



LH FINANCIAL GROUP PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SECOND QUARTER ENDED 30 JUNE 2025

(THIS REPORT DISCUSSES PRINCIPAL CHANGES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENT)

Overview of Business Operation

LH Financial Group Public Company Limited is a parent company of the financial business group which consists of the companies as follows:

- Land and Houses Bank Public Company Limited
- Land and Houses Fund Management Company Limited
- Land and Houses Securities Public Company Limited

Structure of the Financial Business Group, LH Financial Group Public Company Limited



The company has set the goal to reduce the greenhouse gas emission from own operations by 25% within 2030 and committed to achieving net-zero greenhouse gas emission (Net Zero Commitment) by 2050.

Climate Action Leading Organization (CALO) Program

The company has been selected as 1 of 10 companies for the Climate Action Leading Organization (CALO) Program to achieve the net-zero greenhouse gas emissions, organized by Thailand Greenhouse Gas Management Organization (Public Organization).

CAG Alliance

The company has joined the CAG Alliance as a leading company in climate-related corporate governance covering the entire supply chain, in collaboration with the Thaipat Institute.

ESG100 Certificate

The company has been selected to be 1 of 100 listed firms for outstanding ESG performance in terms of environmental, social and governance (ESG 100) in 2025 for the 10th year and the company's securities have also been included in the ESG 100 universe in 2025.

Plaque of “Ting To Trash” Project

The company received a plaque of honor for its participation in the “Ting To Trash” Project. The project aims to promote knowledge and understanding of proper waste separation methods and foster a corporate culture that supports greenhouse gas reduction as well as information disclosure on environmental activities-waste separation. This project was organized by the Thai Listed Companies Association and the Securities and Exchange Commission (SEC).

Certificate of Carbon Footprint for Organization (CFO) and Carbon Neutral

The company received the certificate of 2024 Carbon Footprint for Organization and Carbon Neutral from the Thailand Greenhouse Gas Management Organization (Public Organization) as an organization that fosters the reduction of greenhouse gas emissions within the country as to combat global warming. In 2024, the company was successful in offsetting corporate carbon footprint of 3,998 tons of carbon dioxide equivalent (tCO₂e).

Credit Rating

Fitch Ratings (Thailand) Limited		
	2024	2025
National Long-term Rating	AA+(tha)	AA+(tha)
Outlook	“Stable”	“Stable”
National Short-term Rating	F1+ (tha)	F1+ (tha)
LHFG's Senior Debt Rating	-	AA+(tha)
TRIS Rating Company Limited		
Company Rating	AA+	AA+
Outlook	“Stable”	“Stable”

Economic Overview and Competition in Commercial Banking Industry

Thailand's economy continued to grow in the second quarter of 2025. This growth was primarily driven by a significant surge in exports prior to the implementation of new U.S. import tariffs, coupled with sustained growth in public investment. However, private consumption slowed down due to fragile purchasing power and a decline in income from service sector following a drop in tourist arrivals. Meanwhile, the Thai baht tended to experience volatility arising from uncertainties in global trade policy and geopolitical tensions in the middle east.

The National Economic and Social Development Council (NESDC) projected Thai economic growth to be in the range of 1.3% to 2.3% YoY (as of May 2025). This projection is supported by rising public investment, bolstered by the upward revision of the fiscal year 2025 capital expenditure budget. Additionally, there was a surge in export activity in the first half of the year, before U.S. tariff enforcement comes into effect. However, private investment is expected to decline due to continued weakness in the manufacturing sector. Besides, Thailand's economic outlook is facing challenges from several key risk factors, including persistently high levels of household and corporate debt, unpredictable U.S. protectionist trade policies, and prolonged geopolitical conflicts. These challenges will impede the pace of economic recovery in the future.

As for the banking sector in the second quarter of 2025, the sector continued to encounter pressure due to low economic growth, downtrend interest rates and weakened domestic demand, driven by a decline in foreign tourist arrivals, especially from China, and delays in implementing fiscal stimulus. Consequently, loan growth remained contracted, especially in consumer credit pressured by high household debt. While SME loans declined owing to subdued demand and stricter lending criteria of banks. The net interest margin (NIM) shrank following policy rate cut affecting the loan income to fall faster than deposit costs. Non-interest income softened as well due to fierce competition. Nevertheless, the Thai banking system remained stable with robust capital, ample liquidity, and substantial provision sufficient to absorb fluctuations in the next phase.

Analysis of Operating Results

In the second quarter of 2025, the operating results of the company and its subsidiaries posted the net profit of Baht 551.0 million, decreased by 3.3% when compared to the first quarter of 2025 with the net profit of Baht 569.7 million as a result of the decrease in net fees and service income and other operating incomes. And the net profit increased by 12.1% when compared to the second quarter of 2024 with the net profit of Baht 491.5 million due to the increase in gains on investments and other operating incomes.

In the 6-month period of 2025, the operating results of the company and its subsidiaries recorded the net profit of Baht 1,120.7 million, increased by 25.8% when compared to the 6-month period of 2024 with the net profit of Baht 890.6 million as a result of the increase in gains on investments and other operating incomes.

Net Interest Income

In the second quarter of 2025, net interest income amounted to Baht 1,666.2 million, decreased by 0.3% when compared to the first quarter of 2025 and decreased by 2.5% when compared to the second quarter of 2024. In the second quarter of 2025, interest income was Baht 3,369.4 million, increased by 3.9% and interest expenses amounted to Baht 1,703.2 million, increased by 11.1% when compared to the second quarter of 2024.

In the 6-month period of 2025, net interest income amounted to Baht 3,338.1 million, decreased by 2.0% when compared to the 6-month period of 2024. Interest income was Baht 6,763.0 million, increased by 3.9% and interest expenses were Baht 3,424.9 million, increased by 10.5% when compared to the 6-month period of 2024.

Net Non-interest Income

In the second quarter of 2025, net non-interest income amounted to Baht 497.2 million, increased by 41.9% when compared to the first quarter of 2025, mainly due to the increase in gains (losses) on financial instruments measured at fair value through profit or loss and gains on investments. Non-interest income increased by 53.1% when compared to the second quarter of 2024, mainly due to the increase in gains on investments and other operating incomes.

In the 6-month period of 2025, net non-interest income amounted to Baht 847.6 million, increased by 20.5% when compared to the 6-month period of 2024 due mainly to the increase in gains on investments and other operating incomes.

Other Operating Expenses

In the second quarter of 2025, other operating expenses amounted to Baht 1,156.5 million, increased by 3.4% when compared to the first quarter of 2025, mainly due to the increase in directors' remuneration and increased by 9.2% when compared to the second quarter of 2024, mainly due to the increase in advertising and promotional expenses.

In the 6-month period of 2025, other operating expenses amounted to Baht 2,275.2 million, increased by 7.3% when compared to the 6-month period of 2024 due to the increase in advertising and promotional expenses and premises and equipment expenses.

Profit from Operations before Expected Credit Losses and Income Tax

In the second quarter of 2025, profit from operations before expected credit losses and income tax amounted to Baht 1,006.9 million, increased by 11.4% when compared to the first quarter of 2025 and increased by 3.3% when compared to the second quarter of 2024.

In the 6-month period of 2025, profit from operations before expected credit losses and income tax amounted to Baht 1,910.5 million, decreased by 4.0% when compared to the 6-month period of 2024.

In the second quarter of 2025, basic earnings per share stood at Baht 0.026 per share, decreased by 3.7% when compared to first quarter of 2025 and increased by 13.0% when compared to the second quarter of 2024.

In the 6-month period of 2025, basic earnings per share stood at Baht 0.053 per share, increased by 26.2% when compared to the 6-month period of 2024.

Table: Operating Results

(Unit: Million Baht)

Items	Quarter		Variance	Quarter		For 6-month periods		Variance
	2/2025	1/2025	(%QoQ)	2/2024	(%YoY)	2025	2024	(%YoY)
Interest income	3,369.4	3,393.6	(0.7)	3,242.4	3.9	6,763.0	6,507.0	3.9
Interest expense	(1,703.2)	(1,721.7)	(1.1)	(1,533.7)	11.1	(3,424.9)	(3,099.4)	10.5
Net interest income	1,666.2	1,671.9	(0.3)	1,708.7	(2.5)	3,338.1	3,407.6	(2.0)
Fees and service income	246.2	263.7	(6.6)	241.3	2.0	509.9	478.4	6.6
Fees and service expense	(53.9)	(56.6)	(4.8)	(56.6)	(4.8)	(110.5)	(109.9)	0.5
Net fees and service income	192.3	207.1	(7.1)	184.7	4.1	399.4	368.5	8.4
Gains (Losses) on financial instruments measured at fair value through profit or loss	26.7	3.1	761.3	25.2	6.0	29.8	50.1	(40.5)
Gains on investments	134.4	-	100.0	(33.0)	507.3	134.4	(25.6)	625.0
Dividend income	109.0	104.6	4.2	126.6	(13.9)	213.6	258.5	(17.4)
Other operating incomes	34.8	35.6	(2.2)	21.3	63.4	70.4	51.8	35.9
Operating income	2,163.4	2,022.3	7.0	2,033.5	6.4	4,185.7	4,110.9	1.8
Other operating expenses	1,156.5	1,118.7	3.4	1,059.0	9.2	2,275.2	2,121.0	7.3
Expected credit losses	331.3	192.2	72.4	357.6	(7.4)	523.5	884.2	(40.8)
Income tax	124.6	141.7	(12.1)	125.4	(0.6)	266.3	215.1	23.8

Items	Quarter		Variance	Quarter	Variance	For 6-month periods		Variance
	2/2025	1/2025	(%QoQ)	2/2024	(%YoY)	2025	2024	(%YoY)
Profits from operations before expected credit losses and income tax	1,006.9	903.6	11.4	974.5	3.3	1,910.5	1,989.9	(4.0)
Profits from operations before income tax	675.6	711.4	(5.0)	616.9	9.5	1,387.0	1,105.7	25.4
Net profit	551.0	569.7	(3.3)	491.5	12.1	1,120.7	890.6	25.8
Basic earnings per share (Baht)	0.026	0.027	(3.7)	0.023	13.0	0.053	0.042	26.2
ROA						0.64	0.57	12.3
ROE						5.73	4.95	15.8

Table: Other Operating Expenses

(Unit: Million Baht)

Items	Quarter		Variance	Quarter	Variance	For 6-month periods		Variance
	2/2025	1/2025	(%QoQ)	2/2024	(%YoY)	2025	2024	(%YoY)
Employees' expenses	641.0	621.0	3.2	589.0	8.8	1,262.0	1,157.4	9.0
Premises and equipment expenses	244.9	244.3	0.2	218.8	11.9	489.2	419.1	16.7
Other expenses	270.6	253.4	6.8	251.2	7.7	524.0	544.5	(3.8)
Total	1,156.5	1,118.7	3.4	1,059.0	9.2	2,275.2	2,121.0	7.3

Analysis of Financial Position

Total Assets

As of 30 June 2025, total assets amounted to Baht 361,287.2 million, increased by Baht 14,424.6 million or 4.2% when compared to the end of the year 2024. Core assets comprised loans to customers - net at 69.5% of total assets, followed by investments - net at 13.9% of total assets.

Table: Total Assets

(Unit: Million Baht)

Items	June	December	Variance	
	2025	2024	Amount	(%YTD)
Interbank and money market items - net	46,084.4	41,866.5	4,217.9	10.1
Investments - net	50,254.8	47,663.6	2,591.2	5.4
Loans to customers - net	251,079.4	243,305.7	7,773.7	3.2
Other assets - net	13,868.6	14,026.8	(158.2)	(1.1)
Total assets	361,287.2	346,862.6	14,424.6	4.2

Total Liabilities

As of 30 June 2025, total liabilities amounted to Baht 321,177.1 million, increased by Baht 12,958.3 million or 4.2% when compared to the end of the year 2024. Most of liabilities were deposits, accounting for 88.5% of total liabilities.

Total Owners' Equity

As of 30 June 2025, total owners' equity amounted to Baht 40,110.1 million, increased by Baht 1,466.3 million or 3.8% when compared to the end of the year 2024.

Table: Total Liabilities and Owners' Equity

(Unit: Million Baht)

Items	June	December	Variance	
	2025	2024	Amount	(%YTD)
Deposits	284,291.1	274,752.6	9,538.5	3.5
Interbank and money market items	15,342.0	10,593.1	4,748.9	44.8
Debts issued and borrowings - net	15,032.0	17,398.8	(2,366.8)	(13.6)
Other liabilities	6,512.0	5,474.3	1,037.7	19.0
Total liabilities	321,177.1	308,218.8	12,958.3	4.2
Total owners' equity	40,110.1	38,643.8	1,466.3	3.8

Number of Employees

As of 30 June 2025, the company and its subsidiaries had 1,841 employees, increased by 59 employees when compared to the end of the year 2024.

Performance Analysis of Subsidiaries
1. COMMERCIAL BANKING BUSINESS
Land and Houses Bank Public Company Limited
Credit Rating

Fitch Ratings (Thailand) Limited		
	2024	2025
National Long-term Rating	AA+(tha)	AA+(tha)
Outlook	“Stable”	“Stable”
National Short-term Rating	F1+ (tha)	F1+ (tha)
Subordinated Debt Rating	AA-(tha)	AA-(tha)
TRIS Rating Company Limited		
Company Rating	AAA	AAA
Outlook	“Stable”	“Stable”
Tier-2 Subordinated Debt	AA	AA
Additional Tier-1 Subordinated Debt	-	A+

Analysis of Operating Results

In the second quarter of 2025, the operating results of the bank showed the net profit of Baht 514.2 million, decreased by 12.6% when compared to the first quarter of 2025 with the net profit of Baht 588.4 million due to the increase in expected credit losses and fees and service expenses. The net profit increased by 8.0% when compared to the second quarter of 2024 with the net profit of Baht 476.0 million due to the increase in gains on investments and other operating incomes.

In the 6-month period of 2025, the operating results of the bank showed the net profit of Baht 1,102.6 million, increased by 30.3% when compared to the 6-month period of 2024 with the net profit of Baht 846.3 million due to the increase in gains on investments and net fees and service income.

Net Interest Income

In the second quarter of 2025, net interest income amounted to Baht 1,659.1 million, decreased by 2.5% when compared to the first quarter of 2025 and decreased by 4.8% when compared to the second quarter of 2024. In the second quarter of 2025, interest income was Baht 3,354.2 million, increased by 3.4% and interest expenses was Baht 1,695.1 million, increased by 12.8% when compared to the second quarter of 2024.

In the 6-month period of 2025, net interest income amounted to Baht 3,359.9 million, decreased by 3.4% when compared to the 6-month period of 2024. Interest income was Baht 6,732.2 million, increased by 3.3% and interest expenses were Baht 3,372.3 million, increased by 11.1% when compared to the 6-month period of 2024.

In the 6-month period of 2025, net interest margin (NIM) stood at 2.04%, lower than the 6-month period of 2024 which was 2.35%.

Net Non-Interest Income

In the second quarter of 2025, net non-interest income amounted to Baht 339.0 million, increased by 74.4% when compared to the first quarter of 2025 mainly due to the increase in gains (Losses) on financial instruments measured at fair value through profit or loss and gains on investments, and increased by 145.5% when compared to the second quarter of 2024 mainly due to the increase in gains on investments and other operating incomes.

In the 6-month period of 2025, net non-interest income amounted to Baht 533.4 million, increased by 59.0% when compared to the 6-month period of 2024 due mainly to the increase in gains on investments and net fees and service income.

Other Operating Expenses

In the second quarter of 2025, other operating expenses amounted to Baht 1,033.0 million, increased by 3.4% when compared to the first quarter of 2025 due to the increase in directors' remuneration, increased by 9.8% when compared to the second quarter of 2024 due to the increase in advertising and promotional expenses and amortisation on intangible assets.

In the 6-month period of 2025, other operating expenses amounted to Baht 2,032.0 million, increased by 7.5% when compared to the 6-month period of 2024 due mainly to the increase in premises and equipment expenses and advertising and promotional expenses.

Expected Credit Losses

In the second quarter of 2025, expected credit losses amounted to Baht 330.1 million, increased by 99.2% when compared to the first quarter of 2025 and decreased by 2.5% when compared to the second quarter of 2024. As a result, in the second quarter of 2025, the coverage ratio stood at 173.09%.

In the 6-month period of 2025, expected credit losses amounted to Baht 495.8 million, decreased by 42.7% when compared to the 6-month period of 2024.

In the second quarter of 2025, basic earnings per share stood at Baht 0.260 per share, decreased by 10.3% when compared to the first quarter of 2025, and increased by 13.0% when compared to the second quarter of 2024.

In the 6-month period of 2025, basic earnings per share stood at Baht 0.550 per share, increased by 31.0% when compared to the 6-month period of 2024.

Table: Operating Results

(Unit: Million Baht)

Items	Quarter		Variance	Quarter		For 6-month periods		Variance
	2/2025	1/2025	(%QoQ)	2/2024	(%YoY)	2025	2024	(%YoY)
Interest income	3,354.2	3,378.0	(0.7)	3,244.9	3.4	6,732.2	6,514.9	3.3
Interest expense	(1,695.1)	(1,677.2)	1.1	(1,502.6)	12.8	(3,372.3)	(3,036.3)	11.1
Net interest income	1,659.1	1,700.8	(2.5)	1,742.3	(4.8)	3,359.9	3,478.6	(3.4)
Fees and service income	114.5	124.9	(8.3)	103.5	10.6	239.4	210.0	14.0
Fees and service expense	(20.2)	(18.4)	9.8	(25.0)	(19.2)	(38.6)	(49.7)	(22.3)
Net fees and service income	94.3	106.5	(11.5)	78.5	20.1	200.8	160.3	25.3
Gains (losses) on financial instruments measured at fair value through profit or loss	26.3	3.3	697.0	26.1	0.8	29.6	48.6	(39.1)
Gains on investments	134.4	-	100.0	(33.0)	507.3	134.4	(25.6)	625.0
Dividend income	52.9	55.1	(4.0)	46.8	13.0	108.0	102.9	5.0
Other operating incomes	31.1	29.5	5.4	19.7	57.9	60.6	49.2	23.2
Operating income	1,998.1	1,895.2	5.4	1,880.4	6.3	3,893.3	3,814.0	2.1
Other operating expenses	1,033.0	999.0	3.4	940.4	9.8	2,032.0	1,890.8	7.5
Expected credit losses	330.1	165.7	99.2	338.7	(2.5)	495.8	865.3	(42.7)
Income tax	120.8	142.1	(15.0)	125.3	(3.6)	262.9	211.6	24.2

Items	Quarter		Variance	Quarter	Variance	For 6-month periods		Variance
	2/2025	1/2025	(%QoQ)	2/2024	(%YoY)	2025	2024	(%YoY)
Profits from operations before expected credit losses and income tax	965.1	896.2	7.7	940.0	2.7	1,861.3	1,923.2	(3.2)
Profits from operations before income tax	635.0	730.5	(13.1)	601.3	5.6	1,365.5	1,057.9	29.1
Net profit	514.2	588.4	(12.6)	476.0	8.0	1,102.6	846.3	30.3
Basic earnings per share (Baht)	0.260	0.290	(10.3)	0.230	13.0	0.550	0.420	31.0
ROA						0.64	0.55	16.4
ROE						5.70	4.70	21.3

Table: Other Operating Expenses

(Unit: Million Baht)

Items	Quarter		Variance	Quarter	Variance	For 6-month periods		Variance
	2/2025	1/2025	(%QoQ)	2/2024	(%YoY)	2025	2024	(%YoY)
Employees' expenses	484.7	453.8	6.8	439.4	10.3	938.5	858.1	9.4
Premises and equipment expenses	222.7	222.5	0.1	198.5	12.2	445.2	378.6	17.6
Other expenses	325.6	322.7	0.9	302.5	7.6	648.3	654.1	(0.9)
Total	1,033.0	999.0	3.4	940.4	9.8	2,032.0	1,890.8	7.5

Analysis of Financial Position

Total Assets

As of 30 June 2025, total assets amounted to Baht 355,692.9 million, increased by Baht 15,247.0 million or 4.5% when compared to the end of the year 2024. Core assets comprised loans to customers - net at 70.3% of total assets, followed by interbank and money market items - net at 13.0% of total assets, investments - net at 12.9% of total assets

Table: Total Assets

(Unit: Million Baht)

Items	June	December	Variance	
	2025	2024	Amount	(%YTD)
Interbank and money market items - net	46,278.3	42,391.3	3,887.0	9.2
Investments - net	46,076.1	42,728.2	3,347.9	7.8
Loans to customers - net	250,077.6	241,882.2	8,195.4	3.4
Other assets - net	13,260.9	13,444.2	(183.3)	(1.4)
Total assets	355,692.9	340,445.9	15,247.0	4.5

Loans to Customers

As of 30 June 2025, loans to customers net of deferred revenue and modification gain or loss from the new standard (Interbank and money market items included) amounted to Baht 299,712.7 million, increased by Baht 10,224.1 million or 3.5% when compared to the end of the year 2024.

Loans to Customers by Segment

Conglomerate & corporate loans amounted to Baht 152,978.6 million, increased by Baht 12,451.9 million or 8.9% when compared to the end of the year 2024.

Commercial & SME loans amounted to Baht 82,315.0 million, decreased by Baht 7,457.8 million or 8.3% when compared to the end of the year 2024.

Retail loans amounted to Baht 64,419.1 million, increased by Baht 5,230.0 million or 8.8% when compared to the end of the year 2024.

Table: Loans to Customers Classified by Segment

(Unit: Million Baht)

Loans to Customers Classified by Segment	June	December	Variance	
	2025	2024	Amount	(%YTD)
Conglomerate & Corporate	152,978.6	140,526.7	12,451.9	8.9
Commercial & SME	82,315.0	89,772.8	(7,457.8)	(8.3)
Retail	64,419.1	59,189.1	5,230.0	8.8
Total loans to customers - net *	299,712.7	289,488.6	10,224.1	3.5

Remarks: *Total loans to customers - net of deferred revenue and modification gain or loss from the new standard including interbank and money market items.

Loans to Customers by Type of Businesses

Loans to customers classified by type of businesses were mainly financial intermediary, followed by manufacturing and commerce and housing loans, accounting for 28.0%, 23.1% and 20.4% of total loans, respectively.

Table: Loans to Customers by Type of Businesses

(Unit: Million Baht)

Loans to Customers Classified by Type of Businesses	June	December	Variance	
	2025	2024	Amount	(%YTD)
Agricultural and mining	821.0	991.0	(170.0)	(17.2)
Manufacturing and commerce	69,358.5	69,401.3	(42.8)	(0.1)
Real estate and construction	33,321.1	28,795.2	4,525.9	15.7
Public utilities and services	45,008.5	45,339.1	(330.6)	(0.7)
Housing loan	61,263.7	56,420.2	4,843.5	8.6
Financial intermediary	83,829.6	83,887.6	(58.0)	(0.1)
Savings cooperative	2,465.0	1,772.0	693.0	39.1
Others	3,645.3	2,882.2	763.1	26.5
Total loans to customers - net *	299,712.7	289,488.6	10,224.1	3.5

Remarks: * Total loans to customers - net of deferred revenue and modification gain or loss from the new standard including interbank and money market items.

Non-Performing Loans

As of 30 June 2025, non-performing loans (Gross) amounted to Baht 7,771.1 million, increased by Baht 1,007.1 million or 14.9% when compared to the end of the year 2024.

NPL ratio was 2.59% of total loans (Interbank and money market items included) when compared to the end of the year 2024 which was 2.34%.

Investments

As of 30 June 2025, net investments had the book value of Baht 46,076.1 million, increased by Baht 3,347.9 million or 7.8% when compared to the end of the year 2024.

Total Liabilities

As of 30 June 2025, total liabilities amounted to Baht 315,666.3 million, increased by Baht 13,183.9 million or 4.4% when compared to the end of the year 2024. Most of liabilities were deposits, accounting for 90.1% of total liabilities.

Total Owners' Equity

As of 30 June 2025, total owners' equity amounted to Baht 40,026.6 million, increased by Baht 2,063.1 million or 5.4% when compared to the end of the year 2024.

Table: Total Liabilities and Owners' Equity

(Unit: Million Baht)

Items	June	December	Variance	
	2025	2024	Amount	(%YTD)
Deposits	284,519.2	279,907.7	4,611.5	1.6
Interbank and money market items	15,483.4	10,146.1	5,337.3	52.6
Debts issued and borrowings - net	9,388.3	7,217.7	2,170.6	30.1
Other liabilities	6,275.4	5,210.9	1,064.5	20.4
Total liabilities	315,666.3	302,482.4	13,183.9	4.4
Total owners' equity	40,026.6	37,963.5	2,063.1	5.4

Deposits

As of 30 June 2025, the bank had the total deposit of Baht 284,519.2 million, increased by Baht 4,611.5 million or 1.6% when compared to the end of the year 2024. Time deposit formed the majority of 60.9%, followed by savings deposit of 22.1% of total deposit.

Table: Deposits by Type of Deposits

(Unit: Million Baht)

Deposit Classified by Type of Deposits	June	December	Variance	
	2025	2024	Amount	(%YTD)
Demand deposit	2,919.3	2,659.6	259.7	9.8
Savings deposit	63,020.1	58,116.8	4,903.3	8.4
Time deposit	173,148.2	162,871.3	10,276.9	6.3
Fixed deposit receipt	45,431.6	56,260.0	(10,828.4)	(19.2)
Total deposit	284,519.2	279,907.7	4,611.5	1.6

Capital Adequacy Ratio and BIS Ratio

As of 30 June 2025, the capital to risk-weighted assets ratio (BIS ratio) was 17.811%, which was higher than the Bank of Thailand's minimum requirement of 11.000% and increased from 15.222% as at 31 December 2024.

Tier-1 capital ratio to risk-weighted assets was 15.725%, which was higher than the Bank of Thailand's minimum requirement of 8.500% and increased from 13.119% as at 31 December 2024.

Table: BIS Ratio

BIS Ratio	As of 30 June 2025		As of 31 December 2024	
	Million Baht	%	Million Baht	%
Common Equity Tier-1 capital				
Bank	36,887.6	13.848	34,311.0	13.119
Minimum rate required by law		7.000		7.000
Difference		6.848		6.119
Additional Tier-1 capital	5,000.0		-	
Tier-1 capital			-	
Bank	41,887.6	15.725	34,311.0	13.119
Minimum rate required by law		8.500		8.500
Difference		7.225		4.619
Total capital				
Bank	47,443.9	17.811	39,812.0	15.222
Minimum rate required by law		11.000		11.000
Difference		6.811		4.222

Branch Network

As of 30 June 2025, Land and Houses Bank Public Company Limited had the total of 73 branches, increased by 2 branches from the end of 2024.

2. SECURITIES BUSINESS

Land and Houses Securities Public Company Limited

Overview of the Stock Exchange of Thailand

The stock market in the second quarter of 2025 continued to decline from the previous quarter due to several negative factors, including the announcement of reciprocal tariffs by the United States, under which Thailand faced a 36% tariff rate, the weighting cut of Thailand's stock market by MSCI, geopolitical conflict between Iran and Israel, and the border conflict between Thailand and Cambodia while investors were awaiting clarity on the government's economic stimulus measures. As a result, at the end of second quarter, the SET Index closed at 1,089.56 points, down 5.91% from the previous quarter. Average daily turnover contracted to

Baht 40.8 billion, a decrease of 4.7% from the previous quarter. Foreign investors remained the net sellers for 3 consecutive quarters, with total net sales amounting to Baht 130 billion.

Analysis of Operating Results

In the second quarter of 2025, the operating results of the company and its subsidiary showed the net loss of Baht 7.6 million. The loss decreased by 72.3% when compared to the first quarter of 2025, and decreased by 67.5% when compared to the second quarter of 2024.

In the 6-month period of 2025, the operating results of the company and its subsidiary reported the net loss of Baht 35.1 million, increased in loss by 30% when compared to the 6-month period of 2024.

Total Income

In the second quarter of 2025, total income amounted to Baht 53.4 million, decreased by 9.2% when compared to the first quarter of 2025 and 30.6% down when compared to the second quarter of 2024.

In the 6-month period of 2025, total income amounted to Baht 112.2 million, decreased by 29.3% when compared to the 6-month period of 2024.

Brokerage Fees Income

In the second quarter of 2025, brokerage fees income amounted to Baht 19.5 million, decreased by 5.8% when compared to the first quarter of 2025 and decreased by 12.9% when compared to the second quarter of 2024.

In the 6-month period of 2025, brokerage fees income amounted to Baht 40.2 million, decreased by 20.1% when compared to the 6-month period of 2024.

Other Incomes apart from Brokerage Fees Income

In the second quarter of 2025, other incomes apart from brokerage fees income amounted to Baht 33.9 million, decreased by 11.0% when compared to the first quarter of 2025 and 37.9% decreased when compared to the second quarter of 2024.

In the 6-month period of 2025, other incomes apart from brokerage fees income amounted to Baht 72.0 million, decreased by 33.6% when compared to the 6-month period of 2024.

Total Expenses

In the second quarter of 2025, total expenses amounted to Baht 61.4 million, decreased by 32.5% when compared to the first quarter of 2025 and 42.4% down when compared to the second quarter of 2024.

In the 6-month period of 2025, total expenses amounted to Baht 152.3 million, decreased by 21.0% when compared to the 6-month period of 2024.

Table: Operating Results

(Unit: Million Baht)

Items	Quater		Variance	Quater	Variance	For 6-month periods		Variance
	2/2025	1/2025	(%QoQ)	2/2024	(%YoY)	2025	2024	(%YoY)
Brokerage fees income	19.5	20.7	(5.8)	22.4	(12.9)	40.2	50.3	(20.1)
Interest income	19.1	22.1	(13.6)	33.1	(42.3)	41.3	68.4	(39.6)
Gains on financial instruments	13.6	7.4	83.8	19.7	(31.0)	20.9	37.4	(44.1)
Other incomes	1.2	8.6	(86.0)	1.8	(33.3)	9.8	2.7	263.0
Total income	53.4	58.8	(9.2)	77.0	(30.6)	112.2	158.8	(29.3)
Total expenses	61.4	90.9	(32.5)	106.6	(42.4)	152.3	192.9	(21.0)
Profits (Loss) before income tax expenses	(8.0)	(32.1)	(75.1)	(29.6)	(73.0)	(40.1)	(34.1)	17.6
Income tax	(0.4)	(4.7)	(91.5)	(6.2)	(93.5)	(5.0)	(7.1)	(29.6)
Net profits (Loss)	(7.6)	(27.4)	(72.3)	(23.4)	(67.5)	(35.1)	(27.0)	30.0
Basic earnings per share (Baht)	(0.02)	(0.02)	-	(0.02)	-	(0.02)	(0.02)	-

3. FUND MANAGEMENT BUSINESS

Land and Houses Fund Management Company Limited

Overview of Fund Management Business

In the second quarter of 2025, the total net asset value (NAV) of mutual funds stood at Baht 5.99 trillion, marking an increase of Baht 0.09 trillion or 1.61% from the previous quarter. When categorized by fund type, fixed income funds, mixed funds, and other funds recorded an increase in NAV, while equity funds and property funds & REITs experienced a decline.

Analysis of the Operating Results

The second quarter of 2025, the operating result showed net profit of Baht 17.5 million, increased by 13.6% when compared to the first quarter of 2025 due to the increase in fees and service income, and also decreased by 30.8% when compared to the second quarter of 2024 due to the increase in total expenses.

In the 6-month period of 2025, the operating result showed net profit of Baht 32.9 million, decreased by 24.7% when compared to the 6-month period of 2024 due to the increase in total expenses.

Total Income

In the second quarter of 2025, total income amounted to Baht 135.4 million, decreased by 0.2% when compared to the first quarter of 2025 due to the decrease in fees and service income and increased by 7.5% when compared to the second quarter of 2024 due to the increase in fees and service income.

In the 6-month period of 2025, total income amounted to Baht 271.1 million, increased by 11.1% when compared to the 6-month period of 2024 due to the increase in fees and service income.

Fees and Service Income

In the second quarter of 2025, fees and service income amounted to Baht 129.7 million, increased by 1.0% when compared to the first quarter of 2025 and increased by 6.6% when compared to the second quarter of 2024, mainly due to the increase in mutual fund management fee income.

In the 6-month period of 2025, fees and service income amounted to Baht 260.7 million, increased by 10.8% when compared to the 6-month period of 2024, mainly due to the increase in mutual fund management fee income.

Other Incomes apart from Fees and Service Income

In the second quarter of 2025, other incomes apart from fees and service income amounted to Baht 5.7 million, increased by 18.8% when compared to the first quarter of 2025 and increased by 32.6% when compared to the second quarter of 2024.

In the 6-month period of 2025, other incomes apart from fees and service income amounted to Baht 10.4 million, increased by 18.2% when compared to the 6-month period of 2024.

Total expenses

In the second quarter of 2025, total expenses amounted to Baht 114.0 million, decreased by 2.3% when compared to the first quarter of 2025 and increased by 20.5% when compared to the second quarter of 2024.

In the 6-month period of 2025, total expenses amounted to Baht 230.7 million, increased by 21.5% when compared to the 6-month period of 2024.

Table: Operating Results

(Unit: Million Baht)

Items	Quater		Variance	Quater	Variance	For 6-month periods		Variance
	2/2025	1/2025	(%QoQ)		(%YoY)	2025	2024	(%YoY)
Fees and service income	129.7	131.0	(1.0)	121.7	6.6	260.7	235.2	10.8
Interest income	0.3	0.5	(40.0)	0.9	(66.7)	0.8	1.7	(52.9)
Gains on financial instruments	3.0	3.6	(16.7)	2.7	11.1	6.6	6.1	8.2
Other incomes	2.4	0.7	242.9	0.7	242.9	3.0	1.0	200.0
Total incomes	135.4	135.7	(0.2)	126.0	7.5	271.1	244.0	11.1
Total expenses	114.0	116.7	(2.3)	94.6	20.5	230.7	189.9	21.5
Net profits before income tax	21.4	19.0	12.6	31.4	(31.8)	40.4	54.2	(25.5)
Income tax	3.9	3.6	8.3	6.1	(36.1)	7.5	10.5	(28.6)
Net profits	17.5	15.4	13.6	25.3	(30.8)	32.9	43.7	(24.7)
Earnings per share (Baht)	5.8	5.1	13.7	8.4	(31.0)	11.0	14.6	(24.7)

Net Asset Value under Management

As of 30 June 2025, the company had 197 funds under management, decreased by 20 funds when compared to the end of year 2024 with total net asset value of Baht 66,900.3 million, increased by 5.2% when compared to the end of year 2024. The company had mutual funds under management as follows:

- Property fund and real estate investment trust	Baht	40,264.3	million
- Fixed income fund	Baht	9,084.1	million
- Equity fund	Baht	13,156.1	million
- Mixed fund	Baht	1,257.3	million
- Fund of Property Fund	Baht	3,138.5	million

In case the net asset values of Baht 13,105.8 million in private funds and Baht 9,595.6 million in provident funds were included, the company's net asset value would be Baht 89,601.7 million.