

# **Bangkok Bank Public Company Limited**

## **Management Discussion and Analysis**

for the Quarter and Nine-month Period Ended September 30, 2024

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## Management Discussion and Analysis

### Overview of the Economy and Banking Industry

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

In the third quarter of 2024, the Thai economy improved from the previous quarter, primarily driven by accelerating merchandise exports, attributed to a resurgence in the electronics sector. Furthermore, significant growth in government expenditure and investment, coupled with a rise in private investment, played a crucial role in bolstering economic performance. Nevertheless, there was a modest decline in revenue from tourism and private consumption, along with a reduction in industrial production, particularly in the automotive sector.

Headline inflation in the third quarter of 2024 stood at 0.60 percent, down from 0.78 percent in the previous quarter, as gasoline prices fell in line with global crude oil prices. Core inflation was 0.64 percent, up from 0.37 percent in the previous quarter. The Bank of Thailand projects that headline inflation will return to the target range by the end of 2024. The average exchange rate was 34.80 THB/USD, appreciating from 36.71 THB/USD and 35.17 THB/USD in the previous quarter and the same quarter last year, respectively.

The Monetary Policy Committee reduced the policy interest rate from 2.50 percent to 2.25 percent at its meeting on October 16, 2024, to address the household debt to income ratio. The policy interest rate maintains a neutral stance, consistent with the economy's potential. The Monetary Policy Committee projected that the Thai economy is likely to expand by 2.7 and 2.9 percent in 2024 and 2025, respectively. This growth will be fueled by tourism and private consumption supported by economic stimulus measures, alongside exports that benefit from higher global demand for electronic products. However, the recovery of the Thai economy is expected to be uneven across sectors, influenced by structural issues in manufacturing and exports, difficulties in accessing credit for small and medium sized businesses (SME), and competition from imported products from China. Additionally, the Thai economy will continue to navigate uncertainties from the global economic situation and the impacts of climate change.

#### *Thai Banking Industry*

At the end of the third 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 third quarter of 2024 indicated that loan demand increased for both corporate and SME businesses across all sectors, including agriculture, manufacturing and services. Corporate businesses sought loans for refinancing and merchandise exports, while SME required loans for working capital, fixed assets investments, and refinancing. In contrast, consumer loan demand declined across nearly all categories, especially auto-leasing loans, due to low consumer confidence and tighter lending conditions. However, credit card loans increased, in line with consumer spending. Going forward, financial institutions expect loan demand to continue to increase across all business sizes and sectors, driven by the similar factors as those identified in the third quarter. Consumer loan demand is anticipated to grow, particularly for credit card and other consumer loans, and for general consumption, including auto-leasing loans from sales promotions. Meanwhile, demand for housing loans is likely to decline.

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 financial regulations and policies to encourage the Thai financial sector to leverage technology and data to drive innovation and improve financial services through Open Competition, Open Infrastructure and Open Data. In addition, the Bank of Thailand is in the process of issuing virtual bank licenses to fulfill the demand for financial services access and foster innovation. Concurrently, the Bank of Thailand is encouraging financial institutions to facilitate the Thai economy's transition towards sustainable practices and to fortify its capabilities to manage emerging risks, particularly cybersecurity threats, in a timely manner.

Commercial banks continued to place 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 asset quality and prudent risk management. The commercial banking system retains 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	Q3/24	Q2/24	Q3/23	%QoQ	%YoY	9M24	9M23	%YoY
Net profit <sup>/1</sup>	<b>12,476</b>	11,807	11,350	5.7%	9.9%	<b>34,807</b>	32,773	6.2%
Earnings per share (Baht)	<b>6.54</b>	6.19	5.95	5.7%	9.9%	<b>18.23</b>	17.17	6.2%
Net interest margin	<b>3.05%</b>	3.03%	3.11%	0.02%	(0.06)%	<b>3.05%</b>	2.96%	0.09%
Net fees and service income to operating income ratio	<b>15.1%</b>	15.7%	15.9%	(0.6)%	(0.8)%	<b>15.8%</b>	16.3%	(0.5)%
Cost to income ratio	<b>47.7%</b>	44.1%	45.1%	3.6%	2.6%	<b>46.3%</b>	46.4%	(0.1)%
Return on average assets <sup>/1</sup>	<b>1.10%</b>	1.05%	1.00%	0.05%	0.10%	<b>1.03%</b>	0.98%	0.05%
Return on average equity <sup>/1</sup>	<b>9.07%</b>	8.63%	8.59%	0.44%	0.48%	<b>8.54%</b>	8.47%	0.07%

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

Million Baht					
Item	Sep'24	Jun'24	Dec'23	%QoQ	%YTD
Loans	<b>2,638,697</b>	2,719,989	2,671,964	(3.0)%	(1.2)%
Deposits	<b>3,109,982</b>	3,184,856	3,184,283	(2.4)%	(2.3)%
Loan to deposit ratio	<b>84.8%</b>	85.4%	83.9%	(0.6)%	0.9%
Non-performing loan (Gross NPL) <sup>/1</sup>	<b>103,996</b>	99,140	85,955	4.9%	21.0%
Gross NPL to total loans ratio <sup>/1</sup>	<b>3.4%</b>	3.2%	2.7%	0.2%	0.7%
Allowance for expected credit losses to NPL ratio <sup>/1</sup>	<b>266.6%</b>	282.5%	314.7%	(15.9)%	(48.1)%
Total capital adequacy ratio	<b>20.84%</b>	19.46%	19.57%	1.38%	1.27%

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

Bangkok Bank and its subsidiaries reported a net profit for the nine months of 2024 of Baht 34,807 million, an increase of 6.2 percent from the same period last year. Net interest income increased by 4.4 percent from the Bank's liquidity management and yields on earning assets, offset by an increase in the cost of deposits in line with the interest rate environment. This resulted in a net interest margin of 3.05 percent. Non-interest income increased from investment income in line with market conditions and fee income from bancassurance and mutual fund services which continued to grow well. While operating expenses increased from operational efficiency improvement and marketing expenses, the cost to income ratio remained at a similar level to the same period last year at 46.3 percent. With its continuous high loan-loss provisioning in prior periods in line with conservative management, the Bank could register lower expected credit losses in the third quarter of 2024. As a result, the expected credit losses for the nine months of 2024 were Baht 27,204 million, a similar level to the same period last year.

At the end of September 2024, the Bank's total loans amounted to Baht 2,638,697 million, a decrease of 1.2 percent from the end of last year. Meanwhile loans to large corporate customers continued to grow. The non-performing loan to total loans ratio was at a manageable level of 3.4 percent, while the expected credit losses to non-performing loan ratio remained strong at 266.6 percent due to the Bank's consistent prudent management approach.

As of September 30, 2024, the Bank's deposits amounted to Baht 3,109,982 million, a decrease of 2.3 percent from the end of last year with the loan to deposit ratio of 84.8 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 20.84 percent, 17.39 percent and 16.59 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	Q3/24	Q2/24	Q3/23	%QoQ	%YoY	9M24	9M23	%YoY
Net interest income	<b>33,367</b>	33,134	34,130	0.7%	(2.2)%	<b>99,923</b>	95,695	4.4%
Non-interest income	<b>12,460</b>	10,404	8,443	19.8%	47.6%	<b>31,110</b>	29,603	5.1%
Operating expenses	<b>21,839</b>	19,208	19,208	13.7%	13.7%	<b>60,652</b>	58,157	4.3%
Expected credit losses	<b>8,197</b>	10,426	8,969	(21.4)%	(8.6)%	<b>27,204</b>	26,323	3.3%
Operating profit before tax	<b>15,791</b>	13,904	14,396	13.6%	9.7%	<b>43,177</b>	40,818	5.8%
Income tax expenses	<b>3,208</b>	1,993	2,938	61.0%	9.2%	<b>8,050</b>	7,712	4.4%
Net profit	<b>12,583</b>	11,911	11,458	5.6%	9.8%	<b>35,127</b>	33,106	6.1%
Net profit <sup>/1</sup>	<b>12,476</b>	11,807	11,350	5.7%	9.9%	<b>34,807</b>	32,773	6.2%
Total comprehensive income <sup>/1</sup>	<b>7,309</b>	(692)	11,322	1,156.2%	(35.4)%	<b>33,209</b>	32,315	2.8%

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

Bangkok Bank and its subsidiaries reported a net profit of Baht 12,476 million for the third quarter of 2024, an increase of 5.7 percent from the previous quarter and 9.9 percent from the same quarter last year. Net interest income remained stable compared to the previous quarter and the same quarter last year. Non-interest income grew due to higher investment income and net fees and service income from bancassurance and mutual fund services. Operating expenses increased from operational efficiency improvement and marketing expenses. The Bank has consistently set aside the loan loss reserve with its continuous prudent management approach resulted in lower expected credit losses for this quarter compared to previous quarter and the same quarter last year.

In the first nine months of 2024, net profit attributable to owners of the Bank was Baht 34,807 million, an increase of 6.2 percent from the same period last year. Net interest income increased from higher average loan volume and yields on earning assets, offset by an increase in deposit costs. Non-interest income also rose, primarily due to higher investment income aligned with market conditions. Operating expenses increased due to operational efficiency improvement and marketing expenses. Additionally, the Bank set aside expected credit losses of Baht 27,204 million, maintaining its consistent prudent management approach.



### Net Interest Income

Net interest income in the third quarter of 2024 amounted to Baht 33,367 million at a similar level as the previous quarter and the same quarter last year, resulting from higher yields on earning assets due to appropriate liquidity management, offset by an increase in the cost of deposits.

In the first nine months of 2024, net interest income amounted to Baht 99,923 million, an increase of 4.4 percent from higher average loan volume and yields on earning assets. This growth was offset by an increase in the cost of deposits aligned with interest rates trend. The net interest margin for this period stood at 3.05 percent.

Million Baht								
Item	Q3/24	Q2/24	Q3/23	%QoQ	%YoY	9M24	9M23	%YoY
<b>Interest Income</b>								
Loans	<b>39,713</b>	39,621	39,786	0.2%	(0.2)%	<b>119,099</b>	112,654	5.7%
Interbank and money market items	<b>5,159</b>	5,303	5,109	(2.7)%	1.0%	<b>16,032</b>	14,503	10.5%
Investments	<b>7,440</b>	6,721	5,389	10.7%	38.1%	<b>20,498</b>	14,570	40.7%
<b>Total interest income</b>	<b>52,312</b>	51,645	50,284	1.3%	4.0%	<b>155,629</b>	141,727	9.8%
<b>Interest expenses</b>								
Deposits	<b>10,768</b>	10,497	9,114	2.6%	18.1%	<b>31,584</b>	25,486	23.9%
Interbank and money market items	<b>2,194</b>	2,140	1,661	2.5%	32.1%	<b>6,318</b>	4,825	30.9%
Contributions to Financial Institutions Development Fund and Deposit Protection Agency	<b>3,062</b>	3,115	3,095	(1.7)%	(1.1)%	<b>9,280</b>	9,334	(0.6)%
Debt issued and borrowings	<b>2,921</b>	2,759	2,284	5.9%	27.9%	<b>8,524</b>	6,387	33.5%
<b>Total interest expenses</b>	<b>18,945</b>	18,511	16,154	2.3%	17.3%	<b>55,706</b>	46,032	21.0%
<b>Net interest income</b>	<b>33,367</b>	33,134	34,130	0.7%	(2.2)%	<b>99,923</b>	95,695	4.4%
Yield on earning assets	<b>4.79%</b>	4.73%	4.58%	0.06%	0.21%	<b>4.76%</b>	4.38%	0.38%
Cost of funds	<b>2.05%</b>	2.00%	1.72%	0.05%	0.33%	<b>2.01%</b>	1.66%	0.35%
Net interest margin	<b>3.05%</b>	3.03%	3.11%	0.02%	(0.06)%	<b>3.05%</b>	2.96%	0.09%

Bangkok Bank Interest Rate	Sep'24	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	7.550	7.300	6.900	6.350
MRR	7.050	7.050	7.300	7.300	7.300	7.050	6.800	6.250
MLR	7.100	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	0.450	0.350	0.500	0.450
3-month Fixed	1.200	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	1.250	1.050	0.850	0.700
12-month Fixed	1.600	1.600	1.600	1.600	1.600	1.350	1.150	1.000
<b>Bank of Thailand Policy Rate (%)</b>	2.500	2.500	2.500	2.500	2.500	2.000	1.750	1.250



### Non-interest Income

Non-interest income for the third quarter of 2024 was Baht 12,460 million, increasing by 19.8 percent from the previous quarter and 47.6 percent from the same quarter last year. For the first nine months of 2024, non-interest income totaled Baht 31,110 million, an increase of 5.1 percent from the same period last year. This growth was driven primarily by higher investment income and increased net fees and service income, as bancassurance and mutual fund services continued to perform well.

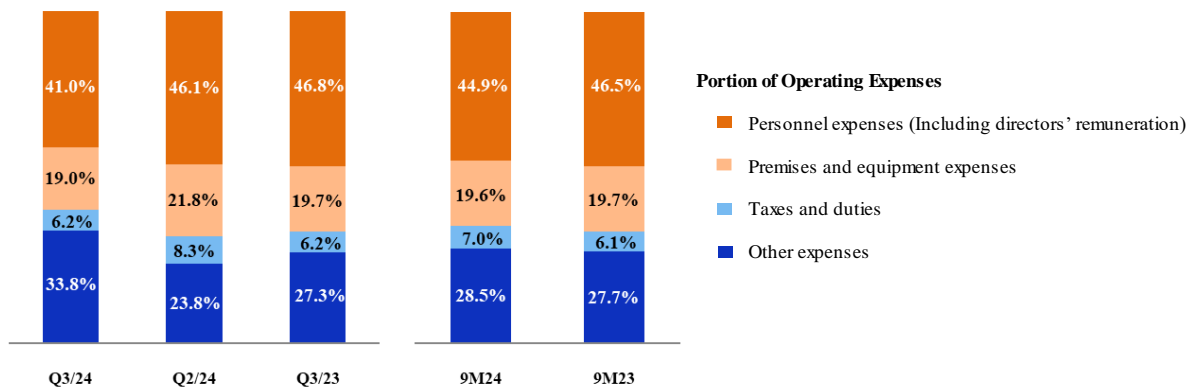
Million Baht								
Item	Q3/24	Q2/24	Q3/23	%QoQ	%YoY	9M24	9M23	%YoY
Fees and service income	<b>10,861</b>	10,700	10,536	1.5%	3.1%	<b>32,830</b>	31,958	2.7%
<u>Less</u> fees and service expenses	<b>3,926</b>	3,850	3,763	2.0%	4.3%	<b>12,119</b>	11,492	5.5%
<b>Net fees and service income</b>	<b>6,935</b>	6,850	6,773	1.2%	2.4%	<b>20,711</b>	20,466	1.2%
Gains on financial instruments measured at FVTPL	<b>3,643</b>	2,419	768	50.6%	374.3%	<b>5,980</b>	5,585	7.1%
Gains (losses) on investments	<b>721</b>	(145)	(57)	597.2%	1,364.9%	<b>758</b>	(125)	706.4%
Share of profit from investment using equity method	<b>68</b>	36	45	88.9%	51.1%	<b>157</b>	151	4.0%
Gains on disposal of assets	<b>344</b>	339	69	1.5%	398.6%	<b>829</b>	770	7.7%
Dividend income	<b>560</b>	662	636	(15.4)%	(11.9)%	<b>2,017</b>	2,064	(2.3)%
Other operating income	<b>189</b>	243	209	(22.2)%	(9.6)%	<b>658</b>	692	(4.9)%
<b>Total other operating income</b>	<b>5,525</b>	3,554	1,670	55.5%	230.8%	<b>10,399</b>	9,137	13.8%
<b>Total non-interest income</b>	<b>12,460</b>	10,404	8,443	19.8%	47.6%	<b>31,110</b>	29,603	5.1%
Net fees and service income to operating income ratio	<b>15.1%</b>	15.7%	15.9%	(0.6)%	(0.8)%	<b>15.8%</b>	16.3%	(0.5)%



### Operating Expenses

Operating expenses for the third quarter of 2024 amounted to Baht 21,839 million, an increase of 13.7 percent from the previous quarter and the same period last year. For the first nine months of 2024, operating expenses were Baht 60,652 million, increasing 4.3 percent from the same period last year. This increase was driven by increases in expenses related to operational efficiency improvement and marketing expenses. The cost to income ratio for the first nine months of 2024 was at 46.3 percent, similar to the same period last year.

Million Baht								
Item	Q3/24	Q2/24	Q3/23	%QoQ	%YoY	9M24	9M23	%YoY
Personnel expenses	<b>8,905</b>	8,774	8,941	1.5%	(0.4)%	<b>27,038</b>	26,882	0.6%
Directors' remuneration	<b>41</b>	79	41	(48.1)%	-	<b>179</b>	166	7.8%
Premises and equipment expenses	<b>4,147</b>	4,189	3,779	(1.0)%	9.7%	<b>11,888</b>	11,418	4.1%
Taxes and duties	<b>1,370</b>	1,598	1,198	(14.3)%	14.4%	<b>4,242</b>	3,564	19.0%
Other expenses	<b>7,376</b>	4,568	5,249	61.5%	40.5%	<b>17,305</b>	16,127	7.3%
<b>Total operating expenses</b>	<b>21,839</b>	19,208	19,208	13.7%	13.7%	<b>60,652</b>	58,157	4.3%
Cost to income ratio	<b>47.7%</b>	44.1%	45.1%	3.6%	2.6%	<b>46.3%</b>	46.4%	(0.1)%



### Expected Credit Losses

In the third quarter of 2024, the Bank and its subsidiaries set aside expected credit losses of Baht 8,197 million, a decrease from the previous quarter and the same quarter last year. For the first nine months of 2024, expected credit losses totaled Baht 27,204 million, reflecting the Bank's consistently prudent management approach in response to various risk factors affecting the Thai economy, including China's economic stimulus measures, geopolitical tensions, and the US presidential election at the end of this year.





## Significant Items in the Financial Position

### Assets

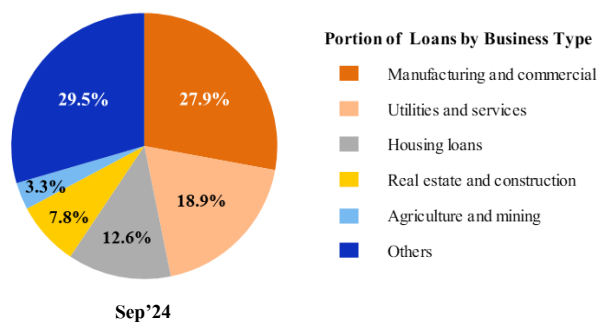
As of September 30, 2024, total assets amounted to Baht 4,475,155 million, decreased by 1.2 percent from the end of the previous quarter and by 0.9 percent from the end of last year.

Million Baht					
Item	Sep'24	Jun'24	Dec'23	%QoQ	%YTD
Net interbank and money market items	629,788	671,135	757,120	(6.2)%	(16.8)%
Financial assets measured at FVTPL	104,762	101,442	88,978	3.3%	17.7%
Net investments	1,049,623	1,000,605	972,287	4.9%	8.0%
Net investments in associates	1,053	1,114	1,403	(5.5)%	(24.9)%
Loans	2,638,697	2,719,989	2,671,964	(3.0)%	(1.2)%
Net properties for sale	7,244	8,998	10,929	(19.5)%	(33.7)%
<b>Total assets</b>	<b>4,475,155</b>	<b>4,530,171</b>	<b>4,514,484</b>	<b>(1.2)%</b>	<b>(0.9)%</b>

### Loans

As of September 30, 2024, loans amounted to Baht 2,638,697 million, decreasing 3.0 percent from the end of the previous quarter and 1.2 percent from the end of last year. Meanwhile loans to large corporate customers continued to grow.

Million Baht					
Loans by Business Type	Sep'24	Jun'24	Dec'23	%QoQ	%YTD
Manufacturing and commercial	735,897	768,664	766,783	(4.3)%	(4.0)%
Utilities and services	498,914	495,462	495,808	0.7%	0.6%
Housing loans	332,580	334,717	338,489	(0.6)%	(1.7)%
Real estate and construction	205,298	202,155	196,673	1.6%	4.4%
Agriculture and mining	88,171	92,953	92,721	(5.1)%	(4.9)%
Others	777,839	826,038	781,490	(5.8)%	(0.5)%
<b>Total loans</b>	<b>2,638,697</b>	<b>2,719,989</b>	<b>2,671,964</b>	<b>(3.0)%</b>	<b>(1.2)%</b>



The Bank and its subsidiaries had loans distributed across business sectors, with 27.9 percent in the manufacturing and commercial sector, 18.9 percent in the utilities and services sector, 12.6 percent in the housing loans sector, and 7.8 percent in the real estate and construction sector. The decrease in loans from the end of June 2024 was mainly driven by the manufacturing and commercial sector and the others sector. Compared with December 2023, loans decreased mainly from the manufacturing and commercial sector.



### Classified Loans and Allowance for Expected Credit Losses

As of the end of September 2024, non-performing loan (Gross NPL) totalled Baht 103,996 million. The Gross NPL to total loans ratio stood at a manageable level of 3.4 percent. The allowance for expected credit losses was Baht 277,291 million. As a result, the allowance for expected credit losses to NPL ratio was at a strong level of 266.6 percent.

Million Baht					
Item	Sep'24	Jun'24	Dec'23	%QoQ	%YTD
<b>Consolidated</b>					
Non-performing loan (Gross NPL) <sup>/1</sup>	103,996	99,140	85,955	4.9%	21.0%
Gross NPL to total loans ratio <sup>/1</sup>	3.4%	3.2%	2.7%	0.2%	0.7%
Net NPL to net total loans ratio <sup>/1</sup>	1.0%	0.9%	0.7%	0.1%	0.3%
Allowance for expected credit losses to NPL ratio	266.6%	282.5%	314.7%	(15.9)%	(48.1)%
<b>The Bank</b>					
Non-performing loan (Gross NPL) <sup>/1</sup>	91,453	84,897	71,162	7.7%	28.5%
Gross NPL to total loans ratio <sup>/1</sup>	3.5%	3.2%	2.6%	0.3%	0.9%

<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>		
	Sep'24	Jun'24	Dec'23	Sep'24	Jun'24	Dec'23
Non-credit-impaired	3,165,187	3,292,856	3,343,700	197,176	203,119	202,486
Credit-impaired	103,996	99,140	85,955	80,115	76,976	68,053
<b>Total</b>	<b>3,269,183</b>	<b>3,391,996</b>	<b>3,429,655</b>	<b>277,291</b>	<b>280,095</b>	<b>270,539</b>

<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 September 30, 2024, the Bank and its subsidiaries had total investments of Baht 1,154,385 million, increasing 4.7 percent from the end of the previous quarter and 8.8 percent from the end of last year. The Bank had Baht 658,431 million in investments in Thai government and state enterprise securities, accounting for 57.0 percent of total investments. Foreign debt securities amounted to Baht 283,539 million, and net investment in equity securities amounted to Baht 116,021 million.

Million Baht					
Investments by Investment Holding	Sep'24	Jun'24	Dec'23	%QoQ	%YTD
Trading securities	32,472	22,382	14,479	45.1%	124.3%
Securities measured at FVTPL	72,290	79,060	74,499	(8.6)%	(3.0)%
Debt securities measured at amortized cost	116,049	123,486	119,464	(6.0)%	(2.9)%
Debt securities measured at FVOCI	829,076	783,833	757,846	5.8%	9.4%
Equity securities measured at FVOCI	104,498	93,286	94,977	12.0%	10.0%
<b>Total investments</b>	<b>1,154,385</b>	<b>1,102,047</b>	<b>1,061,265</b>	<b>4.7%</b>	<b>8.8%</b>



### Liabilities and Shareholders' Equity

Total liabilities, as of September 30, 2024, amounted to Baht 3,924,560 million, decreasing 1.5 percent from the end of the previous quarter and the end of last year, mainly from lower deposits.

Million Baht

Item	Sep'24	Jun'24	Dec'23	%QoQ	%YTD
Deposits	3,109,982	3,184,856	3,184,283	(2.4)%	(2.3)%
Interbank and money market items	329,140	316,210	334,219	4.1%	(1.5)%
Financial liabilities measured at FVTPL	17,473	19,399	18,384	(9.9)%	(5.0)%
Debt issued and borrowings	207,014	204,574	212,505	1.2%	(2.6)%
<b>Total liabilities</b>	<b>3,924,560</b>	<b>3,982,953</b>	<b>3,983,654</b>	<b>(1.5)%</b>	<b>(1.5)%</b>
<b>Shareholders' equity</b> <sup>/1</sup>	<b>548,824</b>	<b>545,332</b>	<b>528,975</b>	<b>0.6%</b>	<b>3.8%</b>

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

### Deposits

Total deposits as of September 30, 2024, amounted to Baht 3,109,982 million, decreasing 2.4 percent and 2.3 percent from the end of the previous quarter and the end of last year, respectively. The loan to deposit ratio was 84.8 percent.

Million Baht

Deposits Classified by Product Type	Sep'24		Jun'24		Dec'23		%QoQ	%YTD
	Amount	Portion	Amount	Portion	Amount	Portion		
Current	258,165	8.3%	283,660	8.9%	283,678	8.9%	(9.0)%	(9.0)%
Savings	1,654,752	53.2%	1,664,467	52.3%	1,680,979	52.8%	(0.6)%	(1.6)%
Fixed	1,197,065	38.5%	1,236,729	38.8%	1,219,626	38.3%	(3.2)%	(1.8)%
<b>Total deposits</b>	<b>3,109,982</b>	<b>100.0%</b>	<b>3,184,856</b>	<b>100.0%</b>	<b>3,184,283</b>	<b>100.0%</b>	<b>(2.4)%</b>	<b>(2.3)%</b>
Loan to deposit ratio		<b>84.8%</b>		<b>85.4%</b>		<b>83.9%</b>	<b>(0.6)%</b>	<b>0.9%</b>



### Debt Issued and Borrowings

Total debt issued and borrowings as of September 30, 2024, amounted to Baht 207,014 million, an increase of 1.2 percent from the end of June 2024 due mainly to the issuance of USD 750 million senior unsecured notes with a 10-year maturity in July 2024.

Compared with the end of December 2023, total debt issued and borrowings decreased by 2.6 percent due to the maturity of USD 600 million senior unsecured notes in March 2024 and a decrease in the value of foreign-currency bonds following the appreciation of the baht, offset by the issuance of the senior unsecured notes in July 2024 as mentioned above.

Million Baht								
Debt Issued and Borrowings	Sep'24		Jun'24		Dec'23		%QoQ	%YTD
Classified by Type of Instruments	Amount	Portion	Amount	Portion	Amount	Portion		
Senior unsecured notes	111,210	53.7%	94,884	46.3%	110,761	52.1%	17.2%	0.4%
Subordinated notes	95,226	45.9%	108,743	53.1%	100,970	47.4%	(12.4)%	(5.7)%
Others	897	0.4%	1,188	0.6%	1,018	0.5%	(24.5)%	(11.9)%
Total (before discount on borrowings)	207,333	100.0%	204,815	100.0%	212,749	100.0%	1.2%	(2.5)%
Less discount on borrowings	319		241		244		32.4%	30.7%
<b>Total debt issued and borrowings</b>	<b>207,014</b>		<b>204,574</b>		<b>212,505</b>		<b>1.2%</b>	<b>(2.6)%</b>

### Shareholders' Equity

Shareholders' equity attributable to owners of the Bank, as of September 30, 2024, amounted to Baht 548,824 million, an increase of Baht 19,849 million, or 3.8 percent, from the end of 2023. This was due to the net profit attributable to owners of the Bank for the first nine months of 2024 of Baht 34,807 million, offset by a dividend payment during 2024 of Baht 13,360 million which consisted of the final dividend payment for the operating performance in 2023 of Baht 9,543 million (5.00 baht per share) according to a resolution of the shareholders' meeting on April 12, 2024 and the interim dividend payment from the net profit from operations in the first half of 2024 of Baht 3,817 million (2.00 baht per share).

### Sources and Utilization of Funds

As of September 30, 2024, the Bank and its subsidiaries' primary sources of funds consisted of deposits of Baht 3,109,982 million or 69.5 percent, equity attributable to owners of the Bank of Baht 548,824 million or 12.3 percent, interbank and money market items on liabilities of Baht 329,140 million or 7.4 percent, and debt issued and borrowings including financial liabilities measured at fair value through profit or loss (FVTPL) amounting to Baht 224,487 million or 5.0 percent.

The utilization of funds comprised loans of Baht 2,638,697 million or 59.0 percent, net investments, including financial assets measured at FVTPL and net investments in associates of Baht 1,155,438 million or 25.8 percent, and net interbank and money market assets of Baht 629,788 million or 14.1 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 September 30, 2024, the Bank's Common Equity Tier 1 capital adequacy ratio was 16.59 percent, the Tier 1 capital adequacy ratio was 17.39 percent, and the total capital adequacy ratio was 20.84 percent, which was above the Bank of Thailand's minimum capital requirements.

#### Consolidated

Million Baht

Item	Sep'24		Jun'24		Dec'23		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	496,190	16.59%	474,984	15.32%	464,060	15.35%	> 8.00%
Tier 1 capital	519,987	17.39%	498,768	16.09%	487,845	16.14%	> 9.50%
Tier 2 capital	103,311	3.45%	104,585	3.37%	103,884	3.43%	
<b>Total capital</b>	<b>623,298</b>	<b>20.84%</b>	<b>603,353</b>	<b>19.46%</b>	<b>591,729</b>	<b>19.57%</b>	<b>&gt; 12.00%</b>

#### The Bank

Million Baht

Item	Sep'24		Jun'24		Dec'23		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	489,220	18.35%	463,734	16.82%	458,235	16.87%	> 8.00%
Tier 1 capital	512,812	19.23%	487,326	17.67%	481,827	17.74%	> 9.50%
Tier 2 capital	99,816	3.74%	100,908	3.66%	100,500	3.70%	
<b>Total capital</b>	<b>612,628</b>	<b>22.97%</b>	<b>588,234</b>	<b>21.33%</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 September 30, 2024, the ratio of liquid assets to total assets and liquid assets to deposits was 38.9 percent and 56.0 percent, respectively.

Item	Sep'24	Jun'24	Dec'23
Liquid assets/Total assets (%)	38.9	38.0	39.5
Liquid assets/Deposits (%)	56.0	54.0	56.0

## Credit Ratings

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

Credit Rating Agency	Sep'24	Jun'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
<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