



LH FINANCIAL GROUP PUBLIC COMPANY

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

(THIS REPORT DISCUSSES PRINCIPAL CHANGES TO THE REVIEWED 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 LH Financial Group Public Company Limited Financial Business Group



Credit Rating

Fitch Ratings (Thailand) Limited		
	2023	2024
National Long-term Rating	AA+(tha)	AA+(tha)
Outlook	“Stable”	“Stable”
National Short-term Rating	F1+ (tha)	F1+ (tha)
TRIS Rating Company Limited		
Company Rating	A-	AA+
Outlook	“Stable”	“Stable”

The company has set the goal to reduce the greenhouse gas emission (GHG) from own operations of head office by 25% within 2030.

Economic Overview and Competition in Commercial Banking Industry

The Thai economy in the first quarter of 2024 continued to expand from the previous quarter, with the main support from foreign economy. Exports returned to expansion and tourist arrivals continued to accelerate. In addition, private consumption improved while inflation decelerated and was expected to remain within the target range throughout the year. The ongoing economic recovery has led to an increase in consumer and business confidence indices. However, exports and tourism continued to face risks from fragile global demand, particularly, the slowdown in the Chinese economy, which was considerably linked to Thailand.

In terms of the Thai economy, the Bank of Thailand (BOT) estimated that the Thai economy was likely to expand by 3.2% (data as of November 2023), supported by expanding private consumption due to increased employment in the service sector and easing inflationary pressures. In addition, exports and tourism sector were expected to recover. However, the Thai economy still faced many risk factors, such as default risk from both private sector and household sector, geopolitical issues that may lead to increased volatility in energy and baht value, and high household debt level.

In the banking sector, deposits continued to expand in the first quarter of 2024. Meanwhile, the expansion of loans to customers remained limited due to the tight criteria and increased caution in lending to certain segments of higher-risk businesses, especially SMEs as the Thai economy has not fully recovered. Besides, overall consumer loans continued to expand from personal loans. However, a decline in car hire purchase loans and housing loans was seen since household income and purchasing power have not yet returned to normal. Overall performance of commercial banks tended to improve as net interest income increased. Although financing costs, operating expenses and provisioning expenses increased, overall credit quality remained stable. However, the debt servicing ability of vulnerable borrowers needed to be monitored due to the slow recovery of their incomes.

Analysis of Operating Results

In the first quarter of 2024, the operating results of the company and its subsidiaries showed the net profit of Baht 399.2 million, increased by 13.5% when compared to the fourth quarter of 2023 with the net profit of Baht 351.7 million due to the increase in gains (losses) on investments in equity instruments measured at fair value through other comprehensive incomes and other operating incomes. And the net profit decreased by 40.4% when compared to the first quarter of 2023 with the net profit of Baht 669.9 million due to the decrease in dividend income.

Net Interest Income

In the first quarter of 2024, net interest income amounted to Baht 1,698.9 million, decreased by 6.5% when compared to the fourth quarter of 2023 and increased by 0.3% when compared to the first quarter of 2023. In the first quarter of 2024, interest income was Baht 3,264.6 million, increased by 19.4% and interest expenses were Baht 1,565.7 million, increased by 50.5% when compared to the first quarter of 2023.

Net Non-Interest Income

In the first quarter of 2024, net non-interest income amounted to Baht 369.4 million, increased by 13.1% when compared to the fourth quarter of 2023, mainly due to the increase in gains (losses) on investments in equity instruments measured at fair value through other comprehensive incomes and when compared to the first quarter of 2023, it decreased by 28.2%, mainly due to the decrease in dividend income.

Other Operating Expenses

In the first quarter of 2024, other operating expenses amounted to Baht 1,052.8 million, decreased by 7.1% when compared to the fourth quarter of 2023, mainly due to the decrease in advertising and promotional expenses that increased by 14.3% when compared to the first quarter of 2023.

Profit from Operations before Expected Credit Losses and Income Tax

In the first quarter of 2024, profit from operations before expected credit losses and income tax amounted to Baht 1,015.5 million, increased by 0.6% when compared to the fourth quarter of 2023 and decreased by 21.1% when compared to the first quarter of 2023.

In the first quarter of 2024, basic earnings per share stood at Baht 0.019 per share, increased by 11.8% when compared to the fourth quarter of 2023 and decreased by 40.6% when compared to the first quarter of 2023.

Table: Operating Results

(Unit: Million Baht)

Items	Quarter		Variance		Quarter	Variance	
	1/2024	4/2023	Amount	(%QoQ)	1/2023	Amount	(%YoY)
Interest income	3,264.6	3,214.1	50.5	1.6	2,734.2	530.4	19.4
Interest expense	(1,565.7)	(1,398.0)	167.7	12.0	(1,040.6)	525.1	50.5
Net interest income	1,698.9	1,816.1	(117.2)	(6.5)	1,693.6	5.3	0.3
Fees and service income	228.0	229.6	(1.6)	(0.7)	232.7	(4.7)	(2.0)
Fees and service expense	(53.3)	(39.5)	13.8	34.9	(59.8)	(6.5)	(10.9)

Items	Quarter		Variance		Quarter	Variance	
	1/2024	4/2023	Amount	(%QoQ)	1/2023	Amount	(%YoY)
Net fees and service income	174.7	190.1	(15.4)	(8.1)	172.9	1.8	1.0
Gains (losses) on financial instruments measured at fair value through profit or loss	24.9	(12.3)	37.2	302.4	9.0	15.9	176.7
Gains on investments	7.4	-	7.4	100.0	10.9	(3.5)	(32.1)
Dividend income	131.9	128.4	3.5	2.7	312.3	(180.4)	(57.8)
Other operating incomes	30.5	20.5	10.0	48.8	9.4	21.1	224.5
Operating income	2,068.3	2,142.8	(74.5)	(3.5)	2,208.1	(139.8)	(6.3)
Other operating expenses	1,052.8	1,133.5	(80.7)	(7.1)	920.9	131.9	14.3
Expected credit losses	526.6	576.6	(50.0)	(8.7)	487.3	39.3	8.1
Income tax	89.7	81.0	8.7	10.7	130.0	(40.3)	(31.0)
Profits from operations before expected credit losses and income tax	1,015.5	1,009.3	6.2	0.6	1,287.2	(271.7)	(21.1)
Profits from operations before income tax	488.9	432.7	56.2	13.0	799.9	(311.0)	(38.9)
Net profit	399.2	351.7	47.5	13.5	669.9	(270.7)	(40.4)
Basic earnings per share (Baht)	0.019	0.017	0.002	11.8	0.032	(0.013)	(40.6)
ROA	0.51				0.93	(0.42)	(45.2)
ROE	4.41				7.34	(2.93)	(39.9)

Table: Other Operating Expenses

(Unit: Million Baht)

Items	Quarter		Variance		Quarter	Variance	
	1/2024	4/2023	Amount	(%QoQ)	1/2023	Amount	(%YoY)
Employees' expenses	565.8	572.4	(6.6)	(1.2)	519.0	46.8	9.0
Premises and equipment expenses	200.2	216.2	(16.0)	(7.4)	185.8	14.4	7.8
Other expenses	286.8	344.9	(58.1)	(16.8)	216.1	70.7	32.7
Total	1,052.8	1,133.5	(80.7)	(7.1)	920.9	131.9	14.3

Analysis of Financial Position

Total Assets

As of 31 March 2024, total assets amounted to Baht 310,338.6 million, decreased by Baht 12,983.9 million or 4.0% when compared to the end of the year 2023. Core assets comprised loans to customers - net at 73.3% of total assets, followed by investments - net at 15.4% of total assets.

Table: Total Assets

(Unit: Million Baht)

Items	March	December	Variance	
	2024	2023	Amount	(%YTD)
Interbank and money market items - net	20,022.8	30,724.4	(10,701.6)	(34.8)
Investments - net	47,777.1	49,476.9	(1,699.8)	(3.4)
Loans to customers - net	227,391.5	228,697.5	(1,306.0)	(0.6)
Other assets - net	15,147.2	14,423.7	723.5	5.0
Total assets	310,338.6	323,322.5	(12,983.9)	(4.0)

Total Liabilities

As of 31 March 2024, total liabilities amounted to Baht 273,752.8 million, decreased by Baht 13,608.9 million or 4.7% when compared to the end of the year 2023. Most of liabilities were deposits, accounting for 89.6% of total liabilities.

Total Owners' Equity

As of 31 March 2024, total owners' equity amounted to Baht 36,585.8 million, increased by Baht 625.0 million or 1.7% when compared to the end of the year 2023.

Table: Total Liabilities and Owners' Equity

(Unit: Million Baht)

Items	March	December	Variance	
	2024	2023	Amount	(%YTD)
Deposits	245,289.9	251,436.6	(6,146.7)	(2.4)
Interbank and money market items	17,162.3	21,804.2	(4,641.9)	(21.3)
Debts issued and borrowings - net	5,284.5	8,930.0	(3,645.5)	(40.8)
Other liabilities	6,016.1	5,190.9	825.2	15.9
Total liabilities	273,752.8	287,361.7	(13,608.9)	(4.7)
Total owners' equity	36,585.8	35,960.8	625.0	1.7

Number of Employees

As of 31 March 2024, the company and its subsidiaries had 1,776 employees, decreased by 13 employees, when compared to the end of the year 2023.

Performance Analysis of Subsidiaries

1. COMMERCIAL BANKING BUSINESS

Land and Houses Bank Public Company Limited

Credit Rating

Fitch Ratings (Thailand) Limited		
	2023	2024
National Long-term Rating	AA+(tha)	AA+(tha)
Outlook	“Stable”	“Stable”
National Short-term Rating	F1+ (tha)	F1+ (tha)
Basel III Tier 2 Debentures	AA-(tha)	AA-(tha)
TRIS Rating Company Limited		
Company Rating	A	AAA
Outlook	“Stable”	“Stable”
Basel III Tier 2 Debentures	BBB+	AA

The bank places the priority on responsible lending, especially providing assistance for debtors who face with their debt repayment challenge, sustainable banking and promoting environmentally sustainable lending.

Analysis of Operating Results

In the first quarter of 2024, the operating results of the bank showed the net profit of Baht 370.3 million, increased by 47.2% when compared to the fourth quarter of 2023 which reported the net profit of Baht 323.1 million due to the increase in profit (loss) on financial instruments measured at fair value through profit or loss. The net profit decreased by 29.7% when compared to the first quarter of 2023 with the net profit of Baht 526.5 million due to the increase in other operating incomes and expected credit losses.

Net Interest Income

In the first quarter of 2024, net interest income amounted to Baht 1,763.3 million, decreased by 6.5% when compared to the fourth quarter of 2023 and increased by 0.3% when compared to the first quarter of 2023. In the first quarter of 2024, interest income was Baht 3,270.0 million, increased by 18.8% and interest expenses was Baht 1,533.7 million, increased by 50.0% when compared to the first quarter of 2023.

In the first quarter of 2024, net interest margin (NIM) stood at 2.33%, decreased when compared to the first quarter of 2023 which was 2.49%.

Net Non-Interest Income

In the first quarter of 2024, net non-interest income amounted to Baht 188.3 million, increased by 31.7% when compared to the fourth quarter of 2023 mainly due to the increase in net gain on financial instruments measured at fair value through profit or loss, and decreased by 3.3% when compared to the first quarter of 2023 mainly due to the decrease in gains on investments and dividend income.

Other Operating Expenses

In the first quarter of 2024, other operating expenses were Baht 941.3 million, decreased by 8.2% when compared to the fourth quarter of 2023 due to the decrease in advertising and promotional expenses, and increased by 16.7% when compared to the first quarter of 2023.

Expected Credit Losses

In the first quarter of 2024, the expected credit losses amounted to Baht 526.6 million, decreased by 8.6% when compared to the fourth quarter of 2023 and increased by 11.4% when compared to the first quarter of 2023. As a result, the coverage ratio as of the first quarter of 2024 stood at 198.42%.

In first quarter of 2024, basic earnings per share stood at Baht 0.19 per share, decreased by 70.3% when compared to the fourth quarter of 2023 and decreased by 27.8% when compared to the first quarter of 2023.

Table: Operating Results

(Unit: Million Baht)

Items	Quarter		Variance		Quarter	Variance	
	1/2024	4/2023	Amount	(%QoQ)	1/2023	Amount	(%YoY)
Interest income	3,270.0	3,214.8	55.2	1.7	2,752.8	517.2	18.8
Interest expense	(1,533.7)	(1,358.2)	175.5	12.9	(1,022.2)	(511.5)	(50.0)
Net interest income	1,763.3	1,856.6	(120.3)	(6.5)	1,730.6	5.7	0.3
Fees and service income	97.5	102.0	(4.5)	(4.4)	91.5	6.0	6.6

Items	Quarter		Variance		Quarter	Variance	
	1/2024	4/2023	Amount	(%QoQ)	1/2023	Amount	(%YoY)
Fees and service expense	(24.7)	(11.4)	13.3	116.7	(29.9)	(5.2)	(17.4)
Net fees and service income	72.8	90.6	(17.8)	(19.6)	61.6	11.2	18.2
Gains (losses) on financial instruments measured at fair value through profit or loss	22.5	(17.6)	40.1	227.8	(2.1)	24.6	1,171.4
Gains on investments	7.4	-	7.4	100.0	10.9	(3.5)	(32.1)
Dividend income	56.1	50.9	5.2	10.2	115.7	(59.6)	(51.5)
Other operating incomes	29.5	19.1	10.4	54.5	8.6	20.9	243.0
Operating income	1,924.6	1,999.6	(75.0)	(3.8)	1,925.3	(0.7)	-
Other operating expenses	941.3	1,025.7	(84.3)	(8.2)	806.8	134.6	16.7
Expected credit losses	526.6	576.4	(49.8)	(8.6)	472.8	53.8	11.4
Income tax	86.3	74.4	11.9	16.0	119.20	(32.9)	(27.6)
Profits from operations before expected credit losses and income tax	983.2	973.9	9.3	1.0	1,118.5	(135.3)	(12.1)
Profits from operations before income tax	456.6	397.5	59.1	14.9	645.7	(189.1)	(29.3)
Net profit	370.3	323.1	47.2	14.6	526.5	(156.2)	(29.7)
Basic earnings per share (Baht)	0.19	0.64	(0.45)	(70.3)	0.26	(0.07)	(27.8)
ROA	0.48				0.74	(0.26)	(35.1)
ROE	4.17				6.00	(1.83)	(30.5)

Table: Other Operating Expenses

(Unit: Million Baht)

Items	Quarter		Variance		Quarter	Variance	
	1/2024	4/2023	Amount	(%QoQ)	1/2023	Amount	(%YoY)
Employees' expenses	416.1	427.2	(11.1)	(2.6)	375.2	40.9	10.9
Premises and equipment expenses	180.1	195.2	(15.1)	(7.7)	165.4	14.7	8.9
Other expenses	345.1	403.3	(58.2)	(14.4)	266.2	78.9	29.6
Total	941.3	1,025.7	(84.4)	(8.2)	806.8	134.5	16.7

Analysis of Financial Position

Total Assets

As of 31 March 2024, total assets amounted to Baht 306,390.8 million, decreased by Baht 9,948.3 million or 3.1% when compared to the end of the year 2023. Core assets comprised of loans to customers - net at 74.6% of total assets, followed by investments - net at 13.6% of total assets.

Table: Total Assets

(Unit: Million Baht)

Items	March	December	Variance	
	2024	2023	Amount	(%YTD)
Interbank and money market items - net	21,998.9	33,153.8	(11,154.9)	(33.6)
Investments - net	41,546.4	42,864.2	(1,317.8)	(3.1)
Loans to customers - net	228,459.7	226,667.9	1,791.8	0.8
Other assets - net	14,385.8	13,653.2	732.6	5.4
Total assets	306,390.8	316,339.1	(9,948.3)	(3.1)

Loans to Customers

As of 31 March 2024, 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 256,423.8 million, decreased by Baht 10,923.6 million or 4.1% when compared to the end of the year 2023.

Loans to Customers Classified by Business Sector

Conglomerate & corporate loans amounted to Baht 114,724.9 million, decreased by Baht 2,855.8 million or 2.4% when compared to the end of the year 2023.

Commercial & SME loans amounted to Baht 87,213.5 million, decreased by Baht 9,163.2 million or 9.5% when compared to the end of the year 2023.

Retail loans amounted to Baht 54,485.4 million, increased by Baht 1,095.4 million or 2.1% when compared to the end of the year 2023.

Table: Loans to Customers Classified by Business Sector

(Unit: Million Baht)

Loans to Customers Classified by Business Sector	March	December	Variance	
	2024	2023	Amount	(%YTD)
Conglomerate & Corporate	114,724.9	117,580.7	(2,855.8)	(2.4)
Commercial & SME	87,213.5	96,376.7	(9,163.2)	(9.5)
Retail	54,485.4	53,390.0	1,095.4	2.1
Total loans to customers - net*	256,423.8	267,347.4	(10,923.6)	(4.1)

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 Classified by Type of Businesses

Loans to customers classified by type of businesses comprised mainly manufacturing and commerce, followed by financial intermediary and housing loan, accounting for 26.6%, 23.8% and 20.1% of total loans to customers, respectively.

Table: Loans to Customers Classified by Type of Businesses

(Unit: Million Baht)

Loans to Customers Classified by Type of Businesses	March	December	Variance	
	2024	2023	Amount	(%YTD)
Agricultural and mining	729.1	760.4	(31.3)	(4.1)
Manufacturing and commerce	68,204.4	64,594.2	3,610.2	5.6
Real estate and construction	27,221.2	30,246.2	(3,025.0)	(10.0)
Public utilities and services	43,025.9	43,975.9	(950.0)	(2.2)
Housing loan	51,653.9	50,560.0	1,09.9	2.2
Financial intermediary	61,107.4	67,606.9	(6,499.5)	(9.6)
Savings cooperative	1,620.0	6,760.0	(5,140)	(76.0)
Others	2,816.9	2,843.8	18.1	0.6
Total loans to customers - net *	256,423.8	267,347.4	(10,923.6)	(4.1)

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 31 March 2024, non-performing loans (Gross) amounted to Baht 7,088.0 million, increased by Baht 789.2 million or 12.05% when compared to the end of the year 2023.

NPL ratio was 2.76% of total loans (Interbank and money market items included) when compared to the end of the year 2023 which was 2.36%.

Investments

As of 31 March 2024, net investments had the book value of Baht 41,546.4 million, decreased by Baht 1,317.8 million or 3.1% when compared to the end of the year 2023.

Total Liabilities

As of 31 March 2024, total liabilities amounted to Baht 270,088.5 million, decreased by Baht 10,633.4 million or 3.8% when compared to the end of the year 2023. Most of liabilities were deposits, accounting for 90.8% of total liabilities.

Total Owners' Equity

As of 31 March 2024, total owners' equity amounted to Baht 36,302.3 million, increased by Baht 685.1 million or 1.9% when compared to the end of the year 2023.

Table: Total Liabilities and Owners' Equity

(Unit: Million Baht)

Items	March	December	Variance	
	2024	2023	Amount	(%YTD)
Deposits	245,309.4	251,453.4	(6,144.0)	(2.4)
Interbank and money market items	16,679.5	21,409.3	(4,29.8)	(22.1)
Debts issued and borrowings - net	2,396.6	3,058.1	(661.5)	(21.6)
Other liabilities	5,703.0	4,801.1	901.9	18.8
Total liabilities	270,088.5	280,721.9	(10,633.4)	(3.8)
Total owners' equity	36,302.3	35,617.2	685.1	1.9

Deposits

As of 31 March 2024, the bank had the total deposit of Baht 245,309.4 million, decreased by Baht 6,144.0 million or 2.4% when compared to the end of the year 2023. Time deposit formed the majority of 59.9%, followed by savings deposit of 22.4% of total deposit.

Table: Deposits Classified by Type of Deposits

(Unit: Million Baht)

Deposit Classified by Type of Deposits	March	December	Variance	
	2024	2023	Amount	(% YTD)
Demand deposit	3,589.0	2,707.0	882	32.6
Savings deposit	54,940.7	57,842.4	(2,901.7)	(5.0)
Time deposit	146,870.3	146,355.2	515.1	0.4
Fixed deposit receipt	39,909.4	44,548.8	(4,639.4)	(10.4)
Total deposit	245,309.4	251,453.4	(6,144.0)	2.4

Capital Adequacy Ratio and BIS Ratio

As of 31 March 2024, the capital to risk-weighted assets ratio (BIS ratio) was 15.365%, which was higher than the Bank of Thailand's minimum requirement of 11.000% and increased from 15.017% as at 31 December 2023.

Tier-1 capital ratio to risk-weighted assets was 13.232%, which was higher than the Bank of Thailand's minimum rate of 8.500% and increased from 12.880% as at 31 December 2023.

Table: BIS Ratio

BIS Ratio	As of 31 March 2024		As of 31 December 2023	
	Million Baht	%	Million Baht	%
Common Equity Tier-1 capital				
Bank	33,159.4	13.232	32,413.2	12.880
Minimum rates required by law		7.000		7.000
Difference		6.232		5.880
Tier 1 capital				
Bank	33,159.4	13.232	32,413.2	12.880
Minimum rates required by law		8.500		8.500
Difference		4.732		4.380
Total capital				
Bank	38,503.3	15.365	37,792.2	15.017
Minimum rates required by law		11.000		11.000
Difference		4.365		4.017

Branch Network

As of 31 March 2024, Land and Houses Bank Public Company Limited had the total of 72 branches, equal to that of the year 2023.

2. SECURITIES BUSINESS

Land and Houses Securities Public Company Limited

Overview of the Stock Exchange of Thailand

In the first quarter of 2024, Thailand's stock market picked up but quickly faltered, settling into a period of narrow volatility, pressured by negative factors: the Federal Reserve's stance in interest rate cuts which was not as expected, ongoing and potentially widening Middle Eastern conflict, and downgraded 2024 economic growth forecasts by The Office of the National Economic and Social Development Council to 2.2% - 3.2%.

As a result, SET index ended the first quarter at 1,377.94 points, down 2.75% from the end of last year. Average daily trading volume shrank to Baht 45,717 million or 31% thinner than the same period last year. Foreign investors was net seller for 5 consecutive quarters, with total net sales of Baht 260 billion.

Analysis of Operating Results

In the first quarter of 2024, the operating results of the company and its subsidiaries showed the net loss of Baht 3.6 million, decreased by 145.6% when compared to the fourth quarter of 2023 and decreased by 53.1% when compared to the first quarter of 2023.

Total Income

In the first quarter of 2024, total income was Baht 81.8 million, decreased by 18.6% when compared to the fourth quarter of 2023 and decreased by 48.6% when compared to the first quarter of 2023.

Brokerage Fees Income

In the first quarter of 2024, brokerage fees income was Baht 28.0 million, decreased by 3.0% when compared to the fourth quarter of 2023 and decreased by 34.9% when compared to the first quarter of 2023.

Other Incomes apart from Brokerage Fees Income

In the first quarter of 2024, other incomes apart from brokerage fees income consisting of interest income, gains and returns on financial instruments and other incomes amounted to Baht 35.3, 17.7 and 0.9 million, respectively.

Total Expenses

Total expenses included employees' benefits, fees and service expenses, interest expenses and other expenses.

In the first quarter of 2024, total expenses were Baht 86.2 million, decreased by 4.9% when compared to the fourth quarter of 2023 and decreased by 16.8% when compared to the first quarter of 2023.

Table: Operating Results

(Unit: Million Baht)

Items	Quarter		Variance		Quarter	Variance	
	1/2024	4/2023	Amount	(%QoQ)	1/2023	Amount	(%YoY)
Brokerage fees income	28.0	28.9	(0.9)	(3.0)	43.0	(15.0)	(34.9)
Interest income	35.3	38.4	(3.1)	(8.2)	30.3	5.0	16.3
Gains and return on financial instruments	17.7	30.5	(12.8)	(42.0)	85.3	(67.6)	(79.3)
Other incomes	0.9	2.7	(1.8)	(68.8)	0.4	0.5	90.6
Total income	81.8	100.5	(18.7)	(18.6)	159.0	(77.2)	(48.6)
Total expenses	86.2	90.7	(4.5)	(4.9)	103.7	(17.5)	(16.8)
Profits before income tax	(4.5)	9.8	(14.3)	(145.4)	55.3	(59.8)	(108.1)
Income tax	(0.9)	2.0	(2.9)	(144.8)	5.8	(6.7)	(115.4)
Net profits	(3.6)	7.8	(11.4)	(145.6)	49.5	(53.1)	(107.2)
Basic earnings per share (Baht)	(0.00)	0.01	(0.01)	(145.6)	0.04	(0.04)	(107.2)

3. FUND MANAGEMENT BUSINESS

Land and Houses Fund Management Company Limited

Overview of Fund Management Business

In the first quarter of 2024, the total net asset value of mutual funds was Baht 5.28 trillion, increased by Baht 0.13 trillion or 2.58% from the previous quarter. Upon classification by fund types, it was found that mixed funds slightly decreased, while fixed income fund, property funds & REITs, equity funds and other funds increased.

Analysis of the Operating Results

In the first quarter of 2024, Land and Houses Fund Management Company Limited had the net profit of Baht 18.4 million, increased by 0.8% when compared to the fourth quarter of 2023 and decreased by 11.6% when compared to the first quarter of 2023.

Total Incomes

In the first quarter of 2024, total incomes amounted to Baht 118.0 million, increased by 10.6% when compared to the fourth quarter of 2023 and increased by 7.4% when compared to the first quarter of 2023.

Fees and Service Income

In the first quarter of 2024, fees and service income amounted to Baht 113.5 million, increased by 10.1% when compared to the fourth quarter of 2023. Most of fees and service income were derived from the management of mutual funds, increased by 7.7% when compared to the first quarter of 2023.

Other Incomes apart from Fees and Service Income

In the first quarter of 2024, other incomes apart from fee and service income consisting of interest income, gains and returns on financial instruments and other incomes were Baht 0.8, 3.4 and 0.4 million, respectively.

Total expenses

In the first quarter of 2024, total expenses amounted to Baht 95.3 million, increased by 13.4% when compared to the fourth quarter of 2023 and increased by 13.4% when compared to the first quarter of 2023.

Table: Operating Results

(Unit: Million Baht)

Items	Quarter		Variance		Quarter	Variance	
	1/2024	4/2023	Amount	(%QoQ)	1/2023	Amount	(%YoY)
Fees and Service Income	113.5	103.1	10.4	10.1	105.4	8.1	7.7
Interest income	0.8	0.4	0.5	124.3	0.3	0.5	190.9
Gains and return on financial instruments	3.4	3.1	0.3	10.0	4.0	(0.7)	(16.4)
Other incomes	0.4	0.2	0.2	125.9	0.2	0.2	93.1
Total income	118.0	106.7	11.4	10.6	109.8	8.2	7.4
Total expenses	95.3	84.0	11.3	13.4	84.0	11.2	13.4
Profits before income tax	22.7	22.7	0.1	0.3	25.8	(3.1)	(11.8)
Income tax	4.3	4.4	(0.1)	(1.7)	6.0	(1.6)	(27.3)
Net profits	18.4	18.3	0.1	0.8	20.8	(2.4)	(11.6)
Basic earnings per share (Baht)	6.13	6.08	0.0	0.8	6.94	(0.0)	(11.6)

Net Asset Value under Management

As of 31 March 2024, the company had 185 funds under management, increased by 2 funds when compared to the end of year 2023. The company's total net asset value was Baht 62,227.9 million, increased by 1.83% when compared to the end of year 2023. The mutual funds under management were as follows:

- Property fund and real estate investment trust	36,447.4	million Baht
- Fixed income fund	7,376.5	million Baht
- Equity fund	12,054.3	million Baht
- Mixed fund	2,532.2	million Baht
- Fund of Property Fund	3,817.5	million Baht

In case the net asset values of Baht 14,291.4 million in private funds and Baht 6,936.9 million in provident funds were included, the company's net asset value would be Baht 83,456.2 million.