



BANK OF THAILAND NEWS

Communications and Relations Office, Management Assistance Department
Tel. 0-2283-5016-7 FAX 0-2281-5648 www.bot.or.th

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Foreign Banks' Status and Performances

Bank of Thailand announces the financial status and performances of foreign banks (full branches) for the first 9 months of 2000 ended on 30 September 2000.

Dr. Bandid Nijathaworn, Assistance Governor (Information and Public Relations Group) reported that most foreign banks (full branches) in Thailand performed satisfactorily in the first 9 months of 2000, earning net profits of 9.8 billion baht comparing to a mere net profit of 0.4 billion baht the same period last year. This was due to most banks have been successful in meeting full provisions obligation earlier that led to a sharp reduction in the amount of loan loss provisions whereby only 11.2 billion baht were set aside. Additionally, they made a huge gains from foreign exchange market (3.3 billion baht) which increased the ratio of non-interest income to total incomes from 18.5% of the same period last year to 25.6% this year.

Performances of Foreign Banks for the First 9 Months of Year 2000

Millions baht

| Items | Amount | Change from the same period last year |
|-------------------------|--------|--|
| Spread | 17,081 | (2,004) |
| Non-interest incomes | 13,174 | 3,223 |
| Operating expense | 14,995 | 2,585 |
| Operating profit (Loss) | 15,259 | (1,366) |
| Provision for loan loss | 2,631 | (11,170) |
| Net profit (Loss) | 9,787 | 9,386 |

As of September 30, 2000, foreign banks' assets accounted for 830.5 billion baht, of which 76% (631.5 billions) were credit outstanding. The quality of asset also improved markedly thank to debt restructuring program that helped reduce their NPL outstanding to 39.3 billion baht or 6.2% of total credits of foreign banks group.

Currently, foreign banks have tended to manage their liquidity portfolio by investing on securities and debt instruments to compensate the decline of credit extensions. Major sources of funds were mostly from corporate deposits and borrowings from the repurchase market.

Bank of Thailand

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