



BANK OF THAILAND NEWS

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No.111/2001

Performance Report of Commercial Banks in Q2 of 2001

Bank Of Thailand (BOT) announced that in the second quarter of 2001 commercial banks as a whole generated less operating profit (before provision for loan loss and extraordinary items) than the first quarter. However, looking at half-year performance, operating profit of the first half of 2001 is greater than those in both the first and second halves of 2000.

BOT revealed that in the second quarter of 2001 commercial banks generated operating profit (before provision for loan loss and extraordinary items) of B4 billion, decreasing from B13.4 billion in the first quarter. In the second quarter, 13 Thai commercial banks made operating loss of B0.1 billion while 21 foreign commercial bank branches made operating profits of B4.1 billion.

Although the commercial banks managed to keep the net interest earning close to the level of that in the first quarter, the decreased non-interest earning and increased operating cost arising from depreciation of the foreclosed asset values and losses from debt restructuring led to a significant drop in the operating profit.

For the provision for loan loss, the majority of commercial banks have already made provisions more than the official requirement. However, being cautious of the economic situation, commercial banks made total provision of B23.2 billion in this quarter comparing with B5.1 billion in the previous quarter.

In the second quarter of 2001, overall commercial banks' net profit totalled B78 billion. Net profit of Thai commercial banks stood at B79.5 billion, which was largely contributed by the B90 billion transferred back provisions for loan loss of two state-owned commercial banks.

Bank of Thailand

27 August 2001

[Attachment](#)