



BANK OF THAILAND NEWS

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No.74/2001

Performance Report of Thai Financial Institutions in the First Quarter of 2001

Bank of Thailand (BOT) recently reported that the performance of Thai financial institutions in the first quarter of 2001 improved significantly when compared to the past quarters starting from 1998.

Mr. Oubaur Kruthanooch, BOT Deputy Spokesperson, recently announced that “In the first quarter of 2001, Thai financial institutions as a group, which comprises 13 commercial banks and 21 finance companies, reported a total gross profit of B9.5 billion. This was the highest gross profit that had ever been recorded since 1998. The net profit (after loan-loss provision) amounted to B3.3 billion compared to a net loss of B40.6 billion and B7.4 billion in the first quarter of 2000 and the previous quarter, respectively.

In the first quarter this year, 8 Thai commercial banks and 15 finance companies gained profit from their operations. Major factors were the significant reduction of operating cost and a slight reduction of loan-loss provision. The operating cost was reduced from B40.2 billion in the fourth quarter of 2000 to B29.5 billion in the first quarter of 2001, a drop by B10.7 billion or 26.6 percent. This was coupled with the situation that almost all financial institutions had already met the BOT’s requirements on loan-loss provision. As a result, loan-loss provision in this quarter amounted to only B6.2 billion. Moreover, the earnings of some finance companies from non-interest income also increased, especially from the business of buying debtors and brokerage.

Bank of Thailand

23 May 2001

[Attachment](#)