



Bangkok Bank Public Company Limited

Management Discussion and Analysis

for the Quarter Ended March 31, 2023



Management Discussion and Analysis

Overview of the Economy and Banking Industry

Thai Economy in the First Quarter of 2023

The Thai economy in the first quarter of 2023 continued to recover from the previous quarter supported by the tourism sector and private consumption. The number of Thai and foreign tourists continued to increase from the previous quarter predominantly from a rise in the number of Chinese tourists following the Chinese government's relaxation of restrictions on outbound travel from the country. The expansion of the tourism sector helps improve employment, resulting in continued growth in private consumption. However, household purchasing power remains under pressure from the rising cost of living and high household debt. The government continued to play an important role in supporting the economic recovery by disbursing investments in infrastructure and issuing measures to alleviate the cost-of-living burden for low-income people. However, the export sector slowed in line with the economic conditions of trading partners.

Thailand's inflation rate continued to decrease. Headline inflation in the first quarter of 2023 stood at 3.88 percent, down from 5.81 percent in the previous quarter. Core inflation averaged 2.24 percent, down from 3.20 percent in the previous quarter. The average exchange rate was 33.91 THB/USD, appreciating from 36.38 THB/USD in the previous quarter, but depreciating from 33.05 THB/USD in the same quarter last year.

The Monetary Policy Committee (MPC) raised the policy rate twice in the 1st quarter from its meeting on January 25, and March 29, 2023, by 0.25 percentage point each time, bringing the policy rate to 1.75 percent. The MPC expected the Thai economy to continue expanding, driven mainly by tourism and private consumption. Headline inflation would likely return to the target range within the second quarter of 2023, but there are upside risks of higher cost pass-through and demand pressures following the economic recovery. Meanwhile, the global economic uncertainty has increased from persistent high inflationary pressures and banking stresses in some advanced economies. The MPC gradually increased policy rate and would be prepared to adjust the stance of monetary policy should the evolving growth and inflation outlook differ from the current assessment.

The Bank of Thailand expects the Thai economy in 2023 will grow by 3.6 percent supported by the continued expansion of the tourism sector. More than 28.5 million foreign tourists are expected to visit Thailand this year, leading to an increase in tourism-related economic activity, improved employment and household income. These factors will contribute to an expansion in private consumption. Meanwhile, private investment is expected to expand in tandem with the number of investment promotion applications through the Board of Investment (BOI) and the rising trend in foreign direct investment. However, exports are expected to grow at a slower pace in line with the slowdown in external demand. Key factors to be monitored include banking stresses in the US and Europe, as well as geopolitical conflicts between Russia and Ukraine, China and the US, which may be escalated from the Taiwan crisis. Moreover, there are economic risks in emerging and developing countries that have high dollar-dominated debt and large current account deficits. Meanwhile, the domestic risk factor shall be monitored is the general election in May 2023.

Thai Banking Industry

In the first quarter of 2023, the business environment of Thai banking system was supported by continued economic recovery mainly from expansion of private consumption and tourism, while facing challenges from a decline in export sector, high inflation and policy interest rate. At the end of March 2023, bank loans declined while deposits increased, as a result the ratio of loans to deposits decreased from the end of last year. The ratio of non-performing loan (NPL) to total loans declined from the end of prior year.

The BOT's Senior Loan Officer Survey commented that in the first quarter of 2023, loan demand expanded across all business sectors. Corporate loan demand was for project finance, investment in machinery and equipment and inventory production, while small and medium sized enterprises (SME) demanded on working capital. Consumer loan demand increased especially for credit card loans and other consumer loans in line with the demand for products and services and improving consumer confidence. Meanwhile demand for auto-leasing and housing loans declined partly owing to higher borrowing costs and the end of the easing on LTV measures. Going forward, loan demand is expected to increase across all business sectors for inventory production and investment in machinery and equipment, especially for electronic vehicle industry and tourism-related businesses. Consumer loan demand is also expected to increase in most of all types of loans especially credit card loans, other consumer loans and housing loans, while auto-leasing tended to decrease. However, higher borrowing costs may lead to a slow growth in loan demand.

Commercial banks put importance to provide assistance and support to customers in accordance with the BOT's assistance measures including sustainable debt relief measures. In addition, commercial banks must prepare for the new financial sector landscape of Thailand to support the digital economy and sustainable development, including (1) Open Competition to broaden financial institutions' business scope and allow new entrants to enter the market; (2) Open Infrastructure to support efficient financial innovation and the transition to a digital economy with interoperable financial infrastructure; and (3) Open Data to increase efficiency, support risk management, product development, data accessibility and leverage the digital footprint.

Commercial banks continued to place greater emphasis on liquidity management with a focus on restructuring deposits and appropriately managing costs while maintaining their Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) in line with the BOT's regulations. The adoption of TFRS 9 requires financial institutions to set aside provisions or expected credit losses by considering economic conditions in the past, present, and future under various assumptions and circumstances that might affect the commercial banking system's loan quality. To manage this, commercial banks will continue to focus on appropriately managing loan quality and risk. However, the commercial banking system still has high levels of capital and has regularly increased loan loss reserves. This will allow the commercial banking system to support credit demand and manage economic volatility going forward.

**Overall Picture of the Bank and its Subsidiaries**

| | Million Baht | | | | |
|---|---------------|-------|-------|--------|--------|
| Item | Q1/23 | Q4/22 | Q1/22 | %QoQ | %YoY |
| Net profit ^{/1} | 10,129 | 7,569 | 7,118 | 33.8% | 42.3% |
| Earnings per share (Baht) | 5.31 | 3.97 | 3.73 | 33.8% | 42.3% |
| Net interest margin | 2.84% | 2.84% | 2.11% | - | 0.73% |
| Net fees and service income to operating income ratio | 17.7% | 18.9% | 22.4% | (1.2)% | (4.7)% |
| Cost to income ratio | 46.8% | 51.7% | 49.8% | (4.9)% | (3.0)% |
| Return on average assets ^{/1} | 0.92% | 0.68% | 0.67% | 0.24% | 0.25% |
| Return on average equity ^{/1} | 8.05% | 5.92% | 5.83% | 2.13% | 2.22% |

^{/1} Attributable to owners of the Bank

| | Million Baht | | | | |
|---|------------------|-----------|-----------|--------|---------|
| Item | Mar'23 | Dec'22 | Mar'22 | %QoQ | %YoY |
| Loans | 2,640,090 | 2,682,691 | 2,587,534 | (1.6)% | 2.0% |
| Deposits | 3,205,989 | 3,210,896 | 3,194,460 | (0.2)% | 0.4% |
| Loan to deposit ratio | 82.3% | 83.5% | 81.0% | (1.2)% | 1.3% |
| Non-performing loan (Gross NPL) ^{/1} | 98,359 | 97,188 | 102,342 | 1.2% | (3.9)% |
| Gross NPL to total loans ratio ^{/1} | 3.1% | 3.1% | 3.3% | - | (0.2)% |
| Allowance for expected credit losses to NPL ratio ^{/1} | 265.1% | 260.8% | 229.0% | 4.3% | 36.1% |
| Total capital adequacy ratio | 19.18% | 19.13% | 19.54% | 0.05% | (0.36)% |

^{/1} Including interbank and money market lending

Bangkok Bank and its subsidiaries reported a net profit of Baht 10,129 million in the first quarter of 2023, increasing from the fourth quarter of 2022. Net interest income was at a similar level to the previous quarter from higher interest income following the rise in interest rates, offsetting higher interest expenses due to the increase in deposit rate and the resumption of the FIDF fee at a normal rate of 0.46 percent. The net interest margin was 2.84 percent. Non-interest income increased mainly from gains on financial instruments measured at FVTPL in line with the market situation, and net fees and service income slightly increased. The cost to income ratio declined to 46.8 percent. In accordance with the Bank's prudent management, the expected credit losses were set aside at Baht 8,474 million, considering global economic volatility that may affect the Thai economy's recovery in the future.

At the end of March 2023, the Bank's loans amounted to Baht 2,640,090 million, a slight decrease of 1.6 percent from the end of 2022, due mainly to loans to business customers and loans made through the Bank's international network. The ratio of non-performing loans to total loans was at a manageable level of 3.1 percent. Given the Bank continues to set aside expected credit losses in line with its prudent approach, the ratio of allowance for expected credit losses to non-performing loan remained strong at 265.1 percent.

As of March 31, 2023, the Bank's deposits amounted to Baht 3,205,989 million, the same level as the end of 2022. The loan to deposit ratio was 82.3 percent. Meanwhile, the total capital adequacy ratio, Tier 1 capital adequacy ratio, and Common Equity Tier 1 capital adequacy ratio of the Bank and its subsidiaries were 19.18 percent, 15.71 percent and 14.91 percent respectively, comfortably above the Bank of Thailand's minimum capital requirements.

Operating Income and Expenses of the Bank and its Subsidiaries

| | Million Baht | | | | |
|---|---------------|---------|--------|--------|--------|
| Item | Q1/23 | Q4/22 | Q1/22 | %QoQ | %YoY |
| Net interest income | 30,077 | 30,454 | 21,747 | (1.2)% | 38.3% |
| Non-interest income | 10,216 | 6,431 | 9,363 | 58.9% | 9.1% |
| Operating expenses | 18,850 | 19,071 | 15,507 | (1.2)% | 21.6% |
| Expected credit losses | 8,474 | 7,914 | 6,489 | 7.1% | 30.6% |
| Operating profit before tax | 12,969 | 9,900 | 9,114 | 31.0% | 42.3% |
| Income tax expenses | 2,728 | 2,257 | 1,875 | 20.9% | 45.5% |
| Net profit | 10,241 | 7,643 | 7,239 | 34.0% | 41.5% |
| Net profit ^{/1} | 10,129 | 7,569 | 7,118 | 33.8% | 42.3% |
| Total comprehensive income (losses) ^{/1} | 9,863 | (4,726) | 4,906 | 308.7% | 101.0% |

^{/1} Attributable to owners of the Bank

Bangkok Bank and its subsidiaries reported a net profit attributable to owners of the Bank in the first quarter of 2023 of Baht 10,129 million, increasing from the previous quarter due to non-interest income from gains on financial instruments measured at Fair Value Through Profit or Loss (FVTPL) in line with the market situation. Meanwhile, net fees and service income slightly increased. Net interest income was at the same level as the previous quarter from an increase in interest income following the rise in interest rates, offset by an increase in interest expenses, due to the rise in deposit rates and the Financial Institutions Development Fund (FIDF) fee which rose from a rate of 0.23 percent per annum to the normal rate of 0.46 percent per annum from the beginning of 2023 onwards. In this quarter, the Bank set aside higher expected credit losses by considering the uncertain global economic situation that may affect the Thai economy going forward.

Compared with the first quarter of 2022, net profit attributable to owners of the Bank rose from an increase in net interest income due to higher loan volume and the rising interest rate, offset by higher interest cost from the rise in deposit rates and the FIDF fee. Operating expenses increased, partly from higher expenses for working stream development and improvement. The Bank set aside additional expected credit losses in accordance with its prudent approach.

Net Interest Income

Net interest income in the first quarter of 2023 amounted to Baht 30,077 million, which was the same level as the previous quarter. Interest income increased in line with the rising interest rate offset by increases in interest expenses from deposit rates and the FIDF fee.

Compared with the same quarter last year, net interest income increased mainly due to an increase in interest income from higher loan volume and rising interest rate offset by higher interest expenses from deposits and the FIDF fee.

| | Million Baht | | | | |
|--|---------------|---------------|---------------|---------------|--------------|
| Item | Q1/23 | Q4/22 | Q1/22 | %QoQ | %YoY |
| Interest Income | | | | | |
| Loans | 35,500 | 34,170 | 25,405 | 3.9% | 39.7% |
| Interbank and money market items | 4,348 | 3,221 | 1,399 | 35.0% | 210.8% |
| Investments | 4,322 | 4,017 | 3,118 | 7.6% | 38.6% |
| Total interest income | 44,170 | 41,408 | 29,922 | 6.7% | 47.6% |
| Interest expenses | | | | | |
| Deposits | 7,585 | 6,329 | 4,378 | 19.8% | 73.3% |
| Interbank and money market items | 1,422 | 951 | 253 | 49.5% | 462.1% |
| Contributions to Financial Institutions Development Fund and Deposit Protection Agency | 3,100 | 1,700 | 1,678 | 82.4% | 84.7% |
| Debt issued and borrowings | 1,986 | 1,974 | 1,866 | 0.6% | 6.4% |
| Total interest expenses | 14,093 | 10,954 | 8,175 | 28.7% | 72.4% |
| Net interest income | 30,077 | 30,454 | 21,747 | (1.2)% | 38.3% |
| Yield on earning assets | 4.16% | 3.86% | 2.90% | 0.30% | 1.26% |
| Cost of funds | 1.55% | 1.20% | 0.91% | 0.35% | 0.64% |
| Net interest margin | 2.84% | 2.84% | 2.11% | - | 0.73% |

| Bangkok Bank Interest Rate | Mar'23 | Dec'22 | Sep'22 | Jun'22 | Mar'22 | Dec'21 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Loans (%) | | | | | | |
| MOR | 6.900 | 6.350 | 6.250 | 5.875 | 5.875 | 5.875 |
| MRR | 6.800 | 6.250 | 6.250 | 5.950 | 5.950 | 5.950 |
| MLR | 6.450 | 5.850 | 5.650 | 5.250 | 5.250 | 5.250 |
| Deposits (%) | | | | | | |
| Savings | 0.500 | 0.450 | 0.450 | 0.250 | 0.250 | 0.250 |
| 3-month Fixed | 0.750 | 0.600 | 0.550 | 0.375 | 0.375 | 0.375 |
| 6-month Fixed | 0.850 | 0.700 | 0.650 | 0.500 | 0.500 | 0.500 |
| 12-month Fixed | 1.150 | 1.000 | 0.800 | 0.500 | 0.500 | 0.500 |
| Bank of Thailand Policy Rate (%) | 1.750 | 1.250 | 1.000 | 0.500 | 0.500 | 0.500 |

Non-Interest Income

Non-interest income for the first quarter of 2023 amounted to Baht 10,216 million, increasing from the previous quarter. This was due mainly to higher gains on financial instruments measured at FVTPL in line with the market environment. Meanwhile, net fees and service income increased slightly.

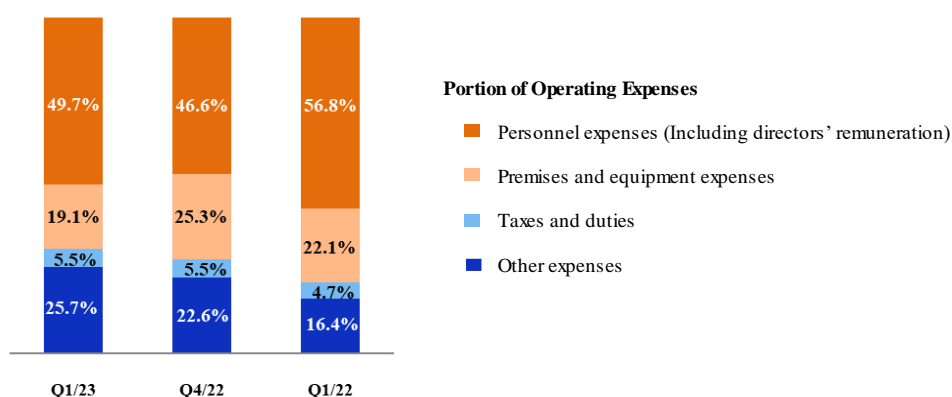
Compared with the first quarter of 2022, non-interest income increased, partly due to net fees and service income from international banking services.

| | Million Baht | | | | |
|---|---------------|---------|--------|---------|---------|
| Item | Q1/23 | Q4/22 | Q1/22 | %QoQ | %YoY |
| Fees and service income | 11,158 | 10,783 | 10,089 | 3.5% | 10.6% |
| <u>Less</u> fees and service expenses | 4,035 | 3,825 | 3,132 | 5.5% | 28.8% |
| Net fees and service income | 7,123 | 6,958 | 6,957 | 2.4% | 2.4% |
| Gains (losses) on financial instruments measured at FVTPL | 1,445 | (1,955) | 1,346 | 173.9% | 7.4% |
| Gains (losses) on investments | 30 | (646) | 71 | 104.6% | (57.7)% |
| Share of profit from investment for using equity method | 57 | 50 | 50 | 14.0% | 14.0% |
| Gains on disposal of assets | 642 | 1,463 | 64 | (56.1)% | 903.1% |
| Dividend income | 630 | 297 | 611 | 112.1% | 3.1% |
| Other operating income | 289 | 264 | 264 | 9.5% | 9.5% |
| Total other operating income | 3,093 | (527) | 2,406 | 686.9% | 28.6% |
| Total non-interest income | 10,216 | 6,431 | 9,363 | 58.9% | 9.1% |
| Net fees and service income to operating income ratio | 17.7% | 18.9% | 22.4% | (1.2)% | (4.7)% |

Operating Expenses

Operating expenses for the first quarter of 2023 amounted to Baht 18,850 million, declining from the previous quarter. Compared with the first quarter of 2022, operating expenses increased, partly from higher expenses for working stream development and improvement. The cost to income ratio stood at 46.8 percent.

| | Million Baht | | | | |
|---------------------------------|---------------|--------|--------|---------|---------|
| Item | Q1/23 | Q4/22 | Q1/22 | %QoQ | %YoY |
| Personnel expenses | 9,324 | 8,862 | 8,735 | 5.2% | 6.7% |
| Directors' remuneration | 49 | 26 | 81 | 88.5% | (39.5)% |
| Premises and equipment expenses | 3,589 | 4,817 | 3,420 | (25.5)% | 4.9% |
| Taxes and duties | 1,038 | 1,060 | 731 | (2.1)% | 42.0% |
| Other expenses | 4,850 | 4,306 | 2,540 | 12.6% | 90.9% |
| Total operating expenses | 18,850 | 19,071 | 15,507 | (1.2)% | 21.6% |
| Cost to income ratio | 46.8% | 51.7% | 49.8% | (4.9)% | (3.0)% |



Expected Credit Losses

In the first quarter of 2023, the Bank set aside Baht 8,474 million in expected credit losses. The Bank continued to set aside expected credit losses in line with its prudent approach, although the Thai economy tended to continuously expand, underpinned by the recovery in the tourism sector and private consumption. However, the export sector was still under pressure from the global economic slowdown due to the trend towards higher inflation and the problematic situation of financial institutions in major economies, as well as the prolonged geopolitical conflicts. Expected credit losses covered loans, interbank and money market items, and debt securities, which are not measured at FVTPL, as well as loan commitments and financial guarantee contracts.

Significant Items in the Financial Position

Assets

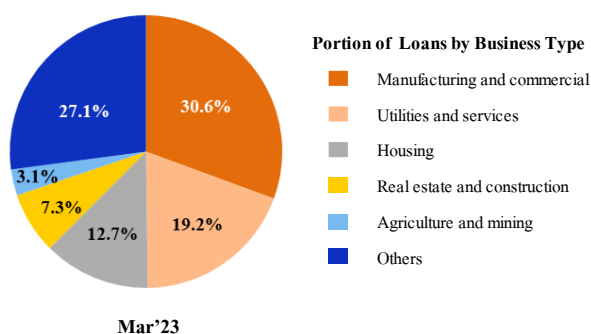
As of March 31, 2023, total assets amounted to Baht 4,461,137 million, the same level as at the end of December 2022.

| | Million Baht | | | | |
|--------------------------------------|------------------|------------------|------------------|-------------|-------------|
| Item | Mar'23 | Dec'22 | Mar'22 | %QoQ | %YoY |
| Net interbank and money market items | 811,274 | 766,074 | 768,421 | 5.9% | 5.6% |
| Financial assets measured at FVTPL | 75,226 | 75,036 | 88,150 | 0.3% | (14.7)% |
| Net investments | 909,494 | 850,151 | 875,378 | 7.0% | 3.9% |
| Net investments in associates | 1,487 | 1,421 | 1,378 | 4.6% | 7.9% |
| Loans | 2,640,090 | 2,682,691 | 2,587,534 | (1.6)% | 2.0% |
| Net properties for sale | 14,727 | 12,017 | 9,749 | 22.6% | 51.1% |
| Total assets | 4,461,137 | 4,421,752 | 4,343,930 | 0.9% | 2.7% |

Loans

As of March 31, 2023, loans amounted to Baht 2,640,090 million, decreasing by 1.6 percent from the end of December 2022, mainly from the decreases in business customers and loans made through the Bank's international network.

| | Million Baht | | | | |
|------------------------------|------------------|------------------|------------------|---------------|-------------|
| Loans by Business Type | Mar'23 | Dec'22 | Mar'22 | %QoQ | %YoY |
| Manufacturing and commercial | 808,497 | 825,508 | 839,754 | (2.1)% | (3.7)% |
| Utilities and services | 506,295 | 527,351 | 579,940 | (4.0)% | (12.7)% |
| Housing | 336,161 | 336,256 | 327,432 | (0.0)% | 2.7% |
| Real estate and construction | 193,020 | 196,482 | 203,091 | (1.8)% | (5.0)% |
| Agriculture and mining | 81,192 | 88,014 | 101,726 | (7.8)% | (20.2)% |
| Others | 714,925 | 709,080 | 535,591 | 0.8% | 33.5% |
| Total loans | 2,640,090 | 2,682,691 | 2,587,534 | (1.6)% | 2.0% |



The Bank and its subsidiaries had loans distributed across business sectors, with 30.6 percent in the manufacturing and commercial sector, 19.2 percent in the utilities and services sector, 12.7 percent in the housing sector, and 7.3 percent in the real estate and construction sector. The decrease in loans from the end of December 2022 was mainly driven by the utilities and services sector and the manufacturing and commercial sector.

Classified Loans and Allowance for Expected Credit Losses

Non-performing loan (Gross NPL) at the end of March 2023 was Baht 98,359 million, while the gross NPL to total loans ratio stood at 3.1 percent.

The allowance for expected credit losses was Baht 260,738 million. The allowance for expected credit losses to NPL ratio was 265.1 percent.

| | Million Baht | | | | |
|---|--------------|--------|---------|------|--------|
| Item | Mar'23 | Dec'22 | Mar'22 | %QoQ | %YoY |
| Consolidated | | | | | |
| Non-performing loan (Gross NPL) ^{/1} | 98,359 | 97,188 | 102,342 | 1.2% | (3.9)% |
| Gross NPL to total loans ratio ^{/1} | 3.1% | 3.1% | 3.3% | - | (0.2)% |
| Net NPL to net total loans ratio ^{/1} | 0.9% | 0.9% | 0.9% | - | - |
| Allowance for expected credit losses to NPL ratio | 265.1% | 260.8% | 229.0% | 4.3% | 36.1% |
| The Bank | | | | | |
| Non-performing loan (Gross NPL) ^{/1} | 84,016 | 80,991 | 83,441 | 3.7% | 0.7% |
| Gross NPL to total loans ratio ^{/1} | 3.0% | 2.9% | 3.1% | 0.1% | (0.1)% |

^{/1} Including interbank and money market lending

Million Baht

| Item | Loans and Interbank & Money Market | | | Allowance for Expected Credit Losses ^{/1} | | |
|-----------------|---------------------------------------|------------------|------------------|---|----------------|----------------|
| | Mar'23 | Dec'22 | Mar'22 | Mar'23 | Dec'22 | Mar'22 |
| | Non-credit-impaired | 3,352,959 | 3,351,508 | 3,254,160 | 185,286 | 179,648 |
| Credit-impaired | 98,359 | 97,188 | 102,342 | 75,452 | 73,811 | 78,164 |
| Total | 3,451,318 | 3,448,696 | 3,356,502 | 260,738 | 253,459 | 234,411 |

^{/1} Including allowance for expected credit losses of loans, interbank and money market items, loan commitments and financial guarantee contracts

Investments

As of March 31, 2023, investments amounted to Baht 984,720 million, increasing by 6.4 percent from the end of December 2022, mostly from investments in Thai government and state enterprise securities.

The Bank and its subsidiaries had Baht 574,122 million in investments in government securities and Thai state enterprises, accounting for 58.3 percent of total investments. Foreign debt securities amounted to Baht 219,483 million, private enterprise debt securities to Baht 24,546 million, and net investment in equity securities to Baht 101,732 million.

Million Baht

| Investments by Investment Holding | Mar'23 | Dec'22 | Mar'22 | %QoQ | %YoY |
|--|----------------|----------------|----------------|-------------|-------------|
| Trading securities | 5,843 | 5,141 | 16,698 | 13.7% | (65.0)% |
| Securities measured at FVTPL | 69,383 | 69,895 | 71,452 | (0.7)% | (2.9)% |
| Debt securities measured at amortized cost | 96,331 | 88,212 | 45,637 | 9.2% | 111.1% |
| Debt securities measured at FVOCI | 725,067 | 672,065 | 734,269 | 7.9% | (1.3)% |
| Equity securities measured at FVOCI | 88,096 | 89,874 | 95,472 | (2.0)% | (7.7)% |
| Total investments | 984,720 | 925,187 | 963,528 | 6.4% | 2.2% |

Liabilities and Shareholders' Equity

Total liabilities as of March 31, 2023, amounted to Baht 3,943,985 million, the same level as at the end of last year.

Million Baht

| Item | Mar'23 | Dec'22 | Mar'22 | %QoQ | %YoY |
|---|------------------|------------------|------------------|-------------|-------------|
| Deposits | 3,205,989 | 3,210,896 | 3,194,460 | (0.2)% | 0.4% |
| Interbank and money market items | 317,865 | 262,522 | 265,243 | 21.1% | 19.8% |
| Financial liabilities measured at FVTPL | 17,767 | 17,960 | 19,299 | (1.1)% | (7.9)% |
| Debt issued and borrowings | 185,745 | 188,302 | 182,843 | (1.4)% | 1.6% |
| Total liabilities | 3,943,985 | 3,914,610 | 3,844,329 | 0.8% | 2.6% |
| Shareholders' equity ^{/1} | 515,208 | 505,346 | 497,633 | 2.0% | 3.5% |

^{/1} Attributable to owners of the Bank

*Deposits*

Total deposits as of March 31, 2023, amounted to Baht 3,205,989 million, the same level as at the end of 2022, and the loan to deposit ratio was 82.3 percent.

Million Baht

| Deposits Classified by Product Type | Mar'23 | | Dec'22 | | Mar'22 | | %QoQ | %YoY |
|--|------------------|---------------|------------------|---------------|------------------|---------------|---------------|-------------|
| | Amount | Portion | Amount | Portion | Amount | Portion | | |
| Current | 293,391 | 9.1% | 302,855 | 9.4% | 284,322 | 8.9% | (3.1)% | 3.2% |
| Savings | 1,711,027 | 53.4% | 1,708,362 | 53.2% | 1,672,825 | 52.4% | 0.2% | 2.3% |
| Fixed | 1,201,571 | 37.5% | 1,199,679 | 37.4% | 1,237,313 | 38.7% | 0.2% | (2.9)% |
| Total deposits | 3,205,989 | 100.0% | 3,210,896 | 100.0% | 3,194,460 | 100.0% | (0.2)% | 0.4% |
| Loan to deposit ratio | | 82.3% | | 83.5% | | 81.0% | (1.2)% | 1.3% |

Debt Issued and Borrowings

Total debt issued and borrowings as of March 31, 2023, amounted to Baht 185,745 million, decreasing from the end of December 2022 due to a decline in the value of foreign-denominated debentures following the appreciation of the baht.

Million Baht

| Debt Issued and Borrowings Classified by Type of Instruments | Mar'23 | | Dec'22 | | Mar'22 | | %QoQ | %YoY |
|---|----------------|---------|----------------|---------|----------------|---------|---------------|-------------|
| | Amount | Portion | Amount | Portion | Amount | Portion | | |
| Senior unsecured notes | 84,362 | 45.4% | 85,045 | 45.2% | 83,280 | 45.5% | (0.8)% | 1.3% |
| Subordinated notes | 100,646 | 54.2% | 101,998 | 54.1% | 98,271 | 53.7% | (1.3)% | 2.4% |
| Bills of exchange | 100 | 0.0% | 413 | 0.2% | 519 | 0.3% | (75.8)% | (80.7)% |
| Others | 700 | 0.4% | 915 | 0.5% | 826 | 0.5% | (23.5)% | (15.3)% |
| Total (before less discount on borrowings) | 185,808 | 100.0% | 188,371 | 100.0% | 182,896 | 100.0% | (1.4)% | 1.6% |
| Less discount on borrowings | 63 | | 69 | | 53 | | (8.7)% | 18.9% |
| Total debt issued and borrowings | 185,745 | | 188,302 | | 182,843 | | (1.4)% | 1.6% |

Shareholders' Equity

Shareholders' equity attributable to owners of the Bank as of March 31, 2023, amounted to Baht 515,208 million, an increase of Baht 9,862 million or 2.0 percent from the end of 2022. This was due to the net profit attributable to owners of the Bank for the first quarter of 2023 of Baht 10,129 million.

Sources and Utilization of Funds

As of March 31, 2023, the Bank and its subsidiaries' primary sources of funds consisted of deposits of Baht 3,205,989 million or 71.9 percent, equity attributable to owners of the Bank of Baht 515,208 million or 11.5 percent, interbank and money market items on liabilities of Baht 317,865 million or 7.1 percent and debt securities issued and borrowing including financial liabilities measured at FVTPL amounting to Baht 203,512 million or 4.6 percent.

The utilization of funds comprised loans of Baht 2,640,090 million or 59.2 percent, net investments including financial assets measured at FVTPL and net investments in associates of Baht 986,207 million or 22.1 percent, and net interbank and money market assets of Baht 811,274 million or 18.2 percent.

Capital Reserves and Capital Adequacy Ratio

Under the principles of Basel III, the Bank of Thailand (BOT) currently requires commercial banks registered in Thailand and members of their financial groups to maintain minimum levels of capital adequacy as measured by three ratios: the Common Equity Tier 1 capital adequacy ratio at no less than 4.50 percent, the Tier 1 capital adequacy ratio at no less than 6.00 percent, and the Total Capital Adequacy ratio at no less than 8.50 percent – measured as a percentage of total risk-weighted assets. The BOT also requires a capital conservation buffer of more than 2.50 percent. Since the Bank is classified by BOT as a Domestic Systemically Important Bank (D-SIB), it must have additional Common Equity Tier 1 ratio at 1.00 percent for Higher Loss Absorbency (HLA). Consequently, the Bank is required to maintain the Common Equity Tier 1 capital adequacy ratio at more than 8.00 percent, the Tier 1 capital adequacy ratio at more than 9.50 percent, and the total capital adequacy ratio at more than 12.00 percent – measured as percentages of total risk-weighted assets.

As of March 31, 2023, the Bank's Common Equity Tier 1 capital adequacy ratio was 14.91 percent, the Tier 1 capital adequacy ratio was 15.71 percent, and the total capital adequacy ratio was 19.18 percent, which was above the Bank of Thailand's minimum capital requirements.

Consolidated

Million Baht

| Item | Mar'23 | | Dec'22 | | Mar'22 | | BOT's requirements |
|------------------------------|----------------|------------------------|----------------|------------------------|----------------|------------------------|--------------------|
| | Capital | Capital Adequacy Ratio | Capital | Capital Adequacy Ratio | Capital | Capital Adequacy Ratio | |
| Common Equity Tier 1 capital | 445,491 | 14.91% | 447,590 | 14.88% | 430,538 | 15.18% | > 8.00% |
| Tier 1 capital | 469,275 | 15.71% | 471,366 | 15.67% | 454,319 | 16.02% | > 9.50% |
| Tier 2 capital | 103,882 | 3.47% | 104,108 | 3.46% | 99,812 | 3.52% | |
| Total capital | 573,157 | 19.18% | 575,474 | 19.13% | 554,131 | 19.54% | > 12.00% |

The Bank

Million Baht

| Item | Mar'23 | | Dec'22 | | Mar'22 | | BOT's requirements |
|------------------------------|----------------|------------------------|----------------|------------------------|----------------|------------------------|--------------------|
| | Capital | Capital Adequacy Ratio | Capital | Capital Adequacy Ratio | Capital | Capital Adequacy Ratio | |
| Common Equity Tier 1 capital | 439,798 | 16.35% | 444,882 | 16.51% | 423,793 | 16.64% | > 8.00% |
| Tier 1 capital | 463,390 | 17.23% | 468,474 | 17.38% | 447,385 | 17.57% | > 9.50% |
| Tier 2 capital | 100,754 | 3.74% | 100,807 | 3.74% | 98,873 | 3.88% | |
| Total capital | 564,144 | 20.97% | 569,281 | 21.12% | 546,258 | 21.45% | > 12.00% |

Liquid Assets

Liquid assets consisted of cash, net interbank and money market items, debt securities, and marketable equity securities. As of March 31, 2023, the ratio of liquid assets to total assets and liquid assets to deposits was 39.6 percent and 55.1 percent, respectively.

| Item | Mar'23 | Dec'22 | Mar'22 |
|--------------------------------|--------|--------|--------|
| Liquid assets/Total assets (%) | 39.6 | 37.7 | 39.2 |
| Liquid assets/Deposits (%) | 55.1 | 51.9 | 53.3 |

Credit Ratings

Details of the Bank's credit ratings are as follows:

| Credit Rating Agency | Mar'23 | Dec'22 | Mar'22 |
|---|-----------------|----------|----------|
| Moody's Investors Service | | | |
| Long-term Deposits | Baa1 | Baa1 | Baa1 |
| Short-term Deposits | P-2 | P-2 | P-2 |
| Senior Unsecured Debt Instruments | Baa1 | Baa1 | Baa1 |
| Subordinated Debt Instruments | Baa2 | Baa2 | Baa2 |
| Subordinated Debt (Basel III-compliant Tier 2 securities) | Baa3 | Baa3 | Baa3 |
| Subordinated Debt (Basel III-compliant Tier 1 securities) | Ba1 | Ba1 | Ba1 |
| Financial Strength (BCA) | baa1 | baa1 | baa1 |
| Outlook | Stable | Stable | Stable |
| S&P Global Ratings | | | |
| Long-term Issuer Credit Rating | BBB+ | BBB+ | BBB+ |
| Short-term Issuer Credit Rating | A-2 | A-2 | A-2 |
| Senior Unsecured Debt Instruments | BBB+ | BBB+ | BBB+ |
| Subordinated Debt Instruments | BBB | BBB | BBB |
| Financial Strength (SACP) | bbb- | bbb- | bbb- |
| Outlook | Stable | Stable | Stable |
| Fitch Ratings | | | |
| International Rating | | | |
| Long-term Issuer Default Rating | BBB | BBB | BBB |
| Short-term Issuer Default Rating | F2 | F2 | F2 |
| Senior Unsecured Debt Instruments | BBB | BBB | BBB |
| Subordinated Debt Instruments | BB+ | BB+ | BB+ |
| Subordinated Debt (Basel III-compliant Tier 2 securities) | BB+ | BB+ | BB+ |
| Financial Strength (VR) | bbb | bbb | bbb |
| Outlook | Stable | Stable | Stable |
| National Rating | | | |
| Long-term | AA+(tha) | AA+(tha) | AA+(tha) |
| Short-term | F1+(tha) | F1+(tha) | F1+(tha) |
| Outlook | Stable | Stable | Stable |