



# **Bangkok Bank Public Company Limited**

## **Management Discussion and Analysis**

for the Quarter Ended March 31, 2024

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## Management Discussion and Analysis

### Overview of the Economy and Banking Industry

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

The Thai economy continued to expand in the first quarter of 2024, driven mainly by the tourism sector due to an increased number of foreign tourists, especially Chinese tourists as a result of the government's visa exemption policy. Consequently, the service sector and related employment improved. Private investment showed signs of improvement following the gradual increase in investment by new businesses. However, exports shrank slightly due to the slow recovery in global trade and structural factors. Public spending contracted in both current and capital expenditures.

Headline inflation and core inflation in the first quarter of 2024 averaged -0.79 percent and 0.44 percent, decreasing from -0.53 percent and 0.61 percent in the previous quarter respectively. Government measures to reduce energy prices and the continuous decrease in the cost of fresh food were significant factors for the decrease in inflation. The average exchange rate was 35.67 THB/USD, depreciating from 35.65 THB/USD and 33.91 THB/USD in the previous quarter and the same quarter last year, respectively.

The Monetary Policy Committee resolved to maintain the policy interest rate at 2.50 percent at its meetings in February and April 2024. At its latest meeting, the Monetary Policy Committee forecast that this year the Thai economy would expand at a higher rate than last year on the continued support from private consumption and tourism as well as increased government spending during the rest of the year. Inflation is expected to reach the target range by the end of 2024. Overall financial conditions are conducive to private sector funding and economic recovery. The current policy interest rate levels remain in line with economic and inflation trends.

The Bank of Thailand expects that the Thai economy will grow at 2.6 percent in 2024, supported by the ongoing expansion of the tourism sector and private consumption. Exports are likely to recover gradually while government spending will accelerate throughout the rest of the year. In addition, the government has introduced various measures, such as those to help reduce the cost of living and to stimulate the real estate market. Important risk factors include household debt and a declining ability to repay debt, structural problems in the manufacturing and export sectors, and influx of goods due to China's oversupply. There are also challenges from global economic uncertainty, the US-China trade tensions, and geopolitical conflicts that may cause oil prices to rise and prevent central banks in major economies from lowering their interest rates as expected.

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*Thai Banking Industry*

At the end of the first quarter of 2024, the commercial banking system's loans grew at a slower rate than deposits growth, resulting in a lower loan to deposit ratio compared to the end of last year. The ratio of non-performing loan (NPL) to total loans slightly increased.

The Bank of Thailand's Credit Conditions Report indicated that loan demand increased from SME businesses in the first quarter of 2024, particularly those in the agricultural sector. Loan demand for SME businesses was for building up inventory, working capital and refinancing. Corporate loan demand slightly declined, however more funding was raised through loans instead of the debt market. Consumer loan demand was similar to the previous quarter as credit card loans continued to increase in line with increasing consumption needs and durable goods purchases. Meanwhile, auto-leasing and housing loans declined due to lower consumer confidence as the market was sluggish and borrowing costs were elevated. Going forward, loan demand is expected to increase for working capital and refinancing across enterprises of all sizes. The high borrowing costs were a significant factor to influence loan demand. Consumer loan demand is expected to increase for credit card and other consumer loans while demand for auto-leasing and housing loans is likely to remain stable.

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	Q1/24	Q4/23	Q1/23	%QoQ	%YoY
Net profit <sup>/1</sup>	<b>10,524</b>	8,863	10,129	18.7%	3.9%
Earnings per share (Baht)	<b>5.51</b>	4.64	5.31	18.7%	3.9%
Net interest margin	<b>3.06%</b>	3.19%	2.84%	(0.13)%	0.22%
Net fees and service income to operating income ratio	<b>16.6%</b>	16.0%	17.7%	0.6%	(1.1)%
Cost to income ratio	<b>47.1%</b>	56.0%	46.8%	(8.9)%	0.3%
Return on average assets <sup>/1</sup>	<b>0.93%</b>	0.78%	0.92%	0.15%	0.01%
Return on average equity <sup>/1</sup>	<b>7.81%</b>	6.65%	8.05%	1.16%	(0.24)%

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

	Million Baht				
Item	Mar'24	Dec'23	Mar'23	%QoQ	%YoY
Loans	<b>2,736,427</b>	2,671,964	2,640,090	2.4%	3.6%
Deposits	<b>3,198,332</b>	3,184,283	3,205,989	0.4%	(0.2)%
Loan to deposit ratio	<b>85.6%</b>	83.9%	82.3%	1.7%	3.3%
Non-performing loan (Gross NPL) <sup>/1</sup>	<b>93,949</b>	85,955	98,359	9.3%	(4.5)%
Gross NPL to total loans ratio <sup>/1</sup>	<b>3.0%</b>	2.7%	3.1%	0.3%	(0.1)%
Allowance for expected credit losses to NPL ratio <sup>/1</sup>	<b>291.7%</b>	314.7%	265.1%	(23.0)%	26.6%
Total capital adequacy ratio	<b>19.72%</b>	19.57%	19.18%	0.15%	0.54%

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

Bangkok Bank and its subsidiaries reported a net profit of Baht 10,524 million in the first quarter of 2024, an increase of 18.7 percent from the fourth quarter of last year. Net interest income declined due to an increase in interest expenses on deposits, following the gradual rise in interest rates from maturing deposits. This resulted in a net interest margin of 3.06 percent. Non-interest income increased as a result of investment income as well as net fees and service income from better performance of bancassurance and mutual fund services. Operating expenses decreased while the cost to income ratio stood at 47.1 percent. As part of its continuous prudent management, the Bank set aside Baht 8,582 million in expected credit losses to accommodate uncertainties going forward.

At the end of March 2024, the Bank's total loans amounted to Baht 2,736,427 million, an increase of 2.4 percent from the end of last year from loans to large corporate customers and loans made through the Bank's international network. The non-performing loan to total loans ratio remained manageable at 3.0 percent. Under the Bank's continuous prudent management approach, the ratio of the allowance for expected credit losses to non-performing loan remained strong at 291.7 percent.

As of March 31, 2024, the Bank's deposits amounted to Baht 3,198,332 million, a similar level to the end of last year, while the loan to deposit ratio stood at 85.6 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 19.72 percent, 16.33 percent and 15.56 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	Q1/24	Q4/23	Q1/23	%QoQ	%YoY	
Net interest income	<b>33,422</b>	35,165	30,077	(5.0)%	11.1%	
Non-interest income	<b>8,260</b>	7,027	10,216	17.5%	(19.1)%	
Operating expenses	<b>19,618</b>	23,621	18,850	(16.9)%	4.1%	
Expected credit losses	<b>8,582</b>	7,343	8,474	16.9%	1.3%	
Operating profit before tax	<b>13,482</b>	11,228	12,969	20.1%	4.0%	
Income tax expenses	<b>2,849</b>	2,281	2,728	24.9%	4.4%	
Net profit	<b>10,633</b>	8,947	10,241	18.8%	3.8%	
Net profit <sup>/1</sup>	<b>10,524</b>	8,863	10,129	18.7%	3.9%	
Total comprehensive income <sup>/1</sup>	<b>26,592</b>	858	9,863	2,999.3%	169.6%	

<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 10,524 million in the first quarter of 2024, an increase of 18.7 percent from the previous quarter. Non-interest income increased, due to investment income and net fees and service income. In addition, operating expenses decreased from seasonality. Meanwhile, net interest income decreased because of rising interest expenses. The Bank set aside expected credit losses in this quarter as part of its continuous prudent management.

Compared with the first quarter of 2023, net profit attributable to owners of the Bank rose by 3.9 percent. This was primarily due to an increase in net interest income from a rise in yield on earning assets in line with the interest rates trend, offset by the increase in cost of deposits from the rise in deposit interest rates. Non-interest income decreased from a decline in gains on financial instruments measured at Fair Value Through Profit or Loss (FVTPL) in accordance with the market environment. Meanwhile, operating expenses increased from higher marketing expenses and expenses for operational efficiency improvements. The Bank set aside expected credit losses at a similar level to the first quarter of the previous year.

### Net Interest Income

Net interest income in the first quarter of 2024 amounted to Baht 33,422 million, decreasing by 5.0 percent from the previous quarter. This was partly due to an increase in interest expenses on deposits, following the gradual rise in interest rates from maturing deposits.

Compared with the first quarter of 2023, net interest income increased by 11.1 percent from the rise in yields on earning assets following the interest rates trend. This was offset by an increase in the cost of deposits from rising deposit interest rates. The net interest margin stood at 3.06 percent.

Million Baht

Item	Q1/24	Q4/23	Q1/23	%QoQ	%YoY
<b>Interest Income</b>					
Loans	39,765	40,966	35,500	(2.9)%	12.0%
Interbank and money market items	5,570	5,864	4,348	(5.0)%	28.1%
Investments	6,337	5,808	4,322	9.1%	46.6%
<b>Total interest income</b>	<b>51,672</b>	<b>52,638</b>	<b>44,170</b>	<b>(1.8)%</b>	<b>17.0%</b>
<b>Interest expenses</b>					
Deposits	10,320	9,778	7,585	5.5%	36.1%
Interbank and money market items	1,984	1,987	1,422	(0.2)%	39.5%
Contributions to Financial Institutions Development Fund and Deposit Protection Agency	3,102	3,098	3,100	0.1%	0.1%
Debt issued and borrowings	2,844	2,610	1,986	9.0%	43.2%
<b>Total interest expenses</b>	<b>18,250</b>	<b>17,473</b>	<b>14,093</b>	<b>4.4%</b>	<b>29.5%</b>
<b>Net interest income</b>	<b>33,422</b>	<b>35,165</b>	<b>30,077</b>	<b>(5.0)%</b>	<b>11.1%</b>
Yield on earning assets	4.73%	4.78%	4.16%	(0.05)%	0.57%
Cost of funds	1.97%	1.86%	1.55%	0.11%	0.42%
Net interest margin	3.06%	3.19%	2.84%	(0.13)%	0.22%

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

### *Non-interest Income*

Non-interest income for the first quarter of 2024 amounted to Baht 8,260 million, increasing by 17.5 percent from the previous quarter due to an increase in investment income, as well as net fees and service income from better performance of bancassurance and mutual fund services.

Compared with the first quarter of 2023, non-interest income decreased by 19.1 percent from gains on financial instruments measured at FVTPL in line with the market environment. Net fees and service income declined from the securities business in accordance with market transaction volume while fees from bancassurance and mutual fund services increased.

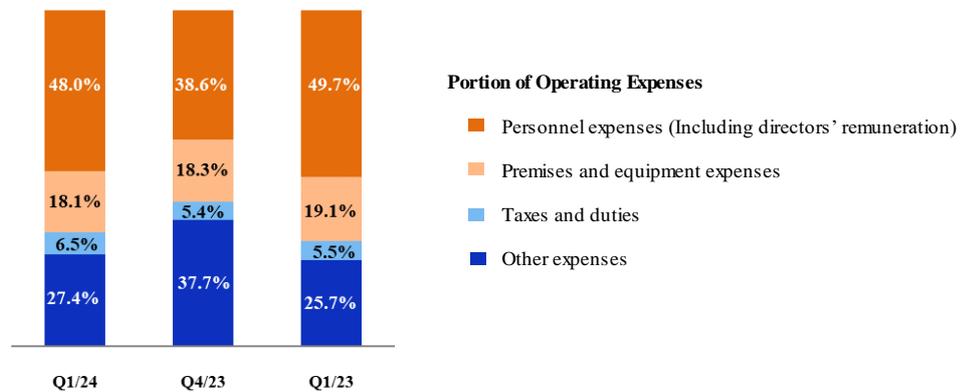
	Million Baht				
Item	Q1/24	Q4/23	Q1/23	%QoQ	%YoY
Fees and service income	11,269	10,941	11,158	3.0%	1.0%
<u>Less</u> fees and service expenses	4,342	4,173	4,035	4.0%	7.6%
<b>Net fees and service income</b>	<b>6,927</b>	<b>6,768</b>	<b>7,123</b>	<b>2.3%</b>	<b>(2.8)%</b>
Gains (losses) on financial instruments measured at FVTPL	(82)	(41)	1,445	(100.0)%	(105.7)%
Gains (losses) on investments	182	(357)	30	151.0%	506.7%
Share of profit from investment using equity method	52	36	57	44.4%	(8.8)%
Gains on disposal of assets	146	94	642	55.3%	(77.3)%
Dividend income	795	267	630	197.8%	26.2%
Other operating income	240	260	289	(7.7)%	(17.0)%
<b>Total other operating income</b>	<b>1,333</b>	<b>259</b>	<b>3,093</b>	<b>414.7%</b>	<b>(56.9)%</b>
<b>Total non-interest income</b>	<b>8,260</b>	<b>7,027</b>	<b>10,216</b>	<b>17.5%</b>	<b>(19.1)%</b>
Net fees and service income to operating income ratio	<b>16.6%</b>	16.0%	17.7%	0.6%	(1.1)%

### Operating Expenses

Operating expenses for the first quarter of 2024 amounted to Baht 19,618 million, decreasing by 16.9 percent from the fourth quarter of 2023, due mainly to the decrease of expenses from seasonality.

Compared with the first quarter of 2023, operating expenses increased by 4.1 percent from marketing expenses and expenses for operational efficiency improvement. The cost to income ratio stood at 47.1 percent.

Million Baht					
Item	Q1/24	Q4/23	Q1/23	%QoQ	%YoY
Personnel expenses	9,359	9,040	9,324	3.5%	0.4%
Directors' remuneration	60	80	49	(25.0)%	22.4%
Premises and equipment expenses	3,552	4,320	3,589	(17.8)%	(1.0)%
Taxes and duties	1,273	1,269	1,038	0.3%	22.6%
Other expenses	5,374	8,912	4,850	(39.7)%	10.8%
<b>Total operating expenses</b>	<b>19,618</b>	<b>23,621</b>	<b>18,850</b>	<b>(16.9)%</b>	<b>4.1%</b>
Cost to income ratio	47.1%	56.0%	46.8%	(8.9)%	0.3%



### Expected Credit Losses

The Bank set aside expected credit losses of Baht 8,582 million in the first quarter of 2024 under its consistently prudent approach. The overall Thai economy experienced only a modest expansion as subdued demand from trading partners continued to pressure exports. Going forward, important factors that require continuous close monitoring include geopolitical tensions and the slow recovery of the Chinese economy.



## Significant Items in the Financial Position

### Assets

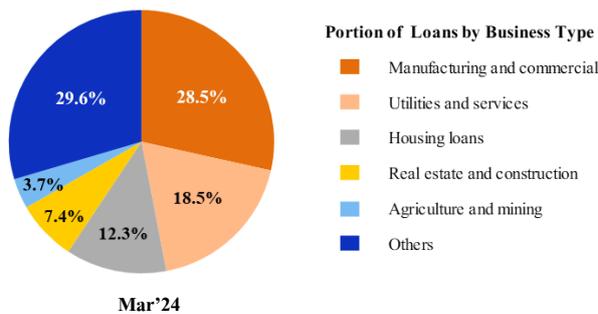
As of March 31, 2024, total assets amounted to Baht 4,556,914 million, a similar level to the end of December 2023.

	Million Baht				
Item	Mar'24	Dec'23	Mar'23	%QoQ	%YoY
Net interbank and money market items	647,181	757,120	811,274	(14.5)%	(20.2)%
Financial assets measured at FVTPL	107,196	88,978	75,226	20.5%	42.5%
Net investments	1,022,183	972,287	909,494	5.1%	12.4%
Net investments in associates	1,463	1,403	1,487	4.3%	(1.6)%
Loans	2,736,427	2,671,964	2,640,090	2.4%	3.6%
Net properties for sale	8,890	10,929	14,727	(18.7)%	(39.6)%
<b>Total assets</b>	<b>4,556,914</b>	<b>4,514,484</b>	<b>4,461,137</b>	<b>0.9%</b>	<b>2.1%</b>

### Loans

As of March 31, 2024, loans amounted to Baht 2,736,427 million, increasing by 2.4 percent from the end of December 2023 due to loans to large corporate customers and loans made through the Bank's international network.

	Million Baht				
Loans by Business Type	Mar'24	Dec'23	Mar'23	%QoQ	%YoY
Manufacturing and commercial	780,566	766,783	808,497	1.8%	(3.5)%
Utilities and services	507,246	495,808	506,295	2.3%	0.2%
Housing loans	337,462	338,489	336,161	(0.3)%	0.4%
Real estate and construction	201,643	196,673	193,020	2.5%	4.5%
Agriculture and mining	101,157	92,721	81,192	9.1%	24.6%
Others	808,353	781,490	714,925	3.4%	13.1%
<b>Total loans</b>	<b>2,736,427</b>	<b>2,671,964</b>	<b>2,640,090</b>	<b>2.4%</b>	<b>3.6%</b>



The Bank and its subsidiaries had loans distributed across business sectors, with 28.5 percent in the manufacturing and commercial sector, 18.5 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 increase in loans from the end of December 2023 was mainly driven by the others 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 2024 were Baht 93,949 million, while the gross NPL to total loans ratio stood at 3.0 percent.

The allowance for expected credit losses was Baht 274,071 million. The allowance for expected credit losses to NPL ratio was 291.7 percent.

	Million Baht				
Item	Mar'24	Dec'23	Mar'23	%QoQ	%YoY
<b><u>Consolidated</u></b>					
Non-performing loan (Gross NPL) <sup>/1</sup>	<b>93,949</b>	85,955	98,359	9.3%	(4.5)%
Gross NPL to total loans ratio <sup>/1</sup>	<b>3.0%</b>	2.7%	3.1%	0.3%	(0.1)%
Net NPL to net total loans ratio <sup>/1</sup>	<b>0.8%</b>	0.7%	0.9%	0.1%	(0.1)%
Allowance for expected credit losses to NPL ratio	<b>291.7%</b>	314.7%	265.1%	(23.0)%	26.6%
<b><u>The Bank</u></b>					
Non-performing loan (Gross NPL) <sup>/1</sup>	<b>79,146</b>	71,162	84,016	11.2%	(5.8)%
Gross NPL to total loans ratio <sup>/1</sup>	<b>3.0%</b>	2.6%	3.0%	0.4%	-

<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>		
	Mar'24	Dec'23	Mar'23	Mar'24	Dec'23	Mar'23
Non-credit-impaired	<b>3,290,290</b>	3,343,700	3,352,959	<b>201,692</b>	202,486	185,286
Credit-impaired	<b>93,949</b>	85,955	98,359	<b>72,379</b>	68,053	75,452
<b>Total</b>	<b>3,384,239</b>	3,429,655	3,451,318	<b>274,071</b>	270,539	260,738

<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 March 31, 2024, investments amounted to Baht 1,129,379 million, rising by 6.4 percent from the end of December 2023 due mainly to investments in Thai government and state enterprise securities.

The Bank and its subsidiaries had Baht 651,718 million in investments in Thai government and state enterprise securities as of March 31, 2024, accounting for 57.7 percent of total investments. Foreign debt securities amounted to Baht 266,193 million, and net investment in equity securities amounted to Baht 109,761 million.

	Million Baht				
Investments by Investment Holding	Mar'24	Dec'23	Mar'23	%QoQ	%YoY
Trading securities	<b>30,624</b>	14,479	5,843	111.5%	424.1%
Securities measured at FVTPL	<b>76,572</b>	74,499	69,383	2.8%	10.4%
Debt securities measured at amortized cost	<b>118,751</b>	119,464	96,331	(0.6)%	23.3%
Debt securities measured at FVOCI	<b>805,639</b>	757,846	725,067	6.3%	11.1%
Equity securities measured at FVOCI	<b>97,793</b>	94,977	88,096	3.0%	11.0%
<b>Total investments</b>	<b>1,129,379</b>	1,061,265	984,720	6.4%	14.7%

**Liabilities and Shareholders' Equity**

Total liabilities as of March 31, 2024, amounted to Baht 3,999,337 million, a similar level to the end of December 2023.

Million Baht					
Item	Mar'24	Dec'23	Mar'23	%QoQ	%YoY
Deposits	3,198,332	3,184,283	3,205,989	0.4%	(0.2)%
Interbank and money market items	328,084	334,219	317,865	(1.8)%	3.2%
Financial liabilities measured at FVTPL	19,410	18,384	17,767	5.6%	9.2%
Debt issued and borrowings	202,620	212,505	185,745	(4.7)%	9.1%
<b>Total liabilities</b>	<b>3,999,337</b>	<b>3,983,654</b>	<b>3,943,985</b>	<b>0.4%</b>	<b>1.4%</b>
<b>Shareholders' equity</b> <sup>/1</sup>	<b>555,567</b>	<b>528,975</b>	<b>515,208</b>	<b>5.0%</b>	<b>7.8%</b>

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

**Deposits**

Total deposits as of March 31, 2024, amounted to Baht 3,198,332 million, a similar level to the end of the previous year. The loan to deposit ratio was 85.6 percent.

Million Baht								
Deposits Classified by Product Type	Mar'24		Dec'23		Mar'23		%QoQ	%YoY
	Amount	Portion	Amount	Portion	Amount	Portion		
Current	284,586	8.9%	283,678	8.9%	293,391	9.1%	0.3%	(3.0)%
Savings	1,699,730	53.1%	1,680,979	52.8%	1,711,027	53.4%	1.1%	(0.7)%
Fixed	1,214,016	38.0%	1,219,626	38.3%	1,201,571	37.5%	(0.5)%	1.0%
<b>Total deposits</b>	<b>3,198,332</b>	<b>100.0%</b>	<b>3,184,283</b>	<b>100.0%</b>	<b>3,205,989</b>	<b>100.0%</b>	<b>0.4%</b>	<b>(0.2)%</b>
Loan to deposit ratio		<b>85.6%</b>		83.9%		82.3%	1.7%	3.3%

**Debt Issued and Borrowings**

Total debt issued and borrowings as of March 31, 2024, amounted to Baht 202,620 million, decreasing by 4.7 percent from the end of December 2023 due mainly to the maturity of USD 600 million senior unsecured notes in March 2024.

Million Baht								
Debt Issued and Borrowings Classified by Type of Instruments	Mar'24		Dec'23		Mar'23		%QoQ	%YoY
	Amount	Portion	Amount	Portion	Amount	Portion		
Senior unsecured notes	94,215	46.5%	110,761	52.1%	84,362	45.4%	(14.9)%	11.7%
Subordinated notes	107,587	53.0%	100,970	47.4%	100,646	54.2%	6.6%	6.9%
Bills of exchange	-	-	-	-	100	0.0%	-	(100.0)%
Others	1,067	0.5%	1,018	0.5%	700	0.4%	4.8%	52.4%
Total (before discount on borrowings)	202,869	100.0%	212,749	100.0%	185,808	100.0%	(4.6)%	9.2%
<u>Less</u> discount on borrowings	249		244		63		2.0%	295.2%
<b>Total debt issued and borrowings</b>	<b>202,620</b>		<b>212,505</b>		<b>185,745</b>		<b>(4.7)%</b>	<b>9.1%</b>

*Shareholders' Equity*

Shareholders' equity attributable to owners of the Bank as of March 31, 2024, amounted to Baht 555,567 million, an increase of 5.0 percent from the end of 2023 partly due to net profit attributable to owners of the Bank in the first quarter of 2024.

*Sources and Utilization of Funds*

As of March 31, 2024, the Bank and its subsidiaries' primary sources of funds consisted of deposits of Baht 3,198,332 million or 70.2 percent, equity attributable to owners of the Bank of Baht 555,567 million or 12.2 percent, interbank and money market items on liabilities of Baht 328,084 million or 7.2 percent and debt issued and borrowings including financial liabilities measured at FVTPL amounting to Baht 222,030 million or 4.9 percent.

The utilization of funds comprised loans of Baht 2,736,427 million or 60.1 percent, net investments including financial assets measured at FVTPL and net investments in associates of Baht 1,130,842 million or 24.8 percent, and net interbank and money market assets of Baht 647,181 million or 14.2 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 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 March 31, 2024, the Bank's Common Equity Tier 1 capital adequacy ratio was 15.56 percent, the Tier 1 capital adequacy ratio was 16.33 percent, and the total capital adequacy ratio was 19.72 percent, which was above the Bank of Thailand's minimum capital requirements.

*Consolidated*

Million Baht

Item	Mar'24		Dec'23		Mar'23		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	478,931	15.56%	464,060	15.35%	445,491	14.91%	> 8.00%
Tier 1 capital	502,725	16.33%	487,845	16.14%	469,275	15.71%	> 9.50%
Tier 2 capital	104,160	3.39%	103,884	3.43%	103,882	3.47%	
<b>Total capital</b>	<b>606,885</b>	<b>19.72%</b>	<b>591,729</b>	<b>19.57%</b>	<b>573,157</b>	<b>19.18%</b>	<b>&gt; 12.00%</b>

*The Bank*

Million Baht

Item	Mar'24		Dec'23		Mar'23		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	<b>467,635</b>	<b>17.00%</b>	458,235	16.87%	439,798	16.35%	> 8.00%
Tier 1 capital	<b>491,227</b>	<b>17.85%</b>	481,827	17.74%	463,390	17.23%	> 9.50%
Tier 2 capital	<b>100,996</b>	<b>3.68%</b>	100,500	3.70%	100,754	3.74%	
<b>Total capital</b>	<b>592,223</b>	<b>21.53%</b>	582,327	21.44%	564,144	20.97%	> 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, 2024, the ratio of liquid assets to total assets and liquid assets to deposits was 38.0 percent and 54.2 percent, respectively.

Item	Mar'24	Dec'23	Mar'23
Liquid assets/Total assets (%)	<b>38.0</b>	39.5	39.6
Liquid assets/Deposits (%)	<b>54.2</b>	56.0	55.1

## Credit Ratings

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

Credit Rating Agency	Mar'24	Dec'23	Mar'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
<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