Management Discussion and Analysis

For the 4th quarter and 12-month period ended 31 December 2024

(Unaudited financial statements)

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Executive summary

Economic review & outlook

Thai economy in the fourth quarter of 2024: Thai economy showed slightly increase from the previous quarter, reflected by better improvement in private consumption indicators, which was attributed to the benefits of government transfer measures (Digital Wallet program). Meanwhile, the average monthly foreign tourist arrivals in this quarter increased remarkably during high season to 3.15 million persons, compared to 2.86 million persons in the previous quarter. Headline inflation in this quarter stood at 1.0% QoQ increased from the preceding period of 0.6%, which mainly due to low-base effect in the earlier year from which had energy price support measures, while the increase in food price inflation in line with rising input cost. However, core inflation increased by 0.79%, compared to previous quarter of 0.64%. Additional, merchandise exports in October and November expanded remarkably at 11.4% (YoY), improving from an annualized rate of 7.8% expansion in the previous quarter. This was driven by an increase in exports to meet end-of-year demand and mitigate risks from trade policy uncertainties in the upcoming future. Exports of industrial goods and technology products grew in line with product cycles and the global manufacturing recovery. The average export value for the first two months of this quarter was 26.9 billion USD per month.

Financial market & banking industry: The Monetary Policy Committee (MPC) decided to cut the policy rate by 0.25% to 2.25% in the fifth meeting of the year in October 2024. The decision based on the assessment that the Thai economy is projected to expand as anticipated, but the recovery remains uneven across different sectors. Exports and industrial production in certain segments, including SMEs, continue to face pressure from structural factors. The overall financial conditions have become slightly tighter, while the headline inflation is expected to gradually return to the target range by the end of 2024. As of the end of November 2024, the total credit growth of domestic commercial banks contracted by 0.5% (YoY), showing a slight improvement compared to the 1.5% (YoY) contraction at the end of the previous quarter. Meanwhile, deposits grew by 2.0% (YoY), improving from the 1.0% (YoY) growth at the end of the previous quarter. Regarding Thai baht in the fourth quarter of 2024, it was on an average of 33.99 baht per US dollar, down from the previous quarter's 34.80, representing an appreciation of 2.3% (QoQ) and 0.6% compared to the end of 2023. Despite the seasonal appreciation of the Thai baht due to peak tourism and increased demand for the currency at the end of the year for financial reporting purposes, the baht still faced downward pressure from the strength of the US dollar. This was largely driven by uncertainties surrounding the Federal Reserve's policy direction after Trump's victory in the US presidential election. At the same time, investors expressed concerns over the uncertain economic policies of developed markets, particularly the US, which could negatively impact trade and tourism in 2025.

Economic outlook for 1Q25: Thai economy would continue to expand continuously from preceding quarter as mainly support from domestic consumption, which is expected to rebound in tandem with incoming of high-seasonal tourism period as well as results of consumption stimulus package in early year. Moreover, overall investment projected to recover with an accelerating pace due to improving economic activities and low-base effect. As such, ttb analytics projected Thai economic growth figure of 2025 that it would be at 2.6%, and it was assessed that Thai economy remains under high uncertainties from both domestic and external factors in the periods ahead. 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 would continue improving to 37.8 million persons in 2025. Meanwhile, value of merchandise exports would be decelerated with the estimated value in 2024 expanding at 2.2% (YoY). With respect to financial market, MPC would decline the policy interest rate by at least 1 time, to a level of 2.00% by the end of the year, due to expected slower economic growth together with preserving policy space amid increasing uncertainties going forward. Meantime, Thai baht in the first quarter of 2025 would move within the range of 34.50-35.50 baht per US dollar.

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Executive summary

Operating performance

As Thailand has experienced K-shaped economic recovery and entered the cycle of policy rate cut, banking sector remained cautious in business operation and growth. Nonetheless, TMBThanachart (TTB) successfully navigated thru 2024 with resilience and continued to post steady financial performance improvement. For 2024, TTB delivered a net profit of THB 21,031 million (+13% YoY) or an ROE of 9.0%. The Bank pursued these 4 key strategic frameworks which underpinned earnings growth and healthy financial position:

- **Revenue:** Ensure quality loan growth and effective ALM management to maintain margin against slow growth and downward interest rate environment while leveraging digital capabilities and ecosystem synergies to boost non-loan related fee income.
- **Efficiency:** Maintain cost discipline through digitalization and branch optimization.
- **Asset quality:** Proactively strengthen buffers and reduced portfolio risks, preparing for future uncertainties.
- **Capital management:** Optimize capital utilization to increase shareholders' returns while ensuring capital robustness.

TTB remains committed to its long-term goals, including a medium-term ROE milestone of 10%. The Bank's robust financial fundamentals and disciplined execution provide the flexibility to adapt to changes and thrive, delivering sustainable value to our shareholders.

Financial highlights for 2024 performance:

On-track in shifting loan mix towards high-yield lending products: Striking balance between risk and returns, the Bank selectively grew loan to preserve quality portfolio with an efficient use of funding by recycling liquidity from low-yield lending to penetrate more in high-yield retail lending spaces to enhance yields. Amid slow loan growth, the targeted retail products showed positive momentum with Cash Your Car (CYC) +6% YTD, Cash Your Home (CYH) +12% YTD, personal loans +10% YTD and credit card +7% YTD, bolstering loan yield enhancement.

Proactively adjusting deposit structure and duration: In response to changing interest rate environment, TTB preemptively managed deposit structure to ensure cost efficiency and net interest margin. After using TD long-term as a tactical product during rate-hike cycle, we began to shift to shorter-duration TD products in preparation for interest rate cut cycle while continued to boost low-cost funding products like ttb all free and CASA. As a result, TD grew at slower pace +3% YTD and CASA +1% YTD. As of December 2024, a drop in deposit balance YTD was aligned with our liquidity management plan to match loan growth.

Net profit growth was backed by well-managed funding costs, efficiency in operating cost control, and lower risk costs, supported by manageable asset quality despite pressures on topline growth.

- **2024 NIM improved to 3.26% from 3.24% of 2023 in line with our target** thanks to efficient funding cost management, a shift in loan mix towards better yielding loans and effective liquidity management.
- **OPEX continued to decline 4.9% YoY so cost-to-income ratio (C/I ratio) was down to 43% in 2024** compared to 44% in 2023 reflecting digital-first transformation effort, cost discipline and operational efficiency improvement.
- **Asset quality remained in control** as NPL ratio was well-contained at 2.59% and ECL decreased 10.6% YoY to THB19,852 million or equivalent to 154 bps in terms of credit cost. With our financial flexibility and prudent risk management, we continued to strengthen risk absorption capability through the set-up of management overlay (MO) since 4Q23. As a result, the coverage ratio remained high at 151%.

After provision and tax benefit, TTB reported THB21,031 million of net profit in 2024 which increased by +13% YoY, representing an improving ROE of 9.0% from 8.2% in 2023.

At the end of December 2024, the Bank still has the remaining tax benefit of THB10.6 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)	4Q24	3Q24	% QoQ	4Q23	% YoY	12M24	12M23*	% YoY
Interest income	19,991	20,664	-3.3%	21,000	-4.8%	82,783	79,134	4.6%
Interest expenses	6,182	6,602	-6.4%	6,052	2.2%	26,331	21,926	20.1%
Net interest income	**13,809**	**14,062**	**-1.8%**	**14,948**	**-7.6%**	**56,452**	**57,207**	**-1.3%**
Fees and service income	3,379	3,160	6.9%	3,545	-4.7%	13,086	14,007	-6.6%
Fees and service expenses	912	917	-0.6%	907	0.5%	3,712	3,645	1.9%
Net fees and service income	**2,467**	**2,242**	**10.0%**	**2,638**	**-6.5%**	**9,373**	**10,362**	**-9.5%**
Other operating income	857	921	-6.9%	745	14.9%	3,574	3,405	5.0%
Non-interest income	**3,324**	**3,163**	**5.1%**	**3,384**	**-1.8%**	**12,948**	**13,768**	**-6.0%**
Total operating income	**17,133**	**17,225**	**-0.5%**	**18,332**	**-6.5%**	**69,399**	**70,975**	**-2.2%**
Total other operating expenses	**7,496**	**7,295**	**2.8%**	**8,336**	**-10.1%**	**29,571**	**31,094**	**-4.9%**
Expected credit loss	4,690	4,764	-1.6%	9,326	-49.7%	19,852	22,199	-10.6%
Profit before income tax expense	**4,947**	**5,166**	**-4.2%**	**670**	**638.5%**	**19,976**	**17,681**	**13.0%**
Tax expense (income)	-165	-64	N/A	-4,197	N/A	-1,055	-940	N/A
Profit for the period	**5,112**	**5,230**	**-2.3%**	**4,866**	**5.0%**	**21,031**	**18,622**	**12.9%**
Profit (loss) to non-controlling interest of subsidiaries	**0.003**	**0.008**	**-62.5%**	**0.010**	**-70.0%**	**0.027**	**0.027**	**0.0%**
Profit to equity holders of the Bank	**5,112**	**5,230**	**-2.3%**	**4,866**	**5.0%**	**21,031**	**18,622**	**12.9%**
Other comprehensive income	694	189	266.9%	701	-1.0%	586	794	-26.2%
Total comprehensive income	**5,806**	**5,419**	**7.1%**	**5,567**	**4.3%**	**21,617**	**19,416**	**11.3%**
Basic earnings per share (THB/share)	**0.06**	**0.05**	**20.0%**	**0.05**	**21.0%**	**0.22**	**0.19**	**15.8%**

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 12M23 figures for comparative purpose.*

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

- **For the 4th quarter of 2024:** TTB recorded THB13,809 million of net interest income (NII) in 4Q24, decreasing by 1.8% compared to **the previous quarter (QoQ).** Such decline came primarily from lower loan yield following policy rate cut cycle together with selective loan growth strategy, alleviated by well-managed funding cost. Whereas interest income from investments continued to improve thanks to our investment portfolio adjustment strategy helping enhance yield on investment. In terms of interest expenses, it decreased due to lower deposit and borrowing costs, in line with the Bank's deposit strategy and debt and borrowing management plan aimed at reducing funding costs.

  On YoY basis, Net interest income (NII) declined by 7.6%, primarily due to lower interest income from loans. This was a result of our selective loan growth strategy, a slowdown in the auto market and the impact of the policy rate cut. Despite these challenges, TTB shifted its focus towards better risk-adjusted returns, which helped keep loan yields stable YoY. On the deposit side, costs increased due to a higher proportion of TD compared to 4Q23. Meanwhile, improvements in investment portfolio management and debt and borrowing cost management contributed positively to YoY performance.

- **For the 12-month of 2024:** Net interest income decreased by 1.3% YoY to THB56,452 million primarily due to higher funding cost from higher TD volume, offset with better yield on earning assets following the Bank's loan mix shift strategy and effective liquidity utilization plan amidst the high interest rate environment.

NIM slightly decreased QoQ to 3.25% in 4Q24 from 3.26% in 3Q24.

NIM stood at 3.25% in 4Q24 which marginally declined from 3.26% in 3Q24 and decreased by 14 bps from 3.39% in 4Q23. Although we entered to the rate-cut cycle, NIM remained relatively flat QoQ, driven by well-contained funding cost. Funding cost declined in line with our plan as TTB started to adjust deposit mix towards shorter-duration TD products to managed deposit costs, together with debt and borrowing management which helped reduce borrowing costs. However, loan yield declined by 6 bps following the interest rate downtrend, alleviated by loan mix shift toward retail high-yield product initiative.

Meanwhile, the YoY decrease was mainly owing to higher deposit cost from more TD proportion YoY in deposit mix in line with our deposit strategy while yield on loans was stable YoY against interest rate cut trend thanks to our ongoing loan mix shift plan and fixed-rate oriented loan portfolio (Hire purchase).

For year 2024, NIM rose by 2 bps to 3.26% from 3.24% in 2023, reflecting successful asset-liability management plan which bolstered earning asset yield improvement and well-managed funding cost against high-rate environment. Having said that, amidst conservative asset growth throughout 2024, the Bank's key focuses on loan mix shift towards selective high-yield retail loan areas and investment portfolio management were on track which helped enhance risk-adjusted returns while funding cost was well-contained thru deposit mix adjustment and debt and borrowing management.

Figure 2: Net interest income (NII)

(THB million)	4Q24	3Q24	% QoQ	4Q23	% YoY	12M24	12M23	% YoY
Interest income	**19,991**	**20,664**	**-3.3%**	**21,000**	**-4.8%**	**82,783**	**79,134**	**4.6%**
Interest on interbank and money market items	1,607	1,778	-9.6%	1,414	13.7%	7,072	4,468	58.3%
Investments and trading transactions	38	54	-29.9%	13	188.4%	159	55	191.0%
Investments in debt securities	1,018	928	9.7%	811	25.6%	3,655	2,910	25.6%
Interest on loans	12,008	12,404	-3.2%	13,085	-8.2%	49,555	48,901	1.3%
Interest on hire purchase and financial lease	5,320	5,499	-3.3%	5,677	-6.3%	22,341	22,798	-2.0%
Others	-0.0	0.0	-103.4%	0.2	-100.4%	0.3	1.3	-79.6%
Interest expenses	**6,182**	**6,602**	**-6.4%**	**6,052**	**2.2%**	**26,331**	**21,926**	**20.1%**
Interest on deposits	3,753	3,983	-5.8%	3,220	16.6%	15,561	11,195	39.0%
Interest on interbank and money market items	483	564	-14.3%	607	-20.4%	2,231	1,732	28.8%
Contributions to the Deposit Protection Agency	1,534	1,578	-2.8%	1,572	-2.4%	6,343	6,434	-1.4%
Interest on debt issued and borrowings	393	460	-14.5%	638	-38.4%	2,130	2,506	-15.0%
Borrowing fee	2	3	-16.2%	5	-57.1%	16	22	-29.2%
Others	15	15	4.0%	10	58.0%	51	37	36.0%
Net interest income (NII)	**13,809**	**14,062**	**-1.8%**	**14,948**	**-7.6%**	**56,452**	**57,207**	**-1.3%**

Note: Consolidated financial statements

Figure 3: Yields and cost

(Annualized percentage)	4Q24	3Q24	2Q24	1Q24	4Q23	12M24	12M23
Yield on loans	5.53%	5.59%	5.63%	5.60%	5.53%	5.59%	5.28%
Yield on earning assets	4.70%	4.80%	4.84%	4.80%	4.77%	4.78%	4.48%
Cost of deposit	1.60%	1.66%	1.65%	1.58%	1.40%	1.62%	1.27%
Cost of funds	1.71%	1.79%	1.83%	1.76%	1.59%	1.77%	1.43%
Net interest margin (NIM)	3.25%	3.26%	3.26%	3.28%	3.39%	3.26%	3.24%

Note: Consolidated financial statements

Non-interest income (Non-NII)

- **For the 4th quarter of 2024:** The Bank posted THB3,324 million of non-interest income in 4Q24, which increased by 5.1% QoQ mainly due to net fees and service income recovery and an increase in gain on investment.

  On YoY basis: non-interest income in 4Q24 declined 1.8% YoY mainly from a decrease in net fee and service income offset by gain on financial instruments measured at fair value through profit or loss.

- **For the 12-month of 2024:** Non- NII reported at THB12,948 million, declining by 6.0% YoY due to net fees and service income offset by gain on financial instruments measured at fair value through profit or loss and dividend income aligned with business performance of strategic investments.

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

(THB million)	4Q24	3Q24	% QoQ	4Q23	% YoY	12M24	12M23*	% YoY
Fees and service income	**3,379**	**3,160**	**6.9%**	**3,545**	**-4.7%**	**13,086**	**14,007**	**-6.6%**
Acceptance, Aval & Guarantee	131	136	-4.3%	129	1.2%	534	555	-3.8%
Other fee and service income	3,248	3,023	7.5%	3,416	-4.9%	12,551	13,451	-6.7%
Fees and service expenses	**912**	**917**	**-0.6%**	**907**	**0.5%**	**3,712**	**3,645**	**1.9%**
Net fees and service income	**2,467**	**2,242**	**10.0%**	**2,638**	**-6.5%**	**9,373**	**10,362**	**-9.5%**
Gain on financial instrument measured at fair value through profit or loss	451	473	-4.6%	392	15.2%	1,770	1,666	6.2%
Gain (loss) on investments, net	80	48	66.5%	0	N/A	244	52	371.7%
Share of profit from investment using equity method	61	65	-6.7%	76	-19.9%	256	284	-9.8%
Gain on sale of properties foreclosed, assets & other assets	34	39	-12.1%	44	-22.7%	190	291	-34.7%
Dividend income	15	85	-82.2%	24	-36.3%	287	229	25.7%
Others	215	210	2.4%	209	2.8%	827	884	-6.4%
Non-interest income	**3,324**	**3,163**	**5.1%**	**3,384**	**-1.8%**	**12,948**	**13,768**	**-6.0%**

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 12M23 figures for comparative purpose.*

Details of key strategic fees income are as follows:

- **On QoQ basis:** the loan-linked related fee growth remained challenging during lingering economic recovery for loan growth while the non-loan related fees continued its positive momentum especially in the last quarter of the year.

  In details, **mutual fund fees** in 4Q24, apart from seasonality reason, continued to improve along with market condition recovery. Moreover, TTB boosted MF fees with investment campaigns and bundling deposit products with investment products, such as money market and term fund, to attract more risk-averse customers during market volatility time.

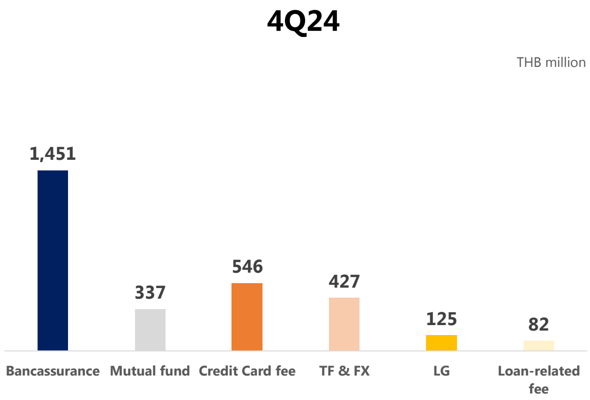
  For BA fees, the performance improved both non-loan related BA and loan-linked BA due to seasonality and an increase in sales of health and protection insurances. However, loan-linked BA growth remained challenging amid the conservative loan growth.

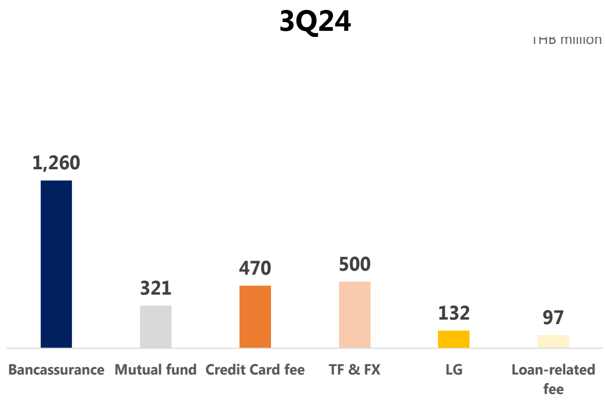
The new key fee engine namely, **credit card fees**, continued its growth due to seasonality. **The trade finance and FX fees** became soften in this quarter because of uncertainty of new US government policy related to international trades which made customers delayed their hedging transactions.

On YoY basis: the recovery of key strategic fees remained lingering especially retail Bancassurance fee (BA) while mutual fund and credit card fees regained the positive momentum. The YoY performance of BA fees also softened partially from the change in accounting estimation of deferred revenue amortization since 1Q24 and a slowdown in new HP loan bookings in line with overall domestic car sales.

- **For the 12-month of 2024**: Non-loan related fees gradually recovered YoY while loan-linked fees remained soft especially BA fees amid unfavorable loan growth condition. Having said that, credit card fees continued to show impressive growth pace aligned with the Banks' consumer lending focus, while MF also gradually recovered YoY as we continued to develop variety of investment products on shelf to serve diverse risk appetites in the market. The key FX fees also showed better performance YoY thanks to new business model initiatives to cross-sell hedging solutions to customers with kids studying overseas which, in turn, helped expand wealth customers base for the Banks.

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





Note: Consolidated financial statements, gross income. (prelim data)

Non-interest expenses

- **For the 4th quarter of 2024**: The Bank recorded THB7,496 million of total non-interest expenses which rose by 2.8% QoQ mainly from employee expenses, software and selling and marketing expenses aligned with business plan and ongoing digital-first transformation initiatives. The decrease in premise expenses QoQ came from change in accounting policy for measuring of building from revaluation model to cost model.

  On YoY basis: the non-interest expense declined 10.1% mainly due to ongoing digital-first transformation resulting in lower employee expense, which is a part of HR management plan to ensure business efficiency and natural attrition, and lower premises and equipment expenses.

- **For the 12-month of 2024:** Non-interest expenses decreased by 4.9% YoY to THB29,571 million. The cost reduction came from efficiency in HR and branch management following digital transformation roadmap offset with an increase of software expenses.

4Q24 Cost to income ratio was at 44%, rose from the previous quarter while stable from the same period last year.

In 4Q24, the cost-to-income ratio (C/I ratio) was at 44%, slightly rose from 42% in 3Q24 but stable from 4Q23. The QoQ rose due to seasonality reason of cost sides and pressure on revenue from policy rate cut. Still, the cost discipline remained one of our priorities and on-going digital transformation would help drive costs down further in long term. Moreover, we keep monitored the cost savings plan to align with revenue enhancement, resulting in a well-managed level of C/I ratio within the range of 42-44%.

For year 2024, C/I ratio was at 43%, improving from 44% in 2023. It continued a decreasing trend from around 51% post-merger moving towards low-40s level as planned, reflecting on-track digital-first transformation effort and operational efficiency improvement. To keep C/I improved sustainably, the Bank keeps focus on prudent cost control and utilizes the digital platform to enhance revenue streams and drive cost to serve down further. In all, the Bank aims to achieve the aspirational target of low-40s C/I within 2026

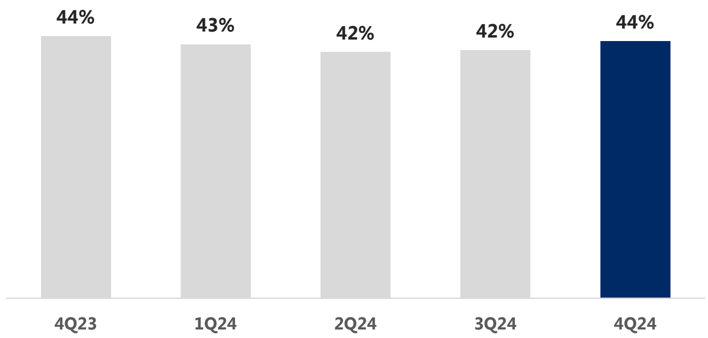
Figure 6: **Non-interest expenses**

(THB million)	4Q24	3Q24	% QoQ	4Q23	% YoY	12M24	12M23*	% YoY
Employee expenses	3,894	3,785	2.9%	4,147	-6.1%	15,589	16,673	-6.5%
Directors' remuneration	26	24	10.2%	23	13.6%	104	123	-15.2%
Premises and equipment expenses	930	1,090	-14.7%	1,236	-24.8%	4,376	4,631	-5.5%
Taxes and duties	451	472	-4.4%	470	-4.0%	1,854	1,831	1.3%
Other expenses	2,195	1,924	14.1%	2,460	-10.8%	7,649	7,837	-2.4%
Non-interest expenses	**7,496**	**7,295**	**2.8%**	**8,336**	**-10.1%**	**29,571**	**31,094**	**-4.9%**

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 12M23 figures for comparative purpose.*

Figure 7: **Cost to income ratio**

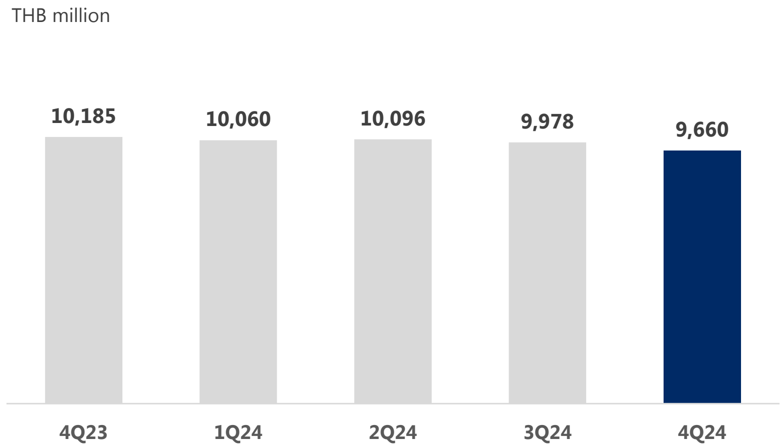


Note: Consolidated financial statements

PPOP, Expected Credit Loss and Net Profit

Pre-provision operating profit (PPOP): PPOP amounted to THB9,660 million in 4Q24, decreased by 3.2% QoQ and 5.2% YoY. PPOP for the 12-month of 2024 was at THB39,795 million, quite flat compared to year 2023.

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



Note: Consolidated financial statements

Setting aside 4Q24 ECL of THB4,690 million including extra provision under prudent ECL model.

Expected Credit Loss (ECL): Asset quality management remained one of our priorities amid this uncertain economic recovery. 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 4Q24, the total ECL reported at THB4,690 million, decreasing 1.6% QoQ and 49.7% YoY or equivalent to 150 bps in terms of credit cost attributably to manageable asset quality. In details, with our financial flexibility, we continued to set aside extra management overlay (MO) by THB630 million as a risk buffer for unforeseen future event. Meanwhile, the normal risk cost equaled THB4,060 million, or equivalent to a credit cost of 130 bps. The level of normal provision also decreased 12% from 3Q24 due to lower NPL formation and less staging slippage rate.

For the 12-month period of 2024, the total ECL amounted to THB19,852 million, a decline of 10.6% YoY, equivalent to 154 bps in terms of credit cost. The decrease was a result of extra MO in 4Q23 thanks to financial flexibility to strengthen LLR further as well as asset quality remained in check. The normal risk cost equaled THB17,379 million, or equivalent to a credit cost of 135 bps which ended within the 2024 guidance. With our conservative approach in risk management, the Banks continued to keep stringent ECL model and maintain robust LLR level. **The coverage ratio** rose to 151% at the end of December 2024.

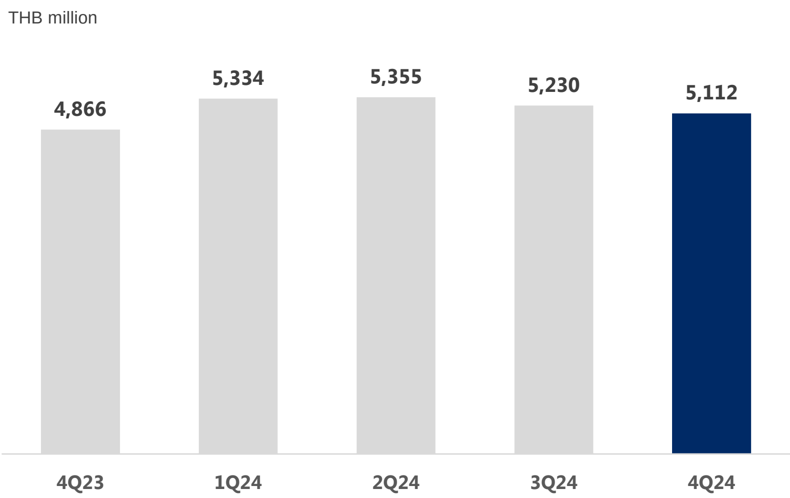
Figure 9: Expected Credit Loss (ECL) and credit cost

(THB million)	4Q24	3Q24	% QoQ	4Q23	% YoY	12M24	12M23	% YoY
Expected credit loss	**4,690**	4,764	-1.6%	9,326	-49.7%	**19,852**	22,199	-10.6%
Credit cost (bps) - annualized	**150**	149		275		**154**	164	

Note: Consolidated financial statements

Net profit: After provision and tax benefit, net profit in 4Q24 was THB5,112 million which decreased by 2.3% QoQ but increased 5.0% from the same period last year. It represented an ROE of 8.6%, lower than 3Q24 at 8.9% but improving from 8.5% in 4Q23. For the 12-month period of 2024, net profit equaled THB21,031 million, an increase of 12.9% YoY, representing an ROE of 9.0%.

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



Note: Consolidated financial statements

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

Discussion of financial position

Figure 11: Selected financial position (Consolidated)

(THB million)	Dec-24	Sep-24	%QoQ	Dec-23*	%YTD
Cash	14,809	12,463	18.8%	15,487	-4.4%
Interbank and money market items, net	288,562	253,607	13.8%	267,486	7.9%
Financial assets measured at fair value through profit or loss	10,381	12,581	-17.5%	2,470	320.3%
Derivative assets	8,663	15,456	-44.0%	7,236	19.7%
Investments, net	156,350	165,924	-5.8%	179,088	-12.7%
Investments in subsidiaries and associate, net	8,584	8,523	0.7%	8,614	-0.4%
Total loans to customers	1,240,874	1,252,917	-1.0%	1,327,964	-6.6%
Add accrued interest receivables and undue interest receivables*	8,422	8,382	0.5%	8,674	-2.9%
Less allowance for expected credit loss	59,007	60,069	-1.8%	63,502	-7.1%
Total loans to customers and accrued interest receivables, net	1,190,289	1,201,230	-0.9%	1,273,136	-6.5%
Properties for sale, net	15,235	15,321	-0.6%	12,159	25.3%
Premises and equipment, net	15,392	16,423	-6.3%	18,673	-17.6%
Goodwill and other intangible assets, net	25,003	24,523	2.0%	23,434	6.7%
Deferred tax assets	3,106	2,587	20.0%	2,028	53.2%
Other assets, net	12,149	13,971	-13.0%	12,751	-4.7%
Total Assets	**1,748,523**	**1,742,609**	**0.3%**	**1,822,563**	**-4.1%**
Deposits	1,328,594	1,296,436	2.5%	1,386,581	-4.2%
Interbank and money market items	90,184	93,370	-3.4%	87,794	2.7%
Financial liabilities measured at fair value through profit or loss	7,319	5,890	24.3%	1,816	302.9%
Debts issued and borrowings, net	29,247	40,375	-27.6%	59,531	-50.9%
Other liabilities	55,366	72,762	-23.9%	59,364	-6.7%
Total Liabilities	**1,510,710**	**1,508,834**	**0.1%**	**1,595,087**	**-5.3%**
Equity attributable to equity holders of the Bank	237,812	233,775	1.7%	227,477	4.5%
Non-controlling interest	0.0	0.1	-25.9%	0.0	0.0%
Total equity	**237,812**	**233,775**	**1.7%**	**227,477**	**4.5%**
Total liabilities and equity	**1,748,523**	**1,742,609**	**0.3%**	**1,822,563**	**-4.1%**
Book value per share (Baht)	2.44	2.40	1.6%	2.34	4.2%

Note: Consolidated financial statements

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

** 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 Dec 23 figures for comparative purpose.*

Assets

As of 31 December 2024, total assets on a consolidated basis were THB1,748,523 million, increasing by 0.3% QoQ but decreasing by 4.1% YTD.

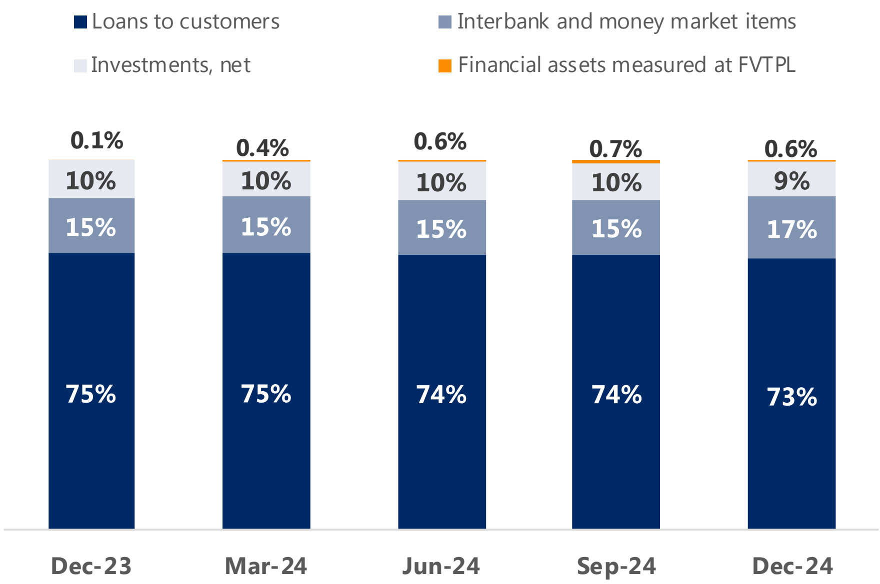
Details of key earning asset figures are as follows;

- Total loans to customers and accrued interest receivables net declined by 0.9% QoQ and 6.5% YTD to THB1,190,289 million. (Details in the following section).
- Net interbank and money market items increased by 13.8% QoQ and 7.9% YTD to THB288,562 million. Such an increase was aligned with our liquidity management.
- Net investments and financial asset measured at fair value through profit or loss dropped by 6.6% QoQ and 8.2% YTD to THB166,731 million, mainly due to portfolio

adjustment of government and corporate bonds when interest rate outlook remains uncertain.

After the merger, loans to customers were still the largest portion of earning assets. As of 31 December 2024, loans to customers represented 73.2% of earning assets. This was followed by interbank and money market of 17.0%, investments of 9.2%, and financial assets measured at fair value through profit or loss of 0.6%, respectively.

Figure 12: Earning assets



Note: Consolidated financial statements

Total loans to customers and accrued interest receivables

As of 31 December 2024, TTB recorded total loans to customers and accrued interest receivables-net on a consolidated basis of THB1,190 billion, decreasing by 0.9% from September 2024 (QoQ) and 6.5% from December 2023 (YTD).

In terms of total loans to customers on a consolidated basis (excluding accrued interest receivables and allowance for ECL), the figure amounted to THB1,241 billion, which declined by 1.0% QoQ and 6.6% YTD.

As economic situation remained uncertain, the Bank reaffirmed the prudent direction to selectively grow quality portfolios and efficiently optimize liquidity utilization with justified risk-adjusted returns, consistently with leveraging core strength and expertise in business operations. Details are as follows:

- **Retail lending** on a consolidated basis declined by 1.4% QoQ and 6.4% YTD. mainly attributable to secured portfolios both hire purchase and mortgage lending. Meanwhile, the targeted segments of top-up loans, including Cash Your Home (CYH), and Personal loan remained positively on track.

Hire purchase: HP declined by 3.2% QoQ and 11.3% YTD, primarily due to a slowdown in the domestic car sales market and a strategic focus on selectively growing the used car customer base through the 'Roddonjai platform,' which led to a decrease in overall HP loan balances. Meanwhile, Cash Your Car (CYC) experienced a slight decline of 0.7% QoQ but saw a 5.5% increase YTD, as we continued to shift towards higher-yield products and leveraged our quality existing customers to enhance risk-adjusted returns.

Mortgage: mortgage lending slightly declined by 0.7% QoQ and 2.9% YTD. In details, new home loan decreased by 1.3% QoQ and 6.3% YTD as the Bank remained cautious in credit underwriting amid a modest demand in the housing market while the targeted home top-up loans, Cash Your Home (CYH), remained on the positive trajectory, growing steadily by 2.0% QoQ and 12.1% YTD.

Consumer loans: Personal loan portfolio expanded further by 1.3% QoQ and 10.4% YTD. Credit card loans also rose by 8.6% QoQ and by 7.2% YTD. This reflects the continuous effort in building up a fairer share in the consumer loans area through ttb consumer.

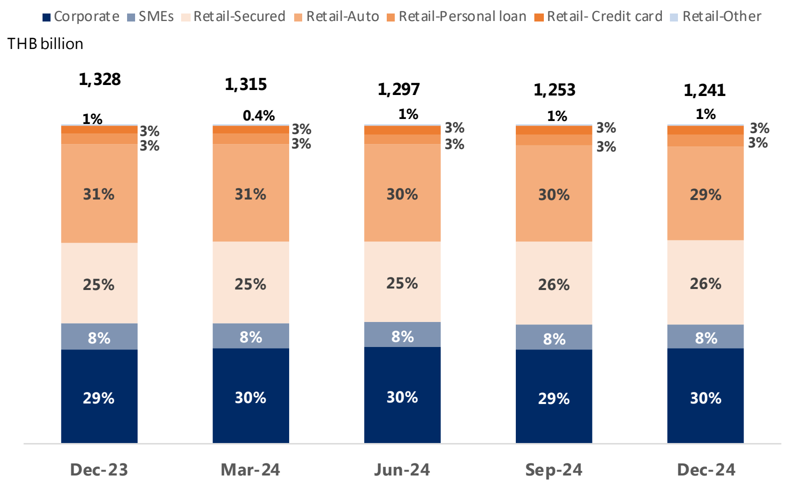
- **Corporate lending** on a consolidated basis slightly increased by 0.5% QoQ but declined by 5.6% YTD, mainly from our strategic move in freeing-up liquidity from low-yield portfolio to selectively grow towards secured higher-yield loan space.
- **SME segment (Small and Medium SME)** continued to drop by 3.1% QoQ and 11.4% YTD, consistently with our strategy to de-risk from SME lending and maintain a conservative position.

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 December 2024, retail loans accounted for 62% while corporate loans were 30% and SMEs were 8% of total portfolio.

In terms of key products, 29% of total loan was hire purchase, followed by mortgage of 26%, term loan of 17%, working capital (OD&RPN) of 14%, unsecured & credit card of 7%, trade finance of 6%, and others 1%, respectively.

As of 31 December 2024, HP portfolio consisted of new car of 64%, Cash Your Car (CYC) of 21%, used car of 14%, and Cash Your Book (CYB) of 1%, respectively.

Figure 13: Total loan to customers breakdown by customer segment

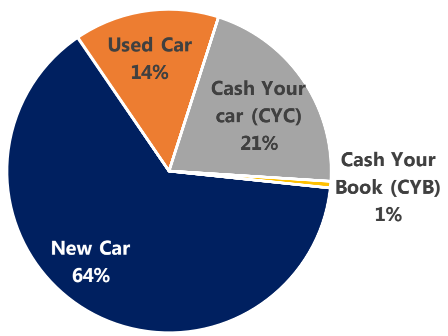


Note: Consolidated financial statements

There was the reclassification of retail-other to mortgage loan in Jan 2023 after internal annual review loan portfolio and, for comparison purpose, we reclassified retrospectively.

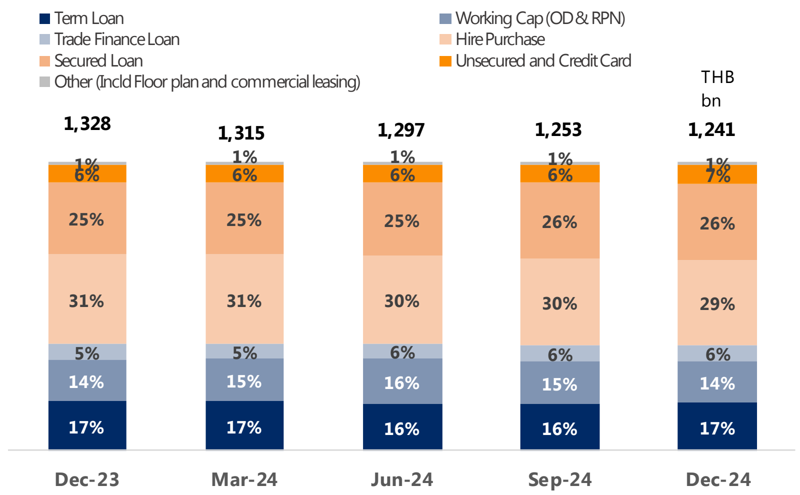
<u>Segment definition</u>:
Corporate: customers with annual sales volume more than THB400 million
SME: small and medium SME customers with annual sales volume up to THB400 million, including owner operators

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 December 2024, investments were classified as follows:

(THB million)	31 Dec 2024	30 Sep 2024
Financial assets measured at FVTPL	**10,381**	**12,581**
Investments in debt securities measured at amortized cost	59,831	59,836
Investments in debt securities measured at FVOCI	93,349	104,408
Investments in equity securities measured at FVOCI	3,170	1,680
Net Investment*	**156,350**	**165,924**
Total Investment	**166,731**	**178,505**

Note: Consolidated financial statements

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

Liabilities and Equity

As of 31 December 2024, total liabilities and equity on a consolidated basis was reported at THB1,748,523 million, increasing by 0.3% QoQ but decreasing by 4.1% from the end of December 2023.

Total consolidated liabilities were THB1,510,710 million, slightly increasing by 0.1% QoQ but declining by 5.3% from the end of December 2023.

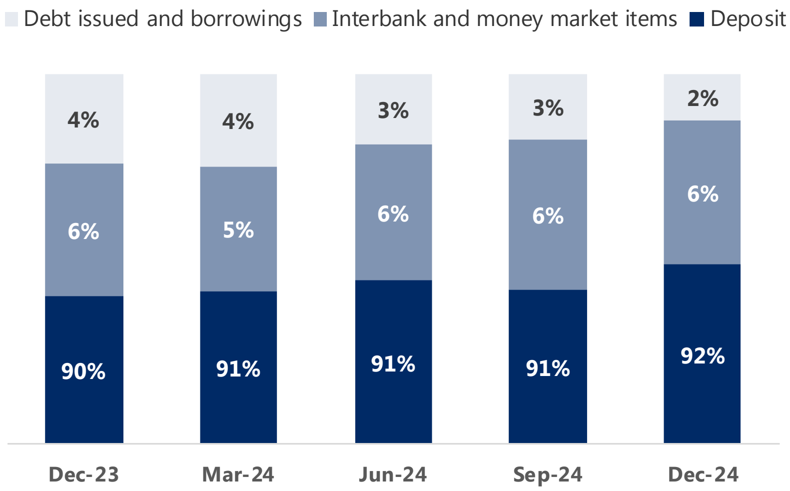
The consolidated equity was THB237,812 million, rising by 1.7% QoQ and 4.5% YTD following the accumulation of the net profit.

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

- Total deposits were THB1,328,594 million, up by 2.5% QoQ but declining by 4.2% YTD. (see details in the following section)
- Interbank and money market items amounted to THB90,184 million which decreased by 3.4% QoQ but rose by 2.7% YTD, mainly due to the Bank's liquidity management.
- Borrowings were recorded at THB29,247 million which decreased by 27.6% QoQ and 50.9% YTD. (see details in the following section)

The deposit was the largest composition of interest- bearing liabilities. As of 31 December 2024, 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 December 2024, the Bank and its subsidiaries reported total deposits on a consolidated basis of THB1,328,594 million which rose by 2.5% QoQ but declining by 4.2% from the end of 2023. Such contractions were aligned with our liquidity management plan to match loan growth while deposit mix and duration preemptively adjusted in preparation of interest rate downcycle.

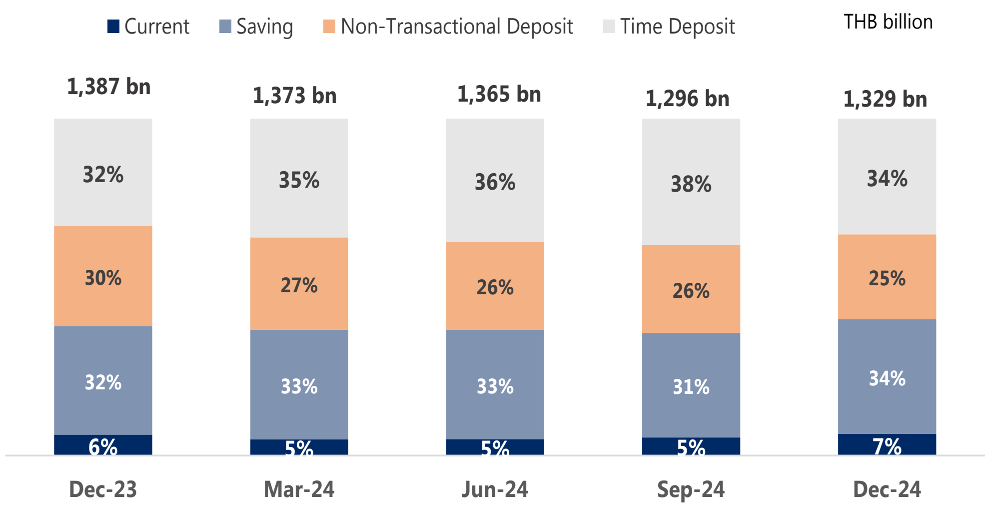
Deposit breakdown by products

For the deposit structure, term deposits were still used as tactical products and become the biggest portion in deposit mix (34%), but the product offerings were shifted from TD-long duration to shorter duration TD such as TD Quick 12M amid the interest rate downcycle. As a result, **TD** declined 6.3% QoQ but expanded by 3.3% YTD. **CASA** increased by 14.2% QoQ and 1.1% YTD mainly from inflows of commercial accounts. However, transactional flagship product, namely **ttb all free**, still grew by 3.4% QoQ and 4.7% YTD. Meanwhile, **hybrid products, No-Fixed** declined 1.7% QoQ and 20.4% YTD, and **ME** grew 3.6% QoQ but dropped 3.2% YTD.

The overall YTD deposit momentum was still in-line with the Bank's target guidance and asset-liability and liquidity management. In addition, we anticipate lower pressure on deposit acquisition and funding costs in the periods ahead, given the current level of Loan-to-Deposit ratio (LDR) of 93% and the downtrend of interest rate cycle. However, we continue to use TD products to deepen relationship with customers and cross-selling products together with leverage our digital platform and ecosystem play initiatives to ensure overall margin and profitability remain intact.

As of December 2024, retail deposit proportion represented 72% and commercial deposit represented 28% of total deposits. In terms of deposit structure, the ratio of non-transactional deposit to total deposit was reported at 25% while transactional deposit (CASA-excluded No-Fixed and ME Save) accounted for 41%, Time 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.

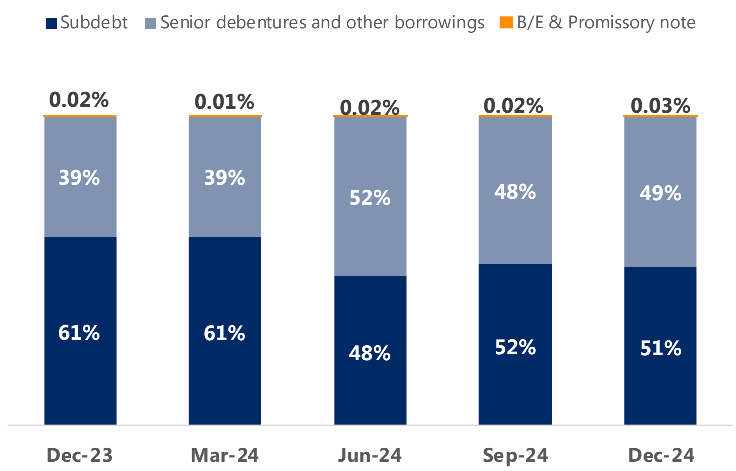
Borrowings

Borrowing decreased by 27.6% QoQ due to funding cost management

As of 31 December 2024, total borrowings of the Bank and its subsidiaries stood at THB 29,247 million, reflecting a decrease of 27.6% QoQ and 50.9% YTD. The reduction in borrowings was primarily due to the early redemption of THB 30 billion in Subordinated Tier II debt and the downsizing of the re-issuance by half in June 2024, along with the early redemption of the entire AT1 portfolio in early December 2024. These reductions were part of a strategic funding cost management effort aimed at lowering high-cost borrowings to improve financial efficiency in the current market interest rate environment.

In terms of borrowing structure, 51% was sub-debt. This was followed by senior debentures and other borrowings of 49% and BE of 0.03%.

Figure 18: Borrowings breakdown



Note: Consolidated financial statements

Asset Quality

Overall prospects for business and banking sector remained in a challenging environment given a slower pace of economic recovery in both global and domestic levels as well as ongoing structural challenges facing Thai economy such as elevated household debt that further limits deleveraging 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 December 2024, 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 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**

	31 Dec 2023	
(THB million)	**Loans to customer and accrued interest receivables**	**Allowance for expected credit Loss**
Stage 1 (Performing)	1,174,852	15,602
Stage 2 (Under-performing)	120,780	28,195
Stage 3 (Non-performing)	41,006	19,705
Total	**1,336,638**	**63,502**

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 limit future downside risks through NPL sales and write-off activities. In this quarter, the Bank and its subsidiaries wrote off NPLs amounting to approximately THB6.7 billion, rose from THB5.5 billion in 3Q24, and sold THB0.6 billion of NPLs compared to THB0.9 billion the previous quarter.

Stage 3 loans (NPLs) on a consolidated basis: As a result, stage 3 loans as of 31 December 2024 were reported at THB38,975 million, reduced from THB40,224 million at the end of September 2024 and THB41,006 million at the end of December 2023.

Stage 3 loans (NPLs) on a bank-only basis: amounted to THB34,907 million, decreased from THB36,955 million in September 2024 and THB36,347 million in December 2023.

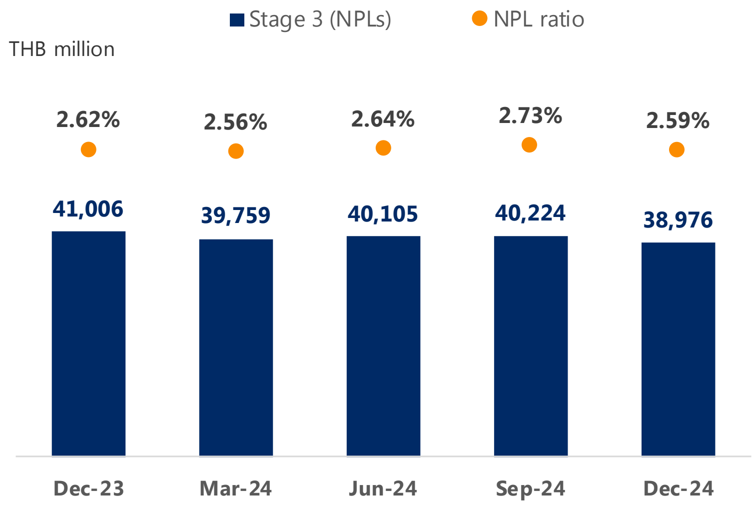
As of 31 December 2024, the NPL ratio on a consolidated basis was 2.59%, down from 2.73% in September 2024 and 2.62% in December 2023. This was well below the target guidance of <2.9% and represented a decline from pre-pandemic levels. The improvement reflects ongoing efforts to de-risk the portfolio through write-offs and sales initiatives, aimed at maintaining the quality of the balance sheet. As a result, NPLs decreased by 5% YTD. On bank-only basis, NPL ratio stood at 2.32%, which reduced from 2.51% as of September 2024 and 2.33% as of December 2023.

Allowance for expected credit loss

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

As of 31 December 2024, the Bank and its subsidiaries reported the allowance for expected credit loss at THB59,007 million, which decreased by 1.8% QoQ and 7.1% YTD. Such declines were in part of write-off activities to keep the portfolio clean. We have proactively de-risked the weak portfolio while prudently maintained the loan loss buffer by setting aside additional provisions on top of the normal provision level as an extra cushion for future economic uncertainties, to ensure that our asset quality has been kept in check. In addition, the coverage ratio remained robust at 151%.

Figure 20: Stage 3 loan (NPLs) and NPL ratio



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 December 2024, on a consolidated basis, total liquid assets represented 19.7% of the total assets. The liquid assets consisted of cash (0.9%), interbank & money market items (16.5%), short-term investment (1.7%), and short-term financial assets measured at FVTPL (0.6%).

In terms of loan-to-deposit ratio (LDR), on a consolidated basis was at 93%, improving from 97% as of September 2023 and 96% as of December 2023.

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 91% as of December 2024.

Figure 21: Liquid asset allocation and loan to deposit ratio

Liquid assets	Dec-24	Sep-24	Jun-24	Mar-24	Dec-23
Cash	0.9%	0.7%	0.7%	0.7%	0.8%
Interbank and money market	16.5%	14.6%	14.3%	14.7%	14.7%
Short-term investment	1.7%	2.0%	2.3%	2.8%	3.4%
Short-term financial assets at FVTPL	0.6%	0.7%	0.5%	0.3%	0.1%
Liquid assets/Total assets	**19.7%**	**17.9%**	**17.9%**	**18.6%**	**19.0%**
Loan to deposit ratio (LDR)	**93%**	**97%**	**95%**	**96%**	**96%**

Note: Consolidated financial statement

Capital Adequacy

Maintain high capital ratios under Basel III

The Bank consistently ensures a robust capital base. As of 31 December 2024, Capital Adequacy Ratio (CAR) on a consolidated basis under Basel III calculation was at 19.3%, while Tier 1 ratio & CET 1 ratio stayed at 16.9%. 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)	Dec-24	Sep-24	Jun-24	Mar-24	Dec-23
Capital Adequacy Ratio (CAR)	**19.3%**	19.7%	19.5%	20.8%	20.7%
Tier I Ratio (Tier 1)	**16.9%**	17.3%	17.1%	17.0%	17.0%
Core Tier 1 Ratio (CET1)	**16.9%**	16.8%	16.6%	16.7%	16.7%

Note: Consolidated financial statement

TTB’s Financial Summary

(THB million)	4Q24	% QoQ	% YoY	12M24	% YoY
Net interest income (NII)	**13,809**	-1.8%	-7.6%	**56,452**	-1.3%
Non-interest income (Non-NII)	**3,324**	5.1%	-1.8%	**12,948**	-6.0%
Non-interest expenses	**7,496**	2.8%	-10.1%	**29,571**	-4.9%
Pre-provision operating profit (PPOP)	**9,660**	-3.2%	-5.2%	**39,795**	-0.3%
Expected credit loss (ECL)	**4,690**	-1.6%	-49.7%	**19,852**	-10.6%
Net profit to equity holders of the Bank	**5,112**	-2.3%	5.0%	**21,031**	12.9%

(THB million)	31-Dec-24	30-Sep-24	%QoQ	31-Dec-23	% YTD
Total loan to customers	**1,240,874**	1,252,917	-1.0%	**1,327,964**	-6.6%
Total assets	**1,748,523**	1,742,609	0.3%	**1,822,563**	-4.1%
Deposit	**1,328,594**	1,296,436	2.5%	**1,386,581**	-4.2%
Debt issued and borrowings, net	**29,247**	40,375	-27.6%	**59,531**	-50.9%
Total liabilities	**1,510,710**	1,508,834	0.1%	**1,595,087**	-5.3%
Total equity	**237,812**	233,775	1.7%	**227,477**	4.5%

Key ratios	4Q24	3Q24	4Q23	12M24	12M23
Net interest margin (NIM)	**3.25%**	3.26%	3.39%	**3.26%**	3.24%
Non-interest income to total assets	**0.76%**	0.71%	0.75%	**0.73%**	0.76%
Cost to income ratio	**43.5%**	42.0%	44.4%	**42.6%**	43.6%
Return on equity (ROE)	**8.6%**	8.9%	8.5%	**9.0%**	8.2%
Return on asset (ROA)	**1.2%**	1.2%	1.1%	**1.2%**	1.0%
NPL / Stage 3 (THB mn)	**38,975**	40,224	41,006	**38,975**	41,006
NPL / Stage 3 ratio	**2.59%**	2.73%	2.62%	**2.59%**	2.62%
Credit cost (bps) - annualized	**150**	149	275	**154**	164
Loan to deposit ratio (LDR)	**93%**	97%	96%	**93%**	96%
LDR + Debt issued & borrowings to deposit	**91%**	94%	92%	**91%**	92%
Capital adequacy ratio (CAR)	**19.3%**	19.7%	20.7%	**19.3%**	20.7%
Tier 1 capital ratio (Tier 1)	**16.9%**	17.3%	17.0%	**16.9%**	17.0%
Core tier 1 capital ratio (CET 1)	**16.9%**	16.8%	16.7%	**16.9%**	16.7%
TTB Bank's employees	**13,574**	13,810	14,328	**13,574**	14,328
Group's employees	**14,529**	14,770	15,320	**14,529**	15,320
Domestic branches	**472**	477	532	**472**	532
ATMs, ADMs and All-in-One	**2,370**	2,514	3,015	**2,370**	3,015

Note: Consolidated financial statements

Additional Information: Credit rating profile

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

Latest Changes: June 2020, Moody's 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.

ttb | Make **REAL** Change

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