



# **Bangkok Bank Public Company Limited**

## **Management Discussion and Analysis**

for the Quarter and Six-month Period Ended June 30, 2024

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## Management Discussion and Analysis

### Overview of the Economy and Banking Industry

#### *Thai Economy in the Second Quarter of 2024*

The Thai economy continued to expand in the second quarter of 2024, primarily driven by the tourism sector due to an increased number of foreign tourists, which has boosted the service sector, employment, and private consumption. This was further supported by an acceleration in government spending following the passage of the budget expenditures bill for the fiscal year 2024. Additionally, exports increased but still faced challenges due to structural problems and lower competitiveness in certain industries, while public and private investment contracted.

Headline inflation in the second quarter of 2024 stood at 0.78 percent, up from -0.79 percent in the previous quarter, mainly due to higher energy prices. Core inflation was at 0.37 percent, down from 0.44 percent in the previous quarter, reflecting a weakening demand for consumer goods excluding fresh food and energy. The Bank of Thailand expects inflation to reach the target range by the end of 2024. The average exchange rate was 36.71 THB/USD, depreciating from 35.67 THB/USD and 34.49 THB/USD in the previous quarter and the same quarter last year, respectively.

Since the beginning of 2024, the Monetary Policy Committee has maintained the policy interest rate at 2.50 percent, a level that supports economic expansion and that can withstand future financial stability risks. At its latest meeting, the Monetary Policy Committee forecast that the Thai economy would grow by 2.6 and 3.0 percent in 2024 and 2025 respectively, supported by the tourism sector, private consumption and government spending. However, the Thai economy still faces important risk factors that need to be monitored, including the ability of households to repay debt, credit accessibility of SME, structural problems in the manufacturing and export sectors, China's oversupply problem, as well as challenges from global economic uncertainty and changing global geopolitical issues.

#### *Thai Banking Industry*

At the end of the second quarter of 2024, the commercial banking system's loans declined while deposits increased, resulting in a decrease in the loan to deposit ratio compared to the end of last year. Meanwhile, the ratio of non-performing loan (NPL) to total loans rose from the end of last year.

The Bank of Thailand's Credit Conditions Report for the second quarter of 2024 indicated that corporate loan demand increased for working capital coupled with more funding raised through loans rather than debt markets. Meanwhile, the SME loan demand decreased, particularly in the agricultural sector. The consumer loan demand was similar to the previous quarter as credit card loans continued to rise due to increased consumption and demand for durable goods. However, the demand for auto-leasing and housing loans declined, reflecting low consumer confidence in the sluggish economy and high borrowing costs. Looking ahead, financial institutions expect loan demand for working capital to increase along with refinancing by enterprises of all sizes. The consumer loan demand is anticipated to grow, particularly for credit card and other consumer loans, while demand for auto-leasing and housing loans is likely to decrease.

Commercial banks place importance on providing assistance to all customer groups and supporting Thailand in the transition to a sustainable economy, including measures to address household debt problems and promote responsible lending as well as encourage good financial discipline. Moreover, commercial banks must prepare for new policies and regulations regarding the new Thai financial landscape which aims to leverage technology and data to drive innovation and better financial services through Open Competition, Open Infrastructure and Open Data. The Ministry of Finance and the Bank of Thailand recently have invited interested parties to apply for a virtual bank license. The emergence of virtual banks is set to fulfill the demand for financial services access and foster innovation. Concurrently, the Bank of Thailand is advocating financial institutions to facilitate the Thai economy's transition towards sustainable practices and to fortify capability to manage emerging risks, particularly in cybersecurity, in a timely manner.

Commercial banks continued to place a greater emphasis on liquidity management with a focus on restructuring deposits and appropriately managing costs while maintaining their liquidity in line with the Bank of Thailand's regulations, as well as focusing on appropriately managing asset quality and risk. The commercial banking system still has high levels of capital and has regularly increased loan loss reserves which will enable it to support credit demand and manage economic volatility going forward.

### Overall Picture of the Bank and its Subsidiaries

	Million Baht								
Item	Q2/24	Q1/24	Q2/23	%QoQ	%YoY	H1/24	H1/23	%YoY	
Net profit <sup>/1</sup>	<b>11,807</b>	10,524	11,294	12.2%	4.5%	<b>22,330</b>	21,423	4.2%	
Earnings per share (Baht)	<b>6.19</b>	5.51	5.92	12.2%	4.5%	<b>11.70</b>	11.22	4.2%	
Net interest margin	<b>3.03%</b>	3.06%	2.91%	(0.03)%	0.12%	<b>3.05%</b>	2.88%	0.17%	
Net fees and service income to operating income ratio	<b>15.7%</b>	16.6%	15.5%	(0.9)%	0.2%	<b>16.2%</b>	16.6%	(0.4)%	
Cost to income ratio	<b>44.1%</b>	47.1%	47.4%	(3.0)%	(3.3)%	<b>45.6%</b>	47.1%	(1.5)%	
Return on average assets <sup>/1</sup>	<b>1.05%</b>	0.93%	1.01%	0.12%	0.04%	<b>0.99%</b>	0.97%	0.02%	
Return on average equity <sup>/1</sup>	<b>8.63%</b>	7.81%	8.75%	0.82%	(0.12)%	<b>8.27%</b>	8.41%	(0.14)%	

<sup>/1</sup> Attributable to owners of the Bank

	Million Baht					
Item	Jun'24	Mar'24	Dec'23	%QoQ	%YTD	
Loans	<b>2,719,989</b>	2,736,427	2,671,964	(0.6)%	1.8%	
Deposits	<b>3,184,856</b>	3,198,332	3,184,283	(0.4)%	0.0%	
Loan to deposit ratio	<b>85.4%</b>	85.6%	83.9%	(0.2)%	1.5%	
Non-performing loan (Gross NPL) <sup>/1</sup>	<b>99,140</b>	93,949	85,955	5.5%	15.3%	
Gross NPL to total loans ratio <sup>/1</sup>	<b>3.2%</b>	3.0%	2.7%	0.2%	0.5%	
Allowance for expected credit losses to NPL ratio <sup>/1</sup>	<b>282.5%</b>	291.7%	314.7%	(9.2)%	(32.2)%	
Total capital adequacy ratio	<b>19.46%</b>	19.72%	19.57%	(0.26)%	(0.11)%	

<sup>/1</sup> Including interbank and money market lending

Bangkok Bank and its subsidiaries reported a net profit of Baht 22,330 million for the first half of 2024, an increase of 4.2 percent from the same period last year. Net interest income increased by 8.1 percent led by loan growth and a rise in yields on earning assets, offsetting by an increase in cost of deposits. This resulted in a net interest margin of 3.05 percent. Net fees and service income increased as bancassurance and mutual fund services continued to perform well, while gains on financial instruments measured at Fair Value Through Profit or Loss (FVTPL) declined in line with the market environment. Operating expenses was at the similar level as the same period last year due to disciplined cost management, resulting in the cost to income ratio of 45.6 percent. In the first half of 2024, the Bank set aside Baht 19,007 million in expected credit losses under the Bank's consistently prudent management approach.

At the end of June 2024, the Bank's total loans amounted to Baht 2,719,989 million, an increase of 1.8 percent from the end of last year mainly from loans to large corporate customers and loans made through the Bank's international network. The non-performing loan to total loans ratio was 3.2 percent, being a manageable level, couple with the strong allowance for expected credit losses to non-performing loan ratio of 282.5 percent. This is a result of the Bank's continuous prudent management approach.

As of June 30, 2024, the Bank's deposits amounted to Baht 3,184,856 million, a similar level to the end of last year with the loan to deposit ratio of 85.4 percent. The total capital adequacy ratio, Tier 1 capital adequacy ratio, and Common Equity Tier 1 capital adequacy ratio of the Bank and its subsidiaries stood at 19.46 percent, 16.09 percent and 15.32 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	Q2/24	Q1/24	Q2/23	%QoQ	%YoY	H1/24	H1/23	%YoY
Net interest income	<b>33,134</b>	33,422	31,487	(0.9)%	5.2%	<b>66,556</b>	61,565	8.1%
Non-interest income	<b>10,404</b>	8,260	10,957	26.0%	(5.0)%	<b>18,650</b>	21,172	(11.9)%
Operating expenses	<b>19,208</b>	19,618	20,111	(2.1)%	(4.5)%	<b>38,812</b>	38,961	(0.4)%
Expected credit losses	<b>10,426</b>	8,582	8,880	21.5%	17.4%	<b>19,007</b>	17,354	9.5%
Operating profit before tax	<b>13,904</b>	13,482	13,453	3.1%	3.4%	<b>27,387</b>	26,422	3.7%
Income tax expenses	<b>1,993</b>	2,849	2,047	(30.0)%	(2.6)%	<b>4,843</b>	4,775	1.4%
Net profit	<b>11,911</b>	10,633	11,406	12.0%	4.4%	<b>22,544</b>	21,647	4.1%
Net profit <sup>/1</sup>	<b>11,807</b>	10,524	11,294	12.2%	4.5%	<b>22,330</b>	21,423	4.2%
Total comprehensive income <sup>/1</sup>	<b>(692)</b>	26,592	11,131	(102.6)%	(106.2)%	<b>25,900</b>	20,993	23.4%

<sup>/1</sup> Attributable to owners of the Bank

Bangkok Bank and its subsidiaries reported a net profit attributable to owners of the Bank of Baht 11,807 million in the second quarter of 2024, an increase of 12.2 percent from the previous quarter mainly due to non-interest income from gains on financial instruments measured at Fair Value Through Profit or Loss (FVTPL). Operating expenses were at a similar level due to disciplined cost management. The Bank set aside higher expected credit losses from the previous quarter under its continuous prudent management.

Net profit attributable to owners of the Bank for the second quarter of 2024 increased by 4.5 percent over the same period last year, and for the first half of 2024 was Baht 22,330 million, an increase of 4.2 percent from the first half of 2023, mainly driven by an increase in net interest income from rising yields on earning assets and growth in business loans. Meanwhile, the cost of deposits rose in line with deposit interest rates. Non-interest income decreased from gains on financial instruments measured at Fair Value Through Profit or Loss (FVTPL) in accordance with the market environment. In addition, the Bank set aside expected credit losses of Baht 19,007 million under its consistently prudent management approach.



## Net Interest Income

Net interest income in the second quarter of 2024 amounted to Baht 33,134 million, a similar level to the previous quarter, and an increase of 5.2 percent from the same quarter in 2023. For the first half of 2024, net interest income amounted to Baht 66,556 million, an increase of 8.1 percent as a result of growing business loans and rising yields on earning assets. This was offset by an increase in the cost of deposits from the rise in interest rates. The net interest margin stood at 3.05 percent for the first half of 2024.

Million Baht								
Item	Q2/24	Q1/24	Q2/23	%QoQ	%YoY	H1/24	H1/23	%YoY
<b>Interest Income</b>								
Loans	39,621	39,765	37,367	(0.4)%	6.0%	79,386	72,868	8.9%
Interbank and money market items	5,303	5,570	5,046	(4.8)%	5.1%	10,873	9,394	15.7%
Investments	6,721	6,337	4,859	6.1%	38.3%	13,058	9,181	42.2%
<b>Total interest income</b>	<b>51,645</b>	<b>51,672</b>	<b>47,272</b>	<b>(0.1)%</b>	<b>9.3%</b>	<b>103,317</b>	<b>91,443</b>	<b>13.0%</b>
<b>Interest expenses</b>								
Deposits	10,497	10,320	8,787	1.7%	19.5%	20,816	16,372	27.1%
Interbank and money market items	2,140	1,984	1,741	7.9%	22.9%	4,124	3,164	30.3%
Contributions to Financial Institutions Development Fund and Deposit Protection Agency	3,115	3,102	3,139	0.4%	(0.8)%	6,218	6,239	(0.3)%
Debt issued and borrowings	2,759	2,844	2,118	(3.0)%	30.3%	5,603	4,103	36.6%
<b>Total interest expenses</b>	<b>18,511</b>	<b>18,250</b>	<b>15,785</b>	<b>1.4%</b>	<b>17.3%</b>	<b>36,761</b>	<b>29,878</b>	<b>23.0%</b>
<b>Net interest income</b>	<b>33,134</b>	<b>33,422</b>	<b>31,487</b>	<b>(0.9)%</b>	<b>5.2%</b>	<b>66,556</b>	<b>61,565</b>	<b>8.1%</b>
Yield on earning assets	4.73%	4.73%	4.37%	-	0.36%	4.73%	4.27%	0.46%
Cost of funds	2.00%	1.97%	1.71%	0.03%	0.29%	1.99%	1.63%	0.36%
Net interest margin	3.03%	3.06%	2.91%	(0.03)%	0.12%	3.05%	2.88%	0.17%

Bangkok Bank Interest Rate	Jun'24	Mar'24	Dec'23	Sep'23	Jun'23	Mar'23	Dec'22
<b>Loans (%)</b>							
MOR	7.550	7.550	7.550	7.550	7.300	6.900	6.350
MRR	7.050	7.300	7.300	7.300	7.050	6.800	6.250
MLR	7.100	7.100	7.100	7.100	6.850	6.450	5.850
<b>Deposits (%)</b>							
Savings	0.450	0.450	0.450	0.450	0.350	0.500	0.450
3-month Fixed	1.200	1.200	1.200	1.200	0.950	0.750	0.600
6-month Fixed	1.250	1.250	1.250	1.250	1.050	0.850	0.700
12-month Fixed	1.600	1.600	1.600	1.600	1.350	1.150	1.000
<b>Bank of Thailand Policy Rate (%)</b>	<b>2.500</b>	<b>2.500</b>	<b>2.500</b>	<b>2.500</b>	<b>2.000</b>	<b>1.750</b>	<b>1.250</b>

### *Non-interest Income*

Non-interest income for the second quarter of 2024 was Baht 10,404 million, an increase of 26.0 percent from the previous quarter mainly due to gains on financial instruments measured at FVTPL. Net fees and service income remained at a similar level to the previous quarter.

Compared with the second quarter of 2023, non-interest income declined by 5.0 percent. In the first half of 2024, non-interest income amounted to Baht 18,650 million, a decrease of 11.9 percent from gains on financial instruments measured at FVTPL in line with the market environment. Net fees and service income increased as bancassurance and mutual fund services continued to perform well.

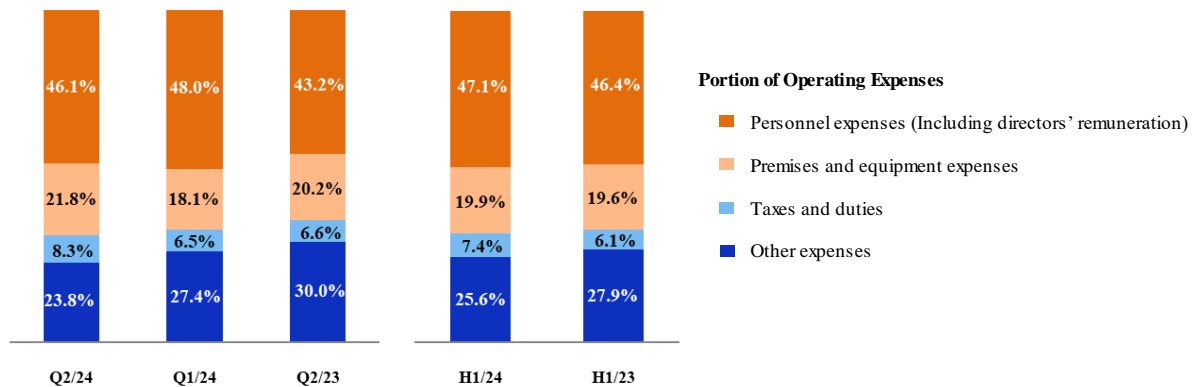
	Million Baht								
Item	Q2/24	Q1/24	Q2/23	%QoQ	%YoY	H1/24	H1/23	%YoY	
Fees and service income	<b>10,700</b>	11,269	10,265	(5.0)%	4.2%	<b>21,968</b>	21,422	2.5%	
<u>Less</u> fees and service expenses	<b>3,850</b>	4,342	3,694	(11.3)%	4.2%	<b>8,192</b>	7,729	6.0%	
<b>Net fees and service income</b>	<b>6,850</b>	6,927	6,571	(1.1)%	4.2%	<b>13,776</b>	13,693	0.6%	
Gains (losses) on financial instruments measured at FVTPL	<b>2,419</b>	(82)	3,372	3,050.0%	(28.3)%	<b>2,337</b>	4,817	(51.5)%	
Gains (losses) on investments	<b>(145)</b>	182	(98)	(179.7)%	(48.0)%	<b>37</b>	(68)	154.4%	
Share of profit from investment using equity method	<b>36</b>	52	50	(30.8)%	(28.0)%	<b>88</b>	107	(17.8)%	
Gains on disposal of assets	<b>339</b>	146	59	132.2%	474.6%	<b>485</b>	701	(30.8)%	
Dividend income	<b>662</b>	795	798	(16.7)%	(17.0)%	<b>1,457</b>	1,428	2.0%	
Other operating income	<b>243</b>	240	205	1.3%	18.5%	<b>470</b>	494	(4.9)%	
<b>Total other operating income</b>	<b>3,554</b>	1,333	4,386	166.6%	(19.0)%	<b>4,874</b>	7,479	(34.8)%	
<b>Total non-interest income</b>	<b>10,404</b>	8,260	10,957	26.0%	(5.0)%	<b>18,650</b>	21,172	(11.9)%	
Net fees and service income to operating income ratio	<b>15.7%</b>	16.6%	15.5%	(0.9)%	0.2%	<b>16.2%</b>	16.6%	(0.4)%	



## Operating Expenses

Operating expenses for the second quarter of 2024 amounted to Baht 19,208 million, a decrease of 2.1 percent from the previous quarter and 4.5 percent from the same period last year. For the first half of 2024, operating expenses were Baht 38,812 million, remaining at a similar level as the first half of 2023, as a result of disciplined cost management. The cost to income ratio was at 45.6 percent for the first half of 2024.

Million Baht									
Item	Q2/24	Q1/24	Q2/23	%QoQ	%YoY	H1/24	H1/23	%YoY	
Personnel expenses	8,774	9,359	8,616	(6.3)%	1.8%	18,133	17,940	1.1%	
Directors' remuneration	79	60	77	31.7%	2.6%	139	125	11.2%	
Premises and equipment expenses	4,189	3,552	4,050	17.9%	3.4%	7,741	7,639	1.3%	
Taxes and duties	1,598	1,273	1,328	25.5%	20.3%	2,871	2,367	21.3%	
Other expenses	4,568	5,374	6,040	(15.0)%	(24.4)%	9,928	10,890	(8.8)%	
<b>Total operating expenses</b>	<b>19,208</b>	<b>19,618</b>	<b>20,111</b>	<b>(2.1)%</b>	<b>(4.5)%</b>	<b>38,812</b>	<b>38,961</b>	<b>(0.4)%</b>	
Cost to income ratio	44.1%	47.1%	47.4%	(3.0)%	(3.3)%	45.6%	47.1%	(1.5)%	



## Expected Credit Losses

In the first half of 2024, the Bank and its subsidiaries set aside expected credit losses of Baht 19,007 million, increasing from the first half of 2023 in line with the Bank's consistently prudent management approach. Although the Thai economy is projected to recover, there are uncertainties about the recovery of exports and manufacturing following a subdued recovery in global demand. In addition, there are factors to be monitored such as China's economic slowdown, elections in major economic countries and prolonged geopolitical issues.



**Significant Items in the Financial Position***Assets*

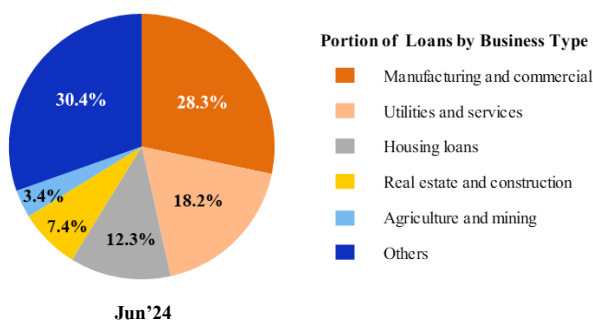
As of June 30, 2024, total assets amounted to Baht 4,530,171 million, a similar level to the end of the previous quarter and the end of last year.

	Million Baht				
Item	Jun'24	Mar'24	Dec'23	%QoQ	%YTD
Net interbank and money market items	671,135	647,181	757,120	3.7%	(11.4)%
Financial assets measured at FVTPL	101,442	107,196	88,978	(5.4)%	14.0%
Net investments	1,000,605	1,022,183	972,287	(2.1)%	2.9%
Net investments in associates	1,114	1,463	1,403	(23.9)%	(20.6)%
Loans	2,719,989	2,736,427	2,671,964	(0.6)%	1.8%
Net properties for sale	8,998	8,890	10,929	1.2%	(17.7)%
<b>Total assets</b>	<b>4,530,171</b>	<b>4,556,914</b>	<b>4,514,484</b>	<b>(0.6)%</b>	<b>0.3%</b>

*Loans*

As of June 30, 2024, loans amounted to Baht 2,719,989 million, a similar level to the end of the previous quarter and increasing 1.8 percent from the end of last year mainly due to loans to large corporate customers and loans made through the Bank's international network.

	Million Baht				
Loans by Business Type	Jun'24	Mar'24	Dec'23	%QoQ	%YTD
Manufacturing and commercial	768,664	780,566	766,783	(1.5)%	0.2%
Utilities and services	495,462	507,246	495,808	(2.3)%	(0.1)%
Housing loans	334,717	337,462	338,489	(0.8)%	(1.1)%
Real estate and construction	202,155	201,643	196,673	0.3%	2.8%
Agriculture and mining	92,953	101,157	92,721	(8.1)%	0.3%
Others	826,038	808,353	781,490	2.2%	5.7%
<b>Total loans</b>	<b>2,719,989</b>	<b>2,736,427</b>	<b>2,671,964</b>	<b>(0.6)%</b>	<b>1.8%</b>



The Bank and its subsidiaries had loans distributed across business sectors, with 28.3 percent in the manufacturing and commercial sector, 18.2 percent in the utilities and services sector, 12.3 percent in the housing loans sector, and 7.4 percent in the real estate and construction sector. The decrease in loans from the end of March 2024 was mainly driven by the manufacturing and commercial sector and the utilities and services sector. Compared with December 2023, loans increased mainly from the others sector.

*Classified Loans and Allowance for Expected Credit Losses*

Non-performing loan (Gross NPL) at the end of June 2024 was Baht 99,140 million. The gross NPL to total loans ratio stood at 3.2 percent, being a manageable level. The allowance for expected credit losses was Baht 280,095 million, and as a result the allowance for expected credit losses to NPL ratio was at a strong level at 282.5 percent.

Million Baht					
Item	Jun'24	Mar'24	Dec'23	%QoQ	%YTD
<b><u>Consolidated</u></b>					
Non-performing loan (Gross NPL) <sup>/1</sup>	<b>99,140</b>	93,949	85,955	5.5%	15.3%
Gross NPL to total loans ratio <sup>/1</sup>	<b>3.2%</b>	3.0%	2.7%	0.2%	0.5%
Net NPL to net total loans ratio <sup>/1</sup>	<b>0.9%</b>	0.8%	0.7%	0.1%	0.2%
Allowance for expected credit losses to NPL ratio	<b>282.5%</b>	291.7%	314.7%	(9.2)%	(32.2)%
<b><u>The Bank</u></b>					
Non-performing loan (Gross NPL) <sup>/1</sup>	<b>84,897</b>	79,146	71,162	7.3%	19.3%
Gross NPL to total loans ratio <sup>/1</sup>	<b>3.2%</b>	3.0%	2.6%	0.2%	0.6%

<sup>/1</sup> Including interbank and money market lending

Million Baht						
Item	Loans and Interbank & Money Market			Allowance for Expected Credit Losses <sup>/1</sup>		
	Jun'24	Mar'24	Dec'23	Jun'24	Mar'24	Dec'23
Non-credit-impaired	<b>3,292,856</b>	3,290,290	3,343,700	<b>203,119</b>	201,692	202,486
Credit-impaired	<b>99,140</b>	93,949	85,955	<b>76,976</b>	72,379	68,053
<b>Total</b>	<b>3,391,996</b>	3,384,239	3,429,655	<b>280,095</b>	274,071	270,539

<sup>/1</sup> Including allowance for expected credit losses of loans, interbank and money market items, loan commitments and financial guarantee contracts

### Investments

As of June 30, 2024, the Bank and its subsidiaries had total investments of Baht 1,102,047 million, an increase of 3.8 percent from the end of the previous year. The Bank had Baht 618,016 million in investments in Thai government and state enterprise securities, accounting for 56.1 percent of total investments. Foreign debt securities amounted to Baht 276,556 million, and net investment in equity securities amounted to Baht 105,214 million.

Million Baht					
Investments by Investment Holding	Jun'24	Mar'24	Dec'23	%QoQ	%YTD
Trading securities	22,382	30,624	14,479	(26.9)%	54.6%
Securities measured at FVTPL	79,060	76,572	74,499	3.2%	6.1%
Debt securities measured at amortized cost	123,486	118,751	119,464	4.0%	3.4%
Debt securities measured at FVOCI	783,833	805,639	757,846	(2.7)%	3.4%
Equity securities measured at FVOCI	93,286	97,793	94,977	(4.6)%	(1.8)%
<b>Total investments</b>	<b>1,102,047</b>	<b>1,129,379</b>	<b>1,061,265</b>	<b>(2.4)%</b>	<b>3.8%</b>

### Liabilities and Shareholders' Equity

Total liabilities, as of June 30, 2024, amounted to Baht 3,982,953 million, a similar level to the end of the previous quarter and the end of last year.

Million Baht					
Item	Jun'24	Mar'24	Dec'23	%QoQ	%YTD
Deposits	3,184,856	3,198,332	3,184,283	(0.4)%	0.0%
Interbank and money market items	316,210	328,084	334,219	(3.6)%	(5.4)%
Financial liabilities measured at FVTPL	19,399	19,410	18,384	(0.1)%	5.5%
Debt issued and borrowings	204,574	202,620	212,505	1.0%	(3.7)%
<b>Total liabilities</b>	<b>3,982,953</b>	<b>3,999,337</b>	<b>3,983,654</b>	<b>(0.4)%</b>	<b>(0.0)%</b>
<b>Shareholders' equity</b> <sup>/1</sup>	<b>545,332</b>	<b>555,567</b>	<b>528,975</b>	<b>(1.8)%</b>	<b>3.1%</b>

<sup>/1</sup> Attributable to owners of the Bank

### Deposits

Total deposits as of June 30, 2024, amounted to Baht 3,184,856 million, a similar level to the end of the previous quarter and the end of last year and with a loan to deposit ratio of 85.4 percent.

Million Baht

Deposits Classified by Product Type	Jun'24		Mar'24		Dec'23		%QoQ	%YTD
	Amount	Portion	Amount	Portion	Amount	Portion		
Current	283,660	8.9%	284,586	8.9%	283,678	8.9%	(0.3)%	(0.0)%
Savings	1,664,467	52.3%	1,699,730	53.1%	1,680,979	52.8%	(2.1)%	(1.0)%
Fixed	1,236,729	38.8%	1,214,016	38.0%	1,219,626	38.3%	1.9%	1.4%
<b>Total deposits</b>	<b>3,184,856</b>	<b>100.0%</b>	<b>3,198,332</b>	<b>100.0%</b>	<b>3,184,283</b>	<b>100.0%</b>	<b>(0.4)%</b>	<b>0.0%</b>
Loan to deposit ratio		<b>85.4%</b>		85.6%		83.9%	(0.2)%	1.5%

### Debt Issued and Borrowings

Total debt issued and borrowings as of June 30, 2024, amounted to Baht 204,574 million, an increase of 1.0 percent from the end of March 2024 due to an increase in value of foreign-denominated debentures following the depreciation of the baht. Compared with the end of December 2023, it decreased by 3.7 percent due to the maturity of USD 600 million senior unsecured notes in March 2024.

Million Baht

Debt Issued and Borrowings Classified by Type of Instruments	Jun'24		Mar'24		Dec'23		%QoQ	%YTD
	Amount	Portion	Amount	Portion	Amount	Portion		
Senior unsecured notes	94,884	46.3%	94,215	46.5%	110,761	52.1%	0.7%	(14.3)%
Subordinated notes	108,743	53.1%	107,587	53.0%	100,970	47.4%	1.1%	7.7%
Others	1,188	0.6%	1,067	0.5%	1,018	0.5%	11.3%	16.7%
Total (before discount on borrowings)	204,815	100.0%	202,869	100.0%	212,749	100.0%	1.0%	(3.7)%
Less discount on borrowings	241		249		244		(3.2)%	(1.2)%
<b>Total debt issued and borrowings</b>	<b>204,574</b>		<b>202,620</b>		<b>212,505</b>		<b>1.0%</b>	<b>(3.7)%</b>

### Shareholders' Equity

Shareholders' equity attributable to owners of the Bank, as of June 30, 2024, amounted to Baht 545,332 million, an increase of Baht 16,357 million, or 3.1 percent, from the end of 2023. This was due to the net profit attributable to owners of the Bank for the first half of 2024 of Baht 22,330 million, offset by a dividend payment of Baht 9,543 million (5.00 baht per share) according to a resolution of the shareholders' meeting on April 11, 2024.

### *Sources and Utilization of Funds*

As of June 30, 2024, the Bank and its subsidiaries' primary sources of funds consisted of deposits of Baht 3,184,856 million or 70.3 percent, equity attributable to owners of the Bank of Baht 545,332 million or 12.0 percent, interbank and money market items on liabilities of Baht 316,210 million or 7.0 percent and debt issued and borrowings including financial liabilities measured at FVTPL amounting to Baht 223,973 million or 4.9 percent.

The utilization of funds comprised loans of Baht 2,719,989 million or 60.0 percent, net investments, including financial assets measured at FVTPL and net investments in associates of Baht 1,103,161 million or 24.4 percent, and net interbank and money market assets of Baht 671,135 million or 14.8 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 the BOT as a Domestic Systemically Important Bank (D-SIB), it must have an 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 June 30, 2024, the Bank's Common Equity Tier 1 capital adequacy ratio was 15.32 percent, the Tier 1 capital adequacy ratio was 16.09 percent, and the total capital adequacy ratio was 19.46 percent, which was above the Bank of Thailand's minimum capital requirements.

### *Consolidated*

Million Baht

Item	Jun'24		Mar'24		Dec'23		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	474,984	15.32%	478,931	15.56%	464,060	15.35%	> 8.00%
Tier 1 capital	498,768	16.09%	502,725	16.33%	487,845	16.14%	> 9.50%
Tier 2 capital	104,585	3.37%	104,160	3.39%	103,884	3.43%	
<b>Total capital</b>	<b>603,353</b>	<b>19.46%</b>	<b>606,885</b>	<b>19.72%</b>	<b>591,729</b>	<b>19.57%</b>	<b>&gt; 12.00%</b>

*The Bank*

Million Baht

Item	Jun'24		Mar'24		Dec'23		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	463,734	16.82%	467,635	17.00%	458,235	16.87%	> 8.00%
Tier 1 capital	487,326	17.67%	491,227	17.85%	481,827	17.74%	> 9.50%
Tier 2 capital	100,908	3.66%	100,996	3.68%	100,500	3.70%	
<b>Total capital</b>	<b>588,234</b>	<b>21.33%</b>	<b>592,223</b>	<b>21.53%</b>	<b>582,327</b>	<b>21.44%</b>	<b>&gt; 12.00%</b>

### Liquid Assets

Liquid assets consisted of cash, net interbank and money market items, debt securities, and marketable equity securities. As of June 30, 2024, the ratio of liquid assets to total assets and liquid assets to deposits was 38.0 percent and 54.0 percent, respectively.

Item	Jun'24	Mar'24	Dec'23
Liquid assets/Total assets (%)	38.0	38.0	39.5
Liquid assets/Deposits (%)	54.0	54.2	56.0

### Credit Ratings

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

Credit Rating Agency	Jun'24	Mar'24	Dec'23
<b>Moody's Investors Service</b>			
Long-term Deposit	<b>Baa1</b>	Baa1	Baa1
Short-term Deposit	<b>P-2</b>	P-2	P-2
Senior Unsecured Debt Instrument	<b>Baa1</b>	Baa1	Baa1
Subordinated Debt Instrument	<b>Baa2</b>	Baa2	Baa2
Subordinated Debt (Basel III-compliant Tier 2 securities)	<b>Baa3</b>	Baa3	Baa3
Subordinated Debt (Basel III-compliant Tier 1 securities)	<b>Ba1</b>	Ba1	Ba1
Financial Strength (BCA)	<b>baa1</b>	baa1	baa1
Outlook	<b>Stable</b>	Stable	Stable
<b>S&amp;P Global Ratings</b>			
Long-term Issuer Credit Rating	<b>BBB+</b>	BBB+	BBB+
Short-term Issuer Credit Rating	<b>A-2</b>	A-2	A-2
Senior Unsecured Debt Instrument	<b>BBB+</b>	BBB+	BBB+
Subordinated Debt Instrument	<b>BBB</b>	BBB	BBB
Financial Strength (SACP)	<b>bbb-</b>	bbb-	bbb-
Outlook	<b>Stable</b>	Stable	Stable

Credit Rating Agency	Jun'24	Mar'24	Dec'23
<b>Fitch Ratings</b>			
<b>International Rating</b>			
Long-term Issuer Default Rating	<b>BBB</b>	BBB	BBB
Short-term Issuer Default Rating	<b>F2</b>	F2	F2
Senior Unsecured Debt Instrument	<b>BBB</b>	BBB	BBB
Subordinated Debt Instrument	<b>BB+</b>	BB+	BB+
Subordinated Debt (Basel III-compliant Tier 2 securities)	<b>BB+</b>	BB+	BB+
Financial Strength (VR)	<b>bbb</b>	bbb	bbb
Outlook	<b>Stable</b>	Stable	Stable
<b>National Rating</b>			
Long-term	<b>AA+(tha)</b>	AA+(tha)	AA+(tha)
Short-term	<b>F1+(tha)</b>	F1+(tha)	F1+(tha)
Outlook	<b>Stable</b>	Stable	Stable