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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in   
the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 13 May 2025.

# 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.

# 2 Basis for preparation of interim financial statements

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions, applicable regulations of the Bank of Thailand (“BoT”) and 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 interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended 31 December 2024.

New and revised TFRSs are effective for annual accounting periods beginning on or after 1 January 2025. The initial application of these new and revised TFRSs has resulted in changes in certain of the Bank’s accounting policies. These changes have no material effect on the interim financial statements.

In preparing these interim financial statements, judgments and estimates are made by management in applying the Bank’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2024.

# 3 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 | | | | | | |
|  |  |  |  |  |  | Amortised |  |  |  |  |  |  |  |  |  |  |
|  | *Note* | FVTPL |  | FVOCI |  | cost |  | Total |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  |  | *(in thousand Baht)* | | | | | | | | | | | | | | |
| **31 March 2025** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Derivatives |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| - Foreign currency related |  | **247,594** |  | **-** |  | **-** |  | **247,594** |  | **-** |  | **247,594** |  | **-** |  | **247,594** |
| Investments | *5* |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| - Debt instruments  measured at amortised cost |  | **-** |  | **-** |  | **2,629,150** |  | **2,629,150** |  | **-** |  | **2,859,978** |  | **-** |  | **2,859,978** |
| - Debt instruments  measured at FVOCI |  | **-** |  | **42,983,338** |  | **-** |  | **42,983,338** |  | **-** |  | **42,983,338** |  | **-** |  | **42,983,338** |
| - Equity instruments  designated at FVOCI |  | **-** |  | **3,656,724** |  | **-** |  | **3,656,724** |  | **3,081,937** |  | **-** |  | **574,787** |  | **3,656,724** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Derivatives |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| - Foreign currency related |  | **287,484** |  | **-** |  | **-** |  | **287,484** |  | **-** |  | **287,484** |  | **-** |  | **287,484** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Carrying amount | | | | | | |  | Fair value | | | | | | |
|  |  |  |  |  |  | Amortised |  |  |  |  |  |  |  |  |  |  |
|  | *Note* | FVTPL |  | FVOCI |  | cost |  | Total |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  |  | *(in thousand Baht)* | | | | | | | | | | | | | | |
| **31 December 2024** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Derivatives |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| - Foreign currency related |  | 404,812 |  | - |  | - |  | 404,812 |  | - |  | 404,812 |  | - |  | 404,812 |
| Investments | *5* |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| - 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 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| - Foreign currency related |  | 544,959 |  | - |  | - |  | 544,959 |  | - |  | 544,959 |  | - |  | 544,959 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

During the three-month period ended 31 March 2025, the Bank has no changes in methods and assumptions for estimating the fair value of financial assets and financial liabilities and no transfers between Level 1 and Level 2 of the fair value hierarchy.

# 4 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 March 2025 and 31 December 2024, capital fund of the Bank calculated under Basel III consisted of the following:

|  |  |  |
| --- | --- | --- |
|  | 31 March  2025 | 31 December 2024 |
|  | *(in thousand Baht)* | |
| ***Tier 1 Capital*** |  |  |
| **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 | 1,164,600 |
| Net profit after appropriation | 7,325,230 | 6,404,341 |
| Revaluation deficit on investments measured at fair value |  |  |
| through other comprehensive income | (1,166,448) | (1,666,247) |
| Capital deduction items on CET1 | (1,965,265) | (2,190,597) |
| **Total Common Equity Tier 1 Capital** | **35,957,032** | **34,311,012** |
|  |  |  |
| ***Additional Tier 1 Capital*** |  |  |
| Subordinated debentures classified as  additional Tier 1 Capital | 5,000,000 | - |
| **Total Tier 1 Capital** | **40,957,032** | **34,311,012** |
| ***Tier 2 Capital*** |  |  |
| Subordinated debentures | 2,400,000 | 2,400,000 |
| General provision | 3,075,122 | 3,100,982 |
| **Total Tier 2 Capital** | **5,475,122** | **5,500,982** |
|  |  |  |
| **Total Capital funds** | **46,432,154** | **39,811,994** |
|  |  |  |
| **Total Risk-Weighted Assets** | **259,539,545** | **261,546,579** |

|  |  |  |  |
| --- | --- | --- | --- |
|  | The BoT’s regulation minimum requirement | 31  March  2025 | 31 December 2024 |
|  | *(%)* | | |
| Capital Funds/Total Risk-Weighted Assets | 11.00 | 17.89 | 15.22 |
| Tier 1 Capital/Total Risk-Weighted Assets | 8.50 | 15.78 | 13.12 |
| Common Equity Tier 1 Capital/Total Risk-Weighted Assets | 7.00 | 13.85 | 13.12 |

As at 31 March 2025 and 31 December 2024, the Bank has no add-on arising from Single Lending Limit.

# 5 Investments, net

**5.1 Type of investments**

|  |  |  |
| --- | --- | --- |
|  | 31 March  2025 | 31 December  2024 |
|  | Amortised cost | Amortised cost |
|  | *(in thousand Baht)* | |
| ***Investments in debt instruments measured at amortised cost*** |  | |
| Government and state enterprise securities | 1,466,761 | 1,466,699 |
| Private debt securities | 1,166,000 | 1,166,000 |
| Total | 2,632,761 | 2,632,699 |
| *Less* allowance for expected credit losses | (3,611) | (3,611) |
| **Total** | **2,629,150** | **2,629,088** |

|  |  |  |
| --- | --- | --- |
|  | 31 March  2025 | 31 December  2024 |
|  | Fair value | Fair value |
|  | *(in thousand Baht)* | |
| ***Investments in debt instruments measured at FVOCI*** |  | |
| Government and state enterprise securities | 37,882,090 | 31,258,903 |
| Private debt securities | 2,027,554 | 2,022,966 |
| Foreign debt securities | 3,073,694 | 3,066,510 |
| **Total** | **42,983,338** | **36,348,379** |
| **Allowance for expected credit losses** | **(875,388)** | **(876,268)** |

|  |  |  |
| --- | --- | --- |
|  | 31 March  2025 | 31 December  2024 |
|  | Fair value | Fair value |
|  | *(in thousand Baht)* | |
| ***Investments in equity instruments designated at FVOCI*** |  | |
| Domestic marketable equity instruments |  |  |
| - Investment units | 3,081,937 | 3,175,898 |
| Domestic non-marketable equity instruments | 574,787 | 574,787 |
| **Total** | **3,656,724** | **3,750,685** |
| **Total investments, net** | **49,269,212** | **42,728,152** |

Dividend income from investments in equity instruments designated at FVOCI recognised in statements of profit or loss and other comprehensive income for the three-month period ended 31 March 2025 amounted to Baht 55 million *(2024: Baht 56 million)*.

For the three-month period ended 31 March 2025, the Bank did not sell and derecognise investment in equity instrument designated at FVOCI.

For the three-month period ended 31 March 2024, 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 earningsas follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 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 | 415,545 | 1,883 | (325,709) | Sale for liquidity management |
| **Total** | **415,545** | **1,883** | **(325,709)** |  |

**5.2 Investments in companies with problems in their financial position and operating results**

|  | 31 March 2025 | | | 31 December 2024 | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | 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 issue is uncertain | 2 | 200,025 | - | 2 | 200,025 | - |

**5.3 Investments in which the Bank holds 10% or more of those companies’ shares**

As at 31 March 2025 and 31 December 2024, 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:

|  |  |  |
| --- | --- | --- |
|  | 31 March  2025 | 31 December  2024 |
|  | Fair value | Fair value |
|  | *(in thousand Baht)* | |
| Infrastructure fund | 133,700 | 136,500 |

# 6 Loans to customers and accrued interest receivables, net

**6.1 Classified by loan types**

|  |  |  |  |
| --- | --- | --- | --- |
|  | *Note* | 31 March  2025 | 31 December 2024 |
|  |  | *(in thousand Baht)* | |
| Overdrafts | *10* | 4,279,890 | 4,282,586 |
| Loans | *10* | 198,106,523 | 195,179,122 |
| Bills | *10* | 50,644,891 | 51,870,673 |
| Hire-purchase receivables |  | 738,906 | 792,416 |
| **Total loans to customers** |  | **253,770,210** | **252,124,797** |
| *Add* accrued interest receivables and undue interest receivables |  | 4,394,859 | 4,133,132 |
| **Total loans to customers and accrued interest receivables and undue interest receivables** |  | **258,165,069** | **256,257,929** |
| *Less* allowance for expected credit losses |  | (14,537,930) | (14,375,715) |
| **Loans to customers and accrued interest receivables, net** |  | **243,627,139** | **241,882,214** |

**6.2 Classified by residency of debtors**

|  |  |  |  |
| --- | --- | --- | --- |
|  | 31 March 2025 |  | 31 December 2024 |
|  | *(in thousand Baht)* | | |
| Domestic | 253,770,210 |  | 252,124,797 |
| **Total** | **253,770,210** |  | **252,124,797** |

**6.3 Classified by loan classification**

|  | 31 March 2025 |  | 31 December 2024 |
| --- | --- | --- | --- |
|  | *(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) | 240,501,968 |  | 239,370,270 |
| Financial assets that have a significant increase in credit risk  (Under-performing) | 9,205,298 |  | 9,140,396 |
| Financial assets that are credit-impaired (Non-performing) | 8,457,803 |  | 7,747,263 |
| **Total** | **258,165,069** |  | **256,257,929** |

**6.4 Loans that are credit-impaired**

As at 31 March 2025 and 31 December 2024, 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:

|  | 31 March 2025 |  | 31 December 2024 |
| --- | --- | --- | --- |
| **Loans that are credit-impaired (principal)** |  |  |  |
| Loans that are credit-impaired *(in thousand Baht)* | 7,394,481 |  | 6,763,998 |
| Total loans *(in thousand Baht)* | 294,581,926 |  | 289,488,513 |
| Percentage of loans that are credit-impaired *(%)* | 2.51 |  | 2.34 |

During the three-month periods ended 31 March 2025 and 2024, the Bank did not sell parts of its loans that are credit-impaired to third parties.

**6.5 Modified loans to customers**

| ***For the three-month period ended 31 March*** | 2025 |  | 2024 |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| **Loans to customers modified during the period (1)** |  |  |  |
| Amortised cost before modification | 848,574 |  | 1,695,634 |
| Net modification (losses) gains | (3,797) |  | 8,523 |

(1) Loans to customers net of allowance for expected credit loss that had only lifetime ECL.

|  | 31 March 2025 |  | 31 December 2024 |
| --- | --- | --- | --- |
|  | *(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 | 122,599 |  | 1,311,072 |

**6.6 Loans to customers having problems with financial position and operating results**

As at 31 March 2025 and 31 December 2024, loans to listed companies that meet SET’s criteria for delisting were as follows:

|  | 31 March 2025 | | | | 31 December 2024 | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Number of companies | Loans and accrued interest receivables and undue interest receivables | Collateral | Allowance for expected credit loss | Number of companies | Loans and accrued interest receivables and undue interest receivables | Collateral | Allowance for expected credit loss |
|  |  | *(in thousand Baht)* | |  |  | *(in thousand Baht)* | |  |
| Listed companies that meet SET’s criteria for delisting | 3 | 1,519,871 | - | (1,268,889) | 2 | 1,508,513 | - | (1,267,332) |

**6.7 Hire-purchase receivables**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 31 March 2025 | | | | | |
|  |  | Portion due | Portion due | Portion due | Portion due |  |
|  |  | over 1 year | over 2 years | over 3 years | over 4 years |  |
|  | Portion due | but within | but within | but within | but within |  |
|  | within 1 year | 2 years | 3 years | 4 years | 5 years | Total |
|  | *(in thousand Baht)* | | | | | |
| Hire-purchase receivables | 235,327 | 225,450 | 202,573 | 112,551 | 15,513 | 791,414 |
| *Less* unearned interest income | (23,994) | (16,168) | (8,571) | (3,072) | (703) | (52,508) |
| Present value of minimum lease |  |  |  |  |  |  |
| payments | 211,333 | 209,282 | 194,002 | 109,479 | 14,810 | 738,906 |
| *Add* accrued interest receivables and  undue interest receivables |  |  |  |  |  | 1,377 |
| *Less* allowance for expected credit loss |  |  |  |  |  | (6,461) |
| **Hire-purchase receivables, net** |  |  |  |  |  | **733,822** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 31 December 2024 | | | | | |
|  |  | Portion due | Portion due | Portion due | Portion due |  |
|  |  | over 1 year | over 2 years | over 3 years | over 4 years |  |
|  | Portion due | but within | but within | but within | but within |  |
|  | within 1 year | 2 years | 3 years | 4 years | 5 years | Total |
|  | *(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** |

**7 Allowance for expected credit loss**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | 31 March 2025 | | |  |
|  | 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 | Total |
|  | *(in thousand Baht)* | | | | |
| Interbank and money market items (assets) | 1,821 | - | - | - | 1,821 |
| Investments in debt instruments measured at amortised cost | 3,611 | - | - | - | 3,611 |
| Investments in debt instruments measured at FVOCI | 4,388 | 671,000 | 200,000 | - | 875,388 |
| Loans to customers and accrued interest  receivables and undue interest receivables | 1,819,078 | 2,464,103 | 5,632,755 | 4,621,994 | 14,537,930 |
| Undrawn loan commitments and financial guarantee contracts | 31,556 | 43,782 | 12,138 | - | 87,476 |
| **Total** | **1,860,454** | **3,178,885** | **5,844,893** | **4,621,994** | **15,506,226** |
|  |  | | | | |
|  |  | 31 December 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 | Management overlay | Total |
|  | *(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 |
| **Total** | **2,169,335** | **3,188,750** | **5,394,168** | **4,598,076** | **15,350,329** |

As at 31 March 2025, the Bank had allowance for expected credit loss on accrued interest receivables on investments and other financial assets amounted to Baht 2 million and Baht 57 million, respectively *(31 December 2024: Baht 2 million and Baht 58 million, respectively)*.

The movements in allowance for expected credit loss on material financial assets for the three-month period ended 31 March 2025 and for the year ended 31 December 2024 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 | Management overlay | Total |
| --- | --- | --- | --- | --- | --- |
|  | *(in thousand Baht)* | | | | |
| ***Investments in debt instruments measured at FVOCI*** |  |  |  |  |  |
| At 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 and   1 January 2025** | **5,268** | **671,000** | **200,000** | **-** | **876,268** |
| Change from remeasurement of ECL | (885) | - | - | - | (885) |
| Purchased or acquired | 5 | - | - | - | 5 |
| **At 31 March 2025** | **4,388** | **671,000** | **200,000** | **-** | **875,388** |
|  |  |  |  |  |  |
| ***Loans to customers and accrued interest  receivables and undue interest receivables*** |  |  |  |  |  |
| At 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 and   1 January 2025** | **2,120,639** | **2,470,072** | **5,186,928** | **4,598,076** | **14,375,715** |
| Change from stage reclassification | 70,455 | (123,550) | 53,095 | - | - |
| Change from remeasurement of ECL | (431,376) | 88,116 | 402,074 | 23,918 | 82,732 |
| Purchased or acquired | 187,370 | 122,491 | 538,643 | - | 848,504 |
| Derecognised | (128,010) | (93,026) | (547,920) | - | (768,956) |
| Written-off | - | - | (65) | - | (65) |
| **At 31 March 2025** | **1,819,078** | **2,464,103** | **5,632,755** | **4,621,994** | **14,537,930** |

As at 31 March 2025, the management reserved an additional amount of ECL of Baht 4,622 million *(31 December 2024: Baht 4,598 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.

**8** **Debts issued and borrowings**

As at 31 March 2025 and 31 December 2024, 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 | 31 March  2025 | 31 December  2024 |
|  |  |  | *(% per annum)* | *(in thousand Baht)* | |
| Bills of exchange |  | 2025 | 2.67 | 2,000,000 | 4,850,000 |
| Subordinated debentures (1) | *10* | 2031 | 3.75 | 2,400,000 | 2,400,000 |
| Perpetual subordinated debentures counted as a part of Tier 1 Capital | *10* | 2030 (2) | 4.75 | 5,000,000 | - |
| **Total** |  |  |  | **9,400,000** | **7,250,000** |
| *Less* deferred expenses |  |  |  | (14,530) | (32,284) |
| **Net** |  |  |  | **9,385,470** | **7,217,716** |

(1) Counted as a part of Tier 2 capital, which is determined under the conditions as specified in the BoT’s notification.

(2) The year in which call option exercise period starts

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.

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 have no expiry date and bear 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.

# 9 Commitments and contingent liabilities

**9.1 Contingent liabilities**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 31 March 2025 | | | 31 December 2024 | | |
|  | Baht | Foreign currencies | Total | Baht | Foreign currencies | Total |
|  | *(in thousand Baht)* | | | | | |
| Avals to bills | 358,736 | - | 358,736 | 325,267 | - | 325,267 |
| Liabilities under unmatured import bills | 38,412 | 90,629 | 129,041 | 25,075 | 188,909 | 213,984 |
| Letters of credit | 36,554 | 1,228,055 | 1,264,609 | 23,143 | 533,739 | 556,882 |
| Other commitments |  |  |  |  |  |  |
| - Undrawn bank overdrafts | 4,009,558 | - | 4,009,558 | 4,157,027 | - | 4,157,027 |
| - Others guarantees | 12,785,749 | 183,557 | 12,969,306 | 11,818,490 | 174,274 | 11,992,764 |
| - Others | 28,306,764 | - | 28,306,764 | 27,549,069 | - | 27,549,069 |
| **Total** | **45,535,773** | **1,502,241** | **47,038,014** | **43,898,071** | **896,922** | **44,794,993** |

**9.2 Commitments under long-term agreements**

As at 31 March 2025 and 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 the service fee as stipulated in the agreements.

As at 31 March 2025 and 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 the rental fee as stipulated in the agreements.

**9.3 Litigation**

As at 31 March 2025, the Bank has been sued in many litigation cases being claimed for compensations totaling Baht 637 million *(31 December 2024: Baht 640 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.

# 10 Related parties

The Bank has no significant change in relationships with related parties and the pricing policies during the three-month period ended 31 March 2025.

| ***Significant transactions with related parties*** |  | |
| --- | --- | --- |
| ***For the three-month periods ended 31 March*** | 2025 | 2024 |
|  | *(in thousand Baht)* | |
| **Interest income** |  |  |
| Parent company | - | 16,030 |
| Subsidiaries of the parent company | 5,683 | 25,495 |
| Directors and executives | 7 | 17 |
| Related persons | 39 | 247 |
|  |  |  |
| **Interest expenses** |  |  |
| Parent company | 24,515 | 13 |
| Major shareholders of the parent company | 3,191 | 1,804 |
| Subsidiaries of the parent company | 1,317 | 42 |
| Related companies | 8,724 | 16,934 |
| Directors and executives | 489 | 605 |
| Related persons | 2,323 | 2,875 |
|  |  |  |
| **Fees and service income** |  |  |
| Parent company | 3 | 3 |
| Subsidiaries of the parent company | 12,876 | 10,885 |
| Related companies | 51 | 1,574 |
|  |  |  |
| **Fees and service expenses** |  |  |
| Related companies | 54 | 63 |
|  |  |  |
| **Other operating income** |  |  |
| Subsidiaries of the parent company | 242 | 256 |
|  |  |  |
|  |  |  |
| **Other operating expenses** |  |  |
| Parent company | 105,647 | 91,163 |
| Major shareholders of the parent company | 386 | 2,026 |
| Related companies | 781 | 1,233 |

As at 31 March 2025 and 31 December 2024, the outstanding balances of significant transactions with related parties can be summarised as follows:

|  | 31 March  2025 | 31 December  2024 |
| --- | --- | --- |
|  | *(in thousand Baht)* | |
| **Interbank and money market items (assets)** |  |  |
| Subsidiary of the parent company | 499,870 | 734,893 |
|  |  |  |
| **Loans to customers and accrued interest receivables** |  |  |
| Directors and executives | 1,073 | 1,510 |
| Related persons | 16,487 | 19,411 |
|  |  |  |
| **Other assets** |  |  |
| Parent company | 300 | 300 |
| Major shareholder of the parent company | 7,585 | 7,585 |
| Subsidiaries of the parent company | 3,889 | 4,771 |
| Related companies | 8,899 | 9,001 |
| Directors and executives | 9 | - |
|  |  |  |
| **Deposits** |  |  |
| Parent company | 316,525 | 5,151,809 |
| Major shareholders of the parent company | 1,025,635 | 2,111,681 |
| Subsidiary of the parent company | 3,245 | 3,363 |
| Related companies | 2,426,212 | 2,605,881 |
| Directors and executives | 186,127 | 169,326 |
| Related persons | 1,608,038 | 1,717,065 |
|  |  |  |
| **Interbank and money market items (liabilities)** |  |  |
| Major shareholder of the parent company | 556 | 557 |
| Subsidiaries of the parent company | 83,325 | 53,025 |
|  |  |  |
| **Debts issued and borrowings** |  |  |
| Parent company | 5,000,000 | - |
| Related persons | 7,000 | 7,000 |
|  |  |  |
| **Accrued interest payables** |  |  |
| Parent company | 24,515 | - |
| Major shareholders of the parent company | 487 | 1,119 |
| Subsidiaries of the parent company | 33 | 8 |
| Related companies | 2,941 | 3,242 |
| Directors and executives | 679 | 429 |
| Related persons | 3,084 | 2,102 |
|  |  |  |
|  |  |  |
|  |  |  |
| **Lease liabilities** |  |  |
| Parent company | 2,299 | 2,662 |
| Major shareholders of the parent company | 1,161 | 2,323 |
| Related companies | 15,946 | 19,770 |
|  |  |  |
| **Other liabilities** |  |  |
| Parent company | 30,619 | 32,586 |
| Major shareholders of the parent company | 123 | 172 |
| Subsidiaries of the parent company | 25 | 45 |
| Related companies | 69 | 78 |
| Directors and executives | 10 | 90 |
|  |  |  |
| **Contingent liabilities - undrawn credit limit** |  |  |
| Parent company | 30,000 | 30,000 |
| Subsidiaries of the parent company | 6,100,000 | 5,865,000 |

***Directors’ and executives’ compensation***

During the three-month periods ended 31 March 2025 and 2024, compensations incurred on directors and executives of the Bank, which were recognised in profit or loss, were summarised as follows:

| ***For the three-month periods ended 31 March*** | 2025 | 2024 |
| --- | --- | --- |
|  | *(in thousand Baht)* | |
| Short-term employee benefits | 76,813 | 85,976 |
| Post-employment benefits | 4,437 | 4,692 |
| **Total** | **81,250** | **90,668** |

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.

***Significant agreements with related parties***

As at 31 March 2025 and 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.

# 11 Segment information

During the three-month period ended 31 March 2025, the Bank has not changed the structure of their reportable segments.

The following tables present revenue and profit information regarding the Bank’s operating segments for the three-month periods ended 31 March 2025 and 2024.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***For the three-month period ended  31 March*** | 2025 | | | |
|  | Wholesale  Banking | Retail  Banking | Global Markets | Total |
|  | *(in thousand Baht)* | | | |
| Net interest income | 1,167,550 | 323,618 | 209,583 | 1,700,751 |
| Non-interest income, net | 69,996 | 67,300 | 57,158 | 194,454 |
| Total operating income | 1,237,546 | 390,918 | 266,741 | 1,895,205 |
| Total other operating expenses | (403,102) | (517,315) | (78,546) | (998,963) |
| Profit (loss) from operations before |  |  |  |  |
| expected credit loss and income tax | 834,444 | (126,397) | 188,195 | 896,242 |
| Expected credit loss |  |  |  | (165,765) |
| Profit from operations before income tax |  |  |  | 730,477 |
| Income tax |  |  |  | (142,070) |
| **Net profit** |  |  |  | **588,407** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***For the three-month period ended  31 March*** | 2024 | | | | |
|  | Wholesale  Banking | Retail  Banking | Global Markets | Total |
|  | *(in thousand Baht)* | | | |
| Net interest income | 1,197,879 | 357,060 | 181,414 | 1,736,353 |
| Non-interest income, net | 66,441 | 47,007 | 83,807 | 197,255 |
| Total operating income | 1,264,320 | 404,067 | 265,221 | 1,933,608 |
| Total other operating expenses | (425,280) | (464,657) | (60,449) | (950,386) |
| Profit (loss) from operations before |  |  |  |  |
| expected credit loss and income tax | 839,040 | (60,590) | 204,772 | 983,222 |
| Expected credit loss |  |  |  | (526,603) |
| Profit from operations before income tax |  |  |  | 456,619 |
| Income tax |  |  |  | (86,276) |
| **Net profit** |  |  |  | **370,343** |

The following tables present assets and liabilities regarding the Bank’s operating segments as at 31 March 2025 and 31 December 2024.

|  | Wholesale  Banking | Retail  Banking | Global Markets | Total |
| --- | --- | --- | --- | --- |
|  | *(in thousand Baht)* | | | |
| **31 March 2025** |  |  |  |  |
| Loans to customers and interbank  and money market items (1) | 195,138,190 | 61,043,736 | 38,400,000 | 294,581,926 |
| Total assets |  |  |  | 352,568,542 |
| Total liabilities |  |  |  | 313,517,527 |
|  |  |  |  |  |
| **31 December 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 |

(1) Exclude accrued interest receivables and undue interest receivables and allowance for expected credit loss.

During the three-month periods ended 31 March 2025 and 2024, the Bank had no major customer with revenue of 10 percent or more of total revenues.

# 12 Reclassification of accounts

Certain accounts in the statements of profit or loss and other comprehensive income for the three-month period ended 31 March 2024 have been reclassified to conform to the current period presentation as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| ***For three-month period ended 31 March*** | 2024 | | |
|  | Before  Reclassification | Reclassification | After  Reclassification |
|  | *(in thousand Baht)* | | |
| ***Statements of profit or loss and***  ***other comprehensive income*** |  |  |  |
| Fees and service income | 97,473 | 9,041 | 106,514 |
| Employee expenses | 416,096 | 2,616 | 418,712 |
| Other expenses | 101,811 | 6,425 | 108,236 |