall be approved in the order of authority to avoid conflicts of interest and for transparency, i.e., shareholders will approve the remuneration of the Board of Directors and sub-committees while the Nomination and Remuneration Committee shall consider the appropriateness.

Remuneration Policy for CEO and President

The Nomination and Remuneration Committee is responsible for determining the remuneration and other benefits of CEO and president to be commensurate with his/her roles and responsibilities and propose it to the Board of Directors for approval on an annual basis under the criteria and transparent and fair processes as well as competitiveness with peers. The appropriate remuneration shall be pursuant to the bank's performance in both short and long term, bringing about optimal benefits to shareholders with KPI comparison in the financial figures, customers, process improvements to enhance the competitiveness of the bank and customers' satisfaction, sustainability, and personnel which are comparable to peers. There are both monetary remuneration and other benefits as follows:

1. Monetary remuneration includes salary, bonus (align with the performances of the bank and CEO and president), vehicles and insurance premium
2. Other benefits include contribution of provident fund, retirement benefits
3. Welfare includes annual medical checkup, insurance, accident insurance, health insurance and social security, employee loan, executive vehicle, etc.

Remuneration Policy for Top Executives

The Nomination and Remuneration Committee is responsible for determining the remuneration and other benefits of senior executives to be commensurate with his/her roles and responsibilities according to the size and business operation, individual performance in both short and long term, bringing about optimal benefits to shareholders with KPI comparison in the financial figures, customers, process improvements to enhance the competitiveness of the bank and customers' satisfaction, sustainability, and personnel which are comparable to peers. The Nomination and Remuneration Committee shall review the appropriateness and propose it to the Board of Directors for approval. There are both monetary remuneration and other benefits as follows:

1. Monetary remuneration includes salary, bonus (align with the performances of the bank and executives), vehicles and insurance premium
2. Other benefits include contribution of provident fund, retirement benefits
3. Welfare includes annual medical checkup, insurance, accident insurance, health insurance and social security, employee loan, executive vehicle, etc.

Remuneration Payment

Components of Remuneration	Type of Remuneration	Type of Payment	Objective	Paid to			Remuneration Principle
				President	Top Executive	Executive and Employee	
Fixed Remuneration and Benefits	Salary	Cash	<ul style="list-style-type: none"> To motivate and attract talented employees To reward their performance 	✓	✓	✓	<ul style="list-style-type: none"> To reflect their performance Remuneration is based on individual performance, working experience, knowledge and skills. Annual raise is based on performances comparable to the labor market and those in the same industry.
	Company Car Allowance (In Cash) Telephone Allowance Cost of Living Allowance	Car Cash	<ul style="list-style-type: none"> To reward their performance 	✓	✓	✓	<ul style="list-style-type: none"> Remuneration is commensurate with position, duties and responsibilities Not relate to individual performance.
	Other Benefits	Provident Fund Life Assurance Health Insurance Social Security	<ul style="list-style-type: none"> To promote job security for employees suitable to their age, health and lifestyle. 	✓	✓	✓	<ul style="list-style-type: none"> Comply with the company's guidelines and laws Benefits other than those required by laws must align with the labor market guidelines and are comparable to those in the same industry. Not relate to individual performance.
Performance-based Compensation	Short-term incentive: performance-based bonus	Cash	<ul style="list-style-type: none"> Reward that will vary depending on their achievement against the annual business plan. 	✓	✓	✓	<ul style="list-style-type: none"> Relate to the achievement of the company's overall performance, both financial and non-financial goals, as specified in the corporate KPI. Relate to individual performance as specified in the annual budget
	Long-term incentive	N/A	N/A	N/A	N/A	N/A	N/A

Monetary Remuneration

The monetary remuneration of directors, determined by the shareholders meeting, includes monthly remuneration and meeting allowance. Such remuneration will be proposed by the Nomination and Remuneration Committee to the Board of Directors for consent. Remuneration for directors shall be clearly and transparently determined based on the industry practices by considering work experiences, knowledge and abilities that were commensurate with their supervisory roles and responsibilities as well as taking into account the best interests of the bank and shareholders.

The 2024 Annual General Meeting of Shareholders held on March 18, 2024 resolved to approve the remuneration of directors as follows:

1. Remuneration of directors for 2024

Table : Remuneration of Directors for the Year 2024 and 2023

Position	Directors' Remuneration (per month)	
	2024	2023
Chairman	100,000	300,000
Vice Chairman	100,000	100,000
Director	40,000	40,000

2. Meeting allowances for 2024

Table : Meeting Allowances for 2024 and 2023

(Unit: Baht)

Position	Allowance (per time)													
	Board of Directors		Audit Committee		Executive Committee		Sustainability and Corporate Governance Committee		Nomination and Remuneration Committee		Risk Oversight Committee		Other sub-committees*	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Chairman	30,000	50,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Vice Chairman Non-executive Director	25,000	25,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Vice Chairman Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: *Other sub-committees refer to the committees that regulators require or should have or the Board of Directors deems appropriate.

3. Directors' gratuity for the year 2023

The Board of Directors plays a key role in supporting the policies and making decisions on important matters. As a result, the bank has continuously shown good performance and good image.

As LH Financial Group Public Company Limited, the parent company of the bank, has also determined the directors' gratuity, any director who receives the gratuity from LH Financial Group Public Company Limited shall get the gratuity from LH Financial Group Public Company Limited only.

Table: Directors' Gratuities for 2023 and 2022

Directors' Gratuities (Baht)	
2023 (3 directors)	2022 (3 directors)
1,400,000	1,630,000

4. Other non-monetary remuneration

According to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2015, dated January 21, 2015, it resolved to provide vehicles for directors including fuel, car insurance premium, maintenance and salary for drivers. The Board of Directors has the authority to consider the provision of vehicles at its discretion and it will take effect once the shareholders meeting has a resolution to change or terminate.

Other Benefits

Other benefits refer to shares, debentures and other benefits both in monetary and non-monetary forms that are apart from regular benefits receivable such as monthly salary and meeting allowance.

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Table : Remuneration of Directors for the Year 2024

In 2024, the bank paid the remuneration and gratuity for directors totaling Baht 9,805,623 and Baht 11,538,180 in 2023, as follows:

(Unit : Baht)

List of Directors	Remuneration ¹	Meeting Allowance ¹						Gratuity (Baht)	Other Benefits ²
		Board of Directors	Audit Committee	Executive Committee	Sustainability and Corporate Governance Committee	Nomination and Remuneration Committee	Risk Oversight Committee		
1. Mr. Lee, ³ Yu-Chou	720,000	45,000	-	100,000	-	-	-	-	-
2. Dr. Supriya ⁴ Kuandachakupt	498,000	-	-	-	-	80,000	360,000	-	-
3. Mr. Pradit Sawattananond	-	-	333,000	-	360,000	80,000	-	-	-
4. Prof. Piphob Veraphong	-	-	-	-	-	300,000	-	-	-
5. Mr. Pichai Dusdeekulchai	-	-	-	-	240,000	-	100,000	-	-
6. Mr. Sirichai Sombutsiri	480,000	250,000	-	750,000	-	-	-	695,650	-
7. Mr. Naporn Sunthornchitcharoen	-	-	-	520,000	-	-	-	-	-
8. Mr. Vichian Amornpoonchai	-	300,000	-	-	-	-	-	-	-
9. Ms. Chiu, ⁵ Ya-Ling	392,000	250,000	-	320,000	-	-	-	-	-
10. Mr. Liao, ⁶ Jen-Wen	377,333	225,000	-	320,000	-	-	140,000	-	-
11. Mr. Shih Jiing-Fuh	-	-	-	-	-	-	-	-	-
12. Mr. Sui ⁷ Jung-Hsin	80,000	50,000	-	60,000	-	-	-	231,880	-
13. Dr. Vorapol ⁸ Socratyanurak	624,000	60,000	-	-	-	-	-	-	-
14. Ms. Chompoonoot ⁹ Pathomporn	-	-	-	-	-	-	-	463,760	-
Total	3,171,333	1,180,000	333,000	2,070,000	600,000	460,000	600,000	1,391,290	-

Note : ¹ Directors' remuneration and meeting allowance for the year 2024, as directors of the bank are the same as those of its parent company which is LH Financial Group Public Company Limited. As a result, in 2023, LH Financial Group Public Company Limited paid remuneration and meeting allowances to the Bank's directors, the Bank did not pay any more remuneration to the Bank's directors.

² Other benefits refer to shares, debentures and other benefits both in monetary and non-monetary forms that are apart from regular benefits receivable such as monthly salary and meeting allowance.

³ Mr. Lee, Yu-Chou was appointed as chairman on April 22, 2024.

⁴ 2. Dr. Supriya Kuandachakupt was appointed as vice chairman on April 22, 2024.

⁵ Ms. Chiu, Ya-Ling was appointed as director on March 8, 2024.

⁶ Mr. Liao, Jen-Wen was appointed as director on March 19, 2024.

⁷ Mr. Sui, Jung-Hsin resigned from directorship on March 1, 2024.

⁸ Dr. Vorapol Socratyanurak retired by rotation on March 19, 2024.

⁹ Ms. Chompoonoot Pathomporn retired on September 1, 2023.

Remunerations of Executives

The remuneration for 7 executives in the total amount of Baht 66.99 million includes:

- Monetary remuneration of Baht 65.31 million, accounting for 3.96 percent of total remunerations
- Non-monetary remuneration of Baht 1.68 million, accounting for 0.10 percent of total remunerations

Other Benefits

Other remunerations or benefits apart from usual benefits include contributions to provident fund, premiums for group insurance, uniforms, medical expenses and other remunerations.

Employee

As of December 31, 2024, the bank had 1,305 employees, decreasing by 5 persons when compared to the end of 2023 as detailed below.

Table : Number of Employees

	31 December 2024	31 December 2023	31 December 2022
Number of Employees (person)	1,305	1,310	1,264

Remunerations of employees

The bank paid the remuneration for employees including salary, wages, overtime, bonus, cost of living allowance and provident fund in the total amount of Baht 1,531.71 million.

Employee Development Policy

For sustainable growth of organization, the bank, therefore, carried out a policy supporting the continued development of human resource which is an essential resource of the bank by providing various seminars conducted by internal units, sending out employees to receive trainings from external institutes, and encouraging work-related coaching from supervisors. These means bring about sustainable development, professional and efficient performance and fruitful collaboration beneficial to all parties and overall performance of organization.

Welcome Newcomers and Orientation

The company gives importance to employees at all levels from the first day of work by organizing a friendly and warm orientation and welcoming activities for new employees, focusing on communicating full information, such as organizational structure, regulations, corporate values, and various benefits to help new employees adjust smoothly. There are also team collaboration activities to strengthen good relationships between new employees.

The company requires new employees to attend various courses as specified within 30 days from the date of employment to enable employees to perform their duties correctly according to the criteria, including compulsory program such as work rules and regulations, employee manuals, knowledge in IT, compliance, data security policy (PDPA, Clear Desk & Clear Screen Procedures, 2024 Whistleblowing Process), anti-money laundering (AML), and ESG, etc.

Remuneration and Employee Welfares

The bank has policies to take care of employees' health and safety in life so that they can work with good quality of life, security and happiness. The bank has also determined appropriate remuneration and welfares for them such as salary, bonus, provident fund, social security, medical expense, group life and accident insurances, annual health check-up, employee loans, uniform and other benefits.

Provident Fund

The bank has set up a provident fund for employees as a good welfare which is crucial for lifting up morale and spirit of employees. The fund also secures them with good life quality. Employees are required to contribute 3-15% of their monthly salaries and the bank will contribute to the fund at 3-7%, varied by years of service. Moreover, the bank has set up the fund committee consisting of elected members and members appointed by employer. Such committee has duties and responsibilities to manage fund including determining investment policy on behalf of members. In addition, the bank has added various investment options for staff to invest by selecting a master fund policy. As of December 31, 2024 and 2023, the bank paid all contributions to the provident fund in the amount of Baht 51.97 million and Baht 49.52 million, respectively.

The shareholding of directors and executives of Land and Houses Bank Public Company Limited in the parent company and the bank as of December 31, 2024 and December 31, 2023 is as follows:

Table: Directors' Shareholding Proportion in the Parent Company and the Bank

Name of Directors	Position	31 December 2024		31 December 2023	
		Number of Shares Held		Number of Shares Held	
		Parent Company ¹	Bank ²	Parent Company ¹	Bank ²
1. Mr. Lee, Yu-Chou	Chairman				
- Number of direct shareholding :		-None-	-None-	-None-	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
2. Dr. Supriya Kuandachakupt	Vice Chairman Independent Director				
- Number of direct shareholding :		-None-	-None-	-None-	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
3. Mr. Pradit Sawattananond	Independent Director				
- Number of direct shareholding :		-None-	-None-	-None-	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
4. Prof. Piphob Veraphong	Independent Director				
- Number of direct shareholding :		-None-	-None-	-None-	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
5. Mr. Pichai Dusdeekulchai	Independent Director				
- Number of direct shareholding :		-None-	-None-	-None-	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
6. Mr. Sirichai Sombutsiri	Director				
- Number of direct shareholding :		150,000 shares 0.0001%	-None-	150,000 shares 0.0001%	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
7. Mr. Naporn Sunthornchitcharoen	Director				
- Number of direct shareholding:		-None-	-None-	150,000 shares 0.0001%	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
8. Ms. Chiu, Ya-Ling	Director				
- Number of direct shareholding:		-None-	-None-	-None-	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
9. Mr. Liao, Jen-Wen	Director				
- Number of direct shareholding:		-None-	-None-	-None-	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
10. Mr. Vichian Amornpoonchai	Director				
- Number of direct shareholding :		82 shares	84 shares	82 shares	84 shares
- Number of shares held by spouse and minor child:		120,000 shares 0.0006%	-None-	120,000 shares 0.0006%	-None-
11. Mr. Shih Jiing-Fuh	CEO and President				
- Number of direct shareholding:		5,000,000 shares 0.0236%	-None-	-None-	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-

Note : Parent Company¹ refers to LH Financial Group Public Company Limited.
Bank² refers to Land and Houses Bank Public Company Limited.

Table: Directors' Shareholding Proportion in the Parent Company and the Bank

Name of Executives	Position	31 December 2023		31 December 2022	
		Number of Shares Held		Number of Shares Held	
		Parent Company ¹	Bank ²	Parent Company ¹	Bank ²
1. Mr. Shih, Jiing-Fuh	CEO & President				
- Number of direct shareholding:		5,000,000 shares	-None-	-None-	-None-
		0.0236%			
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
2. Mr. Thanee Phalawong	Chief Information Technology Officer				
- Number of direct shareholding:		1,067,230 shares	-None-	1,016,962 shares	-None-
		0.005%		0.005%	
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
3. Mr. Pansalit Trakarnkitvichit	Chief Credit Underwriting and Credit Development Officer				
- Number of direct shareholding:		-None-	-None-	-None-	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
4. Mr. Chen Ching-Ming	Chief Institutional Banking Officer				
- Number of direct shareholding:		-None-	-None-	-None-	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
5. Mr. Kosol Kavayavong	Chief Operation Officer				
- Number of direct shareholding:		807,890 shares	-None-	764,167 shares	-None-
		0.004%		0.004%	
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
6. Mr. Suwat Chritamara	Chief Corporate Strategy & Innovation Officer				
- Number of direct shareholding:		-None-	-None-	-None-	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-
7. Mr. Peerapatana Ketboonchoo	Chief Retail Banking Officer				
- Number of direct shareholding:		-None-	-None-	-None-	-None-
- Number of shares held by spouse and minor child:		-None-	-None-	-None-	-None-

Note : Parent Company¹

refers to LH Financial Group Public Company Limited.

Bank²

refers to Land and Houses Bank Public Company Limited.

Risk Oversight Committee's Report

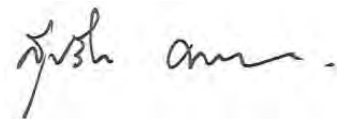
The Risk Oversight Committee consists of 3 members as follows:

- | | | |
|----------------|---------------|----------|
| 1. Dr. Supriya | Kuandachakupt | Chairman |
| 2. Mr. Shih, | Jiing-Fuh | Member |
| 3. Mr. Pichai | Dusdeekulchai | Member |

Ms. Apinya Pawangkarnan, head of Risk Management Group, LH Financial Group Public Company Limited, is the secretary.

The Risk Oversight Committee has performed its duties in accordance with the scope of responsibilities assigned by the Board of Directors. In 2024, the Risk Oversight Committee held 12 meetings in total and reported its performance to the Board of Directors as follows:

1. Review risk management policies such as credit risk, market risk, liquidity risk, operational risk, IT risk and reputational risk, and so on by taking into account the risk governance framework, create and cultivate organization's risk culture that is consistent and in accordance with the risk governance guidelines prescribed by the Bank of Thailand
2. Report on the assessment and monitoring of risk management, efficiency of risk management and ensure the management has measures in place to prevent, correct and limit risks appropriately
3. Report risk status and changes to the risk appetite to assure the Board of Directors about the supervision and management of various kinds of risks



(Dr. Supriya Kuandachakupt)
Chairman of Risk Oversight Committee

2. Risk Management

2.1 Risk Management Policy and Plan

Risk Management Overview

The operations of the bank are directly related to the money market and economic conditions, both domestically and internationally, which are changing rapidly. In addition, the business environment, whether changes in government regulations, competitors' adaptation, digital trends, and climate change, are all factors that affect business operations.

The bank realizes the importance of risk management, risk control and risk appetite as part in determining strategy and business operations in order to grow the business and generate sustainable returns for stakeholders in the long run. The bank has established various risk management strategies consistent with the guidelines, international code of practice, regulations of the Bank of Thailand and risk governance framework. Moreover, the bank has established the organizational structure that segregates the roles and responsibilities among marketing unit, supporting unit and internal audit unit (Three Lines of Defense) to be independent. The bank has created, cultivated an organizational culture that takes into account risks (Risk Culture), and emphasized the importance of accurate and full information disclosure.

Top Executive in Charge of Risk Management

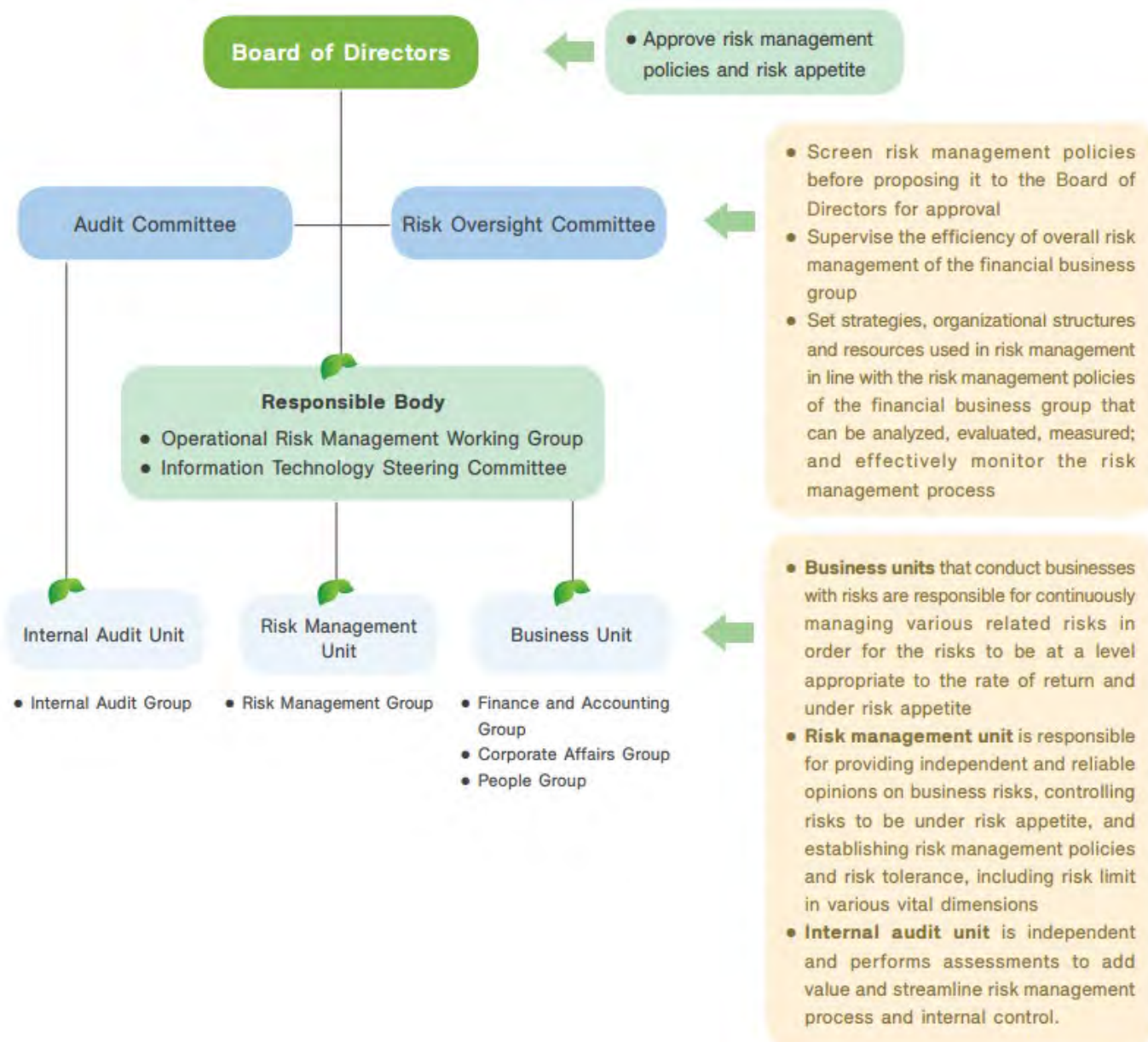
The bank uses risk management services from LH Financial Group Public Company Limited. The top executive in charge of Risk Management, Ms. Apinya Pawangkanan, head of Risk Management Group, LH Financial Group Public Company Limited.

Risk Management Policy

The objective of risk management policy is to oversee financial transactions to be under risk appetite with proper, adequate and efficient internal control in conformity with the best practices for risk management according to the regulations of the Bank of Thailand and regulators as well as standard operating procedures by identifying, assessing, controlling, monitoring and reporting risks.

Having a systematic risk management process with clear roles, duties and responsibilities with its owner, helps foster risk management culture and allows executives and employees to realize and understand the importance of risk management guideline so that they can properly and efficiently control, monitor and mitigate risks in accordance with volumes and complexities of transactions according to the natures of business.

Risk Management Structure



2.2 Risk Factors

The bank bears many key risk factors, in which all aspects of overall risk are at an appropriate and manageable level. The bank has set a framework and strategy for business operations to achieve growth based on effective risk management coupled with creating sustainable returns. The bank has systematic risk management with an appropriate risk management structure, written risk management policy, and emphasizes the disclosure of risk information and capital adequacy to the public in accordance with the Bank of Thailand's guideline.

The bank has constantly developed personnel to uphold work efficiency by developing communication channels to share knowledge about risk management in the form of a self-learning system (e-Learning) so that executives and employees understand and get aware of risks, as well as assigning employees to attend trainings/seminars from external organizers and internal seminars by inviting expert speakers from internal departments or experts from outside to share knowledge to enhance employees' skills on a regular basis.

The bank has the risk management guideline by types of risks including;

1. Risks from Business Operations

The bank recognizes the importance of the selection of companies to invest. It focuses on investing in the business that can potentially help enhance competitiveness of the financial business group by factoring in the industry's growth outlook, competition and long-term profitability.

2. Strategic Risk

Strategic risk refers to any risk arising from inappropriate formulation of strategic plan and inability to execute the laid-down strategies, as well as the disharmony of strategies, policies, goals, organization structure, competition and corporate resources as a result of internal and external factors which may affect the competitiveness, revenue and capital of the bank.

The bank has prepared business plans, annual budgets, and capital projections. Executives from each unit get involved in the preparation and expressing their opinions. The business plans and budgets are presented to the Board of Directors for consideration and approval and are subject to review semi-annually to be consistent with changing economic conditions. The Board of Directors has followed up on the performance against the business plan on a monthly basis.

3. Risk of Shareholders

The shareholders of the bank must comply with the Financial Institutions Business Act with the following essences.

- **Shareholding Report to the Bank of Thailand**

Any person who directly or indirectly holds or possesses shares of a financial institution in an amount of 5 percent or more of the total shares sold shall report the holding or possession of the shares to the Bank of Thailand. (Section 17)

- **Prohibition or Restriction of Shareholding**

No persons shall directly or indirectly hold or possess shares of a financial institution in an amount exceeding 10 percent of the total shares sold, unless permitted by the Bank of Thailand. (Section 18)

- **Offering of Surplus Stock or Auction**

Any person who holds or possesses shares in excess of the number prescribed under Section 18 shall dispose of the excess shares to other persons within 90 days from the date of acquisition of the shares. If shareholders fail to dispose excess shares within the required time or the period of relaxation, the Bank of Thailand may file an application with the court for an order to sell the excess shares by auction or by any other methods. (Section 19)

Investments in common stocks by the bank may cause investment risks to shareholders because the return on investments may not be as expected by shareholders and will vary according to the market price, liquidity of the stocks and the condition of the stock market. As for the return on investment in common stocks, it will be in the form of dividends which depend on the company's performance over a period of time. Therefore, shareholders may receive more or less return than expected.

The bank has already put in place risk management and coped with main risk management, but there may be other risks that may arise. Therefore, investors should study the risks and use their discretion in making investment decisions. In addition, there may be various circumstances such as domestic and international economic conditions, geopolitical conflicts, pandemics, political situations, changes in government policies, and unexpected events that may affect corporate performance and dividend payments.

4. Credit Risk

The credit risk refers to the risk arising from debtors or counterparties who cannot fulfill loan agreements or the risks arising from the possibility that debtors or counterparties may not repay their loans which results in the credit rating downgrade, affecting the bank's capital position and revenue. The cause was from external risk factors such as economic changes, laws, rules and regulations, and from internal risk factors such as lack of proper control, lack of monitoring to ensure customer's compliance with terms and conditions under contract and ineffective credit approval and underwriting, etc. Credit risk-related transactions are those involved with credit approval or credit-like transactions, those with counterparties with obligations to deliver assets or to repay debts to the bank and those related to the investment in debt instruments.

Credit risk consists of:

- **Risk from Credit Impairment**

The risk of credit impairment is due to the COVID-19 outbreak, which has now subsided, but affected customers have not yet recovered. The economic conditions, domestic political uncertainties, government economic stimulus measures, climate change, geopolitical conflicts, intense competition both domestic and overseas and borrower's business management. This resulted in the impaired debt serviceability of customers both retail and corporate. However, the bank continues to support the customers together with continuous relief measures of the Bank of Thailand to enhance customers' liquidity and debt serviceability.

The increase in non-performing loans represented a significant risk to the bank, causing the bank to put more provisions for expected credit losses, which affected its profitability and capital adequacy. However, the bank was conservative for the credit risk management as to control non-performing loans by focusing on enhancing the efficiency of credit management from the strict credit approval process with clear standard, such as the determination of customers characteristics and business types the bank will support or not support, segments that the bank will target or not do lending marketing, formulation of criteria for retail credit underwriting to be used as a standard for credit underwriting while avoiding the discretion of employees,

determination of minimum down payment and LTV for customers of housing loans, minimum requirements for borrowers and a specialized unit for debt collection. The bank also sets up the Credit Monitoring Committee to consider providing assistance for borrowers in a timely manner.

- Risk from Credit Concentration

The bank is aware of credit concentration risk in various dimensions such as corporate customer concentration by controlling the group exposure of any entity or project not to exceed 25 percent of the bank's capital according to the regulation of the Bank of Thailand, and concentration of debtors in each sector or concentration of counterparty countries by setting suitable risk limit and warning level to prevent any significant concentration. Then reports were submitted to credit units, Risk Management Committee and Risk Oversight Committee on a regular basis.

- Risk from Deterioration of Asset Collateral Value

The secured loans are 42.66 percent of total loans. Real estate collateral accounts for 98.62 percent of total secured loans. When the real estate market is sluggish, the bank may encounter the risks from collateral devaluation. Thus, the bank manages the risk from collateral deterioration by formulating the collateral appraisal policy to have regular reviews on collateral's appraised value and appraised value of collateral assets acquired from debt settlement or public auction. The review period of appraised value will be in accordance with the notification of the Bank of Thailand to reflect the actual value of collateral based on current conditions so that credit risk management is considered effective.

Tools for Credit Risk Management

The bank has developed the following tools to screen and classify the risk levels of debtors, both individuals and juristic persons, to facilitate efficient credit approval as follows:

- **Credit Scoring Model** is used to classify and assign the risk levels of individual borrowers. The credit model has been developed based on the basic statistics of the bank's debtors and expert-based discretion.
- **Credit Rating Model** is used to screen and classify the risk levels of juristic persons. The bank realizes the importance of the accuracy and efficiency of such tool as it is used in credit approval process; therefore, result of model implementation has always been followed up and analyzed for its efficiency, and credit risk measurement tool has consistently been enhanced in order to support the bank's business operation efficiently.

Credit Risk Management Process

The bank has put in place a credit risk management process where checks and balances are incorporated through a clear separation of duties among marketing employees, credit underwriters, collateral appraisal officers and operation officers. Furthermore, to consider approving credit, the bank has set up an independent unit; namely, Credit Underwriting Office to give opinions on risk elements that may arise from granting loans to each customer. This is to ensure that the credits to be approved have been underwritten and screened prudently. The Credit Review Office is another independent unit responsible for reviewing the accuracy of approved credits, monitoring customers' compliance with the loan covenants, deepening understanding and providing credit trainings for employees to enhance efficiency of credit marketing to acquire high quality loans. The process to manage loan quality is ready when the early-warning mechanism is triggered as a pro-active

measure at the beginning of detecting some signals as to find a proper solution for debtors and to prevent any further deterioration and NPL.

Credit Portfolio Management

The bank places the importance on the quality of debtors both qualitative and quantitative by business types and credit concentration. Therefore, the bank monitors all changes in its loan portfolio in various dimensions such as the quality of loan portfolio classified by loan types and business types, the proportion of top 20 corporate customers to the bank's total capital, customers affected by various circumstances, for instance, economic situations, COVID-19 pandemic and natural disasters, etc. in order to realize the quality of loan portfolios and likelihood of potential risks. This includes relief measures for impacted customers to help them and maintain the quality loan portfolio.

The bank copes with credit risk through Risk-Adjusted Return on Capital or RAROC to assess the ability to generate value according to the set business goals to serve as a tool to help business units adjust their strategies according to changing economic conditions; and focuses on segments with yield generation and appropriate risk balancing under the risk appetite. The bank has determined the risk appetite to be the risk indicator for credit risk monitoring and report to the related committees on a regular basis.

5. Liquidity Risk

Liquidity risk means the risks arising from the bank's failure to fulfill its obligations when due because of its inability to liquidate assets, or its failure to procure enough funds by specified schedule and at appropriate costs. Such situations can jeopardize income and capital of the bank. Factors causing liquidity risks are internal and external. Internal factors hinge on the structures of assets and liabilities and the reserve of liquid assets to support demands. External factors lie greatly on market liquidity and depositors' confidence.

The bank has tools for monitoring liquidity risks and has specified the appropriate warning levels. The bank also reviews the policy and continuously develops tools and methods to measure risks to ensure consistency with the guidelines of the Bank of Thailand and the principles of international risk management.

The bank plans and manages its liquidity risks to be under an appropriate and adequate level so that it can repay current and contingent obligations and launch new products to raise funds both short and long terms in line with market conditions. The bank has determined the risk appetite to be the risk indicators for liquidity risk monitoring and report to the related committee on a regular basis.

6. Operational Risk

Operational risk refers to the risks of losses arising from the shortages or dysfunctions of internal working processes, human resources, systems or external factors including legal risk and operational risk which is inevitable as it is part of the banking business.

Hence, the bank has clearly defined the framework of its operational risk management policy with good internal control and operating manuals so that employees can understand the workflow and can perform their duties accurately and efficiently. Procedures have been laid down for business analysis, risk monitoring and assessment.

Moreover, the bank has developed its processes and tools to manage operational risk such as operational loss data which are the collection of financial and non-financial losses, near-misses and other incidents. These data have been analyzed and used to improve the operation procedures and draw up control guidelines to reduce the likelihood of recurrences.

The bank requires all departments to undertake the Risk and Control Assessment (RCA). Each department must identify its risky points in its work processes and assess the efficiency and appropriateness of existing internal control. These data have been processed to determine the key risk indicators (KRI) for tracking risks. Risks from internal frauds with high plausibility have also been evaluated so that preventive measures and risk management can be defined.

Moreover, the bank has established the business partner policy and new product policy, guiding all units that need to use services from business partners or launch new products to study and run the data analysis, risk assessment, and new product worthiness. The Risk Management Group needs to give comments before using services from business partners or launching new products.

The bank has the Business Continuity Plan (BCP) to run its business under any emergencies such as potential casualties and disasters for the sake of maintaining the continuity of the operations or reducing any disruptions to the operations to be under acceptable level. All departments have been involved in planning and revised the plan annually. They also take BCP test, rehearse computer system restoration and check the operations of significant transactions annually to ensure the bank efficiently undergoes its business efficiently under stress situations. The bank has also determined the risk appetite to be the risk indicators for operational risk monitoring and report to the related committee on a regular basis.

7. Market Risk

Market risk means the risk arising from movements in interest rates, foreign exchange rates, and prices of instruments in money markets and capital markets that affect income and the amount of funds. It is divided into 3 types: price risk, interest rate risk, and exchange rate risk. The bank has controlled and managed risks to be at an appropriate level.

As of December 31, 2024, the bank had total financial assets measured at fair value through profit or loss of Baht 41.20 million and net investment value of Baht 47,633.59 million, consisting of investments in debt securities measured at fair value through amortized cost of Baht 2,629.09 million, debt securities measured at fair value through other comprehensive income of Baht 36,348.38 million and investment in equity securities measured at fair value through other comprehensive incomes of Baht 8,686.12 million.

Price Risk

Price risk refers to the risks arising from the change in securities price which can create income fluctuations. The bank has managed the price risk in compliance with the Bank of Thailand by applying the Value-at-Risk (VaR) model to measure the maximum loss at a certain level of confidence if holding securities for a specified period. The bank uses the calculated risk values as a guideline to determine the risk appetite. In addition, the bank has simulated various scenarios that could cause a rapid plunge in securities price or stress testing to assess potential damages from the risks during crises.

Interest Rate Risk

Interest rate risk refers to the risks arising from the movement of interest rate in market that may lead to a change in the value of financial instruments, income fluctuation or shareholders' equity value. These risks may be caused by factors from both on and off statements of financial position. Interest rate risk is a result of structuring and characteristics of items in assets, liabilities, and shareholders' equity with the mismatch of the remaining time in determining new interest rates for assets, liabilities and off-statements of financial position. The bank has appointed the Asset and Liabilities Committee to take charge of interest rate risk management, set up

an appropriate interest rate structure for each period, ensure the interest rate structure is effective as planned, and control the proportions of assets and interest-bearing liabilities with different maturity dates to be under the risk appetite. Besides, the bank closely monitors the market conditions and interest rate situations, prepares analytical reports on the periodical movements of the interest rates for assets and liabilities, and simulates net interest income to see the impact on earnings under the defined risk threshold.

Exchange Rate Risk

Exchange rate risk arises from engaging in foreign currency transactions or having assets or liabilities in foreign currencies. When exchange rate changes, it may affect the value of foreign currency position both on and off-statements of financial position and revenue. The bank prevents foreign exchange rate risk by setting up the maximum stop loss limit for the foreign exchange rate by utilizing the value from statistical calculation such as the value-at-risk, type of credit limits such as Net Open Position, Intraday Limit and YTD loss, etc. In addition, the bank has also determined the risk appetite to be the risk indicator for market risk monitoring and report to relevant committees on a regular basis.

8. Risk from Capital Shortfalls

The bank has managed the capital fund according to the Basel III framework provided by the Bank of Thailand, covering the capital maintenance and liquidity risk management to ensure that capital and liquidity are at proper level together with assessment process for capital adequacy and liquidity to foster business operation in both normal and stress scenarios.

The bank has maintained capital funds under the Basel III criteria, divided into 3 types as follows:

- Common Equity Tier-1 (CET1)
- Additional Tier-1
- Tier-2 Capital

As of December 31, 2024, the bank has maintained capital funds in accordance with the Basel III criteria, which are sufficient to operate their businesses and support business expansion, under risk appetite both in normal and stress situations. In addition, risks and capital adequacy have been assessed under the Internal Capital Adequacy Assessment Process (ICAAP) to cover various types of significant risks in accordance with the capital supervision criteria (Pillar 2) as specified by the Bank of Thailand to ensure that the bank manages the fund effectively and sufficiently to conduct their business under normal and crisis conditions.

(Details of capital funds are disclosed in the Management Discussion and Analysis and Explanation, Item 2.7 Capital Adequacy and Capital Adequacy Ratio).

9. Risk from Changes in Policies and Regulatory Requirements

The bank has the duties to comply with the policies, rules and regulations determined by regulators such as the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand, the Anti-money Laundering Office, the Office of Insurance Commission, the Office of the Consumer Protection Board and relevant agencies. The changes in policies, rules and regulations prescribed by such regulators may cause any non-compliance of operations and performance. The bank has set up the compliance unit to be in charge of giving opinions to regulators, monitoring the policies and regulations of regulators and updating all relevant business units.

10. Reputational Risk

Reputational risk refers to the risk arising from the awareness of customers, partners, investors, and regulators or public to the negative image or lack of confidence in the bank resulted from non-compliance with code of ethics, agreement, social expectation or service standard and non-eco-friendly business, complaint, lawsuit that may impact the customer base, income, liquidity and capital fund.

The bank has determined the policies and reputational risk management framework to be appropriate and effective by requiring the bank to report their risk profiles or any changes that may jeopardize the group's reputations so that the risks can be handled, monitored and mitigated in a timely manner as to limit the impact.

11. Risks from Good Corporate Governance

11.1 Risk from Corruption

The bank is committed to conducting its business with honesty, fairness, transparency, accountability to society and stakeholders in accordance with the code of conduct, ethics and good corporate governance principles, and place the importance on anti-corruption in all forms. Therefore, the anti-corruption policy that specifies the roles, duties and responsibilities and guidelines for directors, executives and employees of all levels to follow including an assessment of the risks of internal units that may have corrupt acts from work processes or transactions, has been established. Consequently, the contact guideline for official agencies and government officers has been prepared for risk control and prevention of incidents leading to fraud and corruption. The bank also communicates the anti-corruption policy and contact guidelines for government agencies and government officers to its employees for their awareness of the significance of anti-corruption.

The bank has expressed the intention to become a member of Thai Private Sector Collective Action Against Corruption (CAC). On October 16, 2024, the membership was renewed for the 3rd time. And on December 9, 2024, the executives and employees expressed their intention to combat all forms of corruption along with the Anti-Corruption Organization of Thailand on the anti-corruption day to promote transparent business operations under good governance principles.

In 2024, the bank did not find any issues or actions related to corruption.

11.2 Risk from Public Disputes

The bank has applied the good corporate governance principles, social accountability, CSR activities with the communities by bringing their strengths in finance, financial products and services to enhance their skills and financial literacy necessary for sustainable development of the community's quality of life.

11.3 Risks from Hygiene and Health Safety

The bank puts the focus on managing occupational health and safety risks by setting up the Occupational Health and Safety Committee to keep the environments in the workplace tidy in order to avoid problems with health and safety of customers, visitors, and employees by providing annual health examinations and vaccination for employees such as the influenza vaccine to prevent risks to customers and visitors, and organizing trainings to share health knowledge and self-protection from diseases that may be prevalent from work that are common among employees, for instance, office syndrome. The bank also provides a fire prevention plan and organizes fire drills every year.

11.4 Risk from Human Right

The bank focuses on strict compliance with human rights and no discrimination regardless of gender, religion, no child labor exploitation and treatment of employees under employment agreement and Labor Protection Act. The bank has also taken the voice of employees' survey regarding employment conditions and working environments to be used for improvements and building good ties between employees and company.

11.5 Risk of Employee Welfare

The bank deems that personnel at all levels are an integral part of business operation even though technology and other automations have been introduced to parts of business operations, but they still require humans to drive key activities. Therefore, the bank takes care of its workforce according to their rights by setting up the welfare policy to help them as well as appoint representatives to sit in the Welfare Committee to give opinions and ensure suitable benefits for employees.

11.6 Risk of Business Ethics

Conducting a business shall take into account the key risk of business ethics that need to be strictly adhered to. The bank has, therefore, established the code of ethics as guidelines for directors and employees to adhere to as follows:

1. Conduct duties with honesty, fairness, and accountability to strictly abide by laws and regulations of regulators and other relevant rules including policies and measures relating to anti-corruption, money laundering and combating the financing of terrorism
2. Prevent or avoid any action that could lead to conflicts of interest
3. Conduct duties with the utmost professionalism, ability, expertise and prudence
4. Keep confidential information and do not abuse insider information or confidential information for personal gain or others

11.7 Risk of Non-compliance with Environmental Laws

The bank recognizes the importance of complying with environmental regulations. The bank is determined that all activities' regulations shall comply with environmental laws including products and services and safe working environments.

11.8 Economic Risk

The bank has been monitoring several crises of the world to analyze and assess the risks that may affect the business operations, including risk assessment of other countries that cause economic fluctuations affecting the financial industry as well as political issues and international conflicts, interest rate risk that pose a direct impact on income and economic value of the country. The impacts of various events have also been analyzed and assessed to be resilient and determine appropriate risk management measures.

12. Privacy Risk Pursuant to Personal Data Protection Act

The bank puts the emphasis on personal data protection and compliance with the Personal Data Protection Act, relevant laws and regulations. To enhance personal data protection, the bank takes the following actions.

- Appointed the Data Governance Committee to consist of top executives with the duties to define a policy and strategy relating to data governance, data protection and data management
- Appointed a data protection officer (DPO) to provide advice regarding compliance with Personal Data Protection Act and consider requests for internal personal data usage and requests to exercise the rights of data subjects
- Defined the personal data protection policy, work process and operation manual as a guideline for compliance with the requirements of the personal data protection law and regular review at least once a year or in case of significant change
- Privacy notice has been disclosed on the website of the bank to inform data subjects (customers/business partners) to understand the objectives and legitimate basis for collection, usage, and disclosure of personal data of the bank including the rights of data subjects and details according to the Personal Data Protection Act.
- Developed the information technology system to support requests for personal data usage to ensure that the purpose for internal data usage requests is based on legitimate basis and in line with the Personal Data Protection Act
- Designed the work process to support the exercise of the rights of data subjects in order to ensure that the bank can process such requests efficiently and in accordance with laws. Three channels to receive the requests are as follows:
 - (1) Branch/ Head Office
 - (2) Call Center
 - (3) E-mail : DPOAdmin@lhbanks.co.th
- Set up a plan and work process in case of incident events or breach of personal data has occurred. The plan will be rehearsed every year to ensure that when an event occurs, the bank can deal with such incidents efficiently and report to official agencies and data subjects within the timeframe required by law.
- Provided relevant trainings every year to educate executives and employees about data personal protection law, communicates and create awareness of Personal Data Protection Act through various channels: PacD, E-mail, Intranet, etc.

13. Business Continuity Plan Risk

Events during crises such as natural disasters, pandemics, political demonstrations and riots may result in the inability to provide continuous service to customers. Therefore, to ensure that the bank can maintain its operations during a crisis, the Business Continuity Plan (BCP) has been developed, which is subject to rehearsal and testing at least once a year.

14. IT Risk

IT Risk refers to the risks arising from the use of information technology in business operations including cyber threats that will affect the operations and systems.

The bank pays attention to the management of IT risk, IT security, compliance with laws and related regulations, educating directors, executives and employees on cyber threats. Moreover, its information technology projects are managed effectively and prudently under the following 3 key principles.

1. Confidentiality of system and information
2. Integrity of system and information
3. Availability of information technology

The bank reports to related authorities such as the Bank of Thailand, the Stock Exchange of Thailand and the Securities and Exchanges Commission immediately when any problems or incidents regarding the use of information technology happen and affect the services, systems or reputation. This includes when critical information technologies are under attacks or under cyber threats.

The bank has determined the risk appetite to be the risk indicator for IT risk monitoring and report to the related committee on a regular basis.

15. Emerging Risk

Emerging risk is the risk that may lead to the impacts both for the short term and long term, as a result of changes in economy, society, population, environment and technology. Risk management will focus on a resilience plan to support emerging risks. Key emerging risks are as follows:

Emerging Risk	Description	Potential Impacts on the Company	Mitigation Plan
- Climate Change	Climate change situations in the form of various natural disasters that tend to increase in the future, such as storms, floods, and droughts that may affect inflation and economic growth	<ul style="list-style-type: none"> - Impact of climate change that may affect business operations, performance and financial position of customers that the bank provides support. In addition, this impact poses a risk to the reputation and creditability and can cause damage to the bank. - Climate change affects customers' cost. If they do not have proper adjustment, it will affect their competitiveness and debt serviceability. As a result, it will also impact asset quality. - The impact from climate change causes natural disasters, causing the bank branches to stop service or damaging the bank/branch assets. 	<ul style="list-style-type: none"> - Determine the risk appetite and monitor risks in loan portfolios and/or investment portfolios in private bonds to report to top executives and related committees. - Define the lending policy having risk assessment on environment, society and governance of customers - Manage loan portfolios of customers having businesses that highly impact environment to be lower under the sector limit - In 2024, aim to offset carbon credits to be neutral (Carbon Neutral) - Reduce greenhouse gas emissions from its own operations by 25 percent, from the base year 2020 within 2030* * Scope 1 and 2 from own operations of head office - Net Zero within 2065 - Determine the response measures in the Business Continuity Plan (BCP) to reduce impacts of natural disasters as well as purchase insurance package to cover potential damages from natural disasters to reduce risks from damages that may occur
- Cyber Security	The bank tends to be affected by disruptions	- Financial fraud such as financial hacking	<ul style="list-style-type: none"> - Risk assessment - Determine policy and work

Risk and Personal Data Protection	<p>to sensitive data, financials, and online business including providing certain services related to banking business and public. Cyber risk involves events that may result in a data breach, data theft or data destruction so that services cannot be provided. Cyber risk is, therefore, considered a security threat to business operations.</p>	<ul style="list-style-type: none"> - Ransomware (Malware) - Money-laundering like mule account - An attack on computer system causes system failure and customers are unable to conduct any transactions. - Disclosure of customers' personal data without consent - Damage or change customers' information or lose data required for business operations - Recovery cost after cyber-attack including cost for protection and enhancement of security measures - Customers lack confidence in the security system <p>The breach of data security may affect the reputation and creditability of the bank</p>	<p>process to prevent cyber attack</p> <ul style="list-style-type: none"> - Provide trainings for employees or officers to understand policies and operating procedures and processes - Determine the duties and responsibilities to align with policy and process - Provide proper technology to detect and prevent attacks - Prepare the response plan to be current - Rehearse, evaluate and revise the response plan on a regular basis - Upgrade personal data management to be in line with Cyber security Act and Personal Data Protection Act and related guidelines - Determine the personal data protection policy and set up the specific unit in charge of personal data protection
<ul style="list-style-type: none"> - Pandemic Risk 	<p>The epidemic of the virus is considered significant risks such as SARS, Avian Influenza, Influenza, Middle East Respiratory Syndrome or MERS, Zika virus outbreak and COVID-19</p>	<ul style="list-style-type: none"> - The customers cannot go to the offices of the bank. - Employees cannot come to work in the office affecting services for customers and the performance. 	<ul style="list-style-type: none"> - Set up the response measures in the Business Continuity Plan (BCP) to mitigate risks and impacts that may occur from the pandemic and to ensure continuous operations and services, for example, - Management of office space and branches in compliant with the measures prescribed by the Department of Disease Control, the Ministry of Public Health, such as screening customers and employees before entering building, social distancing, wearing a mask, etc. - Allow employees to work from home

Executive Committee's Report

The Executive Committee consists of 5 directors as follows:

1. Mr. Sirichai	Sombutsiri	Chairman
2. Mr. Naporn	Sunthornchitcharoen	Member
3. Mr. Shih,	Jiing-Fuh	Member
4. Ms. Chiu,	Ya-Ling*	Member
5. Mr. Liao,	Jen-Wen*	Member

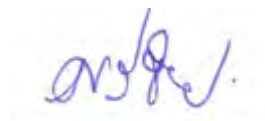
Officer of Secretary Division, LH Financial Group Public Company Limited, is the secretary.

Note: *Ms. Chiu, Ya-Ling was appointed member of the Executive Committee on March 8, 2024 to replace Mr. Suei, Jung-Hsin.

*Mr. Liao, Jen-Wen was appointed member of the Executive Committee on March 19, 2024 to replace Mr. Lee, Yu-Chou.

The Executive Committee has performed its duties under the scope of responsibilities assigned by the Board of Directors. During the year 2024, the Executive Committee arranged the total of 26 meetings and reported the result of each meeting to the Board of Directors as follows:

1. Propose the strategic plan and directions on the bank's operations for the year 2024 to the Board of Directors
2. Monitor, assess and analyze the monthly operations to analyze the strengths, weaknesses and solutions
3. Support, advise and coordinate with management to ensure the execution of strategic plan
4. Monitor cyber threats and assess the risk of cyber threats
5. Manage and develop the organization to enhance its effectiveness
6. Consider loans
7. Screen any task prior to proposing to the Board of Directors



(Mr. Sirichai Sombutsiri)
Chairman of the Executive Committee

Management Discussion and Analysis

2024 Economic Overview and 2025 Outlook

2024 Economic Overview

According to the National Economic and Social Development Council (NESDC), Thailand's economy is expanded by 2.5% in 2024, supported by better export and tourism sectors as well as higher private consumption, benefited from government stimulus measures, policy rate cut and declining inflation rate. Nonetheless, overall investment has been affected by the delays in the disbursement of fiscal budget.

2025 Economic Outlook

In 2025, NESDC forecasts that Thailand's economy will grow by 2.8% (as of February 2025). The key drivers include continued expansion in private consumption, supported by government stimulus measures and relief programs for retail customers. Public investment is likely to recover which will in turn boost private investments to expand accordingly. Thailand prompts to benefit from the relocation of production base from China to Thailand as businesses seek to avoid U.S. tariffs. In addition, easing monetary policy and low inflation are fostering the recovery of purchase power in both households and business incomes, export and tourism sectors. However, the Thai economy is facing various risks, including new round of trade tensions between the U.S. and China as well as economic slowdown in China which could pressure Thai exports. Lingering geopolitical conflicts and Thailand's export concentration in low-technology goods undermines competitiveness in global markets and high household debt continues to constrain domestic consumption.

Overview of Commercial Banks and Competition in 2024 and Outlook in 2025

Overview of Commercial Banks and Competition in 2024

In 2024, the banking sector saw an improvement in the performance of commercial banks compared to the previous year. Operating profit increased mainly due to mark to market gain from financial instruments. Loan growth of the commercial banking system slowed down in both corporate and consumer loans. Particularly, auto hire-purchase loans experienced a substantial contraction, following the ongoing decline in domestic car sales. Moreover, commercial banks constrained their lending while non-performing loans rose at manageable levels.

Commercial banks' deposits continued to grow, partly due to the increase in deposit interest rates and fluctuations in money and capital markets. As a result, liquidity in the commercial banking system remained high.

Overall the commercial banking system remained stable and resilient, as evidenced by its robust capital adequacy, high reserve and liquidity, sufficient for accommodating the expected recovery in credit demand in line with economic recovery including stricter monitoring, management of A/R quality and continued assistance for fragile debtors.

Business Trends and Competition of Commercial Banks in 2025

In 2025, commercial banking is likely to continue to expand in line with more credit demand following economic recovery. Meanwhile, retail loans are expected to grow at a slower pace due to high household debts and conservative lending of commercial banks.

The performance of the commercial banks is estimated to improve gradually in line with loan growth which may require slight provisioning due to debt relief measures by government, particularly, “You Fight, We Help”. This helps alleviate pressure on household debts and SMEs, vulnerable segment. Consequently, the bank can better manage the risks. the cost of fund tends to plunge according to the policy rate cuts.

In terms of competition, commercial banks continue to face high competition from traditional banks and emerging financial service providers that compete for market share, for instance, virtual bank which is expected to operate by 2025. Therefore, the bank has developed innovations to embrace changing market conditions and customers’ needs, introduced new technologies to streamline work processes and provide services, and conducted the business related to environment, social and governance (ESG) to build image and sustainability as well as expanded trade finance and new businesses like digital assets and technology platforms to uphold long-term competitiveness and stability.

Comparative Performance of Land and Houses Bank Public Company Limited and Commercial Banks

As of December 31, 2024

(Unit : Million Baht)

Items	31 December 2024	31 December 2023	31 December 2022	Growth (YoY)		Growth (YoY)
				2024	2023	2-year Average
Commercial Banks						
Asset	24,333,229	23,905,831	23,573,728	1.8%	1.4%	1.6%
Loan ^{/1}	14,556,516	14,543,725	14,595,674	0.1%	(0.4%)	(0.1%)
Deposit	17,272,300	16,907,169	16,769,985	2.2%	0.8%	1.5%
Land and Houses Bank Public Company Limited						
Asset	340,446	316,339	295,846	7.6%	6.9%	7.3%
Loan ^{/1}	241,882	226,668	210,256	6.7%	7.8%	7.3%
Deposit	279,908	251,453	231,432	11.3%	8.7%	10.0%
Market Share of Land and Houses Bank Public Company Limited						
Asset (%)	1.40	1.32	1.25			
Loan ^{/1} (%)	1.66	1.56	1.44			
Deposit (%)	1.62	1.49	1.38			

Note : ^{/1} Loans to customers and accrued interest receivables - net

Source : Bank of Thailand's C.B. 1.1. Summary Statement of Assets and Liabilities of 28 Thai commercial banks, bank-only financial statements

Credit Rating

Fitch Ratings (Thailand) Limited	
National Long-term Rating	AA+(tha)
Outlook	“Stable”
National Short-term Rating	F1+(tha)
Basel III Tier 2 Debentures	AA-(tha)
TRIS Rating Company Limited	
Company Rating	AAA
Outlook	“Stable”
Basel III Tier 2 Debentures	AA

Overall Performance

The analysis of the operating results of Land and Houses Bank Public Company Limited is the comparative performances of the year 2024 and 2023.

In 2024, the bank posted the net profit of Baht 2,010.34 million, increased by Baht 317.37 million or 18.75 percent from 2023 as a result of the decrease in expected credit losses in the amount of Baht 847.14 million or 39.77 percent from 2023.

Operating income amounted to Baht 7,643.73 million, decreased by Baht 236.35 million or 3.00 percent from 2023.

Other operating expenses amounted to Baht 3,858.57 million, increased Baht 189.63 million or 5.17 percent from 2023, largely from the increase in employee's expenses and premises and equipment expenses.

Operating profit before expected credit losses to total revenue in 2024 was 49.52 percent, decreased from 53.44 percent in 2023.

Basic earnings per share (EPS) was Baht 1.01 per share, increased from Baht 0.85 per share in the previous year. Returns on equity ratio (ROE) and returns on asset (ROA) in 2024 were 5.45 percent and 0.64 percent, respectively.

Operating Results

Operating Results	Separate Financial Statement			Change (2024 vs 2023)	
	2024	2023	2022	Increase (Decrease)	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Ratio (%)
Net interest income	6,944.29	7,105.36	6,284.16	(161.07)	(2.27)
Net fees and service income	347.70	345.66	275.35	2.04	0.59
Total other incomes	351.74	429.06	433.43	(77.32)	(18.02)
Total operating income	7,643.73	7,880.08	6,992.95	(236.35)	(3.00)
Other operating expenses	(3,858.57)	(3,668.94)	(3,125.34)	189.63	5.17
Operating profits	3,785.16	4,211.14	3,867.61	(425.98)	(10.12)
Expected credit losses	(1,283.06)	(2,130.20)	(2,550.38)	(847.14)	(39.77)
Profits before income tax expenses	2,502.10	2,080.94	1,317.23	421.16	20.24
Income tax	(491.76)	(387.97)	(223.88)	103.79	26.75
Annual profits	2,010.34	1,692.97	1,093.35	317.37	18.75

Operating Results	Separate Financial Statement			Change (2024 vs 2023)	
	2024	2023	2022	Increase (Decrease)	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Ratio (%)
Earnings per share (EPS) (Baht)	1.01	0.85	0.55		
Returns on equity ratio (ROE) (%)	5.45	4.75	3.14		
Returns on assets ratio (ROA) (%)	0.64	0.58	0.41		

2.1 Structure of Operating Income

The structure of operating income is as follows:

Operating Income

Operating income was Baht 7,643.73 million, decreased by Baht 236.35 million or 3.00 percent from 2023.

Table : Operating Income

Operating Income	Separate Financial Statement			Change (2024 vs 2023)	
	2024	2023	2022	Increase (Decrease)	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Ratio (%)
Interest income					
Loans to customers	11,628.09	10,519.29	7,493.89	1,108.80	10.54
Investments in debt securities	898.90	780.16	775.07	118.74	15.22
Interbank and money market items	586.12	405.32	460.77	180.80	44.61
Hire purchase	28.99	15.23	5.38	13.76	90.35
Others	9.01	5.10	0.90	3.91	76.67
Total interest income	13,151.11	11,725.10	8,736.01	1,426.01	12.16
Interest expenses	(6,206.82)	(4,619.74)	(2,451.85)	1,587.08	34.35
Net interest income	6,944.29	7,105.36	6,284.16	(161.07)	(2.27)
Fees and service income	443.46	448.83	360.67	(5.37)	(1.20)
Fees and service expenses	(95.76)	(103.17)	(85.32)	7.41	(7.18)
Net fees and service income	347.70	345.66	275.35	2.04	0.59
Gains on investments	(30.68)	10.86	-	(41.54)	(382.50)
Dividend income	204.24	365.19	423.69	(160.95)	(44.07)
Other operating incomes	178.18	53.01	9.75	125.17	236.13
Total other incomes	351.74	429.06	433.44	(77.32)	(18.02)
Total operating income	7,643.73	7,880.08	6,992.95	(236.35)	(3.00)

Net Interest Income

Net interest income was Baht 6,944.29 million, decreased by Baht 161.07 million or 2.27 percent from 2023, due mainly to the decrease in interest expenses.

Interest income was Baht 13,151.11 million, increased by Baht 1,426.01 million or 12.16 percent from 2023 as a result of the loan expansion and interest rate adjustments. However, the bank raised loan interest rates for both retail and corporate clients, and offered loans with special interest rates and other supports for customers affected by different situations such as economic situation and severe drought under the relief measures of the Bank of Thailand.

Interest expenses were Baht 6,206.82 million, increased by Baht 1,587.08 million or 34.35 percent from 2023, due mainly to the loan expansion and the bank had distributed the benefits from the increased contributions to the Financial Institutions Development Fund (FIDF) due to increasing in deposits.

Non-Interest Income

Non-interest income consists of net fees and service income and other incomes (gains on investments, dividend income and other operating incomes).

Non-interest income was Baht 699.44 million, decreased by Baht 75.28 million or 9.72 percent from 2023. Details are as follows:

- Net Fees and Service Income

Net fees and service income were Baht 347.70 million, increased by Baht 2.04 million or 0.59 percent from 2023, as a result of the increase in the brokerage fee income from financial products.

- Other Incomes

Other incomes were Baht 351.74 million, decreased by Baht 77.32 million or 18.02 percent from 2023, due mainly to the decrease in gains on investments and dividend income.

Net Interest Income after Expected Credit Losses

The bank had set aside provisions for the expected credit losses according to the Thai Financial Reporting Standard No. 9: Financial Instruments (TFRS 9) and notifications of the Bank of Thailand.

Net interest income after expected credit losses was Baht 5,661.23 million, increased by Baht 686.07 million or 13.79 percent from 2023.

Expected credit losses

Expected credit losses was Baht 1,283.06 million, decreased by Baht 847.14 million or 39.77 percent from 2023.

Table : Net Interest Income after expected credit losses

Net Interest Income after expected credit losses	Separate Financial Statements			Change (2024 vs 2023) Increase (Decrease)	
	2024	2023	2022		
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Ratio (%)
Net interest income	6,944.29	7,105.36	6,284.16	(161.07)	(2.27)
Expected credit losses	(1,283.06)	(2,130.20)	(2,550.38)	(847.14)	(39.77)
Net Interest Income after expected credit losses	5,661.23	4,975.16	3,733.78	686.07	13.79

Other Operating Expenses

Other operating expenses consists of employees' expenses, directors' remuneration, premises and equipment expenses, taxes and duties, advertising and promotional expenses, amortization for intangible assets, supporting service expenses and other expenses.

Other operating expenses were Baht 3,858.57 million, increased by Baht 189.63 million or 5.17 percent from 2023, due mainly to the increase in employee's expenses and premises and equipment expenses. Other operating expenses to total income ratio in 2024 was 50.48 percent, increased from 46.56 percent in 2023.

Table : Other Operating Expenses

Other Operating Expenses	Separate Financial Statements			Change (2024 vs 2023)	
	2024	2023	2022	Increase (Decrease)	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Ratio (%)
Employees' expenses	1,762.10	1,662.03	1,485.53	100.07	6.02
Directors' remuneration	9.81	11.54	12.81	(1.73)	(14.99)
Premises and equipment expenses	795.94	698.89	619.18	97.05	13.89
Taxes and duties	395.42	361.64	255.47	33.78	9.34
Advertising and promotional expenses	126.16	183.01	156.63	(56.85)	(31.06)
Amortisation and intangible assets	98.50	120.74	113.08	(22.24)	(18.42)
Supporting service expenses	373.51	343.23	316.27	30.28	8.82
Other expenses	297.13	287.86	166.37	9.27	3.22
Total other operating expenses	3,858.57	3,668.94	3,125.34	189.63	5.17
Total operating expenses to total operating income ratio (%)	50.48	46.56	44.69		

- Employees' Expenses

Employees' expenses amounted to Baht 1,762.10 million, increased by Baht 100.07 million or 6.02 percent from 2023.

As of 31 December 2024, the bank had a total of 1,305 employees, decreased by 5 from 2023.

Table : Number of Employees

	31 December 2024	31 December 2023	31 December 2022
Number of employees (person)	1,305	1,310	1,264

- Premises and Equipment Expenses

Premises and equipment expenses were Baht 795.94 million, increased by Baht 97.05 or 13.89 or percent from 2023.

- Advertising and Promotional Expenses

Advertising and promotional expenses were Baht 126.16 million, decreased by Baht 56.85 million or 31.06 percent from 2023.

- Supporting Service Expenses

Supporting service expenses were Baht 373.51 million decreased by Baht 30.28 million or 8.82 percent from 2023.

- Other Expenses

Other expenses were Baht 297.13 million, increased by Bath 9.27 million or 3.22 percent from 2023.

2.2 Asset Management Efficiency

Analysis of Financial Positions

The analysis of financial positions of Land and Houses Bank Public Company Limited is the comparative financial positions as of 31 December 2024 and 31 December 2023.

Table : Total Assets

Total Assets	Seperate Financial Statements			Change (2024 vs 2023) Increase (Decrease)	
	31 December 2024	31 December 2023	31 December 2022		
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Ratio (%)
Assets					
Cash	643.31	691.37	704.94	(48.06)	(6.95)
Interbank and money market items – net	42,391.34	33,153.77	35,933.71	9,237.57	27.86
Investments – net	42,728.15	42,864.25	44,375.84	(136.10)	(0.32)
Loans to customers and accrued interest					
Loans to customers	252,124.80	236,520.48	218,725.59	15,604.32	6.60
Accrued interest and undue interest income	4,133.13	3,564.26	3,189.71	568.87	15.96
Total loans to customers and accrued interest	256,257.93	240,084.74	221,915.30	16,173.19	6.74
Less: Allowance for expected credit losses	(14,375.72)	(13,416.80)	(11,658.88)	(958.92)	(7.15)
Loans to customers and accrued interest – net	241,882.21	226,667.94	210,256.42	15,214.27	6.71
Properties foreclosed – net	8,124.22	8,304.68	786.42	(180.46)	(2.17)
Premises and equipment – net	438.61	352.03	308.71	86.58	24.59
Right-of-use assets – net	631.52	662.91	497.04	(31.39)	(4.74)
Intangible assets – net	436.37	310.30	261.77	126.07	40.63
Deferred tax assets	1,611.64	1,683.18	1,297.53	(71.54)	(4.25)
Accrued interest on investments	103.41	100.05	116.80	3.36	3.36
Other assets – net	1,455.12	1,548.60	1,306.97	(93.48)	(6.04)
Total assets	340,445.90	316,339.08	295,846.15	24,106.82	7.62

Total Assets

The core assets consists of loans to customer and net accrued interest, accounting for 71.05 percent of total assets, followed by net investments accounting for 12.55 percent of total assets.

Total assets were Baht 340,445.90 million, increased by Baht 24,106.82 million or 7.62 percent from 2023, due mainly to the increase in loans to customers and accrued interest – net and interbank and money market items - net.

Net Investments

Net investments had a book value of Baht 42,728.15 million, decreased by Baht 136.09 million or 0.32 percent from 2023, due mainly to the decrease in investments in equity instruments measured at fair value through other comprehensive incomes.

Table : Investments Classified by Type of Investments Measured at Book Value

Investments – Net	Seperate Financial Statements			Change (2024 vs 2023) Increase (Decrease)	
	31 December 2024	31 December 2023	31 December 2022		
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Ratio (%)
Investments in debt instruments measured at amortised cost					
Government and state enterprise debt securities	1,466.70	1,466.10	-	0.60	0.04
Private sector debt instruments	1,166.00	1,251.17	669.30	(85.17)	(6.81)
Less: Allowance for expected credit losses	(3.61)	(0.87)	(0.11)	(2.74)	314.94
Total Investments in debt instruments measured at amortised cost	2,629.09	2,716.40	669.19	(87.31)	(3.21)
Investment in debt instruments measured at fair value through other comprehensive incomes					
Government and state enterprise securities	31,258.90	29,607.42	26,874.88	1,651.48	5.58
Private sector debt securities	2,022.97	3,797.59	7,735.95	(1,774.62)	(46.73)
Other debt securities	3,066.51	3,029.05	3,282.60	37.46	1.24
Total investment in debt instruments measured at fair value through other comprehensive incomes	36,348.38	36,434.06	37,641.77	(85.68)	(0.24)
Allowance for expected credit losses	(876.27)	(871.65)	(251.66)	(4.62)	0.35
Investment in securities instruments measured at fair value through other comprehensive incomes					
Domestic marketable equity securities	3,175.90	3,706.89	6,057.98	(530.99)	(14.32)
Domestic non-marketable equity securities	574.78	6.90	6.90	567.88	N/A
Total investment in equity instruments designated at fair value through other comprehensive incomes	3,750.68	3,713.79	6,064.88	36.89	0.99
Investments – net	42,728.15	42,864.25	44,375.84	(136.10)	(0.32)

Loans to Customers

Net loans to customers of deferred revenue (Interbank and money market items included) were Baht 289,488.51 million, increased by Baht 22,141.02 million or 8.28 percent from the year 2023. Most of them came from conglomerate & corporate loans accounting for 48.54 percent, followed by commercial & SME loans accounting for 31.01 percent of total loans.

Loans classified by sector consist of conglomerate & corporate, commercial & SME and retail loans.

Table : Loans Classified by Segment (Interbank and Money Market Items Included)

Loans Classified by Segment	Separate Financial Statements						Change (2024 vs 2023) Increase (Decrease)	
	31 December 2024		31 December 2023		31 December 2022		Amount (Million Baht)	Ratio (%)
	Amount (Million Baht)	Ratio (%)	Amount (Million Baht)	Ratio (%)	Amount (Million Baht)	Ratio (%)		
Conglomerate & Corporate	140,526.72	48.54	117,580.72	43.98	109,286.77	43.52	22,946.00	19.52
Commercial & SME	89,772.66	31.01	96,376.74	36.05	99,425.97	39.60	(6,604.08)	(6.85)
Retail loans	59,189.13	20.45	53,390.03	19.97	42,382.66	16.88	5,799.10	10.86
Loans net of deferred revenue	289,488.51	100.00	267,347.49	100.00	251,095.40	100.00	22,141.02	8.28
Add : Accrued interest and undue interest income	4,139.02		3,575.35		3,197.44		563.67	15.77
Total loans and accrued interest net of deferred revenue	293,627.53		270,922.84		254,292.84		22,704.69	8.38

Loans classified by type of loans are mostly financial intermediary loan and loans for the manufacturing and commercial sectors, accounting for 28.98 and 23.97 percent of total loans, respectively.

Table : Loans Classified by Type of Loans (Interbank and Money Market Items Included)

Loans Classified by Type of Loans	Separate financial statements						Change (2024 vs 2023) Increase (Decrease)	
	31 December 2024		31 December 2023		31 December 2022		Amount (Million Baht)	Ratio (%)
	Amount (Million Baht)	Ratio (%)	Amount (Million Baht)	Ratio (%)	Amount (Million Baht)	Ratio (%)		
Housing loans	56,420.18	19.49	50,559.96	18.91	39,665.56	15.80	5,860.22	11.59
Manufacturing and commerce	69,401.30	23.97	64,594.23	24.16	61,882.31	24.64	4,807.07	7.44
Public utilities and services	45,339.09	15.66	43,975.91	16.45	46,228.25	18.41	1,363.18	3.10
Real estate and construction	28,795.16	9.95	30,246.24	11.31	25,667.50	10.22	(1,451.08)	(4.80)
Agricultural and mining	990.99	0.34	760.40	0.29	347.61	0.14	230.59	30.32
Financial intermediation	83,887.56	28.98	67,606.93	25.29	60,711.42	24.18	16,280.63	24.08
Saving cooperative	1,772.00	0.61	6,760.00	2.53	13,902.81	5.54	(4,988.00)	(73.79)
Others	2,882.23	1.00	2,843.82	1.06	2,689.94	1.07	38.41	1.35
Total loans net of deferred revenue	289,488.51	100.00	267,347.49	100.00	251,095.40	100.00	22,141.02	8.28

Asset Quality

The classified assets consists of interbank and money market items and accrued interest, investments, loans to customers and accrued interest and other assets, grouped based on the regulations of the Bank of Thailand.

Table : Assets Classified by Type of Assets

Assets Classified by Type of Assets	Separate Financial Statement				
	31 December 2024				
	Interbank and Money Market Items and Accrued Interest	Investments	Loans to Customers and Accrued Interest	Other Assets	Total
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)
- Financial assets with no significant increases in credit risk	42,394.74	35,914.57	239,370.27	3.43	317,683.01
- Financial assets with significant increases in credit risk	-	3,066.51	9,140.40	1.13	12,208.04
- Financial assets with credit impairments	-	-	7,747.26	56.66	7,803.92
Total	42,394.74	38,981.08	256,257.93	61.22	337,694.97

Assets Classified by Type of Assets	Separate Financial Statement				
	31 December 2023				
	Interbank and Money Market Items and Accrued Interest	Investments	Loans to Customers and Accrued Interest	Other Assets	Total
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)
- Financial assets with no significant increases in credit risk	33,165.40	36,122.28	226,139.29	3.05	295,430.02
- Financial assets with significant increases in credit risk	-	3,029.05	7,009.61	1.08	10,039.74
- Financial assets with credit impairments	-	-	6,935.84	51.45	6,987.29
Total	33,165.40	39,151.33	240,084.74	55.58	312,457.05

Allowance for Expected Credit Losses

A provision has been set in accordance with Thai Financial Reporting Standard No. 9: Financial Instruments (TFRS 9), the bank considered the expected credit losses according to TFRS 9 and notification of the Bank of Thailand.

Allowance for expected credit losses was Baht 14,375.72 million, increased by Baht 958.92 million or 7.15 percent from the year 2023 to support the uncertainties of domestic economy and to cope with customers whose credit quality may deteriorate in the future. As a result, the bank had the coverage ratio at 213.93 percent in 2024 and 218.81 percent in 2023.

Table : Allowance for Expected Credit Losses Classified by Debtor Classification (Interbank and Money Market Items Excluded)

Classified by Debtor Classification	31 December 2024			
	Loans to Customers and Accrued Interest		Allowance for Expected Credit Losses	
	Amount (Million Baht)	Ratio (%)	Amount (Million Baht)	Ratio (%)
Financial assets with no significant increases in credit risk	239,370.27	93.41	2,120.64	14.75
Financial assets with significant increases in credit risk	9,140.40	3.57	2,470.07	17.18
Financial assets with credit impairments	7,747.26	3.02	5,186.93	36.08
Total	256,257.93	100.00	9,777.64	68.01
General provision			4,598.08	31.99
Total	256,257.93	100.00	14,375.72	100.00

Classified by Debtor Classification	31 December 2023			
	Loans to customers and accrued interest		Allowance for expected credit losses	
	Amount (Million Baht)	Ratio (%)	Amount (Million Baht)	Ratio (%)
Financial assets with no significant increases in credit risk	226,139.29	94.19	4,546.19	33.88
Financial assets with significant increase in credit risk	7,009.61	2.92	1,637.60	12.21
Financial assets with credit impairments	6,935.84	2.89	4,197.07	31.28
Total	240,084.74	100.00	10,380.86	77.37
General provision			3,035.94	22.63
Total	240,084.74	100.00	13,416.80	100.00

Table : Loans to Customers Classified by Maturity

Loans to Customers	Separate Financial Statements			Change (2024 vs 2023) Increase (Decrease)	
	31 December 2024	31 December 2023	31 December 2022		
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Ratio (%)
At call ^{/1}	11,917.22	14,770.17	13,169.84	(2,852.95)	(19.32)
Less than 1 year	90,972.26	87,228.43	80,011.35	3,743.83	4.29
1 – 5 years	95,492.47	70,279.62	75,409.21	25,212.85	35.88
Over 5 years	53,742.85	64,242.26	50,135.19	(10,499.41)	(16.34)
Total	252,124.80	236,520.48	218,725.59	15,604.32	6.60

Note: ^{/1} Loans to customers maturing at call included defaulted loans and non-performing loans.

Non-Performing Loans

Non-performing loans (gross) were Baht 6,764.00 million, increased by Baht 465.18 million or 7.39 percent from 2023 and non-performing loans to total loans ratio were 2.34 percent, increased from 2.36 percent in 2023.

Total Liabilities

Total liabilities were Baht 302,482.39 million, increased by Baht 21,760.55 million or 7.75 percent from 2023, mainly from the increase in deposits.

Table : Liabilities Classified by Type of Liabilities

Liabilities Classified by Type of Liabilities	Separate Financial Statement			Change (2024 vs 2023) Increase (Decrease)	
	31 December 2024	31 December 2023	31 December 2022		
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Ratio (%)
Liabilities					
Deposits	279,907.72	251,453.39	231,432.04	28,454.33	11.32
Interbank and money market items	10,146.14	10,253.38	23,616.79	(107.24)	(1.05)
Liabilities payable on demand	107.95	422.82	100.51	(314.87)	(74.47)
Debts issued and borrowings	7,217.72	14,171.82	2,396.06	(6,954.10)	(49.07)
Others	5,102.86	4,420.43	2,971.00	682.43	15.44
Total liabilities	302,482.39	280,721.84	260,516.40	21,760.55	7.75

Deposits

The bank recorded deposits of Baht 279,907.72 million, increased by Baht 28,454.33 million or 11.32 percent from 2023, due mainly to the increase in time deposits.

Table : Deposits Classified by Type of Deposits

Deposits Classified by Type of Deposits	Separate Financial Statements			Change (2024 vs 2023) Increase (Decrease)	
	31 December 2024	31 December 2023	31 December 2022		
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Ratio (%)
Demand deposits	2,659.58	2,707.03	2,676.74	(47.45)	(1.75)
Savings deposits	58,116.78	57,842.38	83,296.35	274.40	0.47
Time deposits	162,871.33	146,355.19	104,437.24	16,516.14	11.28
Fixed deposit receipt	56,260.03	44,548.79	41,021.71	11,711.24	26.29
Total deposits	279,907.72	251,453.39	231,432.04	28,454.33	11.32

Owners' Equity

Owners' equity was Baht 37,963.51 million, increased by Baht 2,346.27 million or 6.59 percent from 2023.

Table : Owners' Equity

Owners' Equity	Separate Financial Statement			Change (2024 vs 2023) Increase (Decrease)	
	31 December 2024	31 December 2023	31 December 2022		
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	Ratio (%)
Issued and paid-up share capital	20,000.00	20,000.00	20,000.00	-	-
Share premium	10,598.92	10,598.92	10,598.92	-	-
Other components of owners' equity	(1,125.23)	(2,779.46)	(2,287.85)	1,654.23	59.52
Retained earnings - statutory reserve	1,164.60	1,064.00	979.00	100.60	9.45
Retained earnings - unappropriated	7,325.22	6,733.78	6,039.69	591.44	8.78
Total owners' equity	37,963.51	35,617.24	35,329.76	2,346.27	6.59

2.3 Capital Adequacy

Sources and Uses of Fund

Capital structure consists of liabilities totalling Baht 302,482.39 million and owners' equity of Baht 37,963.51 million or D/E ratio of 7.97 times. The composition of sources of fund in terms of liabilities include total deposits, interbank and money market items, debts issued and borrowings, liabilities payable on demand and others and owners' equity, accounting for 82.22, 2.98, 2.12, 1.53 and 11.15 percent, respectively.

Correlation between Sources and Uses of Fund

Loans to deposit ratio was 90.07 percent. For the excess liquidity, the bank invested in liquid assets such as interbank and money market items.

As of 31 December 2024, significant sources and uses of fund could be classified by contractual maturity. Deposits with a maturity of less than 1 year were Baht 277,393.46 million or 99.10 percent of total deposits while loans with a maturity of less than 1 year were Baht 96,125.48 million or 38.13 percent. Deposits with a maturity of more than 1 year were Baht 2,514.26 million or 0.90 percent while loans with a maturity of more than 1 year were Baht 155,999.32 million or 61.87 percent.

Table : Sources and Uses of Fund

Periods	Deposits				Loans to Customers			
	31 December 2024		31 December 2023		31 December 2024		31 December 2023	
	Amount (Million Baht)	Ratio (%)	Amount (Million Baht)	Ratio (%)	Amount (Million Baht)	Ratio (%)	Amount (Million Baht)	Ratio (%)
Less than 1 year	277,393.46	99.10	245,541.21	97.65	96,125.48	38.13	95,699.78	40.46
More than 1 year	2,514.26	0.90	5,912.18	2.35	155,999.32	61.87	140,820.70	59.54
Total	279,907.72	100.00	251,453.39	100.00	252,124.80	100.00	236,520.48	100.00

2.4 Cashflow Movement

Cash was Baht 643.31 million, decreased by Baht 48.06 million from 2023. Net cash provided and used from various activities was detailed as follows:

- Net cash provided from operating activities was Baht 1,843.33 million, which came from the operating profits before the changes in operating assets and liabilities of Baht 3,020.12 million and significant changes in operating assets and liabilities, for instance, loans to customers increased by Baht 16,540.92 million, deposits increased by Baht 28,454.33 million and interbank and money market items (Asset) increased by Baht 9,229.83 million and debts issued and borrowings decreased by Baht 7,042.00 million.

- Net cash provided from investment activities was Baht 2,876.39 million, due mainly to cash paid for investments in debt instruments measured at amortised cost net of Baht 85.17 million, proceeds from sale of investments in debt instruments measured at fair value through other comprehensive incomes net of Baht 1,161.61 million, cash received from disposal/capital reduction of investments in equity instruments net of Baht 830.54 million and cash received from interest of investments of Baht 978.81 million and cash dividend from investments of Baht 204.24 million.

- Net cash used in fund-raising activities was Baht 1,081.12 million. Most of them came from repayment of lease liability of Baht 231.12 million and dividend payment of Baht 850.00 million.

2.5 Liquidity Adequacy

Liquid assets consists of cash, interbank and money market-net items (Assets) and net investments.

Liquid assets were Baht 83,990.79 million, increased by Baht 14,036.59 million or 20.07 percent from 2023.

Items	31 December 2024	31 December 2023
	Amount (Million Baht)	Amount (Million Baht)
Total assets	340,445.90	316,339.08
Deposits	279,907.72	251,453.39
Loans to customers (net deferred revenue)	252,124.80	236,520.48
Liquid assets	83,990.79	69,954.20
Loans/ deposits (%)	91.55	95.48
Liquid assets/ total assets (%)	24.67	22.11
Liquid assets/ deposits (%)	30.01	27.82

2.6 Maintenance of Deposits

The bank is required to maintain the average deposits of not less than 1.00 percent of average deposits and borrowings according to the regulations of the Bank of Thailand. In case the bank maintains cash at the cash center, the bank may include it as part of the reserve balance maintenance by no more than, on average, 0.20 percent of the average sum of deposits and borrowings.

As of 31 December 2024, the bank had cash at the cash center and cash deposited at the Bank of Thailand totalling Baht 4,272.78 million.

2.7 Capital Adequacy and Capital Adequacy Ratio

As of 31 December 2024, the bank had the capital adequacy ratio at 15.22 percent, which was higher than the minimum requirement of 11.000 percent prescribed by the Bank of Thailand. It also increased from 15.017 percent of the capital adequacy ratio as of 31 December 2023.

The bank's Tier 1 capital ratio to risk assets was 13.119 percent, which was higher than the minimum requirement of 8.500 percent prescribed by the Bank of Thailand.

Table : Capital Adequacy Ratio

Capital Adequacy Ratio	31 December 2024		31 December 2023		31 December 2022	
	Amount (Million Baht)	Ratio* (%)	Amount (Million Baht)	Ratio (%)	Amount (Million Baht)	Ratio (%)
Common Equity Tier 1 Capital						
LH Bank	34,311.01	13.119	32,413.20	12.880	32,961.26	13.498
Minimum Requirement by law*		7.000		7.000		7.000
Difference		6.119		5.880		6.498
Tier 1 Financial Instruments	-		-		-	
Tier 1 Capital						
LH Bank	34,311.01	13.119	32,413.20	12.880	32,961.26	13.498

Capital Adequacy Ratio	31 December 2024		31 December 2023		31 December 2022	
	Amount (Million Baht)	Ratio* (%)	Amount (Million Baht)	Ratio (%)	Amount (Million Baht)	Ratio (%)
Minimum Requirement by law*		8.500		8.500		8.500
Difference		4.619		4.380		5.498
Total capital						
LH Bank	39,811.99	15.222	37,792.19	15.017	37,807.99	15.483
Minimum Requirement by law*		11.000		11.000		11.000
Difference		4.222		4.017		4.483

Note: * Additional rate for conservation buffer is required on the ratio of Common Equity Tier 1 capital fund to risk asset for 0.625 percent per annum as from 1 January 2016 onwards until reaching 2.50 percent in 2019.

Off-Balance Sheet Commitments

The bank had off-balance sheet commitments at Baht 44,794.99 million, increased by Baht 6,050.59 million or 15.62 percent from the year 2023.

Table : Off-Balance Sheet Commitments

Off-Balance Sheet Commitments	Separate Financial Statements			Change (2024 vs 2023) Increase (Decrease)	
	31 December 2024	31 December 2023	31 December 2022		
	Amount (million Baht)	Amount (million Baht)	Amount (million Baht)	Amount (million Baht)	Ratio (%)
Avals to bills	325.27	101.39	137.20	223.88	220.81
Under immature import bills	213.98	303.37	165.08	(89.39)	(29.47)
Letters of credit	556.88	1,181.51	661.05	(624.63)	(52.87)
Undrawn overdrafts	4,157.03	4,050.07	4,680.68	106.96	2.64
Guarantee - others	11,992.76	9,786.63	9,213.35	2,206.13	22.54
Other commitments	27,549.07	23,321.43	23,944.96	4,227.64	18.13
Total	44,794.99	38,744.40	38,802.32	6,050.59	15.62

2.8 Factors Affecting Future Operations

Factors that may affect future operations include high policy rate in major economies which affect the debt serviceability, China's economic slowdown that may put pressure on Thailand's economic recovery, and geopolitical issues, policy rate hikes over the past year resulted in higher financial costs which will put more pressure on overall loan growth and the debt servicing ability of vulnerable debtors, corporate bond default risk in the bond market and regulations announced by BOT on sustainable management of household debts, which may cause commercial banks to be more cautious in lending personal loans.

In addition to economic factors, the banking business must encounter climate change issues and the drive towards sustainable business by taking into account the environmental, social and governance (ESG). This is because ESG performance is linked to the financial performance, competitiveness and stakeholder acceptance, which correlate with the ability towards sustainable growth.

Sustainability and Corporate Governance Committee's Report

The Sustainability and Corporate Governance Committee consists of 4 independent directors as follows:

- | | | |
|-----------------|---------------|----------|
| 1. Mr. Pradit | Sawattananond | Chairman |
| 2. Prof. Piphob | Veraphong | Member |
| 3. Dr. Supriya | Kuandachakupt | Member |
| 4. Mr. Pichai | Dusdeekulchai | Member |

Mr. Jumpon Suwannawong, head of Legal and Compliance Group, is the secretary.

The Sustainability and Corporate Governance Committee has performed its duties under the scope of responsibilities assigned by the Board of Directors. In 2024, The Sustainability and Corporate Governance Committee had the total of 12 meetings and reported its performance to the Board of Directors with the summary as follows:

1. Review the corporate governance policy to be in accordance with the corporate governance code (CG Code) of the Securities and Exchange Commission (SEC). By putting emphasis on good corporate governance and good code of conduct of business to increase competitiveness and confidence for shareholders, investors, stakeholders and all parties involved. These are the fundamental for operating the business with efficiency, transparency and reliability.

2. Review the social responsibility policy for sustainable business development. The bank had participated in social responsibility activities in accordance with the guidelines of the Corporate Social Responsibility Institute (CSRI), the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

3. Review the compliance policy and compliance charter so that executives and operators are aware of the scope, power, roles and responsibilities of compliance with related laws and regulations, operational guidelines and codes of conduct of the Compliance Group

4. Review the renewal of membership of the Thai Private Sector Collective Action Against Corruption and foster a concrete anti-corruption culture both inside and outside the organization, review the anti-corruption policy with a commitment to conduct business under the rules of law, integrity and ethics in compliance with good corporate governance principles as well as participation in various activities of agencies to express the bank's intention and determination to fight against all forms of corruption

5. Review the whistleblower policy to ensure that effective supporting system is in place and the protection and support for the whistleblower are aware of and such policy has been communicated to all employees on a yearly basis

6. Review the policy on the anti-money laundering and counter terrorism and proliferation of weapon of mass destruction financing (AML/CTPF) in order to ensure that its operations are in line with laws and regulations of related government agencies and international standards as well as the bank's codes of conduct and good corporate governance principles

7. Act as the bank's representative to communicate, oversee and promote the practice to be in line with corporate governance policy and conflicts of interest policy

8. Encourage the bank to take concrete actions for taking into account the environment and climate change, society and good governance (ESG) by considering the sustainable framework and sustainable goal that the bank has the intention to support the sustainable development goal of the UN as part of the drive to net zero GHG emissions according to the Bank of Thailand's policy

Message from CEO and President



In 2024, Land and Houses Bank demonstrated its resilience amid facing challenges and economic volatility. However, the bank was able to create growing performance with a strategy that emphasizes sustainable growth and proactive improvements in its operations by continuously enhancing and introducing financial products and services in order to deliver excellent experiences to customers. As a result, the bank's customer base has been growing steadily.

Land and Houses Bank has a strong parent company, CTBC Bank, which is the largest private bank in Taiwan with an asset over Baht 6 trillion. CTBC Bank has been supporting with its expertise in various fields so that the bank can offer financial innovations that meet the various needs of customers, well-matched with their lifestyles and new demands as well as adapt to the ever-changing economic environment.

In addition, the bank places importance on being an organization with social and environmental accountability by promoting employees to be aware of the corporate roles as an environmentally-friendly financial institution. Employees are encouraged to participate in various activities to be in line with the “Green Organization” concept which focuses on reducing environmental impacts in all aspects; promoting the use of renewable energy, clean energy and efficient resource management; supporting green loans for projects that are committed to fostering environmental conservation; developing environmentally-friendly businesses; improving production processes to reduce greenhouse gas emissions. The bank believes that these initiatives will be an essential step that will not only enable the bank to grow steadily but also help its customers to thrive in the sustainable economy era.

The bank would like to thank our shareholders, customers, and business partners for their continued support and trust in the bank. The bank will move towards and grow together with the society and economy of the country in a stable and sustainable way.

A handwritten signature in blue ink, appearing to read 'Shih Jiing-Fuh', written over a light blue grid background.

(Mr. Shih, Jiing-Fuh)
CEO and President

The bank is committed to operating its business under the good corporate governance principles which are transparent and verifiable. Moreover, the bank recognizes the accountability to economy, society, environment and stakeholders as well as develops good corporate governance practices which are significant factors in creating sustainable business values.



(Mr. Pradit Sawattananond)

Chairman of Sustainability and Corporate Governance Committee

3. Driving Business for Sustainability

3.1 Policies and Goals for Sustainability Management

The bank believes that sustainable growth is a result of conducting the business with accountability in social, economic and environmental dimensions under the good corporate governance principles for the best interests of all stakeholders.

The bank aims to run the business in conformity with good corporate governance principles along with social responsibility by adhering to the code of conduct and business ethics to satisfy stakeholders in every dimension. The bank realizes that sustainable and stable growth requires business operation with vision and business acumen to achieve the mission with morality and ethics which will add great value to the organization and shareholders and bolster confidence among the shareholders. In addition, the bank takes into account environmental dimensions and climate change, which support the economic transition towards environmental sustainability, in order to enhance the operations of the bank to align with international sustainability standards in 4 areas, including:

- Governance
- Strategy
- Risk management
- Disclosure

The bank has established the environmental, social, and governance (ESG) risk management policy that aligns with the Bank of Thailand's policy guidelines and international standards, as a framework for managing related risks.

Guidelines for Corporate Social Responsibility for Sustainable development

The Board of Directors values social responsibility activities to ensure the concrete implementation in all operation processes for sustainable growth by encouraging employees to participate and instilling the awareness of social responsibility operations. The chairman and president act as the representatives to drive the organization towards the sustainable development while the Sustainability and Corporate Governance Committee is responsible for overseeing social responsibility activities and reporting to the Board of Directors.

The Board of Directors has determined the corporate social responsibility for sustainable development policy following the guidelines of the Corporate Social Responsibility Institute, the Securities and Exchange Commission, and the Stock Exchange of Thailand for all directors, executives and employees at all levels to adhere to the guidelines with annual review. Such policy covers social, economic and environmental dimensions to respond to the Sustainable Development Goals (SDGs) of the United Nations. Moreover, the bank has managed sustainability in accordance with the policy to contribute to the country's concrete greenhouse gas reduction goals, in line with the Bank of Thailand's policy guidelines. This also addresses the support for alleviating climate and environmental issues and sustainable growth that takes into consideration the well-being of all stakeholders.



The bank has established the Sustainable Banking Committee to drive the organization's business operations, considering environmental dimensions and climate change. This promotes the transition to a green economy in the business sector and backs up the country's environmental efforts to achieve its goals. The Sustainable Banking Committee is responsible for overseeing the implementation of the sustainability framework and goals, and reports to the Sustainability and Governance Committee, and Board of Directors.

Corporate social responsibility means operating the business with the focus on the stakeholders, economy, society and environment with morals, ethics, code of conduct and corporate governance to make the activities feasible with honesty, transparency, fairness, awareness of negative impacts on economy, society and environment with the readiness to fix the problems to mitigate such impacts and to integrate the philosophy of sufficiency economy as to push the operations towards success and to enhance the competitiveness in all trade forums which will be truly beneficial for the business' sustainability, stakeholders, economy, society and environment.

CSR Logo Represents Social Responsibility for Sustainable Growth



Sustainable Business Strategy

The bank operates under the corporate governance principles and accountability on economy, society and environment and risk management in all dimensions. In addition, the bank pays close attention to operating the business according to the market conduct with the aim of giving customers confidence in the following aspects:

1. Receiving a sincere and fair services
2. Receiving a clear and appropriate advice
3. Receiving fair pricing and conditions
4. Receiving convenient services and proper issues handling
5. Understanding their rights and duties

Corporate Social Responsibility Activities

Social responsibility is one of the principles considered to be very important since the bank recognizes the importance of “dependence”. As all businesses have people in society as the target group to offer products and services, no matter what direction the development of organization is, it requires support from people in society in one way or another. The determination of such policy and practical guidelines will guide the employees in the organization to abide by.

The bank has been running the corporate social responsibility specified in the CSR-in-Process and CSR-after-Process by encouraging the executives and employees at all levels to participate and volunteer as to cultivate awareness for corporate social responsibility. In addition, it also forms a strong foundation for

sustainable development and leads to the development of society and country towards substantial sustainability.

CSR-in-Process

CSR-in-Process means conducting a business with social responsibility by adopting the business practices from social responsibility policy that aligns with both national and international standards for creating the business innovations which will become various activities in working process, product developments and various service standards with the main objective to reduce the potential negative impacts on stakeholders during the work process. It also creates the awareness of social responsibility for all directors, executives, and employees to share the same attitude and commitment in the organization as to become a strong financial institution with corporate social responsibility.

CSR-after-Process

CSR-after-Process means the activities operated apart from normal business operations by playing the role in promoting the social activities in certain time and occasion. This is for the benefits of societies and communities, both in public and private sectors leading to building solid foundation for sustainable development of society and country as a whole.

Sustainable Development Framework

The Board of Directors has established an action plan to drive the organization according to the sustainability framework. In 2024, the bank carried out its mission based on the sustainability action plan, consisting of 3 main pillars as follows:

Pillar 1 Organization Sustainability	Pillar 2 Sustainable Finance	Pillar 3 Responsible to Stakeholder
<ul style="list-style-type: none"> - Raise awareness and an environmental culture among executives and employees - Reduce greenhouse gas emissions from its own operations - Enhance financial capabilities for the sustainability of employees - Provide a carbon footprint platform to track greenhouse gas emissions from its own operations 	<ul style="list-style-type: none"> - Develop products, services, and financial innovations to support green transition or brown to less brown transition - Support and provide green loans and sustainability-linked loans (SLL) to help businesses transition to a low-carbon economy - Develop partnerships with ESG consultants to offer green advisory services to push entrepreneurs toward a low-carbon economy - Provide a carbon footprint platform service to provide services for the bank's customers - Calculate greenhouse gas emissions associated with the organization's financial activities such as lending, investment, and other financial services under the Category 15 framework of PCAF 	<ul style="list-style-type: none"> - Oversee operations to drive sustainability policies in alignment with government sector - Ensure operations to comply with the regulations of regulators such as the Bank of Thailand, the Stock Exchange of Thailand, and the Securities and Exchange Commission - Ensure operations to comply with international standards - Create partnerships with ESG networks for communities and schools - Prepare data and report the impact of threats and opportunities from climate change on business based on

Pillar 1 Organization Sustainability	Pillar 2 Sustainable Finance	Pillar 3 Responsible to Stakeholder
	(Partnership for Carbon Accounting Financials) - Define climate risk appetite - Establish policies and operational guidelines related to environmental risks and climate change - Improve financial criteria to align with the Thailand Taxonomy - Develop processes to prevent environmental purpose misrepresentation (Greenwashing Prevention) - Conduct scenario analysis and stress testing - Monitor environmental risks - Improve the system for storing and using customers' environmental data - Assess threats and opportunities from climate change	the Task Force on Climate-related Financial Disclosures (TCFD) standards - Prepare data and reporting credit information grouped under Thailand Taxonomy, Phase 1

The Sustainable Banking Committee will regularly monitor the implementation of the operational plan, evaluate the performance according to the sustainability framework and report to the Sustainability and Corporate Governance Committee and the Board of Directors.

Move Forward to Sustainable Business

Economic Dimension Operate business with accountability (Responsible Finance)	Social Dimension Patronize social development (Community Investment) and use digital innovation to develop financial products and services (Innovative Digital Finance) that are easy to access, convenient and safe	Environmental Dimension Conduct eco-friendly business, reduce negative impacts on the environment caused by business activities	Governance Dimension Operate business to be in line with corporate governance principles by covering the sustainable governance mechanism and ESG risk management
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Sustainable Development Goals and Strategies

The bank has implemented guidelines and policies for sustainable operation in line with international sustainability principles to support the United Nations' Sustainable Development Goals (SDGs) and the Paris Agreement. The sustainable development goals and strategies have been defined as follows:

Guidelines and Policies for Sustainable Operation	Economic	Environmental	Social	Governance
Goals	Support the transition to environmental sustainability (Green Transition) for the business sector with a target of providing Baht 1 billion in green transition loans by 2024 Note: The target for 2025 is currently in the process of being submitted for approval to the Board of Directors of the bank.	- Commit to environmental conservation - Reduce greenhouse gas emissions from own operations by 25% within 2030* from the base year 2020 * Scope 1 and 2 - Own Operations, Head Office	Play part in creating a sustainable society	Conduct business with responsibility
Strategies and Commitments	Conduct business responsibly (Responsible Finance) through the support of green finance loans and providing green advisory services	Conduct business with environmental awareness to reduce the negative impacts from business activities and develop a plan to reduce greenhouse gas emissions from own operations	Develop society and communities by using digital innovations to calculate and track greenhouse gas emissions from operations and business processes	Conduct business in accordance with governance principles with mechanisms to oversee operations and manage sustainability risks and ESG risks, and prepare information for disclosure under the TCFD reporting framework

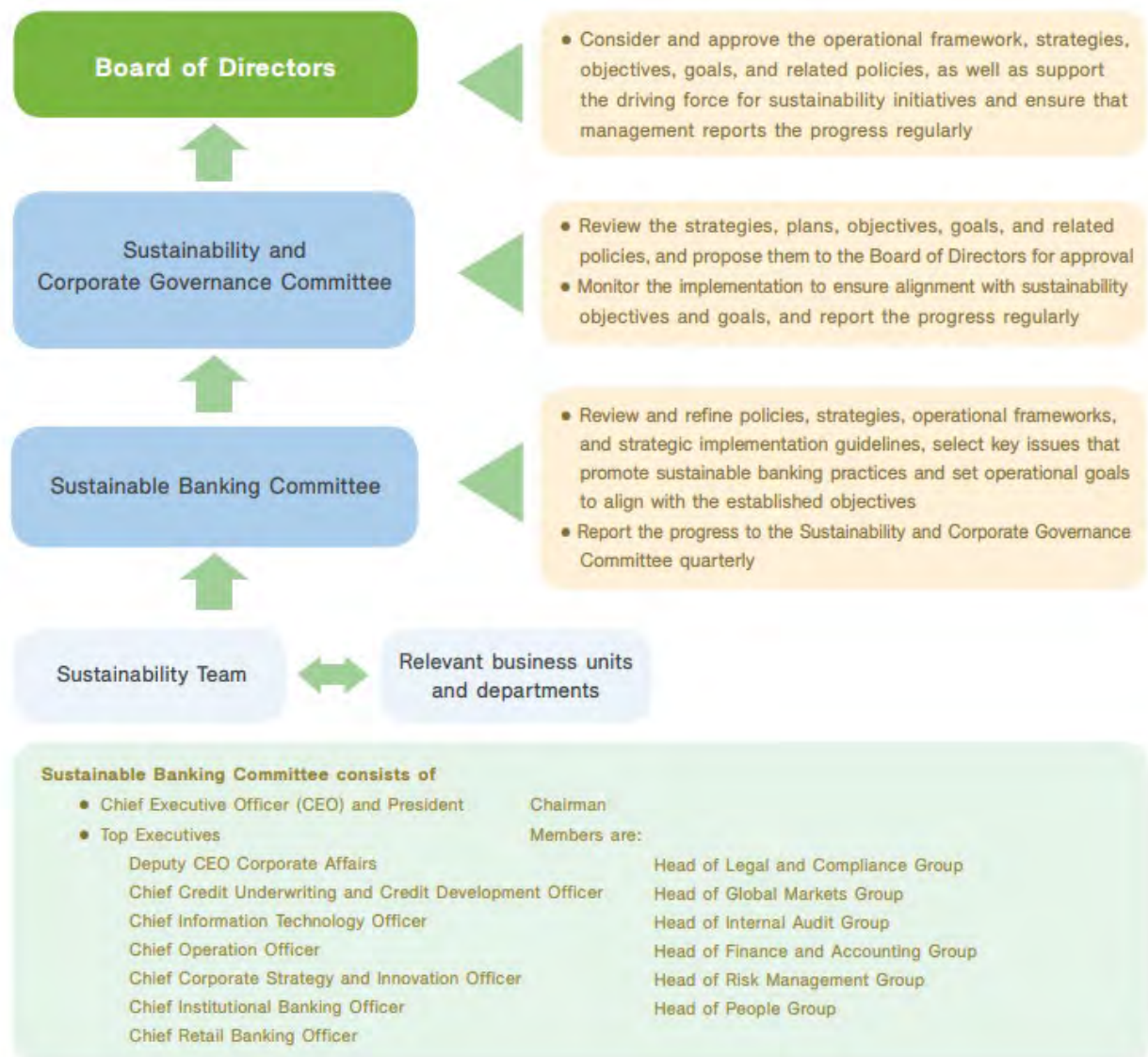
The bank has established a sustainability management structure as a key mechanism to drive, coordinate, and communicate sustainable development goals into action, ensuring that all departments work in the same direction.

Sustainability Governance Structure

The Land and Houses Bank has developed a sustainability governance structure to manage and oversee activities related to sustainability. The goal is to integrate environmental, social, and governance (ESG) aspects into the organization's operational strategy in a concrete manner. The Board of Directors has assigned the Sustainability and Corporate Governance Committee to oversee and monitor sustainability efforts. Additionally, the Board has assigned the Sustainable Banking Committee, chaired by the Chief Executive Officer and President, to drive, monitor, and evaluate the implementation of sustainability frameworks and goals.

The bank has a dedicated sustainability team responsible for implementing the action plan, promoting, supporting, and coordinating with various internal departments to collaboratively carry out sustainable development initiatives as outlined by the Sustainable Banking Committee. This aims to achieve the set goals and respond to the needs of all stakeholders. Additionally, the team has the duty to coordinate with customers and external partners to support and drive the transition of customers' businesses towards the country's green transition goals.

The bank has clear policies and practices, backed by the Board of Directors and senior management with dedicated working group, monitoring and involvement from all departments to ensure that sustainability operations align with the organization's goals and create positive impacts in the long run.



Strategies and Sustainable Development Performance

Land and Houses Bank prioritizes the 17 Sustainable Development Goals (SDGs) set by the United Nations and uses them as a guideline to define policies, strategies, and operations. These serve as a framework for driving business across the 3 dimensions: social, economic, and environmental under good corporate governance, monitoring, and reporting results, engagement across all groups of stakeholders and continuous improvement. The focus is on balancing economic growth, environmental care, and the creation of social value, aiming for sustainable growth and responsible business operations. Additionally, the bank demonstrates its intention to drive the reduction of greenhouse gas emissions of the country.

The Board of Directors has approved the sustainable development framework for the year 2024, outlining the ESG business strategy into 3 main pillars as follows:

<p>Pillar 1 Organization Sustainability</p>	<p>(1) Ethical Governance The Board of Directors has defined the mechanism, overseen the sustainability and assigned the Sustainable Banking Committee to report the results to the Sustainability and Governance Committee and the Board of Directors of the bank.</p> <p>(2) Employee Empowerment Aim to raise awareness and consciousness of climate change and ESG and to develop the potential of employees to drive the 3 main pillars to support the concrete reduction of greenhouse gas emissions in business and society</p> <p>(3) Green Organization Develop, improve, and monitor the decarbonization plan to reduce greenhouse gas emissions from its own operations, support sustainable goals and minimize environmental impacts</p>
<p>Performance</p>	<ul style="list-style-type: none"> - Established an ESG Governance Structure to oversee, manage, and promote operations related to environmental, social, and governance - Provided ESG training programs for the Board of Directors, the Sustainability and Corporate Governance Committee, the Sustainable Banking Committee, and employees - Approved the 2024 annual sustainability development plan to drive the implementation of the sustainability development policy - Committed to achieving net zero greenhouse gas emissions by setting a target to reduce the net zero greenhouse gas emissions from its own operations (Scope 1 and 2) and meet the net zero greenhouse gas emissions in the bank's portfolio by 2050 - Followed up the 2024 sustainability performance according to the established targets - Installed solar rooftop at some branches of the bank - Developed a data collection system for greenhouse gas emissions by branch - Procured a carbon platform service to manage greenhouse gas emissions from its own operations

<p>Pillar 2</p> <p>Sustainable Finance</p>	<p>(1) Responsible Finance</p> <p>Develop financial products and services to support green businesses and those requiring transition from brown to less brown as to drive the shift towards low-carbon economy of the country and promote sustainability in economy and society in the long term</p> <p>(2) ESG Risk Management</p> <p>Integrate environmental factors and climate change into business opportunity assessments and risk management to enable the business to effectively respond to emerging risks</p> <p>(3) ESG Innovative Digital Finance</p> <p>Utilize innovation and digital technology to develop financial services that support environmental sustainability, financial inclusion, and customer data security, and enhance financial services to be more accessible and convenient</p>
<p>Performance</p>	<ul style="list-style-type: none"> - Developed products to support business sector for green transition through green transition loans with the aim of enhancing the competitiveness for SMEs entrepreneurs by helping them shift from brown to less brown businesses. In 2024, the bank was collaborating with its partners to provide transition loans to those applying for loans. - Supported sustainable finance through green loans and Sustainability-linked Loans (SLL) to assist entrepreneurs in transitioning to a low-carbon economy. The objective is to encourage customers to operate their business towards sustainability performance targets (SPT), and reduce energy consumption and greenhouse gas emissions. In 2024, the bank provided sustainable finance loans totaling Baht 2.2 billion across 5 projects, consisting of Baht 1.3 billion in green loans and Baht 900 million in SLL. - Collaborated with 3 ESG consultants, including the Electrical and Electronics Institute (EEI), ABeam Consulting (Thailand), and the Management System Certification Institute (MASCI), as partners to advise businesses in their green transition from brown to less brown. The objective is to help customers achieve sustainable environmental goals and provide Green Advisory services to drive businesses towards a low-carbon economy. - Procured a carbon platform service to manage greenhouse gas emissions from the operations of customers. - Calculated the greenhouse gas emissions associated with financial activities such as lending, investing, and other financial services under the Category 15 framework of PCAF (Partnership for Carbon Accounting Financials) - Created knowledge of risk management by taking into account environmental, social and governance, especially environment and climate change to support and achieve the goal of transitioning to a low-carbon society and sustainable finance in compliance with standards and policies set by relevant regulators - Established a risk management policy that considered social, environmental, and governance with the primary objective of defining a framework for managing various risks to align with the risk appetite and guidelines set by regulators

	<ul style="list-style-type: none"> - Developed personnel to understand the objectives and importance of measuring and assessing financed emissions using the methods outlined by the Partnership for Carbon Accounting Financials (PCAF) standard. This will lead to the setting of indicators and goals related to opportunities and risk mitigations in environment and climate change. - Conducted a stress testing based on scenarios, defined by the Bank of Thailand and additional internal scenarios. This will be used to assess environmental and climate change risks to align with the bank's loan portfolios, and to guide the development of appropriate risk management strategies.
Pillar 3 Responsible to Stakeholder	<p>(1) Community Investment</p> <p>Allocate resources to support communities in five areas: charity, sports, anti-drug initiatives, education, arts and culture. The goal is to create a positive and sustainable impact on communities while fostering strong relationships between organization and stakeholders.</p> <p>(2) Collaborative Stakeholder Engagement</p> <p>Develop partnerships with government agencies and private organizations that prioritize ESG to create a collaborative network that promotes sustainability across environmental, social, and economic dimensions</p> <p>(3) Transparency Disclosure</p> <p>Disclose important and relevant information clearly, completely and transparently in accordance with international standards such as GHG Protocol, TCFD Report and Thailand Taxonomy</p>
Performance	<ul style="list-style-type: none"> - Established a governance mechanism to ensure business operations align with good governance principles and regulatory requirements to support sustainable business growth within sustainability framework - Set up a booth at the "60 Years of Excellence" event under the theme "Creating Great Leaders, Designing the Future," organized by the Thailand Management Association (TMA), to present knowledge about green transformation of business sector, and showcase green transition advisory services and various categories of green finance to support business sector transition from brown to less brown or green businesses - Set up a booth at the "Innovative Solutions for Sustainable Packaging" seminar, organized by Rieckermann Thailand to provide knowledge about green finance and SME financing and green transition loan

The Sustainable Banking Committee has continuously monitored the implementation of the action plan and evaluated the performance of sustainability initiatives. The performances are then presented and reported to the Sustainability and Corporate Governance Committee and the Board of Directors.

Green Transition Loan



Land and Houses Bank has signed a cooperation agreement for the Green Transition Loan project in collaboration with three leading institutions consisting of Electrical and Electronics Institute (EEL), Management System Certification Institute (MASCI) and Abeam Consulting (Thailand) Company Limited to support the comprehensive green loan from project design to loan application with special interest rates. The goal is to address the SMEs' needs and drive the transition of customers towards sustainability.

Green Advisory and Finance Engagement (LHB GAFE 2024)

The "Promoting Entrepreneurs Towards Sustainability Seminar" was held, focusing on the topic "Why Businesses should Transition to Green... Opportunities or Challenges Awaiting You." And financial products and services were offered to support customers in achieving their sustainability goals. The partners with expertise in technical advisory services also attended this seminar to provide investment advice and share knowledge on growing businesses with environmental sustainability, tax benefits, how to use carbon platforms to help transition to low-carbon operators, carbon credit certification, and knowledge sharing on green transition advisory.



Green Finance through Green Loan and Sustainability-linked Loan (SLL) to Assist Business Operators in Transitioning Towards Low-carbon Economy

❖ Provided the sustainability-linked loan and green loan to Don Muang Tollway Public Company Limited in the amount of Baht 500 million, divided into sustainability-linked loans (SLL) and green loans to invest in the company's green projects such as the development and expansion of the M Flow lane, and projects under the company's strategic plan to achieve sustainable goals, for instance, reducing energy consumption and lowering greenhouse gas emissions.



❖ Sustainability-linked Loans to Reduce Greenhouse Gas Emissions for SC Asset Corporation Public Company Limited to support the purchase of environmentally friendly construction materials to be used in their design and development of residential projects



❖ Green Loans to Frasers Property (Thailand) Public Company Limited to be used for the Frasers Property Logistics Park (Wangnoi 2) in Phra Nakhon Si Ayutthaya Province for the development of industrial buildings according to international green building standards



Set up a Booth at Innovative Solutions for Sustainable Packaging Seminar



The objective is to address the demand for advanced solutions to enhance production efficiency in the packaging industry of Rieckermann, and to provide SME loan and green transition loan.

Set up a Booth at the '60 Years of Excellence': Creating Great Leaders to Drive the Nation Forward

The objective is to elevate the business with the 'Green Logistics' concept, taking into consideration environmental impacts coupled with unlimited growth. 'Building a Competitive Nation' aims to enhance the country's potential and get prepared for global competitiveness. 'The Future of Sustainable Growth' emphasizes the growth that considers sustainability in terms of economy, society and environment.



Certificate of Collective Action Against Corruption

The bank has signed up to be a member of Thai Private Sector Collective Action Against Corruption (CAC) and established the anti-corruption policy and anti-corruption measures as a fundamental framework for conducting various activities so that directors, executives, and employees at all levels strictly and properly adhere to. The bank received a certificate of recognition from the Thai Institute of Directors on December 19, 2013, with the first renewal in 2018, the second time in 2021, and the third time in 2024.



Performance of Corporate Social Responsibility for Sustainable Development in Various Dimensions

Environmental Dimension	Social Dimension	Economic Dimension
<p>Bridge Transition Technology in Energy Loan was Baht 17,744 million in 2024.</p> <p>Renewable Energy Loan was Baht 2,069 million in 2024.</p> <p>Sustainable Finance Loan was approximately Baht 2,200 million in 2024.</p>	<p>The number of complaints from employees regarding labor operations in 2024 was 0.00 percent, which remained the same as in 2023.</p>	<p>The level of satisfaction of customers who received services from branches in 2024 was 97.10 percent, increased by 0.40 percent compared to 96.70 percent in 2023.</p>
<p>Carbon Credits</p> <p>According to the assessment result of GHG emissions arising from various activities in 2024, the company is under verification for offsetting corporate carbon footprint of 3,998 tons of carbon dioxide equivalent (tCO₂e), accounting for 100 percent of carbon dioxide levels emitted from Scope 1, 2 and 3 sources and equivalent to planting 266,534 perennial trees.</p> <p>Note: the company has been reviewed by the LRQA Thailand and is under process for verification of GHG emissions from various</p>	<p>The rate of employees who got injured while working in 2024 was 0.00 percent, which remained the same as in 2023.</p> <p>Investments for the development of society, community and environment valued at around Baht 2.5 million in 2024.</p>	

Environmental Dimension	Social Dimension	Economic Dimension
<p>business activities of 2024. The company filed a request for CFO certification for carbon footprint registration during the consideration by TGO meeting No. 2/2025. To obtain certification of greenhouse gas emission assessment results in 2024</p> <p><u>Proportion of greenhouse gas emissions</u> (Scope 1-2) to operating income was equal to 37 percent in 2024, increased by 16 percent compared to 21 percent in 2023 because the company had a disclosure policy of the amount of greenhouse gas to cover activities under the scope of the organization's operations. In 2024, the company expanded the scope of collecting greenhouse gas emission data of the bank's branches.</p> <p>Reduction in greenhouse gas emissions with paper management In 2024, the company used 13,168 reams of paper, increased by 5 percent from 12,511 reams in 2023 because in 2024, the company added more varieties of financial products with more transactions. Nevertheless, the company still set out the plan to reduce paper consumption by 5 percent of the total amount of paper consumed each year by applying technologies to provide more electronic service channels.</p> <p>Energy Management In 2024, total electricity of 1,959,474 kWh was consumed, a decrease of 1 percent compared to 2023. Due to the company's policy and campaign to save electricity and reduce energy consumption, <u>The proportion of electricity consumption to operating income in 2024</u> was 0.023 percent, an increase of 0.001 from 0.022 percent in 2023.</p> <p>Waste Management The company campaigns for engagement in environmental conservation in daily life, such as Reuse, Recycle and Reduce. As a result, the amount of waste from business operations. Amount of waste in 2024 was 53,893.91 kg, increasing by 14,348.91 kg or 36 percent compared to 2023, which was</p>		

Environmental Dimension	Social Dimension	Economic Dimension
<p>39,545 kg.</p> <p><u>Amount of recycled waste</u></p> <p>In 2024, the volume was 22,673.92 kg, increasing by 12,713.22 kg or 128 percent compared to 2023, which was 9,960.70 kg.</p> <p><u>Proportion of business waste to operating income</u></p> <p>In 2024, it was 0.00066 percent, increased by 0.00021 percent compared to 0.00045 percent in 2023.</p> <p><u>Proportion of recycled waste to community waste</u></p> <p>In 2024, it was 72.63 percent, an increase of 38.96 percent compared to 33.67 percent in 2023.</p>		

Corporate Social Responsibility for Sustainable Development Policy

The bank was aware of operating its business under social responsibility which could lead to business sustainability by paying close attention to stakeholders, economy, society and environment with morality, ethics, code of conduct and business operations with honesty, transparency, fairness and awareness of impact on economy, society and environment. Consequently, the bank has defined corporate social responsibility for sustainable business policy so that directors, executives and employees can adhere to the 9 areas as follows:

1. Good Corporate Governance
2. Fair Business Operation
3. Anti-corruption
4. Respect for Human Rights
5. Fair Treatment of Labors
6. Responsibilities towards Consumers
7. Cooperation in the Development of Community and Society
8. Environmental Management
9. Innovation and Dissemination of Innovative Corporate Social Responsibilities

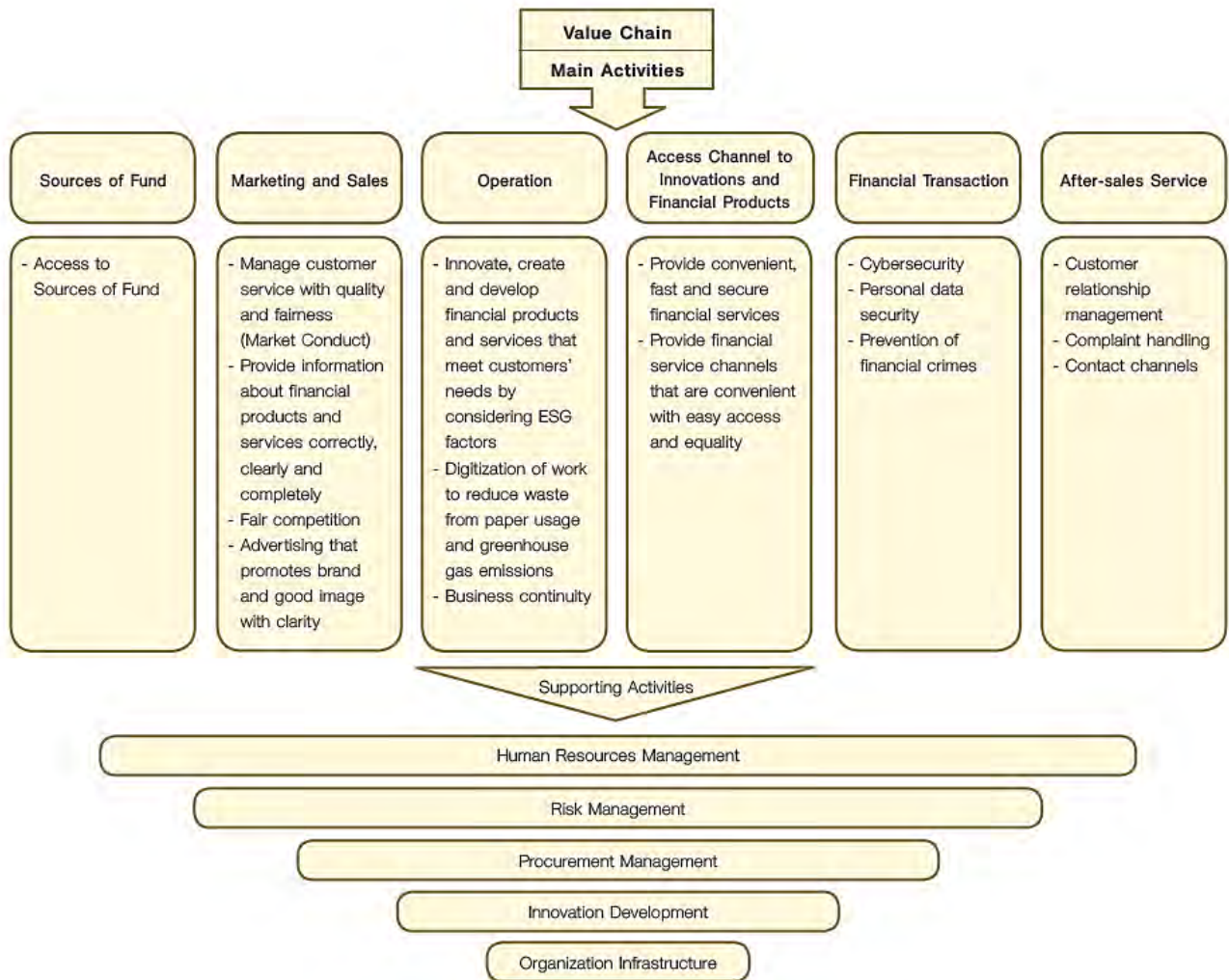
The bank publishes the details of corporate social responsibility for business sustainability policy on the bank's website (www.lhbank.co.th)

Objectives for Corporate Social Responsibility for Sustainable Development Policy

- To raise awareness and accountability on sustainable development initiatives
- To build up confidence that the bank's efforts on economic development are consistent with the best benefits of society, environment and all stakeholders
- To ensure the bank's business goals are in line with the Sustainable Development Goals of the United Nations to drive sustainable growth by conducting responsible business that can create value for all stakeholders

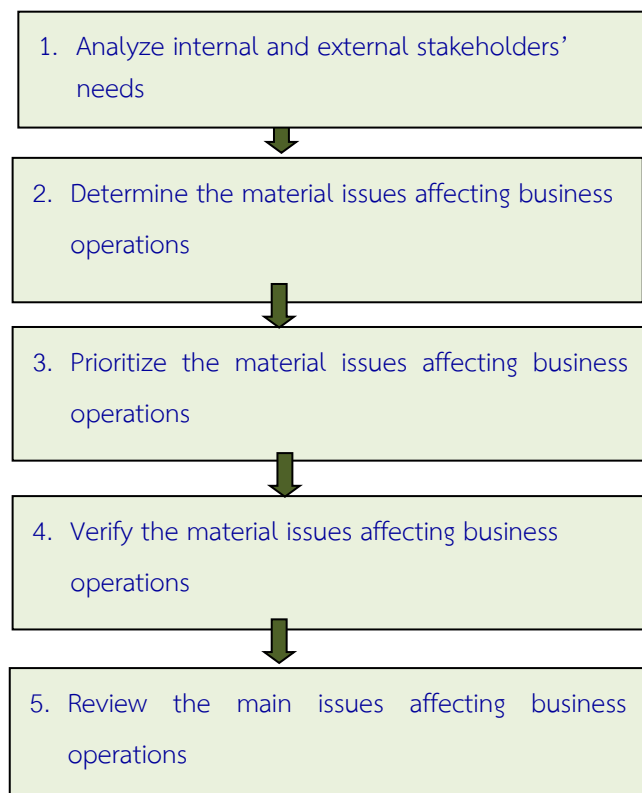
3.2 Value Chain Management

The bank was aware of the importance of stakeholders in the business value chain from upstream to downstream, focusing on sustainable business operations without impacts on society and environment throughout the value chain coupled with analyzing the needs of both internal and external stakeholders to respond to their expectations and reflect social and environmental responsibility for sustainable development



The bank continues to pay attention to the sustainable development reporting as part of the annual report to communicate with the stakeholders to get informed of the policy, management guidelines and the outcome of social and environmental responsibilities under the reporting framework of the Corporate Social Responsibility Institute, the Securities and Exchange Commission, the Stock Exchange of Thailand and the Bank of Thailand. The content of the report covers the bank's operations by collecting data from 1 January to 31 December 2024.

The bank presents the content of the sustainable development report with an analysis of the needs of both internal and external stakeholders. The result will then be applied to determining the material issues affecting business operations according to the guideline of the corporate social responsibility for sustainable development policy with the following steps:



1. Analysis of Stakeholders' Needs

The bank places great importance on the rights of all stakeholders by having the processes and steps to analyze the needs of both internal and external stakeholders. The bank analyzes and prioritizes stakeholders based on various factors such as the context of relationships with stakeholders, their relevance to creating added value throughout the supply chain and expectations, impacts on operations in terms of social, economic, environmental, and governance aspects, interdependence, code of conduct, and responsibility toward stakeholders. etc. The focus is on creating positive impacts for stakeholders within the value chain through various activities and communication channels, for example, employee engagement survey to gather data for defining practices that align with corporate governance policy and corporate social responsibility for sustainable development policy.



Engagement of Stakeholders

The bank pays attention to both internal and external stakeholders with equality and fairness. The bank is aware that engaging with stakeholders is a foundation of good corporate governance. Therefore, the bank has determined the practical guideline for stakeholders in writing in the code of conduct and the code of ethics for employees and properly built engagement with stakeholders by considering the issues that stakeholders had expectations and perspectives on the bank's business operations, and impacts from business operations throughout supply chain to determine the stakeholder best practices appropriately and efficiently. These processes enable the bank to minimize negative effects while enlarging positive effects constantly and efficiently. As a result, the organization can develop towards sustainable growth.

Group of Stakeholders consists of:

1. Internal stakeholders include directors, executives and employees.
2. External stakeholders are shareholders, customers, communities, societies and environments, trade partners, competitors and creditors.

Stakeholder Engagement Process

Stakeholders	Interests and Expectations	Engagement and Communication Channels	Practice and Response
1. Shareholders	<ul style="list-style-type: none"> - Appropriate compensation and sustainable growth - Good business performance and stable growth under appropriate risk - Work with transparency, fairness and accountability - Prudent risk management - Operate business ethically and consider society, economy, environment and governance - Qualification and experience of directors and executives and proportion of independent directors - Disclose information with completeness, correctness, equality and transparency - Prevent violations right of shareholders and personal data of shareholders 	<ul style="list-style-type: none"> - Hold the Annual General Meeting of Shareholders once a year - Hold a press conference twice a year - Publish annual report - Provide channels for inquiries via the bank's website - Provide the channels for suggestions, whistleblowing and complaint through the channels provided by the bank - Provide the independent directors as the proxy for Annual General Meeting 	<ul style="list-style-type: none"> - Business operations under good corporate governance principles - Anti-corruption - Shareholders' personal data protection - Respect for shareholders' right equally - Generate good performance under proper risk management - Disclose correct and complete information through various channels for equal acknowledgement and transparency - Invite shareholders to attend AGM and share their opinions - Provide the channels for whistleblowing about fraud, corruption and complaint
2. Board of Directors	<ul style="list-style-type: none"> - Perform duties with transparency following the corporate governance principles for sustainable growth of the organization - Treat all stakeholders on the basis of fairness for the best interest of the bank and shareholders by taking into account all groups 	<ul style="list-style-type: none"> - Organize the bank's Board of Directors meeting every month - Establish sub-committees to consider and screen proposals before submitting them to the board - Conduct self-assessment for directors as follows: <ol style="list-style-type: none"> 1. Collective self-assessment of the Board of Directors and sub-committees 2. Individual self-assessment of 	<ul style="list-style-type: none"> - Business operations under good corporate governance principles - Management with efficiency, transparency according to corporate governance and sustainable development guidelines - Business operations by considering all groups of stakeholders - Provide sufficient and full information in a timely manner - Engage in good governance activities - Promote, support and develop

Stakeholders	Interests and Expectations	Engagement and Communication Channels	Practice and Response
	of stakeholders - Oversee sustainable growth	the Board of Directors and sub-committees 3. Cross-assessment of directors 4. Good corporate governance self-assessment	knowledge related to the duties of directors and business - Provide orientation program for new directors - Use the results of self-assessment to improve work efficiency
3. Employees	- Arrange trainings and seminars for knowledge and potential development - Improve knowledge and skills in daily life - Always keep a workplace hygienic, clean and safe - Provide appropriate tools and equipment at work - Provide suitable remunerations, right positions with proper benefits - Allow enough time for work-life balance of employees	- Arrange Welcome Newcomers on the first day at work - Provide orientation for new employees - Arrange capacity-building learning for all levels of employees and increase the learning channels via the bank's intranet and PacD, enabling them to learn anywhere anytime to enhance their capabilities - Arrange activities to enhance teamwork - Introduce activities to build employees' engagement and morale - Provide channels to receive complaints, grievances, opinions and suggestions - Hire people with disabilities to pursue their career and live in the society with pride - Provide learning and communication channels to promote learning - Prepare the occupational health and safety policy as well as analyzing and determining the measures for risk control on occupational health and safety at work - Establish the Occupational Safety, Health and Environment Committee for driving the policy and the plan for occupational safety, health and environment in a workplace - Train and appoint executives as safety officers to drive compliance with laws and regulations related to occupational safety, health and working environment standards	- Encourage employees to instill corporate values - Prepare succession plans for executives and key positions - Survey market rate of compensation on a regular basis as to improve to align with proper industrial standard or reasonable standard of living - Protect and do not persecute or impose any disciplinary proceedings against an employee who reports any wrongdoings with integrity to executives or public agencies - Improve working environment to align with occupational health and safety guidelines - No discrimination on employment regardless of race, nationality, color, gender, religion, political views or age - Promote employment for vulnerable laborers, such as providing opportunities to employ people with disabilities - Develop human resources by providing skill training and capacity building for employees by creating opportunities for learning and promotions for career progress - Support and provide opportunities for employees with outstanding knowledge and abilities to be part of the talent program, aimed at developing and preparing them for higher positions - Do not lay off or terminate any employee which is solely based on the management's decision or discrimination - Promote and respect human right protection by not supporting labor coercion - Respect for the rights to freely express opinions of employees and comments without interventions and provide channels for the voice of employees - Provide fair employment conditions

Stakeholders	Interests and Expectations	Engagement and Communication Channels	Practice and Response
		<ul style="list-style-type: none"> - Support and provide opportunities for employees with exceptional knowledge and skills to become part of the talent program, aimed at developing and preparing them for higher positions 	<p>which allow employees to receive proper compensations based on their competency or agreement made between the employer and each employee in accordance with proper industrial standard or reasonable standard of living</p>
4. Customers	<ul style="list-style-type: none"> - Customers relationship management - Provide services for customers with quality and fairness (Market Conduct) - Satisfaction with a wide variety of quality products and excellent services - Promptness in hearing and responding to customers' requirements - Maintain customer confidentiality - Equal treatment of customers 	<ul style="list-style-type: none"> - Conduct the customers' satisfaction survey for branch services - Offer products that can satisfy customers' needs, improve employees' competency in making an offer to customers with well-integrated products and services as to meet all of their requirements as well as determine measures to protect customer data - Publicize products and services completely and transparently - Provide channels for customers to give recommendations, comments or complaints - Conduct a customer satisfaction survey regularly 	<ul style="list-style-type: none"> - Apply the survey results of customers' satisfaction to improve its services and products - Study customers behaviors as to improve services and strengthen relationship - Give product information accurately, clearly and easily-to-understand - Collect suggestions or feedback for improvements - Innovate and create products and services that meet consumers' needs - Publicize full information of products and services through various channels easily accessible by consumers to support their decisions - Provide assistance and answer customers' enquiries to promote good understanding on products and services - Collect complaints and cope with them promptly - Arrange activities to create good relationship with customers - Have customers' data security measure in place
5. Community, Environment and Society	<ul style="list-style-type: none"> - Support communities' activities - Promote and enhance learning and knowledge - Develop the quality of life and promote income generation to community through various CSR activities - Promote and support government policies - Preserve environments and effective use of resources - Social and environmental impacts that might arise from 	<ul style="list-style-type: none"> - Organize the Green Office project to reduce electricity and paper use as well as shift to use environmentally-friendly office automations by continuously raising awareness - Host the Children's Day activities to pass on smile to kids - "LH Bank Support Scholarship" project provides scholarships for students with good records and commitment to further their study until high school level - Donate used computers project to promote learning among youth in needs - "Old Calendar We Need" for the school of the blind to be used 	<ul style="list-style-type: none"> - Perform business with ethics in parallel with environmental and social responsibilities - Support social activities and promote employees' engagement - Support and promote education to improve educational quality and accessibility - Promote cultural, traditional and religious activities - Promote effective use of resources - Listen to the opinions of nearby communities as to improve or support social activities - Support the cultural, traditional and religious activities - Provide appropriate emergency plan to prevent losses and damages on

Stakeholders	Interests and Expectations	Engagement and Communication Channels	Practice and Response
	<p>the bank's operations</p> <ul style="list-style-type: none"> - Collect the voice of neighboring communities 	<p>for producing instructional media, braille book and notebook for the blind students</p> <ul style="list-style-type: none"> - "Learning Library" project to instill reading habits in youth and create an environment conducive to learning along with giving books for skill enhancements and sports equipment to various schools - "Give Books and Learning Materials to the Department of Corrections" to promote knowledge of prisoners - Voluntary blood donation project, 1 Giver 3 Receivers, to help patients in hospitals from their illnesses nationwide - "RUN for LIFE" project for employees to engage in social activities together by running an accumulated distance of 30 kilometers within 30 days, convert it into donations for underprivileged children of the Foundation for Slum Child Care - The "Ecobricks" project encourages employees to participate in collecting plastic waste such as plastic wrappers, snack bags, straws, and candy wrappers, and stuffing them tightly into plastic bottles. These bottles are then used as building materials instead of traditional bricks to create furniture like tables or chairs. The finished products are donated to the "Little Bee Fighters" organization to help build environmental education centers and classrooms - Financial and non-financial donations, debt restructuring by reducing installment, giving more loans for victims or customers impacted by natural disasters - Prepare proper emergency plan to mitigate loss 	<p>environment</p> <ul style="list-style-type: none"> - Open a chance and facilitate all related parties to express their creative ideas which are the foundation for creating innovations leading to continuous creation of innovations - Promote and cooperate with the stakeholders, such as trade partners, to develop innovations - Regularly review business procedure whether it causes any risk or adverse effects to society and environment or not. If any, it must be resolved promptly.

Stakeholders	Interests and Expectations	Engagement and Communication Channels	Practice and Response
6. Business Partners	<ul style="list-style-type: none"> - Conduct the business with transparency and fairness - Treat all business partners with fairness and equality - Receive accurate, sufficient and equal information - Fair selection of business partners - Transparent procurement process with fair compensation - Network extension: extend networks together with partners - Keep customers' information confidential 	<ul style="list-style-type: none"> - Meet with trade partners. - Conduct marketing campaign with business partners - Collect suggestions or complaints - Establish the Procurement Committee to manage the procurement process appropriate and fair for business partners - Communicate about anti-corruption with the Thai Private Sector's Collective Action Against Corruption via various channels of the bank - Post the No Gift Policy through various channels of the bank 	<ul style="list-style-type: none"> - Create partnerships with potential business partners so that they can refer other customers to use our services - Make payment for products and service in a timely fashion - Transparent selection of service providers - Comply with trade terms and conditions and agreements - Fair business practices and no trade barriers - Customer data security - Maintain transparency in selecting business partners to provide services to the bank
7. Competitors	<ul style="list-style-type: none"> - Perform business with transparency and fairness and comply with the rules of honest and fair competition 	<ul style="list-style-type: none"> - Comply with the rules of fair competition without dishonest method 	<ul style="list-style-type: none"> - Fair competition - No monopoly agreements with competitors - No agreements with competitors which reduce competition in the market - No seeking for competitors' confidential information through dishonest means
8. Creditors	<ul style="list-style-type: none"> - Pay interest and payback when due 	<ul style="list-style-type: none"> - Comply with the contract or terms and conditions in the agreements and duties 	<ul style="list-style-type: none"> - Comply with the contract or any conditions in the agreements and duties - Collect suggestions or complaints

2. Determining Material Issues Affecting Business Operations

The bank takes into account all issues, opinions, suggestions and expectations affecting business operations, derived from the analysis of internal and external stakeholders' demand and determines the important issues and impacts on business operations as follows:

- **Internal stakeholders** consist of directors, executives and employees. The bank has brainstorming forums such as small group discussions and meetings to identify the sustainable issues that the stakeholders deem necessary.

- **External stakeholders** consist of shareholders, customers, community, society and environment, business partners, competitors and creditors. The bank has gathered issues and suggestions via discussions and meetings to identify the sustainable issue that the stakeholders deem necessary.






3. Prioritizing Material Issues Affecting Business Operations














The bank analyzes and considers data obtained from the interviews of both internal and external stakeholders to prioritize the main issues that can affect business operations. These issues can be divided into 3 levels: low, medium, high, 10 issues in total. The issues have then been prioritized in materiality matrix chart. The vertical axis represents the key issues critical for stakeholders while the horizontal axis shows the issues critical for the bank.

Materiality



Table: Analysis of Material Issues Affecting Business Operations

Material Issues Affecting Business Operations	Sustainable Issues according to GRI (Global Reporting Initiative)	Internal stakeholders	External Stakeholders	Topics to Include in Annual Report	Sustainable Development Goals (SDGs)
Good Corporate Governance	GRI 102-18 GRI 102-19	- Bank - Directors, executives and employees	- Shareholders - Customers - Business Partners	Good corporate governance	
Market Conduct	GRI 102-43 GRI 103-1 GRI 103-2 GRI 103-3 GRI 203-1	- Bank - Directors, executives and employees	- Customers	- Sustainable business operations - Responsibilities to customers	   

Material Issues Affecting Business Operations	Sustainable Issues according to GRI (Global Reporting Initiative)	Internal stakeholders	External Stakeholders	Topics to Include in Annual Report	Sustainable Development Goals (SDGs)
Digital Development	GRI 203-2	- Bank	- Customers	- Innovations and Dissemination of innovative social responsibilities	   
Code of Conduct and Business Ethics	GRI 102-16 GRI 102-17 GRI 102-25 GRI 103-1 GRI 103-2 GRI 103-3 GRI 205 GRI 205-2 GRI 205-3 GRI 206-1	- Bank - Directors, executives and employees	- Shareholders - Customers - Business Partners	- Code of conduct and business ethics - Anti-corruption	
Risk Management	GRI 102-11 GRI 102-15 GRI 102-30 GRI 103-1 GRI 103-2 GRI 103-3 GRI 201-2	- Bank - Directors, executives and employees	- Shareholders - Customers - Business Partners	- Risk factors - Internal control and risk management - Good corporate governance	 
Human Resource Management	GRI 102-8 GRI 102-41 GRI 103-1 GRI 103-2 GRI 103-3 GRI 401-1 GRI 401-2 GRI 401-3 GRI 403 GRI 404 GRI 412	- Bank - Directors, executives and employees	- Business Partners	- Fair treatment of labors - Respect for human rights	     

Material Issues Affecting Business Operations	Sustainable Issues according to GRI (Global Reporting Initiative)	Internal stakeholders	External Stakeholders	Topics to Include in Annual Report	Sustainable Development Goals (SDGs)
Financial Products with Social Responsibility	GRI 2-6 GRI 201-1 GRI 203-1 GRI 203-2 GRI 417-1	- Bank - Directors, executives and employees	- Customers - Community, Environment and Society	- Accessibility to financial services	     
Enhancement of Financial Literacy	GRI 103-1 GRI 103-2 GRI 103-3 GRI 201-1 GRI 203-1 GRI 203-2 GRI 413-1 GRI 419-1	- Bank	- Customers - Communities, Societies and Environment	- Development of Communities and Societies	    
Environment for Sustainability	GRI 305-1 GRI 305-2	- Bank	- Customers - Communities, Societies and Environment	- Environmental Sustainability Management	   
Community, Environment and Society	GRI 201-1 GRI 203-1 GRI 203-2 GRI 413-1 GRI 419-1	- Bank	- Customers - Communities, Societies and Environment	- Development of Communities and Societies	     

4. Verifying Material Issues Affecting Business Operations

The bank will compile significant issues and propose them to management and the Sustainability and Corporate Governance Committee for acknowledgement and operational guidelines. These material issues have also been disclosed in the business sustainability report and the bank's website.

5. Reviewing Material Issues Affecting Business Operations

The bank conducted an information review process after this report was published in order to collect opinions and suggestions for further improvement.

Report Quality Check

The contents presented in the business sustainability report and the bank's website have been checked and reviewed to assure accuracy, completeness and compliance with the practical guidelines for corporate social responsibilities for sustainable development policy.

Persuading Business Partners to Join the Anti-Corruption Association

The bank encourages partners to be aware of the importance of building a corruption-free community. The bank encouraged them to join the anti-corruption alliance to help prevent fraud, bribery and corruption by asking customers and sponsors for cooperation to refrain from giving gifts, rewards, other benefits or receptions to employees.

Responsible Lending and Investment

The bank has determined the Responsible Lending guidelines and focused on providing quality loans and treating customers fairly by offering responsible and equitable lending throughout the entire loan cycle, risk management tailored to the risk levels of each customer group and to be aware of credit offering that might lead to risk and impacts on the environment, social, and governance (ESG Risk) especially environmental risks and climate change, which are expected to become more severe. If they are not managed properly, it may have both direct and indirect effects on reputation and performance as well as the quality of life, community economies and country.

To prevent the companies in the financial business group from being used as a tool for money laundering by fraudsters or culprits in accordance with the AML law, the bank has provided the AML/CFT compliance program, anti-money laundering and countering terrorism and proliferation of weapon of mass destruction financing (AML/CTPF) policy which prohibits the bank from accepting customers or providing financial transactions to persons who are specially designated national (SDN) announced by the Anti-Money Laundering Office (AMLO) and those announced by other countries. The bank has implemented a filtering system to detect designated persons. Moreover, the bank has a customer acceptance process including Know Your Customer (KYC), Customer Due Diligence (CDD) according to AMLO's criteria and guidelines, screening customer lists on a daily basis and reviewing customer information (Periodic KYC Review) throughout the period of being a bank customer according to the money-laundering risk rating to ensure that the bank's customers are not designated persons.

Credit Underwriting Following Social, Environmental and Corporate Governance Risks

For credit underwriting, we are aware of the importance of the society, environment and good governance. The credit approval lies upon the strict and prudent approval processes combined with the analysis and assessment of environmental, social, and governance risks in order to understand both direct and indirect impacts on customers and the bank. If the customers' business causes negative side effects on the economy, society and environment, the bank might choose not to grant them a loan.

Customer Relationship Management

The bank was committed to upgrading the level of service quality by conducting a customer satisfaction survey in order to improve the service quality. Besides, the service standard is regularly revised to ensure effective and timely delivery of services to customers and communicate it to employees to be aware of the importance of providing high-standard services with constant quality check of services.

Supply Chain Management

The bank was aware of the importance of growing businesses that do not affect society and the environment throughout the supply chain. The bank also emphasizes collaboration with all business partners to develop the business operation process together with elevation of the standard on environmental and social operations. The bank selects business partners with potential to conduct business with ethics, promptly adapts to changes that affect sustainability under the risk management plan and develop partners to be able to conduct sustainable business and grow together in the long term.

The bank has set practical guidelines for procurement and receiving services so that quality supplies and services can be obtained at an appropriate price. The process for procurement and receiving services consists of 6 methods as follows:

1. Pricing method
2. Pricing examination method
3. Bidding method
4. Continuous method
5. Special method
6. Emergency method

The procurement and service delivery processes depend on the budget, and it must be approved by the Purchasing Committee. For fairness and equality of suppliers or vendors selection, the bank has created the selection criteria by choosing from business stability, product specification, service and price.

Selection of suppliers or vendors, the steps are as follows:

1. Acquire the lists of suppliers and vendors that match the needs of users
2. Select the suppliers and vendors who are not involved in bribery, fraud and corruption according to the selection criteria of business stability, product qualification, service and pricing which conform to the bank's procurement guidelines. The bank also procures quality products at appropriate prices with sellers who have no records of corruptions, or operate illegal businesses, no illegal labor policy, treat the business partners with transparency, fairness, take care of occupational safety in the workplace, and conserve the environment to create a supply chain for mutual business operations which will benefit employees, community, society and environment.
3. After receiving a shortlist of suppliers or vendors that passed the selection process, it will enter the selection process. When selected, the partners will be informed about the

procurement procedures so that they can understand and comply with the procurement procedures correctly.

In the year 2024, the bank had 460 business partners, decreased by 15.8 percent compared to 546 in 2023 since the review of the partner list, partners who have not engaged in any transactions with the bank for over a year have been removed.

Support for Partners Operations

The bank emphasizes treating partners according to the terms and conditions of commercial agreements and contracts by establishing payment terms for partners based on the agreed-upon timelines and conditions. The average payment period for goods or services is approximately 2 weeks from the date of receiving complete and accurate documents.

Following up, Checking and Evaluating the Process of Business Partners

The bank has followed up and assessed the performance of partners in various ways, such as evaluating their satisfaction with services, and having a channel to collect their suggestions and complaints. However, to ensure that the bank has received the products and good services as required, the bank has the procurement team to inspect the products and services and provide suggestions to the partners to improve the quality of products. In case the partners cannot meet the required standards, the bank will consider turning down their service.

Management of Economic Risks Arising from Business Partners

Economic Risks Arising from Business Partners	Solutions
Concentration risks from relying on a limited number of external services or just one provider	<ol style="list-style-type: none"> 1. The contract termination conditions are specified, with mutual agreement from both parties. Written notice must be provided at least 30 days in advance. The potential impacts of termination or changes in service providers must be considered, and a management plan should be established for the transition period. 2. Consider sourcing additional service providers. 3. All service providers regularly review and test their BCP (Business Continuity Plan), such as having backup operation centers and data backup systems, etc. 4. The service-using department is able to manage the process independently.
Risks from receiving services that do not meet quality standards	<ol style="list-style-type: none"> 1. The service-using department conducts a risk assessment before using the service. 2. The service-using department conducts an annual evaluation of service quality.

Process of Assessing Risks from Business Partners

1. Assess risks from using services according to the details outlined in the operational procedures for utilizing services from business partners and establish mitigation measures in case of significant risk issues
2. Collect, prepare, and assess the risks of using business partner services according to the details outlined in the operational procedures before using the services
3. Submit the assessment to the risk management department for review. Consider the results and the risk mitigation measures if significant risk issues are identified, provide feedback, observations, and recommendations.

In 2024, the bank has no risks from business partners.

The bank is a financial business group that operates under the transparent supervision according to the good governance principles. The bank was committed to operating its business in conformity with the rules and regulations of the revenue code.

Tax Management Strategy

The bank has planned for a revenue tax for the maximum benefit of the bank and the stakeholders and complied with the regulations of the revenue code.

Tax Risk Management

The bank has revenue tax risk management and provides seminars and training for related employees to improve their knowledge by considering the risks and responsibilities and complying with tax laws and regulations.

Tax Incentives

The bank legally exercises tax incentives and makes use of tax structure in the right manner. As a result, tax avoidance has not occurred.

Tax incentives cover periodic tax exemption measures or other privileges depending on the tax policy of the country or local tax policy imposed on businesses with the nature under relevant requirements.

Corporate Governance Policy

The bank adheres to good corporate governance principles as guidelines for business operation along with the sustainably social and environmental development. The bank focuses on creating the culture of corporate governance in the organization by establishing the Sustainability and Corporate Governance Committee to determine, review the corporate governance policy, and act as a representative of the bank in communicating and operating corporate governance activities to ensure the same standard throughout the organization. Having business ethics creates competitiveness and trust among shareholders, investors, stakeholders and all relevant parties; and is fundamental to business operations with efficiency, transparency and credibility. The Sustainability and Corporate Governance Committee also supports the enhancement of management with integrity, value addition in business and stability and sustainable growth; places the importance on equitable treatment among shareholders and stakeholders; supervises and ensures that any transactions with conflicts of interest are in an appropriate level and in line with regulatory requirements, and adequate information disclosure within the timeframe specified.

The Board of Directors has appointed the sub-committees to supervise a wide range of efficient operations as follows:

- Executive Committee
- Audit Committee
- Sustainability and Corporate Governance Committee
- Nomination and Remuneration Committee
- Risk Oversight Committee

Each of the sub-committees supervises the business operations following the vision, mission, operation plan and good corporate governance principles. The roles and responsibilities have been indicated clearly in writing. The good corporate governance of the bank consists of 4 main principles to which the Board of Directors, executives and employees shall adhere as follows:

1. Transparency : Transparency in operations and information disclosure to related parties
2. Integrity : Honesty
3. Accountability : Responsibility for the performance
4. Competitiveness: Ability to compete with rivals

Good Corporate Governance Policy and Practice

The bank has defined the good corporate governance policy in writing by referring to the Corporate Governance Code (CG Code) of the Securities and Exchange Commission. It consists of principles and practices on good corporate governance for the Board of Directors to follow as business guidelines as well as executives and employees to adhere to for their operations. This is to ensure that the bank performs the business operations with responsibility, transparency and equitable treatment of stakeholders; while promoting its management with integrity, efficiency and effectiveness.

The Board of Directors is aware of its roles and responsibilities in promoting good corporate governance to ensure sustainable business growth and efficient, transparent and fair management. The good corporate governance policy is classified into 8 principles as follows:

Principle 1 Recognize the roles and responsibilities of the board of directors as a leader of the organization that creates sustainable value for the business

Principle 2 Define objectives and goals of business for sustainability

Principle 3 Strengthen board effectiveness

Principle 4 Nominate and improve high-level executives and people management

Principle 5 Nurture innovation and responsible business

Principle 6 Strengthen effective risk management and internal control

Principle 7 Ensure disclosure and financial integrity

Principle 8 Ensure engagement and communication with shareholders

The details of the Good Corporate Governance Policy are published on the bank's website (www.lhbank.co.th).

The bank has not yet fulfilled the principle as follows:

CG Code	Reason
Chairman should be independent director.	Chairman is non-executive director but has not been appointed the independent director.

Principle 1 : Recognize the roles and responsibilities of the board of directors as a leader of the organization that creates sustainable value for the business

1. The Board of Directors is considered as the heart of good corporate governance. Their members consist of experts in various fields with experiences, leadership, vision, independence of decision making and dedication. They perform their duties responsibly, prudently and honestly for the maximum benefit of the bank and shareholders. Moreover, they shall supervise the bank to have effective management in the following aspects:
 - Establish objectives and goals and manage resources to achieve the target
 - Formulate business strategies with the sustainable banking concept including environment, social and governance
 - Monitor, assess and supervise the operational reporting
2. The Board of Directors supervises and ensures the bank achieve the governance outcomes in the following aspects:
 - Being competitive with good performance by considering long-term impacts
 - Conducting business operations with ethics, respect for rights and accountability for shareholders and stakeholders
 - Being beneficial to society and developing or reducing environmental impacts
 - Being adaptable under risk factors
3. The Board of Directors supervises directors and executives to perform their duties with responsibility, duty of care, integrity and compliance with laws, regulations and resolutions of shareholders meeting and Board of Directors as well as corporate governance disclosure; clearly determines the scope of duties and responsibilities and assignments for the CEO and president; and monitors the performance as assigned
4. Board of Directors Meeting
 - The meetings of the Board of Directors are arranged on a regular basis. The bank has determined the meeting schedules in advance for the whole year. In case of necessity and

urgency, an extraordinary meeting may be called on as deemed necessary. The bank has informed all directors in advance so that they can allocate time and attend the meeting. Meeting agenda are set clearly. The important agenda items include the consideration of quarterly and annual financial statements and the monitoring of the bank's operation.

- The directors shall attend the meetings at least 75% of the total Board of Directors meetings held each year except having appropriate reasons and necessities. In addition, the chairman has the duties to promote the culture of open session for sharing ideas during meeting and directors can discuss, argue and exchange ideas in a creative and straightforward manner.
 - The Board of Directors meeting requires no less than half of all directors to constitute a quorum in accordance with the Articles of Association, and a resolution of the meeting shall be passed by majority vote. In case of a tie vote, the chairman shall have a casting vote. In case of agenda requiring the Board's decisions, a quorum of at least two-thirds is required at the time of voting.
 - The chairman and high-level executives have duties to jointly consider and determine the matters to be included in the agenda of the Board of Directors meetings.
 - The company secretary has duties to submit an invitation letter of the meeting to all directors not less than 7 days before the meeting date, together with supporting documents at least 5 business days before the meeting date so that directors have adequate time to study the materials. The company secretary is also required to arrange the minutes of the meetings in writing and keep the minutes adopted by the Board of Directors for audit purposes.
5. The Board of Directors may ask for opinions from independent consultants or external professionals if necessary; it deems to be the bank's expense.
 6. Non-executive directors can organize meetings among themselves without the presence of the CEO and President in order to discuss management-related issues or problems of their interests and to find ways to improve or provide useful suggestions to the management. A summary of their opinions and resolutions shall be reported to the CEO and President for acknowledgement.
 7. The annual performance evaluation of the CEO and President will be conducted by assigning the Nomination and Remuneration Committee to consider the evaluation method as well as the remuneration and bonus for annual performance.

Principle 2 : Define objectives and goals of business for sustainability

1. The Board of Directors shall define the bank's objectives and goals for sustainability in compliance with the value creation to the bank, customers, stakeholders and society as a whole.
2. The Board of Directors shall ensure that the objectives, goals and strategies in each period are consistent with the key objectives and goals.

Principle 3 : Strengthen board effectiveness

The Board of Directors is considered the heart of good corporate governance. Their members consist of experts in various fields with experiences, leadership, vision, independence of decision making and dedication. Moreover, they perform their duties responsibly, prudently and honestly for the maximum benefit of the bank and shareholders.

1. Structure, Composition and Qualifications of the Board of Directors

- The Board of Directors is appropriate, sufficient and fair for business operations, consisting of at least 5 members and in line with the Articles of Association. For the sake of maintaining the independence of the chairman and division of powers, the chairman of the Board of Directors shall not be the same person as the

Chief Executive Officer and President. The explicit division of powers does not allow any of them to have unlimited power as to maintain checks and balances, and to review their performance.

- The Board of Directors must have at least 3 independent directors or one-thirds of total directors, whichever is higher.

- All directors of the bank and independent directors shall have the qualifications in conformity to related laws, regulations of regulators, and the Articles of Association with regards to directors and good corporate governance principles, and possess intensive knowledge, experience, skills, expertise and integrity which are beneficial to the bank including independence for expressing their opinion, understanding of banking and no gender discriminations. Moreover, they shall pass the consideration by the Nomination and Remuneration Committee.

- The structure of the Board of Directors is proportionate and fair. For the sake of maintaining the independence of the chairman, clear separation of powers between the duties to determine corporate governance policy and regular management, the chairman of the Board of Directors and the chairman of the Audit Committee shall not be the same person as the President. The explicit division of powers does not allow any of them to have unlimited power as to maintain checks and balances, and to review their performance.

- The Board of Directors has defined the qualifications of independent directors in line with the good corporate governance guideline, the notifications of the Capital Market Supervisory Board and the Bank of Thailand. The Board of Directors consists of at least 3 independent directors or at least one-thirds of the total number of the directors, whichever is higher. The independent directors must not be employees or staff who receive salary from the bank. They shall also be independent from the majority shareholders of the bank and be able to protect the minority shareholders' interests.

The bank reveals the details of the independent directors' qualifications under the topic of Management Structure on Independent Directors Qualifications.

- All directors including independent directors have been nominated by the Nomination and Remuneration Committee because their qualifications conform to related laws, regulations of regulators, and the Articles of Association regarding the directors and good corporate governance principles. Their knowledge, experience, skill, a wide range of expertise, honesty, specific competences useful for the bank as well as abilities to provide independent opinions and profound understanding of the financial business group, have been taken into account without gender bias.

2. Nomination of Directors

The Board of Directors has set the term of the director position in accordance with the Public Company Limited Act, and the Articles of Association with transparency and clarity to nominate any person or to propose existing directors to be reappointed as directors, their profiles and sufficient details including criteria and method of nomination shall be readily available for shareholders' voting.

- The appointment of directors shall be conducted transparently and clearly according to the specified agenda. Nominating any persons or existing directors to be reappointed as directors, their profiles and sufficient details including criteria and method of nomination shall be readily available for shareholders' voting.

In addition, the Nomination and Remuneration Committee shall nominate qualified persons to the Board of Directors for consent and propose the list to the shareholders meeting and the Bank of Thailand for approval.

3. Number of Directorship in Other Banks

The Board of Directors has established a clear guideline on the number of other banks in which a director can hold positions in accordance with the good corporate governance principles. The Board of Directors shall carefully consider the performance of directors who hold positions in other banks, ensuring that their sufficient time will be devoted to performing the bank's duties as follows:

- Director, Chief Executive Officer and President and authorized management persons are allowed to hold the position of either chairman, executive director or authorized director in other companies of not more than 3 business groups and not more than 5 listed companies on the Stock Exchange of Thailand or abroad. The Board of Directors shall carefully consider the performance of directors who hold positions in other companies, ensuring that their sufficient time will be devoted to performing the bank's duties

The bank reveals the details of directorship in other banks in the topic of the Board of Directors' positions in the listed banks on the Stock Exchange of Thailand and holding the positions in non-listed banks on the Stock Exchange of Thailand.

4. Independent Directors' Term of Office

The office term of directors conforms to the Public Limited Companies Act and the Articles of Association. Independent directors can hold their position with a maximum of 9 consecutive years.

5. Number of Directors to Retire by Rotation

Directors who have held office for the longest term or one-thirds of the Board of Directors must retire by rotation at every Annual General Meeting of Shareholders. Directors retiring by rotation may be re-elected to continue their office.

6. Sub-committees

The bank's management structure consists of the Board of Directors who has delegated their management power for the sake of effectiveness and transparency. The Board of Directors has appointed sub-committees to help study details and screen tasks so as to ease the burden of the Board of Directors. Consequently, the bank has different sub-committees for specific matters. Such committees shall report their performances to the Board of Directors. These sub-committees are as follows:

- Executive Committee
- Audit Committee
- Sustainability and Corporate Governance Committee
- Nomination and Remuneration Committee
- Risk Oversight Committee

However, the chairman of the Audit Committee, chairman of the Sustainability and Corporate Governance Committee, chairman of the Nomination and Remuneration Committee and chairman of the Risk Oversight Committee are independent directors for the sake of transparency and independence in performing duties.

The bank reveals the details of sub-committees and scope of authority and duties of each sub-committee in the topic of the Management Structure.

The bank reveals the details of the members of the Audit Committee who have knowledge and experiences in the audit of the financial statements in the topic of the Management Structure, No. 2 The Audit Committee.

7. Company Secretary

- The Board of Directors has appointed Ms. Chayawan Budsayalap Thaidech, Vice President of Company Secretary and Translator Division, as the company secretary since April 24, 2023. Her duties involve providing some advice pertaining to laws and regulations that the Board of Directors should acknowledge, and taking responsibilities for matters connected the Board of Directors. In addition, the company secretary shall cooperate with related parties to ensure that the resolutions of the Board of Directors and that of the shareholders meeting have been followed. The scope of company secretary's duties and responsibilities according to the laws require her to act with responsibility, duty of care and honesty.

- The Board of Directors has encouraged and supported the company secretary to continuously receive trainings in order to develop necessary skills, and expand knowledge of law and accounting areas, or corporate secretarial duties.

The bank has disclosed the profile of the company secretary in the topic of the Management Structure, No. 8 The Company Secretary.

8. Remuneration of Directors and Executives

The policy, method and criteria on remunerations of directors and the President has been defined reasonably and transparently in conformity to their duties and responsibility, the bank's performance, and their individual performance, aligned with the industry and sufficient to retain qualified directors. Directors' remuneration shall be proposed to the shareholders meeting for approval.

9. Self-assessment of the Board of Directors

The Board of Directors provides the self-assessment for the Board of Directors and sub-committees in the form of collective assessment, individual assessment and cross-assessment at least once a year to review their performance and challenges in the previous year. The self-assessment fosters the awareness of their roles and responsibilities, which consequently helps enhance work efficiency. It is also an essential tool to assess the appropriateness of the Board of Directors' composition and its performance. The assessment results and recommendations from directors shall be applied to improve the duties of the committees and individual director. Self-assessment forms of the Stock Exchange of Thailand and the Thai Institute of Directors have been applied and adjusted in order to cover the committees' duties and the bank's business nature and environment. The self- assessment includes:

- Self-assessment of the Board of Directors and sub-committees on a collective basis
- Self-assessment of the Board of Directors and sub- committees on an individual basis
- Cross-assessment of directors
- Good Corporate Governance Self-assessment

- **Self-assessment of the Board of Directors and Sub-committees on a Collective Basis**

Self-assessment form is divided into 6 areas as follows:

1. Structure and qualifications
2. Roles, duties and responsibilities
3. Committees meeting
4. Duties of directors
5. Relationship with management
6. Directors' self-improvement and management training

Scoring : The assessment forms contain scores so that directors can compare the result of each topic year over year. Here is the definition of scoring system.

- 0 = Strongly disagreed or never conducted
- 1 = Disagreed or seldom conducted
- 2 = Fairly agreed or moderately conducted
- 3 = Agreed or well conducted
- 4 = Strongly agreed or excellently conducted

Evaluation Method : At the meetings of the Board of Directors and sub-committees, the directors thereof jointly conducted an evaluation by marking a score for each assessment item.

Assessment result of self-assessment of Board of Directors and Sub-committees of the year 2024, most items were marked in 4.

- **Self-assessment of the Board of Directors and Sub-committees on an individual Basis**

The assessment form is divided into 3 areas as follows:

1. Structure and qualifications of directors
2. Board of Directors meeting and sub-committees' meeting
3. Roles, duties and responsibilities of directors

Scoring : The assessment form contains scores so that directors can compare the results of each topic year over year. Here is the definition of scoring system.

- 0 = Strongly disagreed or never conducted
- 1 = Disagreed or seldom conducted
- 2 = Fairly agreed or moderately conducted
- 3 = Agreed or well conducted
- 4 = Strongly agreed or excellently conducted

Evaluation Method : The company secretary and the secretaries of sub-committees shall send individual directors' self-assessment forms to each committee in which they hold an office. The completed forms will then be returned to the secretary of each committee.

Assessment result of self-assessment of the Board of Directors and sub-committees on an individual basis for the year 2024, most items were marked in 4.

- **Cross-assessment of Directors**

The **assessment form** is to evaluate the responsibilities, roles and duties of the chairman and directors.

Scoring : The assessment form contains scores so that directors can compare the result of each topic year over year. Here is the definition of scoring system.

- 0 = Strongly disagreed or never conducted
- 1 = Disagreed or seldom conducted
- 2 = Fairly agreed or moderately conducted
- 3 = Agreed or well conducted
- 4 = Strongly agreed or excellently conducted

Evaluation Method : The company secretary shall submit the cross-assessment of directors to the chairman to evaluate directors individually and in turn the individual directors evaluate the chairman. The completed forms will then be returned to the company secretary to report the result to the board.

Assessment result of cross-assessment for the year 2024, most items were marked in 4.

- **Good Corporate Governance Self-assessment**

The Board of Directors arranges the self-assessment in line with the good corporate governance principles as a tool for the Board of Directors and management to evaluate themselves on issues the company has done or has not, for adequate disclosure of the company. The Board of Directors analyzes the evaluation results, recommendations and observations and applies the results to suit the business environment as follows:

The **assessment form** is divided into 4 areas as follows:

1. Rights of Shareholders and Equitable Treatment of Shareholders
2. Roles of Stakeholders
3. Information Disclosures and Transparency
4. Responsibilities of the Board of Directors

Scoring : No scoring, the assessment form provides a check list for each topic “complied or not” as follows:

- If complied, please check (√) in the "Yes" box.
- If not yet complied or incomplete, please check (√) in the "No" box.

Evaluation Method : The Sustainability and Corporate Governance Committee collectively conducted the evaluation and proposed the results to the Board of Directors for consent.

Assessment Results of good corporate governance, most items were marked in “Yes”.

Principle 4 : Nominate and improve high-level executives and people management

The Board of Directors has appointed the Nomination and Remuneration Committee to clearly and transparently nominate directors, Chief Executive Officer and President, and define their remunerations which are commensurate with their roles and responsibilities. The remunerations of directors must be approved by the shareholders meeting and disclosed in the annual report.

1. Knowledge Development for Directors, Executives and Employees

The bank values the efficiency improvements of directors, executives, employees, team of secretary, compliance, internal audit and corporate governance; therefore, it has the policies to encourage them to attend external trainings and in-house seminars to sharpen their skills, and expand their knowledge and

competencies to accommodate both short-term and long-term business growth. These include several training courses run by the Institute of Directors, the Securities and Exchange Commission, the Stock Exchange of Thailand, and the Thai Listed Companies Association. The company secretary acts as the center to communicate news and encourage them to attend the training courses that particularly benefit their duties. The bank will notify seminar programs to directors in advance.

Table : Trainings and Seminars for Directors in 2024

Name of Directors	Training and Seminar Program
1. Mr. Lee, Yu-Chou Chairman	<ul style="list-style-type: none"> ● IT Security Awareness Organized by ACIS Professional Center Co., Ltd. Date: June 17, 2024 and December 19, 2024 ● Money Laundering Risk Organized by Anti-Money Laundering Office (AMLO) Date: May 13, 2024 ● Sustainable Finance Organized by Thai Bankers' Association Date: September 23, 2024
2. Dr. Supriya Kuandachakup Vice Chairman Independent Director	<ul style="list-style-type: none"> ● IT Security Awareness Organized by ACIS Professional Center Co., Ltd. Date: June 17, 2024 and December 19, 2024 ● Money Laundering Risk Organized by Anti-Money Laundering Office (AMLO) Date: May 13, 2024 ● Sustainable Finance Organized by Thai Bankers' Association Date: September 23, 2024 ● Enhancing Governance, Standards, and Financial Insights 4/2024 Organized by Thai Institute of Directors (IOD) Date: October 30, 2024
3. Mr. Pradit Sawattananond Independent Director	<ul style="list-style-type: none"> ● IT Security Awareness Organized by ACIS Professional Center Co., Ltd. Date: June 17, 2024 and December 19, 2024 ● Money Laundering Risk Organized by Anti-Money Laundering Office (AMLO) Date: May 13, 2024 ● Sustainable Finance Organized by Thai Bankers' Association Date: September 23, 2024 ● Enhancing Governance, Standards, and Financial Insights 4/2024 Organized by Thai Institute of Directors (IOD) Date: October 30, 2024

<p>4. Prof. Piphob Veraphong Independent Director</p>	<ul style="list-style-type: none"> ● IT Security Awareness Organized by ACIS Professional Center Co., Ltd. Date: June 17, 2024 and December 19, 2024 ● Money Laundering Risk Organized by Anti-Money Laundering Office (AMLO) Date: May 13, 2024 ● Sustainable Finance Organized by Thai Bankers' Association Date: September 23, 2024 ● Enhancing Governance, Standards, and Financial Insights 2/2024 Organized by Thai Institute of Directors (IOD) Date: August 28, 2024
<p>5. Mr. Pichai Dusdeekulchai Independent Director</p>	<ul style="list-style-type: none"> ● IT Security Awareness Organized by ACIS Professional Center Co., Ltd. Date: June 17, 2024 and December 19, 2024 ● Money Laundering Risk Organized by Anti-Money Laundering Office (AMLO) Date: May 13, 2024 ● Sustainable Finance Organized by Thai Bankers' Association Date: September 23, 2024
<p>6. Mr. Sirichai Sombutsiri Chief Executive Officer</p>	<ul style="list-style-type: none"> ● IT Security Awareness Organized by ACIS Professional Center Co., Ltd. Date: June 17, 2024 and December 19, 2024 ● Money Laundering Risk Organized by Anti-Money Laundering Office (AMLO) Date: May 13, 2024 ● Sustainable Finance Organized by Thai Bankers' Association Date: September 23, 2024
<p>7. Mr. Naporn Sunthornchitcharoen Director</p>	<ul style="list-style-type: none"> ● IT Security Awareness Organized by ACIS Professional Center Co., Ltd. Date: June 17, 2024 and December 19, 2024 ● Money Laundering Risk Organized by Anti-Money Laundering Office (AMLO) Date: May 13, 2024 ● Sustainable Finance Organized by Thai Bankers' Association Date: September 23, 2024

<p>8. Mr. Shih, Jiing-Fuh Director</p>	<ul style="list-style-type: none"> ● IT Security Awareness Organized by ACIS Professional Center Co., Ltd. Date: June 17, 2024 and December 19, 2024 ● Money Laundering Risk Organized by Anti-Money Laundering Office (AMLO) Date: May 13, 2024 ● Sustainable Finance Organized by Thai Bankers' Association Date: September 23, 2024
<p>9. Mr. Vichian Amornpoonchai Director</p>	<ul style="list-style-type: none"> ● IT Security Awareness Organized by ACIS Professional Center Co., Ltd. Date: June 17, 2024 and December 19, 2024 ● Money Laundering Risk Organized by Anti-Money Laundering Office (AMLO) Date: May 13, 2024 ● Sustainable Finance Organized by Thai Bankers' Association Date: September 23, 2024 ● Successful Formulation & Execution of Strategy (SEF 45/2024) Organized by Thai Institute of Directors (IOD) Date: June 24-25, 2024 ● Enhancing Governance, Standards, and Financial Insights 2/2024 Organized by Thai Institute of Directors (IOD) Date: October 30, 2024
<p>10. Ms. Chiu, Ya-Ling Director</p>	<ul style="list-style-type: none"> ● IT Security Awareness Organized by ACIS Professional Center Co., Ltd. Date: June 17, 2024 and December 19, 2024 ● Money Laundering Risk Organized by Anti-Money Laundering Office (AMLO) Date: May 13, 2024 ● Sustainable Finance Organized by Thai Bankers' Association Date: September 23, 2024
<p>11. Mr. Liao, Jen-Wen Director</p>	<ul style="list-style-type: none"> ● IT Security Awareness Organized by ACIS Professional Center Co., Ltd. Date: June 17, 2024 and December 19, 2024 ● Money Laundering Risk Organized by Anti-Money Laundering Office (AMLO) Date: May 13, 2024 ● Sustainable Finance Organized by Thai Bankers' Association Date: September 23, 2024

2. Remuneration and Employee Welfare

The bank sets the appropriate remuneration and welfare for its employees to align with both short-term and long-term performance to ensure a good standard of living by emphasizing fairness and competitiveness. Therefore, the bank has a policy to increase annual salary and bonus payment based on their annual performance. A special round of salary increase is also made by utilizing the survey results of employee remuneration in the same industry for consideration with an aim at retaining skilled employees whose performances met expectations with the bank.

3. Provident Fund

The bank established a provident fund as a welfare benefit for employees. It is an important factor to encourage and motivate them to perform their tasks and to nourish their good standard of living. They can contribute between 3-15% of their salary to the fund, to which the bank contributes 3-7% depending on the number of years of employment. The Fund Committee which comprises of representatives elected by fund members and representatives appointed by the employer, has main duties and responsibilities on supervising the management of the fund and formulating investment policies on behalf of fund members. In addition, a multi-investment fund or the “Master Fund” has been offered to employees as an alternative investment policy option, allowing them to choose what suits their needs.

The total number of employees having the provident in 2024

	Total Employee (Person)	Total Employee Having Provident Fund (Person)	(%)
Land and Houses Bank Public Company Limited	1,305	1,222	94

4. Orientation Program for New Directors

The bank arranges an orientation session for newly appointed directors. The Chief Executive Officer and President and top executives will give them thorough briefings, from the bank’s vision, mission, performance, strategies and business targets to key operations and business nature. Relevant documents including roles and responsibilities of directors, laws and regulations related to the business, annual report and other information of the bank are also provided.

5. Succession Plan for High-Level Executives

The Board of Directors puts an emphasis on the development of successors to maintain continuous and smooth business operations and to ensure that appropriate personnel are ready for the key positions crucial to the bank and determine the appropriate qualifications to be successors. Then, the plan has been set as to get them trained for preparedness such as Core and Leadership Competency and Coaching by the supervisor, and external experts such as Motivation & Purpose Discussion, Collect Development Progress Evidence, Networking Plan, Delegated Work Scope and Development Opportunities. In this regard, the succession plan, criteria and list of potential successors will be reviewed on an annual basis, and reported to the Board of Directors.

Personnel Development Guidelines for Succession to the Positions of President and Top Executives

1. Define Scope: Set the scope and timeframe for preparing the succession plan
2. Define Key & Critical Position: Define the key positions of the organization (N and N-1X positions) and determine the urgency of recruiting a successor. The urgency is divided into 3 phases:
 - Most urgent (Wave 1) means those currently holding the position aged 57 years of age or older

- Moderately urgent (Wave 2) means those currently holding the position aged between 55 - 57 years

- Less urgent (Wave 3) means those currently holding the position aged less than 55 years old

3. Identify Successor: Consider assigning a successor through the taking stock analysis assessment process, which evaluates the competencies required in the position (Leadership and Functional Competency)

4. Competency Gap Analysis: Conduct a 360-degree assessment to analyze strengths and weaknesses for development

5. Development & Monitor: Set development plans through a workshop process along with coaching by supervisors to transfer knowledge and create important connections necessary for taking over the position

6. Evaluate & Career Management Process: Evaluate the successor's readiness and assign him to act/succeed in the position

Nomination of Directors and Top Executives

The qualified candidates with sound knowledge, experience in various areas and thorough understanding of banking, finance, economy, laws and related fields, will be carefully screened to ensure the complete composition of the board as required. The Nomination and Remuneration Committee will propose the Board of Directors to consider appointing directors and/or independent directors. In the case where the position of director is vacant for reasons other than retirement at the end of the term or propose the shareholders meeting to select directors and/or independent directors when a director vacates a position upon completion of term or appoint additional new directors based on the board skill matrix in order to find qualified directors with extensive experience suitable for the bank's nature of business, strategies and directions.

Board Skill Matrix

- Business Administration/Management	- Economics/Commerce/Finance/Accounting
- Strategic Planning/Business Strategies	- Internal Control
- Risk Management	- Marketing
- Fiscal Economics	- Human Resource Management
- Sustainable Development	- Information Technology
- Tax Law and Other Laws	

The criteria for nomination and appointment of independent directors indicate that each eligible candidate must meet the qualifications of independent directors as required by the bank and be in accordance with the notification of the Capital Market Supervisory Board and good corporate governance principles. Also for recruiting and appointing individuals to serve as non-executive directors, they must have work experience related to the bank's business.

In addition, in 2023, the Nomination and Remuneration Committee selected qualified director with appropriate qualifications in line with the business strategy to hold the position of director in place of the resigned directors by nominating Ms. Chiu, Ya-Ling and Mr. Liao, Jen-Wen who possess sound knowledge, ability and experience related to the business and will be a great help to determine the direction and business plan of the bank. This has been approved by the Board of Directors and become effective on March 8, 2024 and March 19, 2024, respectively.

The details of criteria for the nomination of independent directors and qualifications of independent directors are disclosed in the topic of the Management Structure, Remuneration for Directors and Executives.

According to the recruitment criteria for the bank's top executives, the Nomination and Remuneration Committee will screen and select talented persons with proper qualifications, ethics, morality and honesty. The basic factors for consideration include qualifications, knowledge and experiences. The Nomination and Remuneration Committee will nominate the qualified person to the Board of Directors for appointment and propose to the Bank of Thailand for approval.

Remuneration of Directors and Executives

- The Nomination and Remuneration Committee chaired by an independent director shall lay down policies, methods and criteria for remuneration of directors and president with fairness, reasonableness and transparency in relation to the bank's operating results and his/her performances. The remuneration must be on a par with industry's standards and competitive enough to retain desired directors and executives.

- Remuneration of directors is determined by the shareholders meeting both in pecuniary and other forms considered and proposed by the Nomination and Remuneration Committee. The remuneration will be considered on the basis of industry's general practices by considering work experience, knowledge and competencies, coupled with duties and responsibilities and contributions to the bank. The remuneration shall also be on par with those at other SET listed banks in similar industries and the average figures at listed banks according to the survey report on remuneration rates for listed banks' directors by the Thai Institute of Directors. The rates of monetary remuneration and other compensations for the directors approved by the 2023 Annual General Meeting of Shareholders are disclosed in the annual report.

The details of directors' compensations approved by the shareholders meeting are disclosed in the topic of the Management Structure, Remuneration for Directors and Executives.

Principle 5 : Nurture innovation and responsible business

1. Taking into account the rights of stakeholders

The bank gives priority to and takes into account the rights of stakeholders based on related laws; does not commit any act that violates their rights; and is committed to fulfilling its responsibilities towards all groups of stakeholders.

2. Determining the policy on the treatment of stakeholders

- Instill strong work ethics with strict adherence as guidelines to carry out duties honestly and fairly for the bank, stakeholders, public and society
- Disclose the bank's information to shareholders, investors, and public accurately, comprehensively, in a timely manner, and in line with related laws and regulations; and cooperate with regulators in providing accurate and comprehensive reports in a timely manner
- Establish the bank's code of conduct and ethics in writing as guidelines on the treatment of all stakeholders from internal stakeholders, namely, employees and executives, to external stakeholders, namely, all shareholders, customers, business partners, competitors, government sectors and other agencies. Ensure

transparent operations and encourage active cooperation between the bank and stakeholders for mutual benefits; and ensure that stakeholders will receive protection and good treatment

- Establish ethics for directors and employees and promote their participation so that they uphold ethical principles and practices with honesty, morality and carefulness; and prevent any act that violates rules and regulations and tarnishes the bank's reputation

- The bank has determined a whistleblower policy to ensure the effectiveness of whistleblowing. The bank provides channels of receiving and handling complaints or other significant matters for both internal and external complaint, for example, whistleblowing via independent directors and bank's website. Moreover, the whistleblower shall be protected from any impact or damage.

- The bank has established a policy on corporate social responsibility for sustainable business development by integrating CSR into the main process of business operations (CSR-in-Process) and outside the main process of business operations (CSR-after-Process). It also reinforces executives and employees at all levels to engage in and instill a volunteer spirit to build their awareness of social responsibility. Also, it lays a strong foundation for sustainable development which leads to true sustainability of social and national development.

The bank has published the good corporate governance policy, code of conduct and code of business ethics, and code of ethics for directors and employees through the bank's intranet and website; and included them in the training curriculum for employees as follows:

Section 1 Intention

The objective of the bank's code of conduct and code of ethics for directors and employees is to provide all levels of employees including directors with good practical guidelines as a working standard. Recognized as a trusted financial institution and a national source of funding, the bank strives to operate its business with honesty and well balance between business performance and impacts on shareholders and customers. It also adheres to the principles of business sustainability by taking into account society, environment and humanitarian principles.

Based on the corporate governance principles, the bank intends to operate its business with honor and trust while bringing benefits to customers and maintaining the well balance between the bank and stakeholders. The bank's code of conduct and code of ethics can be categorized into 4 sections as follows:

Section 1: Intention

Section 2: Code of Conduct

Section 3: Code of Ethics for Directors

Section 4: Code of Ethics for Employees

Definitions

"Code of Conduct" refers to rules of practices that the commercial bank has defined to maintain and improve a good reputation and status of the commercial bank's employees.

"Ethics" refers to the basic practices for controlling physical and verbal behaviors that employees shall adhere to regularly at work.

"Bank" refers to Land and House Bank Public Company Limited.

"Director" refers to the bank's directors.

"Employee" refers to all types of the bank's employees: trainees, permanent employees and employees with special contracts.

Section 2 Code of Conduct

2. Code of conduct can be divided into 10 areas as follows:

2.1 Code of Business Ethics

The bank shall ensure that employees comply with the code of business ethics as follows:

- 2.1.1 Perform duties with honesty, morality and responsibility to strictly conform to related laws, regulations and rules as well as the anti-corruption policy and anti-money laundering and combating the financing of terrorism policy
- 2.1.2 Prevent and avoid any actions that may lead to the conflicts of interest
- 2.1.3 Perform duties as a professional who has sound knowledge, abilities, skills and prudence
- 2.1.4 Keep confidentiality and shall not use internal information or confidential information to seek unlawful benefits for oneself or others

2.2 Roles of Directors and Executives

The bank's directors and executives shall be aware of their duties and responsibilities under the moral and ethical framework in order to promote good governance at all levels in the bank as follows:

- 2.2.1 Directors and executives shall carefully perform their duties and oversee operations with honesty, fairness, morality, responsibility and ethics for the maximum benefit of the bank and stakeholders under the framework and guidelines on the business judgment rule. They shall also protect the bank's benefits by paying attention to the incidents occurred to the bank or its operations.
- 2.2.2 Directors and executives shall play an important role in instilling good corporate governance in the bank, which will boost up the confidence among shareholders, customers, regulators and all stakeholders for the maximum benefits of the bank, industry and nation. For this reason, the good corporate governance policy and ethics have been set clearly in writing and communicated to employees and executives to follow effectively.
- 2.2.3 Directors shall follow the good corporate governance principles and shall act as the intermediary between shareholders and management, with the main duties of determining policies relating to business operations and directions. They also set good corporate governance and supervise executives and management to efficiently and effectively perform their duties in accordance with the defined policies.
- 2.2.4 The bank is required to operate its business under the laws, regulations, standards and practices of regulators, directors as the representatives of shareholders shall set policies while executives as the representatives of management shall carry forward policies to be implemented properly and efficiently. The bank shall also provide an effective internal control to ensure the bank carries out its business strictly in accordance with laws, rules and regulations.
- 2.2.5 Directors shall make sure that the bank has policies and efficient risk management system to cushion any significant risks. They shall supervise the Risk

Management Committee to perform its duties properly and professionally and not to be dominated by any business units. In addition, executives shall be aware of potential risks, protect the bank's benefits while limiting any possible damages to be under risk appetite and effective risk management.

- 2.2.6 Any transactions by directors and executives with the bank shall be taken at an appropriate level or shall be considered as normal business transactions as those of with general persons who are not particularly related to the bank. This is to avoid any conflicts of interest that may arise or be expected. In the event that any conflicts of interest occur, they must be settled fairly and immediately.

2.3 Service Standards

The bank shall build confidence for customers and stakeholders by providing service standards as follows:

- 2.3.1 Manage its business effectively, enabling customers and stakeholders to receive the good services
- 2.3.2 Set a good corporate governance to deliver services that comply with related regulations
- 2.3.3 Set a prudent management system and internal control to prevent service errors
- 2.3.4 Set a risk management system that aligns with the business, ensuring the bank is able to manage and properly handle potential risks

2.4 Employees and Work Environment

In order to support employees to work effectively, the bank shall provide them the following facilities:

- 2.4.1 Provide a good and safe working environment; therefore, employees are ready to service customers
- 2.4.2 Place an emphasis on treating all employees with justice and honor
- 2.4.3 Encourage and support employees to improve themselves by attending trainings regularly
- 2.4.4 Provide fair compensations for employees based on fair performance evaluation
- 2.4.5 Keep employees' personal information confidential and do not take their information to seek other benefits
- 2.4.6 In case of any investigation on employees' operations, the bank shall support employees for the cooperation with both compliance, internal and external audit units to ensure fairness
- 2.4.7 Do not discriminate the differences of gender, race, age, religion or disability
- 2.4.8 Prevent any verbal and physical threats that may affect the honor or human dignity of others in the workplace
- 2.4.9 Provide appropriate communication channels for complaints and whistleblowing

2.5 Customer Accountability

The bank shall place an emphasis on customers and treats them with accountabilities as follows:

- 2.5.1 Offer products and services that meet customers' needs and suitable for customers' purchasing power

- 2.5.2 Disclose the information about the bank's products and services covering their relevant terms and conditions, risks, service fees and interest rates in a timely manner so that customers can gain deeper understanding and adequate information for making decisions. Moreover, the advertising and public relations must be conducted transparently with clear messages to prevent misleading
- 2.5.3 Protect the confidentiality of customers' information, unless customers' consent is obtained or the bank has to abide by laws
- 2.5.4 Provide whistleblowing channels for customers and handle their complaints clearly and properly
- 2.5.5 Keep a sustainable relationship with customers and do not take bribes and/or benefits, gifts, assets and any forms of entertainment that imply an intention to wrongfully benefit customers

2.6 Conflicts of Interest

The bank provides measures to manage conflicts of interest in business operation as follows:

- 2.6.1 Protection of insider information usage
 - 1. Provide measures to control securities trading and disclose securities trading account of directors, executives, employees and related parties who may have access to internal information, to prevent abuse of duty for their personal interests or others unlawfully
 - 2. Provide physical separation of working area to prevent information leakage between business units that may have conflicts of interest
- 2.6.2 Transactions with connected persons and related person transactions
 - 1. Transactions the bank does with directors, executives, major shareholders or connected persons shall not lead to a transfer of benefits of the bank.
 - 2. Persons who have any interests with or involve in any transaction shall not participate in decision-making process of that transaction to ensure the maximum benefits of the bank.
 - 3. Carefully define regulations and process for connected transactions to ensure benefits of the bank and its shareholders
- 2.6.3 Receiving and giving gifts, receptions and other benefits
 - 1. Receiving or giving gifts and other benefits is to foster business relationships shall be operated with caution, reasonability and value suitable for occasions and tradition.
 - 2. Do not offer a bribe, reward, provide or claim for any other inappropriate benefits either directly or indirectly to/from customers, government agencies, private organizations, or any third parties, which influence their neutral judgment or influence others on their duties as to gain improper benefits.

2.7 Information Management

The bank has guidelines to appropriately manage its information and communication as follows:

2.7.1 Information Management

1. Appropriately protect, store and maintain customers' and bank's information, not to disclose it as prescribed by laws. Customers' personal information shall be collected, stored and used properly.
2. Not disclose customers' and bank's information, except when customers' consent is obtained or when the bank has to abide by related laws

2.7.2 Communication

Communications, statements or any information related to the bank, its business and customers provided to mass media or any media shall be conducted properly and correctly, and only by authorized persons acting on behalf of the bank.

2.8 Overall Supervision

The bank shall operate its business in accordance with related laws, bank's regulations and policies, and good governance principles as follows:

- 2.8.1 Provide employees with knowledge and understanding of laws and regulations and potential risks of non-compliance that may affect the bank's operations, image and reputation, and encourage them to be aware of their responsibilities
- 2.8.2 Establish a unit responsible for compliance with laws and regulations. This unit shall perform its duties independently from the bank's management, and be equipped with appropriate staff and other resources
- 2.8.3 Ensure regular review of the compliance with laws, regulations of regulators, policies and regulations of the bank; and provide solutions and preventive measures under the framework of laws, good governance principles, policies and regulations of the bank
- 2.8.4 Appropriately enforce a disciplinary actions against those who do not comply with laws and regulations by considering the effect and nature of offenses; and ensure fairness to all parties without discriminations
- 2.8.5 Provide channels for whistleblowing or to report any suspicious acts against honesty or any acts that does not comply with related laws and regulations

2.9 Trade Competition and Dispute Resolution

To ensure that the bank's operation has been performed efficiently and sustainably, the bank shall proceed as follows:

- 2.9.1 The bank shall operate its business freely and compete fairly without making agreements with other companies to determine purchase price, selling price, or terms of service that are unfair to customers.
- 2.9.2 The bank shall offer products and services that are beneficial and cost-effective to customers, allowing them to choose products and services freely; and not obstruct them when they opt for other bank's services.
- 2.9.3 The bank shall not attack its competitors or take any action that is a monopoly, reduces or limits competition in the market.
- 2.9.4 In case of dispute, the bank shall provide appropriate process to settle or mediate a dispute.

2.10 Society and Environment

The bank is committed to operating its business with responsibility towards society and environment, carefully dealing with any matter that may affect public feelings, and promoting employees' environmental accountability.

Section 3 Code of Ethics for Directors

The Board of Directors plays a vital role in leading the bank to success by determining policies and guiding the employees' behaviors to the right directions. Consequently, the board shall comply with the following Code of Conduct and Ethics in serving as a good role model for executives and all levels of employees.

3. Code of Ethics for Directors consists of 3 areas as follows:**3.1 Business Management**

- 3.1.1 Supervise the business operations without potential risks to the security of the bank
- 3.1.2 Perform the duties with integrity, transparency, morality and justice to ensure that the maximum benefits of the bank has been taken into consideration when making any decision or taking any action without discriminations or abstentions by upholding the principle of equality
- 3.1.3 Perform duties in a professional manner with knowledge, skills, determination and caution; and apply existing knowledge and skills to manage the bank to the fullest
- 3.1.4 Refrain from seeking personal interests and related persons' interests by disclosing or exploiting non-public information or confidential data to a third party that may constitute conflicts of interest both intentionally and unintentionally. Information gained from positions shall not be used for personal financial gains and others
- 3.1.5 Oversee the bank's operations to be in compliance with related laws, regulations and ensure that no facts are concealed and the information is reported accurately, completely, timely and regularly
- 3.1.6 Comply with the laws and regulations relating to the business operations

3.2 Relationship with Shareholders, Customers, Creditors, Business Partners and Employees

- 3.2.1 Directors have responsibilities towards shareholders for information disclosure, accounting practices, insider information and conflicts of interest.
- 3.2.2 Always protect customers' interests, pay attention to and take responsibility towards them by providing good quality products as well as keeping products' standards
- 3.2.3 Behave within the rules of good competition by refraining from destroying the reputation of competitors or dishonest or fraudulent acts to seek for competitors' information
- 3.2.4 Ensure equal employment opportunities and equal employee-related principles; and build confidence that employees have knowledge and skills necessary for their job functions

3.3 Social and Environmental Responsibilities

- 3.3.1 Operate business with social and environmental accountabilities
- 3.3.2 Take precautions and pay attention to any operations that may affect the public
- 3.3.3 Promote environmental accountability among employees

Section 4 Code of Ethics for Employees

4. Code of Ethics for Employees consists of 4 areas as follows:

4.1 Integrity

Integrity is a fundamental qualification of executives and employees at all levels who can possibly provide gains or incur damages to customers, colleagues, shareholders, financial system and society as whole. As a result, in order to win trust and credibility among customers, shareholders and regulators, executives and employees must perform their duties with justice, honesty, mental strength and ethical strength. They may not succumb to bribery or personal gains and have to act in the best interests and satisfactions of customers and public as whole.

A. Code of Conducts for Supervisors and Executives

1. Understand the importance of code of ethics for financial professionals that they have to adhere to honesty as their first priority
2. Be a coordinator who conveys the policies of regulators and shareholders to related parties to understand and put them into practices
3. Be a good leadership role model
4. Encourage and support employees to realize the importance and virtue of performing their duties with honesty and fairness by providing them knowledge, praising and/or rewarding executives and employees who work with honesty, sincerity and morality
5. Build up trust, reliability and satisfaction for customers by pointing out disadvantages, inaccuracy and impact arising from giving bribes, rewards or other undue benefits to employees and executives

B. Code of Conducts for Employees

1. Honesty is the foundation for building trust and confidence among customers, which ultimately leads to business success and higher ethics.
2. Perform duties with honesty and protect the bank's benefits as it is your own business
3. Provide services to customers with a purpose in maximizing their benefits based on honesty and legitimacy
4. Shall not place an importance on their own personal interests over accountability to the bank and shall not seek benefits or embezzle assets likely to belong to the bank or its customers
5. Shall not disclose the information of customers' projects to other persons or shall not run a business to compete with customers
6. Shall be honest with customers and shall not exploit customers' trust to seek personal benefits
7. Avoid receiving anything of value or gifts from customers, if possible, employees shall receive them on behalf of the bank as a service provider and not obtain them for personal benefits
8. Shall not exploit his/her position for personal benefits and shall not allow other persons to seek benefits from his/her own name or position
9. Shall not solicit for any other assets from customers, except expenses and fees charged by the bank

10. Shall not give hope or pledge to customers of any particular subject that he/she has no authority to do so
11. Prompt to resolve customers' problems and be ready to assist as much as possible if the case is not contrary to the bank's benefits or causes any damage to the bank
12. When receiving money from customers to pay to the bank, he/she shall deliver receipt to the customer promptly

4.2 Confidentiality

In the bank's business, keeping confidentiality means securing all major types of information of the bank and customers. The critical information includes:

- Financial information, account, name and address of customers
- Information about the bank's assets
- Information about the internal management of the bank, including statistical figures and various reports
- Information about the bank's former and existing employees
- Information about the bank's business partners
- Information about business communications with government or its agencies

Keeping confidential information of the bank and its customers is very important for any financial and banking business. To some extent, by the nature of business, the employees are privy to the confidential information of customers, which, if disclosed, can cause damages to customers or other parties. Therefore, a guideline has been laid down to protect the reputation and avoid any damage to the bank and its customers.

A. Code of Conducts for Supervisors and Executives

1. Receive guidelines and regulations from coordination unit and apply to the bank's guidelines and policies by setting as the bank's practices
2. The supervisor shall create the bank's environment that supports the protection of confidential information.
3. Set up a department responsible for controlling employees' operations to be in accordance with the regulations of confidential information protection
4. When all employees acknowledge and realize such practices, supervisors and executives are responsible to advise them in case of any interruption as well as paying attention to their opinions and suggestions, and consequently, applying their feedbacks to the bank's practices and operations.

B. Code of Conducts for Employees

1. Keeping the confidentiality of the bank and its customers is a fundamental principle of business. Employees shall maintain customer confidentiality and shall not disclose the bank's information that has not yet been publicly disclosed, except when getting permission from customers or top executives, or complying with the laws.
2. Employees shall not exploit the information obtained or prepared by their assigned duties to seek personal benefits or other persons' benefits.
3. Employees shall be aware of the defined procedures. In case of any obstacles or having opinions and suggestions, employees shall consult with their supervisors and executives to adjust the procedures to suit the bank's operations.

4. Employees shall keep the confidentiality of the customers' information strictly and shall not exploit customers' information for their own benefits.
5. In some cases, employees shall not disclose customers' information to other employees or to other departments because it may lead to conflicts of interest.
6. Employees who are privy to personal information of other employees such as salary and benefits are able to disclose the information to internal and external parties only when necessary with carefulness and strictness.
7. Employees shall not criticize personal matters or information of customers and colleagues in a negative way.

C. Exceptions

In some cases, the bank may disclose confidential information when:

- Required by laws such as court writ
- Required by social responsibility and obligation
- Specially requested by any occasion; however, a written consent from customer is required.

4.3 Professional Ethics

Building awareness among executives and employees to behave in accordance with proper framework of procedures by considering the principles of morality, ethics and justice will result in a positive image of the bank.

A. Code of Conducts for Supervisors and Executives

1. Set guidelines or work manuals comprehensively and clearly as standards for business operation which is grounded in morality, ethics and justice
2. Supervise the operations of employees under supervision and/or in departments related to their duties to ensure compliance with the bank's prescribed guidelines
3. Executives shall behave themselves and act as role models for employees at all levels.
4. Executives shall develop employees to have deeper knowledge and expertise in products and services for the maximum benefits of customers.
5. Shall not induce customers to use the bank's products or services through fraudulent propaganda or exaggerated information that can mislead customers

B. Code of Conducts for Employees

1. Have a positive attitude and loyalty to the bank
2. Efficiently perform duties with knowledge and abilities required by professional standards with carefulness and responsibility
3. Provide important information to customers in regard to their benefits, terms and conditions truthfully, completely and clearly
4. Avoid inappropriate behaviors relating to temptation, drug, all types of gambling, insolvency and immorality, which damage the image of themselves and the bank
5. Always treat customers with equality, honesty and friendliness
6. Cooperate and promote activities that will generate mutual understanding among employees at all levels
7. Follow laws, regulations and standards related to the bank's business strictly

8. Provide customers' information adequately for using in performing duties and servicing them efficiently
9. Design efficient management to maintain healthy financial stability and status to prevent any damage to customers and the general public
10. Compete with peers or other banks under the defined rules and regulations without blaming and defaming others
11. Behave properly as a representative of the bank

4.4 Service to Community

The bank's business operations is not limited only to related associates and customers, as an individual and a juristic person in the society of the country, a financial professional shall realize and be aware of altruism both in business and personal aspects.

A. Code of Conducts for Supervisors and Executives

1. Receive guidelines and regulations from coordinating departments to apply to the bank's guidelines and policies and to set up the bank's practice accordingly
2. Executives shall behave as a good role model and shall encourage members of the bank to realize the importance of social activities.
3. Specify the purposes of the business to benefit society and not cause any damages to society
4. Support and follow the government policies, and take part in government's activities

B. Code of Conducts for Employees

1. Strictly comply with policies or regulations regarding the scope of social practices defined by the bank
2. Participate in and support social and community activities as appropriate
3. Preserve the nation's arts and culture
4. Shall not cooperate or support any activity which negatively impacts environment and society
5. Shall not cooperate or support any activity which could be detrimental to morality or promote temptation

Whistleblower Policy

The bank has determined a whistleblowing policy to ensure the effectiveness of whistleblowing. The procedure and channels of receiving and handling complaints or other significant matters are therefore provided. Moreover, the bank protects whistleblowers from any threat or damages. The practical guidelines are as follows:

1. Whistleblowing / complaints of fraud and corruption

- Employees shall not ignore or neglect when they have found or acknowledged any activity that is contrary to the regulations and orders of bank or any suspicious act of corruption which is related to the bank. Employees shall inform such attempt through channels provided by the bank.
- Employees shall actively collaborate with any investigation process and provide facts of acts that fall under the category of fraud and corruption they have witnessed.

2. Issues for whistleblowing/complaints about fraud and corruption

- Misuse of authority to seek any alleged benefits for individual, family, friend and acquaintance such as giving or taking bribes or benefits, conflicts of interests, deception, violation of the bank's regulations and policies
- Destruction of documents, distortion or concealment of information in order to support corruption
- Suspicious act of corruption or situation/ information that may be within the scope of such act
- Negative impacts from giving corruption clues, providing information, collaborating in investigation process, or refusing to involve in corruption such as being bullied at work, downgraded, penalized, dismissed from work or other impacts that harm whistleblower.
- However, complaints related to problems and/or disputes between individuals or anonymous complaints are not counted as whistleblowing/complaints about fraud and corruptions.

3. Channels for whistleblowing/complaints of fraud and corruption

Witnesses of suspected corruptions or victims of threats from refusing to engage in corruptions can raise any concerns/ lodge any complaints either anonymously or otherwise with clear facts or sufficient evidence to believe that fraud and corruption exist through the following channels.

- | | |
|------------------------------------|--|
| 1) Mr. Pradit Sawattananond | Chairman of Sustainability and Corporate Governance Committee |
| Email: Whistleblowing@lhbank.co.th | |
| 2) Mr. Jumpon Suwannawong | Secretary of Sustainability and Corporate Governance Committee |
| Email: Whistleblowing@lhbank.co.th | |
| 3) The bank's website | www.lhbank.co.th |
| 4) Letter to | Chairman of Sustainability and Corporate Governance Committee |
| | 1 Q.House Lumpini Building, South Sathon Rd. |
| | Thungmahamek, Sathon, Bangkok 10120 |
| 5) Intranet for internal use | |

4. Procedure for handling whistleblowing reports or complaints

The Whistleblowing Handling Working Group was assigned by the Sustainability and Corporate Governance Committee which consists of head of People Group, Internal Audit Group, Legal and Compliance Group and related departments, as the case may be, in charge of scrutinizing internal facts from whistleblowing reports about wrongdoing or corruption, including reporting and following up on consequences and presenting to the CEO and president and the Sustainability and Corporate Governance Committee.

5. Protection for whistleblowers and those who refuse to engage in corrupt practices

The bank has set a protective mechanism for persons who collaborate with the bank for any acts against fraud and corruption which include whistleblowing, providing information and refusing to engage in fraud and corruption, to ensure such acts hold no harm to informants. The mechanism is as follows:

1. The bank will protect the persons who collaborate with the bank for whistleblowing or refusing to engage in fraud and corruption from any trouble, danger or unfair treatment arising from the collaboration of anti-corruption.
2. The bank will not demote, impose penalties, or pose any negative impact on staff or executives who reject fraud and corruption even such acts might cause the loss of business opportunity to the bank.
3. In case the whistleblowers/complainants found to be at risk, they can request for appropriate protective measures from the bank.

4. To protect the rights of complainants supplying information in good faith, the bank will keep their personal information confidential by limitedly revealing the information only among investigation team. If such information is found to be misused and disclosed improperly, it will be considered as a violation and subject to disciplinary actions.

5. In case, employees or executives are found guilty of unfair treatment or causing damages to others with a motive for being reported / complained or refused to involve in corruption, such acts are subject to disciplinary actions.

Receiving general complaints

The bank provides various channels for both internal and external stakeholders to lodge their complaints and sets up the work group to verify the fact to ensure fairness, transparent and accountability.

Channels for complaints

The bank provides channels for shareholders, investors, customers, employees and public to lodge their complaints via 4 independent directors as follows:

Independent directors

Mr. Pradit Sawattananond Chairman of the Audit Committee
Email: pradits@lhbank.co.th

Dr. Supriya Kuandechakupt Member of the Audit Committee
Email: supriyak@lhbank.co.th

Prof. Piphob Veraphong Member of the Audit Committee
Email: piphobv@lhbank.co.th

Mr. Pichai Dusdeekulchai Member of the Audit Committee
Email: pichaid@lhbank.co.th

Bank's website : www.lhbank.co.th

E-mail : presidentoffice@lhbank.co.th

Call Center : 1327

In 2024, the bank did not receive any whistleblowing cases or complaints regarding fraud or corruption.

The bank carried out the whistleblowing process, which can be summarized as follows:

1. The bank reported the complaints made through regulators to the Sustainability and Corporate Governance Committee on a monthly basis.

2. The bank reported whistleblowing cases and complaints to the Sustainability and Corporate Governance Committee on a quarterly basis.

3. The bank has communicated the whistleblowing policy to executives and employees through the company's PacD application.



Preventive Measures for Whistleblowing

The bank adopted the guidelines for risk management and good internal control based on the 3 lines of defense guidelines to its supervision as follows:

First Line of Defense includes executives and employees by campaigning for strict compliance with the code of conduct, rules, regulations, and related policies, communicating with them to emphasize the whistleblowing policy on an annual basis so that they are aware of the guidelines, nature of misconducts, whistleblowing channels and punishments.

Second Line of Defense conducts the risk management by evaluating the efficiency of the bank's risk management system and supervision of legal compliance and related regulations.

Third Line of Defense is the inspection and review of operations to ensure that the bank has sound internal control.

3. Disclosure of policy compliance and reporting for sustainable business development

The bank has established a policy on corporate social responsibility for sustainable business development by integrating CSR into the main process of business operations (CSR-in-Process) and outside the main process of business operations (CSR-after-Process). It also reinforces executives and employees at all levels to engage in and instill a volunteer spirit to build their awareness of social responsibility. Also, it lays a strong foundation for sustainable development which leads to true sustainability of social and national development.

- Disclose the implementation of the social responsibility policy for sustainable business development in various activities of the bank as well as promote employee participation in compliance with the policy and instill awareness of social responsibility among employees of the organization continuously

- Prepare the report on sustainable business development for social responsibilities

Social Responsibility for Sustainable Business Development Policy

The bank is aware of operating business with social responsibility for sustainable growth by focusing on taking care of stakeholders, economy, society and environment with morality and ethics as well as corporate

governance. The business operations must be conducted with honesty, transparency and fairness with the awareness of negative impact on the economy, society and environment. Thus, the bank develops the policy of social responsibilities for sustainable business development in writing following the guideline of Corporate Social Responsibility Institute, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The bank realizes the importance of “dependence” as people in the society are target consumers of all business’ products and services. Therefore, no matter what direction a business organization is developing towards, people in the society inevitably contribute some support. The policy and practical guideline help direct members of the organization to operate CSR-in-process and CSR-after-process by encouraging executives and employees at all levels to instill voluntary spirit and CSR awareness.

The policy on social responsibilities for sustainable business development consists of principles and practical guidelines for directors, executives and employees at all levels to adhere to 9 areas as follows:

1. Good Corporate Governance
2. Fair Business Operation
3. Anti-Corruption
4. Respect for Human Rights
5. Fair Treatment of Labor
6. Responsibilities towards Consumers
7. Cooperation in Development of Community and Society
8. Environmental Management
9. Innovation and Dissemination of Innovative Corporate Social Responsibilities

- **Disclosure of the Policy Compliance and Reporting for Social Responsibility**

The bank discloses its compliance of social responsibility policy in the annual report and the bank’s website, including employees’ participation in conformity with the policy to instill a sense of social responsibility.

4. No violations of human rights and care for public sentiments

The bank recognizes the importance of stakeholders, employees, communities and surrounding societies that should be treated with fairness, equality, respect and dignity. The bank aims to build good relationships, not violate basic rights, and operate its business with great care of public sentiments. This endeavor is fundamental to human resource management and development.

The bank is aware of fair treatments for employees at all levels, ensuring that they will receive appropriate remunerations and benefits while developing their potential for professional advancement and supporting employees participation as well as providing them with several channels to receive complaints and to report any inappropriate acts. Staff members are able to voice their opinions, report or lodge complaints or concerned issues which are considered unfair, corruptive or misconducted through supervisors or other channels. The bank has established independent procedure for receiving complaints with the committee to scrutinize them to ensure fairness and transparency. Verifications and decisions are made by taking into account the results and remedies in accordance with the principles of human rights and with the aim to encourage staff to share their opinions when there are any actions, committed by the bank or employees, that might violate human rights. Such practice ultimately helps reflect problems and solutions.

In addition, the bank supports and respects any protection of human dignity by not engaging in forced labor and child labor exploitation, which affect the confidence of external stakeholders.

Occupational Health and Safety Policy

The bank is committed to complying with laws and regulations regarding safety, occupational health, and the working environment to prevent and reduce accidents, hazards, and work-related illnesses among employees. The bank has established the Occupational Health and Safety Committee and appointed executives and supervisors who have undergone trainings as safety officers to drive the policy and ensure its successful implementation.

5. Reinforcing Fair Treatments of Stakeholders

Fair Treatments of Employees

The bank reinforces the fair treatment of employees based on human right principles and considers their needs to aim for a good relationship between employees and the company by strictly adhering to work regulations and employment laws, promoting skill development, continuously enhancing potential, stability and career advancement. The bank evaluates the performance and manages the compensation and benefits that are commensurate with the duties, responsibilities, and abilities of employees. A provident fund has been established to provide employees with a good quality of life for retirement, including life insurance and health insurance for employees to provide security for their families and provides channels for employees to submit complaints, with the Grievance Review Committee responsible for consideration.

Fair Treatments of Business Partners, Competitors and Creditors

The bank has encouraged fair treatment towards business partners, competitors and creditors in terms of costs and returns. For example, the bank manages its procurements by determining adequate delivery period, and fair trade agreements; does not involve in any activities that violate property or infringe intellectual property; and arranges payments for services or acquisition of properties in a fairly and timely manner. The bank does not seek confidential information of competitors through inappropriate methods or dishonest means, such as bribing competitors' employees, and will not destroy the reputation of business competitors by making malicious accusations. In 2024, there were no disputes and lawsuits among the bank and its partners, competitors, and creditors.

Principle 6 : Strengthen effective risk management and internal control

1. Internal Control and Internal Audit

The Board of Directors supports and places an importance on internal control activities in 5 areas to ensure that the bank has adequate and appropriate internal control to achieve the established objectives of business operations under the good compliance and internal control as follows:

- Environment
- Internal control
- Risk assessment
- Information technology system control and communication
- Monitoring and evaluation

2. Risk Management

The Board of Directors places an emphasis on risk management across the organization and monitors the financial business group to have risk governance framework and risk culture. The Board of Directors has established the risk management policy and risk management procedures which consist of risk identification, risk assessment, risk monitoring and controls, and risk reporting; and regularly reviewed the adequacy and effectiveness of risk management.

3. Compliance with Regulations

The Board of Directors, executives and employees of the companies in the financial business group have complied with related laws, regulations and rules to ensure that all companies have operated their businesses with responsibilities, transparency, equitable treatment of stakeholders and management with honesty. The bank also ensures its operations have complied with supervisory regulations, provides the procedure for related party transactions with performance report, data storage and booking according to financial reporting standards.

In 2024, the bank has not committed any offenses or violations of the law until criminal proceedings have been taken or civil sanctions or administrative action.

Head of Compliance Division

Name	Mr. Jumpon Suwannawong
Position	Head of Legal and Compliance Group and Acting Head of Compliance
Age (Years)	58
Education	- Bachelor of Laws, Thammasat University
Trainings	- Anti-Money Laundering and Counter Terrorism and Proliferation of Weapons of Mass Destruction Financing (AML/CTPF) for Executives - Fundamental of Operational and IT Risk Management Course for Executives - Data Governance Framework Introduction (Data Governance) for Executives - Information Technology Security Awareness Training 2024 : LH Bank

Work experiences in the past 5 years

❖ Current Position in Listed Companies on the Stock Exchange of Thailand - None -

❖ Current Position in 1 Non-listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
May 2022 - Present	Head of Legal and Compliance Group	Land and Houses Bank PLC
2020 - 2022	First Senior Vice President Legal Consultant and Data Protection	
2019 - 2020	First Senior Vice President Corporate Affairs and Legal	

Duties and Responsibilities:

Wholesale Banking Compliance Department

- To be a center of rules, regulations and regulatory requirements regarding commercial banking business
- To oversee, monitor and control the bank's operations in compliance with the Financial Institutions Business Act, B.E. 2551, Securities and Exchange Act, B.E. 2535, their amendments as well as relevant regulatory requirements
- To analyze the notifications and regulatory requirements, formulate an operational plan for business units such as preparation of policies, regulations, operating manuals to comply with regulations, and monitor the results of operations according to the operational plans relating to wholesales banking business
- To evaluate appropriateness of processes and practices on compliance and to launch new products/services or new businesses relating to wholesales banking business

- To provide advice and recommendation on regulations of the Bank of Thailand and other regulatory requirements relating to wholesales banking business
- To be a center for the preparation of permission/approval letters, request for waivers and consultations, and report to the Bank of Thailand, relating to wholesales banking business
- To provide the compliance actions and annual plans regarding wholesales banking business as required or requested by regulators

Retail Banking Compliance Department

- To be center of retail product regulations
- To oversee the bank's operations in accordance with the Financial Institutions Business Act B.E. 2551 and its amendment as well as related regulations
- To analyze announcements and regulations, and determine operational plans in accordance with business units, such as the formulation of policies, regulations, operational manuals on retail banking products
- To evaluate the effectiveness of the process or new product launching guidelines relating to retail banking products
- To provide advice on regulations of the Bank of Thailand and other government regulations relating to retail banking products
- To be the center for the preparation of permission letters, request for waivers and advice, and report to the Bank of Thailand and other government regulations relating to retail banking business
- To provide plans, ensure the implementation to be in line with the business plans and supervise the regulatory compliance on matters relating to retail banking products
- To prepare an annual report concerning retail banking business for submission to the Bank of Thailand, the Securities and Exchange Commission and the Office of Insurance Commission
- To regularly organize trainings for employees at all levels on relevant laws and regulations
- To oversee, monitor and review information related to customer complaints and handle such complaints effectively

Information Technology Compliance Department

- To be a data center for information technology regulatory requirements by setting up supervisory guidelines or work regulations in compliance with international standards, rules and regulations, randomly reviewing operations to comply with regulations, monitoring identified defects and proposing solutions
- To request for permission, waiver, consultation and acknowledgement of IT matters from regulators
- To oversee IT operations to comply with laws, policies, rules and regulations
- To oversee the use of IT outsourcing services by supervising and reviewing the draft contract of IT outsourcing services as required by the Bank of Thailand
- To renew the license of smart card reader software
- To compile data set reports used for IT risk oversight and other reports as required by the Bank of Thailand, the Office of Securities and Exchange Commission and the Stock Exchange of Thailand or other regulators
- To report significant events of IT system to the Bank of Thailand and the Office of Securities and Exchange Commission

- To compile the statistical records of IT system failures from 4 channels: mobile banking, internet banking, ATM/CDM and branches, and disclose such statistical records of IT failures affecting critical services
- To prepare the annual report for submission to the Bank of Thailand and the Office of Securities and Exchange Commission

AML/CFT Compliance Department

- To oversee the compliance with international FATF standards in terms of the Anti-Money Laundering and Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) and Foreign Account Tax Compliance Act (FATCA) to align with relevant laws, policies and regulations, to be a center of official data for the said standards and to assess the compliance with relevant laws, policies and regulations
- To randomly review the AML/CFT operations against regulations and monitor identified defects and propose solutions
- To prepare a 1-01, 1-02, 1-03 and 1-05-9 report according to guideline and duration set by the Anti-money Laundering Office
- To inspect financial transactions according to regulatory letters
- To verify information according to orders of regulators such as designated person information and persons with high risk for money laundering from the Anti-money Laundering Office
- To regularly provide trainings on the compliance with the Anti-money Laundering Act, B.E. 2542, the Counter-Terrorism Financing Act, B.E. 2556 and the Guideline on Customer Due Diligence for Financial Institutions, Banking and their amendments as well as relevant regulatory rules and regulations
- To prepare the annual report for submission to the Bank of Thailand
- To conduct a risk assessment of internal anti-money laundering compliance

Governance Compliance and Planning

- To prepare strategic plans as the guideline for operations to comply with policies
- To provide the annual compliance report to the Bank of Thailand, the Office of Securities and Exchange Commission and other regulators as required

Number of Personnel in the Compliance Division as of December 31, 2024

There were 27 staffs in the Compliance Division in total consisting of 3 in Wholesale Banking Compliance, 5 in the Retail Banking Compliance, 5 in the Information Technology Compliance, 12 in the AML/CFT Compliance and 2 in the Governance Compliance and Planning.

4. Prevention of Conflicts of Interest

The Board of Directors takes heed of transactions with potential conflicts of interest, inappropriate connected transactions and connected transactions whose pricing and conditions should be determined similarly to those of external parties. In addition, the disclosure of information shall conform to rules, regulations and laws.

Conflicts of Interest Prevention Policy

To run the business, the Board of Directors places importance on building creditability and trust and considering the best interests of the bank's shareholders and all related parties while preventing any loss and damage to the bank's reputation and image. The bank then determines the conflicts of interest policy to be adhered to as the operational guideline. Its principle and practical guideline are as follows:

Conflicts of Interest Principle

1. The bank's transactions shall be conducted by eliminating conflicts of interest with prudence and rationale within a good ethical framework for the best interests of the bank, shareholders and all groups of stakeholders. Therefore, directors and executives who may have benefits related to the bank's transactions shall be prohibited from perusal process or approval process.

2. Transactions between the bank and companies in the financial business group shall be conducted at arm's length with those of other individuals who possess a similar risk level, as required by policies, regulations and laws.

3. Any related-party transaction connected transaction and information disclosure shall comply with rules, regulations and related laws.

4. Directors and executives shall strictly follow the insider trading policy.

5. Directors and executives shall disclose the information about transactions with companies in the financial business group accurately and adequately for the purpose of making decisions, consideration and approval of the said transactions of the bank or companies in the same financial business group.

6. Securities trading shall comply with the rules and regulations on securities trading of regulators.

Practical Guidelines for Conflicts of Interest

The bank emphasizes the prevention of conflicts of interest by laying down the following guidelines.

1. To determine the measures to prevent misuse of information

2. To determine the operational regulations to prevent any action that may cause conflicts of interest, connected transactions or improper related party transactions

3. To determine the measures to monitor, control and audit the implementation of measures

The bank has disclosed the details of transactions with potential conflicts of interest or connected transactions as regulated by the Securities and Exchange Commission and Capital Market Supervisory Board in the annual report. The disclosure of related party transactions has also been made to the Stock Exchange of Thailand and connected transactions have also been revealed in the notes to the financial statements.

Directors shall immediately inform the bank when having conflicts of interest both directly and indirectly in any contracts of the bank or in case of any doubts over conflicts of interest.

At the Board of Directors' meetings or shareholders meetings, the bank's directors, executives, or shareholders who hold stakes in any agenda items shall promptly inform their stake information and related persons' stake information to the meeting for acknowledgment. They shall have no rights to vote in such agenda so that the meeting can consider and make decisions for the benefits of the bank.

Any directors or persons who may have stakes or conflicts of interest in any agenda items shall not participate in the consideration and have no authority to approve the operations or cast votes for such agenda items as required by the Securities and Exchange Commission and/or the Stock Exchange of Thailand. The details of stakes and conflicts of interest shall be recorded in the resolution of that agenda in the meeting minutes.

Directors are responsible for reporting their securities trading and changes in their securities holding in the bank to the Board of Directors.

The Board of Directors is aware of transactions with potential conflicts of interest, inappropriate related party transactions or connected transactions whose pricing and conditions shall be set at arm's length with external parties. In addition, the disclosure of information shall conform to laws and regulations.

In 2024, the bank posted the conflicts of interest policy through the bank's intranet with 100% acknowledgement by executives and employees.

Anti-corruption Policy

The bank is determined to operate its business in line with laws, honesty, moral, code of conduct and business ethics, as defined in organizational values. The bank also aims to perform business together with social responsibility and good corporate governance. The bank then formulates the anti-corruption policy to be used as the operational guideline and joined the Thailand's Private Sector Collective Action Against Corruption (CAC). Key executions are as follows:

1. The bank places an emphasis on the anti-corruption as follows:

1.1 Gifts, Hospitality and Benefits

Do not give or accept any gifts or presents including other benefits that motivate employees to perform or neglect their duties unlawfully or may cause any inappropriate relaxation in business agreement. It is required to follow the requirements stipulated in the code of conduct and business ethics, the code of ethics for directors and for employees.

1.2 Bribes and Incentives

Do not give or accept all forms of bribes and incentives, and do not assign others to give or take any forms of bribes and incentives on one's behalf

1.3 Charitable Donations and Sponsorship

Charitable donations and sponsorship must be transparent and not contrary to laws and morals.

1.4 Political Activities and Participation

1. The bank shall not take the bank's capital or other resources to support any candidates, political parties, or political campaigns or movements, unless the sponsorship is permitted by law for democracy promotion. Such support needs approval from the Board of Directors before proceeding.

2. A director shall show honesty, be good role models for the compliance with the anti-corruption policy, create understanding and encourage employees in the financial business group to consistently and seriously adhere to the anti-corruption policy while embedding such policy into organizational culture.

3. A director shall not ignore or neglect when seeing any actions that are related to corruption in the bank. It must be reported to the responsible persons or units and they must collaborate with the investigation process.

4. The bank shall provide proper supervision for the operations of the companies in the financial business group with standard internal control mechanisms; significant risk assessment; efficient control activities; and delegate duties and responsibilities appropriately. Besides, reliable and sufficient information system is required to regularly monitor and evaluate internal control.

5. The bank requires companies in the financial business group to publicize its anti-corruption policy via both internal and external channels such as intranet, bank's website and annual report. Such policy is the practice under Thailand's law regarding anti-corruption.

6. Any actions in accordance with the anti-corruption policy are required to follow the guidelines as given in the "good corporate governance policy", "the code of conduct manual", the related bank's policies and regulations, and other guidelines that the bank will subsequently set up.

7. In case employees violate the rules and regulations by performing corruptive actions, which are considered as an offense against the bank, they are subject to disciplinary actions specified by the bank's regulations. If the actions break the laws, they must be investigated and face penalties.

The bank has expressed its intention to become a driving force for fighting against all forms of corruption by participating in various activities held by public and private organizations, including the Office of

the National Anti-Corruption Commission, the Office of Public Sector Anti-Corruption Commission and the Anti-Corruption Organization of Thailand.

In 2024, the bank took actions to prevent anti-corruption which can be summarized as follows:

1. The bank reviewed its anti-corruption policy, which was approved by the Board of Directors Meeting No. 4/2024, held on April 22, 2024.
2. The bank has communicated its anti-corruption policy and guidelines for interfacing with government agencies and public officials to employees through E-learning via the PacD application. A total of 1,394 employees have acknowledged, representing 98.9% of the workforce.
3. The bank communicated the anti-corruption policy to executives and employees via the bank's intranet, with 100 percent acknowledgement by executives and employees.
4. The bank communicated its anti-corruption policy to the public through the bank's website.
5. The bank arranged trainings for all new employees in the form of E-learning through the PacD application on the topic of code of conduct and code of ethics for employee. This involves measures for managing conflicts of interest, preventing insider trading, related parties' transactions, including accepting and offering gifts, entertainments and other benefits.
6. The bank has communicated the guidelines regarding No Gift Policy to executives and employees through the PacD application and the bank's website and join activities with CAC to No Gift Policy campaign during the New Year festival (No Gift Policy) on behalf of Land and Houses Financial Business Group via Thai CAC Facebook.



7. Executives and employees attended the International Anti-Corruption Day (Thailand) under the concept of "Fight Against Corruption" to show their intention to oppose all forms of corruptions and promote transparent business operations under the corporate governance principles on December 9, 2024.



8. The bank has no lawsuits and/or investigations from government agencies or regulators and/or news related to corruption.

Principle 7: Ensure Disclosure and Financial Integrity

The Board of Directors oversees and assures complete, timely and transparent disclosure of its financial and non-financial information via easily accessible, equal and reliable channels.

1. Disclosure of Financial Information and Non-financial Information

The bank has disclosed its material information to shareholders, investors and public with transparency, accuracy, completeness, timeliness and accountability in compliance with related laws and regulations in both Thai and English version via various channels which are easily accessible, equal and regularly updated as follows:

1. The bank's website (www.lhbank.co.th) where information is available in 2 languages: Thai and English
2. IR / PR news of the bank
3. Press conferences and PR news distribution
4. Postal delivery to shareholders
5. Announcement in newspapers

The Board of Directors places an emphasis on the quality of financial statements and adequate disclosure of financial information. Disclosures are in line with the Bank of Thailand, the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and Financial Reporting Standards. The financial statements are reviewed / audited by certified public accountants and endorsed by the Audit Committee and the Board of Directors before disclosure.

In addition, the bank has disclosed financial statements on a quarterly, half-year and yearly basis, coupled with significant information in notes to financial statements, management discussion and analysis (MD&A) and capital requirement disclosure (Pillar III Report) of the financial business group, allowing investors to know the information and understand changes in the bank's financial position and operating result which will be beneficial to shareholders, investors and public.

The Board of Directors provides the report on its responsibilities towards the bank's financial statements and financial information. The report is submitted together with auditor's report in the annual report. The bank's financial statements must be made in accordance with the financial reporting standards by utilizing proper accounting policies with regular practice.

The bank published the 2023 annual report within 120 days from the end of the fiscal year through the bank's website on March 12, 2024.

The bank's communication channels and contact:

Address	:	1 Q.House Lumpini Building, 5 th Floor, South Sathon Rd., Thungmahamek, Sathon, Bangkok 10120
Telephone	:	0 2359 0000 Ext. 2021, 2024
Fax	:	0 2677 7223
Email	:	presidentoffice@lhbank.co.th
Website	:	www.lhbank.co.th

The bank has disclosed the shareholding structure and shareholding information of directors and executives together with direct and indirect shareholding of their spouses and minor children in the annual report.

The bank has assigned a department to be responsible for disclosing information, receiving requests and providing information as well as building good relationships with shareholders, investors, analysts and other related organizations.

The bank prepared several reports to be disclosed to the public on a fair and straightforward basis with clear explanations of its performance including significant events occurred throughout the year for shareholders' acknowledgement.

The Board of Directors has assigned the Audit Committee to review the financial reports of the bank to ensure their compliance with financial reporting standards with adequate information disclosure.

The bank has disclosed the reports of sub-committees, Board of Directors and lists of directors and their authority, total number of meetings; attendance of individual director, remuneration of directors, profiles of directors and executives, the bank's information, and reports of certified public accountants in the annual report and the bank's website.

The bank notifies the details and supporting documents of the shareholders meetings in Thai and English to investors in advance through the bank's website. This way, shareholders can have enough time to study the supporting documents beforehand. Besides, the bank advertises the notices of shareholders meetings in the newspaper for 3 consecutive days at least 3 days prior to the meeting date. Each item on the agenda is clearly stated whether it is matters for acknowledgement, matters for approval or matters for consideration, together with the Board of Directors' opinions on each item.

2. Investor Relations Function

The bank has assigned the company secretary to be responsible for investor relations to publicize the bank's financial and general information to shareholders, investors, analysts and related regulators through the following channels: the Stock Exchange of Thailand, the Securities and Exchange Commission and the bank's website under the topic of "Investor Relations", enabling interested persons to study the information with ease.

In 2024, the bank released a number of news to mass media, investors, securities analysts. It is another channel to effectively communicate with all stakeholders about the bank's information.

3. Appointment of Auditors and Audit Fee

The Audit Committee considered the qualifications and performance of auditor, proposed to the Board of Directors for consent and the board will propose it to the shareholders meeting for approval. The list of prospects to be appointed as the bank's auditor shall be consented by the Bank of Thailand and disclosed in the annual report.

According to the bank's policy, all companies under the LH Financial Group public Company Limited financial business group shall have the same external auditor which currently is KPMG Phoomchai Audit Limited.

The remuneration that was paid to **KPMG Phoomchai Audit Limited** was as follows:

1. Audit Fee

Table: Audit Fee of 2024 and 2023

Audit Fees (Baht)		Change Increase (Decrease)	
2024*	2023**	Amount (Baht)	%
5,800,000	5,800,000	-	-

Note: * Audit fee for KPMG Phoomchai Audit Limited

** Audit fee for EY Audit Limited

2. Non-audit Fee

- None

Principle 8: Ensure engagement and communication with shareholders**1. Rights of Shareholders**

Never conduct any acts of infringements or deprivations of shareholders' rights and all shareholders are encouraged to exercise their fundamental rights as stipulated by law.

2. Protection of Shareholders Rights and Equitable Treatment of Shareholders

In recognition of the significance of shareholders' basic rights, the bank is committed to ensuring equitable treatment of all shareholders and urging individual and institutional shareholders to exercise their basic rights as stipulated by law. Such basic rights include the right to buy, sell or transfer securities they own, the right to receive a share of the bank's profits, the right to receive dividends, the right to appoint a proxy to attend the meetings and cast their vote, the right to participate in the meetings of shareholders and vote for the appointment or removal of directors, the right to determine directors' remuneration, the right to appoint auditors and determine audit fees, the right to express their opinions and ask questions at the shareholders meetings and the right to obtain adequate information via easily accessible communication channels.

The Board of Directors places an emphasis on the rights of all stakeholders, whether they are internal stakeholders: directors, executives and employees of the bank or external stakeholders: all shareholders, competitors, government sector and other related agencies. The bank has a policy of transparency in conducting its business operations and encourages active collaboration between the bank and its stakeholders for mutual benefits, while ensuring all stakeholders are well protected and treated.

The Board of Directors recognizes the importance of accurate, complete, timely and transparent disclosure through the bank's website, www.lhbank.co.th, in both Thai and English to ensure that stakeholders have easy access to the bank's information and news.

The bank encourages shareholders to fully exercise their rights by providing them with convenient access to participate in shareholders meetings and cast their vote. The bank shall refrain from any action that may limit shareholders' opportunities of attending the meeting and voting. The voting is required to be conducted with simple procedures, for instance, providing relevant information via the bank's website, assigning the company secretary to directly communicate with shareholders, and facilitating the attendance of shareholders meetings, etc.

3. Shareholders Meeting

Before the Annual General Meeting of Shareholders, with the aim of encouraging and supporting all groups of shareholders, including institutional shareholders to pay attention to the meeting attendance, the bank provides the invitation letter to inform shareholders of the meeting schedule, agenda and supporting documents in both Thai and English, which clearly specifies whether the matters are for acknowledgement, approval or consideration including directors' opinions, facts and reasons of each agenda sufficient for making decisions. Such information and materials are disclosed to the public on the bank's website at www.lhbank.co.th 7 days prior to the meeting date, enabling the shareholders to have sufficient time to study the information. In addition, the bank will disseminate the notice together with supporting documents to the shareholders not less than 7 days before the date of the shareholders meeting as specified by the law. The bank will also advertise the notice of shareholders meeting in the newspaper for 3 consecutive days at least 3 days prior to the meeting date. The invitation letter sent to shareholders are as follows:

1. Invitation letter including the explanation and reasons for each agenda items and the Board of Directors' opinions
2. Annual report
3. Biographies of proposed directors for shareholders to elect

4. Details of the shareholders' registration and identification documents before the meeting, proxy appointment, voting and method of vote counting
5. Articles of Association of the bank, concerning the shareholders meeting
6. Proxy form A, form B and form C
7. Biographies of independent directors for shareholders' proxy appointment to attend the meeting
8. Definition of independent directors
9. Map of the meeting venue
10. Request from for a print copy of annual report

The Annual General Meeting of shareholders is required to be held within 4 months after the end of accounting period, the Board of Directors may summon the Extraordinary General Meeting on the date, time and place determined by the Board of Directors. Besides, a shareholder or many shareholders who hold shares in aggregate not less than 10 percent of the total paid-up share capital may jointly submit a letter to the Board of Directors requesting an Extraordinary General Meeting at any time. Matters and reasons for calling the meeting are required to be specified in the letter. In this case, the Board of Directors must hold an Extraordinary General Meeting within 45 days from the date of receiving the notice.

The bank encourages and promotes all groups of shareholders including institutional shareholders to attend the shareholders meeting as the shareholders have the right to own the bank by appointing a director to act on their behalf and have the right to make decisions on the significant changes of the bank.

At the Meeting Date

- The bank carefully conducts the shareholders meeting in order to make it fast and accurate, starting from the preparation for participants' information, attendance registration, processing of voting results on each agenda and summary report.
- On the date of the shareholders meeting, the shareholders can register 2 hours before the meeting starts. The bank provides convenience for the shareholders prior to the meeting such as preparing place and staff in order to run the registration smoothly and fast.

Attending the Shareholders Meeting

- During the meeting, the shareholders can register to attend the meeting to exercise their voting rights on any agenda that have not yet been voted.
- At the 2024 Annual General Meeting of Shareholders, the bank nominated 2 independent directors: the chairman of the Audit Committee and a member of the Audit Committee to act as shareholders' proxies. The bank has sent the notice of AGM with Proxy Form B and Proxy Form C to the shareholders, enabling them to determine the direction of voting. In addition, the shareholders can download other types of proxy forms from the bank's website in both Thai and English.
- At the 2024 Annual General Meeting of Shareholders, all 11 directors attended the meeting in person.

4. Open Session for Shareholders' Queries and Comments

- At the shareholders meeting, the chairman of the meeting shall allocate appropriate time and encourage equal opportunity for shareholders to express their opinions and queries.

Conducting the Meeting and Voting

- **Before the meeting starts**, the chairman welcomes and opens the meeting by presenting the number and proportion of shareholders and proxies attending the meeting as well as clarifying rules, voting rights required for each agenda item, voting procedures and vote counting.
- **Conducting the Meeting**
 - The bank accommodates the shareholder's meeting by keeping the process correct following the related law, regulations and the good corporate governance principles.
 - The bank allows shareholders sufficient time to consider the meeting agenda in the order specified the invitation letter, unless shareholders holding total number of shares not less than two-thirds of the total number of shareholders attending the meeting resolve to change the order of the agenda. In addition, the shareholders holding a total number of shares not less than one-thirds of the total number of paid-up shares may request the meeting to consider other matters in addition to those specified in the invitation letter.
 - The 2024 Annual General Meeting of Shareholders was conducted according to the Articles of Association and arranged in the order as identified in the invitation letter. There was no addition or switch of agenda items as well as changes in material information without prior notice to shareholders.
- **Voting Process**
 - For each agenda, a shareholder who attended the meeting present in person or being represented by proxy carries one vote per share. Regarding the agenda of the appointment of directors, the voting shall be done on an individual basis. The bank shall utilize voting forms for all agenda. After the vote count is completed, voting results of each agenda will be announced to the meeting, by specifying the vote results as "Approved", "Disapproved", "Abstained" and "Voided Ballot".

5. Minutes Preparation and Resolution Disclosure

- **After the Shareholders Meeting**
 - The bank carefully prepared the minutes of shareholders meeting both in Thai and English, containing the comprehensive important information such as the list of directors attending and absent from the meeting, executives attending the meeting, resolutions of the meeting, voting results for each agenda item divided into "Approved", "Disapproved", "Abstained" and "Voided Ballot", queries and answers as well as opinions of the meeting.
 - The bank submitted the annual report with the copy of balance sheet, profit and loss account, and the copy of the 2024 minutes of Annual General Meeting of Shareholders with authority signed for correctness to the registrar of Department of Business Development, Ministry of Commerce within the duration of 1 month from the date of shareholders' meeting and published the minutes of shareholders meeting on the bank's website.

6. Equitable Treatment of Shareholders

The bank is fully aware of its duty to ensure that every shareholder will be treated and protected equally and fairly based on their fundamental rights, by providing measures to prevent conflicts of interest or the misuse of insider information for benefits of their own or others.

7. Protection of Rights of Minority Shareholders

- The Board of Directors realizes the rights and equality of individual shareholders and treats all of them, whether they are majority or minority, individual or institution, foreign or Thai, fairly and equally. All shareholders shall receive important and accurate information at the same time to protect their basic rights.

8. Protection of Insider Information

- **Insider Trading Policy**

The Board of Directors realizes to keep and protect the use of internal information, the bank has set up the policy in writing to oversee the use of inside information as a guideline for maintaining confidentiality of the bank, to ensure equal information disclosure and to prevent the misuse of internal information for benefits of directors, executives and employees, including their spouses and minor children so that they can perform duties with honesty, fairness, compliance with laws and regulations and do not give priority to their own interests over the responsibilities towards the bank. Moreover, employees are not allowed to use internal data for personal gain in order to enhance good corporate governance as follows:

1. To prohibit directors, executives, employees, and their spouses, minor children, who are aware of material information and financial statements of the bank that is yet to be disclosed to the public both internal and external, especially insider information. This includes information between business units to prevent pre-mature non-public information disclosure, except the business units that required to know by nature and assigned as custodian same as the information owner.

This does not include providing information to regulatory authorities such as the Bank of Thailand and Securities and Exchange Commission.

2. To prohibit directors, executives, employees, and their spouses, minor children, who are aware of material information and financial statements of the bank from trading or transferring LH Financial Group Public Company Limited's securities within 30 days before financial statements disclosed to the public.

The first 4 directors and executives, according to the definition in the announcement of the Capital Market Supervisory Board, have a duty to report any changes in shares holding within 3 business days from the date of the transaction (In the case where the total value of the transaction is equal to or greater than Baht 3 million, or when the accumulated value reaches Baht 3 million.) and report any changes in securities holding within 3 business days or within 6 months from the date of the first transaction (In the case where the total value of the transaction is less than Baht 3 million), whichever comes first, and report the securities holding and any changes in securities holdings to the Board of Directors on a monthly basis.

The company secretary will send the written notifications via e-mail of blackout period to all related parties in advance to prevent the risk of illegal insider trading.

In 2024, the bank took actions to prevent insider trading which can be summarized as follows:

1. The bank has reviewed the insider trading policy, approved by the Board of Directors Meeting No. 12/2024 on December 19, 2024.
2. The bank has communicated the insider trading policy through the bank's intranet system, with 100% acknowledgement by executives and employees.
3. The bank did not have any wrongdoings regarding the insider trading.

3.3 Sustainability Management in Environmental Dimensions

The bank together with the companies in the financial business group, LH Financial Group Public Company Limited, has carried out environmental sustainability activities with awareness and determination to play part in dealing with global warming and promote a goal of carbon-neutral organization. In 2024, the bank has been granted the certificate of Carbon Footprint for the organization heading for explicit guidelines to effectively reduce the organization's greenhouse gas emissions and has received the Carbon Neutral Certificate after it had succeeded in offsetting corporate carbon footprint of 2,512 tons of carbon dioxide equivalent (tCO₂e) by Thailand Greenhouse Gas Management Organization (Public Organization). Additionally, the bank has received a plaque of honor for leading an organization in greenhouse gas management (Climate Action Leading Organization: CALO). This award reflected its determination to take part in management and drive the greenhouse gas emission in the organization substantially as to support Thailand to achieve the goal of net zero greenhouse gas emissions within 2065.



Environmental Supervision

The Board of Directors of the bank has appointed the Sustainability and Corporate Governance Committee to oversee sustainability activities. And to drive the sustainability initiatives, the bank has established the Sustainable Banking Committee to drive the organization's business operations while considering environmental and climate change aspects. A dedicated unit has been set up to manage environmental operations related to internal activities and collect environmental data for reporting and improving proper operations.

The bank has established a corporate social responsibility for business sustainability policy for environmental management, recognizing the importance of conducting business in a way that does not have negative impacts on the environment and promotes the efficient use of resources, and also set operational frameworks and sustainability goals to be the guidelines for both the bank and its employees in driving environmental initiatives.

Carbon Footprint for Organization (CFO)

The impacts of global warming have prompted international communities, including Thailand, to become more alert and take urgent actions to curb GHG emissions with the concept of Carbon Footprint for Organization (CFO). It is recognized as an important tool in quantifying and reporting GHG emissions from an organization's activities calculated in terms of carbon dioxide equivalent, which can lead to explicit management guidelines to effectively reduce the organization's GHG emissions.

With the intention to address global warming, the financial business group, LH Financial Group Public Company Limited, has set targets for CFO by sending their personnel to join various activities, trainings and seminars and signed the memorandum of agreement with Thailand Carbon Offsetting Program (T-COP 8) to promote the voluntary national carbon markets for the 8th year, hosted by VGREEN, Faculty of Environment, Kasetsart University, to be a pilot voluntary organization to quantify their GHG emissions and consider effective ways to alleviate GHG emission resulting in sustainable development of organization and employees.

In 2024, the bank prepared a report assessing the greenhouse gas emissions resulting from various activities as well as its supply chain, covering both direct and indirect emissions. This report aligns with the requirements for calculating and reporting the organization's carbon footprint as stipulated by the Thailand Greenhouse Gas Management Organization (Public Organization). The organizational boundary follows the financial control approach, considering the greenhouse gas emissions from activities at both the headquarters and branches from Scope 1 and 2 as well as Scope 3.

Table: Assessment Results on GHG Emissions Arising from Various Activities in the organization in 2024

Table: GHG Emission Results from Scope 1-3.

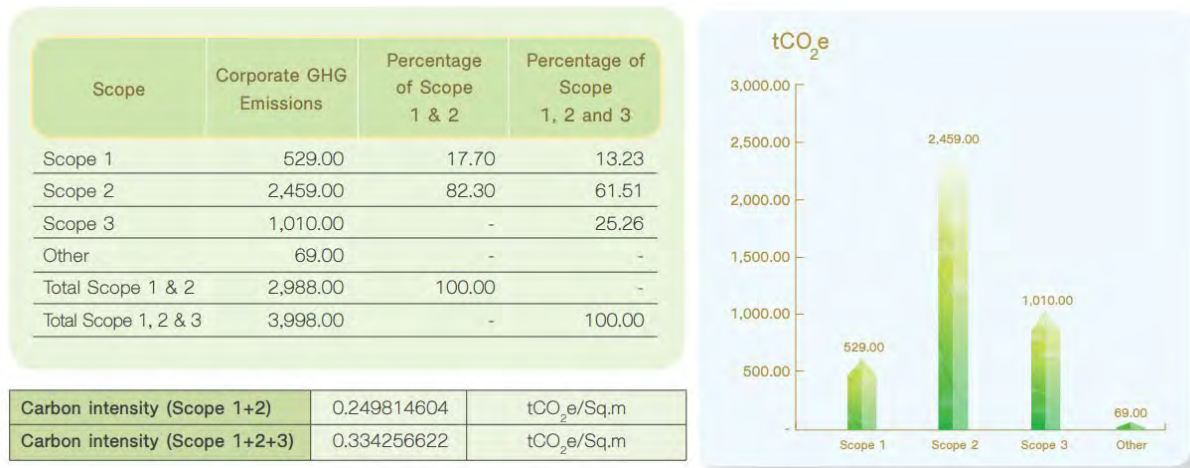


Table: Total Scope 1 of GHG Emission

Source of GHG Emission		Amount of GHG Emission (tCO ₂ e)								Total GHG (tCO ₂ e)
		CO ₂	Fossil CH ₄	CH ₄	N ₂ O	SF ₆	NF ₃	HFCs	PFCs	
1	Use of diesel for fire pump	0.24	0.00	-	0.00	-	-	-	-	0.24
2	Use of diesel for generator	0.99	0.00	-	0.00	-	-	-	-	0.99
3	Biodiesel consumption	-	-	0.00	0.00	-	-	-	-	0.00
4	Use of diesel: Fleet card	58.43	0.09	-	0.81	-	-	-	-	59.33
5	Use of gasoline: Fleet card	442.18	4.79	-	13.53	-	-	-	-	460.49
6	Use of diesel: Vehicle expense	1.31	0.00	-	0.02	-	-	-	-	1.33
7	Use of gasoline: Vehicle expense	5.73	0.06	-	0.18	-	-	-	-	5.97
8	Ethanol consumption	-	-	0.07	0.13	-	-	-	-	0.20
9	Biodiesel consumption	-	-	0.00	0.01	-	-	-	-	0.01
10	Fire extinguishing agent: FM200	-	-	-	-	-	-	-	-	-
11	Use of fire extinguishing agent: Carbon dioxide	-	-	-	-	-	-	-	-	-
12	Refrigerant: R410a in air conditioner	-	-	-	-	-	-	-	-	-
13	Refrigerant: R407c in air conditioner	-	-	-	-	-	-	-	-	-
14	Refrigerant: R134a in air conditioner	-	-	-	-	-	-	-	-	-
15	Refrigerant: R32 in air conditioner	-	-	-	-	-	-	-	-	-
Grand Total		508.88	4.94	0.07	14.67	-	-	-	-	528.57

Table: Total Scope 2 of GHG Emission

Source of GHG Emission	Amount of GHG Emission (tCO ₂ e)
Electricity consumption	2,458.14
Grand Total	2,458.14

Table: Total Scope 3 of GHG Emission

Source of GHG Emission	Amount of GHG Emission (tCO ₂ e)
1) Acquisition of A4 paper in organization	83.10
2) Use of tap water	16.87
3) Use of electricity	485.33
4) Acquisition of gasoline fuel	68.94
5) Acquisition of diesel fuel	7.19
6) Waste management in communities	281.37
7) Recycling waste management	0.74
8) Business trip by plane	56.62
9) Business stay	9.54
Grand Total	1,009.71

In 2024, the percentage of GHG emission (Scope 1 & 2) per operating income was equal to 37 percent.

Currently, the company has been reviewed by the LRQA and is under process for verification of GHG emissions from various business activities of 2024, which still contains its scope of work and financial control, by considering the Scope 1, 2 and 3 emissions and employing the same verification criteria to the organizational carbon footprint provided by Thailand Greenhouse Gas Management Organization (Public Organization) : TGO. The company filed a request for CFO certification for carbon footprint registration during the consideration by TGO meeting No. 2/2025.

Carbon Credits

TGO has initiated the Carbon Offsetting Program with an aim to encouraging all sectors to participate in carbon offsetting activities as an expression of social responsibility and to generate demand for carbon credits in the Clean Development Mechanism (CDM) and the Thailand Voluntary Emission Reduction Program which support and enhance the local voluntary carbon market, leading to a greater drive to reduce overall GHG emissions.

The financial business group, LH Financial Group Public Company Limited, recognizes the importance of the mentioned mechanism and supports the Voluntary National Carbon Markets with a policy to create carbon neutrality. In 2024, the company offset corporate carbon footprint of 3,998 tCO₂e to the carbon dioxide levels emitted from Scope 1, 2 and 3 sources equivalent to planting 2 6 6 ,534 perennial trees or equivalent to absorbing a significant amount of carbon dioxide in 7,955 rai of forest areas.

Energy Management

The financial business group, LH Financial Group Public Company Limited, continues to manage electricity and tap water to achieve efficient and effective use, for example:

- The company has renovated the office building and maintained office equipment in an environmental-oriented manner to reduce pollution, save energy and costs.
- The company has reduced the number of single function automations and replaced them with new energy-saving technologies with less pollution. The ongoing project helps reduce energy-related costs and other expenses such as paper cost, maintenance and saving the office spaces for office equipment arrangements.
- The company has replaced the single-function printers with the multi-function printers and set them as a pool for which one printer is shared among different departments. This results in lower consumption of electricity and space saving.
- The company has selected energy-efficient fluorescent tubes and LED tubes, with watts suitable for space, and the proper size of cables. The office decoration also employed soft colors and natural light. The company had replaced fluorescent tubes with LED tubes since 2016, totaling 4,185 tubes, consisting of 3,654 long LED tubes and 531 short LED tubes, helping reduce energy consumption by 932,554 kWh. or approximately 45 percent when compared with the use of fluorescent tubes. As LED tubes produce less heat than traditional fluorescent lamps, they could reduce the carbon dioxide emissions by 542,839.53 kgCO₂e over its lifetime. That was equivalent to planting 60,318 large trees to absorb carbon dioxide (CO₂).

Replacement of Fluorescent Tubes with LED Tubes Project	
Number of fluorescent tubes replaced by LED tubes	4,185 tubes
Number of hours used	15,000 hours/tube
Amount of carbon dioxide emission reduced	542,839.53 kgCO ₂ e
Number of large trees equivalent (absorbing CO ₂)	60,318 trees

- The company has measured wind velocity of air conditioners, adjusted the wind speed to meet the standard suitable for working environment, increased air conditioners' efficiency, and reduced the cost from energy loss.
- The measurement of illumination (Lux Meter) within an office to ensure appropriate lighting levels according to standards.

GHG Emissions Reduction

The financial business group, LH Financial Group Public Company Limited, considers the assessment report by using both information on direct and indirect GHG emissions from various activities throughout its supply chain in 2020 as a base year. It has been discussed with all relevant business units to map out improved guidelines on how to reduce GHG emissions more concretely and has planned to reach net-zero emissions in 2065*.

* Scope 1 and 2 for the own operation head office

GHG Emissions Goal

The financial business group, LH Financial Group Public Company Limited targets to reduce GHG emissions from its own operations by 25 percent, compared to that of the base year 2020 within 2030*, equivalent to GHG emission per one employee at 2.31 tCO₂e.

* Scope 1 and 2 from the own operation head office

Before 2020, the base year, the financial business group, LH Financial Group Public Company Limited, implemented various energy management measures, for example, gradually replacing fluorescent light bulbs with LED light bulbs, switching the working style from paper to electronic, and shifting from internal combustion vehicles to hybrid vehicles. Consequently, greenhouse gas emissions in the base year 2020 were 3,015 tCO₂e. The company has efficiently managed energy, resulting in a continuous decrease in greenhouse gas emissions from 2021 to 2024, to 2,155, 2,378, 2,512 and 3,998 tCO₂e, respectively. Due to business expansion of the financial business group, the office space is insufficient, so the office space must be expanded to accommodate the growing employees from office space of 11,885.87 sq.m. in 2020 to 21,812.88 sq.m. in 2024. The company has also increased the scope of reporting greenhouse gas emissions from the operations of 72 branches of the bank. Therefore, the company's greenhouse gas emissions in 2024 increased by 32.60 percent compared to the emissions in the base year of 2020.

However, the greenhouse gas emissions per area have been constantly declining since 2021–2024, when compared to the base year of 2020. The company reduced greenhouse gas emissions from its own operations by 28.52, 24.00, 20.97, and 27.74 percent, respectively, from the base year which exceeded the target set at 25 percent from the base year.

Table: Achievement of Greenhouse Gas Emission Reduction Goal

	Base Year 2020	2021	2022	2023	2024
Total GHG Emission (tCO ₂ e) SC1+SC2+SC3	3,015	2,155	2,378	2,512	3,998
Total GHG Emission (tCO ₂ e) SC1+SC2	2,355	1,723	1,835	1,879	2,988
GHG Reduction from Base Year (tCO ₂ e)		-860	-637	-503	1,843
GHG Reduction from Base Year (%)		-29%	-21%	-16.7%	32.60%
Total Rent Area (sq.m.)	11,885.87	11,885.87	12,335.87	12,529.87	21,812.88
Emissions Intensity Scope 1,2,3 (tCO ₂ e/sq.m.)	0.254	0.181	0.193	0.200	0.183
Emissions Intensity Scope 1,2 (tCO ₂ e/sq.m.)	0.198	0.145	0.149	0.150	0.137
GHG Reduction from Base Year/sq.m. (%)		-28.52%	-24.00%	-20.97%	-27.74%

In 2024, the company sent out its employees to attend the following trainings provided by various public and private institutions.

Training/Seminar	Organizer	Number of Participants
GSPN Update EP. 20 “Net Zero Pathway for Sustainable Building”	Thailand Productivity Institute	2 persons
TREES NC	Thai Green Buildings Institute	1 person
“Carbon Footprint for Organization” Workshop	Thailand Greenhouse Gas Management Organization (Public Organization)	2 persons
Green Partnership Sustainable Waste Management Workshop	Central Pattana PCL	2 persons

Webinar on Latest Trends in Climate and Environmental and ESG Risk Management	Thai Bankers' Association	2 persons
GHG Emission's Reduction Science Based Target	Thailand Greenhouse Gas Management Organization (Public Organization)	3 persons
BOT Capacity Building TCFD Workshop	The Bank of Thailand	2 persons
Outcomes from COP28	Thailand Carbon Neutral Network	3 persons
Introduction to Carbon Footprint for Organization: CFO (ISO 14064-1:2018)	BSI GROUP	2 persons
NEXT STEP THAILAND 2024: Next Eco-System Tech & Sustain"	Nation Group (Thailand) PCL	2 persons
TCNN network seminar: "Carbon Market: Climate Action Tool for Carbon Neutral-Net Zero Future"	Thailand Carbon Neutral Network	3 persons
A CALL TO ACTION GO GREEN 2024: The Ambition of Thailand	Bangkok Biz	3 persons
Life Cycle Assessment and Carbon Footprint for Organization for Built Environment	Thai BIM Association	2 persons
ESG 101 (SET e-Learning)	The Stock Exchange of Thailand	19 persons

Waste Management

The waste issue in Thailand is intensifying, particularly accumulated garbage. This waste created various problems including a breeding ground for diseases, leaking and floating into an open-sea or accumulating microplastic in seafoods. Thailand has created a roadmap in waste management for the year 2018 – 2030 with the aim to reuse 100 percent of the plastic waste within 2027.

The financial business group, LH Financial Group Public Company Limited, has been separating wet waste, general waste, recyclable waste, and hazardous waste within the office according to the waste separation program to reduce GHG emissions of the Thai Listed Companies Association. For the bank branches, 2024 will be the starting year for separating wet waste and general waste from recyclable waste, as well as campaigning to encourage employees to properly separate waste before disposal.

The financial business group, LH Financial Group Public Company Limited, has the policy about environmentally friendly business operation and encourages the employees to participate in environmental activities such as the Charity DIY "Eco Bricks" activity involves compressing non-recyclable waste into plastic bottles to create eco-friendly bricks to be used for constructing classrooms, libraries, tables, chairs, etc., which are then donated to the "Little Bee Fighters" organization for building learning centers in remote areas. This initiative transforms waste into a resource to benefit our planet.

In 2024, the company had the waste generated from operations of 53,893.91 kg or increased by 36% compared to 2023 at 39,454 kg. The recycling waste was 22,673.92 kg or increased by 128% compared to 2023 at 9,960.7 kg. The non-hazardous waste was 76,550.93 kg, and the amount of hazardous waste was 16.90 kg.

In 2024, the non-hazardous waste was 76,550.93 kg and the hazardous waste was 16.90 kg.

In 2024, the ratio of waste generated from the business to operating income was 0.00066%.

In 2024, the percentage of recycled waste per community's waste was equal to 72.63 percent.

Recycling Waste Management and Goals for 2025

The waste separation at the source by sorting recyclable waste from general waste was initiated, such as plastic, paper, glass, and metal. Clearly labeled bins are used to make disposal easier. Recyclable waste is taken to buy-back points or recycling centers, and the company promotes awareness and community involvement in the process.

The recycling waste management goal for 2025 is to continue encouraging employees to reduce the use of resources that generate waste, promote the use of environmentally friendly materials, and support the use of recycled materials in manufacturing.

The amount of recyclable waste in 2024 increased by 128% compared to 2023, as the COVID-19 pandemic situation returned to normal. The company implemented a policy for employees to return to working at the office, and the post-COVID-19 crisis led to changes in employees' consumption behaviors, such as ordering products and food online. This shift contributed to the increase in waste volume.

Waste Management Goal for 2025

The campaign for employees to adjust their behaviors to help protect the environment was initiated, such as reducing waste to lower greenhouse gas emissions. This is done by following the 7R principles: Reduce, Reuse, Recycle, Replace, Refill, Repair, and Return, continuously.

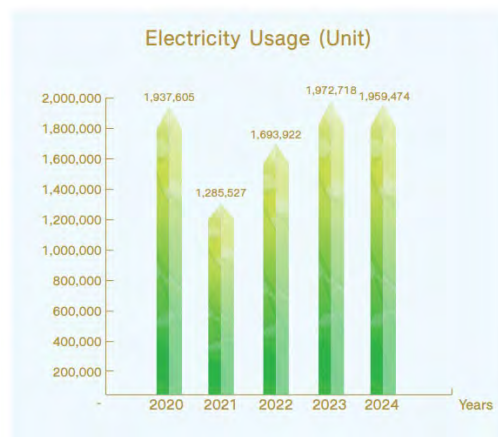
Non-hazardous Waste Reduction Target in 2025

The campaigns to encourage participation in environmental conservation in daily life, in line with the principles of a circular economy, such as Reduce, Repair, and Return, to reduce the amount of non-hazardous waste generated from business operations. For the financial business group, LH Financial Group Public Company Limited, most of the waste generated is non-hazardous, such as paper, food packaging, etc.

Electricity Management

The company has focused on management of cost reduction, especially energy cost. The financial business group, LH Financial Group Public Company Limited as a financial service provider, consumes a lot of electrical energy including lighting systems, air-conditioning system and computer system. The company, therefore, monitors environmental impacts and measures energy efficiency constantly with continuous improvement.

In 2024, the total electricity consumption was 1,959,474 kWh, a 1% decrease compared to 2023, due to the company's policy and campaign to promote electricity conservation and reduce energy consumption.



In 2024, the percentage of power usage per operating income was 0.023 percent.

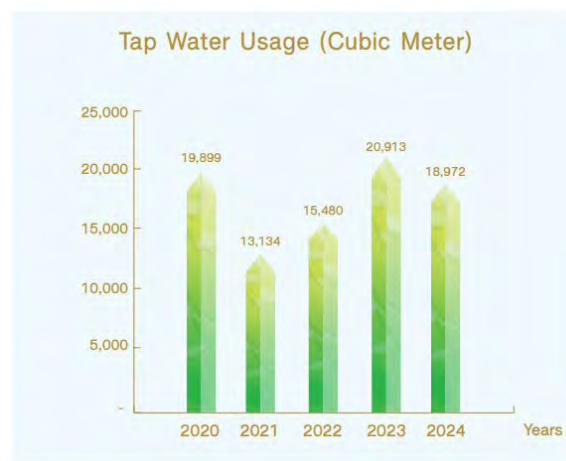
Electricity Management Goal for 2025

The target to reduce electricity consumption was set at 1% from 2024. This is due to the company's campaign encouraging employees to save electricity and reduce energy usage, such as turning off lights during lunch breaks, shutting down computer screens when not in use, and setting air conditioning temperatures to an optimal level.

Water Management

The water from the Metropolitan Waterworks Authority and Provincial Waterworks Authority was consumed for the whole business operation of which the most consumption is in an office for washing with a plan to use water efficiently by regularly checking pipes, water meters and other equipment and using water-saving sanitary wares, taps and bidet showers as well as raising employees' awareness of the need for water conservation.

In 2024, the total water consumption was 18,972 cubic meters, a 9% decrease compared to 2023. The reduction was due to the company's policy promoting water conservation among employees, along with the relocation of office spaces, where some employees now use the building's shared restrooms.



Water Management Target of 2025

The target to reduce water consumption was set at 9% from 2024 with the campaign for employees to have water saving habits such as regularly checking for leaks in the plumbing system and promoting awareness for employees to use water efficiently.

Paper Management

The financial business group, LH Financial Group Public Company Limited, realizes that paper is a main office consumable which is needed in different stages of operations such as printing reports, documents for customers, receipts and contracts. Producing the paper needs natural resources which are trees while there is massive rubbish from used papers. The natural resources required to produce paper are trees. It also creates a large amount of used paper waste. Therefore, campaigns and activities are conducted to raise awareness among employees to use paper economically and effectively and sort paper waste according to the 3Rs principle.

- Reduce Reuse Recycle
- For printing documents for review or verification, use single-sided used paper instead of new paper, and reduce the ink quality (Economy Mode).
- Monitor and notify the number of papers used to control paper usage within the department to align with their operation

The financial business group, LH Financial Group Public Company Limited, has launched other initiatives including:

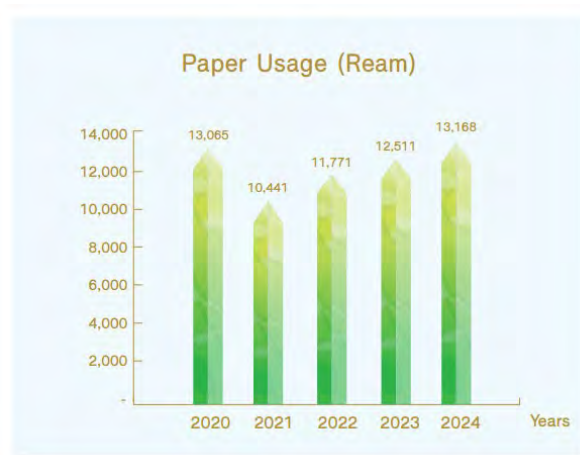
Changing Paper Form of Invitation Letters of Various Meetings into Electronic-based Platform

The change of process for preparing the meeting materials for several committees from papers to e-documents can help reduce paper consumption by approximately 20,000 pieces a month.

Transforming Financial Services to be More Digital: This enables financial transactions to be performed every day, anywhere and anytime. Not only can it reduce the cost, and the amount of paper used, it also helps lower the use of ink, GHG emissions, amount of wastes from paper usage while enhancing work efficiency due to time saving in preparing documents, putting them into envelopes and posting them via postal service.

Paper Usage

In 2024, the paper consumption was 13,168 reams, a 5% increase compared to 12,511 reams in 2023. That was because the company has issued new varieties of financial products and the increase in customers.



Paperless Guidelines

To reduce paper usage systematically and concretely, the company carried out the following guidelines.

1. Survey and planning
2. Application of technologies by increasing electronic channels
3. Efficient use of paper
4. Monitoring and evaluation
5. Behavioral change among employees

1. Survey and Planning

The survey on paper usage in each year was done by considering the number of employees and departments as well as developing a plan for reducing paper usage by 5-10 percent of the total papers used each year.

2. Technological Application by Increasing Electronic Channels

Supporting and pushing the increased application of information technology in operations, for instance:

- Meeting material packages for each committee have been changed from the paper pack of invitation letters to an electronic form.
- Training courses with a lot of training materials are suggested to send them by e-mail.
- Correspondence is made via email such as circulars.
- Storage of scanned correspondences and documents instead of copying documents
- Share file within the department instead of printing or copying the documents

3. Promoting Efficient Use of Papers

Effective use of papers can start with having one-sided papers without significant information separated before proceeding with the following steps:

- Set up common areas for everyone to use one-sided papers and encourage employees to reuse them
- Inform all employees of where the common areas of one-sided papers
- Reuse them as notes
- Use the reused papers to note informal messages or internal messages or memos within the department or use them to print the verify or review documents and use economy mode.
- Set the printer print settings to reduce ink resolution
- Organize ongoing activities to reduce paper usage

4. Monitoring and Evaluation

To make the paperless process more effective and concrete, the paper usage data of each department is tracked and sent to each department to find ways to reduce paper usage. The information is also analyzed for planning efficient paperless operations.

5. Paper Usage's Behavioral Change

The most important thing for the most effective paperless operations begins with behavioral change among employees to have responsible attitudes and cooperate in carrying out the actions seriously.

The used papers have been recycled to reduce cutting trees. The operation manual on document storage and disposal has been set by recycling expired documents as detailed in the table below:

	2024	2023	2023	2021
Number of documents due to be destroyed (Box)	1,194	2,467	5,804	1,217
Weight of documents (Kilogram)	21,448	22,690	61,313	15,620
Number of trees that can compensate the cut down trees to produce papers per 1 ton ¹ of used papers (Tree)	322	340	920	234

Note: ^{/1}1 tons of used paper can substitute up to 15 cut trees to produce paper.

Source: “Green Science Project,” Paperless Manual, Faculty of Science, Srinakharinwirot University

Calculation formula: Tree cutting replacement = 15 trees / 1 ton x weight of used papers

Paper Management Target for 2025

The guidelines to reduce paper usage have been set by supporting and promoting the use of information technology in operations. The implementation of RPA (Robotic Process Automation) is being used to efficiently reduce paper consumption, such as digital data storage and the automation of document workflows and forms to extract data from various systems for processing without the need for printing documents. The plan is to reduce paper usage by 5% of the total paper consumption in 2024.

Measurement of Intensity of Light in Workplace

The dangers of light that may impact employees have been addressed. In case of insufficient/over illumination, it can cause negative effects to the eyes and may cause simple accidents such as failure to manipulate tools or equipment which may pose some dangers including mental health, decreased performance and low motivation to work. The company regularly measures the light intensity in all areas of the office to ensure the working area has a proper lighting level.

Data Collection Process

1. Measure in the specific working area: focusing on the light intensity of particular areas where operators need to perform sight-specific work
2. Measure the average intensity of light in general areas: such as walkways and working spaces

The results of measurement of light intensity in the workplace

After conducting the actual measurement of the light intensity in Lux unit, it was found that illumination in the office was sufficient and compliant with the standard of not less than 400-500 Lux.

7S Activity

The company has implemented the 7S activity which consists of Sort, Set in order, Shine, Standardize, Sustain, Scenic and Surrounding. The activity helps keep the workplace and environment neat and clean. Employees are mentally healthier and more disciplined. This, in turn, results in saving resources and costs. In addition, it contributes to high quality and efficient work performance. The 7S activity gains good cooperation from employees and the company has continued implementing this activity.

7S Results

1. Results of **Sort**
 - Cutting down the consumption of resources
 - Create more spaces for other purposes
 - Having a more spacious, splendid and clean workplace resulting in a better mood of employees
2. Results of **Set in order**
 - Settling the common and troublesome searches
 - Increasing work efficiency
 - Creating good image for organization
3. Results of **Shine**
 - Having a pleasant working environment

- Cutting down the consumption of resources
- Increasing efficiency of tools and equipment while decreasing frequent breakdown of office automations
- 4. Results of **Standardize**
 - Having neat and tidy workplace
 - Employees are both physically and mentally healthy.
- 5. Results of **Sustain**
 - All employees have good habits and attitude towards work.
 - Customers receive quality and fast services.
- 6. Results of **Scenic**
 - Create work-friendly environment
 - Have safe environment at work
- 7. Results of **Surrounding**
 - Urge employees to change their behaviors for resource usage and consumption with value
 - Save energy and preserve the environment

LH BANK ATM Stops Global Warming

The bank has played part in helping slow down global warming constantly by providing customers with an option of no printing of transaction slips from ATM machines.

Environmental Awareness Campaign

The financial business group, LH Financial Group Public Company Limited, has fostered participation in environmental conservation in daily life, including energy conservation, efficient resource usage, environmental protection, and communication to educate employees and raise awareness about their involvement.

Implementation of Green Office Project

1. Use energy saving devices
2. Make the most of natural light energy
3. Design an office layout
4. Promote 7S activity
5. Check the standard lighting values of office building
6. Check air conditioners and ventilators
7. Increase green spaces in offices
8. Increase co-working spaces

Encouraging employees to engage in Efficient Use of Resources

1. Provide information and training on the environment and promote energy saving via internal media such as Intranet, PacD
2. Support the reuse of materials such as reused paper
3. Promote a reduction in paper use and the number of printers, provide photocopier pool, and change employees' behaviors to always think twice before printing
4. Reduce/refrain from using paper materials for meetings by sharing the information through electronic channels

5. Ask for partners' cooperation to reduce the use of printed documents, switching to use electronic files
6. Turn off the building light when no one is in the room or meeting room for a long time and turn off the light in some areas during lunch break
7. Turn off computer screens during a lunch break

Such practices are to raise awareness and inculcate a sense of environmental ethics among employees, prompting a behavioral change in their daily life.

Vehicle Service Management

There is a policy to reduce carbon dioxide emission from the company's vehicles by employing the e-Car service system to support effective vehicle management. The company has also chosen alternative energy, energy efficiency and effective transportation as follows:

1. Plan routes with appropriate schedule for carpooling service for all employees
2. Take good care of car engines
3. Switch to other alternative engines to hybrid cars
4. Use the Grab Car and Grab Express for business service to increase operational agility and reduce energy consumption from backhaul

Fuel Usage in 2024

Item	Volume	Percentage
Aircraft Fuel (Liter)	0.00	0.00
Diesel (Liter)	24,956.20	9.87
Gasoline (Liter)	227,993.84	90.13
Fuel Oils (Liter)	0.00	0.00
Crude Oil (Barrel)	0.00	0.00
Natural Gas (Cubic Foot)	0.00	0.00
Liquid Propane Gas (Kilogram)	0.00	0.00
Steam (Ton)	0.00	0.00
Coal (Ton)	0.00	0.00

Fuel Management Target

To reduce the fuel usage by 3 percent per year compared to the previous year.

Green Procurement

With the environmentally friendly business practices in mind, eco-conscious suppliers and green products have been chosen as follows:

1. Use cleaning products that contain natural ingredients free of synthetic cleaning agents that are easily biodegradable and environmentally friendly
2. Choose to rent hybrid cars to reduce emissions, save fuel energy, and release less pollution, with a fuel consumption rate approximately 30% lower than combustion engine vehicles, resulting in less carbon dioxide emission. By 2025, the company aims to replace 20 combustion engine cars with hybrid vehicles.
3. Environmentally friendly paper that contained not less than 50 percent of recycled pulp. The paper was produced from the trees that grew on rice farm dikes that absorb carbon dioxide for 12.5 kilograms per ream. This helps with the global warming issue and creates renewable energy by using the wood leftover from production to produce electricity. The paper has received a green label.
4. Choose a copy machine and ink that is environmentally friendly which was certified by the Pollution Control Department
5. Choose products from suppliers that meet industry standards or have environmental certifications such as ISO 14001 and Green Label
6. The company has chosen to use Doi Tung coffee beans, which are carbon-neutral and certified by the Greenhouse Gas Management Organization. This certification allows the company to track the greenhouse gas emissions throughout the entire lifecycle of the coffee beans, from sourcing the raw materials, production processes, distribution, usage, to waste management after the product's expiration.

To allow the purchasing operation to be aligned with the main policy with concrete operation, the company has set policy, rules and practical guidelines as follows:

1. Procure, use/circulate product/asset economically with maximum benefit
2. Procure according to the procedures and procurement methods that are fair and equal to all organizations
3. Procure in a cost-effective, transparent, efficient and verifiable manner

Promotion of Green Loan

At the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28), which focuses on setting guidelines to limit global temperature rise to no more than 1.5 degrees Celsius to address the "global warming" issue, Thailand proposed 4 key points for action, including:

1. Driving climate change policies at the global, national, provincial, and local levels.
2. The development and promotion of climate-friendly technologies.
3. Climate change financial mechanisms through enhancing the efficiency of environmental funds and managing carbon credits.
4. The involvement of all sectors at every level, along with the declaration of key goals for Thailand to achieve carbon neutrality by 2050 and net-zero greenhouse gas emissions by 2065.

In addition, the Bank of Thailand, as the financial regulator, has requested cooperation from various banks to design financial products and services that support environmental goal. This is to help businesses adapt and align with the objectives of reducing greenhouse gas emissions and using clean energy.

At the end of 2024, Thailand participated in the 29th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 29) in Baku, Azerbaijan. This provided an opportunity for the country to showcase its role and promote a positive image in addressing climate change and achieving its goals. Thailand is driving its national greenhouse gas reduction action plan to meet the NDC 2030 target, aiming to reduce greenhouse gas emissions by 43% from the target range of 30-40%, equivalent to 222 MtCO₂e. Additionally, the country is pushing forward the "Climate Change Act," a crucial tool for achieving the net-zero greenhouse gas emissions goal, which is expected to be enforced in 2026. This law will guide both public and private sectors in developing policies, plans, and actions in the subsequent years.

The financial business group, LH Financial Group Public Company Limited, has developed and designed financial products that support climate change through a governance structure with clearly defined roles and responsibilities. The company applies best international practices as criteria for considering loans, both for commercial loans and project financing (Corporate/Project Finance). The company aims to provide sustainable financial support (ESG Finance) amounting to 14 billion Baht by 2030, focusing on supporting environmentally friendly business activities (Green Activities) and the transition to a low-carbon society (Low-Carbon Transition) through loans and investments. Additionally, the business group has a plan that focuses on social and environmental efforts, reflecting its commitment to conducting business that supports financing for sustainability in line with sustainable development goals.

Lending for Sustainability-related Projects and Businesses and Green Loan

The bank has supported the renewable energy and bridge transition technology in energy loan, promoting the use of alternative energy. The bank is committed to supporting the country's transition to a green economy by offering loan products and services to reduce greenhouse gas emissions in both the business and household sectors.

In 2024, the bank supported the bridge transition technology in energy loan, amounting to Baht 17.744 billion and loan for power generating from renewable energy business amounting to Baht 2,069 million. Additionally, the bank provided loans through sustainable finance, totaling 2.2 billion Baht across 5 projects. This includes 1.3 billion Baht in green loans and 900 million Baht in sustainability-linked loans (SLL).

Additionally, the bank has developed a new loan product in the form of a "Green Transition Loan" to support businesses in investing, promoting, adapting, and transitioning to environmentally sustainable practices. This loan is aimed at enhancing the competitiveness of SMEs, which plays a vital role in the country's economy, contributing to one-thirds of the national GDP. The loan is designed to help SME entrepreneurs estimate investments and develop their business capabilities toward environmental sustainability. It is aligned with the country's economic and social development strategies and can be integrated with the processes of partner organizations promoting the sustainable development of the business sector.

SMEs transition loan and campaign for reducing GHG emissions in line with the country's Net Zero target.

The bank has signed a collaboration agreement with 3 partner organizations, including the Electrical and Electronics Institute (EEI), ABeam Consulting (Thailand), and the Measurement and Standard Certification Institute (MASCI). The purpose of this partnership is to support businesses in their transition from brown to green (Green Transition). The objective is to help organizations achieve sustainable

environmental friendliness. EEI's role is to provide consultancy to businesses on topics related to the transition to green businesses, such as improving energy efficiency in production processes, reporting greenhouse gas emissions at both the organizational and product levels, and integrating smart electronic technologies to enhance production productivity. ABeam Consulting offers comprehensive carbon and greenhouse gas emission assessment services, while MASCI provides validation and verification services for the greenhouse gas emissions assessments of businesses, enabling them to apply for certification under the CFO or T-Ver standards.

This entire process is a joint policy initiative between the bank and its 3 partner organizations, focused on creating reports for the bank's clients. This aims to help businesses accurately estimate their investment needs and use this data to apply for loan approvals. Additionally, it supports organizations in achieving sustainable, effective, and environmentally friendly business transitions, enabling them to compete successfully in the global market.

3.4 Social Sustainability Management

Fair Business Operation



Risks	Opportunities
<p>The bank does not adhere to the good corporate governance principles in operating its business, not consider the best interests of the bank, customers, and stakeholders, which may create conflicts of interest, complaints from customers and business partners.</p> <p>If the bank does not promote free trade competition, social responsibility in the value chain, respect for property rights and does not avoid actions that may cause conflicts of interest, including not raising an awareness of employees regarding the importance of complying with laws and fair competition, it could result in legal problems and cause reputational risk to the business.</p>	<p>The bank adheres to the good corporate governance principles in operating its business by considering the best interests of the bank, customers and stakeholders, having fair competition and promoting environmental and social responsibility; respects property rights and avoids taking any action that may cause conflicts of interest. Consequently, it creates a good image for the bank. Customers and business partners have confidence that the bank operates its business with honesty, integrity, transparency, and fairness.</p>

The bank operates its business with good corporate governance principles which have been specified in writing as a guideline for directors, executives and all employees to adhere to and avoid any operations which may cause conflicts of interest while taking into consideration the utmost interest of the bank, customers and stakeholders.

The bank is confident that fair business will bring about confidence which could be positive for the business in the long term. The bank operates in accordance with market conduct for sustainable business development. In this regard, the bank conducts all activities in consistent with regulations, laws and fair competition and encourages its employees to realize the importance of compliance with laws, keeping trade secrets, refraining from obtaining information of trade partners and competitors with dishonesty and fostering competition under laws.

The bank promotes fair treatments of stakeholders both in terms of costs and returns, for instance, procurement, appropriate products and services delivery schedule, fair trade agreements and refraining from any activity which infringes intellectual property as well as making prompt payments for products and services in a timely manner.

The bank has determined the procurement method and receiving service procedures to obtain quality products and services at an appropriate price by specifying various methods including price method, quotation method, bidding method, continued method, special method and urgent method. The selected method depends on the financial amounts of each transaction. Regarding the selection of suppliers and service providers, to ensure fairness and equality, the bank has determined the criteria for vendor selection including the stability of their business, specifications of products and services and prices which will be considered by the Procurement Committee.

Respect for Human Rights



Risks	Opportunities
The bank does not respect human rights, violates basic rights, and does not respect life and human dignity. It will bring about a risk of whistleblowing and complaints regarding violations or unfair treatment.	The bank treats all groups of stakeholders with fairness, equality, respect for human values, no violations of basic rights, respect for life, occupational health and safety, and human dignity. As a result, the bank gains credibility and reputation, whistleblowing and complaints resulting from violations or unfair treatment will lessen.

The bank emphasizes the treatments of all stakeholders such as employees, surrounding communities and societies with fairness and equality; respect for life, occupational health and safety and dignity of all people, no forced labors and no child labor exploitation, building good relationship, no violations of basic rights, no violation of legal rights, and being cautious in taking any action that will affect public sentiments.

The bank values the fair treatment of all employees to ensure they obtain appropriate returns and benefits; improves their potential for professional advancements; and encourages their engagement. The bank also provides several channels for whistleblowing, filing complaints and reporting misconducts. That allows employees to voice, report and blow the whistle on any matter deemed unfair or wrongdoings through supervisors or other channels set by the bank. In this regard, the bank has determined the independent process for inspection and decision-making by considering the possible outcomes and remedies in accordance with the human right principles. The bank also opens opportunities for employees to voice their opinions in the case entities or employees commit any acts that may violate human rights, the bank will expedite a solution.

Respect for human rights is a fundamental practice the bank strictly adheres to and sets the practical guidelines as follows:

- Arrange the number of leaves and holidays as required by law or beyond that required by law for some holidays so that employees can plan for their work-life balance
- Support and increase employees' knowledge improve their abilities
- Clearly determine the criteria for investigations and disciplinary actions for fair punishments under the same standard
- Support each department in the bank to arrange team building activities to promote good relationships, engagement and harmony
- Hire staff regardless of gender, race, nationality, religion, and culture

Human Right Risk Assessment Process

The bank has a process to assess human right risks from business activities throughout the bank's value chain. The process covers risk identification, assessment and risk management, which include comprehensive human rights due diligence as follows:

1. Study and thoroughly examine human rights as well as send relevant employees to attend a workshop on comprehensive human rights due diligence throughout the value chain to apply the knowledge comprehensively and effectively as to prevent potential risks

2. Identify and assess risk issues and create a human right risk control register by screening significant issues related to business activities with human right risks and assessing potential impacts to determine preventive and mitigating measures, including a process for remediating and correcting in the event of human right violations

Salient Human Right Issues : The bank has taken the following actions to mitigate the risks.

Activities	Key Human Right Issues	Risk Mitigations for Key Human Right Issues
Treatment of shareholders		
<ul style="list-style-type: none"> Dissemination of material and performance information in a full, correct and timely manner Equitable care for all shareholders Security of shareholders' personal information 	<ul style="list-style-type: none"> Failure to disclose material and performance information in a full, correct and timely manner Discrimination against shareholders Not keeping data privacy of shareholders 	<ul style="list-style-type: none"> Disclosing full, correct and timely information through various channels for equal and transparent information access Respect for the rights of all shareholders equally Preventing the violation of shareholders' personal rights Creating good performance under appropriate risk management Inviting shareholders to attend the Annual General Meeting of Shareholders and express their opinions at the meeting Providing channels for receiving general suggestions and complaints through channels specified by the bank Providing channels for inquiring via the website Comply with the Personal Data Protection Act
Treatment of customers		
<ul style="list-style-type: none"> Providing complete, accurate and clear product and service information Providing financial service channels that are convenient, fast, safe, accessible and equal Maintaining personal data security Treating customers equally Managing customer relationships 	<ul style="list-style-type: none"> Dissemination of incomplete, exaggerated, distorted and insufficient for decision-making Misuse of customer personal information Disclosure of customer personal information Discrimination against customers 	<ul style="list-style-type: none"> Disseminating complete, clear, and easy-to-understand product and service information to support customer decision-making, and disseminating it through various channels that are easy to access Providing quality and fair customer management (Market Conduct) Building good relationships with customers Providing assistance and answering customer inquiries to help them understand products and services Having measures to protect customer data Caring for and treating every customer equally, without discrimination, and respecting individual equality

Activities	Key Human Right Issues	Risk Mitigations for Key Human Right Issues
<ul style="list-style-type: none"> Receiving complaints and providing communication channels 		<ul style="list-style-type: none"> Organizing activities to build good relationships with customers Receiving and handling complaints promptly
Treatment of employees		
<ul style="list-style-type: none"> Recruitment process Hiring and promoting diversity Equal labor practices Taking care of employees' health and well-being 	<ul style="list-style-type: none"> Discrimination against employees based on race, nationality, gender, religion, and age Stereotypes about vulnerable/minority groups Unsafe working environment Excessive working hours Failure to protect employees' personal data 	<ul style="list-style-type: none"> Establishing a non-discriminatory employment policy regardless of race, nationality, color, gender, religion, political critics, or age as factors in considering, recruiting and promoting employment of vulnerable groups of workers, such as the disabled Supporting and respecting the protection of human rights by not supporting the use of forced labor Establishing criteria and processes to prevent harassment, or disciplinary punishment against employees who honestly report to the executives or government agencies about improper actions that occur within the bank No dismissal or termination of employees based on the decision of the executive representative alone or the decision is based on discrimination. Regularly reviewing market compensation in order to adjust it to align with industry standards or the living standards that should be Establishing a policy on occupational health and safety in the workplace, including analyzing and finding measures to control workplace safety and health risks Establishing an Occupational Health and Safety and Environment Committee to drive the occupational health and safety policy and plan to ensure employee safety while working Providing appropriate equipment to facilitate work Organizing activities to enhance understanding of the organization's values, build morale, and provide opportunities for employees to participate

Activities	Key Human Right Issues	Risk Mitigations for Key Human Right Issues
		in activities to promote a good quality of life (well-being) • Maintaining employee data security • Continuously developing employees
Treatment of business partners		
<ul style="list-style-type: none"> • Treating business partners fairly and equally • Selecting business partners fairly • Maintaining transparency in procurement and fair compensation • Being fair, not taking advantage of or discriminating against business partners • Keeping business partners' data confidential 	<ul style="list-style-type: none"> • Discrimination against business partners • Disclosure of business partners' personal information 	<ul style="list-style-type: none"> • Establishing the procurement process and practices to select service providers with transparency and fairness • Complying with trade terms and conditions and contracts without taking advantage • Establishing the Procurement Committee to oversee procurement to ensure appropriateness and fairness • Paying for goods and services within a reasonable time frame • Maintaining the security of business partner data

Preventive and remedial measures in case of violations of human rights, equality, and unfair treatment of employees

The bank has preventative measures for the violation of human rights, equality and unfair treatment which are defined in the rules and regulations for employees and whistleblowing methods when employees feel they have not been treated fairly. The bank has remedial guidelines, official letter of regret, monetary and non-monetary compensations as well as a guideline to take care of employees who could be affected in case of a change in employment policy, restructuring of the bank or the business relocation to the extent that it affects the livelihood of employees and their families. The bank has considered paying compensation and allowance to employees fairly, including cases of illness or danger resulting from work, which the bank will not consider them as sick leave and the bank has also joined the Workmen's Compensation Fund and Social Security Fund and it is considered another employment security for employees.

In 2024, it was reported that the bank had no violations of human rights, equality, and unfair treatment of employees, or not received any complaint regarding violations of human rights, equality, and unfair treatment of labors resulting in no compensations paid for such matter.

Fair Treatment of Employees



Risks	Opportunities
The bank does not treat employees as agreed in the conditions of employment, fails to strictly comply with the Labor Protection Act and Personal Data Protection Policy accordingly, discriminates in employment, exploits the forced labor, does not consider health and safety in work environment, which may cause the risk of complaints from employees, decreasing in engagement of employees and increasing turnover rate, causing business discontinuity and higher resource management costs.	The bank treats employees as agreed in the conditions of employment, Labor Protection Act and Personal Data Protection Policy seriously, creating good labor relationship between employees and the bank. If employees are treated with fairness, equality, respect for life, occupational health and safety in the work environment, and human dignity, it will encourage employees to work with dedication for career development and efficiency. This will result in the bank's stability and sustainable growth.

The bank prioritizes human resource management by setting as mission in developing and supporting human resource management in terms of knowledge and benefits of employees. The employment conditions have been set for working days and working hours, holidays and leaves, working overtime and working on holidays, right to receive compensation, overtime pay and holiday pay according to the Labor Protection Act. The bank has established the Human Resources Development Committee to manage and develop human resources effectively, efficiently and in consistent with the bank's strategies. Besides, the Welfare Committee has been set up for employees to discuss with management regarding appropriate and sufficient welfare arrangement, open an opportunity for employees to express their demands and listen to the management opinions whether the demands can be met or not. This is to promote labor relations and reduce labor disputes and complaints.

Key Principles for Human Resource Management and Development

The bank strives to improve human resource management as well as supporting proactive operation of all departments to achieve business goals. Moreover, the bank always strives to provide employees with further training and promote quality of work life, by considering the fair treatment of employees and human rights.

The bank focuses on taking care of employees in various fields with the strong belief that the development of skills, abilities, motivations, positive work environments, good occupational health and good welfare will enable them to perform their duties with full potential which, in the end, results in positive impacts on customers, stakeholders and sustainable growth.

The bank has applied the corporate value of "CDAA" in every work process to strengthen sustainable organization culture leading to the same goal.

Candidate Hunting

The bank recognizes the importance of the new generation workforce including new graduates as well as the 3rd and 4th-year students who are entering the labor market within the next 1-2 years. In 2024, the bank implemented projects to promote and provide opportunities for new graduates and soon-to-be graduates students through various projects, for example:

- **The 2024 Internship Project** is a project that accepts students from various universities to be interns in various units of the bank. Courses and activities have been designed for students to learn more and open up opportunities to learn perspectives on financial and banking industries through hands-on experiences.



- **Memorandum of Understanding (MOU) Signing Ceremony with Thammasat University** to be part of creating quality human resources for society



Recruitment

For recruitment, apart from knowledge, abilities and qualifications, the bank realizes the importance of selecting candidates who have beliefs and align with the organization's values in order to obtain suitable employees for the bank.

Equality and Diversity

The bank adheres to the fair treatment of employees such as compliance with the labor law and human rights without discriminations of any kind, regardless of race, nationality, color, sex, religion, political critics, revocation of citizenship, social background and any other forms of discriminations related to both internal and external stakeholders. The bank does not engage in illegal labor practice and child labor exploitation. These guidelines are applied to all employees. The bank also offers work opportunities for persons with disabilities.

Employment

The bank has clearly and strictly defined the standard guidelines and procedures for recruiting and hiring under the Labor Protection Act, rules and related policies by considering qualifications and suitability related to work without discrimination while valuing and placing importance on the differences and diversities such as race, nationality, gender, age, and religion. In addition, the bank focuses on maintaining the privacy of employees and candidates by considering data security and privacy rights of employees and applicants.

Hiring Persons with Disabilities

Promotion and Development of the Disabled's Well-being

The bank has offered job opportunities and generated income for persons with disabilities by joining the project arranged by the Thai Bankers' Association that hired people with disabilities to work for the Thai Red Cross Society in many provinces. They are also hired to work for the bank.

The bank hired a proper number of persons with disabilities required by laws and contributed to the fund for promotion and development of life quality of disabled persons in the amount required by laws as follows:

Hired via Thai Red Cross Society	Directly Hired
12 Persons	1 Person

Hiring Retired Employees

The bank always realizes the importance of age-friendly business by hiring retired employees advisors who have potential. Not only does it help the elderly earn an income, benefit the organization, but also address a labor shortage.

Table : Number of Retired Employees Getting Hired

	2024	2023	2022
Accumulative number of retired employees getting hired (Person)	3	4	3
Number of retired employees per year (Person)	15	8	3

Sustainable Growth with Human Resources Development

The bank has encouraged and instilled the employees with the same core values by implementing the master plan which includes creating perception and attitude through communication channels, practice, belief and individual mindset activities to build group habit norm and corporate values. The bank has continuously instilled value in both newcomers and existing employees.

Welcome Newcomers Activities

The bank gives importance to employees at all levels from the first day of work by organizing a friendly and warm orientation and welcoming activities for new employees, focusing on communicating full information, such as organizational structure, regulations, corporate values, and various benefits to help new employees adjust smoothly. There are also team collaboration activities to strengthen good relationships between new employees.

The bank requires new employees to attend various courses as specified within 30 days from the date of employment to enable employees to perform their duties correctly according to the criteria, including compulsory program such as work rules and regulations, employee manuals, knowledge in IT,

compliance, data security policy (PDPA, Clear Desk & Clear Screen Procedures, 2024 Whistleblowing Process), anti-money laundering (AML), and ESG, etc.



The bank organizes training courses on sales and service standards for Branch and Wealth Network to enable employees to have knowledge and understanding of the bank's financial products, learn correct and rapid operating processes, and understand customer needs and provide services that truly meet customer needs in accordance with the customer centric principle, which is one of the organization's core values.



Strengthening and Reviewing Knowledge Related to Compliance with Key Regulations, Rules, Policies and Laws

The bank focuses on and is committed to promoting employees to comply with the specified policies and practices. Since the financial business plays a pivotal role in the economic and social system, compliance with rules and regulations is a critical foundation that helps build the organization's credibility, confidence among customers and stakeholders, and enables employees to identify and solve problems promptly to reduce potential risks. The bank communicates with employees regularly and continuously.

Courses	Proportion of employees getting trained in 2024
Anti-Money Laundering and Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing: (AML/CTPF)	90%
Exchange Control Act	90%
IT External Personnel Management	80%
BOT's policy on financial institution business operations that take into account the environment and climate	84%
Personal Data Protection Act	77%
Responsible Lending	90%
Data Governance	77%

In an era where digital technology plays a crucial role in business operations, many businesses including financial institutions are major targets of cyberattacks. Knowledge and awareness of cybersecurity are, therefore, necessary for employees at all levels, especially operational employees who are directly involved with important corporate and customer data. The bank organizes training to provide knowledge for employees, executives, and the board of directors every year in the form of online, onsite, and e-learning. Developing this knowledge helps to comply with the guidelines and measures set by the bank, such as setting secure passwords, using the network system appropriately, and reporting incident events. Awareness in this area not only reduces the risk of data leakage or cyberattacks but also helps to build confidence among customers and stakeholders.

ชวนมาเรียนรู้ออนไลน์

IT SECURITY AWARENESS TRAINING 2024 FOR EXECUTIVE

อัปเดตความรู้ด้านความมั่นคงปลอดภัยสารสนเทศ
กฎหมายและกฎระเบียบที่เกี่ยวข้องกับความมั่นคงปลอดภัย cyber
Trend ความปลอดภัยทาง Cyber ประจำปี 2567

วิธีการเข้าเรียนรู้ผ่าน **PacD**

1

เลือกกล่องเรียนรู้ (Learning)

2

IT Security Awareness for Executive

3

เข้าเรียนรู้ออนไลน์ได้แล้วตั้งแต่วันที่ - 16 ธันวาคม 2567

LHFG LH BANK People Group

ชวนทุกคนมาเรียนรู้ออนไลน์

REFRESH IT SECURITY AWARENESS FOR USER 2/2024

วิธีการเข้าเรียนรู้ผ่าน **PacD**

1

เลือกกล่องเรียนรู้ (Learning)

2

หลักสูตร Refresh IT Security Awareness for User 2/2024

3

เข้าเรียนรู้ออนไลน์ได้แล้วตั้งแต่วันที่ - 31 ธันวาคม 2567

LHFG LH BANK People Group

Promoting Sustainability in Corporate Values

The bank builds the corporate culture by instilling CDAA values (Customer Centric, Dynamic, Accountability, Adaptability) with the aim of having employees at all levels demonstrate the CDAA values and perform their duties with the same purpose. This is done by communicating the details of the values, including play role activities that allow employees to exchange ideas with their colleagues, and CDAA is part of the annual performance evaluation.



Employees' Empowerment

The bank focuses on improving the skills and performance of its employees by designing a development plan in line with the organization's strategies and goals, conducting a Training Needs Analysis with executives to ensure that such development plan meets their business unit's goals, and providing a learning management system to conduct competency assessment so that supervisors and employees can create the learning plan together and promote employee learning through various channels, such as in-house training, public training, and self e-learning.

The bank creates an in-house training course to promote skills to create good results at work using the 70:20:10 learning model, combining classroom learning, brainstorming, doing activities, and continuous practice according to the 21-day habit theory to create behavioral change and self-development, and to build relationships and cooperation among one another to create cooperation in work and create growth for employees.



Skill Development for the Future

In 2024, the bank realized the importance of digital transformation and new skills that increase work efficiency. Therefore, the bank has improved the necessary skills of all levels of employees through blended learning, training and practical training in various forms, both online and onsite, and skills training through workshops as well as new adopting new technologies and tools in the organization and promoting a digital literacy culture, such as:

- Digital Literacy : Learning the basics of digital technology for all levels of employees via e-learning through 9 upskill courses on Microsoft 365 to enhance and increase confidence in using various digital tools in the program to enhance work efficiency and create a culture of digital literacy
- Data Analytics : In-depth training on data analysis, data presentation with modern tools and programs such as Power BI, Python for operations teams and data management teams in the form of public training and workshops



Human Resource Development to Support Succession Planning

The bank focuses on developing executives to prepare for important positions in the organization. In 2024, the N-1 level succession planning process has been continuously developed from the "Define Key Position" step to the "Development & Monitor" and "Evaluate & Career Management Process". Succession planning is an important strategy that helps create continuity in management and prepare human resources to support changes.

The bank has selected successors based on their suitability for key positions and assigned current incumbents to act as coaches to help assess the strengths and weaknesses of successors and use them to create an Individual Development Plan (IDP) to close the gaps in necessary skills and knowledge to prepare the successors to assume their duties with confidence.

Human Resource Development for High-potential Individuals (Talent)

In 2024, the bank improved the talent selection and development criteria to identify high-potential individuals and develop future leaders who can drive sustainable growth.

The key process used to support talent selection is the Developing Leadership Quality panel (DLQ), which assesses and analyzes key characteristics of personnel through comprehensive criteria,

including Leadership Potential, Career Aspiration, Success Mindset, Attributes, and Engagements. Data from this process is the basis for designing a development plan that meets individual needs and aligns with the organization's expectations.

After the DLQ process, the bank developed an Individual Development Plan (IDP) to close the gap in skills and knowledge required for current and future leadership. This development plan covers 3 core competencies:

1. Driving Results: Developing the ability to achieve effective results that are consistent with the organization's goals
2. Change Management: Enhance change management skills so that the talent can adapt and lead the team through changes effectively
3. Lead Team and Team Management: Enhance the ability to lead and manage teams effectively

The bank has applied the 70:20:10 Learning Model as a guideline in designing the talent development plan, providing learning covering 3 main channels as follows:

- 70% On-the-Job Learning: Learning from actual work through challenging assignments or projects to create in-depth experiences on how to apply them in real situations
- 20% Social Learning: Learning through coaching and mentoring from executives, including idea exchange within the team
- 10% Formal Learning: Learning from training courses both online and in the classroom to increase specialized knowledge

Photos of the Welcome and Congratulations to Talent 2024 Activities



Photos of the Developing Leadership Quality Panel (DLQ)



Human Resource Development : Leadership Development

The bank has designed a comprehensive leadership development path at all levels to enhance the potential and readiness of leaders to cope with rapidly changing business challenges, team management, diversity management, and performance management as follows:

• Executive Development Program (EDP)

For N-1 level leaders, the bank has organized a customized executive coaching program that focuses on developing skills in stakeholder management and building positive relationships that impact the organization as a whole.

Key Results

- Unlock Extraordinary Leadership: Enhance leadership potential that can create positive influence in the organization
- Maximize Your Potential: Find and develop hidden opportunities to enhance operational results
- Tackle Challenges with Self-Driven Solutions: Use coaching approaches to solve business problems and challenges

• N-2 Leadership Development Program (LDP)

For N-2 level leaders, the bank uses the 360 Leadership Mirror Assessment process to gather feedback from their supervisors, peers, subordinates, and self-evaluations. The results of the assessment are used to design a Leadership Development Program to enhance leadership competency and prepare for key future positions.

Development Model

- Learning through workshops in both offline, online, and self-learning formats
- Follow-up process to assess progress and enhance continuity of learning

Key Outcomes

- 98 percent of program participants are more enthusiastic about leadership roles
- 88 percent of their supervisors agree that the Leadership Development Program (LDP) significantly helps improve the quality of leadership within the organization

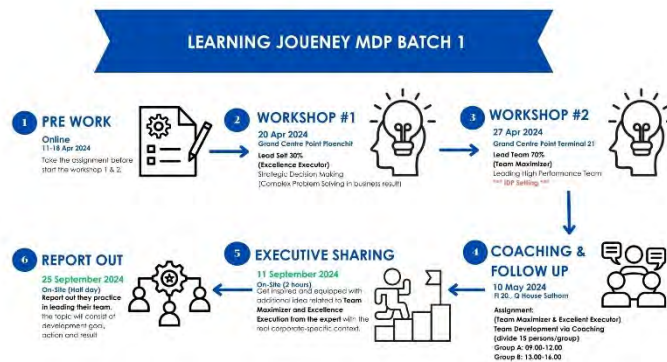
Leadership Development Journey

Program Objective : Strengthen the potential of leaders at all N-2 (AVP and above)



• Management Development Program : MDP and Supervisory Development Program : SDP

The bank develops middle and junior leaders to have management skills, enhance technology skills and change management, using a blended learning process that combines theory and practice, focusing on developing leadership competency and key skills such as coaching and mentoring, providing effective feedback, and creating an Individual Development Plan (IDP).



In addition, the learning process promotes the creation of a community of practice (COP) to exchange experiences and apply the acquired skills to team management and improve work efficiency.



Key Results

- Team Maximizer: Communication skills, motivation, team-level work efficiency improvement, driving strategies to produce tangible results, and the ability to make decisions and solve strategic problems efficiently
- Excellence Execution: Excellent management skills in strategic management, setting goals that are consistent with the bank's vision, and ready to handle strategic challenges quickly and accurately

Development of Learning Management System

In 2024, the Individual Development Plan (IDP) setting feature was added for employees to plan their individual development, extending from the competency assessment that covers core competency, leadership competency, and functional competency, which differ in each type of work.

This feature allows employees to clearly see their own learning path. The system will analyze and recommend appropriate learning based on their strengths and areas for development. After learning,

they can set self-development goals with their supervisors to create a clear path that is consistent with the needs of the department. In addition, supervisors can track their subordinates progress and development results through the Learning Management System (LMS) to ensure that employees in the department receive comprehensive development that is consistent with the competencies required in their roles, as well as promoting the overall efficiency of the organization.

ESG Day Activities to Raise Employees' Awareness of Driving Corporate ESG

The bank has continuously emphasized sustainable business operations in accordance with ESG principles. In 2024, the bank designed a learning path, divided into 1. Basic level for all employees, 2. Intermediate level for employees whose duties are related to ESG operations, and 3. Advanced level for employees who need to understand ESG in depth to plan corporate strategies.

The bank has joined the ESG DNA project developed by the Stock Exchange of Thailand, which aims to provide employees with a foundation to understand ESG working principles and instill sustainability DNA in employees. This project has 1,521 employees out of 1,765 participating and successfully completed according to the development plan, accounting for 86 percent of total employees.

ESG JOURNEY

ชวนทุกท่านเข้าเรียนตามเส้นทางการเรียนรู้ เพื่อพาองค์กรไปสู่ความยั่งยืน

ตลาดหลักทรัพย์แห่งประเทศไทย (SET) ได้จัดทำบทเรียนด้าน ESG เพื่อเป็นพื้นฐานให้พนักงานเข้าใจหลักการทาง ESG ESG ปูราก DNA ด้านความยั่งยืน และสามารถนำไปต่อยอดกับการดำเนินงานได้อย่างมีประสิทธิภาพ

สามารถเรียนผ่านระบบ SET E-Learning เมื่อเรียนจบและทำแบบทดสอบผ่าน สามารถรับประกาศนียบัตรได้ทุกหลักสูตร

ESG 101 (50 นาที)

- ทำใบ "ความยั่งยืน" จึงมีความสำคัญต่อธุรกิจ
- ความยั่งยืนของธุรกิจคืออะไร
- ทำไมจึงต้องสามารถพัฒนาธุรกิจไปสู่ความยั่งยืน

P 01 (1 ชั่วโมง 51 นาที)

- Introduction to Corporate Sustainability
- Sustainability Trends
- Corporate Sustainability Development
- Sustainability Disclosure
- Sustainability Role Models [Case Study]

เข้าเรียนรู้ได้แล้วตั้งแต่วันที่ - 30 มิถุนายน 2567

รับเลย ตัว 5 ตัว เมื่อเปิดเข้า SET e-learning platform ภายใน 30 มีนาคม 2567

รับเพิ่มอีก 10 ตัวหากเข้าเรียนและทดสอบผ่าน 1 บทเรียน ภายใน 30 เมษายน 2567

On top อีก 10 ตัวหากเข้าเรียนและทดสอบผ่านทั้ง 2 บทเรียน ภายใน 30 เมษายน 2567

สอบถามข้อมูลเพิ่มเติม ติดต่อ คุณธนัญญา (ปาน) 095-396-9535

เชิญชวนทุกคนเข้าเรียนบทเรียน ESG 101 และ P 01

UNESCO SET e-Learning

จัดทำขึ้นโดยตลาดหลักทรัพย์แห่งประเทศไทย (SET) เมื่อเรียนจบและทำแบบทดสอบผ่าน สามารถรับประกาศนียบัตรได้ทุกหลักสูตร

เข้าเรียนรู้ได้แล้วตั้งแต่วันที่ - 30 มิถุนายน 2567

พิเศษ รับตัว 3 ตัว

ตัวที่ 1 รับเลย ตัว 5 ตัว เมื่อเปิดเข้า SET e-learning platform ภายใน 30 มีนาคม 2567

ตัวที่ 2 รับเพิ่มอีก 10 ตัวหากเข้าเรียนและทดสอบผ่าน 1 บทเรียน ภายใน 30 เมษายน 2567

ตัวที่ 3 On top อีก 10 ตัวหากเข้าเรียนและทดสอบผ่านทั้ง 2 บทเรียน ภายใน 30 เมษายน 2567

รางวัลเป็นของขวัญจากองค์กรไปสู่ความยั่งยืนกับองค์กร

maabib.com

อันดับหน่วยงานที่เข้าเรียนชุดความรู้ ESG มากที่สุด

ช่วงวันที่ 20 มีนาคม ถึง 9 พฤษภาคม 2567

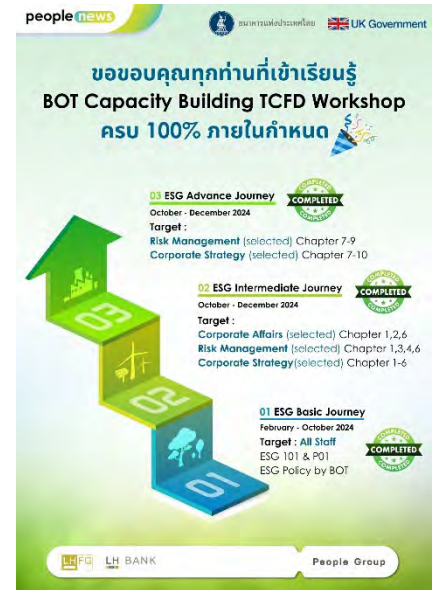
Operation Internal Audit Corporate Affairs People Wholesale Banking

มาจับเคลื่อนองค์กรไปสู่ความยั่งยืนไปด้วยกัน

เข้าเรียนรู้ได้แล้วตั้งแต่วันที่ - 30 มิถุนายน 2567

The bank has applied the knowledge pack from the BOT Capacity Building TCFD Workshop organized by the Bank of Thailand in collaboration with the UK Government under the ASEAN Low Carbon Energy Program to mid-level and senior-level employees to learn with the aim of enhancing their potential,

knowledge and deep understanding of ESG, especially the Task Force on Climate-related Financial Disclosures (TCFD) to align with the bank's sustainability policy. The program requires 8 staff to participate and achieved 100% of the plan.



To make employees in the organization aware, involved, and be part of reducing the impact of global warming to drive the bank towards sustainable banking operations according to ESG principles and to respond to the organization's ESG policy, the bank has organized the ESG Day activity, honored by representatives from the Stock Exchange of Thailand, the Thailand Greenhouse Gas Management Organization and representatives from internal departments of the bank to lecture and exchange knowledge on ESG and sustainable business operations in the organization.

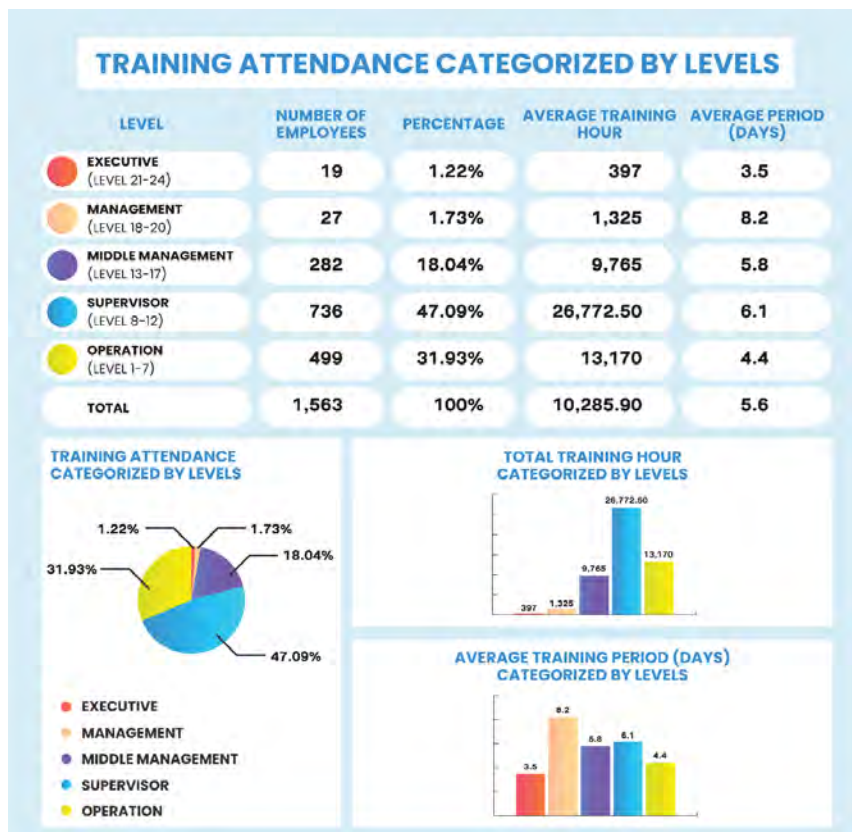


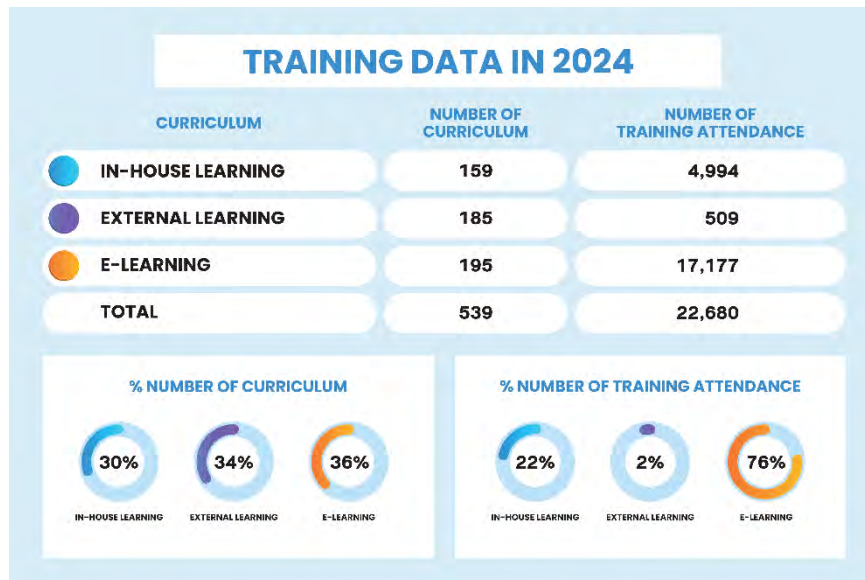
Promoting Financial Literacy through Financial Day Activities

Promoting financial literacy to employees is an important foundation to create understanding of roles and the connection between employees' duties and the organization's goals. This knowledge helps increase decision-making and work efficiency, as well as promoting employees' awareness of the importance of personal financial management and planning, covering everything from knowing their own financial health, planning and managing money, setting savings and investment goals, and helping reduce the risk of employees' personal financial problems while increasing their long-term financial security, which has a positive effect on their quality of life and readiness to work. In addition, it promotes an organizational culture that supports stability and sustainability by expecting employees to have knowledge and understanding of the organization's finances and be able to manage their personal finances effectively, which will result in increased work efficiency and support the organization's success in the long term.

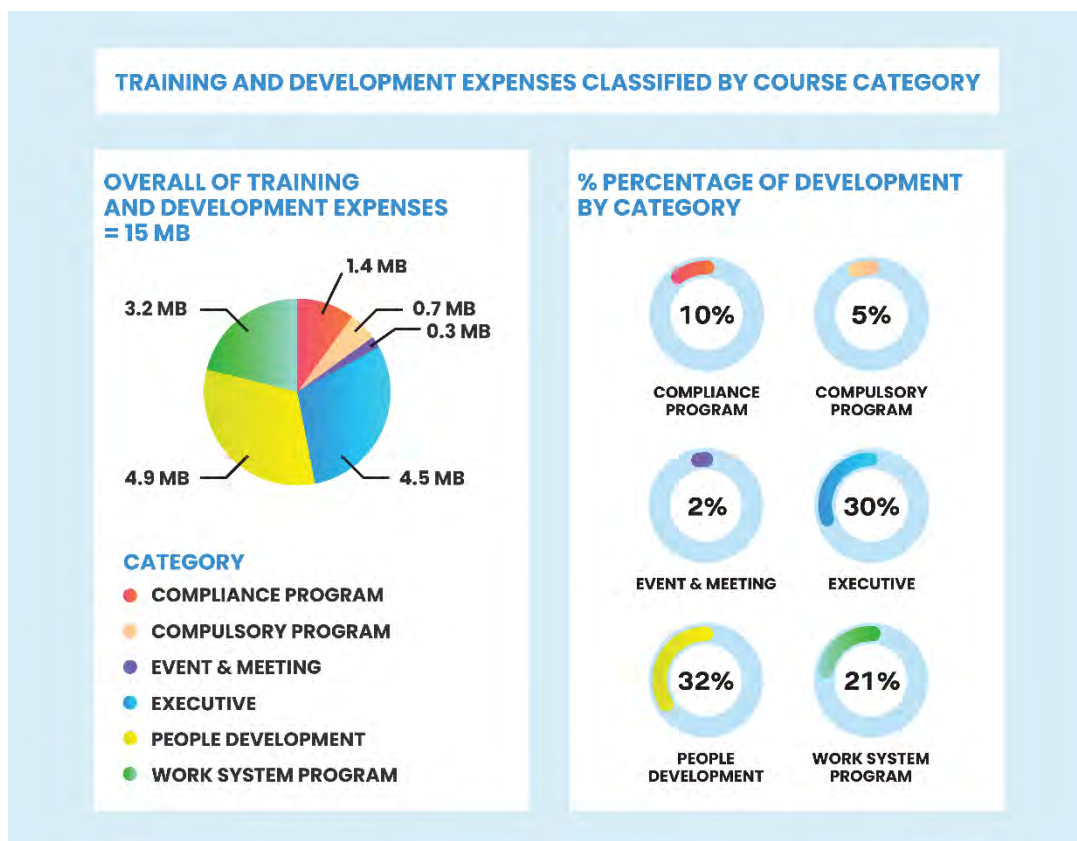


The average training hours for employees and executives of 2024 are as follows:





Employee training and development expenses for 2024 are as follows:



Annual Performance Appraisal

The bank sees the annual performance appraisal as an essential part to enhance work efficiency. It encourages employees to coordinate with their supervisors to set KPIs and communicate this SMART KPIs setting process to align with the goals of organization.

The factors used in the annual performance assessment consist of two main components: the expected behaviors of the organization (competency) and performance (KPI). The two factors have

been determined in proper proportion for each level of employees and have been considered by the Human Resources Development Committee.

The bank has implemented a performance calibration process to create fairness and transparency in the performance appraisal process. The main purpose of this process is to ensure that executives use the same standards to evaluate employees. This process provides a platform for executives to discuss the performance of individual team members to create understanding and consensus.

The performance calibration process reduces the risk of unequal evaluations by allowing employees to be evaluated based on the clearly defined criteria, independent of their direct supervisors. This process helps employees to be confident that the evaluations are transparent, fair, and truly reflect their performance.

The bank is committed to continuously developing and improving the performance appraisal process to ensure that employees are evaluated in line with the organization's strategic goals and to promote long-term mutual growth and success.

Managing Remunerations

The bank places importance on managing remunerations to be fair and competitive. Therefore, the bank has a policy on merit increase and bonus based on operating result and performance. Special payroll adjustments are also made by referring to compensation surveys in the same or similar industry in order to retain qualified employees who can meet the expectations of the bank.

Compensation Ratio by Gender

The basic compensation ratio of male to female is 1:1.

Building Pride in the Organization

The value of employees is a critical factor in business operations. The bank places importance on employees and recognizes their dedication to their work (Employee Recognition). Therefore, a ceremony was held to present gifts to employees with 10 years of service as a token of gratitude for their efforts, an important part of driving the organization forward. In 2024, the bank presented gifts to 77 employees.

Table: Number of employees with 10 years of service

2024	2023	2022	2021
77 Persons	61 Persons	70 Persons	59 Persons

Communication with Employees and External Parties

The bank is committed to providing employees with complete information about the organization. The bank communicates through various channels for the convenience of employees, including communicating with external parties so that they can follow the news of the organization's activities. It is divided into 2 channels as follows:

1. Online media

- For employees, including E-mail (by categorizing content through E-mail subject, such as People News, IT Security, PR, CSR, etc.) PacD Application, Intranet and private Facebook group
- For employees and external parties, including LINE Official Account (@LHBANKCAREER) and LinkedIn (LH Bank), which are channels for building a brand

(Employer Branding) and attracting applicants who are interested in working with the organization. Currently, there are approximately 7,000 followers on the page.

2. Offline media, including on-site activities

- Town Hall Meeting 2024 to communicate the organization's strategic plans and vision to ensure that operations are in the same direction in order to achieve the set goals



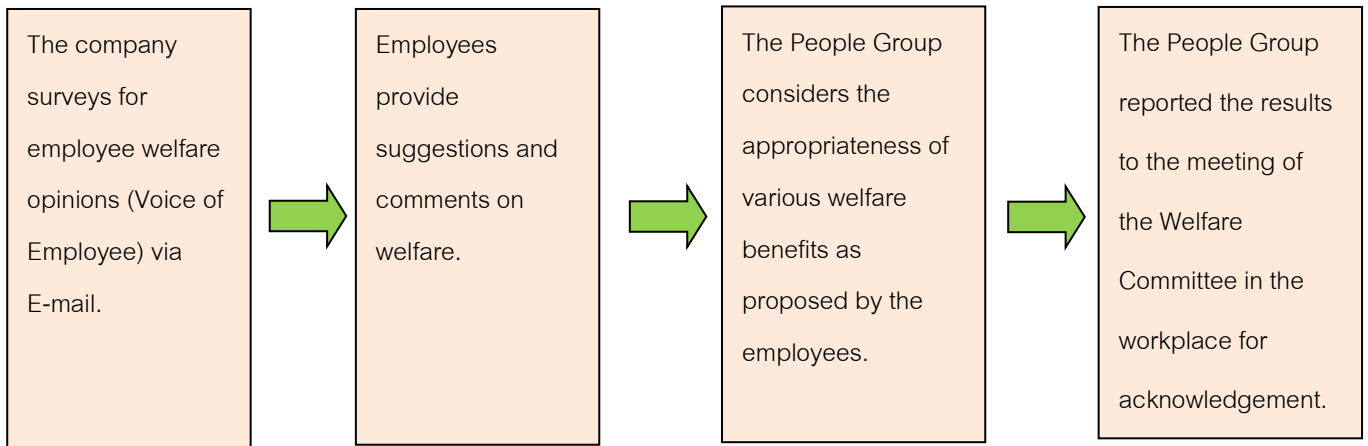
Welfare

Good benefits are significant factors for boosting the employees' morale and spirit. The bank has set an appropriate and fair system of remunerations and benefits so that they can have the good quality of life by providing various benefits as follows:

- Annual leave
- Housing allowance for employees who have been transferred outside their domicile
- Financial assistance in the case of natural disasters such as floods, storms, and fires
- Provident fund
- Medical and dental care service fee and annual medical check-up
- Group life insurance and health insurance
- Housing loan, auto and motorcycle hire purchase with low interest rate
- Staff uniform

The bank has established the Welfare Committee in the workplace, with representatives selected by employees as members of the committee to discuss with the bank's representatives in providing welfare for employees. This is to promote employee participation, listen to the needs and opinions of employee representatives on various welfare provided by the bank, and to develop and improve it. It also uses the meeting forum with the Welfare Committee in the workplace to consider various welfare as proposed by employees in order to promote good labor relations and reduce conflicts arising from employee demands that may occur.

Welfare Proposal Process for Employees



Welfare and Employee Participations

The bank is aware of the health of its employees and aims for all employees to have good physical and mental health. The bank, therefore, provides activities to promote the health of its employees to ensure good health, such as annual health check-ups, flu vaccinations, special discounts for employees' family members who wish to receive vaccinations or health check-ups and inviting physical therapists to share knowledge on preventing occupational diseases such as office syndrome.

[illegible]

people news

ภาพบรรยากาศกิจกรรม

ออฟฟิศนี้...ไม่ซินโดรม

[Office (NOT) Syndrome]

กลุ่มงานบริหารงานบุคคล (Personnel Group) ได้มีการจัดกิจกรรม “ออฟฟิศนี้...ไม่ซินโดรม [Office (NOT) Syndrome]” ที่ห้องประชุม 1 ชั้น 2 อาคารตึกอำนวยการ เมื่อวันที่ 14 ธันวาคม 2564 มีเป้าหมายเพื่อช่วยป้องกันและลดผลกระทบจากโรค (well-being) ที่สัมพันธ์กับสภาพแวดล้อมในการทำงานของบุคลากร “สุขอนามัย - ความรู้ - วัฒนธรรม - ทัศนคติ” ของบุคลากร” ด้านกายภาพผ่านกิจกรรมที่สนุกสนาน มีทั้งการนั่งฟังบรรยาย 3 หัวข้อสำคัญ ได้แก่

- 1) Office Syndromes คืออะไร มีผลกระทบอย่างไร 2) วิธีป้องกันและลดผลกระทบจาก Office Syndromes 3) การป้องกันและลดผลกระทบจาก Office Syndromes

นอกจากนี้ยังมีการนำสื่อการเรียนรู้มาช่วยเสริมความรู้เกี่ยวกับโรคออฟฟิศซินโดรม เช่น “ตารางบันทึกท่าทาง” และ “การ์ดเตือน” ซึ่งสามารถดาวน์โหลดได้ที่ [http://www.doe.go.th/office-syndrome](#)

Personnel Group ขอขอบคุณหน่วยงานที่สนับสนุนการจัดทำโครงการออฟฟิศนี้...ไม่ซินโดรม

โดยสามารถ download ได้ที่เว็บไซต์ “Office (NOT) Syndrome Tips” เมื่อทำการดาวน์โหลดจนสมบูรณ์แล้วสามารถดาวน์โหลดได้ที่:



people news






People Group

Activities to promote employees' mental health have been organized so that they have a better mental state and are ready for work including health talk activities on various topics such as preventing health before disease occurs by inviting doctors to provide knowledge directly after health check-ups, eating nutritious food, taking various vitamins, exercising, and burnout or exhaustion at work.



Tax planning knowledge sharing activity has also been arranged for employees about to retire by inviting analysts and investment planners from Land and Houses Fund Management Company Limited, officers from the Social Security Office and the Revenue Department.



Employees Engagement and Voice of Employees

The bank is determined to build relationships and deliver good employee experience through various activities, both online and onsite, to communicate and listen to employee feedback for further improvements.

In 2024, the bank conducted a survey on employee engagement with the organization, with 94 percent of all employees responding to the questionnaire. 77 percent of employees were satisfied or engaged with the organization.

Employee Satisfaction Development Plan

The bank uses the results of the employee engagement survey to develop both short-term and long-term improvement and development plans (action plan) to create better results by supporting a budget for organizing activities to promote organizational engagement in the form of team building by setting activity topics from the above results to attract, retain, and enhance employee engagement, with 80 percent of all employees participating in the activities.



Creating a Culture of Embracing Diversity in the Organization (Inclusive Workplace)

The bank focuses on a culture that supports diversity, accepting the differences of employees in the organization, whether in terms of race, nationality, gender, culture, physical disabilities, etc., by communicating content or activities on important days through internal and external communication channels of the organization to create a society and environment that is conducive to organizational well-being, promoting all employees to feel safe and be themselves, which is an important factor that leads to efficient work and the creation of innovations, inventing new things, and attracting talented people to work with the organization.



Good Environment and Workplace Safety

Creating a good working environment aims for employees to work safely. The bank has established the Safety Healthy Environment Committee (SHE) as a mechanism to drive compliance with relevant laws and regulations regarding occupational health and safety and the working environment as detailed below:

- Train and appoint executives and supervisors as occupational safety officers
- Educate and create understanding about occupational safety in the workplace through various communication channels
- Organize annual fire drill
- Provide channels to report various safety incidents and coordinate with relevant departments to provide assistance

In 2024, no employees were injured at work.

Table: Number of employees injured at work

	2024	2023	2022	2021
Number of employees injured at work (Person)	0	0	0	0

Target number of employees injured at work in 2024

The bank has set a target zero of employees injured at work in 2024.

Creating Positive Work Environment

The bank has renovated the office areas to be co-working space corresponding to the “Fun and Grow Together” concept including the color, design, amenities and lightings so that employees can work together seamlessly, helping promote a good tie and create a happier workplace.



Responsibilities towards Consumers



Risks	Opportunities
The bank violates consumer rights, distorts information about products and services, exaggerates advertisement, provides inadequate information about products and services for making decisions, sets unreasonable prices for products and services, and fails to manage customer relationships both before and after sales. This will cause the risk of complaints of infringement or deprivation of consumer rights and potential reputational risk.	The bank considers consumer rights, provides truthful and adequate information for consumers for their decision making to buy products and services, manages customer relationships both before and after sales, and improves products and services by taking into account the benefits for society and environment as well as market conduct. As a result, the bank has good image and more customers with sustainable growth.

Financial business is related to the economy and treasury of the country, its business operation can impact the national economic drive and investments at a wider range than any other business. The bank, therefore, has been operating effectively coupled with social responsibility, especially towards consumers on which the bank prioritizes by offering the products and services with quality, responding to the demands of all customer segments. There are many areas of development to accommodate more convenience. The details of products and services are clearly and accurately presented to customers through various channels which can be easily accessed so that they have enough information regarding our products including sales promotions for decision-making. Moreover, the bank emphasizes and operates its business under the market conduct.

Basic Rights of Consumers

Land and Houses Bank announces the basic rights of consumers to raise the awareness of their rights eligible from using services via the bank's website as follows:

Rights of Consumers	Products	Personnel or Processes
1.Right to receive correct information	<ul style="list-style-type: none"> ● Consumers shall receive clear explanation about the differences between the main products of the bank and the securities and insurance products. ● Consumers shall receive product details, risks, conditions, benefits such as in the form of APR (Annual Percentage Rate) or IRR (Internal Rate of Return) and related assumptions. ● Consumers shall receive correct and proper information advertisement or other marketing media in sales promotions. 	<ul style="list-style-type: none"> ● Consumers shall receive the fact sheet summarizing the main information when they are offered securities and insurance products. The fact sheet must indicate the unique features and risks of the products with concise and straightforward wording and is in line with the form required by the Office of The Securities and Exchange Commission (SEC) and the Office of Insurance Commission (OIC), for making the decision to buy the products.
2.Right to freely choose the financial products and services		<ul style="list-style-type: none"> ● Consumers have the right to freely invest and can deny buying any securities and insurance products. ● Consumers have the right to deny buying any securities and insurance products which are bundled with the products of the bank. The bank shall give the right to the consumers in choosing to buy or not to buy such products. ● Consumers have the right to give consent or deny giving the consent to reveal the information as mentioned in the letter of consent given separately from the purchase agreement.
3.Right to claim for fairness		<ul style="list-style-type: none"> ● Consumers have the right to complain to all branches of the bank selling the products of securities and insurance (Point of Sale) with evidence to prove that the bank has acknowledged the complaint. ● Consumers shall be able to ask for more information for better understanding of

Rights of Consumers	Products	Personnel or Processes
		the products from the call center of the bank.
4.Right to claim for compensation		<ul style="list-style-type: none"> Consumers have the right to receive appropriate compensation if it has been proven that the bank fails to conform to the good product offer policy with intention or negligence causing any damage to the consumers.

Treatment of Consumers

The bank has been constantly conducting social responsibility in CSR-in-Process by implementing the practical guidelines in the corporate social responsibility for business sustainability policy and to create the business innovation until it becomes part of working processes, product development as well as service standards. The main objectives were to reduce the potential negative impacts on the stakeholders in all aspects and to raise awareness and a good attitude among directors, executives and employees.

The bank has developed a working process in the forms of regulations, standard operation manuals designed organizational structure and segregated duties to each department properly (Three Lines of Defense) with clear operation process, risk management in all dimensions, quick and accurate system and effective operation control. The bank also designs systems to create correct and better understanding among employees, reduce errors and be transparent, monitored and evaluated efficiently for the best benefits to customers, including:

- For savings and current accounts without transaction movements for more than 1 year, the bank will notify the balance and conditions of account maintenance fee deduction to customers 30 days in advance.

- For debt collection and debt management, collectors must introduce themselves to customers by telling their names and objective correctly and appropriately. In the case of face-to-face communication, evidence of debt collecting permission certified by the bank must be shown to customers. The bank also specifies the time and frequency of debt collection which is proper and conforms to the law and practice of the Bank of Thailand and related regulators.

- The announcement of the interest rates and fees was made in advance before the effective date of any changes in order to keep customers informed before making decisions to use the services. The announcement will be made at the bank's branches and on the website at www.lhbank.co.th. It clearly specifies the rate against the credit line and type of customers, details and conditions of such product so that they can consider before making decisions.

The bank provides its employees with knowledge of products and services so that they can give the information correctly and quickly. This was to ensure satisfied customers' experience in using smooth services. The bank also has a call center to provide advisory service available 24 hours daily at 1327.

The bank valued the confidentiality of customers' data by not revealing them unless written consent is obtained.

Customers' Satisfaction Measurement

The bank measures the customers' satisfaction with the services provided by staff at branches via random calls and feedback collection from customers using services at branches. The information collected will then be used to develop and improve services at branches to increase their satisfaction.

Customer Satisfaction Improvement Plan

- Enhance a full range of services and create sustainable relationships with customers
- Improve work process and upgrade service quality to be fast and convenient
- Supervise and evaluate the effectiveness of customer service
- Build customer relationships and provide up-to-date product information to customers consistently

Quantitative Goals to Improve Customer Satisfaction

In 2024, the bank set a target for customer satisfaction level at a minimum of 95 percent.

Customer Satisfaction Evaluation Results

Customer satisfaction stood at 97.10 percent, increasing by 0.40 percent when compared to 96.70 percent in 2023.

The bank places importance on customer satisfaction through providing services based on customer centric principles by developing and offering products and services along with solutions that meet various needs of each customer segment. The bank plans to deliver a better financial life and design products that meet customer needs.

Providing Deposit Account for Basic Financial Service Accessibility

The bank provides many financial products under the concept of promoting inclusive financial access to stimulate economic growth sustainably and thoroughly by supporting public including the elderly and the disabled to gain easy access to financial services with a lower cost. This important mechanism serves as an initiative on supporting all individuals to learn basic financial planning, gain access to financial services, cultivate savings attitude and expand to other products.

Criteria for Opening Basic Banking Account are as follows:

- Savings account
- 1 person/1 account
- Receive savings account's interest rate
- No minimum balance when opening an account (zero balance)
- No account maintenance fees
- No fees for ATM/debit card used with the basic banking account



Resolution Process and Result Reporting to Complainants According to Service Level Agreement (SLA)

The bank has determined the Service Level Agreement (SLA) to set the processing time for financial services for retail customers. The agreement, covering services in the field of credits, deposits, electronic cards and general services, is intended to upgrade the financial service standards and to set standards for receiving and handling customers' complaints, and to eventually reduce the number of complaints. It was the bank's commitment to deliver more efficient, faster and more convenient services, to respond to the customers' needs well so that they can realize the bank's operations. Moreover, the Service Level Agreement (SLA) ensures the correctness and completeness of facts and/or information, the cooperation of customers, force majeure, uncontrollable incidents and/or incidents where the bank shall comply with the business continuity plan.

The bank has disclosed the Service Level Agreement (SLA) on the bank's website at www.lhbank.co.th covering 5 areas of financial services as follows:

1. Receiving and Handling Complaints

- Verification of complaints through various channels
- Notification of solutions or progress on actions to cope with complaints in all channels

2. Loans

- Return of collateral including registration documents or other evidence received as collateral for debt repayment for individual and juristic person customers using retail loan products and SME loan products

- Transfer of ownership to auto/motorcycle hire purchase customers. For individual retail customers, once the debt is paid off, the bank will proceed until it is ready to transfer ownership to the customer.

- Consideration of debt restructuring for individual retail loans. The bank will inform the customer of the initial consideration results from the date the bank receives all documents.

- Issuance of a letter confirming the completion of debt repayment for individual retail customers

- Request for checking the status of the individual retail customer's loan account, such as the remaining principal and installments due

3. Deposits

- Cash deposit/withdrawal through ATM/CDM of the same bank and different banks with some errors occurred: no money received or incorrect balance (excluding suspected fraud cases)

- Money transfer via electronic channels including ATM, internet, and mobile banking before 10:00 p.m. but there is a system error, the recipient does not receive the money. The bank will check and adjust the transaction to be correct (if any).

- e-Wallet top up via ATM, CDM, internet, and mobile banking but the system malfunctioned causing no money debited, the bank will check the error, notify a customer, and adjust that transaction to be correct (if any).

- Request to check the transfers to wrong account, transfers or e-Wallet top up to wrong account (excluding suspected fraud cases), the bank will check the error and keep a customer informed.

4. Electronic Cards

- Freezing debit cards
- Objecting debit cardholders' payment (only for payments made for goods and services in Thailand and abroad and cash withdrawals from ATMs abroad)
- Checking the debit card's transactions at the point of sale locally and returning money to cardholders in cases where customers use debit cards to pay for goods or services domestically using Electronic Data Capture (EDC), but during the transaction at the point of sale, the Electronic Data Capture (EDC) or the bank's network system malfunctions, resulting in money being deducted from the customer's account, but the merchant does not receive confirmation of successful transaction. The bank will verify and refund the customer.

5. General Services

- Requesting for various information for individual retail customers such as historical data on the calculation of interests for credit/hire purchase not exceeding 12 months and bank statement not exceeding 6 months, the bank will notify the customer in writing from the date the bank received the request from the customer.

Market Conduct

The bank has been emphasizing and supporting operations according to the market conduct for sustainable operations. We expect our customers to gain confidence in:

1. Receiving fair service with sincerity
2. Receiving appropriate and clear advice
3. Receiving fair prices and conditions
4. Receiving convenient services and proper solutions
5. Receiving understanding of their rights and duties

Enhancing Accessibility of Financial Services



Risks	Opportunities
People do not have access to financial products and services or have access with inefficiency. It may cause financial inequality and a risk of inequality in financial service accessibility, leading to loan sharks and household debt issues, increased risk to asset quality of the bank and may affect the wider range of economic system.	Creating channels to access financial services for all groups and all levels of customers to reduce inequality in financial service accessibility is part of improving the quality of life, adding savings opportunities, obtaining funds, and increasing opportunities to start or expand the business. The bank has developed various channels for the public to access financial services in several forms such as digital banking through LHB You application of Land and Houses Bank, which allows access to financial services every day, anytime anywhere to help provide customers with equal financial opportunity and be part of the country's economic development.

The bank has continuously focused on developing its digital platform and digital products and services because digital channels are channels that allow customers to easily and conveniently access various products and services of the bank. The bank has developed an application for accessing loan products, which is part of reducing inequality in access to financial resources for people who live in remote areas and are unable to travel to a bank branch to complete transactions and apply for loans by themselves.

Products and Services to Create Financial Accessibility

Products/Services	Details of Access Channels to Products and Services	Performance
Personal loan application service on LHB You	The bank has added channels for customers to access personal loan products more easily and conveniently through LHB You application. Customers can apply for personal loans by themselves and receive the results and drawdown of the approved limit. This is a financial transaction that they can do by themselves every day, anywhere anytime without the need to go to a branch.	<ul style="list-style-type: none"> Personal loan application service on LHB You application In 2024, there were 173 customers applying for personal loans and getting approved on LHB You application, with the loan limit of Baht 16.5 million in total.

Cooperation in Development of Community and Society



Risks	Opportunities
Nowadays, CSR activities are expected to create benefits, develop, and strengthen communities, society and environment as well as yield the benefits for the bank. If the bank does not give importance to the implementation of social responsibility and neglects supporting, helping, promoting and developing the quality of life of society in various aspects, it may affect the image and credibility of the bank and shareholders.	The bank's participation in community and social development under the readiness and available resources with clear goals and guidelines for implementation will play part in raising the quality of society and strengthening the community to have good immunity. This will lead to a good image and credibility for the bank, bring in opportunities to expand new customer base in the future and result in the bank to have good economic and social environments as well.

The bank is engaged in being part of sustainable development in accordance with good governance principles coupled with social responsibility by supporting activities to promote and improve the quality of life in various fields continuously as well as encouraging its employees to volunteer in various activities with the aim of maximizing benefits to society and communities sustainably. This also creates good ties among companies in the financial business group, society, and community according to the Sustainable Development Goals (SDGs) of the United Nations.

The bank has been supporting and promoting the development of society and communities through supportive activities covering 3 areas as follows:

1. Youth Empowerment and Education
2. Society and Quality of Life Improvement
3. Culture and Environment Conservation

1. Youth Empowerment and Education

The bank has a policy to support sustainable educational activities as education is the foundation for all success stories. Thus, the bank always realizes the significance of educational support, knowledge development and quality of Thai juveniles such as:

- "Scholarship" project is to support youth across the country who study well, possess talents and determine to study at a higher education but lack funds to have an opportunity to continue studying.

- "Library Renovation" project is to create a pleasant library atmosphere to study and promote good reading habit, which is the starting point for cultivating a learning culture. This library is designed to be open and cute to make young people want to visit and learn more.
- "Book Donation to the Department of Corrections for Prisoners" project is where employees and customers join in donating books to promote education for prisoners.
- "Old Calendar Donation Project" is to give old calendar to the Bangkok School for the Blind for using in media production, teaching braille books and notepads for visually impaired students.

● Scholarship Project

The bank realizes the importance of education as it is the future of youth and the nation and the development of youths, who will be the powerful driver of the nation in the long run, and sets up a scholarship project to support the youths who have high academic performance, talent and determination to pursue higher education in order to alleviate the household spending. This project also encourages juveniles to realize the values and importance of education and increase quality human resources. Furthermore, the bank has donated sports and gym equipment that will allow the youths to grow and become the main driving force for the nation in future.

Main Objectives

- To bring the educational stability to the 7th grade needy students with high academic records to pursue their education until 12th grade
- To instill youths the values and importance of education
- To increase the number of potential and quality human resources to society
- To carry out activities that benefit and help society and country as a whole (Corporate Social Responsibilities)

Nature of Scholarship

- It is a scholarship for junior high school to high school students who have good academic records with the average GPA above 2.50 and good behaviors.
- It is offered for youths in a wider area across 6 regions where the bank's branch networks are located.
- It is offered for the underprivileged due to poor family or lack of parents or being in the custody of other persons who are poor or are under the care of welfare institutions or foundations.

List of schools joining the 2024 scholarship project includes:

- Anurajprasit School, Bangkok
- Ratniyom School, Nonthaburi
- Thanyarat School, Pathum Thani
- San Kamphaeng School, Chiang Mai
- Chuenchom Pittayakarn School, Maha Sarakham
- Hua Hin Witthayakhom School, Prachuap Khiri Khan
- Phuket Wittayalai School, Phuket

Youth Empowerment and Education Outcome

- 107 continuing scholarships for 7 schools from 7th to 12th grade, with the total amount of

Baht 897,000

- Follow up and assessments showed the students' academic record was average to good level.
- The youths were willing to study and striving to finish their high school.

Scholarship's Activity Snapshots



San Kamphaeng School, Chiang Mai



Chuenchom Pittayakarn School, Maha Sarakham

Expenses for CSR Activities

Activities	2024	2023	2022
Continuing Scholarship	908,000	908,000	750,000
Environmental, Social and Governance	1,285,933	1,092,000	1,150,000

Used Computers Donation Project

The bank endeavors to fulfill the educational gap. The bank, therefore, arranges the used computers donation project, offering second-hand, ready-to-use computers and notebooks with good conditions to disadvantaged schools as an educational resource so that their students can fully search for knowledge and information.

Used Computers Donation Outcome

In 2024, the bank delivered 118 items of used devices to Phra Dabos School, Samut Prakan.



Old Calendar Donation Project

The bank has collected the unused desk calendars from executives and employees to donate to the Bangkok School for the Blind to produce instructional materials, braille books and notebooks for students with visual impairments.

Old Calendar Donation for the Bangkok School for the Blind

2024	2023	2022
1,900 pieces	1,820 pieces	1,800 pieces



Old Calendar Donation Project at Educational Technology for the Blind Center

Old Book Donation for the Department of Corrections

2024	2023	2022
1,148 pieces	1,100 pieces	960 pieces



Donated Books to the Department of Corrections for Prisoners' Learning Media and Self-improvement

2. Society and Quality of Life Improvement

The bank has been supporting various projects which promote society and environment and drive positive changes in communities through a wide range of supports such as providing budgets, donating materials, providing aids in an emergency, voluntary activities of employees, internal activities for employees to donate money and materials to different public charities, and sharing knowledge and skills. The bank also participates in the anti-corruption activities to encourage Thai society to work together against all forms of corruption. We are Family... RUN for LIFE project was organized to allow employees to participate in social activities and to promote good health, which is a combined force to "run" to convert mileage into donations. There were 533 employees participating in the activity, with a total of Baht 300,000 donated to the Foundation for Slum Child Care under the patronage of HRH Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra. The bank donated 1,887 sets of face shields and 20 sets of acrylic partitions to the Bangkok Health Department for use by medical personnel at public health centers, drinking water to the Bangkok Health Department for use in the mobile medical and public health units under the "Bangkok Cares for Health" project, provided drinking water to send encouragement and concern to help flood victims in the North, and supported the sale of jasmine bouquets under the "United Hearts for Mom" project to the National Council on Social Welfare of Thailand under Royal Patronage.

- Voluntary Activities for Social Development



LH Bank blood donation activity under the "Blood Donation" project for the Thai Red Cross Society in collaboration with Thammasat University Commerce and Accountancy Alumni (T.C.A.A.) to campaign for public to realize the importance of blood donation, including providing blood reserve to help patients nationwide



International Anti-corruption Day activities (Thailand) under the concept of "Zero Tolerance, Thai people do not tolerate corruption", join force in expressing the intention to fight against all forms of corruption and promote transparent business operations under good governance principles



We are Family... RUN for LIFE project: Run to accumulate mileage and convert it into donations for the Foundation for Slum Child Care



Donated Face Shields and Acrylic Partitions to the Bangkok Health Department



Supported Drinking Water for the Bangkok Health Department



Provided Drinking Water for Flood Victims in the North: Chiang Rai, Chiang Mai, Nan, and Sukhothai Provinces

● Youth Empowerment and Education

The “Library Renovation” project creates a library with reading-friendly atmosphere and a good reading habit which is the starting point for cultivating a learning culture. The library was designed to be spacious and lovely so that the youth would come in and enjoy looking for information using computers. This is one way to instill sustainable learning culture.

List of schools in the project "Learning Library" as follows:

1. Ban Nong Bon (Naiyana Non Anuson) School, Bangkok
2. Thewa Khlong Trong School, Samut Prakan
3. Wat Ko Kaeo School, Samut Prakan
4. Klong Kra Chaeng Toei School, Samut Prakan
5. Wat Songploo School, Nonthaburi
6. Chumchonwadbangkrainai School, Nonthaburi
7. Watprangoen School, Nonthaburi
8. Bangcheuknang School, Bangkok
9. Wat Bua Phan School, Bangkok
10. Klongrak School, Bangkok



“Learning Library” Project

3. Culture and Environment Conservation

Financial institutions that play an important role in economic and social development do not only focus on providing financial services but also realize the importance of preserving culture and environment to create positive impacts on communities and society in the long run. The bank has participated in various traditional activities with communities and people in the areas where the bank provides services, such as supporting activities for the Chinese New Year Festival and supporting Children's Day activities to strengthen and promote customs, traditions, arts and cultures together with communities surrounding the bank's branches. In terms of the environment, the bank is aware of creating a balance for the future and is committed to being a bank that cares for the environment. The bank focuses on creating cooperation and participation of employees in the organization to drive sustainable changes through activities that benefit society and the world. One of the projects that the bank has implemented is the Eco Bricks project, which promotes the management of plastic waste to create benefits and reduce the impact on the environment.

- Culture Conservation Activities



National Children's Day Activities at Suanlumpini School, Bangkok



National Children's Day Activities at Bon Kai Recreation Center

- Environment Conservation Activities

The Eco Bricks activity involves packing non-recyclable plastic waste such as plastic bags and snack and candy wrappers tightly into plastic bottles to become “plastic bottle bricks” that are strong and can be used for construction materials such as chairs, tables, or other structures. This activity not only helps reduce the amount of plastic waste thrown into the environment but also adds value to materials that are considered worthless.



Donated 200 bottles of Eco Bricks to the Little Bee Hero Organization

Innovation and Dissemination of Innovative Corporate Social Responsibilities



Risks	Opportunities
Today's consumer behaviors and technological developments are changing rapidly. In addition, consumer behaviors have changed more towards digital. If the bank is unable to create or invent new innovations or not adjusting strategies to be in line with consumer needs, it may cause the number of customers or service users to decrease and have a financial impact on the bank .	The bank develops and creates financial innovations that meet customer needs, positive creativity, and social responsibility which brings business opportunities, adds value to the business and develops the economy, society and environment at the same time.

The bank is committed to creating innovations for the benefits of business and society at the same time and support the new era that drives towards digital transformation and the government's policy to move forward to digital economy. The bank is well aware of these significant trends; therefore, it enhances the innovations for financial products and services in the form of digital banking, helping customers save their time, reduce costs and receive more convenient services. Moreover, the bank has communicated with customers for their correct understanding and optimal benefits.

Financial services through mobile banking application is one of the services that enables quick and convenient business transaction at any day, anywhere anytime via mobile phone. The details are as follows:

1. Profita, a new investment application - investments on the palm of your hand
 - Open an account to trade mutual funds online anywhere anytime
 - Support buy-sell/switch fund orders with other leading fund management companies 24 hours including the automatic management of investment portfolio, facilitate investors who have not much knowledge on investment or investors who do not have any advisor to be able to professionally plan and manage their portfolios
2. LHB You Mobile Banking Application
 - Online savings account opening is an online service to keep pace with the digital era, enabling customers to conveniently do financial transactions every day, anywhere anytime.
 - Loan application
 - Withdraw cash without a card from ATM machines of Siam Commercial Bank (SCB), Kasikorn Bank (KBANK), Bangkok Bank (BBL), and Bank for Agriculture and Agricultural Cooperatives (BAAC)

Results and Benefits of Innovations

The total number of users in mobile banking surged from 190,000 users in 2023 to 254,000 users in 2024, accounting for 34 percent growth. In 2024, the bank developed new functions and services, including enhancing security to help customers complete financial transactions conveniently, quickly, and safely, resulting in a continuous increase in the number of users of the application and the number of transactions.

Certification of IT Security Management System Standards (ISO/IEC 27001 : 2022)

Land and Houses Bank Public Company Limited received the certificate for the IT security management system standards (ISO/IEC 27001 : 2022) to enhance the management of IT security of operation, infrastructure, and services directly connected to BAHTNET, ICS and SWIFT system, including the operation of the bank's computer center to meet international standards to prevent the cyber risks that may cause financial loss and reputational damage which may affect the people and economy in a wider scale.

Raising Awareness on IT Security

The bank has organized a training course on IT security awareness for directors and executives to keep up with the changes occurred to data protection system and information system (Cyber Security) locally and internationally. This is to raise the level of cautions in preventing the Risks caused by the changing trends in the digital world so that the bank will be able to cope with and prevent risks immediately and efficiently as well as provide knowledge on the Cyber Security Act B.E. 2562, Personal Data Protection Act B.E. 2562, IT risks and updates of new IT risks for employees so they are aware of more secure use of computers.

Information Technology Operations and Data Security

1. The board has roles and duties to oversee IT security, approve strategies and policies, supervise and monitor cyber security. For supervision and monitoring, the board may assign other committees to act on its behalf by clearly defining the roles and duties in writing. The board has assigned other committees to supervise and follow up on IT security functions as follows:

- Risk Oversight Committee has the duties and responsibilities as follows:

- (1) Supervise the preparation of risk management policies in various areas, such as credit risk, market risk, liquidity risk, operational risk and reputational risks and define IT risk management policy that is sufficient, comprehensive and consistent with international standards
- (2) Supervise IT risk management and risk management process covering IT risk and cyber risk assessment and readiness to deal with cyber risks (Cyber Security), supervise and report key IT risk and cyber risk to the board for acknowledgement

- Information Technology Steering Committee has the duties and responsibilities to set policies, strategies and master plan for the IT group in line with the bank's business plan, IT changes, risk management and regulatory requirements.

2. Establish an IT security policy that covers cyber security and aligns with international standards: ISO/IEC 27001:2022 as to be a guideline for ensuring security and safety in processing transactions and able to determine the expected information system security response in a systematic and efficient manner. Moreover, it can ensure communication between departments, maintain security in various aspects and systems with regular maintenance, clear action plan to ensure maximum safety, leading to a mitigation of damage to operations and personnel as well as higher levels of security in various

business units. It will be arranged for a regular review of the IT security policy at least once a year when there are significant changes to keep the policy consistent with environment, events, and legislative changes.

Performance of Information Technology and Data Security in 2024

1. The bank has reviewed its IT security policy which has been approved by Executive Committee No. 25/2024 on 12 December 2024.

2. The bank has communicated IT security policy to executives and employees via the bank's intranet, with 100 percent of executives and employees receiving the communication.

3. The bank has organized various training courses for directors, executives, and employees to share knowledge and build awareness of cyber security on a regular basis both in the form of providing knowledge and organizing activities that promote cyber security so that personnel understand and can act correctly. 100% of directors and 80% of executives and employees attended these courses.

4. The bank has implemented IT security policy by controlling, monitoring, reporting operations, including preparing reports, watching out for risks and studying cyber risks trend that may occur and affect the bank and continuously reporting to the assigned committee and relevant senior executives. Thus, the bank has had no cyber risks that significantly disrupted the bank's operational systems from providing services. As a result, the bank's IT system is highly secure and supports business operations well.

Corrective Measures in the Event of a Cyber Threat Incident

The bank has established a process for monitoring incident events on the information system to be a guideline for resolving incident events a timely manner and has collected information about security incidents in order to plan and prevent them from recurring.

The bank has prepared a cyber threat response plan in abnormal cyber events (Cyber Incident Response Plan) by creating a plan, investigating and analyzing causes and assessing the impact so that it can be used as a reference in dealing with risks, responding to events and retrieving systems and data quickly in a timely manner. The bank also has a Security Operation Center (SOC) to monitor when a cyber threat occurs. The cyber incident response plan has been designed to be in line with the IT Disaster Recovery Plan (IT DRP) and Business Continuity Plan (BCP) that covers incidents, cyber risks and there is a sequence of system restoration by taking into account the priorities of each system and the plan is subject to testing annually.

Implementation of Security and Protection of Customer Data

The bank is aware of the importance of personal data protection and compliance with the Personal Data Protection Act 2019 and related laws or regulations by setting the personal data protection policy to promote personal data protection and to be a guideline for protecting personal data of data subjects collected, stored, used or disclosed. The policies cover the following areas:

1. Accuracy: To ensure that personal information collected, used or disclosed on behalf of the bank is accurate and complete. This is especially the case where personal data is likely to be used to make decisions concerning the owner either by the bank or by the bank's personal data processors.

2. Storage and Retention Period: The bank keeps records and determines the retention period for personal information according to the relevant laws or regulations or appropriate retention period that is necessary considering for legal purposes.

3. Confidentiality and Integrity: The bank has prepared appropriate security measures, including organizational measures and technical measures to prevent message counterfeiting and

unauthorized collection, use, access or alteration. The bank has established handling procedures for incidents of personal data breaches and will notify data subject in accordance with legal requirements.

4. Personal Data Breach Notification: The bank has a process to support reporting of personal data leaks, including remedial measures and reporting to Thai Personal Data Protection Committee and data subject in accordance with legal requirements.

In addition, the bank has internal control measures regarding the security system of information technology and personal information such as the information security policy, data classification standard and guidelines for protecting personally identifiable information, data security and privacy guidelines and operating procedures regarding the collection, use and/or disclosure of personal information of the bank's customers, etc.

Performance of Security and Customer Data Protection in 2024

1. The bank has reviewed the personal data protection policy which was approved by the Sustainability and Corporate Governance Committee No. 11/2024 on November 6, 2024.

2. The bank has fully communicated the personal data protection policy to executives and employees via the bank's intranet (100 percent), including dispersing knowledge about Personal Data Protection Act and related internal operating procedures through all channels of the bank on a monthly basis.

3. The bank provides knowledge about Personal Data Protection Act and related internal operating procedures to directors, executives, and employees.

In 2024, the bank received a complaint of 1 incident about customer personal information. The bank contacted the customer to explain the cause and met with the customer and offered remedy. The bank has a measure to prevent future incidents by having relevant agencies have a process to thoroughly review information or impacts before taking any action to cover all relevant official rules and laws.

Corrective Measures in the Event of a Personal Data Leak or Misuse of Customers' Data

The bank has established the operating procedures in the event of a leak or breach of personal information within the organization. It is required that those who know the incident must report it to the personal data protection officer as soon as possible to investigate and find the cause of breaches and take corrective action, considering remedial measures, and report incidents of violations to Thai Personal Data Protection Committee and data subjects for acknowledgement in accordance with legal requirements.

Promoting the Development of Innovations

The bank has applied Robotic Process Automation (RPA) technology to improve work processes to be more flexible, reduce errors and redundancies, increase work efficiency, reduce paper usage, help reduce greenhouse gas emissions, support ESG goals in the environmental aspect, including using data analytics to analyze in-depth data in real time to support strategic decision making.

Carbon Emission Platform

The bank has acquired the carbon platform services for internal use and to customers, which supports the management and reduction of greenhouse gas emissions at both the corporate and investment or loan portfolio levels, with the aim of creating environmental sustainability and supporting the transition to a low-carbon economy.

The carbon platform is a digital system that helps organizations and financial institutions manage and reduce greenhouse gas emissions, covering the tracking and calculation of carbon emissions

from scope 1, scope 2 and scope 3, along with analysis and reporting results according to international standards such as the GHG protocol and PCAF, as well as creating real-time reports and dashboards to support compliance with reporting frameworks such as the GHG protocol or the greenhouse gas emission report for business sustainability of the Thailand Greenhouse Gas Management Organization (TGO - Public Organization), to help organizations effectively achieve their environmental goals.

The bank has introduced the carbon platform to track and manage carbon emissions in investment and loan portfolios to adjust lending support strategies to align with sustainability, helping to accurately report the organization's greenhouse gas emissions data according to standards such as TCFD, PCAF or GHG protocol, and to reduce financial risks, especially regulatory and reputational risks related to carbon emissions. In addition, the use of the carbon platform demonstrates a commitment to sustainability and builds confidence among investors and customers. This includes supporting ESG (Environmental, Social, Governance) goals, helping to develop the organization's brand as a leader in sustainable finance, and playing an important role in supporting a low-carbon economy by helping businesses and organizations to transform their processes into environmentally friendly operations and effectively reduce carbon emissions.

In 2024, the carbon platform service was under preparation stage and system testing and will go live within the organization and for the bank's customers in early 2025.

Internal Control

The Board of Directors and executives value the importance of good internal control and realize the importance of risk management and sufficiency of internal control for all dimensions of operations, especially, market conduct, banking products and other processes relating to products, services and customer data security. The bank directs all units to adhere to the best practices regarding internal control in any business operation and any practice of staff. The bank also sets up a business unit to manage risks and formulates risk management policy as practical guidelines.

The bank requires the review of the effectiveness and sufficiency of risk management process and internal control, conducted by the Audit Committee. The essence of the review consists of the consideration of appropriateness of the scope of responsibilities, action plan, the assessment of adequacy and quality of risk management process, internal control, corporate governance process and the compliance with regulations of official and Articles of Association. The review will be reported to the Board of Directors in the event that there are significant defects arising in order to correct them and make recommendations.

The bank acknowledges the importance of good corporate governance and internal control, creates policies and practical guidelines in writing, and provides trainings to broaden staff's knowledge and to sharpen their practical skills so that they can be able to perform their tasks efficiently and accurately.

The bank provides staff manuals, disciplines, professional ethics and code of conduct & ethics in accordance with the guidelines of the Thai Bankers Association. Penalties for disciplinary offenses are also imposed so that staff can run the operations with efficiency, transparency and fairness to stakeholders. This helps strengthen the corporate governance and internal control to ensure consistency throughout the organization. The said matters have been included in employee training program.

The bank has specified that internal control activities as part of operational process with appropriate structures for all departments by separating the duties of operators and auditors to ensure appropriate check and balance mechanism. Any activities with potential conflicts of interest shall be identified and corrected to be in accordance with regulations, business conditions and relevant rules.

The information system including financial information system has been developed. Operations are in compliance with the bank's information technology risk governance and other relevant regulations. The information system is used to monitor and evaluate internal control, promptly correct any significant defects and ensure correct, complete and updated information for decision making. Effective communication channel is also provided to ensure that executives and all employees truly understand policies and operational practices related to their functions.

The Internal Audit Group has a duty to assess the adequacy of internal control procedures including risk management as well as providing each unit with operational advice according to their unique nature and scope of work. The objective is to increase value and improve the operations of Land and Houses financial business group. The principles of continuous audit and integrated audit have been applied.

The bank always comprehends that internal control is essential to banking operations because it ensures efficient operation and rational confidence that the bank's operations can lead to goal achievement and can yield long term benefits. The internal control also ensures reliable financial information reporting and operation, compliance with laws, regulations and requirements, and prevents any act that may damage the bank's assets and reputation. Therefore, the bank has monitored and evaluated the internal control to ensure that the internal control is proper and able to handle changing risks arising in each period of time. Any defects detected shall be reported to involved executives and any significant defects shall be reported to top executives, Audit Committee and Board of Directors as appropriate.

The Audit Committee is responsible for nominating the auditors by considering their qualifications, performances and audit fee before submitting the proposal to the Board of Directors each year. Then, the audit fee will be submitted to the shareholders meeting for approval. The Audit Committee also reviews the financial statement by calling the auditor to attend the meeting and present the key issues relating to internal control environment and financial statement. The auditor of the bank was EY Office Limited who audited the 2023 financial statements and provided the reports with unqualified opinions. In addition, the duties of the Audit Committee cover the consideration of qualifications and suitability of the head of Internal Audit Group which has been screened by the management. The appointment, removal and transfer of the head of Internal Audit Group shall be consented by the Audit Committee as specified in the Audit Committee Charter.

The Internal Audit Group is independent and directly reports to the Audit Committee. The Internal Audit Group has the duties to audit, assess the sufficiency of internal control, risk management system and compliance with policies, guidelines, procedures, code of conduct and regulatory requirements, and evaluate the effectiveness of resources management, accuracy and reliability of information, customer data security, anti-corruption and fraud, propose the guideline for improvement and report the audit result to the Audit Committee and Board of Directors on a regular basis.

The Audit Committee meeting assesses the adequacy of internal control system for 2024, based on the assessment form of the Securities and Exchange Commission, and reported the assessment results to the Board of Directors that the bank's internal control system is adequate and appropriate.

The tasks under the responsibility of the head of Internal Audit Group include:

1. Wholesale banking audit
2. Retail banking audit
3. Information technology audit
4. Audit standard and strategy

Profile of the Head of Internal Audit Group

Head of Internal Audit Group, the bank uses the internal audit service from LH Financial Group Public Company Limited.

Name	Ms. Thanawan Teekautamakorn
Position	Executive Vice President of Internal Audit Group
Age (Years)	60
Education	<ul style="list-style-type: none"> • Master of Arts in Business Law, Chulalongkorn University • Master Degree in General Management, Mahidol University • Bachelor of Accounting, The University of the Thai Chamber of Commerce
Training	<ul style="list-style-type: none"> • Internal Auditing Certificate, Federation of Accounting • Thai Accounting and International Standards • Personal Data Protection Act-PDPA 2562 B.E.

- Integrated Risk Management & Strategy
- COSO 2013 & Anti-Corruption Master Class
- Internal Audit Best Practices
- IT Governance and Cyber Resilience Program (ITG)
- IT Risk Management Implementation Guideline
- CAE Forum 2023
- PDPA for Internal Audit 2020
- Information Technology Security Awareness Training 2024 : LH Bank
- Fraud Fighters Summit with GBG
- Guideline for Biometric Technology Adoption in Financial Services
- IT Auditor 2024 / Digital Transformation of Money

Shareholding proportion (%)

- None -

Relationship with executives

- None -

Work experiences in the past 5 years

❖ Current Position in 1 Listed Company on the Stock Exchange of Thailand

Period	Position	Organization/Company
2021 - Present	Executive Vice President of Internal Audit Group	LH Financial Group PLC
2018 - 2020	Executive Vice President of Internal Audit Group	Thanachart Capital PLC Thanachart Bank PLC
2013 - 2017	Head of Internal Audit	TMB Bank PLC

❖ Current Position in Non-Listed Companies on the Stock Exchange of Thailand - None -

Roles and Responsibilities

General Audit, Branch Audit and IT Audit

- Define the objectives, goals, audit scope and audit plan to align with corporate goal covering key activities and regulatory requirements
- Adjust the strategy for audit functions to align with the regulatory requirements, risk management and changes in business
- Prepare and revise the audit manual to align with the regulatory requirements, international accounting standards for internal audit, code of conduct for auditor and monitor the compliance with standards, manuals and codes of conduct
- Manage the general audit, branch audit, IT audit functions and supervise the compliance with policies, plans and operating procedures
- Evaluate the sufficiency and efficiency of internal control
- Assess the reliability and accuracy of operational and financial information
- Give advice, opinion and suggestion about internal control guidelines and best practices
- Report the audit results to the head of audited units, President, Audit Committee and Board of Directors as appropriate
- Develop the capability of auditors to have knowledge and skills to catch up with business changes, technologies and emerging risks
- Evaluate the performance of all levels of auditors
- Monitor transactions and detect irregular ones (Transaction Monitoring)
- Conduct special investigation

- Follow up the progress of corrections against audit report
- Perform other tasks assigned by the Audit Committee

The number of staff of Internal Audit Group as of December 31, 2024

There were 33 employees under the Internal Audit Group, 19 in Wholesale Audit, 10 in Information Technology Audit and 4 in Audit Standard and Strategy.

Significant Penalty Charges Under Governing Laws

In 2020, there were no significant penalty charges under the governing laws.

In 2021, there were no significant penalty charges under the governing laws.

In 2022, there were no significant penalty charges under the governing laws.

In 2023, there were no significant penalty charges under the governing laws.

In 2024, there were no significant penalty charges under the governing laws.

Related Party Transactions

Related party transactions refer to any transactions which are similar to or competitive with one another or have any relation that may constitute conflicts of interest between the bank and related parties. In conducting any related party transactions, the bank applies policies, normal trade terms and conditions in accordance with predefined processes in an appropriate, transparent, and accurate manner, taking into consideration the utmost benefits of the bank and its shareholders.

Having related party transactions with any related person/party, the bank has policies and procedures to prevent conflicts of interest and complies with the Bank of Thailand's notification and regulators. The related party transaction is considered by the same policies with general customers and normal trade terms through the transparent approval process, taking into consideration the utmost benefits of the bank and its shareholders.

Related person or party of the bank refers to any person or company that has the control over the bank or is controlled by the bank either directly or indirectly or under the same control over the bank. The definition includes any subsidiary or person having significant influence over the bank either directly or indirectly. Transactions with such company or person are disclosed in the notes to financial statements under the subject "Related Party Transactions."

Necessities and Rationales of Transactions

The bank conducts related party transactions with care and takes into account the maximum benefit of the bank and its shareholders. All related party transactions conducted by the bank are either normal business operation or necessary and reasonable transactions which help support the normal business of the bank. However, the Audit Committee has frequently examined the related party transactions and commented that the transactions are under normal business operation. The bank has received and paid commission based on market price and fair price, has followed related regulations and disclosed the information completely.

Furthermore, the Audit Committee shall examine related party transactions that may occur in the future with any person having potential conflicts of interest or stake, and give opinions on the necessity and appropriateness of such transactions. In the case where the Audit Committee does not have the expertise in considering such transactions, the bank will assign independent experts or its auditors to give opinions on the transactions so that the bank or its shareholders, whichever is applicable, will base their decisions on. In any case, the bank will always disclose such transactions in the notes to audited financial statements.

Measures / Approval Process for Related Party Transactions

The bank comprehends the importance of the prevention of conflicts of interest; therefore, approval process of such transaction is subject to due procedures based on the regulations of the bank and scrutinized by responsible committees so that related party transaction complies to principles and reasonable process and is under fair price and terms which not only does it create the highest benefits to the bank and its shareholders, as any other transactions with normal persons, but it also prevents conflicts of interest. Furthermore, the bank shall examine related party transactions that may occur in the future with any person having potential conflicts of interest or stake, and give opinions on the necessity and appropriateness of such transactions. In the case where the audit committee does not have the expertise in considering such transactions, the bank will assign independent experts or its auditors to give opinions on the transactions so that the bank or its shareholders, whichever is applicable, will base their decisions on. In any case, the bank will always disclose such transactions in its audited financial statements.

Policies and Trends for Future Related Party Transactions

The bank has a policy for conducting current and future related party transactions with any person who potentially has conflicts of interest. The important guidelines for such transactions are that they must be conducted transparently and fairly, in line with good corporate governance, good pricing model, and normal trade terms. The commissions received or paid from such transactions are under market price and fair price. However, the bank assigns the Audit Committee or its auditors or independent experts to audit and comment on the appropriateness of the price and rationale of such transactions.

Any related party transactions which may occur in the future, the bank shall comply with the related law, requirements, announcements, orders, or regulations. The bank also takes into account on the rationale of related party transactions and the opinions of the Board of Directors and the Audit Committee.

Directors with Vested Interest in any Contract of the Bank during the Fiscal Year

- None -

Information Disclosure

The bank discloses related party transactions and connected transactions in the annual report.

Related Party Transaction/Connected Person

Significant business transactions with related parties include transactions with directors, executive or other persons with equivalent position, including entities that the persons or related persons have management authorities, or entities in which the bank or directors or executives hold shares of more than 10 percent of the paid-up share capital of such entities, which were disclosed in the Note No. 29 to the financial statements of the bank. The details are as follows:

Outstanding Balances

As at December 31, 2024, the outstanding balances of transactions between the bank and its related parties were summarized as follows:

(Unit: Million Baht)

Relationship ¹	Interbank and money market items (assets)	Loans to customers and accrued interest receivables	Other assets	Deposits	Interbank and money market items (liabilities)	Debts issued and borrowings	Accrued interest payables	Lease liabilities	Other liabilities	Contingent liabilities Bank guarantee
1. Parent company of the bank	-	-	0.30	5,151.81	-	-	-	2.66	32.59	30.00
2. Subsidiaries of the bank's parent company	734.89	-	7.59	3.36	0.55	-	0.01	-	0.05	5,865.00
3. Major shareholders of the bank's parent company	-	-	4.77	2,111.68	53.03	-	1.12	2.32	0.17	-
4. Related companies	-	-	9.00	2,605.88	-	-	3.24	19.77	0.08	-
5. Directors and executives	-	1.51	-	169.33	-	-	0.43	-	0.09	-
6. Related persons	-	19.41	-	1,717.07	-	7.00	2.10	-	-	-
Total	734.89	20.92	21.66	11,759.13	53.58	7.00	6.90	24.75	32.98	5,898.00

Notes¹ The nature of the relationships is described in the Note No. 29 to the financial statements "Related Party Transaction/Connected Person".

Related Party Transactions in 2024

During the year 2024, the bank had significant business transactions with its related parties. Such transactions, summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the bank and its related parties according to normal business as follows:

(Unit: Million Baht)

Relationship ¹	Interest income	Fees and service income	Other operating income	Interest expenses	Fees and service expenses	Other operating expenses
1. Parent company of the bank	36.23	0.13	-	0.50	-	374.21
2. Subsidiaries of parent company	67.02	39.64	0.99	0.89	-	-
3. Major shareholders of parent company	-	-	-	10.10	-	30.17
4. Related companies	-	6.33	-	41.92	0.22	20.82
5. Directors and executives	0.05	-	-	2.10	-	-
6. Related persons	0.92	-	-	11.07	-	-
Total	104.22	46.10	0.99	66.58	0.22	425.20

Notes ¹ The nature of relationships is described in the Note No. 29 to the financial statements "Related Party Transaction/Connected Person".

Audit Committee's Report

The Audit Committee consists of 4 independent directors as follows:

1. Mr. Pradit	Sawattananond	Chairman
2. Dr. Supriya	Kuandachakupt	Member
3. Mr. Pichai	Dusdeekulchai	Member
4. Prof. Piphob	Veraphong	Member

Mrs. Thanawan Teekautamakorn, head of Internal Audit Group of LH Financial Group Public Company Limited, is the secretary.

The Audit Committee has fulfilled its duties and responsibilities as assigned by the Board of Directors. In 2024, the Audit Committee held 12 meetings in total and reported its performance to the Board of Directors as follows:

1. Review of Financial Reports

Review the financial statements prepared in accordance with the financial reporting standards to ensure the accuracy and completeness of information, adequacy of disclosures, audit results and significant risks. In addition, the bank's operating results are considered on a quarterly basis and a meeting with the auditors is arranged to discuss the independence of their duties and opinions. In this regard, auditors report all issues found from their inspection to the Audit Committee for consideration.

2. Internal Control and Internal Audit

Review and assess the sufficiency of the internal control by considering the observations from the internal audit report and monitoring for appropriate corrections as well as auditor's reports to assess the adequacy and effectiveness of the internal control as well as evaluating the independence of the internal audit unit including the charter of internal audit unit.

3. External Auditor

Consider the selection of auditors by considering knowledge, ability, experience, credibility and the sufficiency of resources including the assessment results of the independence and quality of audit tasks in the past year. For the auditor's remuneration, the scope of the auditor's responsibility is taken into account.

In 2024, the bank's auditor was KPMG Phoomchai Audit Limited auditing the financial statements for the year 2024 and providing the unqualified reports of the financial statements.

4. Connected Transactions or Transactions with Potential Conflicts of Interest

Ensure that the connected transactions or transactions with potential conflicts of interest comply with laws and regulations of the Stock Exchange of Thailand, transparency, reasonableness and protection of the interests of the bank and shareholders; and disclosure of the bank's information relating to connected transactions or transactions with potential conflicts of interest is accurate.

5. Risk Management

Review the risk management system at the holistic level of the company to the activity level to align with best practices and ensure that the bank can achieve its goals with efficiency and effectiveness and comply with laws, and cooperate with the Risk Oversight Committee in promoting the risk culture in order to create strength according to the Three Lines of Defense Model so that executives and employees at all levels are aware of and understand their roles as part of risk management, including compliance with laws, government regulations, policies and regulations of the bank including requirements related to ethics and code of conduct.

6. Self-assessment

The self-assessment is conducted by comparing the key activities of the Audit Committee with the Audit Committee Charter, related regulations and best practices. The evaluation results reflected that the Audit Committee have performed their duties and responsibilities adequately and appropriately as specified in the Audit Committee Charter, relevant regulations, and as assigned by the Board of Directors.

7. Anti-corruption measures

Consider and consent to the application for renewal of the membership certificate of the Thai Private Sector Collective Action Against Corruption

The Audit Committee has performed its roles and responsibilities as a whole and is of the opinion that the bank's financial statements have been prepared in accordance with financial reporting standards with adequate and appropriate information disclosure. The auditors are independent in auditing the financial statements and perform their duties as professionals. The bank has an internal control system that is adequate and suitable for its operations and complies with laws, regulations and rules related to its business activities.



(Mr. Pradit Sawattananond)
Chairman of Audit Committee

Nomination and Remuneration Committee's Report

The Nomination and Remuneration Committee consists of 3 members as follows:

- | | |
|------------------------------|----------|
| 1. Prof. Piphob Veraphong | Chairman |
| 2. Dr. Supriya Kuandachakupt | Member |
| 3. Mr. Pradit Sawattananond | Member |

Ms. Nuanprae Sueayai, head of People Group, LH Financial Group Public Company Limited, is the secretary.

The Nomination and Remuneration Committee has performed its duties under the scope of responsibilities assigned by the Board of Directors. During the year 2024, the Nomination and Remuneration Committee had a total of 10 meetings and reported the result of each meeting to the Board of Directors as follows:

1. Consider the nomination of directors and executives
2. Consent to the position adjustment of senior executives
3. Consider the employment of advisors
4. Consent to the restructuring of business units
5. Consent to the succession plan
6. Consider the performance and consent to the 2024 bonus and 2025 merit increase for Chief Executive Officer and President and propose to the Board of Directors for approval
7. Consent to the 2024 bonus and merit increase for employees in case of promotion and special adjustment to be compatible with market for the year 2025 and propose to the Board of Directors for approval
8. Consent to the directors' remuneration and meeting allowances for the year 2024 and directors' gratuity for the year 2023
9. Consent to the revision of the roles and responsibilities of the Nomination and Remuneration Committee
10. Conduct the individual and collective self-assessment of the Nomination and Remuneration Committee for the year 2024



(Prof. Piphob Veraphong)

Chairman of Nomination and Remuneration Committee

Board of Directors' Responsibility for Financial Reports

The Board of Directors of Land and Houses Bank Public Company Limited is responsible for the bank's financial statements and financial information presented in the annual report. The aforementioned financial statements have been prepared in accordance with the financial reporting standards by applying appropriate and consistent accounting policies with discretion. Material information regarding accounting policy and requirements for financial statements is adequately and transparently disclosed to shareholders and investors in the notes to financial statements.

The Board of Directors has established and maintained appropriate and effective risk management and internal control in order to rationally assure that the accounting information is correct, complete and adequate to sustain assets of the bank.

The Board of Directors has appointed the Audit Committee which comprises independent directors responsible for the quality of the financial reporting and internal control. The Audit Committee's opinions on these issues are included in the Audit Committee's report in this annual report.

The financial statements of the bank have been audited by the certified public accountants of KPMG Phoomchai Audit Limited. In the audit, the bank has supported all information and documents in order that the auditors would be able to audit and address opinions to the financial reporting standards. The auditor's opinions have been included in the audit report in this annual report.

In the Board of Directors' point of view, the bank has an appropriate and adequate internal control for the credibility of the financial statements of the bank as of December 31, 2024.



(Mr. Lee, Yu-Chou)
Chairman



(Mr. Shih, Jiing-Fuh)
CEO & President

Independent Auditor's Report

To the Shareholders of Land and Houses Bank Public Company Limited

Opinion

I have audited the financial statements of Land and Houses Bank Public Company Limited (“the Bank”), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of material accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs) and the regulations of the Bank of Thailand.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Bank in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

The financial statements of the Bank for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 23 February 2024.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Bank's financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the Bank's financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the Bank's financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Bank's financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs and the regulations of the Bank of Thailand, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If I conclude that a material

uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



(Orawan Chotiwiwiyakul)
Certified Public Accountant
Registration No. 10566

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2025

Land and Houses Bank Public Company Limited

Statements of financial position

Assets	Note	31 December	
		2024	2023
		<i>(in thousand Baht)</i>	
Cash		643,315	691,375
Interbank and money market items, net	10, 29	42,391,341	33,153,769
Derivative assets	11	404,812	703,326
Investments, net	12	42,728,152	42,864,249
Loans to customers and accrued interest receivables, net	13, 29	241,882,214	226,667,930
Properties for sales, net	15	8,124,222	8,304,680
Premises and equipment, net	16	438,610	352,028
Right-of-use assets, net	31	631,523	662,909
Intangible assets, net	17	436,370	310,299
Deferred tax assets	18	1,611,636	1,683,183
Accrued interest receivables on investments		103,414	100,050
Other assets, net	19, 29	1,050,296	845,282
Total assets		340,445,905	316,339,080

Land and Houses Bank Public Company Limited

Statements of financial position

		31 December	
Liabilities and equity	Note	2024	2023
		(in thousand Baht)	
<i>Liabilities</i>			
Deposits	20, 29	279,907,724	251,453,387
Interbank and money market items	21, 29	10,146,141	10,253,377
Liabilities payable on demand		107,945	422,819
Derivative liabilities	11	544,959	578,628
Debts issued and borrowings	22, 29	7,217,716	14,171,822
Accrued interest payables	29	1,189,282	752,743
Accrued expenses		988,891	905,623
Lease liabilities	29, 31	657,814	676,897
Provisions	23	547,042	455,591
Income tax payable		378,728	236,207
Revenue received in advance		225,957	242,170
Other liabilities	24, 29	570,193	572,574
Total liabilities		302,482,392	280,721,838
<i>Equity</i>			
Share capital			
Authorised share capital			
2,000,000,000 ordinary shares of Baht 10 each		20,000,000	20,000,000
Issued and paid-up share capital			
2,000,000,000 ordinary shares of Baht 10 each		20,000,000	20,000,000
Premium on share capital		10,598,915	10,598,915
Other reserves		(1,125,232)	(2,779,459)
Retained earnings			
Appropriated			
Legal reserve	27	1,164,600	1,064,000
Unappropriated		7,325,230	6,733,786
Total equity		37,963,513	35,617,242
Total liabilities and equity		340,445,905	316,339,080

Land and Houses Bank Public Company Limited

Statements of profit or loss and other comprehensive income

		Year ended 31 December	
	Note	2024	2023
		(in thousand Baht)	
Interest income	29, 34	13,151,114	11,725,103
Interest expenses	29, 35	(6,206,819)	(4,619,742)
Net interest income		6,944,295	7,105,361
Fees and service income	29	443,462	448,835
Fees and service expenses	29	(95,766)	(103,169)
Net fees and service income	36	347,696	345,666
Net gains (losses) on financial instruments measured at fair value			
through profit or loss	37	45,003	(18,597)
Net (losses) gains on investments	38	(30,680)	10,856
Dividend income		204,235	365,193
Other operating income	29	133,178	71,604
Total operating income		7,643,727	7,880,083
Other operating expenses	29		
Employee expenses		1,762,097	1,662,030
Directors' remuneration		9,806	11,536
Premises and equipment expenses		795,938	698,886
Taxes and duties		395,417	361,639
Advertising and promotional expenses		126,162	183,014
Amortisation on intangible assets		98,508	120,747
Supporting services expenses		373,518	343,233
Other expenses		297,125	287,855
Total other operating expenses		3,858,571	3,668,940
Expected credit losses	39	1,283,057	2,130,197
Profit from operations before income tax		2,502,099	2,080,946
Income tax	40	491,755	387,968
Net profit		2,010,344	1,692,978

Land and Houses Bank Public Company Limited

Statements of profit or loss and other comprehensive income

		Year ended 31 December	
	Note	2024	2023
		(in thousand Baht)	
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Gains on investments in debt instruments measured at fair value			
through other comprehensive income		1,202,627	307,999
Income tax relating to components of other comprehensive income			
will be reclassified subsequently to profit or loss	40	(240,525)	(61,600)
		962,102	246,399
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gains (losses) on investments in equity instruments designated at fair value			
through other comprehensive income		299,552	(1,450,907)
Actuarial (losses) gains on defined benefit plans		(19,770)	11,047
Income tax relating to components of other comprehensive income			
will not be reclassified subsequently to profit or loss	40	(55,957)	287,972
		223,825	(1,151,888)
Total other comprehensive income, net		1,185,927	(905,489)
Total comprehensive income		3,196,271	787,489
Earnings per share			
Basic earnings per share (in Baht)		1.01	0.85

Land and Houses Bank Public Company Limited
Statements of changes in equity

		Other reserves			Retained earnings			
		(Losses) gains on investments in debt instruments at fair value through other comprehensive income	(Losses) gains on investments in equity instruments designated at fair value through other comprehensive income	Total other reserves	Legal reserve	Unappropriated	Total equity	
				(in thousand Baht)				

Land and Houses Bank Public Company Limited
Statements of changes in equity

	Note	Issued and paid-up share capital	Premium on share capital	Other reserves			Retained earnings			Total equity
				(Losses) gains on investments in debt instruments at fair value through other comprehensive income	(Losses) gains on investments in equity instruments designated at fair value through other comprehensive income	Total other reserves	Legal reserve	Unappropriated		
									(in thousand Baht)	
Year ended 31 December 2023										
Balance as at 1 January 2023		20,000,000	10,598,915	(414,167)	(1,873,685)	(2,287,852)	979,000	6,039,690		35,329,753
Transactions with owners, recorded directly in equity										
Dividend paid	42	-	-	-	-	-	-	(500,000)		(500,000)
Total transactions with owners, recorded directly in equity		-	-	-	-	-	-	(500,000)		(500,000)
Comprehensive income for the year										
Net profit		-	-	-	-	-	-	1,692,978		1,692,978
Other comprehensive income		-	-	246,399	(1,160,726)	(914,327)	-	8,838		(905,489)
Total comprehensive income for the year		-	-	246,399	(1,160,726)	(914,327)	-	1,701,816		787,489
Transfer to legal reserve	27	-	-	-	-	-	85,000	(85,000)		-
Transfer to retained earnings	12.1	-	-	-	422,720	422,720	-	(422,720)		-
Balance as at 31 December 2023		20,000,000	10,598,915	(167,768)	(2,611,691)	(2,779,459)	1,064,000	6,733,786		35,617,242

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Land and Houses Bank Public Company Limited

Statements of cash flows

		Year ended 31 December	
	Note	2024	2023
		(in thousand Baht)	
Cash flows from operating activities			
Profit from operations before income tax		2,502,099	2,080,946
<i>Adjustments to reconcile profit from operations before</i>			
<i>income tax to net cash receipts (payments) from operating activities</i>			
Depreciation and amortisation		454,027	446,971
Expected credit losses	39	1,283,057	2,130,197
Provisions for employee benefits		46,607	42,981
Provisions for litigation		69,015	38,539
Losses on financial instruments measured at fair value through profit or loss		272,377	88,180
Losses on disposal/write-off of premises and equipment and intangible assets		30	2,357
Losses (gains) on lease modification		2,116	(550)
Losses (gains) on sales of investments		30,680	(10,856)
Net interest income		(6,944,295)	(7,105,361)
Dividend income		(204,235)	(365,193)
Cash received on interest income		11,725,564	9,732,072
Cash paid on interest expenses		(5,618,439)	(4,036,250)
Cash paid on income tax		(598,483)	(701,387)
Profit from operation before changes in operating assets and liabilities		3,020,120	2,342,646
<i>(Increase) decrease in operating assets</i>			
Interbank and money market items		(9,229,834)	2,785,619
Loans to customers		(16,540,915)	(24,215,013)
Properties for sales		180,458	19,464
Other assets		(220,195)	69,799
<i>Increase (decrease) in operating liabilities</i>			
Deposits		28,454,337	20,021,349
Interbank and money market items		(107,236)	(3,688,023)
Liabilities payable on demand		(314,874)	322,312
Short-term debts issued and borrowings		(7,042,000)	2,182,000
Accrued expenses		41,109	(2,892)
Provisions		(25,078)	(2,473)
Revenue received in advance		105,396	86,671
Other liabilities		(164,616)	158,149
Net cash (used in) provided by operating activities		(1,843,328)	79,608

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Land and Houses Bank Public Company Limited

Statements of cash flows

	Year ended 31 December	
	2024	2023
	(in thousand Baht)	
<i>Cash flows from investing activities</i>		
Interest received	978,807	897,390
Dividends received	204,235	365,193
Acquisition of investments in debt instruments measured at amortised cost	(50,010)	(2,147,979)
Proceeds from redemption of investments in debt instruments measured at amortised cost	135,175	100,090
Acquisition of investments in debt instruments measured at fair value through other comprehensive income	(12,560,705)	(5,789,016)
Proceeds from disposal and redemption of investments in debt instruments measured at fair value through other comprehensive income	13,722,320	6,582,461
Acquisition of investments in equity instruments measured at fair value through other comprehensive income	-	(124,302)
Proceeds from disposal and capital return of investments in equity instruments designated at fair value through other comprehensive income	830,539	1,024,489
Acquisition of premises and equipment	(193,832)	(137,208)
Proceeds from disposal of equipment	2,314	1,182
Acquisition of intangible assets	(192,451)	(131,894)
Net cash provided by investing activities	2,876,392	640,406
<i>Cash flows from financing activities</i>		
Cash paid for lease liabilities	(231,124)	(233,574)
Dividend paid	(850,000)	(500,000)
Net cash used in financing activities	(1,081,124)	(733,574)
Net decrease in cash	(48,060)	(13,560)
Cash at 1 January	691,375	704,935
Cash at 31 December	643,315	691,375

Supplementary disclosures of cash flow information

Non-cash transactions:

Increase in payable for purchase of assets on credit	49,198	66,271
Increase in properties for sales from transferring of assets for loan settlement	-	7,537,722
Increase in investments in equity instruments from debt-to-equity swap by the issuer	567,884	-

Land and Houses Bank Public Company Limited

Notes to financial statements

For the years ended 31 December 2024

1 General information

Land and Houses Bank Public Company Limited (“the Bank”) was incorporated as a public limited company under Thai laws and has been operating a commercial bank business in Thailand. The Bank’s registered office is located at No. 1, on the G, 1st, 5th, 6th and 32nd floors of Q-House Lumpini Building, South Sathorn Road, Thungmahamek Sub-district, Sathorn District, Bangkok.

The ultimate parent company during the period was CTBC Financial Holding Company Limited, which operated in Taiwan and the immediate parent company during the period was LH Financial Group Public Company Limited (99.99% shareholding), which operated in Thailand.

The principal business of the Bank is commercial banking business.

2 Basis for preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Bank of Thailand (“BoT”) and applicable rules and regulations of the Thai Securities and Exchange Commission; and presented as prescribed by the BoT notification number Sor Nor Sor 21/2561, directive dated 31 October 2018, regarding “*The preparation and announcement of the financial statements of a commercial bank and a holding company which is the parent company of a financial group*”. The financial statements are presented in Thai Baht, which is the Bank’s functional currency. The accounting policies set out in note 5 have been applied consistently to all periods presented in these financial statements, except those as described in note 3.

Revised TFRSs are effective for annual accounting periods beginning on or after 1 January 2024. The initial application of these revised TFRSs has resulted in changes in certain of the Bank’s accounting policies. These changes have no material effect on the financial statements.

In addition, the Bank has not early adopted a number of new and revised TFRSs, which are not yet effective for the current year in preparing these financial statements.

The Bank has completed assessment of the potential initial impact on the financial statements of new and revised TFRSs and expects that there will be no material impact on the financial statements in the period of initial application.

The preparation of financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of the Bank’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Change in material accounting policy

In August 2024, the Bank changed the method used to calculate cost of investments in debt securities that have been sold or held from the weighted average method to the first-in, first-out method for management purposes. However, the Bank did not restate the prior years' financial statements because the impact as a result of such change was not considered by management to be material.

4 Change in accounting estimate

During the year ended 31 December 2024, the Bank has changed some assumptions in estimating its allowance for expected credit losses as a result of internal credit risk rating system and policies enhancement which has been taken into account as a part of allowance of expected credit loss calculation.

In accordance with Thai Accounting Standard ("TAS") No. 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, this change in accounting estimate has been applied prospectively to the financial statements from the date of the change in accounting estimate. Management has considered that the impact of the change in accounting estimate was not material to the financial statements.

5 Material accounting policies

(a) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss.

(b) Cash

Cash comprises cash on hand and cash on collection.

(c) Financial instruments

(1) Initial recognition and measurement

The Bank initially recognises financial assets or financial liabilities (including regular way purchases and sales of financial assets) on the transaction date, which is the date on which the Bank becomes the party to the provisions of the instrument, except for investments in debt instruments which are recognised and derecognised on the trade date.

Financial assets and financial liabilities not measured at fair value through profit or loss (FVTPL) are initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issuance of the financial assets or financial liabilities.

(2) *Classification and subsequent measurement*

Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL. The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed.

A financial asset which is not designated as at FVTPL is measured at amortised cost if it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument which is not designated as at FVTPL is measured at FVOCI only if it meets both of the following conditions:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, an investment in equity instrument that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

On initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and the way in which those risks are managed;

- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or on contractual cash flows collected); and
- frequency, value and timing of sales in prior year, the reasons for those sales and expectations about future sales activity. However, information about sales is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

Assessment of whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, credit risk, other basic lending risks (e.g. liquidity risk) and costs (e.g. administrative costs), as well as profit margin associated with holding the financial assets for a particular period of time.

In assessing whether the contractual cash flows are solely payment of principal and interest on the principal amount outstanding, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodic reset of the interest rates).

Subsequent measurement and gains and losses of financial assets

Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss, any gain or loss on derecognition are recognised in profit or loss.
Investment in debt instruments measured at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Investment in equity instruments designated at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss on the date on which the Bank's right to receive payment is established. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Bank changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

Modifications of financial assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with expected credit loss. In other cases, it is presented as interest income calculated using the effective interest rate method.

Financial guarantee contracts held

The Bank assesses whether a financial guarantee contract held is an integral element of a financial asset that is accounted for separately. The factors that the Bank considers when making this assessment include whether:

- the guarantee is implicitly part of the contractual terms of the debt instrument;
- the guarantee is required by laws and regulations that govern the contract of the debt instrument;
- the guarantee is entered into at the same time as and in contemplation of the debt instrument; and
- the guarantee is given by the parent of the borrower or another company within the borrower's group.

If the Bank determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The Bank considers the effect of the financial guarantee contracts held when measuring the fair value of the debt instrument and when measuring expected credit losses ("ECL").

If the Bank determines that the guarantee is not an integral element of the financial asset, then it recognises an asset representing as prepayment of guarantee premium and a right to compensation for credit losses. A prepaid premium asset is recognised only if the risks related to guaranteed exposure neither is credit-impaired nor has undergone a significant increase in credit risk when the guarantee is acquired. These assets are recognised in "other assets". The Bank presents gains or losses on a compensation right in profit or loss in the line item "expected credit loss".

Classification, measurement and gains and losses of financial liabilities

On initial recognition, financial liabilities, except undrawn loan commitments and financial guarantee contracts, are classified and measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Modifications of financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. The consideration paid includes any assets transferred and new liabilities assumed.

If the modification of a financial liability is not accounted for derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(3) *Derecognition and offsetting*

Derecognition of financial assets

The Bank derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain or loss recognised in OCI in respect of investment in equity instruments designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending or sale under sale-and-repurchase agreements.

Derecognition of financial liabilities

The Bank derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Bank also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and the Bank intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(4) *Securities purchased under reverse sale-and-repurchase agreements/ Securities sold under sale-and-repurchase agreements*

The Bank enters into agreements to purchase securities or to sell securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased subject to a resale commitment are presented as assets under the caption of “Interbank and money market items, net (assets)” or “Loans to customers”, depending upon the type of its counterparty, in the statements of financial position, and the underlying securities are treated as collateral to such receivables. Securities sold subject to repurchase commitments are presented as liabilities under the caption of “Interbank and money market items (liabilities)” or “Debt issued and borrowings”, depending upon the type of its counterparty, in the statements of financial position, at the amounts received from the sale of those securities, and the underlying securities are treated as collateral. The difference between the purchase and sale considerations is recognised as interest income or expenses, as the case may be, over the transaction periods.

(5) *Derivatives*

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(d) *Properties for sale*

Properties for sale include properties foreclosed transferred under the Bank of Thailand’s supportive measure to acquire collateral assets for debt repayment, which the customers have the right to buy back the assets at transferring price with maintenance expenses within an agreed period not exceed 5 years since transferred date and the customers have the right to rent the assets for doing their businesses.

Properties for sales are stated at the lower of cost or net realisable value. The cost is the carrying value of debt balance of the debtor on the date the Bank is entitled to such properties for sales to settle debt. Net realisable value is determined with reference to the latest appraisal value less estimated selling expenses.

Gain (losses) on disposal of properties for sales is recognised as income (expenses) in profit or loss upon disposal. Impairment loss is recognised as expenses in profit or loss.

(e) *Premises and equipment*

Premises and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and the costs of dismantling, removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between proceeds from disposal and the carrying amount of premises and equipment are recognised in profit or loss.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on land and assets under installation.

The estimated useful lives are as follows:

Buildings	20	years
Leasehold improvement	3 and 5	years
Furniture and fixtures	5	years
Office equipment	5	years
Vehicles	5	years

(f) Leases

At inception of a contract, the Bank assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Bank allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. For the leases of property, the Bank has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets or short-term leases which are recognised as expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The estimated useful lives are as follows:

Right-of-use assets		
- Office space	1 - 6	years
- Vehicles	1 - 5	years

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Bank uses the Bank's incremental borrowing rate to discount the lease payments to the present value. The Bank determines its incremental borrowing rate by obtaining the interest rates from external source which reflect the term of the lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Bank allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Bank considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Bank is an intermediate lessor, the Bank classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease.

The Bank recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

The Bank recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of deduction to premises and equipment expenses. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

The Bank derecognises and determines impairment on the lease receivables as disclosed in note 5 (c) (3) and 5 (h), respectively.

(g) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss. No amortisation is provided on assets under development.

The estimated useful are as follows:

Computer software	5	years
Deferred membership and license fee	5 and 10	years

(h) Impairment of financial assets and lease receivables

Significant estimates and judgments

The Bank's expected credit loss ("ECL") calculations are based on complex models with a series of underlying assumptions. The significant judgments and estimates in determining ECL include criteria for assessing if there has been a significant increase in credit risk and development of ECL models, including the choice of inputs relating to macroeconomic variables. The calculation of ECL also involves expert credit

judgment to be applied by management based upon counterparty information they receive from various internal and external. Expert credit judgment is also applied to determine whether any post-model adjustments are required for credit risk elements which are not captured by the model under a “management overlay” framework, such as identified model deficiencies, debtors’ risk and other factors.

Measurement of ECL

ECLs are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward-looking information.

ECLs are a probability-weighted estimated of credit losses. They are measured as follows:

- financial assets: as the present value of all cash shortfalls (i.e., the difference between the contractual cash flows and the cash flows that the Bank expects to receive);
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive if the loan is drawn down; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

Estimate of expected cash shortfalls is determined by multiplying the probability of default (“PD”) with percentage of the loss given default (“LGD”) with the expected exposure at the time of default (“EAD”).

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk such as gross domestic product (“GDP”), inflation rate, unemployment rate, etc. These assumptions are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally and are consistent with those used for financial and capital planning.

Multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios both in terms of determining the PD, LGD and EAD, where relevant, and in determining the overall expected credit loss amounts.

The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable.

Cash shortfalls are discounted using the effective interest rate on the financial assets.

Staging

For ECL recognition, financial assets are classified in any of the below 3 stages at each reporting date by being assessed on individual basis. A financial asset can move between stages during its lifetime. The stage are based on changes in credit quality since initial recognition and defined as follows:

- Stage 1: Financial assets that have not had a significant increase in credit risk (Performing)

Financial assets that have not had a significant increase in credit risk (“SICR”) since initial recognition (i.e. no Stage 2 or 3 triggers apply) or investment in debt instrument that considered to have low credit risk at each reporting date with the exception of purchased or originated credit impaired (POCI) assets. The allowance for ECL is 12-month ECL. 12-month ECL is the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

- Stage 2: Financial assets that have a SICR (Under-performing)

When financial assets that have a SICR since initial recognition, ECLs are recognised for possible default events over the lifetime of the financial assets. SICR is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk. Financial assets that are 30 days or 1 month past due or more and not credit-impaired will always be considered to have experienced a SICR.

Quantitative factors include an assessment of whether there has been a significant increase in the PD since origination. Increase in PD is determined from economic conditions that are relating to changes in credit risk such as internal credit rating downgrade. If the changes exceed the thresholds, the financial assets are considered to have experienced a significant increase in credit risk.

Qualitative factor assessments are part of current credit risk management processes, such as an assessment of significant deterioration in the customers’ ability to repay. Qualitative indicators include operating results, financial liquidity and other reliable indicators.

Financial assets can be transferred to Stage 1 in case they have proven that their ability to repay is back to normal.

- Stage 3: Financial assets that are credit-impaired (Non-performing)

Financial assets that are credit-impaired or in default represent those that are at least 90 days or 3 months past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the customers are unlikely to repay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets.

Evidence that a financial asset is credit impaired includes the following events:

- A debtor whose debt cannot be recovered by the Bank or the quality of the debtor has deteriorated significantly;
- A debtor that does not have a clear business or not do business seriously or misuse the money;
- A debtor who delays debt repayment or does any act in order to prevent the Bank from receiving debt repayment, such as going out of the Kingdom or transfer of assets;
- A debtor who cannot be contacted or found or has left the domicile specified in the contract without notifying the Bank; or
- A debtor who stops doing business or ceases operation or the debtor's business is in the process of being liquidated.

ECLs of credit-impaired financial assets are determined based on the difference between the present value of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, discounted at the financial assets’ effective interest rate, and the gross carrying amount of the financial assets prior to any credit impairment.

Financial assets that are credit-impaired require a lifetime provision.

Modifications of financial instruments

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised within ECL in profit or loss with a corresponding decrease in the gross carrying amount of the asset.

ECLs for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, whether if there is a SICR. These assets are assessed to determine that there has been a SICR subsequent to the modification.

Loans renegotiated or modified of contractual cash flows, the Bank might consider them as financial assets that have a SICR except there is an evidence that the risk of not receiving contractual cash flows significantly reduces and there is no indicator of the impairment. The Bank then considers the aforementioned financial assets as the ones that does not have a SICR.

Write-offs of credit-impaired instruments and reversal of ECL

To the extent a financial instrument is considered irrecoverable, the applicable portion of the gross carrying amount is written off against the related allowance for ECL. Such financial instruments are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of ECL in the profit or loss.

If, in a subsequent period, the amount of the allowance for ECL decreases and the decrease can be related objectively to an event occurring after the credit impairment was recognised, the previously recognised ECL is reversed by adjusting the allowance for ECL. The amount of the reversal is recognised in the profit or loss.

Improvement in credit risk

A period may elapse from the point at which instruments enter stage 2 or stage 3 and are reclassified back to stage 1.

For financial assets with credit-impaired (Stage 3) and no debt restructured will transfer to stage 2 or stage 1 if it is considered that no more qualify as a financial asset with credit-impaired.

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a SICR.

Where SICR was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes the action to be resolved before the instruments are reclassified to stage 1.

For debt restructuring receivables, exposures under stage 3 can transfer to stage 2 when the customer performs under the revised terms of the contract for a longer of 3 months or 3 consecutive payments. Further 9 months are required for such customers to be transferred to stage 1 on the basis that there is no overdue balance on the account and the customer is expected to repay its remaining obligations in full.

For debt restructuring receivables, exposures under stage 2 that were not previously credit impaired can transfer to stage 1 when the customer performs under the revised terms of the contract for 3 months or 3 consecutive payments, whichever is longer.

(i) Impairment of non-financial assets

The carrying amounts of the Bank's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is assessed from the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss of asset recognised in prior years is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Employee benefits

Defined contribution plans

Obligations for contributions to the Bank's provident funds are recognised as employee expenses in profit or loss as the related service is provided.

Defined benefit plans

The Bank's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior years. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Bank determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Bank recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits are expensed at the earlier of when the Bank can no longer withdraw the offer of those benefits and when the Bank recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(k) Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Allowance for ECL on obligation having credit risk exposures

The Bank provides allowance for ECL on undrawn loan commitments and financial guarantee contracts by the same methods applied to allowance for ECL as described in note 5 (h).

(l) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Bank uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable inputs.

The Bank recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Bank determines that the fair value of a financial instrument on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value, adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the financial instrument or until the fair value level is transferred or the transaction is closed out.

(m) Interest

Effective interest rate

Interest income and interest expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not allowance for ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any allowance for ECL.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any allowance for ECL.

Calculation of interest income and interest expense

The effective interest rate of a financial asset or a financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and interest expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instrument to reflect movements in market rates of interest.

However, for financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis of assets.

(n) *Revenue from contracts with customers*

Revenue recognition

Revenue is recognised when a customer obtains control of the service in an amount that reflects the consideration to which the Bank expects to be entitled, excluding those amounts collected on behalf of third parties and value added tax. Judgment is required in determining the timing of the transfer of control for revenue recognition at a point in time or over time. The related costs are recognised in profit or loss when they are incurred.

Commission income

For the contracts that the Bank is arranging for the provision of the services on behalf of its customers and does not control the services before the primary service providers will provide the services to the customers. The Bank acts in the capacity of an agent and recognises the net amount of consideration as commission income when its obligation to arrange for the provision of the specified service is fulfilled.

(o) *Dividend income*

Dividend income is recognised when the right to receive income is established.

(p) *Net gains (losses) on financial instruments measured at FVTPL*

Net gains (losses) on financial instruments measured at FVTPL comprises gains less losses related to trading assets and liabilities, and includes all fair value changes, interest, dividends and foreign exchange differences.

(q) *Net (losses) gains on investments*

(Losses) gains on investments are recognised as expenses or revenues on the transaction dates.

(r) *Expenses*

The Bank recognises expenses on an accrual basis.

Contributions to the Deposit Protection Agency and the Financial Institutions Development Fund

Contributions to the Deposit Protection Agency and the Financial Institutions Development Fund are recorded as expenses in profit or loss on an accrual basis.

(s) *Income tax*

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiary to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) *Earnings per share ("EPS")*

Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year.

(u) *Segment reporting*

Segment results that are reported to the Bank's Executive Board of Directors (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

6 Risk management

The Bank's risk management policies are principally focused on maintaining various risks within acceptable levels with adequate and effective internal control in accordance with risk management policies and also, comply with regulations of the Bank of Thailand and any other regulators. The policies, which are annually

reviewed so that they reflect any changes in the environment in which the Bank operates and in the risks arising from internal and external factors, are as follows:

6.1 Credit risk

Credit risk is the risk that debtors or counterparties may not be able to comply with repayment condition on their agreements, as well as the likelihood of the credit rating of debtors being downgraded, which may affect the revenues and capital funds of the Bank due to external risk factors i.e. changes in the economy, changes in law and regulation and internal risk factors i.e. lack of monitoring control, lack of tracking the debtor to comply with condition on their agreement, ineffective credit assessment process. The transactions that related to credit risk are consist of the borrowing transaction and any equivalent borrowing transaction, transaction that related to the counterparties are obligated to deliver collateral asset or repayment debt to the Bank, transaction that related to investment in debt instrument.

Credit risk is recognised as highly significant to financial institutions, especially the risk associated with credit transactions, which are the core transactions of the Bank, both in terms of loans, investments and commitments and in terms of credit-like transactions. The Bank's maximum exposure to credit loss is the carrying value of loans to customers, including commitments related to guarantees, avals or other similar items.

The Bank manages credit risk by setting guidelines for granting credit in order to control, prevent and mitigate the risks associated with credit transactions. Decisions on granting credit have to take into account a range of criteria such as the target market, type of business, type of loan and activity, the credit limits set for each debtor in order to mitigate credit concentration risk, the collateral obtained in order to reduce credit risk and persons or corporates that are not supported by the Bank. In addition, the Bank's key risk management processes are as follows:

(a) Risk identification

The Bank considers factors that are relevant to a borrower and the borrower/counterparty's business, and external factors that may adversely impact the revenues and the operations of the borrower/counterparty. It also monitors changes in credit quality and historical payment trends, which help provide a picture of asset quality and credit risk. In addition, the Bank conducts reviews of borrower risk levels and their alignment with the identified risk factors.

(b) Risk measurement

The Bank has developed tools to moderate and identify the risk level of the debtors for assessing the credit risk effectively. These are Credit Rating Model, which is used to assign credit ratings to corporate banking customers and Credit Scoring model, which is used to assign credit scoring to retail banking customers. Both tools were developed by the Credit Risk Management and Capital Department in order to reduce the use of judgement by credit approvers during the credit approval process.

(c) Risk monitoring and reporting

The Bank has developed a process of monitoring counterparties' credit risk, so that it is aware of the current size and level of risk associated with its borrowers. Financial reviews and customer visits are required to be carried out at least annually, and the value and liquidity of collateral is appraised. The status of borrowers and their compliance with conditions are also reported to executives on a regular basis.

(d) Risk control and mitigation

The Bank sets credit concentration limits at both the industry level and individual client level, in order to ensure the Bank's risk exposure to a particular industry or client is not excessive. If a limit is reached, the responsible department is to investigate the reason for the abnormality, in order to maintain risk exposure within acceptable parameters. The Bank also has internal controls and audit procedures in place to ensure that its risk management is in accordance with the frameworks and processes laid down by the Bank.

Furthermore, the Bank conducts stress testing that covers credit risk at least annually, in order to forecast potential losses on individual accounts or counterparties and on different types of credit in its portfolio, and consider whether the resulting deterioration in credit quality within its portfolio would affect its capital adequacy and its allowance for expected credit losses, so the Bank will be able to take timely action to mitigate the risk.

Customer's credit risk classification

The Bank classifies the credit risk of customer by financial asset type as shown below:

- 1) Interbank and money market items (assets), loans to customers and accrued interest receivables and undue interest receivables, undrawn loan commitment and financial guarantee contract.

Credit Risk Classification	Internal Risk Rating	
	Commercial Loan	Consumer Loan
1. Low risk	ORR Grade 0-5	CRR Grade 1-5
2. Medium risk	ORR Grade 6-9	CRR Grade 6-9
3. High risk	ORR Grade 10-14	CRR Grade 10-20
4. NPL	ORR Grade 15-16	CRR Grade 21

- 2) Investments in debt instruments measured at amortised cost and Investments in debt instruments measured at FVOCI.

Credit Risk Classification	External Risk Rating
1. Investment grade	AAA ~ BBB-
2. Non-investment grade	BB+ and below

Credit risk classification description can be summarized as follows:

- Low risk group refers to a group of debtors with a good ability of repayment, good financial status, stable financial structure and able to repay all outstanding principal and interest.
- Medium risk group refers to a group of debtors who have an acceptable ability of repayment, a moderate financial status, a high likelihood of continuing to make repayment when due and are expected to repay all outstanding principal and interest.
- High risk group refers to a group of debtors with concerns or an uncertain ability to meet financial obligations.
- Non-performing loan group refers to a group of debtors who are unable to repay the outstanding principal and interest when due mainly due to being overdue for more than 90 days or 3 months or having other indications reflecting the inability to repay.
- Investment grade refers to a group in which the credit quality of financial assets has a relatively low risk of default due to the issuer of the financial asset having a high likelihood to meet payment obligations.
- Non-investment grade refers to a group that is concerned about the quality of financial assets due to the risk that the issuer is unable to repay its obligation when due.

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting that the return may not be as expected. The Bank has adopted a policy to mitigate this risk, whereby credit analysis is performed based on customer information and the status of customers is followed up regularly.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are the gross carrying amount (before netting allowance for expected credit losses). The amounts presented for undrawn credit limits and financial guarantee contracts are the amounts committed or guaranteed, respectively.

	2024			
	Stage 1	Stage 2	Stage 3	Total
	(in thousand Baht)			
<i>Interbank and money market items (assets)</i>				
Low risk	41,834,513	-	-	41,834,513
Medium risk	560,229	-	-	560,229
Total	42,394,742	-	-	42,394,742
Less allowance for expected credit losses	(3,401)	-	-	(3,401)
Net carrying amount	42,391,341	-	-	42,391,341
<i>Investments in debt instruments measured at amortised cost</i>				
Investment grade ⁽¹⁾	2,632,699	-	-	2,632,699
Total	2,632,699	-	-	2,632,699
Less allowance for expected credit losses	(3,611)	-	-	(3,611)
Net carrying amount	2,629,088	-	-	2,629,088
<i>Investments in debt instruments measured at FVOCI</i>				

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	2024			
	Stage 1	Stage 2	Stage 3	Total
	(in thousand Baht)			
Investment grade ⁽¹⁾	32,944,118	-	-	32,944,118
Non-investment grade ⁽¹⁾	-	3,087,613	200,000	3,287,613
Total	32,944,118	3,087,613	200,000	36,231,731
Allowance for expected credit losses	(5,268)	(671,000)	(200,000)	(876,268)
Carrying amount - Fair value	33,281,869	3,066,510	-	36,348,379

Loans to customers and accrued interest receivables and undue interest receivables

Low risk	177,381,744	27,154	-	177,408,898
Medium risk	56,742,209	54,182	-	56,796,391
High risk	5,246,317	9,059,060	-	14,305,377
NPL	-	-	7,747,263	7,747,263
Total	239,370,270	9,140,396	7,747,263	256,257,929
Less allowance for expected credit losses ⁽²⁾	(2,120,639)	(2,470,072)	(5,186,928)	(9,777,639)
Net carrying amount	237,249,631	6,670,324	2,560,335	246,480,290

Undrawn loan commitment

Low risk	22,322,589	177	-	22,322,766
Medium risk	8,299,025	824	-	8,299,849
High risk	494,247	537,473	-	1,031,720
NPL	-	-	51,761	51,761
Total	31,115,861	538,474	51,761	31,706,096
Allowance for expected credit losses	(36,400)	(47,659)	(7,238)	(91,297)

Financial guarantee contracts

Low risk	2,077,759	-	-	2,077,759
Medium risk	248,954	-	-	248,954
High risk	17,479	19,033	-	36,512
NPL	-	-	359	359
Total	2,344,192	19,033	359	2,363,584
Allowance for expected credit losses	(16)	(19)	(2)	(37)

⁽¹⁾ Rating by external credit risk rating agency

⁽²⁾ Exclude management overlay

	2023			
	Stage 1	Stage 2	Stage 3	Total
	(in thousand Baht)			
Interbank and money market items (assets)				
Investment grade ⁽¹⁾	25,199,716	-	-	25,199,716
Current	7,965,687	-	-	7,965,687
Total	33,165,403	-	-	33,165,403
Less allowance for expected credit losses	(11,634)	-	-	(11,634)
Net carrying amount	33,153,769	-	-	33,153,769

	2023			
	Stage 1	Stage 2	Stage 3	Total
	(in thousand Baht)			
<i>Investments in debt instruments measured at amortised cost</i>				
Investment grade ⁽¹⁾	2,632,103	-	-	2,632,103
Non-investment grade ⁽¹⁾	85,165	-	-	85,165
Total	2,717,268	-	-	2,717,268
Less allowance for expected credit losses	(870)	-	-	(870)
Net carrying amount	2,716,398	-	-	2,716,398
<i>Investments in debt instruments measured at FVOCI</i>				
Investment grade ⁽¹⁾	34,371,527	-	-	34,371,527
Non-investment grade ⁽¹⁾	-	3,235,855	200,000	3,435,855
Total	34,371,527	3,235,855	200,000	37,807,382
Allowance for expected credit losses	(649)	(671,000)	(200,000)	(871,649)
Carrying amount - Fair value	33,405,012	3,029,051	-	36,434,063
<i>Loans to customers and accrued interest receivables and undue interest receivables</i>				
Current	223,167,703	5,384,648	1,980,872	230,533,223
1 - 30 days overdue	2,971,582	176,858	77,662	3,226,102
31 - 90 days overdue	-	1,448,100	109,098	1,557,198
Over 90 days overdue	-	-	4,768,210	4,768,210
Total	226,139,285	7,009,606	6,935,842	240,084,733
Less allowance for expected credit losses ⁽²⁾	(4,546,186)	(1,637,603)	(4,197,072)	(10,380,861)
Net carrying amount	221,593,099	5,372,003	2,738,770	229,703,872
<i>Undrawn loan commitment</i>				
Current	27,077,166	218,350	17,517	27,313,033
1 - 30 days overdue	22,744	10	-	22,754
31 - 90 days overdue	-	22,433	-	22,433
Over 90 days overdue	-	-	13,276	13,276
Total	27,099,910	240,793	30,793	27,371,496
Allowance for expected credit losses	(87,403)	(19,367)	(2,270)	(109,040)
<i>Financial guarantee contracts</i>				
Current	2,635,221	96	-	2,635,317
Over 90 days overdue	-	-	359	359
Total	2,635,221	96	359	2,635,676
Allowance for expected credit losses	(15,173)	-	(3)	(15,176)

⁽¹⁾ Rating by external credit risk rating agency

⁽²⁾ Exclude management overlay

During the year, the Bank has developed a new TFRS 9 ECL provisioning model that takes internal credit risk rating into consideration so that ECL provisions are more appropriately aligned with the obligor's risk level.

Collateral held and other credit enhancements

The Bank holds collateral and other credit enhancements of its exposure to credit risk. Details for each type of financial asset are as follows:

	Exposure to credit risk with collateral		Type of collateral
	2024	2023	
	(in thousand Baht)		
Interbank and money market items (assets)			
- Reverse repurchase agreements	28,508,593	20,307,602	Bonds
Loans to corporate customers			Lands and buildings, Machinery and equipment, Deposits, Bonds, Standby letter of credit
	26,561,426	25,800,955	
Loans to SME customers			Lands and buildings, Machinery and equipment, Deposits, Bonds, Standby letter of credit
	52,589,866	48,584,697	
Loans to retail customers			
- Housing loans	58,563,276	52,080,106	Residence
- Other loans to retail customers	1,685,234	1,675,228	Residence, Deposits

Concentrations of credit risk

The Bank monitors concentrations of credit risk by sector and by nature of transactions. Analyses of concentrations of credit risk as at 31 December 2024 and 2023 are shown below.

	Interbank and money market items (asset)	Investments in debt instruments measured at amortised cost	Investments in debt instruments measured at FVOCI [*]	2024		
				Loans to customers and accrued interest receivables and undue interest receivables	Undrawn loan commitments	Financial guarantee contracts
				(in thousand Baht)		
Financial institutions						
Government and state enterprises	3,927,866	1,466,699	34,001,731	-	-	-
Commercial banks	22,602,936	-	-	-	-	-
Specialised financial institutions	12,503,911	-	-	-	-	-
Other financial institutions	3,360,029	-	-	-	5,905,000	-
Commercial loans						
Agriculture and mineral	-	-	-	1,251,455	70,000	60,000
Manufacture and commercial	-	500,000	1,000,000	69,103,686	4,723,193	141,893
Real estate and construction	-	-	-	29,241,617	8,638,543	897,471
Utilities and services	-	-	130,000	39,577,959	5,363,552	1,174,415
Financial services	-	666,000	1,100,000	48,383,766	5,601,897	62,350
Others	-	-	-	6,994,757	1,156,020	27,455
Consumer loans						
Housing loans	-	-	-	58,603,283	224,986	-
Other lending	-	-	-	3,101,406	22,905	-
Total	42,394,742	2,632,699	36,231,731	256,257,929	31,706,096	2,363,584

* Gross carrying amount

	2023					
	Interbank and money market items (asset)	Investments in debt instruments measured at amortised cost	Investments in debt instruments measured at FVOCI*	Loans to customers and accrued interest receivables and undue interest receivables	Undrawn loan commitments	Financial guarantee contracts
	(in thousand Baht)					
<i>Financial institutions</i>						
Government and state enterprises	1,757,912	1,466,103	33,717,846	-	-	-
Commercial banks	13,574,316	-	-	-	-	-
Specialised financial institutions	7,302,675	-	-	-	-	-
Other financial institutions	10,530,500	-	-	-	4,075,000	-
<i>Commercial loans</i>						
Agriculture and mineral	-	-	-	871,023	42,548	-
Manufacture and commercial	-	579,885	1,180,000	63,884,164	4,390,876	170,520
Real estate and construction	-	600	80,750	30,941,745	10,178,200	1,025,066
Utilities and services	-	4,020	1,153,861	38,117,986	2,064,673	1,360,084
Financial services	-	666,000	1,674,925	43,647,774	5,152,558	51,950
Others	-	660	-	7,313,049	1,052,202	28,056
<i>Consumer loans</i>						
Housing loans	-	-	-	52,099,481	7,837	-
Other lending	-	-	-	3,209,511	407,602	-
Total	33,165,403	2,717,268	37,807,382	240,084,733	27,371,496	2,635,676

* Gross carrying amount

Information related to ECL

Significant increase in credit risk (SICR)

When determining whether the probability of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information.

Definition of default

The Bank considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held).

In assessing whether a borrower is in default, the Bank considers indicators that are:

- quantitative: e.g., the borrower is more than 90 days or 3 months past due on any material credit obligation to the Bank. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding;

- qualitative: e.g., a debtor whose debt cannot be recovered by the Bank or the quality of the debtor has deteriorated significantly, a debtor that does not have a clear business or not do business seriously or misuse the money, a debtor who delays debt repayment or does any act in order to prevent the Bank from receiving debt repayment, such as going out of the Kingdom or transfer of assets, a debtor who cannot be contacted or found or has left the domicile specified in the contract without notifying the Bank or a debtor who stops doing business or ceases operation or the debtor's business is in the process of being liquidated. Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default applied by the Bank largely aligns with the BoT criteria.

Probability of default

Credit risk grades are a primary input into the determination of the probability of default. The Bank has collected repayment performance data of each receivable and input into statistical models to analyse the data collected and generate estimates of the lifetime PD based on contractual repayment. Then, the Bank uses the PD to estimate ECL.

Incorporation of forward-looking information

ECL has been estimated by the probability weighted risk of default over the expected life of the financial instrument. It is based on the present value of all expected cash shortfalls carried by historical loss experience data for the group of assets that the Bank considers credit risk to be similar such as types of loans to customers, types of collateral, contract terms and other relevant factors and adjusted by current observed data, along with supportable and reasonable future forecasts if statistically correlated can be proved.

The Bank formulates three forward-looking economic scenarios; Boom case scenario, Average case scenario and Worst case scenario. These scenarios are weighted by different level of probabilities. Examples of the macro-economic variables used in the forward-looking information are Gross Domestic Product (GDP), inflation rate, unemployment rate, etc.

The Bank uses judgments to assess how much relevant macroeconomic changes should affect to ECL of the Bank's portfolio. However, the Bank reviews the method, the assumptions and forecasts of the future economic situations on a regular basis. In addition, the Bank also considers providing the management overlay as part of ECL.

6.2 Market risk

Market risk is the risk that changes in interest rate, foreign exchange rates and securities prices in money markets/equity markets may negatively affect the revenues and capital funds of the Bank. The Bank's market risk consists of interest rate risk, foreign exchange risk and equity position risk.

(a) Interest rate risk

Interest rate risk is the risk that volatility in market interest rates will result in changes in the value of financial instruments, or fluctuations in income or the value of financial assets and liabilities. Interest rate risk is a consequence of the structure and the nature of asset, liability and equity items, and mismatches between the maturities and the repricing terms of assets and liabilities.

Most of the Bank's assets consist of deposits at financial institutions, loans to customers and investments in debt instruments measured at fair value through other comprehensive income, and its liabilities mainly consist of deposits from individuals. These key items may be affected by interest rate fluctuations, and whenever such fluctuations occur the Bank is exposed to the risk that its income, expenses and/or economic value (equity value) may be affected. The Bank therefore needs to manage interest rate risk in its banking books in order to mitigate the impact.

Interest rate risk in the banking books is a risk that income or capital of the Bank may be negatively affected as fluctuations in interest rates impact rate-sensitive assets, liabilities and commitments. The main causes are maturity mismatches and repricing risks for assets and liabilities presented in the Bank's statement of financial position.

The nature of the Bank's exposures to interest rate risk in the banking books are as follows:

(1) Repricing Risk

This arises due to mismatches between the maturities or interest rate reset dates of assets and liabilities.

(2) Basis Risk

This arises because of mismatches between changes in the reference interest rates used for assets and liabilities.

(3) Option Risk

The Bank is exposed to risk as a result of options embedded in its financial contracts, whether as debtor or creditor, which grant the Bank's counterparties a right to change the original payment or redemption plans when market interest rates change. The option holders will often exercise these if the original payment plan puts them in an unfavorable position, whereby interest costs, returns or net interest income, as well as the structure of assets and liabilities in the statement of financial position, would change for the worse.

The Bank has developed interest rate risk measurement and assessment tools to evaluate the impact of interest rate risk in the banking books. The Bank sets risk ceilings in order to keep risk levels within stipulated parameters and reports risk levels to the Asset and Liability Committee on a monthly basis.

Moreover, the Bank performs stress tests by simulating an interest rate crisis, using simulations provided by the BOT and/or appropriate simulations it has established itself.

Financial instruments which bear interest rate at fixed rates are classified below by the year ended 31 December 2024 and 2023 to the repricing date or maturity date (whichever is sooner).

	2024							
	Repricing periods							
	Immediate repricing	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Financial assets that are credit-impaired	Non-interest bearing	Total
	(in thousand Baht)							
Financial assets								
Cash	-	-	-	-	-	-	643,315	643,315
Interbank and money market items ^{(1), (2)}	786,996	36,757,000	306,717	-	-	-	4,538,138	42,388,851
Investments ⁽²⁾	-	-	7,110,175	16,088,438	15,782,465	-	3,750,685	42,731,763
Loans to customers ^{(1), (2)}	164,489,286	34,324,305	20,073,963	25,631,980	841,265	6,763,998	-	252,124,797
Other financial assets, net	218,405	-	-	-	-	-	656,226	874,631
Total financial assets	165,494,687	71,081,305	27,490,855	41,720,418	16,623,730	6,763,998	9,588,364	338,763,357
Financial liabilities								
Deposits	61,335,895	100,269,457	115,688,118	2,240,358	5,010	-	368,886	279,907,724
Interbank and money market items	751,300	433,968	611,938	8,246,404	-	-	102,531	10,146,141
Liabilities payable on demand	-	-	-	-	-	-	107,945	107,945
Debt issued and borrowings ⁽³⁾	-	2,850,000	2,000,000	-	2,400,000	-	-	7,250,000
Other financial liabilities	146,083	-	-	-	-	-	400,431	546,514
Total financial liabilities	62,233,278	103,553,425	118,300,056	10,486,762	2,405,010	-	979,793	297,958,324
	2023							
	Repricing periods							
	Immediate repricing	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Financial assets that are credit-impaired	Non-interest bearing	Total
	(in thousand Baht)							
Financial assets								
Cash	-	-	-	-	-	-	691,375	691,375
Interbank and money market items ^{(1), (2)}	2,059,536	28,840,000	302,012	-	-	-	1,952,764	33,154,312
Investments ⁽²⁾	-	372,079	11,068,463	17,565,803	10,144,986	-	3,713,788	42,865,119
Loans to customers ^{(1), (2)}	156,927,507	32,842,803	20,940,919	19,154,800	355,623	6,298,822	-	236,520,474
Other financial assets, net	153,373	-	-	-	-	-	548,066	701,439
Total financial assets	159,140,416	62,054,882	32,311,394	36,720,603	10,500,609	6,298,822	6,905,993	313,932,719
Financial liabilities								
Deposits	61,351,121	70,451,728	113,452,631	5,488,015	-	-	709,892	251,453,387
Interbank and money market items	353,065	1,300,000	223,537	8,189,722	-	-	187,053	10,253,377
Liabilities payable on demand	-	-	-	-	-	-	422,819	422,819
Debt issued and borrowings ⁽³⁾	-	4,212,000	7,680,000	-	2,400,000	-	-	14,292,000
Other financial liabilities	249,094	-	-	-	-	-	300,655	549,749
Total financial liabilities	61,953,280	75,963,728	121,356,168	13,677,737	2,400,000	-	1,620,419	276,971,332

⁽¹⁾ Exclude accrued interest receivables and undue interest receivables.

⁽²⁾ Before deduction of allowance for expected credit loss.

⁽³⁾ Before deferred expenses.

In addition, the average balances of the financial assets and liabilities of the Bank generating revenues/incurred expenses, calculated based on the average balances outstanding during the year, and the average interest rate for the year ended 31 December 2024 and 2023 were as follows:

	2024			2023		
	Average balance (in thousand Baht)	Interest	Average interest rate (% per annum)	Average balance (in thousand Baht)	Interest	Average interest rate (% per annum)
Financial assets						
Interbank and money market items	23,769,111	586,123	2.47	16,131,539	405,316	2.51
Investments in debt instruments	39,130,579	898,903	2.30	39,301,625	780,161	1.99
Loans to customers	240,878,307	11,657,077	4.84	222,568,838	10,534,525	4.73
Financial liabilities						
Deposits	252,151,981	5,855,068	2.32	228,222,298	4,298,661	1.88
Interbank and money market items	9,804,843	41,802	0.43	14,918,476	124,285	0.83
Debts issued and borrowings	9,598,293	277,204	2.89	6,947,876	178,225	2.57

Interest rate sensitivity analysis

Analysis of sensitivity to changes in interest rates shows the impact of potential changes in interest rates on profit or loss and equity of the Bank when other variables are set to constant values.

The sensitivity of profit or loss is the effect of changes in interest rates to profit or loss of the year. For financial assets and financial liabilities at the end of the reporting period, the sensitivity of equity is calculated by measuring the fair value as at 31 December 2024 and 2023 of financial assets measured at fair value through other comprehensive income by assuming a 1 percent change in the interest rate. The methods used in sensitivity analysis are unchanged from the previous year.

The effect of change in interest rates on profit or loss and equity within the next 1 year as at 31 December 2024 and 2023 can be summarised as follows:

	2024		2023	
	Effect on Profit or loss	Equity (in thousand Baht)	Effect on Profit or loss	Equity
Increased by 1 percent	505,656	505,656	698,195	698,195
Decreased by 1 percent	(511,394)	(511,394)	(700,247)	(700,247)

(b) Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and gains or losses on foreign exchange result in fluctuations in revenues or the values of financial assets and liabilities.

The Bank engages in foreign currency trading, provision of trade finance services to support customers engaged in foreign trade, buying and selling foreign currency exchange services including fund transfers. As a result of these transactions, the Bank has foreign currency positions and has, therefore, established a risk management framework to mitigate the foreign exchange risk, and also set maximum risk ceilings for foreign exchange risk, using statistical tools, namely the Value-at-Risk (VaR Model), and other tools, such as net open position and year to date loss limits, in order to closely monitor operations in order to maintain foreign exchange risk at acceptable levels.

As at 31 December 2024 and 2023, foreign currency positions equivalent to Thai Baht of the Bank, were as follows:

	2024			
	USD	EUR	JPY	Others
	(in thousand Baht)			
Foreign currencies items recognised in the statements of financial position				
Financial assets				
Interbank and money market items	438,833	8,754	6,059	33,348
Investments	1,079,115	-	-	-
Loans to customers and accrued interest receivables and undue interest receivables	3,311,346	10,134	28,402	123,514
Other assets	100,497	2	76	4,658
Total financial assets	4,929,791	18,890	34,537	161,520
Financial liabilities				
Deposits	4,578,735	6,419	20,929	112,936
Interbank and money market items	557	-	-	-
Accrued interest payables	30,764	-	-	-
Other liabilities	223,379	5	-	6,378
Total financial liabilities	4,833,435	6,424	20,929	119,314
Items recognised in the statements of financial position - net	96,356	12,466	13,608	42,206
Foreign currencies items not recognised in the statements of financial position - net				
Forward contracts	(101,825)	(17,727)	(12,930)	(32,593)
2023				
	USD	EUR	JPY	Others
	(in thousand Baht)			
Foreign currencies items recognised in the statements of financial position				
Financial assets				
Interbank and money market items	309,199	17,346	5,167	42,822
Investments	1,077,899	-	-	-
Loans to customers and accrued interest receivables and undue interest receivables	3,309,478	188,375	4,815	51,198
Other assets	9	-	-	2
Total financial assets	4,696,585	205,721	9,982	94,022

	2023			
	USD	EUR	JPY	Others
	(in thousand Baht)			
<i>Financial liabilities</i>				
Deposits	3,095,887	7,015	7	75
Interbank and money market items	552	-	-	-
Accrued interest payables	15,343	-	-	-
Other liabilities	183,191	8	-	3,349
Total financial liabilities	3,294,973	7,023	7	3,424
 Items recognised in the statements of financial position - net	 1,401,612	 198,698	 9,975	 90,598
 <i>Foreign currencies items not recognised in the statements of financial position - net</i>				
Forward contracts	(1,100,656)	(191,136)	(8,480)	6,931

Foreign exchange rate sensitivity analysis

Analysis of sensitivity to changes in foreign exchange rates shows the impact of potential changes in foreign exchange rates on profit or loss and the equity of the Bank when other variables are set to constant values. The risks encountered, and methods used for sensitivity analysis are unchanged from the previous period.

The effect of change in exchange rate of foreign currencies compared to US Dollar on profit or loss and equity as at 31 December 2024 and 2023 can be summarised as follows:

	2024		2023	
	Effect on		Effect on	
	Profit or loss	Equity	Profit or loss	Equity
	(in thousand Baht)			
Increased by 5 percent	(28,443)	(28,443)	45,370	45,370
Decreased by 5 percent	28,443	28,443	(46,134)	(46,134)

(c) Equity position risk

Equity position risk is the risk that changes in the market prices of equity instruments or stocks may result in changes in the value of investments, and fluctuations in revenue and the value of financial assets.

The Bank closely manages equity position risk, with a policy to invest in equity instruments with a lower risk than those in equity markets. Moreover, the Bank monitors risks related to investments in equity instruments to ensure that the risk is still lower than that of the market.

Equity security price sensitivity analysis

The following table demonstrates the sensitivity of a reasonably possible change in equity securities price by a percentage change of SET Index on the Bank's profit or loss and equity as at 31 December 2024 and 2023 when other variables are set to constant values.

	2024		2023	
	Effect on	Equity	Effect on	Equity
	Profit or loss	(in thousand Baht)	Profit or loss	
Increased by 10 percent	-	134,822	-	143,884
Decreased by 10 percent	-	(134,822)	-	(143,884)

6.3 Liquidity risk

Liquidity risk is the risk that the Bank will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the Bank incurring a financial loss.

The Bank manages its liquidity risk by preparing net liquidity status reports or liquidity gap reports. The Bank's analysis has two components, namely a Contractual Liquidity Gap report and a Behavior Liquidity Gap report, which analyse the net liquidity status at each point in time and consider the cash flow adequacy over the next year. Moreover, the Bank assesses liquidity risk based on accumulated outstanding net liquidity by maturity, adjusted to reflect depositor behavior, in order to maintain liquidity risk at the appropriate levels stipulated by the Bank.

The Bank conducts studies of the effect on liquidity of various factors, such as early deposit withdrawal and deposit rollover, by creating simulations incorporating normal scenarios and stress scenarios and these include the effects on liquidity management of the Bank. The Market Risk Management Department is responsible for carrying out the studies and reporting the results to the Asset and Liability Committee, for assessment of liquidity requirements under each scenario and to provide a framework for establishing contingency plans for liquidity crisis.

In addition, the Bank monitors its liquidity risk based on regulations relating to the maintenance of liquid assets to handle a severe liquidity crisis situation (Liquidity Coverage Ratio: LCR), which is based on the assumption that total cash inflows and outflows reflect the differing withdrawal behaviors of various counterparties and both on and off-balance sheet items, which are affected by different cash flow indicators. The assumptions also reflect the business group structure, which may require the Group's commercial banks to provide liquidity assistance in the event of a severe and continuous cash outflow crisis. The Bank sets risk limits in order to monitor liquidity risk levels and maintain them within appropriate levels, and enable the Bank to maintain appropriate amounts of liquid assets and efficiently cope with fluctuations in cash inflows and outflows.

The Bank will disclose Liquidity Coverage Ratio (LCR) information for the Bank as at 31 December 2024 through the Bank's website at www.lhbank.co.th within April 2025

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The periods to maturity, counting from the financial reporting dates, of financial instruments outstanding as at 31 December 2024 and 2023 were as follows:

	2024					Financial assets that are credit- impaired	Total
	At call	Less than 1 year	1 - 5 years	Over 5 years	No maturity		
	(in thousand Baht)						
<i>Financial assets</i>							
Cash	-	-	-	-	643,315	-	643,315
Interbank and money market items ^{(1), (2)}	5,325,134	37,063,717	-	-	-	-	42,388,851
Investments ⁽²⁾	-	7,110,175	16,088,438	15,782,465	3,750,685	-	42,731,763
Loans to customers ^{(1), (2)}	5,153,219	90,972,256	95,492,473	53,742,851	-	6,763,998	252,124,797
Other financial assets, net	218,405	435,820	-	-	220,406	-	874,631
Total financial assets	10,696,758	135,581,968	111,580,911	69,525,316	4,614,406	6,763,998	338,763,357
<i>Financial liabilities</i>							
Deposits	60,776,362	216,617,099	2,509,253	5,010	-	-	279,907,724
Interbank and money market items	853,831	1,045,906	8,246,404	-	-	-	10,146,141
Liabilities payable on demand	107,945	-	-	-	-	-	107,945
Debts issued and borrowings ⁽³⁾	-	4,850,000	-	2,400,000	-	-	7,250,000
Other financial liabilities	146,083	400,431	-	-	-	-	546,514
Total financial liabilities	61,884,221	222,913,436	10,755,657	2,405,010	-	-	297,958,324
Net liquidity gap	(51,187,463)	(87,331,468)	100,825,254	67,120,306	4,614,406	6,763,998	40,805,033
	2023					Financial assets that are credit- impaired	Total
	At call	Less than 1 year	1 - 5 years	Over 5 years	No maturity		
	(in thousand Baht)						
<i>Financial assets</i>							
Cash	-	-	-	-	691,375	-	691,375
Interbank and money market items ^{(1), (2)}	4,012,300	29,142,012	-	-	-	-	33,154,312
Investments ⁽²⁾	-	11,440,542	17,565,803	10,144,986	3,713,788	-	42,865,119
Loans to customers ^{(1), (2)}	8,471,348	87,228,427	70,279,617	64,242,260	-	6,298,822	236,520,474
Other financial assets, net	153,373	420,218	-	-	127,848	-	701,439
Total financial assets	12,637,021	128,231,199	87,845,420	74,387,246	4,533,011	6,298,822	313,932,719
<i>Financial liabilities</i>							
Deposits	60,549,413	184,991,793	5,907,091	5,090	-	-	251,453,387
Interbank and money market items	540,118	1,523,537	8,189,722	-	-	-	10,253,377
Liabilities payable on demand	422,819	-	-	-	-	-	422,819
Debts issued and borrowings ⁽³⁾	-	11,892,000	-	2,400,000	-	-	14,292,000
Other financial liabilities	249,094	300,655	-	-	-	-	549,749
Total financial liabilities	61,761,444	198,707,985	14,096,813	2,405,090	-	-	276,971,332
Net liquidity gap	(49,124,423)	(70,476,786)	73,748,607	71,982,156	4,533,011	6,298,822	36,961,387

(1) Exclude accrued interest receivables and undue interest receivables.

(2) Before deduction of allowance for expected credit loss.

(3) Before deferred expenses.

7 Fair value of financial assets and financial liabilities

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the hierarchy, but does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

		Carrying amount			Fair value				
	Note	FVTPL	FVOCI	Amortised cost	Total (in thousand Baht)	Level 1	Level 2	Level 3	Total
2024									
Financial assets									
Derivatives	11								
- Foreign currency related		404,812	-	-	404,812	-	404,812	-	404,812
Investments	12								
- Debt instruments measured at amortised cost		-	-	2,629,088	2,629,088	-	2,810,791	-	2,810,791
- Debt instruments measured at FVOCI		-	36,348,379	-	36,348,379	-	36,348,379	-	36,348,379
- Equity instruments designated at FVOCI		-	3,750,685	-	3,750,685	3,175,898	-	574,787	3,750,685
Financial liabilities									
Derivatives	11								
- Foreign currency related		544,959	-	-	544,959	-	544,959	-	544,959

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		Carrying amount			Fair value				
	Note	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
					(in thousand Baht)				
2023									
Financial assets									
Derivatives	11								
- Foreign currency related		703,326	-	-	703,326	-	703,326	-	703,326
Investments	12								
- Debt instruments measured at amortised cost		-	-	2,716,398	2,716,398	-	2,711,934	84,375	2,796,309
- Debt instruments measured at FVOCI		-	36,434,063	-	36,434,063	-	36,434,063	-	36,434,063
- Equity instruments designated at FVOCI		-	3,713,788	-	3,713,788	3,706,885	-	6,903	3,713,788
Financial liabilities									
Derivatives	11								
- Foreign currency related		578,628	-	-	578,628	-	578,628	-	578,628

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques and significant unobservable inputs which are used in measuring Level 3 fair values for financial instruments measured at fair value in the statement of financial position.

Financial instruments measured at fair value	Valuation technique	Significant unobservable inputs
Investments in equity instruments	Dividend discount model	Expected future cash flow and discount rate
	Book value or Adjusted book value	Net asset value

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values of investments in equity instruments.

<i>For the year ended 31 December</i>	2024	2023
	<i>(in thousand Baht)</i>	
At 1 January	6,903	6,903
Purchased or acquired	567,884	-
At 31 December	574,787	6,903

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the year ended 31 December 2024 and 2023.

The following methods and assumptions were used by the Bank in estimating the fair value of financial assets and liabilities.

Interbank and money market items (assets) and loans to customers

The fair value of interbank and money market items (assets) and loans to customers and interbank that bear floating interest rates is assumed to approximate their carrying values, net of allowance for expected credit losses.

The fair value of interbank and money market items (assets) and loans to customers and interbank that bear fixed interest rates is the present value of the expected future cash flows, discounted by the interest rates the Bank offers on similar loans.

Derivatives

The fair value of derivatives is based on quoted market prices. When there is no observable market price, the fair value is measured using a valuation technique that uses observable inputs such as interest rates and foreign exchange rates, obtained from reliable sources and adjusted to reflect counterparty's credit risk.

Investments in debt instruments

The fair value of investments in debt instruments is determined based on the yield rates quoted by the Thai Bond Market Association.

Investments in equity instruments

The fair value of listed unit trust is estimated by using the bidding prices at the Stock Exchange of Thailand on the last business day of the period.

The fair value of investments in non-marketable equity instruments is determined mainly based on common valuation techniques (dividend discount model and book value or adjusted book value) with price and/or variables from the market.

Deposits and interbank and money market items (liabilities)

The fair value of deposits and interbank and money market items (liabilities) that are payable on demand or bear floating interest rates is assumed to approximate their carrying value. The fair value of deposits and interbank and money market items (liabilities) that bear fixed interest rates is determined by discounting the expected future cash flows at the Bank's announced interest rates for instruments having similar characteristics.

Debt issued and borrowings

The fair value of debts issued and borrowings that are both subordinated and unsubordinated debentures is determined using yield rates quoted by the Thai Bond Market Association. The fair value of debts issued and borrowings that bear fixed interest rates is determined by discounting the expected future cash flows by market interest rates on borrowings with similar conditions.

Other financial instruments

For financial assets and liabilities which have short-term maturities, including cash, accrued interest receivables on investments, collateral receivables under the Credit Support Annex agreements, liabilities payable on demand and collateral payables under the Credit Support Annex agreements, the carrying value in the statement of financial position approximates their fair value.

8 Maintenance of capital fund

The primary objectives of the Bank's capital management are to maintain its ability to continue as a going concern and to maintain a capital adequacy ratio in accordance with the Financial Institution Business Act B.E. 2551.

As at 31 December 2024 and 2023, capital fund of the Bank calculated under Basel III consisted of the following:

	2024	2023
	(in thousand Baht)	
<i>Tier 1 Capital</i>		
Common Equity Tier 1 Capital (CET1)		
Paid-up share capital	20,000,000	20,000,000
Premium on share capital	10,598,915	10,598,915
Legal reserve	1,164,600	1,064,000
Net profit after appropriation	6,404,341	6,483,263
Revaluation deficit on investments measured at fair value through other comprehensive income	(1,666,247)	(3,316,779)
Capital deduction items on CET1	(2,190,597)	(2,416,201)
Total Common Equity Tier 1 Capital	34,311,012	32,413,198
Total Tier 1 Capital	34,311,012	32,413,198
<i>Tier 2 Capital</i>		
Subordinated debentures	2,400,000	2,400,000
General provision	3,100,982	2,978,994
Total Tier 2 Capital	5,500,982	5,378,994
Total Capital funds	39,811,994	37,792,192
Total Risk-Weighted Assets	261,546,579	251,661,926
	The BoT's regulation minimum requirement	2024 (%) 2023
Capital Funds/Total Risk-Weighted Assets	11.00	15.22 15.02
Tier 1 Capital/Total Risk-Weighted Assets	8.50	13.12 12.88
Common Equity Tier 1 Capital/Total Risk-Weighted Assets	7.00	13.12 12.88

As at 31 December 2024 and 2023, the Bank has no add-on arising from Single Lending Limit.

The Bank will disclose capital adequacy and capital risk exposure information for the Bank as at 31 December 2024 through the Bank's website at www.lhbank.co.th within April 2025.

9 Classification of financial assets and financial liabilities

	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	2024 Investments in equity instruments designated at FVOCI (in thousand Baht)	Financial instruments measured at amortised cost	Total
Financial assets					
Cash	-	-	-	643,315	643,315
Interbank and money market items, net	-	-	-	42,391,341	42,391,341
Derivative assets	404,812	-	-	-	404,812
Investment, net	-	36,348,379	3,750,685	2,629,088	42,728,152
Loans to customers and accrued interest receivables, net	-	-	-	241,882,214	241,882,214
Accrued interest receivables on investments	-	-	-	103,414	103,414
Other financial assets, net	-	-	-	874,631	874,631
Total	404,812	36,348,379	3,750,685	288,524,003	329,027,879
Financial liabilities					
Deposits	-	-	-	279,907,724	279,907,724
Interbank and money market items	-	-	-	10,146,141	10,146,141
Liabilities payable on demand	-	-	-	107,945	107,945
Derivative liabilities	544,959	-	-	-	544,959
Debts issued and borrowings	-	-	-	7,217,716	7,217,716
Accrued interest payables	-	-	-	1,189,282	1,189,282
Other financial liabilities	-	-	-	546,514	546,514
Total	544,959	-	-	299,115,322	299,660,281

	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	2023 Investments in equity instruments designated at FVOCI (in thousand Baht)	Financial instruments measured at amortised cost	Total
Financial assets					
Cash	-	-	-	691,375	691,375
Interbank and money market items, net	-	-	-	33,153,769	33,153,769
Derivative assets	703,326	-	-	-	703,326
Investment, net	-	36,434,063	3,713,788	2,716,398	42,864,249
Loans to customers and accrued interest receivables, net	-	-	-	226,667,930	226,667,930
Accrued interest receivables on investments	-	-	-	100,050	100,050
Other financial assets, net	-	-	-	701,439	701,439
Total	703,326	36,434,063	3,713,788	264,030,961	304,882,138
Financial liabilities					
Deposits	-	-	-	251,453,387	251,453,387
Interbank and money market items	-	-	-	10,253,377	10,253,377
Liabilities payable on demand	-	-	-	422,819	422,819
Derivative liabilities	578,628	-	-	-	578,628
Debts issued and borrowings	-	-	-	14,171,822	14,171,822
Accrued interest payables	-	-	-	752,743	752,743
Other financial liabilities	-	-	-	549,749	549,749
Total	578,628	-	-	277,603,897	278,182,525

10 Interbank and money market items, net (assets)

	Note	2024	2023
		(in thousand Baht)	
<i>Domestic</i>			
Bank of Thailand		3,927,866	1,757,912
Commercial banks		22,109,152	13,200,332
Specialised financial institutions		12,500,000	7,300,000
Other financial institutions	29	3,363,717	10,527,012
Total		41,900,735	32,785,256
Add accrued interest receivables and undue interest receivables		5,891	11,091
Less allowance for expected credit losses		(3,401)	(11,634)
Total domestic		41,903,225	32,784,713
<i>Foreign</i>			
US Dollar		438,833	309,199
Yen		6,059	5,167
Euro		8,754	17,346
Other currencies		34,470	37,344
Total foreign		488,116	369,056
Total domestic and foreign		42,391,341	33,153,769

11 Derivatives

Derivatives held for trading

As at 31 December 2024 and 2023, the fair values and the notional amounts of derivatives held for trading, classified by type of risk, were as follows:

Type of risks	2024		Notional <i>(in thousand Baht)</i>	2023		Notional
	Fair value			Fair value		
	Assets	Liabilities		Assets	Liabilities	
Foreign currency related	404,812	544,959	42,770,115	703,326	578,628	57,397,127
Total	404,812	544,959	42,770,115	703,326	578,628	57,397,127

12 Investments, net

12.1 Type of investments

	2024 Amortised cost (in thousand Baht)	2023 Amortised cost (in thousand Baht)
<i>Investments in debt instruments measured at amortised cost</i>		
Government and state enterprise securities	1,466,699	1,466,103
Private debt securities	1,166,000	1,251,165
Total	2,632,699	2,717,268
Less allowance for expected credit losses	(3,611)	(870)
Total	2,629,088	2,716,398
<i>Investments in debt instruments measured at FVOCI</i>		
Government and state enterprise securities	31,258,903	29,607,422
Private debt securities	2,022,966	3,797,590
Foreign debt securities	3,066,510	3,029,051
Total	36,348,379	36,434,063
Allowance for expected credit losses	(876,268)	(871,649)
<i>Investments in equity instruments designated at FVOCI</i>		
Domestic marketable equity instruments		
- Investment units	3,175,898	3,706,885
Domestic non-marketable equity instruments	574,787	6,903
Total	3,750,685	3,713,788
Total investments, net	42,728,152	42,864,249

Dividend income from investments in equity instruments designated at FVOCI recognised in statements of profit or loss and other comprehensive income for the year ended 31 December 2024 amounted to Baht 204 million (2023: Baht 365 million).

For the year ended 31 December 2024 and 2023, the Bank derecognised investments in equity instruments designated at FVOCI as a result of the sale of such investments. Accumulated losses on derecognition were recognised in retained earnings as follows:

For the year ended

31 December

	2024			
	Fair value on derecognition date	Dividend income	Losses on derecognition net of income tax	Reason of derecognition
			(in thousand Baht)	
Domestic marketable equity instruments				
- Investment units	557,625	6,143	(452,484)	Sale for liquidity management
Total	557,625	6,143	(452,484)	

For the year ended

31 December

	2023			
	Fair value on derecognition date	Dividend income	Losses on derecognition net of income tax	Reason of derecognition
			(in thousand Baht)	
Domestic marketable equity instruments				
- Investment units	798,853	31,690	(422,720)	Sale for liquidity management
Total	798,853	31,690	(422,720)	

12.2 Investments in companies with problems in their financial position and operating results

	2024			2023		
	Number of companies	Cost	Fair value	Number of companies	Cost	Fair value
		(in thousand Baht)			(in thousand Baht)	
Companies whose ability to continue as going concern is uncertain	2	200,025	-	2	200,025	-

12.3 Investments in which the Bank holds 10% or more of those companies' shares

As at 31 December 2024 and 2023, the investments in which the Bank holds 10% or more of those companies' shares that were not treated as investments in subsidiaries and associates, were as follows:

	2024	2023
	Fair value	Fair value
	(in thousand Baht)	
Infrastructure fund	136,500	107,100

13 Loans to customers and accrued interest receivables, net

13.1 Classified by loan types

	Note	2024	2023
		(in thousand Baht)	
Overdrafts	29	4,282,586	4,476,645
Loans	29	195,179,122	179,583,549
Bills	29	51,870,673	51,858,832
Hire-purchase receivables		792,416	601,448
Total loans to customers		252,124,797	236,520,474
Add accrued interest receivables and undue interest receivables		4,133,132	3,564,259
Total loans to customers and accrued interest receivables and undue interest receivables		256,257,929	240,084,733
Less allowance for expected credit losses		(14,375,715)	(13,416,803)
Loans to customers and accrued interest receivables, net		241,882,214	226,667,930

13.2 Classified by residency of debtors

	2024	2023
	(in thousand Baht)	
Domestic	252,124,797	236,520,474
Total	252,124,797	236,520,474

13.3 Classified by loan classification

	2024	2023
	(in thousand Baht)	
Loans to customers and accrued interest receivables and undue interest receivables		
Financial assets that have not had a significant increase in credit risk (Performing)	239,370,270	226,139,285
Financial assets that have a significant increase in credit risk (Under-performing)	9,140,396	7,009,606
Financial assets that are credit-impaired (Non-performing)	7,747,263	6,935,842
Total	256,257,929	240,084,733

13.4 Loans that are credit-impaired

As at 31 December 2024 and 2023, the Bank had loans that are credit-impaired (including loans to interbank and money market items) under TFRS 9 per the BoT's regulations as follows:

	2024	2023
Loans that are credit-impaired (principal)		
Loans that are credit-impaired (in thousand Baht)	6,763,998	6,298,822
Total loans (in thousand Baht)	289,488,513	267,347,486
Percentage of loans that are credit-impaired (%)	2.34	2.36

During the year ended 31 December 2024 and 2023, the Bank did not sell any loans that credit-impaired to third parties.

13.5 Modified loans to customers

For the year ended 31 December

2024 2023

(in thousand Baht)

Loans to customers modified during the year ⁽¹⁾

Amortised cost before modification

4,909,193 3,141,302

Net modification losses

(1,883) (13,630)

⁽¹⁾ Loans to customers net of allowance for expected credit loss that had only lifetime ECL

2024 2023

(in thousand Baht)

Loans to customers modified since initial recognition

Gross carrying amount of loans to customers previously modified for which allowance for expected credit loss has changed during the period to an amount equal to 12-month ECL from lifetime ECL

1,292,278 1,045,294

13.6 Loans to customers having problems with financial position and operating results

As at 31 December 2024 and 2023, loans to listed companies that meet SET's criteria for delisting were as follows:

	2024				2023			
	Number of companies	Loans and accrued interest receivables and undue interest receivables (in thousand Baht)	Collateral	Allowance for expected credit loss	Number of companies	Loans and accrued interest receivables and undue interest receivables (in thousand Baht)	Collateral	Allowance for expected credit loss
Listed companies that meet SET's criteria for delisting	2	1,508,513	-	(1,267,332)	1	1,765,456	-	(1,041,826)

13.7 Hire-purchase receivables

	2024					Total
	Portion due within 1 year	Portion due over 1 year but within 2 years	Portion due over 2 years but within 3 years	Portion due over 3 years but within 4 years	Portion due over 4 years but within 5 years	
	(in thousand Baht)					
Hire-purchase receivables	239,373	226,433	215,551	138,151	32,843	852,351
Less unearned interest income	(25,896)	(18,080)	(10,398)	(4,126)	(1,435)	(59,935)
Present value of minimum lease payments	213,477	208,353	205,153	134,025	31,408	792,416
Add accrued interest receivables and undue interest receivables						1,311
Less allowance for expected credit loss						(6,920)
Hire-purchase receivables, net						786,807

	2023					Total
	Portion due within 1 year	Portion due over 1 year but within 2 years	Portion due over 2 years but within 3 years	Portion due over 3 years but within 4 years	Portion due over 4 years but within 5 years	
	(in thousand Baht)					
Hire-purchase receivables	169,143	149,140	142,097	131,595	59,584	651,559
Less unearned interest income	(16,357)	(12,825)	(9,905)	(7,001)	(4,023)	(50,111)
Present value of minimum lease payments	152,786	136,315	132,192	124,594	55,561	601,448
Add accrued interest receivables and undue interest receivables						1,626
Less allowance for expected credit loss						(55,409)
Hire-purchase receivables, net						547,665

14 Allowance for expected credit losses

	2024				Total
	Financial assets that have not had a significant increase in credit risk	Financial assets that have a significant increase in credit risk	Financial assets that are credit-impaired	Management overlay	
	(in thousand Baht)				
Interbank and money market items (assets)	3,401	-	-	-	3,401
Investments in debt instruments measured at amortised cost	3,611	-	-	-	3,611
Investments in debt instruments measured at FVOCI	5,268	671,000	200,000	-	876,268
Loans to customers and accrued interest receivables and undue interest receivables	2,120,639	2,470,072	5,186,928	4,598,076	14,375,715
Undrawn loan commitments and financial guarantee contracts	36,416	47,678	7,240	-	91,334
					302

	2024				
	Financial assets that have not had a significant increase in credit risk	Financial assets that have a significant increase in credit risk	Financial assets that are credit-impaired (in thousand Baht)	Management overlay	Total
Total	2,169,335	3,188,750	5,394,168	4,598,076	15,350,329

	2023				
	Financial assets that have not had a significant increase in credit risk	Financial assets that have a significant increase in credit risk	Financial assets that are credit-impaired (in thousand Baht)	Management overlay	Total
Interbank and money market items (assets)	11,634	-	-	-	11,634
Investments in debt instruments measured at amortised cost	870	-	-	-	870
Investments in debt instruments measured at FVOCI	649	671,000	200,000	-	871,649
Loans to customers and accrued interest receivables and undue interest receivables	4,546,186	1,637,603	4,197,072	3,035,942	13,416,803
Undrawn loan commitments and financial guarantee contracts	102,576	19,367	2,273	-	124,216
Total	4,661,915	2,327,970	4,399,345	3,035,942	14,425,172

As at 31 December 2024, the Bank had allowance for expected credit loss on accrued interest receivables on investments and other financial assets amounting to Baht 2 million and Baht 58 million, respectively (2023: Baht 2 million and Baht 53 million, respectively).

The movements in allowance for expected credit loss for the year ended 31 December 2024 and 2023 for the were as follows:

	Financial assets that have not had a significant increase in credit risk	Financial assets that have a significant increase in credit risk	Financial assets that are credit-impaired (in thousand Baht)	Management overlay	Total
Interbank and money market items (assets)					
At 1 January 2023	11,946	-	-	-	11,946
Change from remeasurement of ECL	(7,693)	-	-	-	(7,693)
Purchased or acquired	51,519	-	-	-	51,519
Derecognised	(44,138)	-	-	-	(44,138)

	Financial assets that have not had a significant increase in credit risk	Financial assets that have a significant increase in credit risk	Financial assets that are credit-impaired (in thousand Baht)	Management overlay	Total
At 31 December 2023 and 1 January 2024	11,634	-	-	-	11,634
Change from remeasurement of ECL	(3,741)	-	-	-	(3,741)
Purchased or acquired	33,476	-	-	-	33,476
Derecognised	(37,968)	-	-	-	(37,968)
At 31 December 2024	3,401	-	-	-	3,401

*Investments in debt instruments
measured at amortised cost*

At 1 January 2023	110	-	-	-	110
Change from remeasurement of ECL	1	-	-	-	1
Purchased or acquired	1,669	-	-	-	1,669
Derecognised	(910)	-	-	-	(910)
At 31 December 2023 and 1 January 2024	870	-	-	-	870
Change from remeasurement of ECL	2,962	-	-	-	2,962
Purchased or acquired	771	-	-	-	771
Derecognised	(992)	-	-	-	(992)
At 31 December 2024	3,611	-	-	-	3,611

*Investments in debt
instruments measured at
FVOCI*

At 1 January 2023	1,663	250,000	-	-	251,663
Change from stage reclassification	(76)	(201,075)	201,151	-	-
Change from remeasurement of ECL	(432)	622,075	(1,151)	-	620,492
Derecognised	(506)	-	-	-	(506)
At 31 December 2023 and 1 January 2024	649	671,000	200,000	-	871,649
Change from remeasurement of ECL	4,720	-	-	-	4,720
Purchased or acquired	23	-	-	-	23
Derecognised	(124)	-	-	-	(124)
At 31 December 2024	5,268	671,000	200,000	-	876,268

*Loans to customers and
accrued interest
receivables and undue
interest receivables*

At 1 January 2023	3,959,523	2,012,217	3,240,405	2,446,732	11,658,877
Change from stage reclassification	56,042	(464,051)	408,009	-	-
Change from remeasurement of ECL	(736,844)	843,386	580,136	589,210	1,275,888
Purchased or acquired	3,438,248	428,538	198,941	-	4,065,727
Derecognised	(2,170,783)	(1,182,487)	(221,775)	-	(3,575,045)

	Financial assets that have not had a significant increase in credit risk	Financial assets that have a significant increase in credit risk	Financial assets that are credit-impaired (in thousand Baht)	Management overlay	Total
Written-off	-	-	(8,644)	-	(8,644)
At 31 December 2023 and 1 January 2024	4,546,186	1,637,603	4,197,072	3,035,942	13,416,803
Change from stage reclassification	506,098	272,057	(778,155)	-	-
Change from remeasurement of ECL	(3,175,299)	862,085	1,939,882	1,562,134	1,188,802
Purchased or acquired	1,626,260	309,545	1,056,982	-	2,992,787
Derecognised	(1,382,606)	(611,218)	(959,475)	-	(2,953,299)
Written-off	-	-	(269,378)	-	(269,378)
At 31 December 2024	2,120,639	2,470,072	5,186,928	4,598,076	14,375,715
<i>Undrawn loan commitments and financial guarantee contracts</i>					
At 1 January 2023	83,184	6,705	2,461	-	92,350
Change from stage reclassification	2,526	(2,300)	(226)	-	-
Change from remeasurement of ECL	(47,711)	16,363	118	-	(31,230)
Purchased or acquired	87,630	-	40	-	87,670
Derecognised	(23,053)	(1,401)	(120)	-	(24,574)
At 31 December 2023 and 1 January 2024	102,576	19,367	2,273	-	124,216
Change from stage reclassification	15,230	(15,636)	406	-	-
Change from remeasurement of ECL	(93,973)	11,076	4,802	-	(78,095)
Purchased or acquired	31,587	35,122	-	-	66,709
Derecognised	(19,004)	(2,251)	(241)	-	(21,496)
At 31 December 2024	36,416	47,678	7,240	-	91,334

As at 31 December 2024, the management reserved an additional amount of ECL of Baht 4,598 million (2023: Baht 3,036 million) to address risks and economic uncertainties which may not be fully captured in the Bank's models. In particular, management continues to closely monitor economic risk factors including possible impacts from high household debt levels, vulnerable customers and other uncertainties in the Thai and global economies.

15 Properties for sale, net

	At 1 January 2024	Additions	Disposals	At 31 December 2024
		<i>(in thousand Baht)</i>		
Assets from settlement of debts*				
- Immovable assets	8,304,680	18,372	(198,830)	8,124,222
Total	8,304,680	18,372	(198,830)	8,124,222

	At 1 January 2023	Additions	Disposals	At 31 December 2023
		<i>(in thousand Baht)</i>		
Assets from settlement of debts*				
- Immovable assets	785,522	7,549,699	(30,541)	8,304,680
- Movable assets	3,560	-	(3,560)	-
Total	789,082	7,549,699	(34,101)	8,304,680
Less allowance for impairment loss	(2,660)	-	2,660	-
Net	786,422	7,549,699	(31,441)	8,304,680

*As at 31 December 2024, assets from settlement of debts include properties foreclosed transferred under the Bank of Thailand's supportive measure to acquire collateral assets for debt repayment amounting to Baht 7,456 million (2023: Baht 7,456 million).

The value of immovable assets acquired from debt repayment was appraised by external and internal appraisers as at 31 December 2024 and 2023 as follows:

	2024	2023
	<i>(in thousand Baht)</i>	
Assets from settlement of debts		
- Appraised by external appraisers	8,124,222	8,302,185
- Appraised by internal appraisers	-	2,495
Total	8,124,222	8,304,680

16 Premises and equipment, net

	Land	Buildings	Leasehold improvement	Furniture and fixtures (in thousand Baht)	Office equipment	Vehicles	Assets under installation	Total
Cost								
At 1 January 2023	40,589	10,211	372,642	122,598	655,379	9,145	2,577	1,213,141
Additions	-	-	15,543	13,307	89,112	-	29,142	147,104
Transfers in (out)	-	-	15,914	962	7,598	-	(24,474)	-
Transferred type of asset	-	-	1,906	8,378	(10,466)	-	-	(182)
Disposals/write-off	-	-	(12,638)	(14,535)	(47,463)	-	-	(74,636)
At 31 December 2023 and 1 January 2024	40,589	10,211	393,367	130,710	694,160	9,145	7,245	1,285,427
Additions	-	-	5,649	14,537	97,739	-	91,187	209,112
Transfers in (out)	-	-	38,241	49	46,206	-	(84,496)	-
Disposals/write-off	-	-	(53,677)	(12,598)	(46,516)	(5,436)	-	(118,227)
At 31 December 2024	40,589	10,211	383,580	132,698	791,589	3,709	13,936	1,376,312
Accumulated depreciation								
At 1 January 2023	-	5,050	308,189	104,817	481,133	5,241	-	904,430
Depreciation charge for the year	-	511	23,743	6,854	70,610	1,483	-	103,201
Transferred type of asset	-	-	1,906	8,378	(10,466)	-	-	(182)
Disposals/write-off	-	-	(12,596)	(14,161)	(47,293)	-	-	(74,050)
At 31 December 2023 and 1 January 2024	-	5,561	321,242	105,888	493,984	6,724	-	933,399
Depreciation charge for the year	-	511	25,163	8,413	86,835	1,055	-	121,977
Disposals/write-off	-	-	(53,539)	(12,475)	(46,224)	(5,436)	-	(117,674)
At 31 December 2024	-	6,072	292,866	101,826	534,595	2,343	-	937,702
Net book value								
At 31 December 2023	40,589	4,650	72,125	24,822	200,176	2,421	7,245	352,028
At 31 December 2024	40,589	4,139	90,714	30,872	256,994	1,366	13,936	438,610

As at 31 December 2024, the Bank had certain items of premises and equipment, which were fully depreciated but are still in use. The original costs before deducting accumulated depreciation of those assets totalling Baht 635 million (2023: Baht 675 million).

17 Intangible assets, net

	Computer softwares	Deferred membership and license fee (in thousand Baht)	Assets under development	Total
Cost				
At 1 January 2023	1,180,528	39,428	31,857	1,251,813
Additions	38,902	-	133,331	172,233
Transfers in (out)	70,339	-	(70,339)	-
Transferred type of asset	182	-	-	182
Write-off	(32)	-	(2,953)	(2,985)
At 31 December 2023 and 1 January 2024	1,289,919	39,428	91,896	1,421,243
Additions	46,600	-	179,769	226,369
Transfers in (out)	167,875	-	(167,875)	-
Write-off	-	-	(1,791)	(1,791)
At 31 December 2024	1,504,394	39,428	101,999	1,645,821
Accumulated amortisation				
At 1 January 2023	955,278	34,769	-	990,047
Amortisation charged for the year	119,480	1,267	-	120,747
Transferred type of asset	182	-	-	182
Write-off	(32)	-	-	(32)
At 31 December 2023 and 1 January 2024	1,074,908	36,036	-	1,110,944
Amortisation charged for the year	97,239	1,268	-	98,507
At 31 December 2024	1,172,147	37,304	-	1,209,451
Net book value				
At 31 December 2023	215,011	3,392	91,896	310,299
At 31 December 2024	332,247	2,124	101,999	436,370

As at 31 December 2024, the Bank had certain items of intangible assets, which were fully amortised but are still in use. The original costs before deducting accumulated amortisation of those assets totalled Baht 1,014 million (2023: Baht 715 million).

18 Deferred tax assets

	At 1 January 2024	(Charged) / credited to:		At 31 December 2024
		Profit or loss	Other comprehensive income	
		(note 40)		
		(in thousand Baht)		
Deferred tax assets				
Investments	945,134	(111,649)	(300,436)	533,049
Loans to customers and accrued interest receivables	616,528	312,409	-	928,937
Other assets	10,876	1,017	-	11,893
Lease liabilities	135,379	(3,816)	-	131,563
Provisions	85,322	17,351	3,954	106,627
Others	22,526	3,346	-	25,872
Total	1,815,765	218,658	(296,482)	1,737,941
Deferred tax liabilities				
Right-of-use assets	(132,582)	6,277	-	(126,305)
Total	(132,582)	6,277	-	(126,305)
Net	1,683,183	224,935	(296,482)	1,611,636

	At 1 January 2023	Credited / (charged) to:		At 31 December 2023
		Profit or loss	Other comprehensive income	
		(note 40)		
		(in thousand Baht)		
Deferred tax assets				
Investments	698,062	18,491	228,581	945,134
Loans to customers and accrued interest receivables	498,701	117,827	-	616,528
Properties for sales	532	(532)	-	-
Other assets	9,565	1,311	-	10,876
Lease liabilities	101,107	34,272	-	135,379
Provisions	68,713	18,818	(2,209)	85,322
Others	20,262	2,264	-	22,526
Total	1,396,942	192,451	226,372	1,815,765
Deferred tax liabilities				
Right-of-use assets	(99,408)	(33,174)	-	(132,582)
Total	(99,408)	(33,174)	-	(132,582)
Net	1,297,534	159,277	226,372	1,683,183

19 Other assets, net

	Note	2024	2023
		(in thousand Baht)	
Suspense accounts - debtors		383,307	361,118
Receivables on disposals of properties for sales through auctions		220,406	127,848
Collateral receivables under the Credit Support Annex agreements		218,405	153,373
Prepaid expenses	29	136,969	103,057
Deposits and guarantees	29	85,134	86,724
Token money		30,810	30,810
Accrued income	29	25,116	25,028
Others		7,886	9,976
Total		1,108,033	897,934
Less allowance for expected credit losses		(57,737)	(52,652)
Total		1,050,296	845,282

20 Deposits

20.1 Classified by type of deposits

	Note	2024	2023
		(in thousand Baht)	
At call	29	2,659,579	2,707,033
Savings	29	58,116,783	57,842,380
Term	29	162,871,336	146,355,189
Fixed deposit receipts		56,260,026	44,548,785
Total		279,907,724	251,453,387

20.2 Classified by currency and residency of depositors

	2024			2023		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	(in thousand Baht)					
Baht	275,188,603	102	275,188,705	248,350,351	52	248,350,403
US Dollar	4,042,250	536,485	4,578,735	2,697,431	398,456	3,095,887
Other currencies	140,284	-	140,284	7,097	-	7,097
Total	279,371,137	536,587	279,907,724	251,054,879	398,508	251,453,387

21 Interbank and money market items (liabilities)

	Note	2024	2023
		(in thousand Baht)	
Domestic			
Bank of Thailand		8,158,722	8,188,722
Commercial banks		19,099	1,018,857
Specialised financial institutions		523,982	14,976
Other financial institutions	29	1,443,781	1,030,270
Total domestic		10,145,584	10,252,825
Foreign			
US Dollar	29	557	552
Total foreign		557	552
Total domestic and foreign		10,146,141	10,253,377

22 Debts issued and borrowings

As at 31 December 2024 and 2023, debts issued and borrowings, which were issued in Thailand and denominated entirely in Thai Baht, consist of the following:

	Note	Year of maturity	Interest rate (% per annum)	2024	2023
				(in thousand Baht)	
Bills of exchange		2025	2.62 - 2.67	4,850,000	11,892,000
Subordinated debentures ⁽¹⁾	29	2031	3.75	2,400,000	2,400,000
Total				7,250,000	14,292,000
Less deferred expenses				(32,284)	(120,178)
Net				7,217,716	14,171,822

⁽¹⁾ Counted as a part of Tier 2 capital, which is determined under the conditions as specified in the BoT's notification.

On 21 May 2021, the Bank issued 2.4 million units with a par value of Baht 1,000 each, totalling Baht 2,400 million of the subordinated debentures No.1/2564, to be counted as Tier 2 Capital. The subordinated debentures have a term of 10-year period, which mature in 2031 and carry interest at a fixed rate of 3.75% per annum, payable quarterly in February, May, August and November of every year. The Bank can early redeem the subordinated debentures after 5 years from the issuing date or under certain conditions. The Bank has to seek an approval from the Bank of Thailand for early redemption.

23 Provisions

	2024	2023
	(in thousand Baht)	
Provisions for employee benefits	284,160	242,649
Allowance for expected credit loss of undrawn loan commitments and financial guarantee contracts	91,334	124,216
Provisions for decommissioning cost	50,309	36,502
Other provisions	121,239	52,224
Total	547,042	455,591

As at 31 December 2024, the Bank was exposed to credit risk in respect of undrawn loan commitments and financial guarantee contracts as total amount of Baht 34,069.7 million (2023: Baht 30,007.2 million).

Provisions for employee benefits

	2024	2023
	(in thousand Baht)	
Defined benefit plan	284,160	242,649
Total	284,160	242,649

The Bank operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Bank to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Present value of the defined benefit obligations

	2024	2023
	(in thousand Baht)	
At 1 January	242,649	225,439

Recognised in profit or loss

Current service cost	39,696	37,514
Interest on obligation	6,911	5,467
	46,607	42,981

Recognised in other comprehensive income

Actuarial losses (gains)		
- Financial assumptions	13,403	(9,699)
- Experience adjustment	6,367	(1,348)
	19,770	(11,047)

Others

Benefit paid	(24,866)	(14,724)
	(24,866)	(14,724)
At 31 December	284,160	242,649

Actuarial assumptions

	2024	2023
	(% per annum)	
Future salary increment rates	5.00	5.00
Discount rates	2.41	3.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2024, the Bank's weighted-average durations of the defined benefit obligation were 8 years (2023: 9 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Increase	Decrease
	<i>(in thousand Baht)</i>	
2024		
Future salary incremental rates (0.5% movement)	11,262	(11,090)
Discount rates (0.5% movement)	(11,309)	11,599
2023		
Future salary incremental rates (0.5% movement)	10,086	(9,539)
Discount rates (0.5% movement)	(9,674)	10,339

24 Other liabilities

	Note	2024	2023
		<i>(in thousand Baht)</i>	
Suspense accounts - creditors		277,478	215,511
Collateral payables under the Credit Support Annex agreements		146,083	249,094
Accounts payable on acquisition of equipment and intangible assets		115,470	66,271
Accrued expenses on premises and equipment	29	15,663	7,267
Deposits received	29	6,516	6,381
Accounts payable on advertising and promotion		967	12,492
Others		8,016	15,558
Total		570,193	572,574

25 Advances received from electronic payment

The BOT's notification No. Sor Nor Chor 2/2562, dated 20 December 2019, regarding the "Regulations on Service Business Relating to Electronic Fund Transfer" requires the Bank to disclose advances received from electronic fund transfer transactions. These advances are to be presented under other liabilities. As at 31 December 2024, the Bank had advances received from electronic fund transfer transactions amounting to Baht 0.15 million (2023: Baht 0.04 million).

In addition, the Bank had deposits of Baht 10 million to support electronic transactions, which are presented under interbank and money market items (assets) in the statements of financial position as at 31 December 2024 and 2023.

26 Offsetting of financial assets and financial liabilities

			2024		
	Gross carrying amount	Amount to be offset in statement of financial position	Net amount presented in statement of financial position	Amount of unoffsetting in statement of financial position	Net amount
			(in thousand Baht)		
Financial assets					
Reverse repurchase agreements	28,508,593	-	28,508,593	28,839,382	-
Derivative assets	249,188	-	249,188	146,083	103,105
Total	28,757,781	-	28,757,781	28,985,465	103,105
Financial liabilities					
Derivative liabilities	328,859	-	328,859	218,405	110,454
Total	328,859	-	328,859	218,405	110,454
2023					
	Gross carrying amount	Amount to be offset in statement of financial position	Net amount presented in statement of financial position	Amount of unoffsetting in statement of financial position	Net amount
			(in thousand Baht)		
Financial assets					
Reverse repurchase agreements	20,307,602	-	20,307,602	20,502,859	-
Derivative assets	606,440	-	606,440	249,094	357,346
Total	20,914,042	-	20,914,042	20,751,953	357,346
Financial liabilities					
Derivative liabilities	511,576	-	511,576	153,373	358,203
Total	511,576	-	511,576	153,373	358,203

Reconciliation of net amount presented in statement of financial position with the caption in statement of financial position as follows:

2024					
Type of financial instrument	Net amount presented in statement of financial position	Caption in statement of financial position	Note	Carrying amount presented in statement of financial position	Carrying amount in statement of financial position not under the offsetting conditions
	(in thousand Baht)			(in thousand Baht)	
Financial assets					
Reverse repurchase agreements	28,508,593	Interbank and money market items (assets)	10	42,391,341	13,882,748
Derivative assets	249,188	Derivative assets	11	404,812	155,624
Total	28,757,781			42,796,153	14,038,372
Financial liabilities					
Derivative liabilities	328,859	Derivative liabilities	11	544,959	216,100

Total	328,859		2023	544,959	216,100
Type of financial instrument	Net amount presented in statement of financial position (in thousand Baht)	Caption in statement of financial position	Note	Carrying amount presented in statement of financial position (in thousand Baht)	Carrying amount in statement of financial position not under the offsetting conditions
Financial assets					
Reverse repurchase agreements	20,307,602	Interbank and money market items (assets)	10	33,153,769	12,846,167
Derivative assets	606,440	Derivative assets	11	703,326	96,886
Total	20,914,042			33,857,095	12,943,053
Financial liabilities					
Derivative liabilities	511,576	Derivative liabilities	11	578,628	67,052
Total	511,576			578,628	67,052

27 Reserve

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Movement in the legal reserve was as follows:

	(in thousand Baht)
At 1 January 2023	979,000
Increase	85,000
At 31 December 2023 and 1 January 2024	1,064,000
Increase	100,600
At 31 December 2024	1,164,600

Other components of equity

Fair value changes in investments in debt instruments measured at FVOCI and equity instruments designated at FVOCI

The fair value changes in investments in debt instruments measured at FVOCI and equity instruments designated at FVOCI within equity comprises the cumulative net change in the fair value of investments in

debt instruments measured at FVOCI and equity instruments designated at FVOCI and the allowance for ECL for debt instruments measured at FVOCI until the investments are derecognised or reclassified.

28 Commitments and contingent liabilities

28.1 Contingent liabilities

	Baht	2024 Foreign currencies	Total	Baht	2023 Foreign currencies	Total
			(in thousand Baht)			
Avals to bills	325,267	-	325,267	101,386	-	101,386
Liabilities under unmatured import bills	25,075	188,909	213,984	24,301	279,072	303,373
Letters of credit	23,143	533,739	556,882	15,535	1,165,977	1,181,512
Other commitments						
- Undrawn bank overdrafts	4,157,027	-	4,157,027	4,050,069	-	4,050,069
- Others guarantees	11,818,490	174,274	11,992,764	9,589,717	196,916	9,786,633
- Others	27,549,069	-	27,549,069	23,321,426	-	23,321,426
Total	43,898,071	896,922	44,794,993	37,102,434	1,641,965	38,744,399

28.2 Commitments under long-term agreements

As at 31 December 2024, the Bank has commitments under various service agreements and consultancy service agreements relating to software development and installation services which the remaining terms of the agreements were between 1 - 5 years. The Bank is committed to pay total service fees amounting to Baht 226 million (2023: Baht 143 million).

As at 31 December 2024, the Bank has commitments under lease agreements relating to office spaces and other assets with non-related parties, which the remaining terms of the agreements were between 1 - 3 years. The Bank is committed to pay total rental fees amounting to Baht 25 million (2023: Baht 14 million).

28.3 Litigation

As at 31 December 2024, the Bank has been sued in many litigation cases being claimed for compensations totaling Baht 640 million (2023: Baht 634 million). Final judgements have not yet been reached in respect of these cases. The management considers that the provision established for such potential loss due to the said litigation and other claims is adequate.

29 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Bank; a person or entity that is under common control or under the same significant influence as the Bank; or a person or entity over which the

Bank has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making. The pricing policies for transactions with related parties are determined on an arm's length basis or based on contractually agreed price.

Related parties that the Bank had significant transactions with during the period were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationship
Key management personnel	Thai and other nationalities	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Bank
CTBC Financial Holding Company Limited	Taiwan	The ultimate parent company of the Bank
LH Financial Group Public Company Limited	Thailand	The parent company of the Bank owning 99.99% of the Bank's paid-up share capital
CTBC Bank Company Limited	Taiwan	The major shareholder of the parent company owning over 10% of the parent company's paid-up share capital
Land and Houses Public Company Limited	Thailand	The major shareholder of the parent company owning over 10% of the parent company's paid-up share capital
Quality Houses Public Company Limited	Thailand	The major shareholder of the parent company owning over 10% of the parent company's paid-up share capital
Land and Houses Securities Public Company Limited	Thailand	The subsidiary of the parent company
Land and Houses Fund Management Company Limited	Thailand	The subsidiary of the parent company
Land and Houses Advisory Company Limited	Thailand	The indirect subsidiary of the parent company

Significant transactions with related parties

For year ended 31 December

	2024	2023
	(in thousand Baht)	
Interest income		
Parent company	36,234	113,406
Major shareholders of the parent company	-	59
Subsidiaries of the parent company	67,017	80,694
Directors and executives	55	68
Related persons	915	1,288
Interest expenses		
Parent company	502	60
Major shareholders of the parent company	10,099	24,740
Subsidiaries of the parent company	888	1,514
Related companies	41,916	18,883
Directors and executives	2,100	1,399
Related persons	11,074	9,146

Significant transactions with related parties
For year ended 31 December

	2024	2023
	<i>(in thousand Baht)</i>	
Fees and service income		
Parent company	134	131
Subsidiaries of the parent company	39,643	27,350
Related companies	6,328	7,408
Fees and service expenses		
Major shareholders of the parent company	1	-
Related companies	217	210
Other operating income		
Subsidiaries of the parent company	986	1,011
Other operating expenses		
Parent company	374,210	344,685
Major shareholders of the parent company	30,166	38,161
Related companies	20,817	22,118

As at 31 December 2024 and 2023, the outstanding balances of significant transactions with related parties can be summarised as follows:

	2024	2023
	<i>(in thousand Baht)</i>	
Interbank and money market items (assets)		
Subsidiary of the parent company	734,893	2,564,813
Loans to customers and accrued interest receivables		
Parent company	-	80,008
Directors and executives	1,510	3,444
Related persons	19,411	23,056
Other assets		
Parent company	300	300
Major shareholder of the parent company	4,771	1,889
Subsidiaries of the parent company	7,585	7,585
Related companies	9,001	9,915
Deposits		
Parent company	5,151,809	13,207
Major shareholders of the parent company	2,111,681	1,286,025
Subsidiary of the parent company	3,363	3,591
Related companies	2,605,881	2,921,280
Directors and executives	169,326	190,086
Related persons	1,717,065	1,667,664
Interbank and money market items (liabilities)		
Major shareholder of the parent company	557	552
Subsidiaries of the parent company	53,025	105,151

	2024	2023
	<i>(in thousand Baht)</i>	
Debts issued and borrowings		
Related persons	7,000	7,000
Accrued interest payables		
Major shareholders of the parent company	1,119	-
Subsidiaries of the parent company	8	11
Related companies	3,242	4,685
Directors and executives	429	284
Related persons	2,102	782
Lease liabilities		
Parent company	2,662	4,114
Major shareholders of the parent company	2,323	54,727
Related companies	19,770	38,061
Other liabilities		
Parent company	32,586	28,591
Major shareholders of the parent company	172	547
Subsidiaries of the parent company	45	1,811
Related companies	78	101
Directors and executives	90	101
Contingent liabilities - undrawn credit limit		
Parent company	30,000	30,000
Subsidiaries of the parent company	5,865,000	4,035,000

Significant agreements with related parties

As at 31 December 2024, the Bank has been served under a yearly renewable term of service and support agreement with the parent company, under which the service fees are calculated based on a core service fee and administrative costs as stipulated in the agreement.

30 Other benefits to directors and persons with managing authority

The Bank has not paid other benefits to director and executive except for the benefit that are normally paid such as directors fee, director bonus, executives' salary and bonus.

Directors' and executives' compensation

During the year ended 31 December 2024 and 2023, compensations incurred on directors and executives of the Bank, which were recognised in profit or loss, were summarised as follows:

For the year ended 31 December

	2024	2023
	<i>(in thousand Baht)</i>	
Short-term employee benefits	201,001	203,984
Post-employment benefits	15,821	19,229
Total	216,822	223,213

Directors and executives of the Bank are directors, president, senior executive vice president, first executive vice president, executive vice president, first senior vice president and equivalent.

31 Leases

Leases as lessee

The Bank has entered into the lease agreements for rental of office space and vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 1 to 5 years.

Right-of-use assets

	Office space	Vehicles	Machine/ ATM <i>(in thousand Baht)</i>	Office equipment	Total
Cost					
At 1 January 2023	936,213	56,534	-	-	992,747
Additions	402,276	16,098	-	-	418,374
Write-off	(139,181)	(12,064)	-	-	(151,245)
At 31 December 2023 and 1 January 2024	1,199,308	60,568	-	-	1,259,876
Additions	216,420	12,018	5,058	4,818	238,314
Write-off	(90,873)	(9,402)	-	-	(100,275)
At 31 December 2024	1,324,855	63,184	5,058	4,818	1,397,915
Accumulated depreciation					
At 1 January 2023	468,607	27,101	-	-	495,708
Depreciation charged for the year	210,553	12,470	-	-	223,023
Write-off	(109,766)	(11,998)	-	-	(121,764)
At 31 December 2023 and 1 January 2024	569,394	27,573	-	-	596,967
Depreciation charged for the year	220,471	12,448	85	539	233,543
Write-off	(54,736)	(9,382)	-	-	(64,118)
At 31 December 2024	735,129	30,639	85	539	766,392
Net book value					
At 31 December 2023	629,914	32,995	-	-	662,909
At 31 December 2024	589,726	32,545	4,973	4,279	631,523

Lease liabilities

	2024	2023
	(in thousand Baht)	
Less than 1 year	257,811	226,315
1 year to 5 years	437,802	456,053
Over 5 years	-	43,091
Total undiscounted lease liabilities	695,613	725,459
Lease liabilities included in the statement of financial position	657,814	676,897

Amount recognised in profit or loss

For the year ended 31 December

	2024	2023
	(in thousand Baht)	
Depreciation for right-of-use assets		
- Office space	220,471	210,553
- Vehicles	12,448	12,470
- Machine/ATM	85	-
- Office equipment	539	-
Interest expense on lease liabilities	21,333	16,323
Expenses relating to leases of low-value assets/short-term leases/variable lease payments that do not depend on an index or a rate	26,450	22,574

Leases as lessor

Finance leases

Leases which are classified as finance leases are hire-purchase contracts as disclosed in note 13.7

32 Segment information

During the year ended 31 December 2024, the Bank has identified 3 main business groups for management reporting purposes. The business groups offer different customers, different products and services, and the groups' performance is measured based on segment operating profit before expected credit loss and income tax expense.

Wholesale Banking

Wholesale Banking comprises corporate business customers including state enterprises, and financial institutions etc. The products and services include commercial loans, working capital and letter of guarantee.

Retail Banking

Retail Banking comprises individual customers who use the Bank's products and services such as deposit services, housing loans, personal loans and life insurance and mutual fund brokerage service.

Global Markets

Global Markets comprises activities mainly including funding, investing in liquid assets and services relating to foreign exchange rate.

The Executive Board of Directors monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. The Bank measures segment performance based on operating profit or loss and total assets, and on a basis consistent with that used to measure operating profit or loss in the financial statements. In addition, recording for inter-segment (if any) is reported on a basis in consistent with external customers.

The following tables present revenue and profit information regarding the Bank's operating segments for the year ended 31 December 2024 and 2023.

For the year ended 31 December

	2024			
	Wholesale Banking	Retail Banking	Global Markets	Total
	(in thousand Baht)			
Net interest income	4,831,815	1,309,213	803,267	6,944,295
Non-interest income, net	268,508	218,883	212,041	699,432
Total operating income	5,100,323	1,528,096	1,015,308	7,643,727
Total other operating expenses	(1,643,966)	(1,955,528)	(259,077)	(3,858,571)
Profit (loss) from operations before expected credit loss and income tax	3,456,357	(427,432)	756,231	3,785,156
Expected credit loss				(1,283,057)
Profit from operations before income tax				2,502,099
Income tax				(491,755)
Net profit				2,010,344

For the year ended 31 December

	2023			
	Wholesale Banking	Retail Banking	Global Markets	Total
	(in thousand Baht)			
Net interest income	5,053,915	1,457,121	594,325	7,105,361
Non-interest income, net	209,336	188,668	376,718	774,722
Total operating income	5,263,251	1,645,789	971,043	7,880,083
Total other operating expenses	(1,582,744)	(1,865,678)	(220,518)	(3,668,940)
Profit (loss) from operations before expected credit loss and income tax	3,680,507	(219,889)	750,525	4,211,143
Expected credit loss				(2,130,197)
Profit from operations before income tax				2,080,946
Income tax				(387,968)
Net profit				1,692,978

The following tables present assets and liabilities regarding the Bank's operating segments as at 31 December 2024 and 2023.

	Wholesale Banking	Retail Banking (in thousand Baht)	Global Markets	Total
2024				
Loans to customers and interbank and money market items ⁽¹⁾	196,299,378	59,189,135	34,000,000	289,488,513
Total assets				340,445,905
Total liabilities				302,482,392
2023				
Loans to customers and interbank and money market items ⁽¹⁾	193,657,456	53,390,030	20,300,000	267,347,486
Total assets				316,339,080
Total liabilities				280,721,838

⁽¹⁾ Exclude accrued interest receivables and undue interest receivables and allowance for expected credit loss.

During the year ended 31 December 2024 and 2023, the Bank had no major customer with revenue of 10 percent or more of total revenues.

33 Financial position and results of operations classified by domestic and foreign business

The Bank mainly operates in 3 segments, which are wholesale banking, retail banking and global markets, carrying out in Thailand only. Most revenues, expenses, profit, assets and liabilities are as reflected in the financial statements pertaining to the aforementioned industry and geographic area.

34 Interest income

<i>For the year ended 31 December</i>	<i>Note</i>	<i>2024</i>	<i>2023</i>
		<i>(in thousand Baht)</i>	
Interbank and money market items	29	586,123	405,316
Investments in debt instruments		898,903	780,161
Loans to customers	29	11,628,088	10,519,294
Hire purchase		28,989	15,231
Others		9,011	5,101
Total		13,151,114	11,725,103

35 Interest expenses

<i>For the year ended 31 December</i>	<i>Note</i>	<i>2024</i>	<i>2023</i>
		<i>(in thousand Baht)</i>	
Deposits	29	4,700,432	3,240,057
Interbank and money market items	29	34,616	114,208
Contribution to Deposit Protection Agency and BoT		1,161,906	1,070,202
Debts issued and borrowings			
- Subordinated debentures	29	90,700	90,437
- Bills of exchange		186,420	86,267
Others		32,745	18,571
Total		6,206,819	4,619,742

36 Net fees and service income

<i>For the year ended 31 December</i>	<i>Note</i>	<i>2024</i>	<i>2023</i>
		<i>(in thousand Baht)</i>	
Fees and service income			
- Acceptances, aval and guarantees		99,892	84,580
- Commission income	29	273,178	279,879
- Others	29	70,392	84,376
Total		443,462	448,835
Fees and service expenses			
- Fees and charges		(91,844)	(99,003)
- Others	29	(3,922)	(4,166)
Total		(95,766)	(103,169)
Net		347,696	345,666

37 Net gains (losses) on financial instruments measured at fair value through profit or loss

<i>For the year ended 31 December</i>	<i>2024</i>	<i>2023</i>
	<i>(in thousand Baht)</i>	
Gains (losses) on trading and foreign exchange transactions		
Foreign currencies and foreign currency related derivatives	45,003	(18,597)
Total	45,003	(18,597)

38 (Losses) gains on investments, net

<i>For the year ended 31 December</i>	<i>2024</i>	<i>2023</i>
	<i>(in thousand Baht)</i>	
(Losses) gains on derecognition		
Investments in debt instruments measured at FVOCI	(30,680)	10,856
Total	(30,680)	10,856

39 Expected credit losses

For the year ended 31 December

	2024	2023
	(in thousand Baht)	
(Reversal of) expected credit losses		
Interbank and money market items	(8,233)	(312)
Investments in debt instruments measured at amortised cost	2,741	760
Investments in debt instruments measured at FVOCI	4,619	619,986
Loans to customers and accrued interest receivables		
- Expected credit losses	1,228,290	1,766,570
- Modification losses (gains)	58,069	(291,520)
Accrued interest receivables on investments	-	1,726
Other assets	15,377	4,825
Undrawn credit limit and financial guarantee contracts	(17,806)	28,162
Total	1,283,057	2,130,197

40 Income tax

Income tax recognised in profit or loss

For the year ended 31 December

Note

	2024	2023
	(in thousand Baht)	
Current tax		
Current period	706,692	540,269
Under provided in prior periods	9,998	6,976
Deferred tax		
Movements in temporary differences	18 (224,935)	(159,277)
Total	491,755	387,968

Income tax recognised in other comprehensive income

For the year ended 31 December

For the year ended 31 December			2024			2023		
	Before	Tax	Net of	Before	Tax	Net of		
	tax	(expense)	tax	tax	(expense)	tax		
		income			income			
	(in thousand Baht)							
Investment in debt instruments								
measured at FVOCI	1,202,627	(240,525)	962,102	307,999	(61,600)	246,399		
Investment in equity instruments								
designated at FVOCI	299,552	(59,911)	239,641	(1,450,907)	290,181	(1,160,726)		
Actuarial (losses) gains	(19,770)	3,954	(15,816)	11,047	(2,209)	8,838		
Total	1,482,409	(296,482)	1,185,927	(1,131,861)	226,372	(905,489)		

Reconciliation of effective tax rate

For the year ended 31 December

	2024		2023	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax		2,502,099		2,080,946
Income tax using the Thai corporation tax rate	20.0	500,420	20.0	416,189
Under provided in prior periods		9,998		6,976
Tax effects of				
- Tax-exempted revenues		(14,744)		(30,979)
- Additional expense deductions allowed		(4,721)		(5,834)
- Non-deductible expenses		802		1,616
Total	19.7	491,755	18.6	387,968

41 Interest in unconsolidated structured entity arising in the normal course of business

The Bank has transactions with unconsolidated structured entities, through various activities such as involvement in the establishment process, fund management, acting as the trustee, as well as providing source of funds. These structured entities are normally in the form of mutual funds and some investment funds, which were summarised as follows:

	2024		2023	
	Carrying value	Maximum exposure to loss (in thousand Baht)	Carrying value	Maximum exposure to loss
Assets				
Investments	3,175,898	3,175,898	3,706,885	3,706,885
Loans to customers and accrued interest receivables and undue interest receivables	10,644,038	10,644,038	7,812,022	7,812,022
Liabilities				
Deposits	185,021	185,021	95,264	95,264
Interest payables	-	-	73	73

Maximum exposure to loss of loans to customers and accrued interest receivables, deposits and interest payables is presented at carrying value, and maximum exposure to loss of investments is presented at fair value.

42 Dividend paid

The dividends paid by the Bank to the shareholders are as follows:

Dividend	Approved by	Dividend paid (in thousand Baht)	Dividend paid per share (Baht per share)
From its operating results for the nine-month period ended 30 September 2023	The Board of Directors Meeting of the Bank on 18 December 2023	500,000	0.250
Total dividend paid during year ended 31 December 2023		500,000	0.250
From its operating results for the nine-month period ended 30 September 2024	The Board of Directors Meeting of the Bank on 11 November 2024	850,000	0.425
Total dividend paid during year ended 31 December 2024		850,000	0.425

43 Reclassification of accounts

Certain accounts in the financial statement for the year ended 31 December 2023 have been reclassified to conform to the current period presentation as follows:

	Before reclassification	2023 Reclassification (in thousand Baht)	After reclassification
Statement of financial position			
Interbank and money market items (liabilities)	21,409,328	(11,155,951)	10,253,377
Debts issued and borrowings	3,058,076	11,113,746	14,171,822
Other liabilities	530,369	42,205	572,574
For the year ended 31 December			
	Before reclassification	2023 Reclassification (in thousand Baht)	After reclassification
Statement of profit or loss and other comprehensive income			
Fee and service income	383,003	65,832	448,835
Employee expenses	1,644,069	17,961	1,662,030
Other expenses	239,984	47,871	287,855

44 Events after the reporting period

On 24 February 2025, the Board of Director's Meeting passed a resolution for issuance and offering of the debt instrument under Medium-Term Note Program (MTN), not exceeding of Baht 50,000 million.

On 24 February 2025, the Bank issued the perpetual subordinated debentures to be counted as Additional Tier 1 Capital under Basel III requirement, par value at Baht 5,000 million, which has no expiry date and bears a fixed interest rate at 4.75% per annum until the date of redemption rights and thereafter, they will bear a floating interest rate based on the sum of 5-year government bond yield and Initial Credit Spread, payable semi-annually in February and August of every year. The debentures were offered to private placement (institutional investors). The Bank can early redeem the perpetual subordinated debentures after 5 years from the issue date, according to certain specified conditions. The Bank has to seek an approval from the Bank of Thailand's approval for early redemption.

Reference Information

Auditor	:	KPMG Phoomchai Audit Limited
List of Auditors:	:	Ms. Orawan Chotiwiriyakul CPA Registration No. 10566 Mr. Chanchai Sakulkoedsin CPA Registration No. 6827 Mr. Chokechai Ngamwutikul CPA Registration No. 9728 Ms. Thitima Pongchaiyong CPA Registration No. 10728
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