



**Previous name: TMB Bank Public Company Limited (TMB)**

## **Management Discussion and Analysis**

**For the 2<sup>nd</sup> quarter and 6-month period ended 30 June 2021**  
**(Unaudited financial statements)**

### **TMBThanachart Bank Public Company Limited**

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# Management Discussion and Analysis

## Executive summary: Economic review & outlook

**Thai economy in 2Q21:** Against a backdrop of the third wave of COVID-19 outbreak starting in late March 2021, the government implemented much stricter pandemic controlling measures, yet not as severe as a full lockdown last year, which resulted in decelerating Thailand's economic recovery path. The momentum of private consumption turned to a contraction owing to some negative factors which weakened purchasing power, ranging from weaker employment situation and personal incomes, as well as declining consumer confidence. These were in line with the drops in domestic mobility indicators (google mobility data). Nevertheless, there were supports from government stimulus measures, amounting to more than 100 billion baht, helping shore up consumption likely 'Section 33 we love each other' program and 'We win' financial aid scheme. Likewise, private investment dropped both in machinery and equipment, and construction with respect to a decline in business sentiment. While, tourism sector contracted with a great degree due to international traveling restriction and a declined domestic tourism, merchandise exports remained the only growth driver. For the first 5 months of the year, export values excluding gold expanded 18.7% compared to the same period last year. This was an expansion in all destination markets, ranging from US, China, and Europe, which have high vaccination rates and could resume some extents of normal economic activities. In general, ttb analytics expects a contraction in Thailand's economic momentum in the second quarter but a growth of 5.8% from the same period last year due to a lowest base effect of the second quarter 2020.

**Financial market & banking industry:** The Monetary Policy Committee (MPC) decided to maintain the policy rate at 0.50% to support Thai economy. Due to that Thai economy was severely affected by a new round of COVID-19 outbreak, the Bank of Thailand continued to provide financial assistance specifically for those targeted individuals and businesses, mostly SMEs, through special soft loan facility. It also supports financial institutions to expedite debt restructuring. Overall, financial condition would remain accommodative to support economic recovery throughout 2021. The decision to keep policy rate unchanged in the second quarter led to the deposit and lending rate stood at the same rate as in the first quarter. Regarding Thai baht, it was on average at 31.36 baht per US dollar in the second quarter, depreciating by 3.5% compared to the average of 30.29 baht per US dollar in the previous quarter. Thai Baht has depreciated since April when the latest COVID-19 outbreak began in Thailand and even depreciated at a greater degree in June due to the appreciation of the US dollar. In the meantime, Thai baht's volatility remained moderate. Regarding commercial banking, total loans at the end of May 2021 grew by 2.9% compared to the same period last year (YoY) and increased by 1.7% from the end of year 2020 (YTD). On the other hand, deposits expanded by 4.6% YoY or 2.4% (YTD) from saving and time deposits last year.

**Economic outlook for 3Q21:** Given the outbreak situation in Thailand, which has turned more severe and spreads to wider areas across country together with a low vaccination rate compared to the target of 50 million people within 2021, this leads to a stricter implementation of outbreak controlling measures at the beginning of July such as limited mobility and economic activities within those 10 highly restricted and controlled provinces for 14 days. Accordingly, Thai economy would continuously decelerate in the third quarter. Moreover, private and public investment would decline due to temporary closure of construction camps and the delays in some public infrastructure projects. Despite this, the accelerating budget disbursement of 630 billion baht, accounted for 90% of total planned annual budget as of June, for planned government projects and relief measures under 1-trillion loan scheme would help sustaining private consumption. Regarding tourism sector, even with the pivot model of Phuket sandbox for opening Thai border for vaccinated foreign travelers and with the potential of opening other provinces later such as Krabi, the numbers of inbound tourists are estimated to be still at low level. The sole growth driver for this quarter would be merchandise exports in accordance with the rebound of global economy and international trade, with the latest estimation of world trade growth of 19% by UNCTAD. In general, ttb analytics forecast that Thai economy would continuously contract from the second quarter but grow by 3.1% compared to the lowest base of the same quarter last year, with the possibility of further revising down the forecast depending on successful progression of domestic pandemic control. For financial market, the policy rate is expected to remain at 0.5% in accordance to ongoing uncertainties to Thai economy. Thai baht is forecasted to depreciate from the second quarter due to US dollar's appreciation and worsened COVID-19 situation in Thailand. Thai baht is estimated to move within the range of 31.5-32.5 baht per US dollar.

Research by  ttb analytics

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## Summary of TTB relief scheme for customers who are affected by COVID-19

In 2Q21, the Bank saw the outflow from remaining loans under debt relief phase 1 has exited the program. However, after the 3<sup>rd</sup> wave of COVID-19 resurgence, the new requests from the affected customers started coming in. As a result, approximate 14% of total loan portfolio was under the relief program as of June 2021 which relatively stable from the end of 31 Mar 2021 but decreased from 40% as of Jun 2020. For those customers in the relief program, all of them were in the 2<sup>nd</sup> phase of relief measures. As of Jun 2021, commercial customer under forbearance accounted for 16% of total commercial loans and retail customers accounted for 13% of total retail loans respectively. According to the resurgence of COVID-19, TTB continues to be vigilant and keeps monitoring customers to ensure the Bank's asset quality as well as support affected customers from the 3<sup>rd</sup> wave through the various relief measures and pre-emptive debt restructuring to ensure that customers can recover in the long run.

### Relief program "Tang Lak Phase 3"

Retail: TTB extends the relief program for customer until 31 Dec 2021, in response to BOT announcement	
<b>Auto loan</b>	<ul style="list-style-type: none"> <li>Reduce installment by extending tenure, skip payment or other appropriate measures (for new car, used car and cash your car)</li> <li>Skip payment, reduce 30% of installment for 6 months and cut interest rate not over 22% (for cash your book)</li> <li>Skip payment for 2 months for eligible customer who had to close their businesses to comply with the government's recent lockdown measures (registration period during 19 Jul to 15 Aug 2021)</li> </ul>
<b>Mortgage loan</b>	<ul style="list-style-type: none"> <li>6-month grace period of principle payment (Pay only interest) or</li> <li>Reduce installment to 70% for 6 months or</li> <li>3-month skip payment for the principal and interest payment</li> <li>Debt Consolidation program</li> <li>Skip payment for 2 months for eligible customer who had to close their businesses to comply with the government's recent lockdown measures (registration period during 19 Jul to 15 Aug 2021)</li> </ul>
<b>Unsecured loan</b>	<ul style="list-style-type: none"> <li>Reduce installment to 70% for 6 months and cut interest rate not over 22%</li> <li>Debt Consolidation program</li> <li>Lower interest rate for unsecured loan to 25% from 28% per year, effective from 1 Aug 2020 (for new application)</li> <li>Skip payment for 2 months for eligible customer who had to close their businesses to comply with the government's recent lockdown measures (registration period during 19 Jul to 15 Aug 2021)</li> </ul>
<b>Credit card</b>	<ul style="list-style-type: none"> <li>Convert current outstanding balance to term loan or convert to Installment pay plan (IPP) with interest rate 12% and 48 tenors</li> <li>Debt Consolidation program</li> <li>Lower interest rate for credit card to 16% from 18% per year, effective from 1 Aug 2020</li> <li>Skip payment for 2 months for eligible customer who had to close their businesses to comply with the government's recent lockdown measures (registration period during 19 Jul to 15 Aug 2021)</li> </ul>
<b>Cash card</b>	<ul style="list-style-type: none"> <li>Convert current outstanding balance to term loan or convert to Installment pay plan (IPP) with interest rate 22% and maximum 48 tenors</li> <li>Debt Consolidation program</li> <li>Lower interest rate for cash card to 25% from 28% per year, effective from 1 Aug 2020</li> <li>Skip payment for 2 months for eligible customer who had to close their businesses to comply with the government's recent lockdown measures (registration period during 19 Jul to 15 Aug 2021)</li> </ul>
Commercial: TTB provides the below relief program for customers from 23 Oct 2020 onwards	
<b>SMEs (Juristic and Non-Juristic)</b>	<ul style="list-style-type: none"> <li>Long-term lending: Skip payment for 3 months with 3 months installment extension</li> <li>Overdraft/Working Capital Lending: Convert Overdraft or Working Capital lending to Long Term Lending</li> <li>Skip payment for 2 months for eligible customer who had to close their businesses to comply with the government's recent lockdown measures (registration period during 19 Jul to 15 Aug 2021)</li> </ul>
<b>Large corporate</b>	<ul style="list-style-type: none"> <li>Long-term lending: Suspension for the principal for 3 months from the approval date and reduce installment for 12 months and extend installment for 14 months from the approval date</li> <li>Overdraft/Working Capital Lending: Convert up to 50% of working capital outstanding to 5 years long-term lending</li> </ul>

For further details, please visit [www.ttbbank.com](http://www.ttbbank.com).

## Summary of TMBThanachart's operating performance

In the first half of 2021, Thailand faced the severe widespread of COVID-19 pandemic, and it would delay economic recovery. TMBThanachart (TTB) remains cautious in business operation with the key priority to support our customers and employees through this difficult time. As pursuing balance sheet optimization strategy, TTB's loan and deposit mix was well-structured with the focus on portfolio healthiness. Although we selectively grew loans and deposits, the flagships products showed consistent growth pace reflecting the strong value proposition in the market. Top-line revenue remained under pressure, but proactive funding management helped lessen impact of yield compression under low interest rate environment and maintained stable NIM in 2Q21. OPEX improvement was a result of accelerating cost saving realization. For asset quality management, the Bank was prudent and setting provision of THB5,491 million while NPL remained within the target at 2.89%. Moreover, the success of EBT will unleash more synergy potentials of the Merged Bank going forward.

**Optimizing deposit structure and volume aligning with funding management plan:** The continuous effort of balance sheet optimization resulted in well-managed deposit mix by shifting high-cost deposits to CASA and quality-hybrid deposits. As of June 2021, total deposits contracted by 3.6% YTD to THB1,324 billion as high-cost deposit decreased as planned especially TD and Certificate Deposit which dropped 22.8% YTD. Retail flagship products continued to grow further, led by No-Fixed and All Free which grew 9.8% YTD and 6.6% YTD respectively while Ultra-saving declined by 12.5% YTD from TBANK's customer migration. Moreover, low-cost CASA expanded on track. As a result, retail deposit represented 75% of total deposit as of 30 June 2021. With the substantial growth in hybrid deposits created opportunity in converting retail deposits to other investment products.

**Preserving B/S quality and focusing on quality loan growth against economic downturn:** TTB continued to grow loans very selectively to preserve the balance sheet quality and focus on quality growth strategy. Total loan, therefore, declined by 2.5% YTD to THB1,359 billion as of June 2021. Corporate loans decreased by 5.1% YTD from government loan repayment. However, trade finance regained its positive momentum as export/import activities improved while SMEs loan was slowing due to the resurgence of COVID-19. Retail loans contracted by 0.9% YTD as the growth of hire purchase relatively slowed down because of the repayment while unsecured loans and credit card also remained soften. Nevertheless, mortgage continued its moderate growth pace with 1.3% YTD. In terms of loan structure, the majority of loans geared to retail lending which represented 57% of total loan and around 91% of retail loans were collateralized, being a buffer against uncertainty from virus outbreak impact.

**Muted topline growth amidst the 3<sup>rd</sup> wave of COVID-19:** TTB reported 2Q21 net interest income of THB12,782 million, decreased by 0.7% QoQ, owing primarily to softening yield on loans and loan volume compression, yet balance sheet and funding management helped alleviate the effect and improve cost of funds. As a result, NIM stood at 2.98% in 2Q21. During the unfavorable market condition, Non-NII reduced by 21.5% QoQ to THB3,118 million mainly from lower net fees and service income from a decrease in mutual fund and bancassurance fees from slower business activities while commercial fee maintained its growth pace, backed by credit-related fee and trade finance. Total operating income, therefore, dropped by 5.6% QoQ to THB15,900 million in 2Q21.

**Softening PPOP as revenue growth remained challenged with support of well-controlled OPEX:** Given operating income under economic pressures by deteriorating COVID-19 outbreak, operating expenses improved further and dropped by 6.6% QoQ thanks to accelerating cost-saving synergies. Cost-to-income ratio excluded purchase price allocation (PPA) impact reported at 45%. Although remaining integration cost and the additional HR expenses related to COVID-19 medical care will be accelerated in 2H21, C/I ratio is expected to be within the 2021 guidance before full synergy kicking in improving C/I ratio in the long run. As of 2Q21, Pre-Provision Operating Profit (PPOP), declined by 4.5% QoQ to THB8,502 million.

**Stringent asset quality management implemented to curb uncertain COVID-19 impacts:** Developing strict principle for post-relief risk scheme, the Bank closely monitored asset quality with prudent ECL model and considered forward-looking risks through Management Overlay. In 2Q21, expected credit loss (ECL) was set up at THB5,491 million, a marginal increase of 0.2% QoQ while stage 3 loans totaled THB43,543 million, representing NPL ratio of 2.89%. The rise in NPL was in line with the guidance and mainly from soften loan growth and long-term value preservation strategy for NPL management.

After provision and tax, TTB reported THB2,534 million of net profit in 2Q21 which decreased by 8.9% QoQ and 18.1% YoY. For the first half of 2021, net profit totaled THB5,316 million, declined by 26.8% from the same period of last year and represented the ROE of 5.2%.

## Discussion of operating performance

**Figure 1: Selected Statement of Comprehensive Income**

(THB million)	2Q21	1Q21	% QoQ	2Q20	% YoY	1H21	1H20	% YoY
Interest income	16,064	16,350	-1.8%	17,996	-10.7%	32,414	37,601	-13.8%
Interest expenses	3,281	3,478	-5.6%	4,950	-33.7%	6,759	10,542	-35.9%
<b>Net interest income</b>	<b>12,782</b>	<b>12,872</b>	<b>-0.7%</b>	<b>13,045</b>	<b>-2.0%</b>	<b>25,654</b>	<b>27,059</b>	<b>-5.2%</b>
Fees and service income	3,568	4,321	-17.4%	3,406	4.8%	7,889	7,814	1.0%
Fees and service expenses	1,370	1,289	6.3%	1,248	9.7%	2,659	2,842	-6.4%
<b>Net fees and service income</b>	<b>2,198</b>	<b>3,032</b>	<b>-27.5%</b>	<b>2,158</b>	<b>1.9%</b>	<b>5,230</b>	<b>4,972</b>	<b>5.2%</b>
Other operating income	919	939	-2.1%	1,365	-32.7%	1,859	2,732	-32.0%
<b>Non-interest income</b>	<b>3,118</b>	<b>3,971</b>	<b>-21.5%</b>	<b>3,523</b>	<b>-11.5%</b>	<b>7,089</b>	<b>7,705</b>	<b>-8.0%</b>
<b>Total operating income</b>	<b>15,900</b>	<b>16,844</b>	<b>-5.6%</b>	<b>16,569</b>	<b>-4.0%</b>	<b>32,743</b>	<b>34,764</b>	<b>-5.8%</b>
<b>Total other operating expenses</b>	<b>7,402</b>	<b>7,928</b>	<b>-6.6%</b>	<b>7,776</b>	<b>-4.8%</b>	<b>15,330</b>	<b>16,107</b>	<b>-4.8%</b>
Expected credit loss	5,491	5,480	0.2%	4,972	10.4%	10,971	9,732	12.7%
<b>Profit before income tax expense</b>	<b>3,007</b>	<b>3,436</b>	<b>-12.5%</b>	<b>3,820</b>	<b>-21.3%</b>	<b>6,443</b>	<b>8,925</b>	<b>-27.8%</b>
Income tax expense	472	653	-27.7%	724	-34.8%	1,125	1,665	-32.4%
<b>Profit for the period</b>	<b>2,535</b>	<b>2,783</b>	<b>-8.9%</b>	<b>3,096</b>	<b>-18.1%</b>	<b>5,318</b>	<b>7,260</b>	<b>-26.8%</b>
<b>Profit to non-controlling interest of subsidiaries</b>	<b>1</b>	<b>1</b>	<b>22.2%</b>	<b>1</b>	<b>13.0%</b>	<b>2</b>	<b>2</b>	<b>4.6%</b>
<b>Profit to equity holders of the Bank</b>	<b>2,534</b>	<b>2,782</b>	<b>-8.9%</b>	<b>3,095</b>	<b>-18.1%</b>	<b>5,316</b>	<b>7,258</b>	<b>-26.8%</b>
Other comprehensive income	9	29	-70.2%	-322	N/A	37	-339	N/A
<b>Total comprehensive income</b>	<b>2,544</b>	<b>2,811</b>	<b>-9.5%</b>	<b>2,774</b>	<b>-8.3%</b>	<b>5,355</b>	<b>6,921</b>	<b>-22.6%</b>
<b>Basic earnings per share (THB/share)</b>	<b>0.0263</b>	<b>0.0289</b>	<b>-9.0%</b>	<b>0.0321</b>	<b>-18.1%</b>	<b>0.0551</b>	<b>0.0753</b>	<b>-26.8%</b>

*Note: Consolidated financial statement*

### Net interest income (NII) and Net interest margin (NIM)

**For the 2<sup>nd</sup> quarter of 2021:** TTB recorded THB12,782 million of net interest income (NII) in 2Q21, 0.7% decrease compared to previous quarter (QoQ) and 2.0% decrease from the same period last year (YoY). Details are as follows:

- Interest income decreased by 1.8% QoQ and 10.7% YoY to THB16,064 million. The decrease was mainly from softening yield on loan and loan volume compression as we continued to optimize loan mix and portfolio healthiness amid COVID-19 resurgence.
- Interest expenses dropped by 5.6% QoQ and 33.7% YoY to THB3,281 million, as a result of balance sheet optimization and funding management strategy which helped lower cost of fund efficiently.

**In the first half of 2021,** TTB reported net interest income of THB25,654 million, a decrease of 5.2% from the same period last year. Details are as follows:

- Interest income declined by 13.8% YoY to THB32,414 million, primarily due to the interest rate reduction throughout 2020 and loan contraction amidst challenging environment.
- Interest expenses decreased by 35.9% YoY to THB6,759 million. The decrease came from steadily lower cost of deposits and funding cost as a part of balance sheet optimization and proactive funding management.

NIM recorded at 2.98% in 2Q21 and 3.00% in 1H21

In 2Q21, NIM slightly decreased by 2 bps to 2.98% from 3.00% in 1Q21 but increased by 10 bps from 2.88% compared to the same period last year (YoY). The reduction in QoQ was due to yield compression and partly to conservative EIR adjustment on mortgage portfolio. Well-managed funding cost lessened impact of low rate environment and lower yield on earning assets. However, if excluded PPA impact, NIM was 3.06% in 2Q21. For 1H21, NIM stood at 3.00% stable YoY mainly from balance sheet optimization and efficient funding cost management which compensated for soften loan yield amidst low rate environment.

**Figure 2: Net interest income (NII)**

(THB million)	2Q21	1Q21	% QoQ	2Q20	% YoY	1H21	1H20	% YoY
<b>Interest income</b>	<b>16,064</b>	<b>16,350</b>	<b>-1.8%</b>	<b>17,996</b>	<b>-10.7%</b>	<b>32,414</b>	<b>37,601</b>	<b>-13.8%</b>
Interest on interbank and money market items	276	325	-15.1%	559	-50.6%	601	1,207	-50.2%
Investments and trading transactions	17	15	13.4%	26	-33.8%	33	65	-49.8%
Investments in debt securities	334	277	20.7%	513	-34.9%	610	1,169	-47.8%
Interest on loans	9,795	10,269	-4.6%	11,337	-13.6%	20,064	23,852	-15.9%
Interest on hire purchase and financial lease	5,641	5,463	3.3%	5,560	1.4%	11,104	11,308	-1.8%
Others	0.9	1	-5.9%	0	N/A	2	0	N/A
<b>Interest expenses</b>	<b>3,281</b>	<b>3,478</b>	<b>-5.6%</b>	<b>4,950</b>	<b>-33.7%</b>	<b>6,759</b>	<b>10,542</b>	<b>-35.9%</b>
Interest on deposits	1,754	1,916	-8.5%	3,205	-45.3%	3,669	6,839	-46.3%
Interest on interbank and money market items	68	73	-7.3%	147	-53.8%	141	378	-62.6%
Contributions to the Deposit Protection Agency	827	824	0.3%	889	-7.0%	1,651	1,746	-5.4%
Interest on debt issued and borrowings	619	651	-4.9%	696	-11.0%	1,271	1,555	-18.3%
Borrowing fee	9	9	-4.6%	9	-6.9%	18	19	-7.4%
Others	5	4	20.1%	3	55.4%	9	6	45.3%
<b>Net interest income (NII)</b>	<b>12,782</b>	<b>12,872</b>	<b>-0.7%</b>	<b>13,045</b>	<b>-2.0%</b>	<b>25,654</b>	<b>27,059</b>	<b>-5.2%</b>

Note: Consolidated financial statements

**Figure 3: Yields and cost**

(Annualized percentage)	2Q21	1Q21	4Q20	3Q20	2Q20	1H21	1H20
Yield on loans	4.52%	4.60%	4.78%	4.83%	4.88%	4.56%	5.08%
Yield on earning assets	3.75%	3.81%	3.90%	3.86%	3.97%	3.79%	4.17%
Cost of deposit	0.76%	0.80%	0.84%	0.96%	1.16%	0.79%	1.22%
Cost of funds	0.88%	0.92%	0.95%	1.06%	1.23%	0.90%	1.32%
Net interest margin (NIM)	2.98%	3.00%	3.06%	2.92%	2.88%	3.00%	3.00%

Note: Consolidated financial statements

### Non-interest income (Non-NII)

**For the 2<sup>nd</sup> quarter of 2021:** The Bank posted THB3,118 million of non-interest income in 2Q21, which dropped by 21.5% from the last quarter (QoQ) and 11.5% from the same period last year (YoY). The decline was mainly from lower net fees and service income. Details were as follows;

- Net fees and service income was reported at THB2,198 million which dropped by 27.5% QoQ but grew by 1.9% YoY. The QoQ contraction was mainly from lower net fees and service income from mutual fund and bancassurance sales due to the sluggish business activities in the market in response to the new COVID-19 wave and partial lockdown while auto BA fee also slowed down QoQ given the slower auto loan volume during

the resurgence of COVID-19. Commercial fees maintained its growth momentum, supported by credit-related fee and trade finance as export import segment showed a recovery sign. The YoY improvement was mainly from higher business activities compared to full lockdown in 2Q20.

- Share of profit from investment using equity method was recorded at THB112 million.

**In the first half of 2021**, Non-NII declined by 8.0% to THB7,089 million, due to lower gain on investments while net fee and service income improved from the same period last year. Key items were as follows;

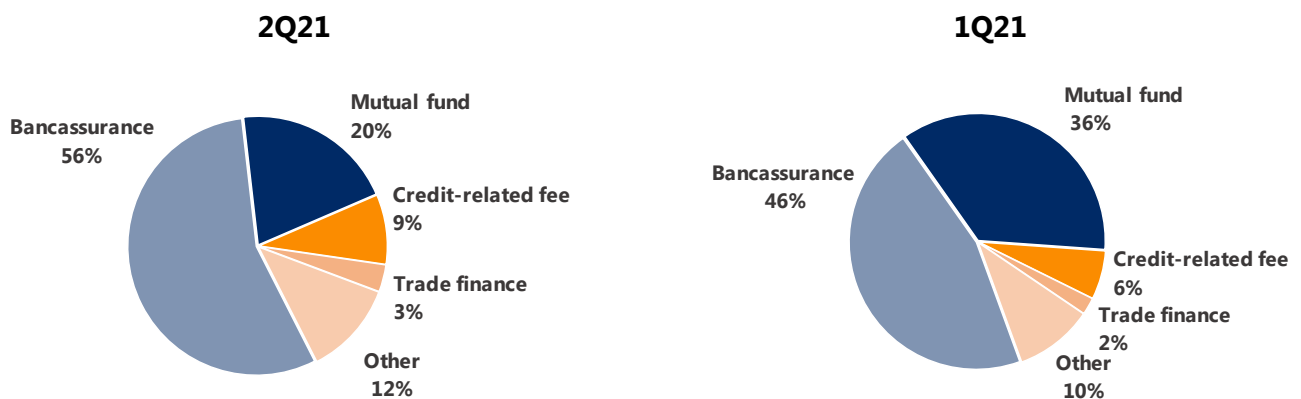
- Net fees and service income increased by 5.2%YoY to 5,230 million, mainly attributed to mutual fund, auto BA and commercial fees, outweighed by lower Non-auto BA fees.
- Share of profit from investment using equity method was recorded at THB205 million.

**Figure 4: Non-interest income (Non-NII)**

(THB million)	2Q21	1Q21	% QoQ	2Q20	% YoY	1H21	1H20	% YoY
<b>Fees and service income</b>	<b>3,568</b>	<b>4,321</b>	<b>-17.4%</b>	<b>3,406</b>	<b>4.8%</b>	<b>7,889</b>	<b>7,814</b>	<b>1.0%</b>
Acceptance, Aval & Guarantee	151	145	4.1%	145	3.8%	296	273	8.4%
Other fee and service income	3,417	4,176	-18.2%	3,261	4.8%	7,594	7,542	0.7%
<b>Fees and service expenses</b>	<b>1,370</b>	<b>1,289</b>	<b>6.3%</b>	<b>1,248</b>	<b>9.7%</b>	<b>2,659</b>	<b>2,842</b>	<b>-6.4%</b>
<b>Net fees and service income</b>	<b>2,198</b>	<b>3,032</b>	<b>-27.5%</b>	<b>2,158</b>	<b>1.9%</b>	<b>5,230</b>	<b>4,972</b>	<b>5.2%</b>
Gains on financial instrument designated at fair value through profit or loss	388	422	-8.1%	447	-13.3%	810	890	-9.0%
Gains on investments, net	81	27	203.1%	445	-81.8%	107	783	-86.3%
Share of profit from investment using equity method	112	93	21.2%	78	43.8%	205	219	-6.2%
Gains on sale of properties foreclosed, assets & other assets	57	126	-54.5%	21	174.8%	184	52	254.5%
Dividend income	70	16	339%	42	67.2%	86	66	31.3%
Others	211	256	-17.6%	332	-36.5%	467	723	-35.5%
<b>Non-interest income</b>	<b>3,118</b>	<b>3,971</b>	<b>-21.5%</b>	<b>3,523</b>	<b>-11.5%</b>	<b>7,089</b>	<b>7,705</b>	<b>-8.0%</b>

*Note: Consolidated financial statements*

**Figure 5: Net fees and service income breakdown**



*Note: Consolidated financial statements, prelim data*



## Non-interest expenses

**For the 2<sup>nd</sup> quarter of 2021:** The Bank recorded THB7,402 million of total non-interest expenses, a decrease of 6.6% QoQ and 4.8% YoY. Main factor was employee expenses. Key items are as follows;

- Employee expenses decreased by 18.6% QoQ and 17.3% YoY to THB3,633 million. The decline was a result of lower staff cost from one-time separation package for employee which recorded in 1Q21.
- Premises and equipment expenses increased by 2.5% QoQ but decreased by 6.2% YoY to THB1,417 million.
- Other expenses rose by 15.5% QoQ and 34.3% YoY to THB1,923 million, mainly attributed to marketing expenses related to rebranding activities in 2Q21 and software expenses.

**In the first half of 2021,** Non-interest expenses declined 4.8% YoY to THB15,330 million. Key factors are as follows;

- Employee expenses contracted by 7.6% YoY to THB8,097 million because of lower employee expense from the staff reduction, resulting from the Bank's effort to execute merged bank synergies.
- Premises and equipment expenses decreased by 10.0% YoY to THB2,798 million.
- Other expenses rose by 8.2% YoY to THB3,587 million, owing to higher marketing expenses and software rental expenses.

**Figure 6: Non-interest expenses**

(THB million)	2Q21	1Q21	% QoQ	2Q20	% YoY	1H21	1H20	% YoY
Employee expenses	3,633	4,464	-18.6%	4,393	-17.3%	8,097	8,767	-7.6%
Directors' remuneration	36	13	169.7%	12	194.7%	50	24	107.3%
Premises and equipment expenses	1,417	1,382	2.5%	1,511	-6.2%	2,798	3,110	-10.0%
Taxes and duties	393	405	-2.9%	429	-8.3%	799	893	-10.5%
Other expenses	1,923	1,664	15.5%	1,431	34.3%	3,587	3,313	8.2%
<b>Non-interest expenses</b>	<b>7,402</b>	<b>7,928</b>	<b>-6.6%</b>	<b>7,776</b>	<b>-4.8%</b>	<b>15,330</b>	<b>16,107</b>	<b>-4.8%</b>

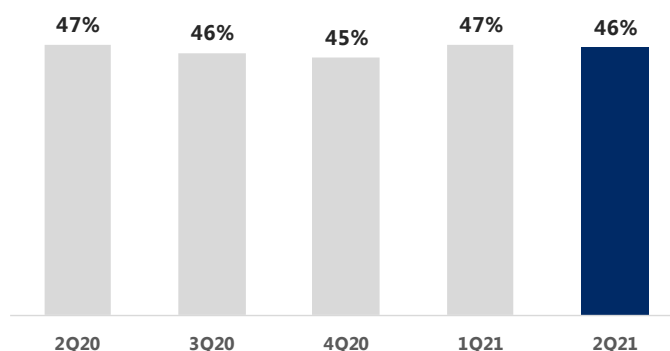
*Note: Consolidated financial statements*

*The improvement in cost to income ratio reflected cost synergy realization*

In 2Q21, cost to income ratio was reported at 46%, improving from 47% in 1Q21 and 47% in 2Q20. With the strong cost discipline, cost-savings helped maintain level of C/I ratio even with the pressure on income side. If excluded PPA impact, cost to income ratio was 45%. However, the integration expenses after EBT will be accelerated in the 2H21 as rebranding and marketing activities were postponed due to the 3<sup>rd</sup> wave of COVID-19 while subrogation expense will be recorded in 3Q21 and the additional HR expenses related to employees' health measure during COVID-19 outbreak. For 1H21, cost to income ratio was 47%, slightly increased from 46% in 1H20. However, accelerating cost synergy helped self-fund integration costs, C/I ratio is expected to remain within target.



**Figure 7: Cost to income ratio**

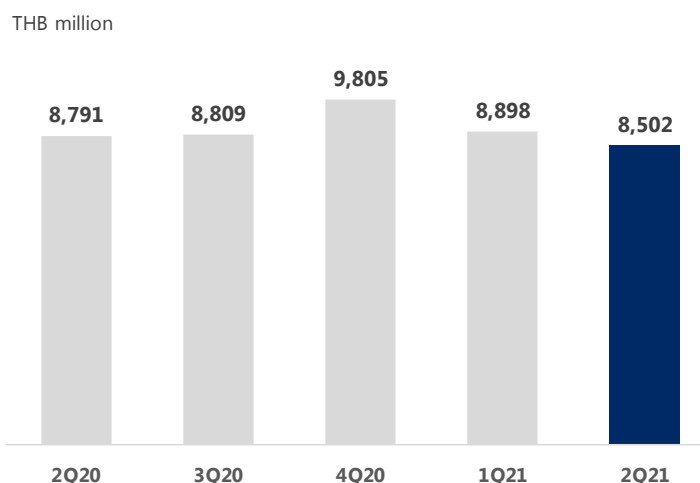


*Note: Consolidated financial statements*

### Operating profit and Expected Credit Loss

**Pre-provision operating profit (PPOP):** PPOP amounted to THB8,502 million in 2Q21, which decreased by 4.5% QoQ and 3.3% YoY. PPOP for the first half of 2021 was at THB17,401 million, declining 6.7% YoY.

**Figure 8: Pre-provision operating profit (PPOP)**



*Note: Consolidated financial statements*

*Setting aside 2Q21 ECL of THB5,491 million for prudent management*

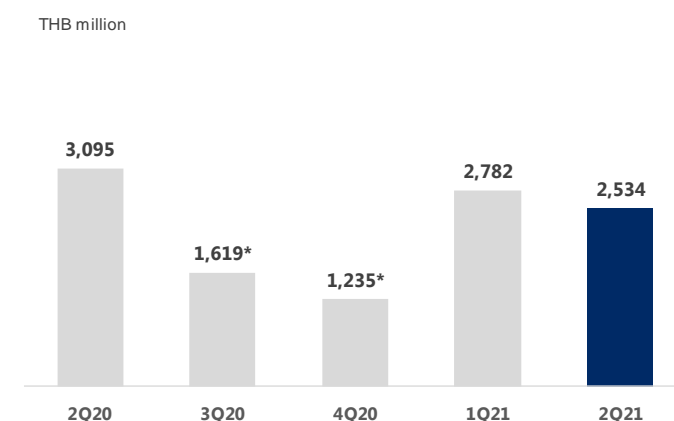
**Expected Credit Loss (ECL):** The prolonged economic headwinds from new round of COVID-19 gave a challenge on asset quality management. With the prudent Expected Credit Loss (ECL) model, the Bank set aside expected credit loss of THB5,491 million, equivalent to a credit cost of 161 bps, which marginally rose by 0.2% QoQ and 10.4% YoY. For the first 6-month of 2021, ECL amounted to THB10,971, an increase of 12.7% YoY. The Bank still closely monitors the loan portfolio and set the principle of post-relief risk scheme to calibrate provision setting vigilantly together with Management Overlay consideration to ensure forward-looking risks took into account.

**Figure 9: Expected Credit Loss (ECL) and credit cost**

(THB million)	2Q21	1Q21	% QoQ	2Q20	% YoY	1H21	1H20	% YoY
Expected credit loss	5,491	5,480	0.2%	4,972	10.4%	10,971	9,732	12.7%
Credit cost (bps) - annualized	161	160		144		161	141	

*Note: Consolidated financial statements*

**Net profit:** After provision and tax, net profit in 2Q21 was THB2,534 million which decreased by 8.9% QoQ and 18.1% from the same period last year. For the first half of 2021, net profit totaled THB5,316 million, declined by 26.8% from the same period of last year and represented the ROE of 5.2%

**Figure 10: Net Profit (to equity holder of the Bank)**

*Note: Consolidated financial statements*

*\*In 3Q20 and 4Q20, the Bank set aside the elevated provisioning buffer in preparation for 2021*

Please see the next session for the discussion of financial position.

## Discussion of financial position

**Figure 11: Selected financial position (Consolidated)**

(THB million)	Jun-21	Mar-21	%QoQ	Dec-20	%YTD
Cash	16,088	18,220	-11.7%	21,943	-26.7%
Interbank and money market items, net	169,648	213,646	-20.6%	211,185	-19.7%
Financial assets measured at fair value through profit or loss	6,533	4,572	42.9%	3,788	72.5%
Derivative assets	10,471	10,300	1.7%	11,959	-12.4%
Investments, net	162,830	141,194	15.3%	134,351	21.2%
Investments in subsidiaries and associate, net	8,676	8,692	-0.2%	8,599	0.9%
Total loans to customers	1,358,766	1,380,211	-1.6%	1,392,925	-2.5%
Add accrued interest receivables and undue interest receivables*	7,130	7,145	-0.2%	7,522	-5.2%
Less allowance for expected credit loss	54,419	53,800	1.2%	51,967	4.7%
Total loans to customers and accrued interest receivables, net	1,311,477	1,333,555	-1.7%	1,348,480	-2.7%
Properties for sale, net	5,862	6,119	-4.2%	6,037	-2.9%
Premises and equipment, net	22,584	23,026	-1.9%	24,039	-6.1%
Goodwill and other intangible assets, net	22,625	22,530	0.4%	22,546	0.3%
Deferred tax assets	2,346	1,969	19.1%	1,980	18.5%
Other assets, net	9,331	10,650	-12.4%	13,425	-30.5%
<b>Total Assets</b>	<b>1,748,473</b>	<b>1,794,473</b>	<b>-2.6%</b>	<b>1,808,332</b>	<b>-3.3%</b>
Deposits	1,324,159	1,383,733	-4.3%	1,373,408	-3.6%
Interbank and money market items	80,730	65,484	23.3%	75,909	6.4%
Financial liabilities designated at fair value through profit or loss	436	433	0.7%	432	0.8%
Debts issued and borrowings, net	75,516	74,354	1.6%	88,965	-15.1%
Deferred revenue	20,522	20,858	-1.6%	20,885	-1.7%
Other liabilities	41,251	42,032	-1.9%	43,984	-6.2%
<b>Total Liabilities</b>	<b>1,542,613</b>	<b>1,586,893</b>	<b>-2.8%</b>	<b>1,603,582</b>	<b>-3.8%</b>
Equity attributable to equity holders of the Bank	205,821	207,542	-0.8%	204,713	0.5%
Non-controlling interest	39	38	2.4%	37	4.3%
<b>Total equity</b>	<b>205,860</b>	<b>207,580</b>	<b>-0.8%</b>	<b>204,750</b>	<b>0.5%</b>
<b>Total liabilities and equity</b>	<b>1,748,473</b>	<b>1,794,473</b>	<b>-2.6%</b>	<b>1,808,332</b>	<b>-3.3%</b>
<b>Book value per share (Baht)</b>	<b>2.14</b>	<b>2.15</b>	<b>-0.8%</b>	<b>2.12</b>	<b>0.5%</b>

*Note. Consolidated financial statements*

*\* For credit impaired loans to customers, accrued interest are presented net from allowances for expected credit loss*

### Assets

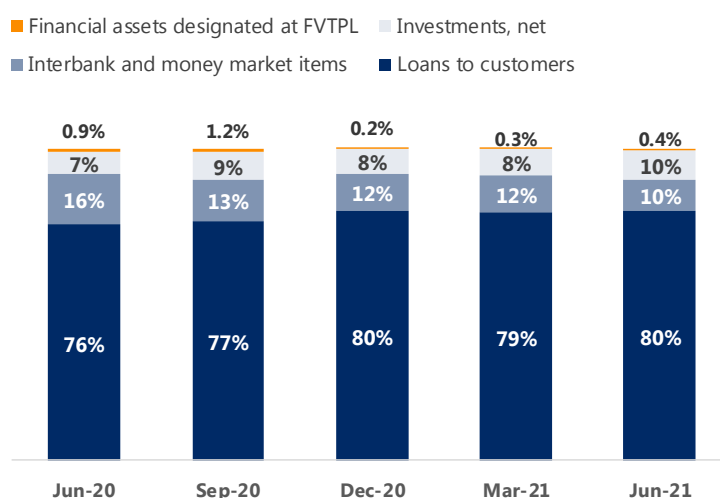
As of 30 June 2021, total assets on consolidated basis was THB1,748,473 million, a decrease of 2.6% QoQ and 3.3% YTD. Key items are as follows;

- Total loans to customers and accrued interest receivables net declined by 1.7% QoQ and 2.7% YTD to THB1,311 billion. (Details in the following section).

- Net interbank and money market items dropped by 20.6% QoQ and 19.7% YTD to THB169,648 million. The decrease was in accordance to liquidity management to enhance liquid assets through other investments.
- Net investments and financial asset designated at fair value through profit and loss increased by 16.2% QoQ and 22.6% YTD to THB169,363 million.
- Net properties for sale contracted by 4.2% QoQ and 2.9% YTD to THB5,862 million.

After the merger, loans to customers was still the largest portion of earning assets. As of 30 June 2021, loans to customers represented 80.0% of earning assets. This followed by interbank and money market of 10.0%, investment of 9.6% and financial assets designated at fair value through profit or loss 0.4%.

**Figure 12: Earning assets**



*Note. Consolidated financial statements*

### Investment Classification

Under TFRS9, investment items are classified into 3 categories; fair value through profit and loss (FVTPL), fair value through other comprehensive income (FVOCI) and measured at amortized cost. As of 30 June 2021, investments were classified as follows:

(THB million)	30 Jun 2021	31 Mar 2021
<b>Financial assets measured at FVTPL</b>	<b>6,533</b>	<b>4,572</b>
Investments in debt securities measured at amortized cost	-	625
Investments in debt securities measured at FVOCI	161,923	139,034
Investments in equity securities measured at FVOCI	907	1,535
<b>Net Investment*</b>	<b>162,830</b>	<b>141,194</b>
<b>Total Investment</b>	<b>169,363</b>	<b>145,766</b>

*Note. Consolidated financial statements*

\* Net investments comprised of investments measured at amortised cost and measured at FVOCI

### Total loans to customers and accrued interest receivables

As of 30 June 2021, TTB recorded total loans to customers and accrued interest receivables-net on consolidated basis of THB1,311 billion, a decline of 1.7% from March 2021 and 2.7% from the end of December 2020.

In terms of total loan to customers on consolidated basis (excluded allowance for ECL) amounted to THB1,359 billion, declined by 1.6% QoQ and 2.5% YTD. The contraction was mainly from corporate loans and retail loans while small SME loan also slightly dropped amidst the resurgence of COVID-19 outbreak. Details are as follows;

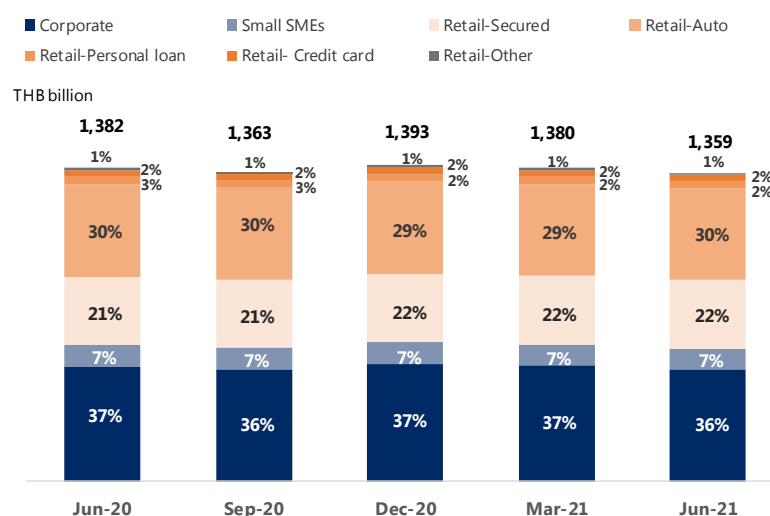
- Retail lending on consolidated basis marginally decreased by 0.4% QoQ and 0.9% YTD which hire purchase contracted by 0.8% QoQ and 1.3% YTD due primarily to repayment while unsecured loans and credit card remained softened amidst the sluggish market. Nevertheless, mortgage continued its moderate growth rates of 0.7% QoQ and 1.3% YTD with higher new booking against unfavorable business environment.
- Corporate lending on consolidated basis declined by 3.4% QoQ and 5.1% YTD mainly from loan repayment from government loans. However, the Bank saw higher loan demand in trade finance from recovery in export and import despite a resurgence of COVID-19. Small SME loan contracted by 0.9% QoQ and 1.0% YTD amid concerns on the 3<sup>rd</sup> wave outbreak. Nevertheless, the Bank still grew loans very selectively to preserve the balance sheet quality and continued to focus on quality growth strategy.

In terms of loan breakdown by customer segments, the loan portfolio has diversified and shifted to retail segment since the merger. As of 30 June 2021, retail loans accounted for 57% while corporate loans were 36% and small SMEs were 7% of total portfolio.

In terms of key products, 30% of total loan was hire purchase; followed by mortgage of 22%, term loan of 19%, working capital (OD) of 17%, trade finance of 6%, unsecured & credit card of 4% and others 2%.

As of 30 June 2021, HP portfolio consisted of new car 68%, used car 18%, cash your car (CYC) 14%, cash your book (CYB) of 0.1% respectively.

**Figure 13: Total loan to customers breakdown by customer segment**



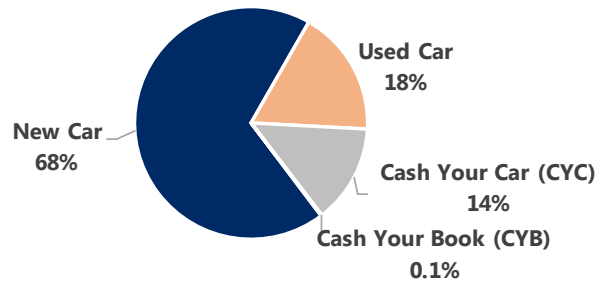
*Note. Consolidated financial statements*

Segment definition:

Corporate: customers with annual sales volume more than THB100 million

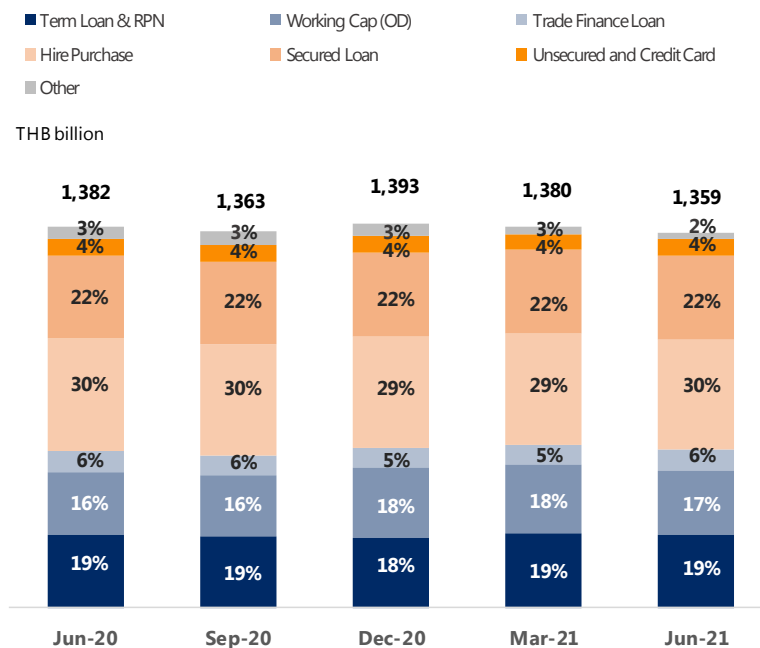
Small SMEs: customers with annual sales volume up to THB100 million, including owner operators

**Figure 14: Hire purchase breakdown**



*Note: Consolidated financial statements*

**Figure 15: Total loan to customer breakdown by product**



*Note: Consolidated financial statements*

## Asset Quality

Under TFRS9, loans are classified into 3 stages based on changes in credit quality identified since initial recognition. The expected credit loss (ECL) framework is based on the requirements of the Thai Financial Reporting Standard No. 9 Financial Instruments (TFRS 9) which became effective from January 1, 2020 onwards.

The Bank calculated and reported impairment based on our ECL model-based calculation which is a probability-weighted estimate of credit loss over the expected life of financial instruments, adjusted with forward looking assumptions to take into account the expectation of future macro-economic outlook and potential impacts on our loan portfolio.

The allowance for ECL of TTB reflected the current loan portfolio mix of the Merged Bank which 52% are retail secured loan. The Bank continued to de-risk SME portfolio, as a result, small SME represented only 7% of total portfolio as of June 2021.

As of 30 June 2021, Loans and allowance for expected credit loss were classified as follows:

**Figure 16: Loan and accrued interest receivables classification and allowance for expected credit loss\***

<b>30 Jun 2021</b>		
(THB million)	<b>Loans to customer and accrued interest receivables</b>	<b>Allowance for expected credit Loss</b>
Stage 1 (Performing)	1,204,736	12,588
Stage 2 (Under-performing)	116,984	21,003
Stage 3 (Non-performing)	44,176	20,828
<b>Total</b>	<b>1,365,896</b>	<b>54,419</b>

<b>31 Mar 2021</b>		
(THB million)	<b>Loans to customer and accrued interest receivables</b>	<b>Allowance for expected credit Loss</b>
Stage 1 (Performing)	1,225,032	10,116
Stage 2 (Under-performing)	118,222	21,923
Stage 3 (Non-performing)	44,101	21,761
<b>Total</b>	<b>1,387,355</b>	<b>53,800</b>

*Note: Consolidated financial statements*

*\* Loan and accrued interest receivable of stage 3 is presented on a net basis*

### **Stage 3 loans (Non-performing loan) and NPL ratio, excluded accrued interest receivables**

According to the new accounting standard under TFRS9 which implemented on 1 January 2020, non-performing loans is classified as stage 3.

As of 30 June 2021, Stage 3 loans (NPLs), excluded accrued interest receivables on consolidated basis, was reported at THB43,543 million which increased from THB43,400 million as of March 2021 and THB39,594 million at the end of December 2020. Stage 3 loans (NPLs) on bank-only basis amounted to THB23,430 million, decreased from THB24,467 million as of 31 March 2021 but increased from THB22,005 million in December 2020. In the 2<sup>nd</sup> quarter, the Bank wrote off NPLs amounting to approximately THB4.9 billion and sold THB1.3 billion of NPLs.

As of 30 June 2021, NPL ratio on consolidated basis was recorded at 2.89%, compared with 2.75% at the end of March 2021 and 2.50% as of 31 December 2020. The rise in NPL ratio was in line with the guidance and mainly from soften loan growth and long-term value preservation strategy for NPL management. Meanwhile, NPL ratio on bank-only basis stood at 2.44% when compared with 2.59% at the end of March 2021 and 2.38% as of 31 December 2020.

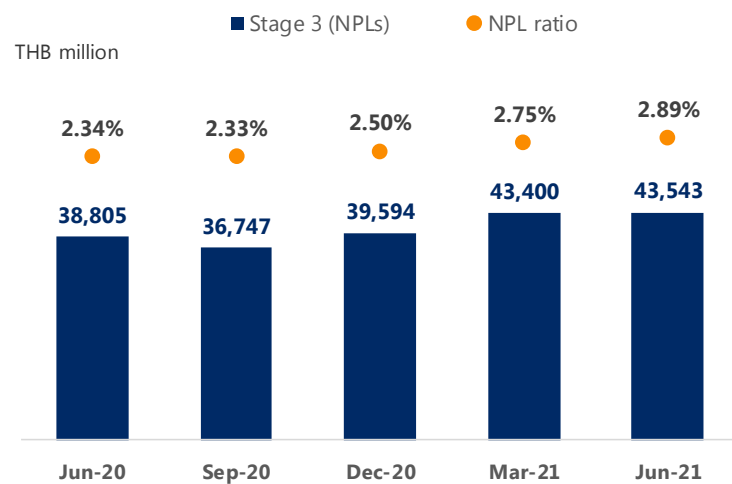


### Allowance for expected credit loss

As of 30 June 2021, the Bank and its subsidiaries reported the allowance for expected credit loss at THB54,419 million, which rose by 1.2% QoQ and 4.7% YTD due to the additional provision buffer set to preemptively limit future downside risk.

Given the current unfavorable economic conditions and the new round of COVID-19 pandemic, the Bank remains prudent in setting provision and proactively reviews and set aside management overlay to cover both Probability of default (PD) and Loss given default (LGD) shift. Moreover, the Bank closely monitors customers under debt relief program and offers further assistance to those in need after the resurgence of COVID-19 cases. Nonetheless, the allowance for expected credit loss was set at the prudent level, preparing for the future uncertainties.

**Figure 17: Stage 3 loan (NPLs) and NPL ratio**



*Note: Consolidated financial statement, Non-performing loans classified as stage 3*

### Liabilities and Equity

As of 30 June 2021, total liabilities and equity on consolidated basis was reported at THB1,748,473 million, a decline of 2.6% QoQ and 3.3% from the end of December 2020.

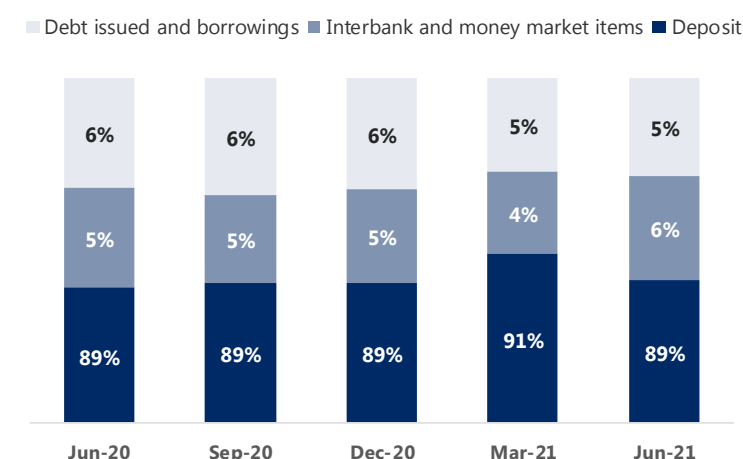
Total consolidated liabilities were THB1,542,613 million, contracted by 2.8% QoQ and 3.8% from 31 December 2020. Details of key figures are as follows;

- Total deposits were THB1,324,159 million which decreased by 4.3% QoQ and 3.6% YTD. (see details in following section)
- Net interbank and money market items amounted to THB80,730 million which rose by 23.3% QoQ and 6.4% YTD, mainly due to the Bank's liquidity management.
- Borrowings was recorded at THB75,516 million which grew by 1.6% QoQ but decreased by 15.1% YTD. (see details in following section)

The consolidated equity was THB205,860 million, declined by 0.8% QoQ but grew by 0.5% YTD mainly due to the accumulation of the net profit, offsetting the dividend payment.

Deposit was the largest composition of interest-bearing liabilities. As of 30 June 2021, deposit represented 89% of interest-bearing liabilities. This followed by interbank and money market items of 6% and debt issued and borrowings of 5%.

**Figure 18: Interest-bearing liabilities breakdown**



Note: Consolidated financial statement

## Deposits

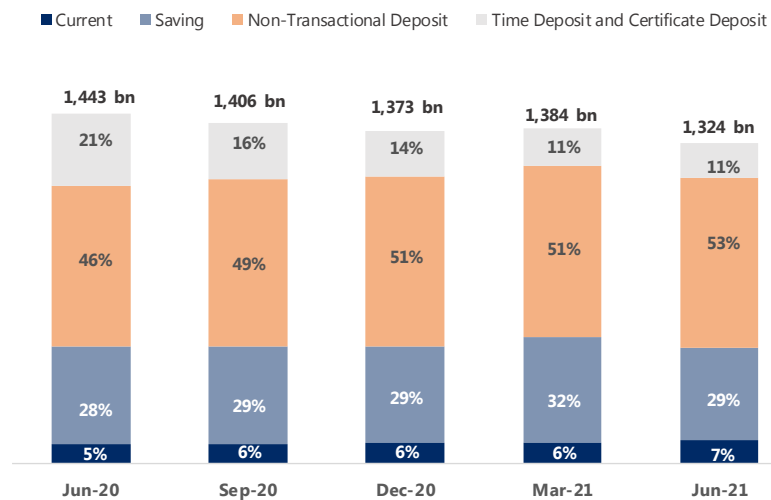
As of 30 June 2021, the Bank and its subsidiaries reported total deposits on consolidated basis of THB1,324,159 million which decreased by 4.3% QoQ and 3.6% from the end of 2020. The QoQ reduction was mainly from both commercial and retail deposits which declined by 10.8% QoQ and 1.8% QoQ respectively.

## Deposit breakdown by products

Growing quality deposits remained key strategy. TTB continued to proactively optimize deposit structure by reducing high-cost deposit with CASA and replacing with quality-hybrid deposits. Overall, the deposit was in line with such a direction which high cost deposit reduced further while flagship deposit continued to grow. No-Fixed continued to show its growth by 2.8% QoQ and 9.8% YTD while Ultra Saving declined by 5.5% QoQ and 12.5% YTD due to TBANK's customer migration. Retail transactional deposit, All Free, expanded and rose further by 1.8% QoQ and 6.6% YTD growth. However, low-cost CASA also grew on track. Nonetheless, Time Deposit and Certificate Deposit significantly dropped by 7.0% QoQ and 22.8% YTD, in line the Bank's strategy to optimize deposit mix and volume. With the substantial growth in hybrid deposits created opportunity in converting retail deposits to other investment products.

As of June 2021, retail deposit proportion represented 75% and commercial deposit represented 25% of total deposit. In terms of deposit structure, the ratio of non-transactional deposit to total deposit was reported at 53% while transactional deposit (CASA-excluded No-Fixed, ME Save and Ultra Saving) accounted for 36%, Time Deposit and Certificate Deposit accounted for 11% respectively.

**Figure 19: Deposit structure by products**



*Note: Consolidated financial statement*

*Remark: "TTB No Fixed", "ME" and "TBANK Ultra Saving" are classified as savings account as they are not required to maintain minimum balance and have no restriction to term of deposit, presented in this graph as Non-transactional deposit.*

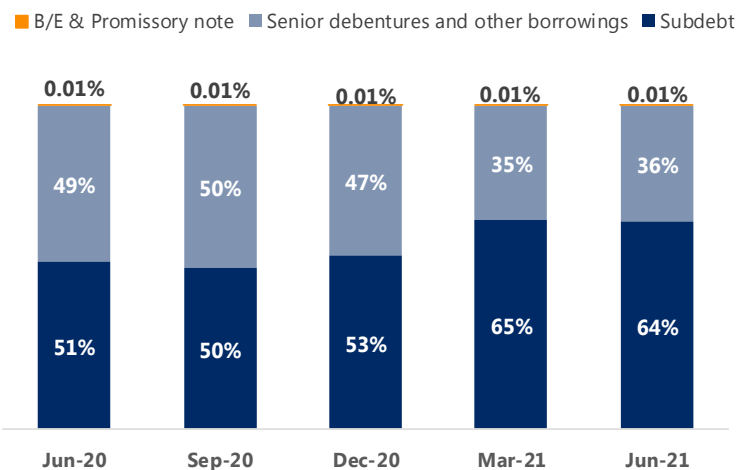
### Borrowings

*Borrowing dropped YTD due to the redemption of TTB's EUR bond*

As of 30 June 2021, total borrowings of the Bank and its subsidiaries recorded at THB75,516 million which grew by 1.6% QoQ but contracted by 15.1% YTD. The YTD reduction was mainly due to the redemption of TTB's EUR bond, amounting to THB15 billion.

In terms of borrowing structure, 64% was sub-debt. This followed by senior debentures of 36% and BE of 0.01%.

**Figure 20: Borrowings breakdown**



*Note: Consolidated financial statements*

### Liquidity and loan to deposit ratio

TTB has a strong liquidity position and has maintained high proportion of liquid and low-risk assets.

As of 30 June 2021, on consolidated basis, total liquid assets represented 13.5% of the total assets. The liquid assets consisted cash (0.9%), interbank & money market items (9.7%), short-term investment (2.5%) and short-term financial assets designated at FVTPL (0.4%). In terms of loan to deposit ratio (LDR), the ratio, on consolidated basis was at 103%, slightly rose from 100% as of March 2021 and 101% as of December 2020.

**Figure 21: Liquid asset allocation and loan to deposit ratio**

Liquid assets	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
Cash	0.9%	1.0%	1.2%	1.0%	1.0%
Interbank and money market	9.7%	11.9%	11.7%	12.6%	15.6%
Short-term investment	2.5%	1.5%	1.5%	2.4%	2.3%
Short-term financial assets at FVTPL	0.4%	0.2%	0.2%	1.1%	0.9%
<b>Liquid assets/Total assets</b>	<b>13.5%</b>	14.6%	14.6%	17.2%	19.8%
<b>Loan to deposit ratio (LDR)</b>	<b>103%</b>	100%	101%	97%	96%

*Note: Consolidated financial statement*

### Capital Adequacy

#### Maintain high capital ratios under Basel III

The Bank consistently ensures robust capital base. As of 30 June 2021, preliminary Capital Adequacy Ratio (CAR) on consolidated basis under Basel III calculation was at 19.6%, while Tier 1 ratio and CET 1 ratio stayed at 15.5% and 14.5% respectively. Such levels were well above the Bank of Thailand's minimum requirement (including conservation buffer) of 11.0%, 8.5% and 7.0% of CAR, Tier 1 ratio and Core Tier 1 ratio respectively.

**Figure 22: Capital adequacy ratio (CAR) and Tier 1 capital under BASEL III**

(as % to risk-weighted assets)	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
<b>Capital Adequacy Ratio (CAR)</b>	<b>19.6%*</b>	19.5%	19.6%	19.2%	18.6%
<b>Tier I Ratio (Tier 1)</b>	<b>15.5%*</b>	15.5%	15.5%	15.2%	14.6%
<b>Core Tier 1 Ratio (CET1)</b>	<b>14.5%*</b>	14.5%	14.5%	14.2%	13.6%

*Note: Consolidated financial statement, \* prelim data*

## TTB's Financial Summary

(THB million)	2Q21	% QoQ	% YoY	1H21	%YoY
Net interest income (NII)	12,782	-0.7%	-2.0%	25,654	-5.2%
Non-interest income (Non-NII)	3,118	-21.5%	-11.5%	7,089	-8.0%
Non-interest expenses	7,402	-6.6%	-4.8%	15,330	-4.8%
<b>Pre-provision operating profit (PPOP)</b>	<b>8,502</b>	-4.5%	-3.3%	<b>17,401</b>	-6.7%
Expected credit loss (ECL)	5,491	0.2%	10.4%	10,971	12.7%
<b>Net profit to equity holders of the Bank</b>	<b>2,534</b>	-8.9%	-18.1%	<b>5,316</b>	-26.8%

(THB million)	30-Jun-21	31-Mar-21	% QoQ	31-Dec-20	%YTD
Total loan to customers	1,358,766	1,380,211	-1.6%	1,392,925	-2.5%
Total assets	1,748,473	1,794,473	-2.6%	1,808,332	-3.3%
Deposit	1,324,159	1,383,733	-4.3%	1,373,408	-3.6%
Debt issued and borrowings, net	75,516	74,354	1.6%	88,965	-15.1%
Total liabilities	1,542,613	1,586,893	-2.8%	1,603,582	-3.8%
Total equity	205,860	207,580	-0.8%	204,750	0.5%

Key ratios	2Q21	1Q21	2Q20	1H21	1H20
Net interest margin (NIM)	2.98%	3.00%	2.88%	3.00%	3.00%
Non-interest income to total assets	0.71%	0.89%	0.75%	0.80%	0.82%
Cost to income ratio	46.4%	46.9%	47.0%	46.6%	46.3%
Return on equity (ROE)	4.9%	5.5%	6.2%	5.2%	7.4%
Return on asset (ROA)	0.6%	0.6%	0.7%	0.6%	0.8%
NPL / Stage 3 (THB mn)	43,543	43,400	38,805	43,543	38,805
NPL / Stage 3 ratio	2.89%	2.75%	2.34%	2.89%	2.34%
Credit cost (bps) - annualized	161	160	144	161	141
Loan to deposit ratio (LDR)	103%	100%	96%	103%	96%
LDR + Debt issued & borrowings to deposit	97%	95%	90%	97%	90%
Capital adequacy ratio (CAR)	19.6%*	19.5%	18.6%	19.6%*	18.6%
Tier 1 capital ratio (Tier 1)	15.5%*	15.5%	14.6%	15.5%*	14.6%
Core tier 1 capital ratio (CET 1)	14.5%*	14.5%	13.6%	14.5%*	13.6%
No. of employees	15,763	15,742	18,475	15,763	18,475
No. of branches	664	682	852	664	852
No. of ATMs + ADMs	4,023	4,171	4,628	4,023	4,628

Note: Consolidated financial statements, \* prelim data

## Additional Information: Credit rating profile

Moody's		
	International rating	Outlook
Bank Deposits	Baa1/P-2	Stable
Baseline Credit Assessments (BCAs)	baa3	
Senior Unsecured	(P)Baa1	

**Latest Changes:** June 2020, Moody's has affirmed long-term rating and revised outlook to stable.

Standard & Poor's		
	International rating	Outlook
Long-Term Counterparty	BBB	Negative
Short-Term Counterparty	A-2	
Senior Unsecured	BBB	
Stand-Alone Credit Profile (SACP)	bb+	

**Latest Changes:** August 2020, Standard & Poor's has upgraded long-term rating and revised outlook to negative.

Fitch Ratings		
	International rating	Outlook
Long-Term IDR	BBB-	Stable
Short-Term IDR	F3	
Senior Unsecured	BBB-	
Viability Rating	bbb-	
Support Rating Floor	BBB-	
Support Rating	2	
	<b>National Rating</b>	
Long-Term	AA- (tha)	
Short-Term	F1+ (tha)	
Subordinated Debt	A (tha)	

**Latest Changes:** May 2021, Fitch Ratings has affirmed Long-term IDR with stable outlook.



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**Disclaimer**

TMBThanachart Bank Public Company Limited provided this report in order to disclose its financial performance for the quarter and the period as mentioned. Some content may contain forward-looking statements, which based on management's view upon the information currently available to us. These statements are subject to certain risks and uncertainties that could cause the actual results materially different from what had been previously stated. The materials in this report shall not, and are not intended to, constitute or contain an offer to sell or the solicitation of an offer to buy, any securities of TMBThanachart Bank Public Company Limited.

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