ธนาคารทหารไทยธนชาต จำกัด (มหาชน)
TMBThanachart Bank Public Company Limited

Management Discussion and Analysis

For the 1st quarter and 3-month period ended 31 March 2025

(Unreviewed financial statements)

TMBThanachart Bank Public Company Limited

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Executive summary

Economic review & outlook

Thai economy in the first quarter of 2025: Thai economy showed slightly decelerated from the previous quarter, reflected by overall domestic activities. Service index had soften following the lower Chinese tourist arrivals, which was mainly due to many had traveled in the previous month for the Chinese New Year festival, together with safety concerns being a suppressive factor. As a result, the average monthly foreign tourist arrivals in this quarter increased slightly during first two months of this quarter to 3.18 million persons, compared to 3.15 million persons in the previous quarter. Other private consumption indicators slightly increased, which was attributed to the benefits of government's stimulus measures and transfer measures. Furthermore, private investment indicators marked a slowdown, particularly in manufacturing, and real-estates sectors. Headline inflation in this quarter stood at 1.1% (YoY) increased slightly from the preceding period of 1.0% due to lower energy price and continuing government support measures, while the food price inflation declined in line with high production volume. However, merchandise exports in this quarter shown remarkably at 13.8% (YoY) expansion, remaining the growth from the previous quarter. This was driven by an accelerated increase in exports volume regarding to front-loading effect to mitigate risks from trade policy uncertainties going forward. The average export value of this quarter was 26 billion USD per month.

Financial market & banking industry: The Monetary Policy Committee (MPC) decided to cut the policy rate by 0.25% to 2.00% in the first meeting of the year in February 2025. The decision based on the assessment that despite continuing expansion of domestic demand, tourism, and merchandise exports, the Thai economy slowed more than expected in 2024 due to large inventory rundown. The overall financial conditions have remained slightly tight, while the headline inflation is expected to gradually return to the target range regarding to supply and structural factors. As of the end of February 2025, the total credit growth of domestic commercial banks expanded by 0.3% (YoY), showing a slight improvement compared to the 0.7% (YoY) contraction at the end of the previous quarter. Meanwhile, deposits grew by 0.9% (YoY), improving from the 1.3% (YoY) growth at the end of the previous quarter. Regarding Thai baht in the first quarter of 2025, it was on an average of 33.96 baht per US dollar, slightly down from the previous quarter's 33.99, representing an appreciation of 0.1% (QoQ) and 0.0% compared to the end of 2024 (YTD). Overall, the Thai baht weakened quickly at the beginning of the year due to concerns over the potential impact of the US tariff policy. However, the currency later appreciated, moving below the 34.00-baht level, following the movement of gold prices and the depreciation of the US dollar. This was due to investor concerns over US economic data, which overall came out below market expectations, amid ongoing uncertainty surrounding US import tariff policies. These developments have impacted the outlook for US economic growth and global financial markets.

Economic outlook for 2Q25: Thai economy would continue to slow from preceding quarter as mainly from domestic consumption, during low seasonal tourism period as well as private investment. Meanwhile, merchandise exports in this quarter would expand continuously to mitigate risks from trade policy uncertainties going forward. As such, ttb analytics projected Thai economic growth figure of 2025 that it would be lower than previous assessment amid high uncertainties from both domestic and external factors in the periods ahead particular in US import tariff measures uncertainties. In terms of inflation, headline inflation would reach the lower-bound target of the Bank of Thailand. Regarding tourism sector, it is projected that the number of foreign tourist arrivals in 2025 would continue improving compared to previous year but Chinese foreign arrivals recovery expected to slow. Meanwhile, value of merchandise exports would be expanded, particularly in the first half of this year. With respect to financial market, MPC would decline the policy interest rate by at least 2 times during the rest of the year, to a level of 1.5% by the year-end. Meantime, Thai baht in the second quarter of 2025 would move within the range of 33.50-34.50 baht per US dollar.

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Executive summary

Operating performance

Global trade war turmoil and its effect reverberated across world market and posed more risks to economic recovery due mainly to an impact on export sector, one of important engines for Thai economy. Amidst such challenging environment, TMBThanachart (TTB) remains vigilant and sets a clear business direction to maintain earnings momentum and to ensure healthy balance sheet position for future growth.

For 1Q25, TTB posted a net profit of THB5,096 million (+2% QoQ) or an ROE of 8.6%. The Bank's key strategic focuses which underpinned steady financial performance were:

- Ensuring portfolio quality with selective loan growth strategy and stringent risk approach including supporting customers to improve their financial health through You Fight, We Help program and debt consolidation.
- Achieving digital transformation milestone to build new revenue engines, improve operating cost structure and transform organization towards Humanized Digital Banking.
- Improving shareholders' returns, driven by efficient asset-liability utilization and capital management initiatives.

The Bank reiterates the capital management focus during such challenging time for loan expansion. With our robust in capital and liquidity stance, TTB aims to uplift shareholder return in a sustainable manner and to achieve a medium-term ROE milestone of 10%.

Financial highlights for 1Q25 performance:

Maintaining loan quality focus against economic uncertainty: To preserve quality portfolio, the Bank pursued selective loan growth strategy focusing on retail while recycled liquidity from low-yield lending more towards high-yield retail lending space with justified risk for better returns. With that, despite shrinking in loan balance, the targeted high-yield retail products maintained positive momentum with Cash Your Home (CYH) +2% YTD and Cash Your Book (CYB) +11 YTD. Meanwhile, consumer lending softened after high spending season in 4Q24, and Cash Your Car (CYC) was also weighed down by slow growth in HP booking.

Balancing deposit-loan volume to ensure well-managed funding cost and sustain margin: In response to the downtrend of interest rate cycle, deposit balance was aligned with loan growth pace while deposit duration was proactively adjusted by shifting to TD short duration rather than TD long duration, increasing flexibility in deposit structure. Moreover, the high-cost deposit products were run down: TD balance -2% YTD from lower long-term deposit, No-fixed -3% YTD and ME -2% YTD. In terms of low-cost deposit, CASA decreased by 2% YTD from commercial CA, but SA remained stable and our retail transactional flagship product, ttb all free, continued to grow steadily by 4%.

Net profit grew 2% QoQ driven by well-managed funding costs, efficiency in operating cost control, and lower risk costs.

- **1Q25 NIM held up at 3.19% compared to the target of 3.10%-3.25%.** The margin contraction from sooner-than-expected policy rate cuts was alleviated by efficient funding cost and asset-liability management (ALM).
- **OPEX continued to decline 7% QoQ so cost-to-income ratio (C/I ratio) was down to 43% in 1Q25** compared to 44% in 4Q24, reflecting on-going digital transformation, cost discipline and operational efficiency improvement.
- **Manageable asset quality position.** The ECL decreased 2% QoQ to THB4,580 million or equivalent to 152 bps in terms of credit cost due to lower NPL formation and loss of repossessed cars benefited from the 'You Fight, We Help' program. Meanwhile, NPL ratio increased to 2.75%, due to slower NPL resolution in line with our NPL management strategy but remained within the target of below 2.9%. We remained conservative in risk management and strengthened risk absorption capability through the set-up of management overlay (MO). As a result, the coverage ratio remained robust at 150%.

After provision and tax benefit, TTB reported THB5,096 million of net profit in 1Q25 which increased by +2% QoQ, representing an ROE of 8.6%, relatively stable from 4Q24.

At the end of March 2025, the Bank has the remaining tax benefit of THB9.4 billion to be subsequently recognized within 2028. The recognition will not be on a straight-line basis but will be subject to the estimation of future net profit stream.

Discussion of operating performance

Figure 1: Selected Statement of Comprehensive Income

(THB million)	1Q25	4Q24*	% QoQ	1Q24*	% YoY
Interest income	18,965	19,991	-5.1%	21,084	-10.1%
Interest expenses	5,746	6,182	-7.1%	6,688	-14.1%
Net interest income	**13,219**	**13,809**	**-4.3%**	**14,396**	**-8.2%**
Fees and service income	3,239	3,379	-4.2%	3,414	-5.1%
Fees and service expenses	891	912	-2.3%	960	-7.2%
Net fees and service income	**2,348**	**2,467**	**-4.8%**	**2,454**	**-4.3%**
Other operating income	987	844	16.9%	819	20.5%
Non-interest income	**3,335**	**3,311**	**0.7%**	**3,273**	**1.9%**
Total operating income	**16,553**	**17,120**	**-3.3%**	**17,670**	**-6.3%**
Total other operating expenses	**7,097**	**7,633**	**-7.0%**	**7,520**	**-5.6%**
Expected credit loss	4,580	4,690	-2.4%	5,117	-10.5%
Profit before income tax expense	**4,876**	**4,797**	**1.6%**	**5,033**	**-3.1%**
Tax expense (income)	-220	-195	N/A	-341	N/A
Profit for the period	**5,096**	**4,992**	**2.1%**	**5,374**	**-5.2%**
Profit (loss) to non-controlling interest of subsidiaries	**0.000**	**0.003**	**-100.0%**	**0.009**	**-100.0%**
Profit to equity holders of the Bank	**5,096**	**4,992**	**2.1%**	**5,374**	**-5.2%**
Other comprehensive income	127	381	-66.7%	427	-70.3%
Total comprehensive income	**5,223**	**5,373**	**-2.8%**	**5,801**	**-10.0%**
Basic earnings per share (THB/share)	**0.05**	**0.06**	**-16.7%**	**0.06**	**-16.7%**

Note: Consolidated financial statement
** In 4Q24, there was a change in accounting policy for measuring of building from 'revaluation model' to 'cost model', so the effect of such change was revised retrospectively in 4Q24 and 1Q24 figures for comparative purpose.*

Net interest income (NII) and Net interest margin (NIM)

- **For the 1st quarter of 2025:** TTB recorded THB13,219 million of net interest income (NII) in 1Q25, decreasing by 4.3% compared to **the previous quarter (QoQ).** Such decline came primarily from lower loan yield after the policy rate cuts as well as selective loan growth strategy amidst uncertain macro-economic landscape, offset by improved funding costs. In terms of interest expenses, it decreased due to lower deposit and borrowing costs, following the rate cuts and efficiency in funding management aligned with the Bank's deposit strategy and debt and borrowing management plan.

  On YoY basis: Net interest income (NII) declined by 8.2% following the policy rate downtrend. The loan yield received the direct impact from the rate adjustment and inert demands in HP market while the investment yield still showed improvement thanks to proactive investment portfolio management. Meanwhile, the well-managed funding costs from deposit mix adjustment and debt and borrowing cost management contributed positively to YoY performance.

NIM decreased QoQ to 3.19% in 1Q25 from 3.25% in 4Q24.

NIM stood at 3.19% in 1Q25 which declined 6 bps from 3.25% in 4Q24 and 9 bps from 3.28% in 1Q24. As expected, the NIM reached its peak in 2024 and now it gradually declined following the policy rate cut cycle. With high portion of fixed-rate loans together with loan mix shift initiative towards retail high-yield products, it helped alleviate negative impact on loan yield against sooner-than-expected rate cuts. In turn, funding costs were well-contained from lower deposit volume as a part of our asset-liability management (ALM) strategy to strike balance with loan growth, together with debt and borrowing management.

Meanwhile, the YoY decrease was mainly owing to relatively higher rate environment in 1Q24 which caused higher loan yield while funding cost management was one of key strengths where ttb contained well. In addition, investment yield has improved from proactive investment management to enhance yields amid changing interest rate trend.

Figure 2: Net interest income (NII)

(THB million)	1Q25	4Q24	% QoQ	1Q24	% YoY
Interest income	**18,965**	**19,991**	**-5.1%**	**21,084**	**-10.1%**
Interest on interbank and money market items	1,517	1,607	-5.6%	1,853	-18.1%
Investments and trading transactions	54	38	40.9%	28	91.5%
Investments in debt securities	839	1,018	-17.6%	817	2.6%
Interest on loans	11,335	12,008	-5.6%	12,577	-9.9%
Interest on hire purchase and financial lease	5,221	5,320	-1.8%	5,809	-10.1%
Others	0.0	0.0	N/A	0.2	-100.0%
Interest expenses	**5,746**	**6,182**	**-7.1%**	**6,688**	**-14.1%**
Interest on deposits	3,508	3,753	-6.5%	3,825	-8.3%
Interest on interbank and money market items	439	483	-9.2%	593	-26.0%
Contributions to the Deposit Protection Agency	1,521	1,534	-0.8%	1,615	-5.8%
Interest on debt issued and borrowings	261	393	-33.6%	639	-59.1%
Borrowing fee	1	2	-34.0%	5	-72.5%
Others	15	15	-4.7%	10	49.5%
Net interest income (NII)	**13,219**	**13,809**	**-4.3%**	**14,396**	**-8.2%**

Note: Consolidated financial statements

Figure 3: Yields and cost

(Annualized percentage)	1Q25	4Q24	3Q24	2Q24	1Q24
Yield on loans	5.48%	5.53%	5.59%	5.63%	5.60%
Yield on earning assets	4.57%	4.70%	4.80%	4.84%	4.80%
Cost of deposit	1.55%	1.60%	1.66%	1.65%	1.58%
Cost of funds	1.63%	1.71%	1.79%	1.83%	1.76%
Net interest margin (NIM)	3.19%	3.25%	3.26%	3.26%	3.28%

Note: Consolidated financial statements

Non-interest income (Non-NII)

- **For the 1st quarter of 2025:** The Bank posted THB3,335 million of non-interest income in 1Q25, which increased by 0.7% QoQ and 1.9% YoY mainly due to an increase in gain on financial instrument measured at fair value through profit or loss and other income from 'You Fight, We Help' subsidy program, offset by a decrease in net fees and service income.

Figure 4: Non-interest income (Non-NII)

(THB million)	1Q25	4Q24*	% QoQ	1Q24*	% YoY
Fees and service income	**3,239**	**3,379**	**-4.2%**	**3,414**	**-5.1%**
Acceptance, Aval & Guarantee	133	131	2.0%	134	-0.6%
Other fee and service income	3,105	3,248	-4.4%	3,280	-5.3%
Fees and service expenses	**891**	**912**	**-2.3%**	**960**	**-7.2%**
Net fees and service income	**2,348**	**2,467**	**-4.8%**	**2,454**	**-4.3%**
Gain on financial instrument measured at fair value through profit or loss	601	451	33.2%	457	31.4%
Gain (loss) on investments, net	47	80	-41.1%	47	0.3%
Share of profit from investment using equity method	64	61	5.8%	69	-7.2%
Gain on sale of properties foreclosed, assets & other assets	24	21	13.2%	39	-38.3%
Dividend income	0	15	-99.7%	0	0.0%
Others	250	215	16.0%	206	21.4%
Non-interest income	**3,335**	**3,311**	**0.7%**	**3,273**	**1.9%**

Note: Consolidated financial statements
** In 4Q24, there was a change in accounting policy for measuring of building from 'revaluation model' to 'cost model', so the effect of such change was revised retrospectively in 4Q24 and 1Q24 figures for comparative purpose.*

Details of key strategic fees income are as follows:

- **On QoQ basis:** In sluggish economic climate, the loan-linked related fee growth was still a challenge from mute loan growth while the non-loan related fees continued its positive momentum backed by trade finance and FX fees.

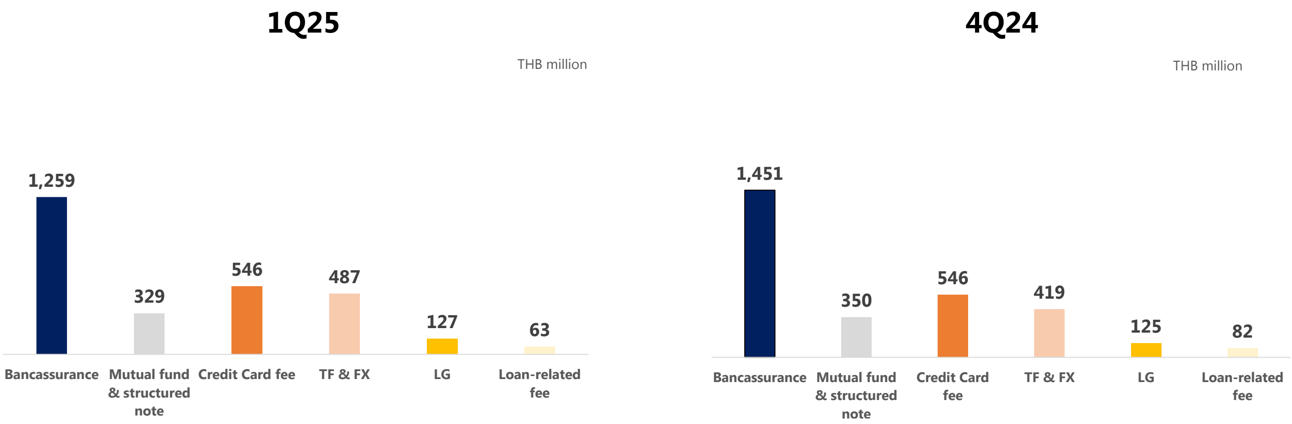
  In details, **for BA fees**, the performance was subdued both non-loan related BA and loan-linked BA due to seasonality reason QoQ. Loan-linked BA growth remained challenging amid the conservative loan growth while we boost sales of non-loan related BA thru health and protection insurance product offering.

  Mutual fund and structured note fees in 1Q25 softened due to seasonality reason and the impact of global trade war which negatively affected the market condition. During market volatility time, TTB offered relatively low-risk investment products, such as money market fund, term fund and structured note, to attract more risk-averse customers.

  Trade finance and FX fees contributed positively to fee income as the Bank introduced a hedging fee product for wealth customers with children studying abroad, continuing to expand. The Bank's key fee engine - **credit card fees** maintained its momentum QoQ, despite in 4Q typically being a high season for spending.

- **On YoY basis**: the recovery of key strategic fees remained challenging especially retail Bancassurance fee (BA), while trade finance and FX fees, mutual fund and structured note fees and credit card fees continued the positive momentum, underpinning YoY fee performance.

Figure 5: **Strategic non-interest income**



Note: Consolidated financial statements, gross income. (Prelim data)
**There was reclassification in TF&FX so the effect of such change was revised retrospectively in 4Q24 figures for comparative purpose.*

Non-interest expenses

- **For the 1st quarter of 2025:** The Bank recorded THB7,097 million of total non-interest expenses which dropped by 7.0% QoQ mainly from premises and equipment expenses, employee expenses and selling and marketing expenses.

  On YoY basis: the non-interest expense declined 5.6% mainly due to premises and equipment expenses and employee expenses and selling and marketing expenses. The continuous premise and employee cost reduction was attributed to on-track business transformation towards digital-first model together with branch optimization and HR management while the Bank also ensured that service quality and customers' experiences would not be compromised from the branch reduction.

1Q25 Cost to income ratio was at 43%, slightly decreased from the previous quarter while stable from the same period last year.

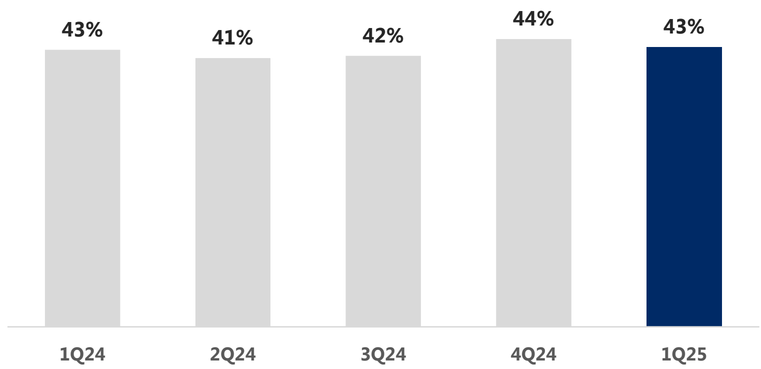
In 1Q25, the cost-to-income ratio (C/I ratio) was at 43%, slightly decreased from 44% in 4Q24 but stable from 1Q24. Cost discipline and efficiency improvement in business operation helped maintain C/I level. Moreover, the digital-first business model will be one of the key drivers pushing C/I towards the low 40s level within 2026 as planned. In turn, such on-going transformation to the digital-first operation could help the Bank optimize branches and employees to manage cost to serve down further as well as enhance revenue streams in medium to long term.

Figure 6: **Non-interest expenses**

(THB million)	**1Q25**	**4Q24***	**% QoQ**	**1Q24***	**% YoY**
Employee expenses	3,841	3,894	-1.4%	4,129	-7.0%
Directors' remuneration	25	26	-4.5%	28	-9.0%
Premises and equipment expenses	761	1,067	-28.7%	1,146	-33.7%
Taxes and duties	434	451	-3.7%	493	-11.9%
Other expenses	2,036	2,195	-7.2%	1,724	18.1%
Non-interest expenses	**7,097**	**7,633**	**-7.0%**	**7,520**	**-5.6%**

Note: Consolidated financial statement
** In 4Q24, there was a change in accounting policy for measuring of building from 'revaluation model' to 'cost model', so the effect of such change was revised retrospectively in 4Q24 and 1Q24 figures for comparative purpose.*

Figure 7: **Cost to income ratio**

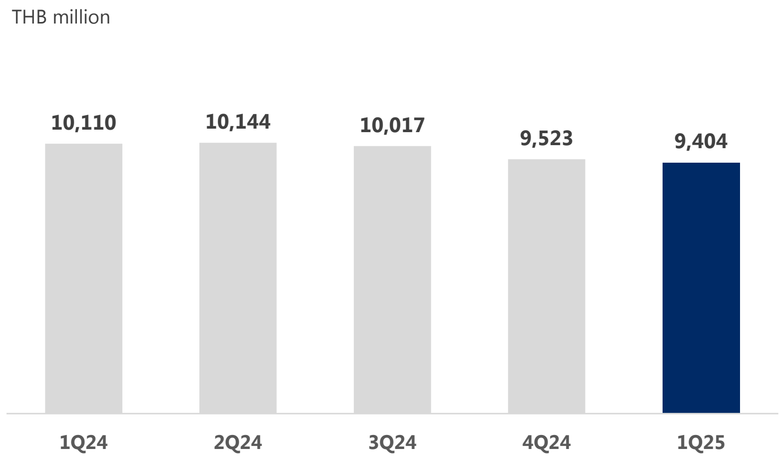


Note: Consolidated financial statements
** In 4Q24, there was a change in accounting policy for measuring of building from 'revaluation model' to 'cost model', so the effect of such change was revised retrospectively in 2024 figures for comparative purpose.*

PPOP, Expected Credit Loss and Net Profit

Pre-provision operating profit (PPOP): PPOP amounted to THB9,404 million in 1Q25, decreased by 1.3% QoQ and 7% YoY.

Figure 8: **Pre-provision operating profit (PPOP)**



Note: Consolidated financial statements
** In 4Q24, there was a change in accounting policy for measuring of building from 'revaluation model' to 'cost model', so the effect of such change was revised retrospectively in 2024 figures for comparative purpose.*

Setting aside 1Q25 ECL of THB4,580 million including extra provision under prudent ECL model.

Expected Credit Loss (ECL): Asset quality management remained one of our priorities amid this uncertain economic environment. The Bank has maintained a prudent approach and closely monitored asset quality with a prudent ECL model and considered forward-looking risks through Management Overlay setting aside to cover the Probability of default (PD) and Loss given default (LGD) shift to ensure sufficient buffer against unforeseen downside risks. Moreover, TTB remains vigilant and tries to keep quality loan portfolio with ongoing de-risking weak loan initiatives and proactive NPL resolution activities as well as tightening underwriting criteria for new quality loans.

As of 1Q25, the total ECL was reported at THB4,580 million, decreasing 2.4% QoQ and 10.5% YoY, or equivalent to 152 bps in terms of credit cost. The decline in ECL was driven by manageable asset quality and a conservative approach to risk management. In details, if we consider the normal risk cost amounting to THB3,626 million, or equivalent to a credit cost of 120 bps, it decreased by 11% QoQ and 20% YoY. This improvement was primarily due to lower NPL formation and reduction of losses from car repossessions in normal business operations, along with benefits from the 'You Fight, We Help' program—reflecting a sound asset quality position.

Despite these positive trends, we took a conservative approach to allocating additional MO, reinforcing our risk buffer against unforeseen future events, and ensuring a robust level of LLR. Consequently, **the coverage ratio** remained at 150% as of the end of March 2025.

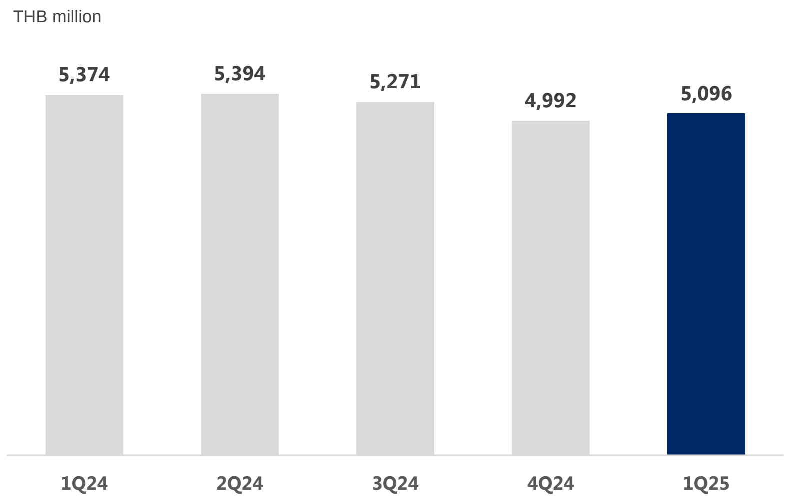
Figure 9: Expected Credit Loss (ECL) and credit cost

(THB million)	1Q25	4Q24	% QoQ	1Q24	% YoY
Expected credit loss	**4,580**	4,690	-2.4%	5,117	-10.5%
Credit cost (bps) - annualized	**152**	150		156	

Note: Consolidated financial statements

Net profit: After provision and tax benefit, net profit in 1Q25 was THB5,096 million which increased by 2.1% QoQ but declined 5.2% from the same period last year. It represented an ROE of 8.6%, relatively stable from 4Q24 at 8.4% but lower than 1Q24 at 9.4%.

Figure 10: Net Profit (to equity holder of the Bank)



Note: Consolidated financial statements
** In 4Q24, there was a change in accounting policy for measuring of building from 'revaluation model' to 'cost model', so the effect of such change was revised retrospectively in 2024 figures for comparative purpose.*

(Please see the next session for the discussion of financial position)

Discussion of financial position

Figure 11: Selected financial position (Consolidated)

(THB million)	Mar-25	Dec-24	%YTD
Cash	11,956	14,809	-19.3%
Interbank and money market items, net	269,824	288,562	-6.5%
Financial assets measured at fair value through profit or loss	22,970	10,381	121.3%
Derivative assets	5,041	8,663	-41.8%
Investments, net	164,228	156,350	5.0%
Investments in subsidiaries and associate, net	8,648	8,584	0.8%
Total loans to customers	1,210,777	1,240,874	-2.4%
Add accrued interest receivables and undue interest receivables*	8,389	8,422	-0.4%
Less allowance for expected credit loss	59,126	59,007	0.2%
Total loans to customers and accrued interest receivables, net	1,160,040	1,190,289	-2.5%
Properties for sale, net	15,485	15,235	1.6%
Premises and equipment, net	15,179	15,392	-1.4%
Goodwill and other intangible assets, net	25,016	25,003	0.0%
Deferred tax assets	3,336	3,106	7.4%
Other assets, net	13,140	12,149	8.2%
Total Assets	**1,714,865**	**1,748,523**	**-1.9%**
Deposits	1,298,307	1,328,594	-2.3%
Interbank and money market items	91,003	90,184	0.9%
Financial liabilities measured at fair value through profit or loss	8,665	7,319	18.4%
Debts issued and borrowings, net	24,141	29,247	-17.5%
Other liabilities	50,240	55,366	-9.3%
Total Liabilities	**1,472,356**	**1,510,710**	**-2.5%**
Equity attributable to equity holders of the Bank	242,509	237,812	2.0%
Total equity	**242,509**	**237,812**	**2.0%**
Total liabilities and equity	**1,714,865**	**1,748,523**	**-1.9%**
Book value per share (Baht)	2.49	2.44	2.0%

Note: Consolidated financial statements

** For credit impaired loans to customers and accrued interest are presented net from allowances for expected credit loss*

Assets

As of 31 March 2025, total assets on a consolidated basis were THB1,714,865 million, decreasing by 1.9% YTD.

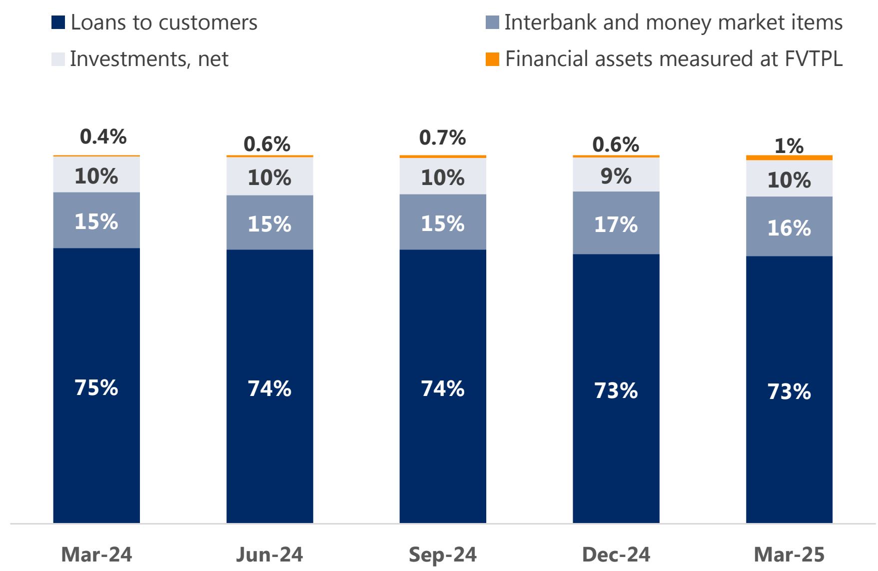
Details of key earning asset figures are as follows;

- Total loans to customers and accrued interest receivables net declined by 2.5% YTD to THB1,160,040 million. (Details in the following section).
- Net interbank and money market items decreased by 6.5% YTD to THB269,824 million. Such a decrease was aligned with our liquidity management.
- Net investments and financial asset measured at fair value through profit or loss rose by 12.3% YTD to THB187,198 million, mainly due to an increase in trading investment. Investment in HTC&S portfolio also increased from high-investment

grade corporate bonds and FCY government bond with currency swap position to close FX risk, aligned with investment strategy to maintain investment yield during downward interest rate trend and volatile market.

After the merger, loans to customers were still the largest portion of earning assets. As of 31 March 2025, loans to customers represented 72.6% of earning assets. This was followed by interbank and money market of 16.2%, investments of 9.8%, and financial assets measured at fair value through profit or loss of 1.4%, respectively.

Figure 12: Earning assets



Note: Consolidated financial statements

Total loans to customers and accrued interest receivables

As of 31 March 2025, TTB recorded total loans to customers and accrued interest receivables-net on a consolidated basis of THB1,160 billion, decreasing by 2.5% from December 2024 (YTD).

In terms of total loans to customers on a consolidated basis (excluding accrued interest receivables and allowance for ECL), the figure amounted to THB1,211 billion, which declined by 2.4% YTD.

In the backdrop of unfavourable economic prospects for loan growth, the Bank reiterated selective loan growth strategy to ensure quality loan portfolio while pursued a loan mix shift towards retail high-yield product segments with justified risk-adjusted returns.

To enhance lending competence and acquire quality loans, the Bank leverages the digital platform and develops ecosystem plays which would improve product offering ability throughout customer journeys and cross-selling capability targeting our focus customer segments particularly car owners, homeowners, and payroll customers. Details are as follows:

- **Retail lending** on a consolidated basis declined by 1.7% YTD. The decline was quite broad-based in this quarter due to seasonality and challenging environment for retail loan growth. Meanwhile, we still focus on recycling free liquidity to retail high yield segments of top-up loans, including Cash Your Home (CYH), Cash Your Car (CYC), personal loan and credit card to enhance overall returns going forward.

Hire purchase: HP declined by 2.2% YTD, primarily due to continuous slowdown in domestic car sales market. The weak demands as well as stringent underwriting criteria resulted in slow growth in new car -3.3% YTD, Cash Your Car -1.4% YTD while used car was slightly up 0.3% YTD from the leverage of the 'Roddonjai platform' to acquire quality customer profile. Still, our high-yield product like Cash Your Book (CYB) showed growth 11% YTD, despite relatively small balance in our HP portfolio.

Mortgage: mortgage lending slightly declined by 0.5% YTD. In details, new home loan slightly decreased by 0.9% YTD as the Bank remained cautious in credit underwriting amid a slow demand in housing market while the targeted home top-up loans, Cash Your Home (CYH), maintained positive momentum and grew steadily by 1.8% YTD.

Consumer loans: Consumer loans softened in this quarter compared to the high season base in the fourth quarter. Personal loan portfolio slightly decreased 0.7% YTD and credit card dropped 7% YTD. However, the Bank will continue to expand consumer lending segment aiming to increase market presence through ttb consumer.

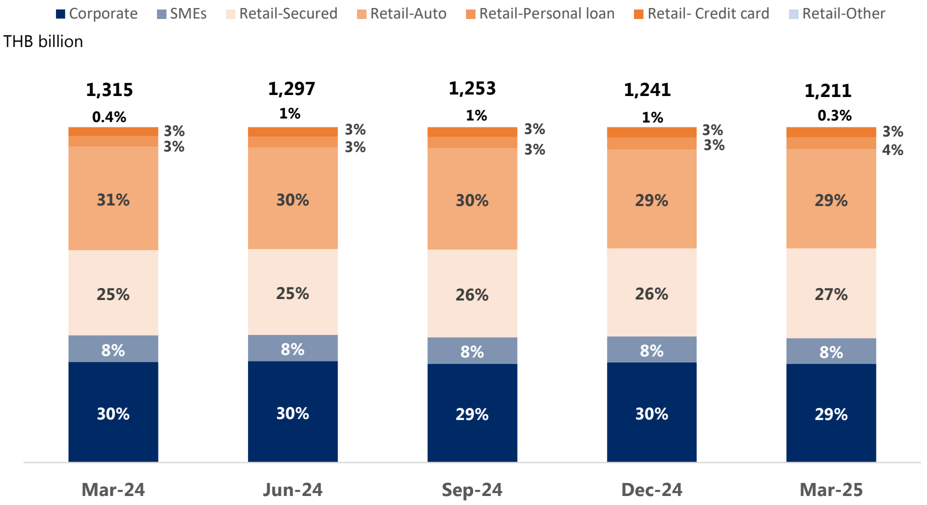
- **Corporate lending** declined by 3.8% YTD because of the repayment of large corporate customers and our strategic move in freeing-up liquidity from low-yield portfolio to selectively grow towards secured higher-yield loan space.
- **SME segment (Small and Medium SME)** continued to drop by 3.1% YTD, consistently with our strategy to de-risk from SME lending.

In terms of loan breakdown by customer segments, the loan portfolio has diversified and shifted to the retail segment since the merger. As of 31 March 2025, retail loans accounted for 63% while corporate loans were 29% and SMEs were 8% of total portfolio.

In terms of key products, 29% of total loan was hire purchase, followed by mortgage of 27%, term loan of 17%, working capital (OD&RPN) of 14%, unsecured & credit card of 7%, trade finance of 5%, and others 1%, respectively.

For HP portfolio, the portfolio consisted of new car of 63%, Cash Your Car (CYC) of 21%, used car of 15%, and Cash Your Book (CYB) of 1%, respectively.

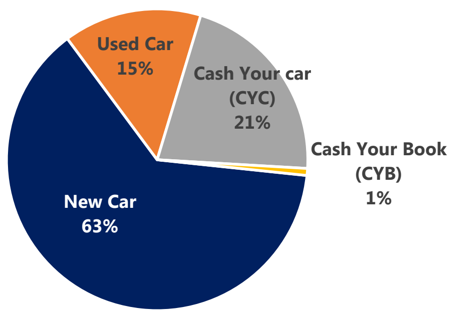
Figure 13: Total loan to customers breakdown by customer segment



Note: Consolidated financial statements

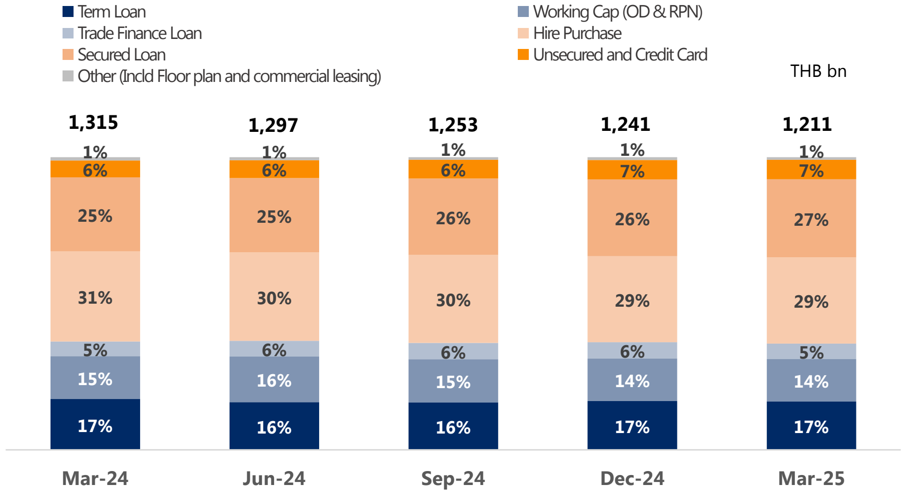
Segment definition:
Corporate: customers with annual sales volume more than THB400 million
SME: small and medium SME customers with annual sales volume up to THB400 million, including owner operators

Figure 14: Hire purchase breakdown



Note: Consolidated financial statements

Figure 15: Total loan to customer breakdown by product



Note: Consolidated financial statements

Investment Classification

Under TFRS9, investment items are classified into 3 categories; fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) and measured at amortized cost. As of 31 March 2025, investments were classified as follows:

(THB million)	31 Mar 2025	31 Dec 2024
Financial assets measured at FVTPL	**22,970**	**10,381**
Investments in debt securities measured at amortized cost	59,822	59,831
Investments in debt securities measured at FVOCI	101,201	93,349
Investments in equity securities measured at FVOCI	3,205	3,170
Net Investment*	**164,228**	**156,350**
Total Investment	**187,198**	**166,731**

Note: Consolidated financial statements

- *Net investments comprised of investments measured at amortized cost and measured at FVOCI*

Liabilities and Equity

As of 31 March 2025, total liabilities and equity on a consolidated basis was reported at THB1,714,865 million, decreasing by 1.9% from the end of December 2024.

Total consolidated liabilities were THB1,472,356 million, declining by 2.5% from the end of December 2024.

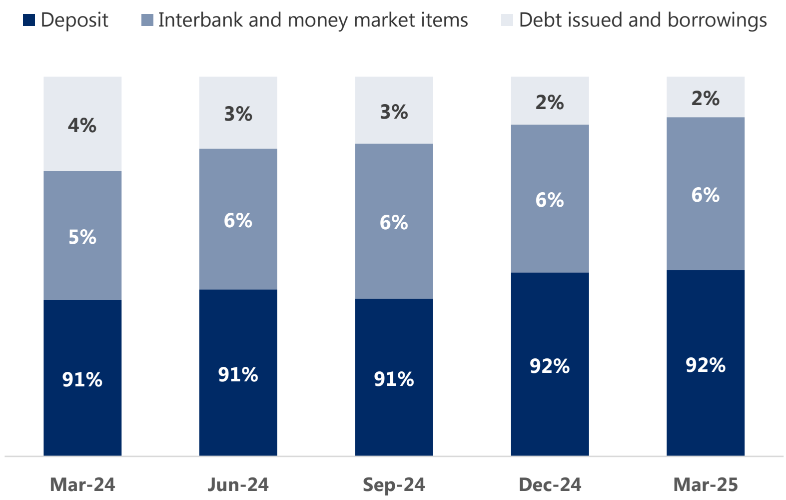
The consolidated equity was THB242,509 million, rising by 2.0% YTD following the accumulation of the net profit.

Details of key interest-bearing liability figures are as follows:

- Total deposits were THB1,298,307 million, down by 2.3% YTD. (see details in the following section)
- Interbank and money market items amounted to THB91,003 million which rose by 0.9% YTD, mainly due to the Bank's liquidity management.
- Borrowings were recorded at THB24,141 million which decreased by 17.5% YTD. (see details in the following section)

The deposit was the largest composition of interest-bearing liabilities. As of 31 March 2025, deposits represented 92% of interest-bearing liabilities. This was followed by interbank and money market items of 6% and debt issued and borrowings of 2%.

Figure 16: Interest-bearing liabilities breakdown



Note: Consolidated financial statement

Deposits

As of 31 March 2025, the Bank and its subsidiaries reported total deposits on a consolidated basis of THB1,298,307 million which declined by 2.3% from the end of 2024. Such contractions were aligned with our liquidity management plan to match with loan growth pace. In addition, the deposit mix and duration were preemptively adjusted in preparation of interest rate downcycle. With that, it helped manage deposit cost more efficiently.

Deposit breakdown by products

For the deposit structure, term deposits were used as tactical products especially during rate-hike cycle and became the biggest portion in deposit mix (34%). Strategically, the product offerings of term deposit (TD) products were shifted to short duration rather than long duration such as TD Quick 12M for flexibility in deposit mix management during the interest rate downcycle.

As a result, as of March 2025, the **high-cost deposit products were run down: TD balance** declined 2.4% YTD from lower long-term deposit, **No-fixed** decreased 2.6% YTD and **ME** decreased 2.4% YTD. Meanwhile, **TD Foreign Currency Deposit** increased by 27.2% QoQ, driven by wealth ecosystem initiatives as part of the strategic plan.

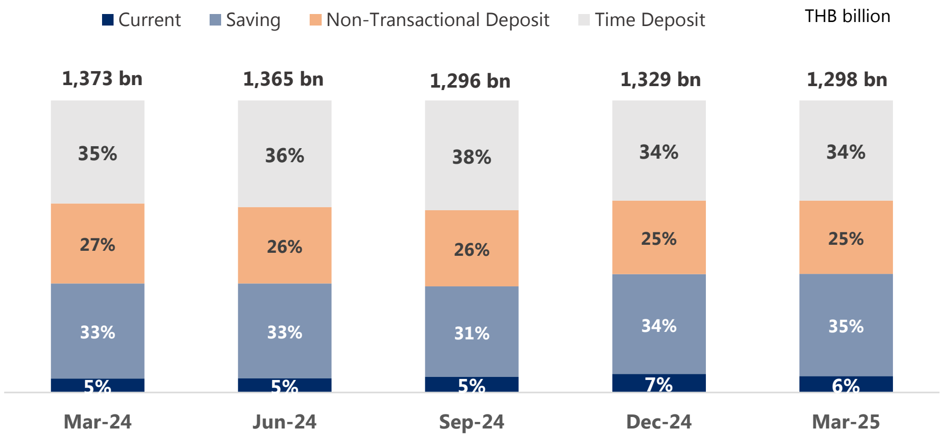
In terms of low-cost deposits, **CASA** decreased by 2.0% YTD mainly from current account of commercial customers while saving account slightly increased 0.2% YTD. Our retail transactional flagship product, namely **ttb all free**, continued to grow by 3.5% YTD.

The overall deposit momentum is still in-line with the Bank's target guidance and liquidity management. Such the deposit movement together with the current level of Loan-to-Deposit ratio (LDR) of 93% would give the Bank flexibility to manage deposit cost to sustain margin amid the downtrend of interest rate cycle.

Moreover, the Bank continues to expand main-bank customer base through the offering of products that fit with customers' needs. For example, the Bank has launched TD foreign currency to attract wealth customers, while leverage digital competence to build cross-selling opportunity and revenue stream enhancement.

In terms of deposit structure, as of 31 March 2025, retail deposit proportion represented 73% and commercial deposit represented 27% of total deposits. In terms of deposit structure by products, the ratio of transactional deposit (CASA-excluded No-Fixed and ME Save) to total deposit accounted for 41% while non-transactional deposit was reported at 25% and Term Deposit accounted for 34%, respectively.

Figure 17: Deposit structure by products



Note: Consolidated financial statement

Remark: "TTB No Fixed" and "ME" are classified as savings account as they are not required to maintain minimum balance and have no restriction to term of deposit, presented in this graph as non-transactional deposit.

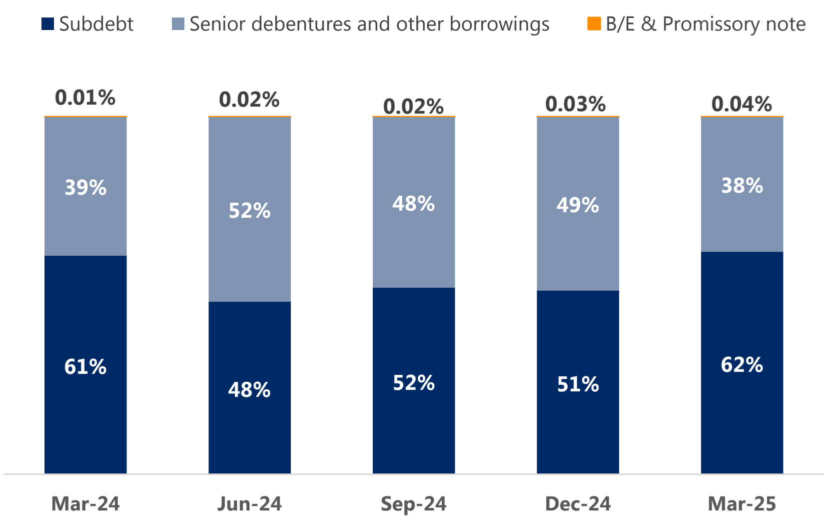
Borrowings

Borrowing decreased by 17.5% YTD due to funding cost management

As of 31 March 2025, total borrowings of the Bank and its subsidiaries stood at THB 24,141 million, reflecting a decrease of 17.5% YTD. The reduction in borrowings was primarily due to the early redemption of green bond and SME bond issued in 2018. These reductions were part of a strategic funding cost management effort aimed at lowering high-cost borrowings to improve financial efficiency given sufficient liquidity position of the Bank during mute loan growth.

In terms of borrowing structure, 62% was sub-debt. This was followed by senior debentures and other borrowings of 38% and BE of 0.04%.

Figure 18: Borrowings breakdown



Note: Consolidated financial statements

Asset Quality

Overall prospects for business and banking sectors remained in a challenging environment given uncertainty of both global and local economic recovery as well as ongoing structural challenges facing Thai economy such as elevated household debt that further limits borrowing capabilities especially for those in vulnerable groups. Having said that, the Bank has reaffirmed a clear direction and strategic focus aiming at safeguarding the Bank's financial position and portfolio quality. Given our focus on quality growth strategy and stringent risk management principles, the overall portfolio quality of the Bank remained manageable.

Thus, the Bank keeps conservative and prudent in risk management and staging policy together with balance sheet strategy to selectively grow quality loans.

As of 31 March 2025, Loans and allowance for expected credit loss were classified as follows:

Figure 19: Loan and accrued interest receivables classification and allowance for expected credit loss*

	31 Mar 2025	
(THB million)	**Loans to customer and accrued interest receivables**	**Allowance for expected credit Loss**
Stage 1 (Performing)	1,061,395	14,612
Stage 2 (Under-performing)	118,242	27,775
Stage 3 (Non-performing)	39,529	16,739
Total	**1,219,166**	**59,126**

	31 Dec 2024	
(THB million)	**Loans to customer and accrued interest receivables**	**Allowance for expected credit Loss**
Stage 1 (Performing)	1,093,681	15,315
Stage 2 (Under-performing)	116,639	26,972
Stage 3 (Non-performing)	38,976	16,720
Total	**1,249,296**	**59,007**

Note: Consolidated financial statement, Loan and accrued interest receivable of stage 3 is presented on a net basis

Stage 3 loans (Non- performing loan) and NPL ratio, excluded accrued interest receivables

With such quality loan growth strategy, the pace of NPL formation and loan slippage remained under control. In the periods ahead, the Bank will continue in prudent direction and precautionary approaches in managing loan modification to mitigate future downside risks and ensure B/S healthiness.

In addition, we have continued to proactively de-risk and resolve weak loans to ensure our portfolio quality and preserve headroom in balance sheet for unexpected downside risks through NPL sales and write-off activities. In this quarter, the Bank and its subsidiaries wrote off NPLs amounting to approximately THB4.1 billion, down from THB6.7 billion in 4Q24, and sold THB1.1 billion of NPLs compared to THB0.6 billion the previous quarter.

Stage 3 loans (NPLs) excluded accrued interest receivables on a consolidated basis as of 31 March 2025 were reported at THB39,529 million, slightly increased from THB38,975 million at the end of December 2024 but dropped from THB39,759 million at the end of March 2024.

Stage 3 loans (NPLs) excluded accrued interest receivables on a bank-only basis amounted to THB35,841 million, slightly increased from THB34,907 million in December 2024 but decreased from THB 36,532 million in March 2024.

As of 31 March 2025, the NPL ratio on a consolidated basis was at 2.75%, rose from 2.59% in December 2024 and 2.56% in March 2024. The NPL ratio lifted from previous quarter due to lower NPL write-off and the contraction of loan balance (Denominator effect) while the NPL formation was lower QoQ. However, the NPL ratio was still below the target guidance of below 2.9%.

On bank-only basis, NPL ratio stood at 2.50%, compared to 2.32% as of December 2024 and 2.36% as of March 2024.

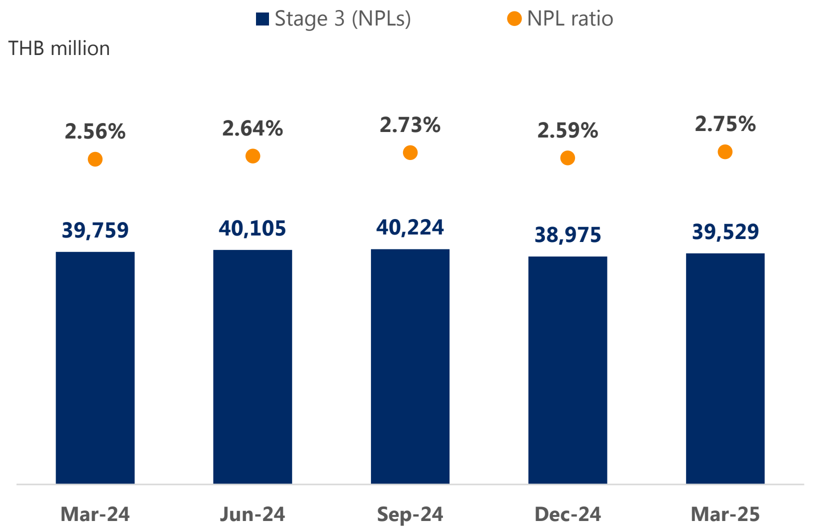
Overall asset quality remained in check as the Bank continues to de-risk weak loans and maintains prudent risk approaches.

Allowance for expected credit loss

The allowance for expected credit loss was set at the prudent level, preparing for future uncertainties.

As of 31 March 2025, the Bank and its subsidiaries reported the allowance for expected credit loss at THB59,126 million, which increased by 0.2% YTD. The Bank has maintained stringent ECL model. One top of the normal provision, TTB also set aside extra ECL thru management overlay (MO) against unforeseen economic uncertainties. Thus, the coverage ratio was at 150%, reflecting a strong loan loss reserve buffer.

Figure 20: Stage 3 loan (NPLs) and NPL ratio excluded accrued interest receivables



Note: Consolidated financial statement, non-performing loans classified as stage 3

Liquidity and loan-to-deposit ratio

TTB has a strong liquidity position and has maintained a high proportion of liquid and low-risk assets.

As of 31 March 2025, on a consolidated basis, total liquid assets represented 19.4% of the total assets. The liquid assets consisted of cash (0.7%), interbank & money market items (15.7%), short-term investment (2.0%), and short-term financial assets measured at FVTPL (0.9%).

In terms of loan-to-deposit ratio (LDR), on a consolidated basis was at 93%, stable from December 2024 and improving from 96% as of March 2024.

With the Bank's funding strategy to diversify funding sources through debt issued and borrowings, Loan to deposit and debt issue and borrowings was recorded at 92% as of March 2025.

Figure 21: Liquid asset allocation and loan to deposit ratio

Liquid assets	Mar-25	Dec-24*	Sep-24	Jun-24	Mar-24
Cash	0.7%	0.8%	0.7%	0.7%	0.7%
Interbank and money market	15.7%	16.5%	14.6%	14.3%	14.7%
Short-term investment	2.0%	1.7%	2.0%	2.3%	2.8%
Short-term financial assets at FVTPL	0.9%	0.2%	0.7%	0.5%	0.3%
Liquid assets/Total assets	**19.4%**	**19.3%**	**17.9%**	**17.9%**	**18.6%**
Loan to deposit ratio (LDR)	**93%**	**93%**	**97%**	**95%**	**96%**

Note: Consolidated financial statement
** There was reclassification in short-term financial assets at FVTPL in Dec-24.*

Capital Adequacy

Maintain high capital ratios under Basel III

The Bank consistently ensures a robust capital base. As of 31 March 2025, Capital Adequacy Ratio (CAR) on a consolidated basis under Basel III calculation was at 20.5%, while Tier 1 ratio & CET 1 ratio stayed at 18.2%. Such levels were well above the Bank of Thailand's minimum requirement (including conservation buffer and the D-SIBs buffer) of 12.0%, 9.5%, and 8.0% of CAR, Tier 1 ratio, and Core Tier 1 ratio, respectively.

Figure 22: Capital adequacy ratio (CAR) and Tier 1 capital under BASEL III

(as % to risk-weighted assets)	Mar-25	Dec-24	Sep-24	Jun-24	Mar-24
Capital Adequacy Ratio (CAR)	**20.5%**	19.3%	19.7%	19.5%	20.8%
Tier I Ratio (Tier 1)	**18.2%**	16.9%	17.3%	17.1%	17.0%
Core Tier 1 Ratio (CET1)	**18.2%**	16.9%	16.8%	16.6%	16.7%

Note: Consolidated financial statement

TTB’s Financial Summary

(THB million)	1Q25	% QoQ	% YoY
Net interest income (NII)	**13,219**	-4.3%	-8.2%
Non-interest income (Non-NII)	**3,335**	0.7%	1.9%
Non-interest expenses	**7,097**	-7.0%	-5.6%
Pre-provision operating profit (PPOP)	**9,404**	-1.3%	-7.0%
Expected credit loss (ECL)	**4,580**	-2.4%	-10.5%
Net profit to equity holders of the Bank	**5,096**	2.1%	-5.2%

(THB million)	31-Mar-25	31-Dec-24	% YTD
Total loan to customers	**1,210,777**	1,240,874	-2.4%
Total assets	**1,714,865**	1,748,523	-1.9%
Deposit	**1,298,307**	1,328,594	-2.3%
Debt issued and borrowings, net	**24,141**	29,247	-17.5%
Total liabilities	**1,472,356**	1,510,710	-2.5%
Total equity	**242,509**	237,812	2.0%

Key ratios	1Q25	4Q24	1Q24
Net interest margin (NIM)	**3.19%**	3.25%	3.28%
Non-interest income to total assets	**0.78%**	0.75%	0.73%
Cost to income ratio	**43.1%**	44.3%	42.7%
Return on equity (ROE)	**8.6%**	8.4%	9.4%
Return on asset (ROA)	**1.2%**	1.1%	1.2%
NPL / Stage 3 (THB mn)	**39,529**	38,975	39,759
NPL / Stage 3 ratio	**2.75%**	2.59%	2.56%
Credit cost (bps) - annualized	**152**	150	156
Loan to deposit ratio (LDR)	**93%**	93%	96%
LDR + Debt issued & borrowings to deposit	**92%**	91%	92%
Capital adequacy ratio (CAR)	**20.5%**	19.3%	20.8%
Tier 1 capital ratio (Tier 1)	**18.2%**	16.9%	17.0%
Core tier 1 capital ratio (CET 1)	**18.2%**	16.9%	16.7%
TTB Bank's employees	**13,250**	13,574	14,232
Group's employees	**14,080**	14,529	15,240
Domestic branches	**458**	472	513
ATMs, ADMs and All-in-One	**2,332**	2,370	2,693

Note: Consolidated financial statements

Additional Information: Credit rating profile

Moody's Ratings		
	International rating	**Outlook**
Bank Deposits	Baa1/P-2	Stable
Baseline Credit Assessments (BCAs)	baa3	
Senior Unsecured	(P)Baa1	

Latest Changes: June 2020, Moody's Ratings has affirmed long-term rating and revised outlook to stable.

Standard & Poor's		
	International rating	**Outlook**
Long-Term Counterparty	BBB-	Stable
Short-Term Counterparty	A-3	
Senior Unsecured	BBB-	
Stand-Alone Credit Profile (SACP)	bb	

Latest Changes: March 2022, Standard & Poor's has downgraded long-term rating and revised outlook to stable.

Fitch Ratings		
	International rating	**Outlook**
Long-Term IDR	BBB	Stable
Short-Term IDR	F2	
Senior Unsecured	BBB	
Viability Rating	bbb-	
Support Rating Floor	BBB	
Support Rating	2	
	National Rating	
Long-Term	AA+ (tha)	
Short-Term	F1+(tha)	
Subordinated Debt	A (tha)	

Latest Changes: September 2021, Fitch Ratings has upgraded long-term IDR and Support rating floor with stable outlook.

Make **REAL** Change

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