

# Investor Presentation

## For 2023



# Bangkok Bank

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## 2023 Key highlights



## Operating environment



## 2023 Financial performance



## 2024 Key focus and target

# 2023 Key highlights

Prudent approach has been key to delivering sustainable returns over the years

**Net profit**  
**41.6 bn Baht**

**Net interest margin**  
**3.02%**

**Net fees and service income**  
**-1.0%** YoY

**Cost-to-income ratio**  
**48.8%**

**Loan**  
**-0.4%** YTD

**Deposit**  
**-0.8%** YTD

**NPL ratio**  
**2.7%**

**Coverage ratio**  
**314.7%**

**Loan-to-deposit ratio**  
**83.9%**

**Tier 1 ratio**  
**16.1%**

- Deliver strong 2023 financial performance, mainly led by net interest income growth supported by diversified asset portfolio
- Net fees remained soft from security business, while credit card and bancassurance showed improvement
- Consistent multi-year investment to improve operational efficiency while keeping a manageable cost to income ratio
- Manageable asset quality with a prudent loan portfolio
- Maintain disciplined balance sheet management with well-secured reserves, healthy liquidity and sound capital positions to withstand uncertainty and support long-term perspective to growth

# Bangkok Bank

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2023 Key highlights



**Operating environment**



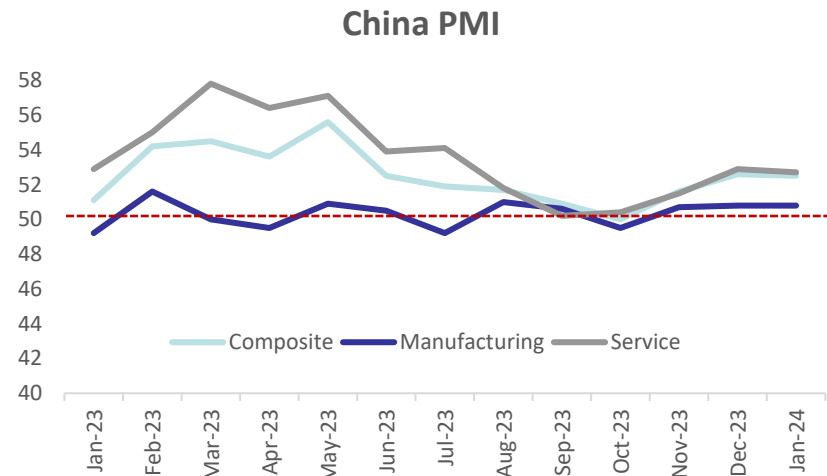
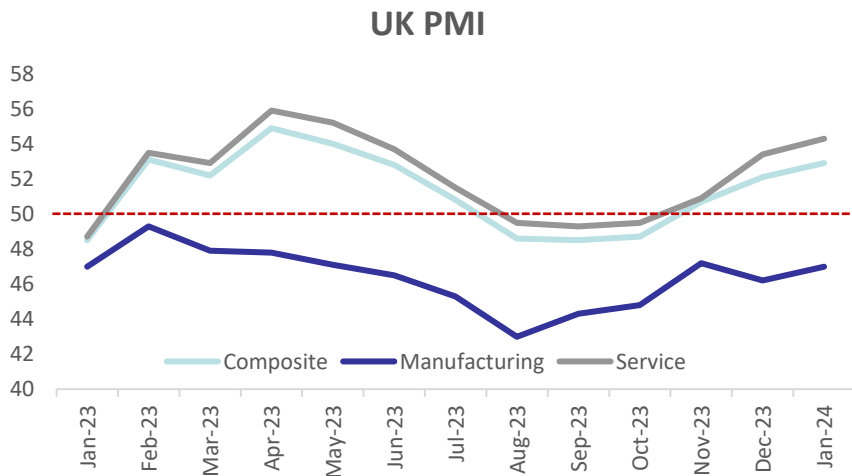
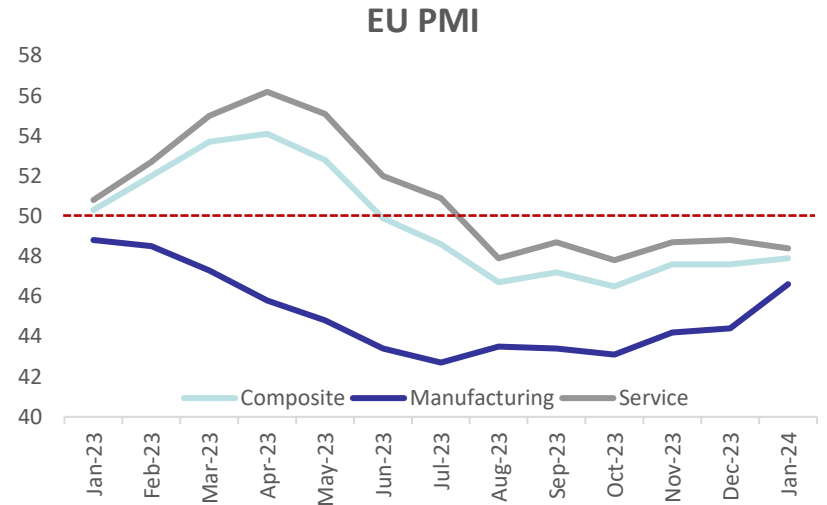
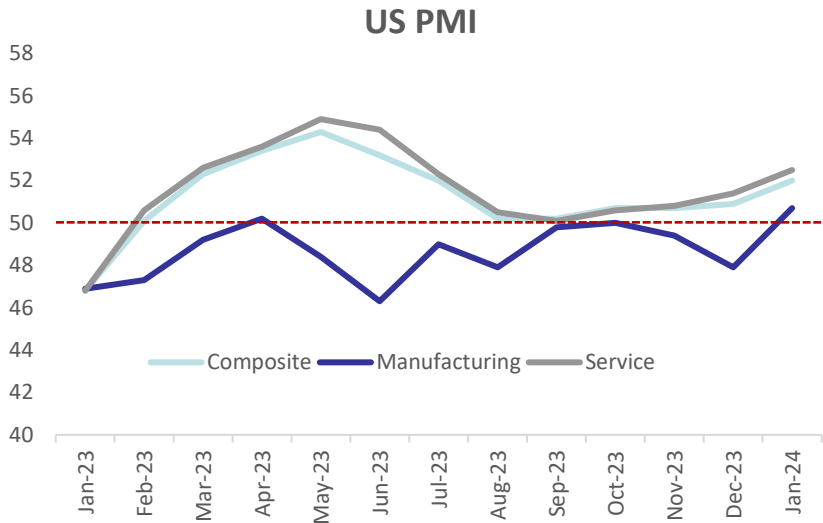
2023 Financial performance



2024 Key focus and target

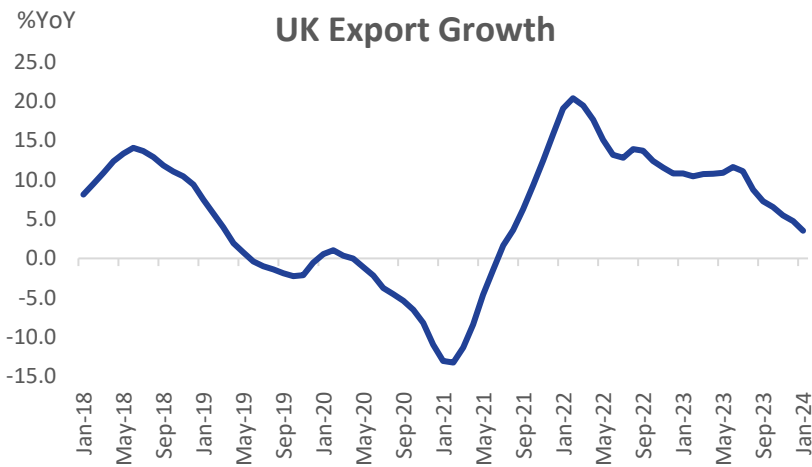
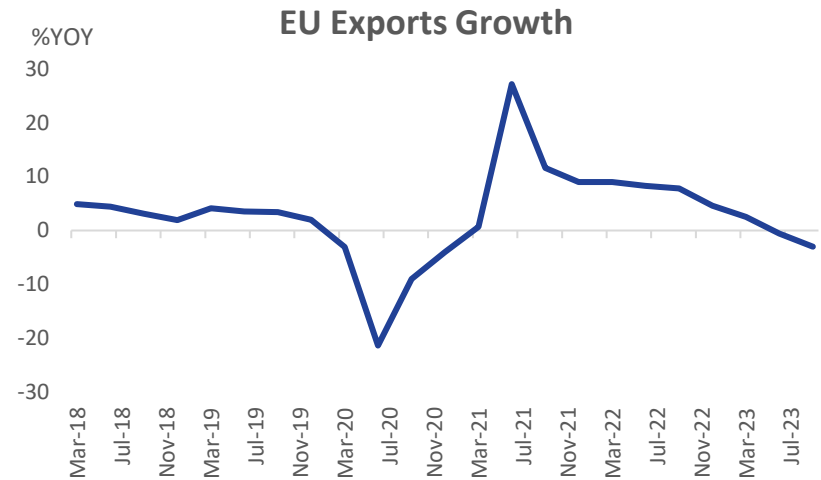
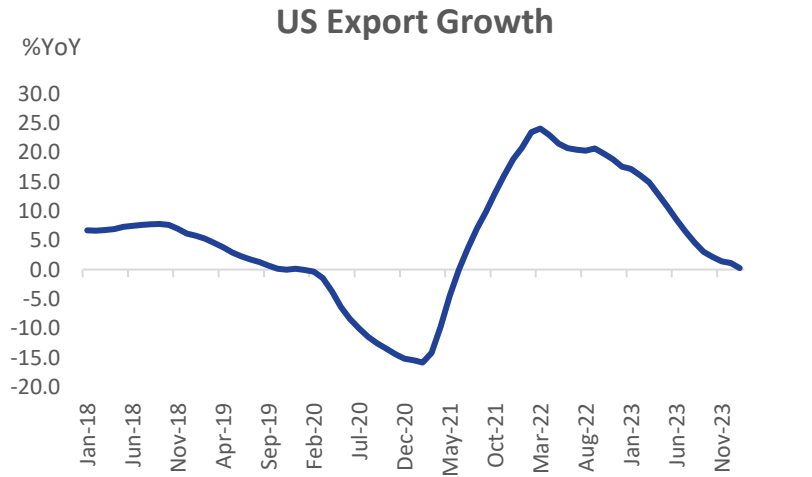
# Global headwinds: PMI figures suggest weaknesses in manufacturing activities for most major countries

## PMI



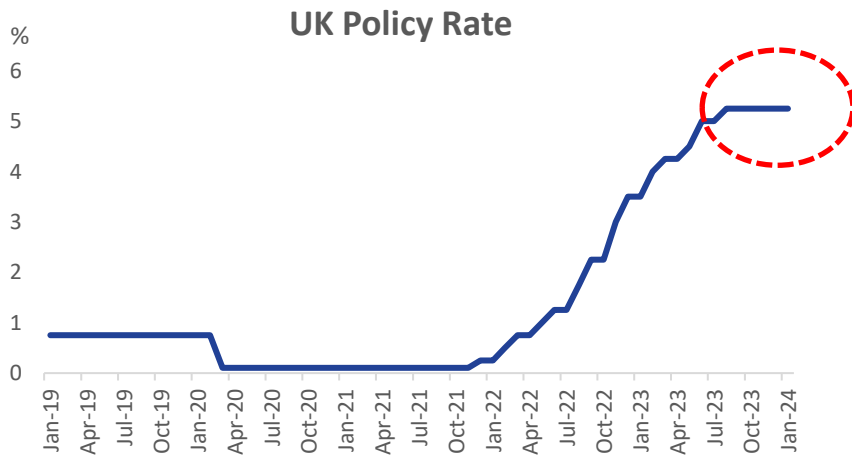
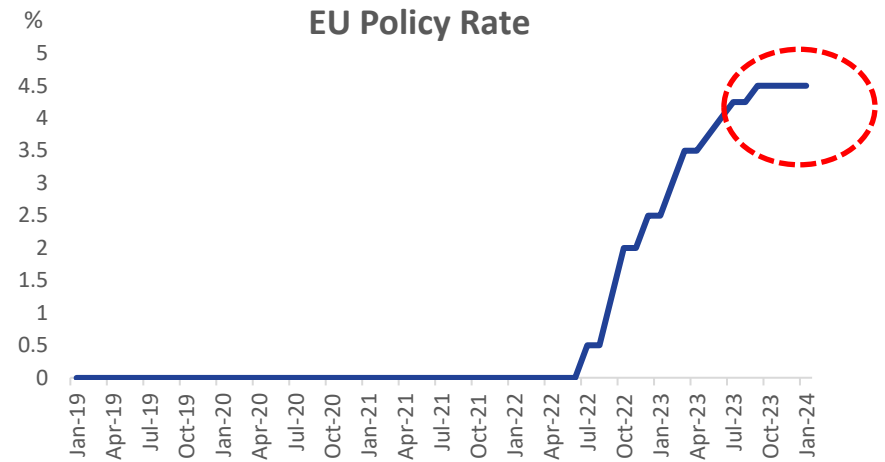
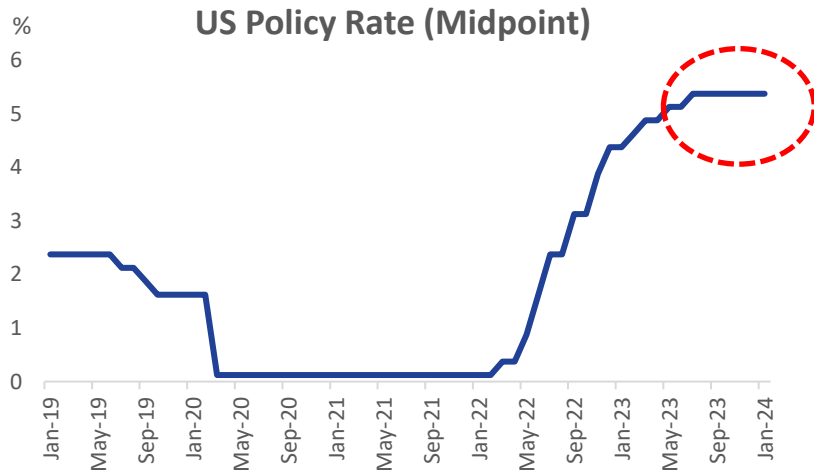
# Global headwinds: exports have also slowed down in many economies

## Exports



# Meanwhile central banks in major economies will continue to hold their policy rates until mid-2024

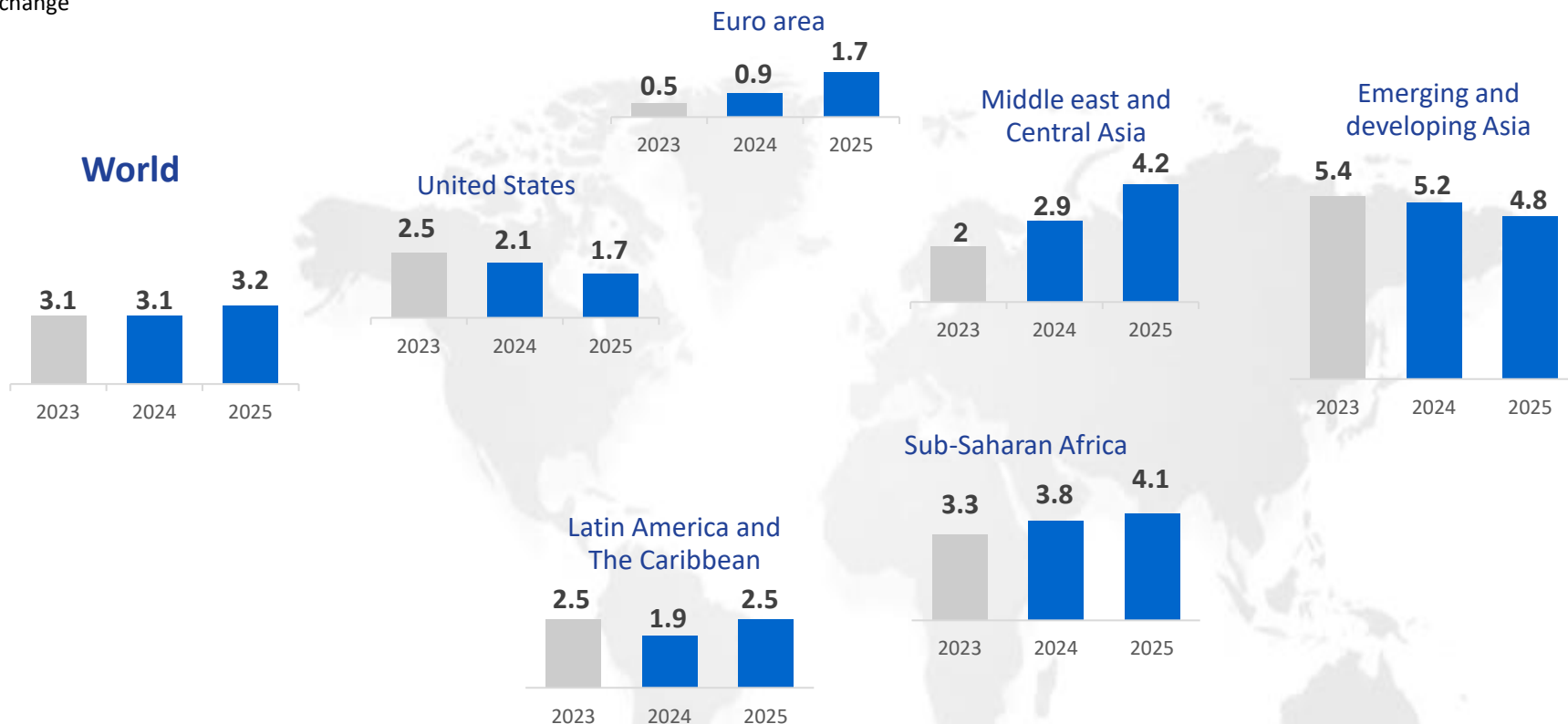
## Policy rate



# Consequently, IMF predicts continue global slowdown in 2024-2025

## Growth projections by region, real GDP growth

% change





# IMF forecasts for key Asian economies

World Economic Outlook (ASIA), January 2024 update

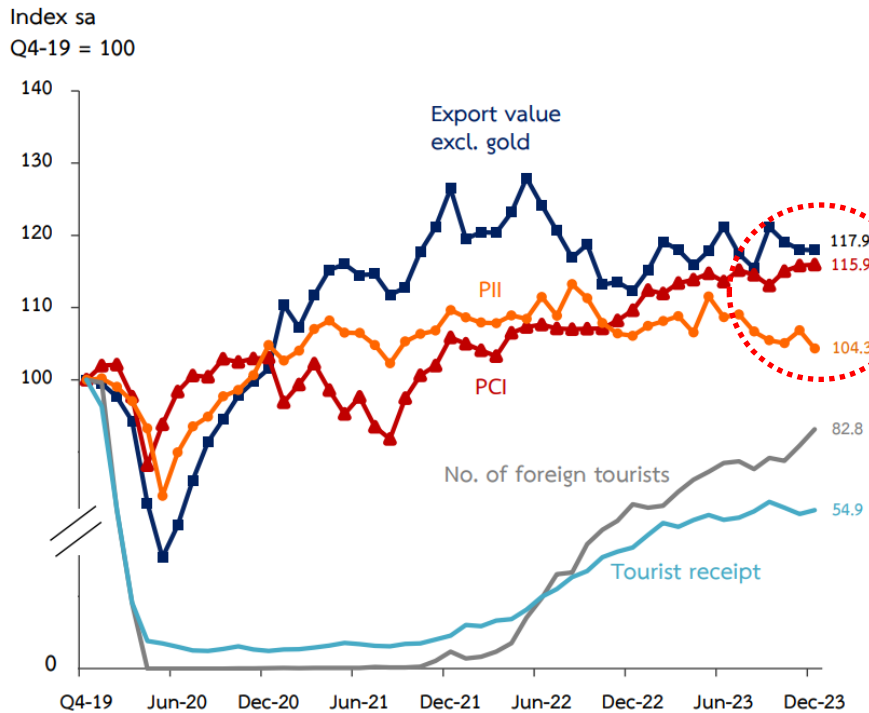
ASIA	Estimate		Projections	
	2022	2023	2024	2025
(Economies Real GDP Growth percent change)				
<b>China</b>	<b>3.0</b>	<b>5.2</b>	<b>4.6</b>	<b>4.1</b>
<b>India *</b>	<b>7.2</b>	<b>6.7</b>	<b>6.5</b>	<b>6.5</b>
<b>Japan</b>	<b>1.0</b>	<b>1.9</b>	<b>0.9</b>	<b>0.8</b>
<b>Korea</b>	<b>2.6</b>	<b>1.4</b>	<b>2.3</b>	<b>2.3</b>
<b>ASEAN-5**</b>	<b>5.5</b>	<b>4.2</b>	<b>4.7</b>	<b>4.4</b>
<b>Indonesia</b>	<b>5.3</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>
<b>Malaysia</b>	<b>8.7</b>	<b>4.0</b>	<b>4.3</b>	<b>4.4</b>
<b>Philippines</b>	<b>7.6</b>	<b>5.3</b>	<b>6.0</b>	<b>6.1</b>
<b>Thailand</b>	<b>2.6</b>	<b>2.5</b>	<b>4.4</b>	<b>2.0</b>

Note : For India, data and projections are presented on a fiscal year (FY) basis, with FY 2022/23 (starting in April 2022) shown in the 2022 column. India's growth projections are 5.7 percent in 2024 and 6.8 percent in 2025 based on calendar year.

\*\* ASEAN-5 : Indonesia, Malaysia, Philippines, Singapore, Thailand.

# Lackluster global economy has significantly impacted Thai exports and manufacturing...

## Economic Indicator - Demand

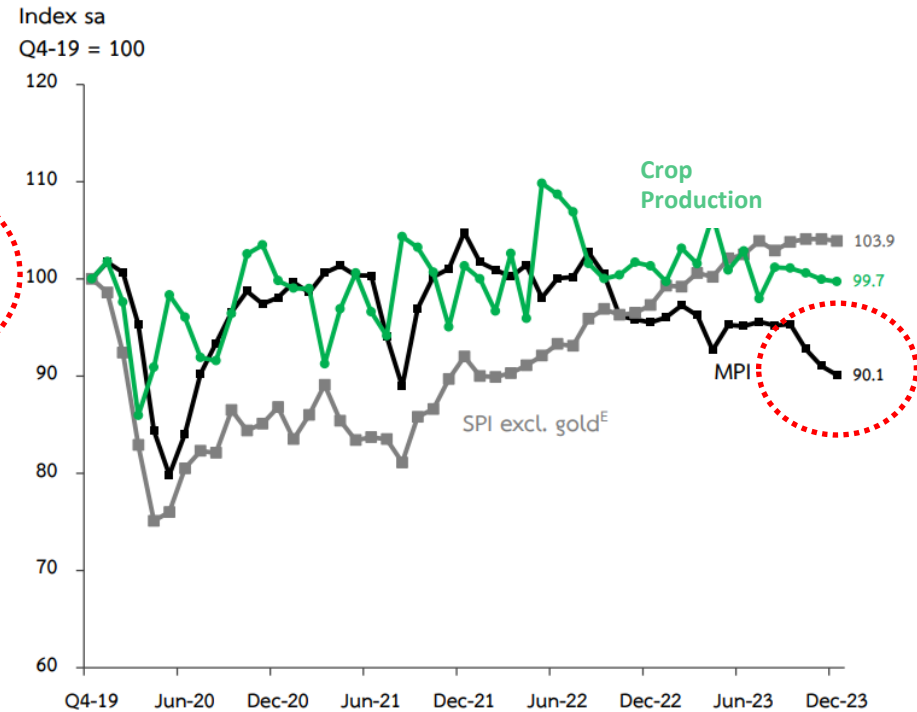


Note: PCI = Private Consumption Index PII = Private Investment Index  
Source: Bank of Thailand

Note: PII – Private Investment Index  
MPI – Manufacturing Production Index

PCI – Private Consumption Index  
SPI – Service Production Index

## Economic Indicator - Supply



Note: MPI = Manufacturing Production Index  
SPI = Service Production Index (Excludes public administration and services, and gold activities)  
E = Estimated data

# ...in line with declining regional exports since mid-2022

## Export value

Nov 2023 = 23.1 Bn USD (3.9%YoY)      Dec 2023 = 22.4 Bn USD (3.0%YoY)  
 Excl. Gold = 22.8 Bn USD (3.6%YoY)      Excl Gold = 22.0 Bn USD (1.3%YoY)

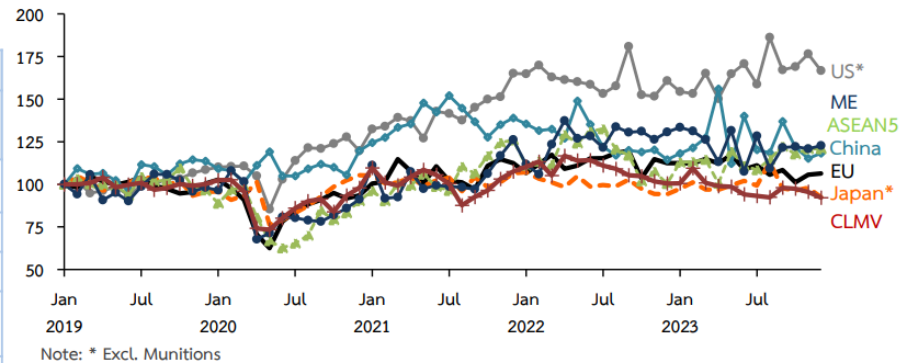
%YoY	Share 2022	2022	2023	2022		2023						%MoM sa
				H1	H2	Q1	Q2	Q3	Q4	Nov	Dec	
Agriculture	6.9	1.0	3.8	9.9	-8.2	6.0	-3.0	10.6	5.3	12.5	-10.0	-14.2
Fishery	0.6	-2.1	-8.5	2.8	-6.3	-13.2	-0.4	-16.4	-3.3	-6.5	-0.3	6.2
Manufacturing	88.9	4.8	-1.1	10.4	-0.5	-2.0	-5.4	-1.0	4.7	4.2	3.9	1.0
Agro-manufacturing	13.7	6.5	-3.8	10.3	2.8	0.6	-8.2	-7.5	0.5	-1.1	0.3	-0.2
Electronics	11.9	3.7	-3.7	9.3	-1.2	-8.1	-6.1	-5.1	4.9	8.1	5.4	2.9
Electrical Appliances	9.2	2.7	4.0	3.3	2.1	4.6	9.3	2.1	-0.1	1.4	-2.0	-0.8
Automotive	14.3	-1.0	7.6	-4.8	2.9	10.3	5.3	13.5	1.5	-4.7	2.0	8.3
Machinery & Equipment	8.3	6.3	-0.8	7.2	5.4	-0.6	-1.5	0.8	-1.8	2.7	-10.7	-7.2
Petroleum Related	12.2	1.5	-10.4	19.8	-14.1	-15.7	-23.2	-9.6	13.5	11.0	13.3	-0.5
Total (BOP Basis)	100.0	5.4	-1.7	11.8	-0.7	-3.8	-5.0	-2.0	4.6	3.9	3.0	0.7
Excl. Gold		4.3	-1.4	9.6	-0.8	-1.6	-5.1	-1.8	3.5	3.6	1.3	-0.1
Excl. Gold & Petroleum Related		4.7	-0.1	8.1	1.3	0.5	-2.2	-0.7	2.3	2.7	-0.1	0.0

Note: Data above are recorded by custom basis, except total export value which is recorded by BOP basis.  
 Custom basis considers recording as goods pass through Customs, while BOP basis considers changes in ownership between residents and non-residents.  
 %MoMsa calculated from seasonally adjusted data, using data since 2007 (subject to revision).  
 Source: Compiled from Customs Department's data

## Export performance

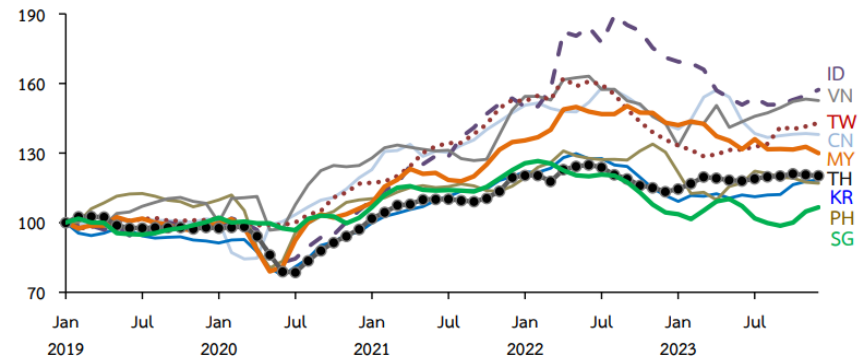
### Thai Export to Major Destinations

Index sa, 3mma  
 (Jan 2019 = 100) Excl. gold



### Asian Export Performance

Index sa, 3mma  
 (Jan 2019 = 100)



Note: Thai export excludes gold. Indonesian export excludes oil&gas. Hongkong domestic export. Singapore domestic export excludes oil.  
 Source: CEIC, Customs Department, calculated by Bank of Thailand

# Strong tourism recovery expected to continue in 2024

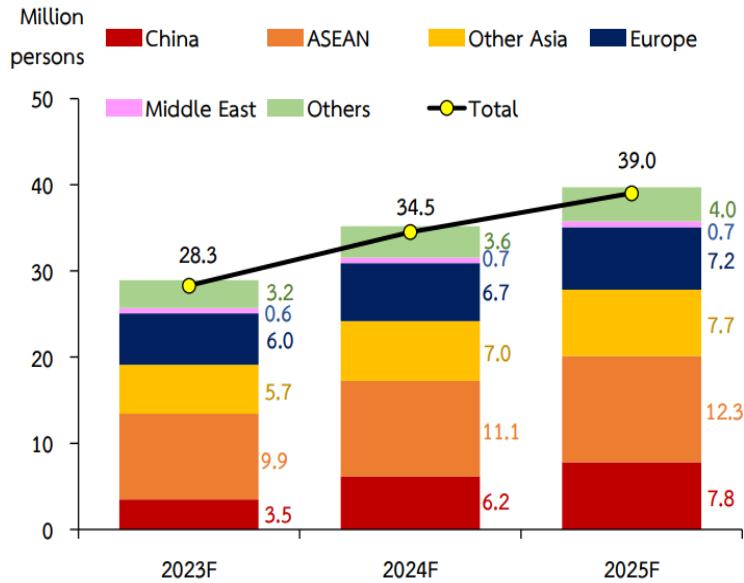
## Projection of foreign tourist arrivals by nationality

Million persons

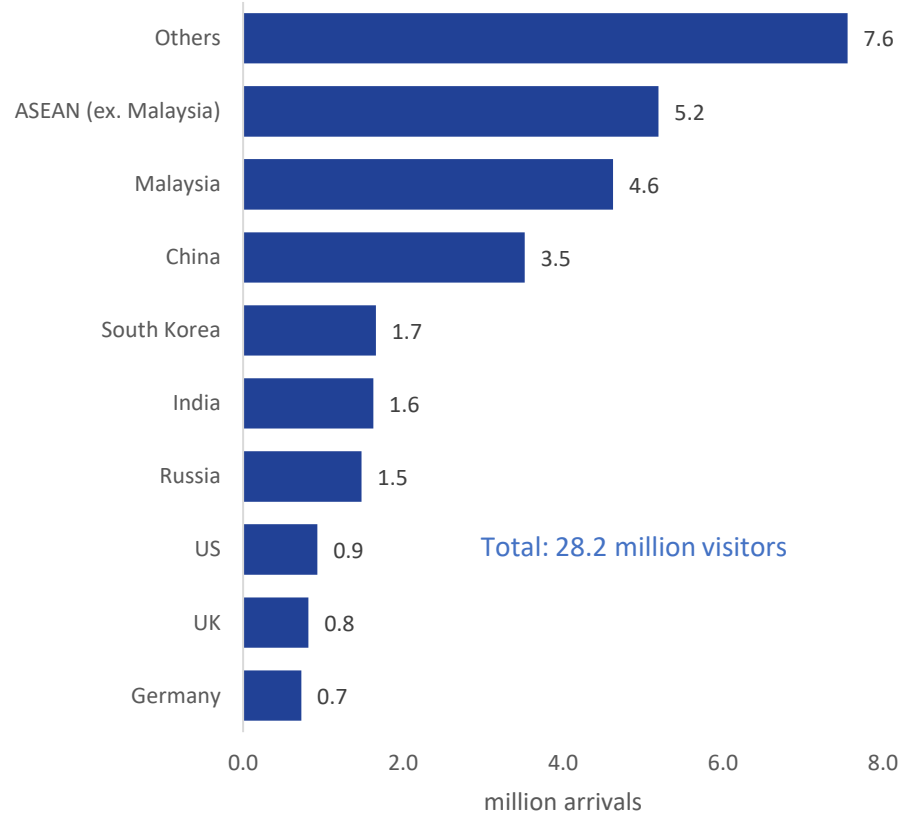
Projection of foreign tourist arrivals

	2022*	2023	2024	2025
Million persons	11.2	28.3 (28.5)	34.5 (35.0)	39.0
% of 2019 value	28%	71% (72%)	87% (88%)	98%

Note: \* denotes outturn, ( ) = forecast from Monetary Policy Report Q3-2023

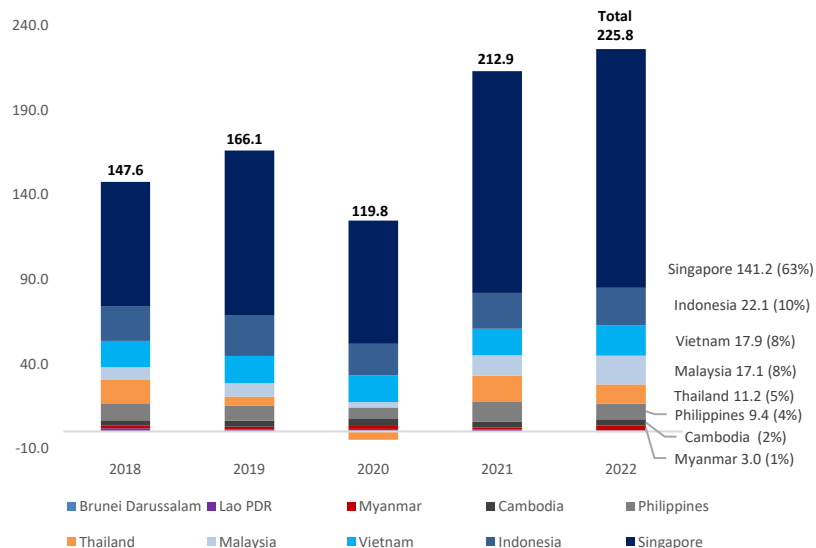


## Tourist Arrivals by Nationality (2023)

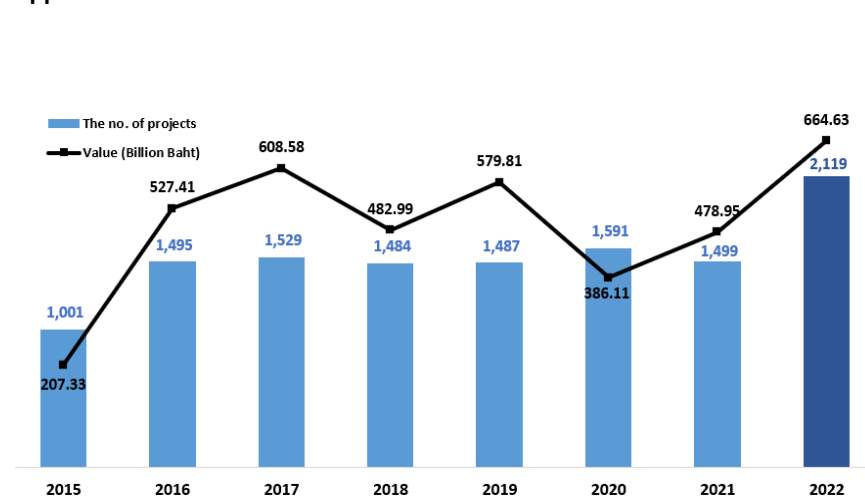


# At the same time, inflows of FDI to ASEAN have been increasing since 2020

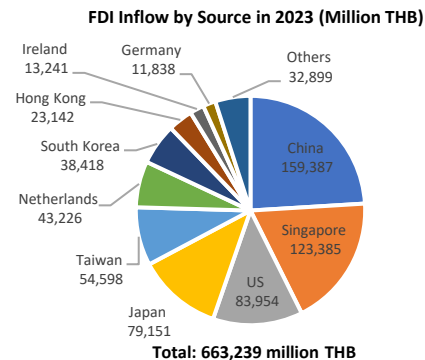
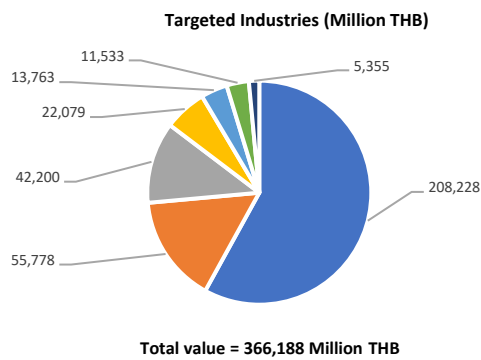
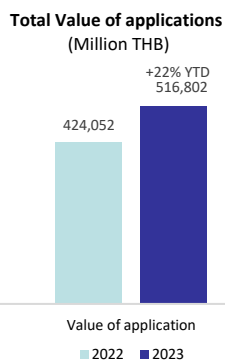
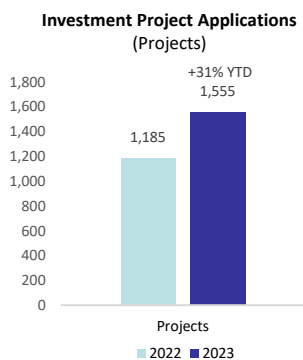
**Flows of Inward Foreign Direct Investment (FDI) to ASEAN Countries (Billion USD)**



**Applications for BOI incentives**



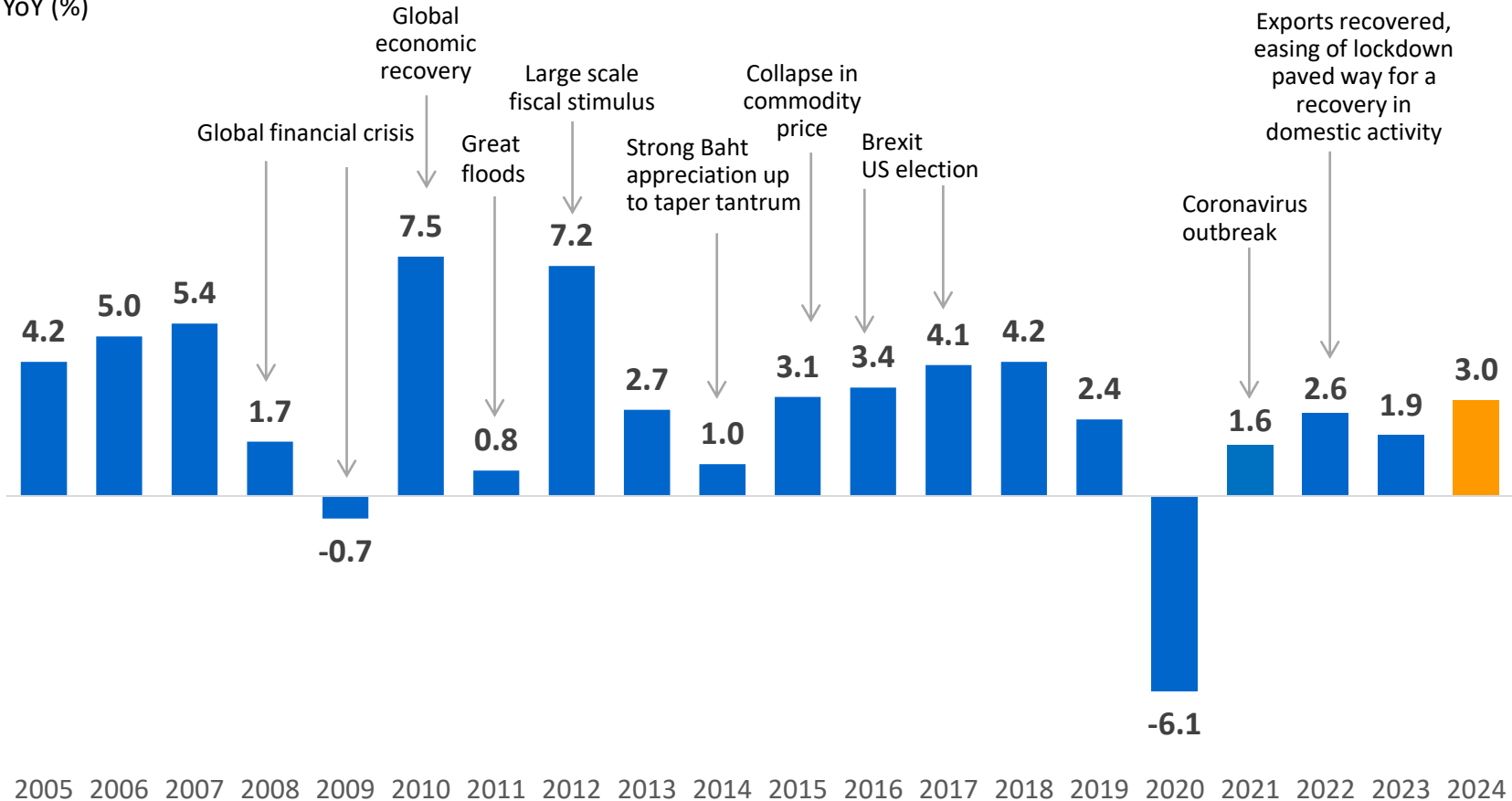
**Thailand's Total Investment (January-September 2023)**



# Bangkok Bank forecasts uncertainties and global economic headwinds will limit Thai economic growth to around 3% in 2024

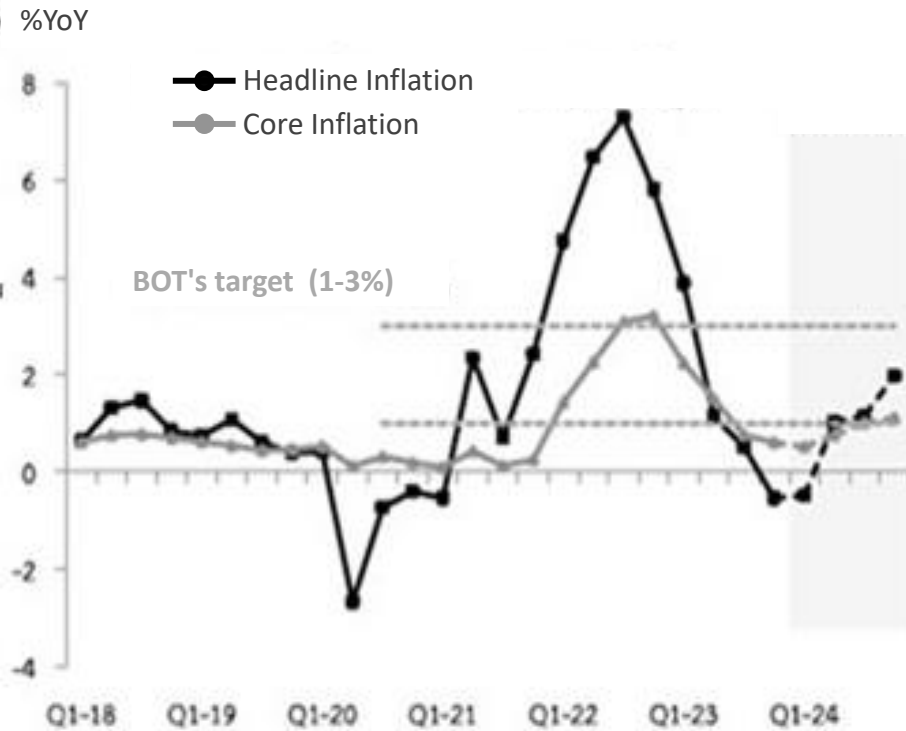
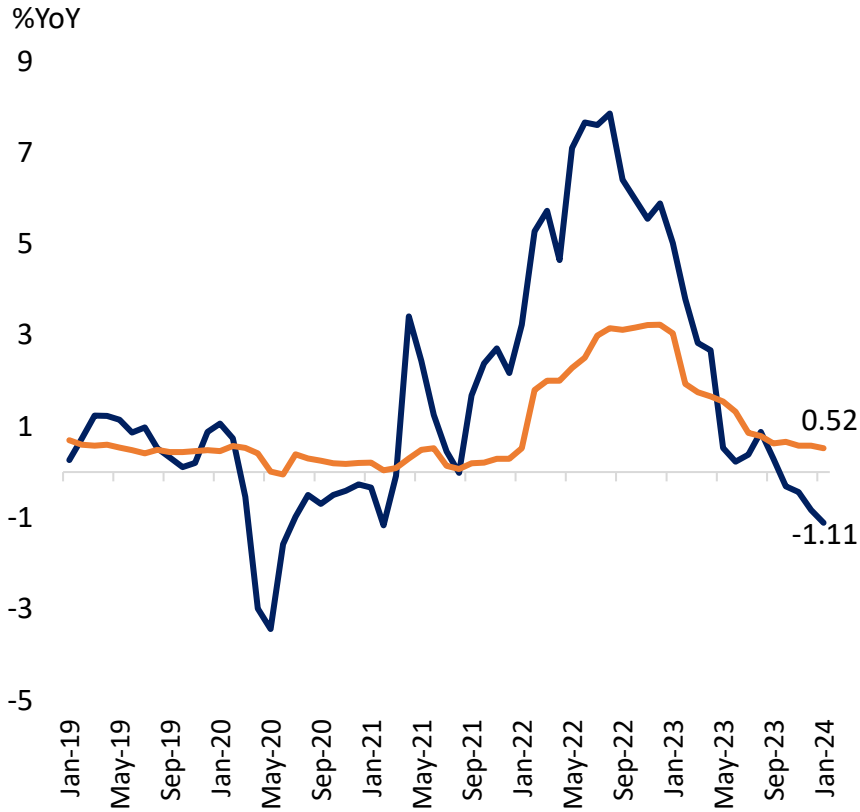
## GDP growth

YoY (%)



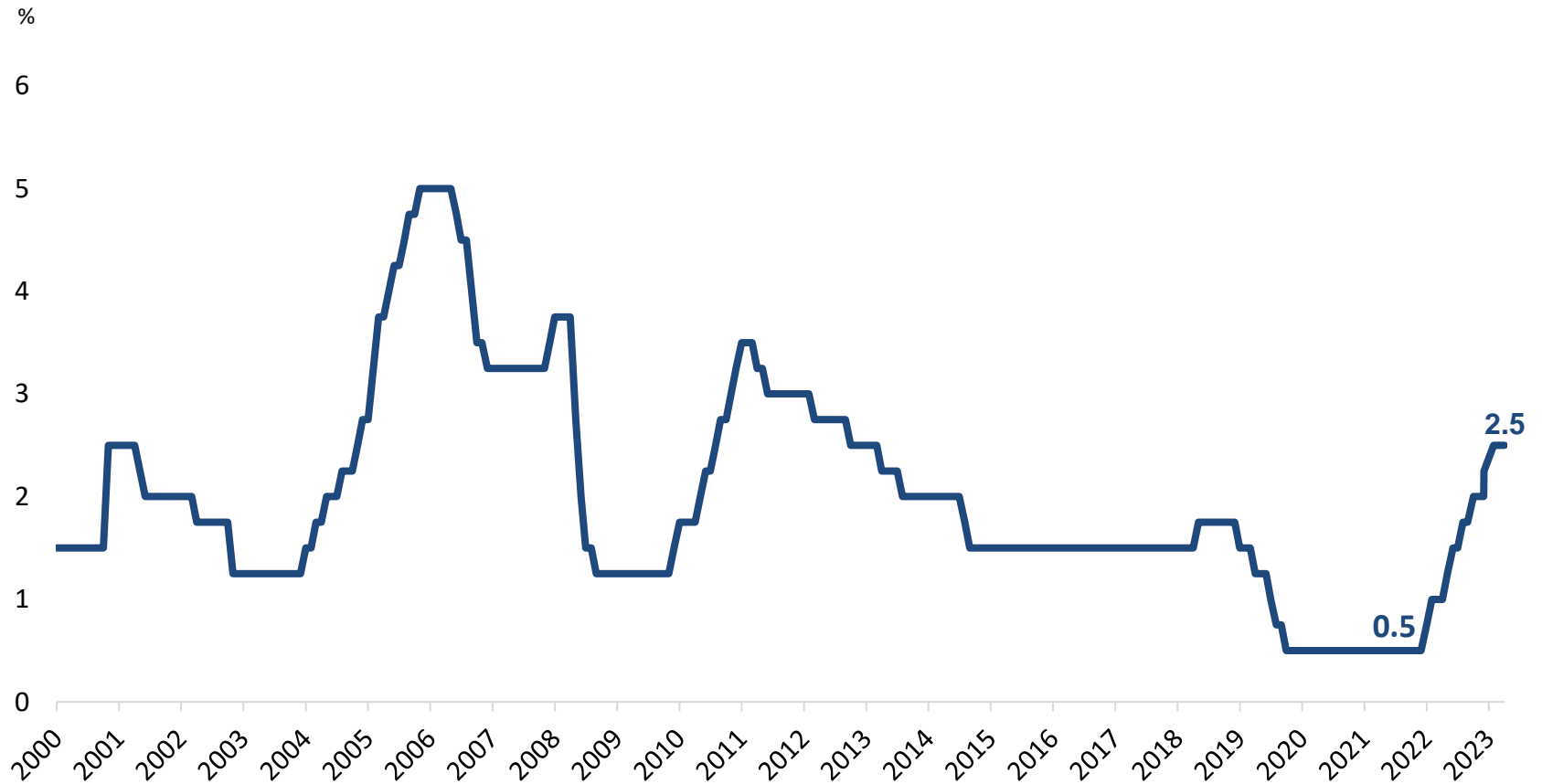
# Thai headline and core inflation have eased

## Thailand's Inflations



# Thailand policy interest rate has returned to normal level

## Policy interest rate





# New phase and long-term challenges

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**Digital transformation**



**Supply chain of coming FDI**



**Regionalization and globalization**







**ESG and energy transition trend**



**Regional infrastructure**

# Bangkok Bank

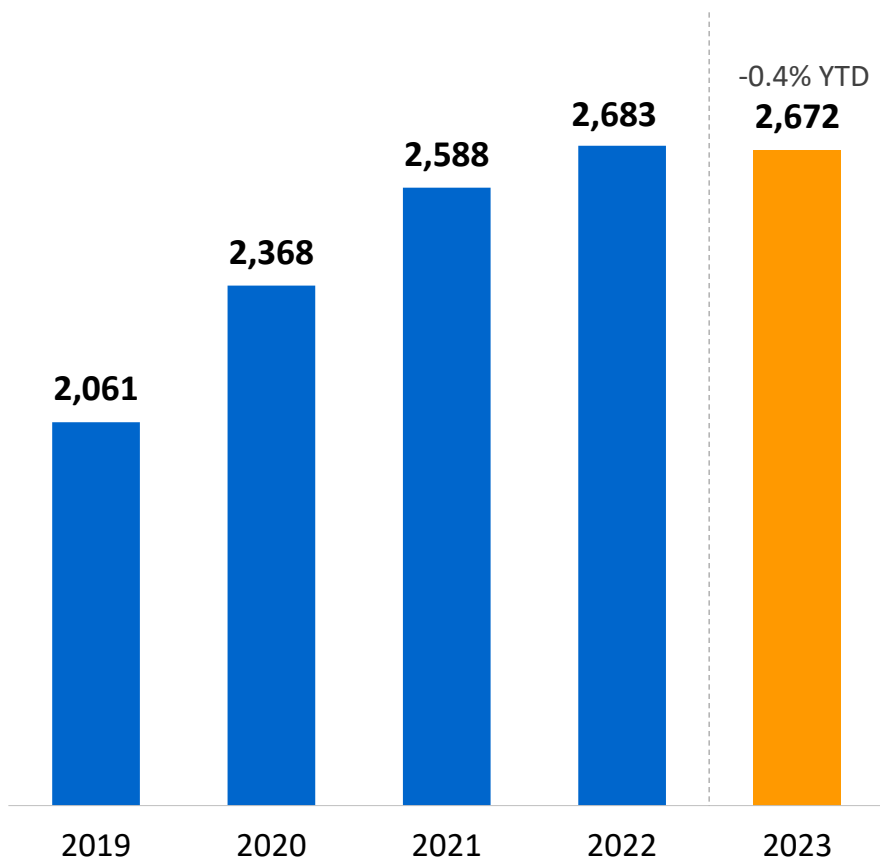
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-  2023 Key highlights
-  Operating environment
-  **2023 Financial performance**
-  2024 Key focus and target

# Slower than expected economic growth resulted in small decline of loan, while maintaining well-diversified portfolio

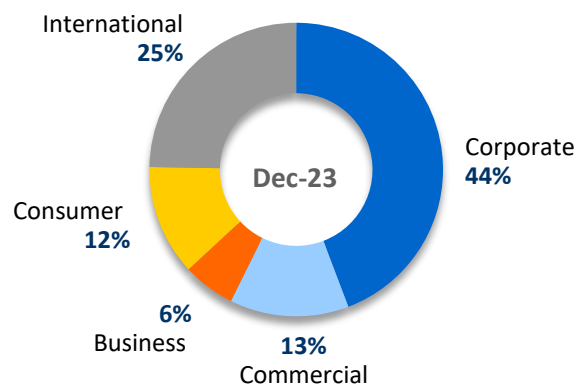
## Loan

Billion Baht



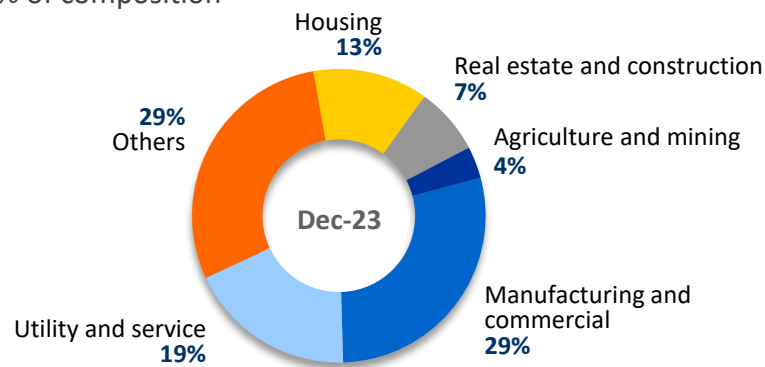
## Loan by business unit<sup>/1</sup>

% of composition



## Loan by industry

% of composition



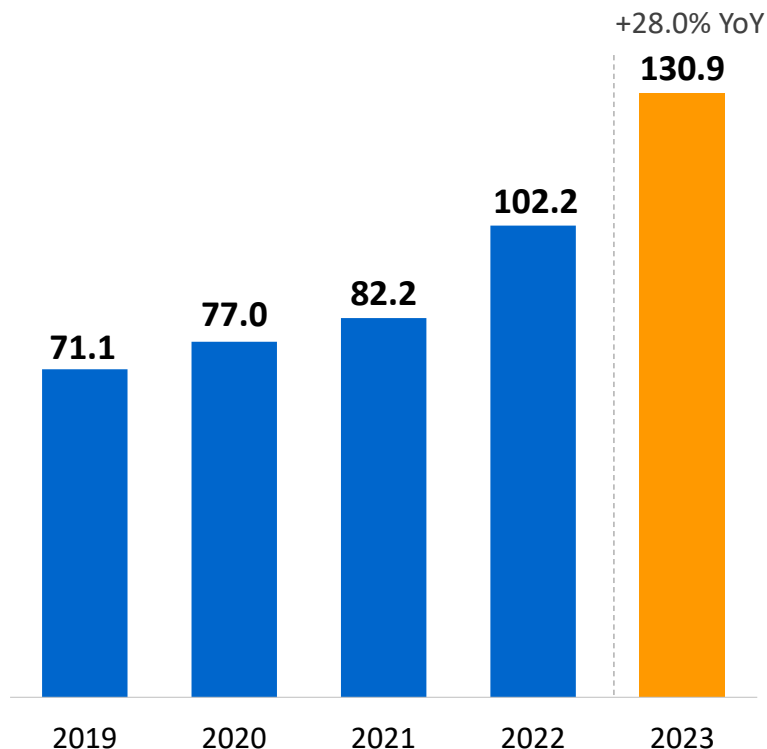
Note: Loan included Permata's financial performance since May 2020

<sup>/1</sup> Corporate banking serves large domestic and multinational companies. Commercial banking serves medium-sized enterprises. Business banking serves small-sized enterprises. Consumer banking provides retail banking services. International banking provides services through BBL's international presences in 14 economies.

# Net interest income grew supported by net interest margin expansion following interest rate trend

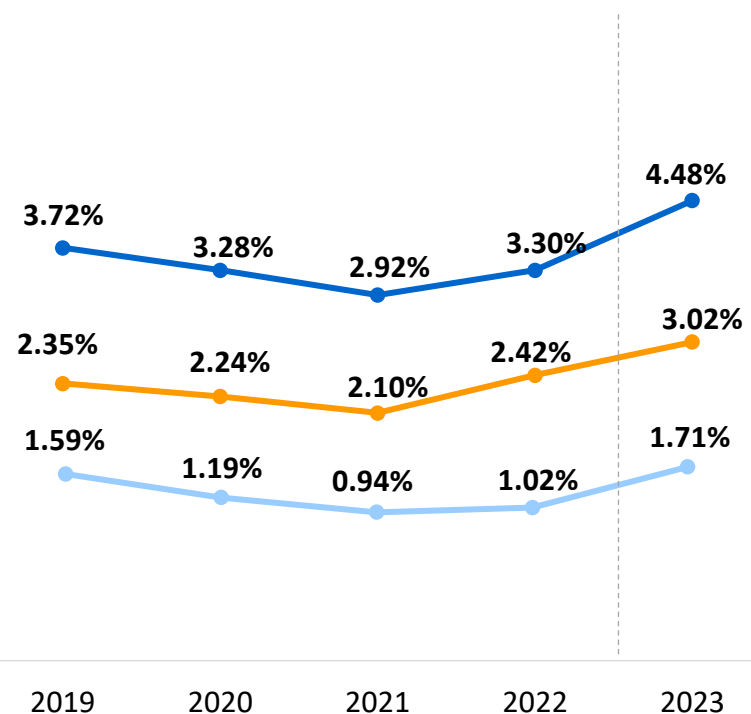
## Net interest income

Billion Baht



## NIM, Yield on earning asset, Cost of fund

%



	2019	2020	2021	2022	2023
Policy rate	1.250%	0.500%	0.500%	1.250%	2.500%
MLR	6.000%	5.250%	5.250%	5.850%	7.100%
MOR	6.875%	5.875%	5.875%	6.350%	7.550%

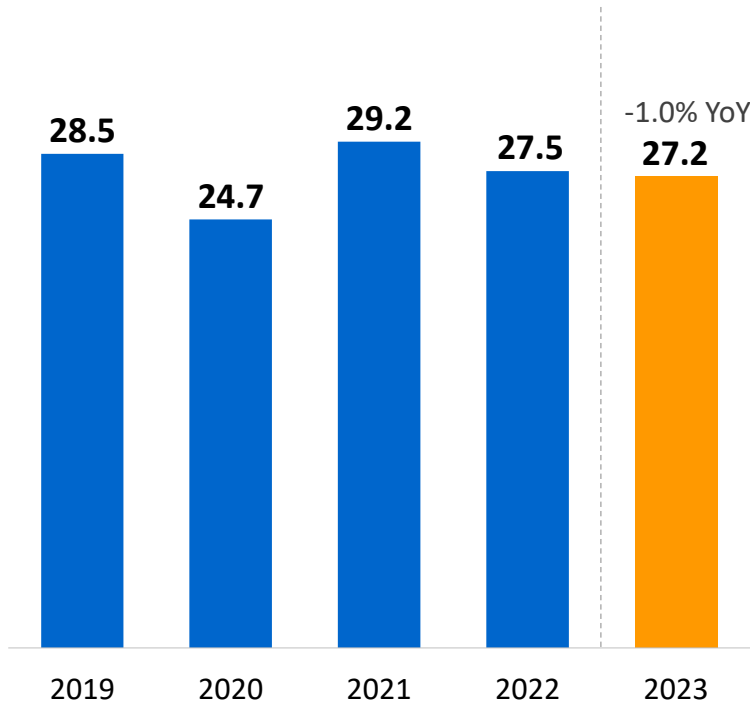
- Yield on earning assets
- NIM
- Cost of funds



# Net fees remained soft from security business amid subdued market sentiments, while credit card and bancassurance showed improvement

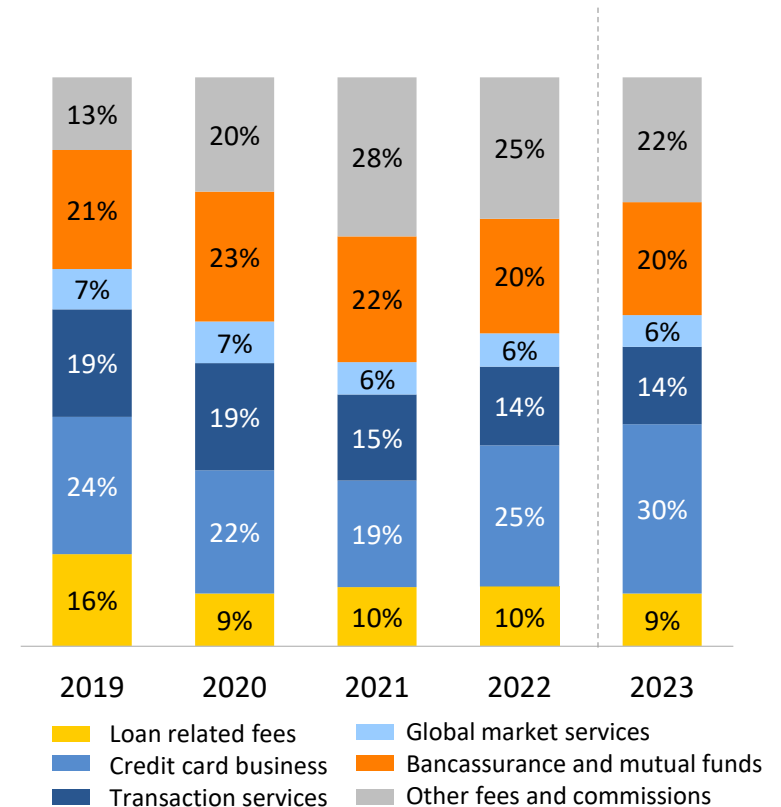
## Net fees and service income

Billion Baht



## Fees and service income

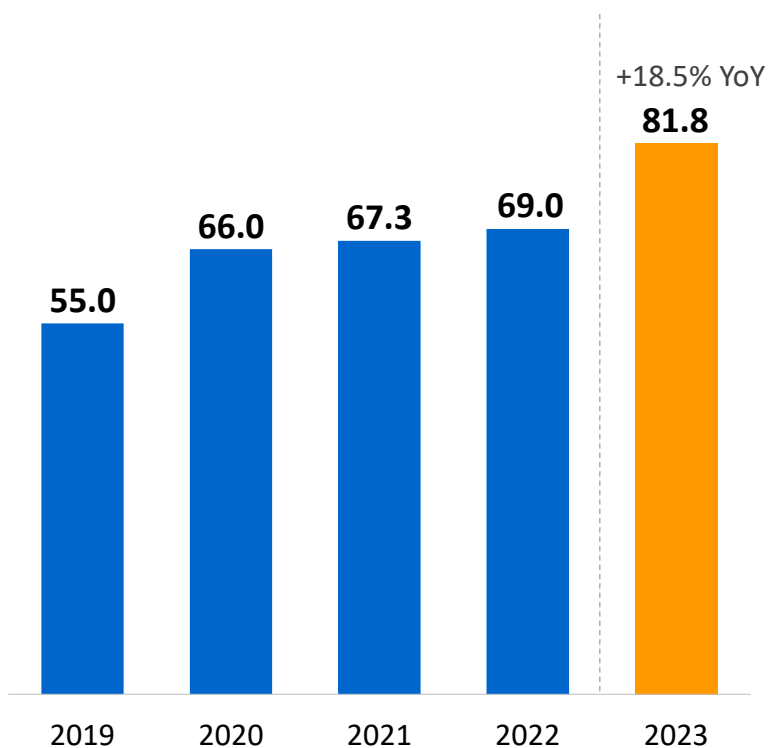
% of composition



# Continue to focus operational efficiency improvement while maintaining manageable cost to income ratio

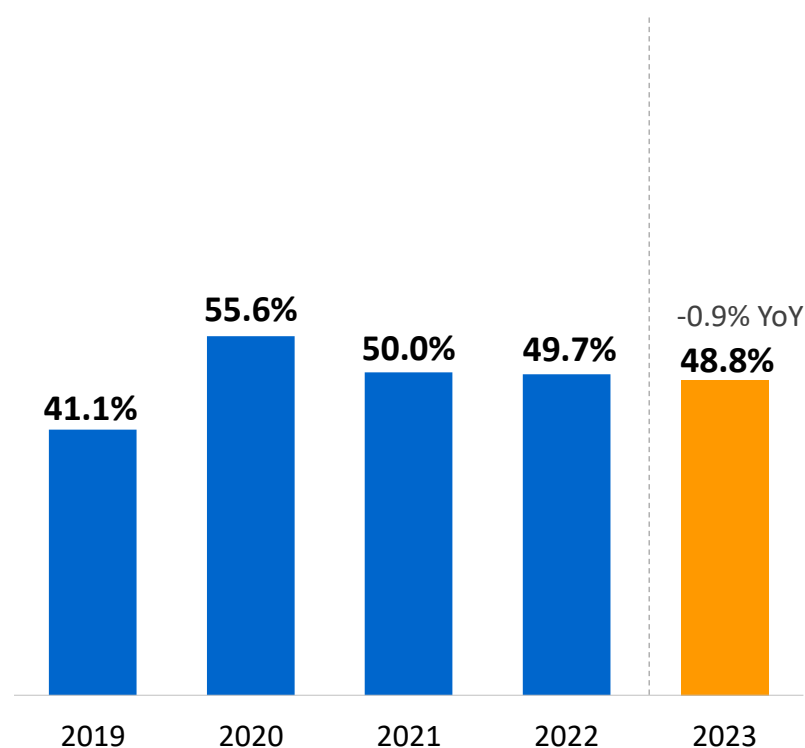
## Operating expenses

Billion Baht



## Cost to income ratio

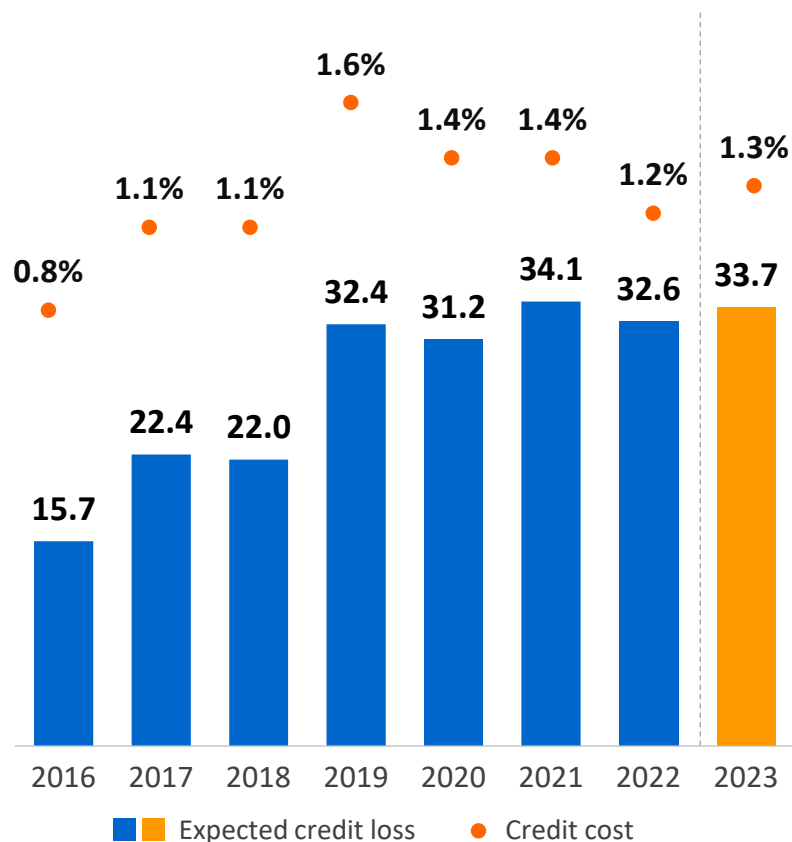
%



# Manageable asset quality led to lower NPL and higher coverage ratio

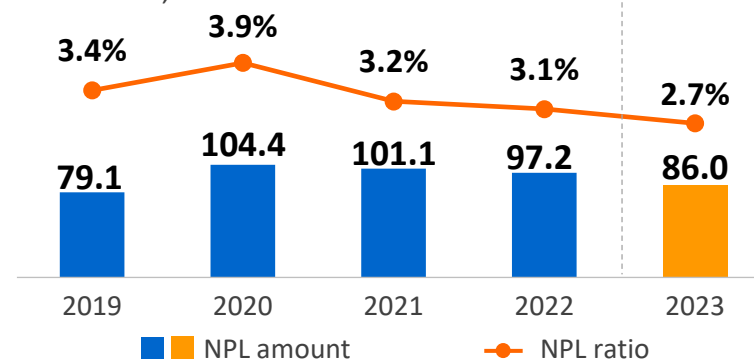
## Expected credit loss (Provision), Credit cost

Billion Baht, %



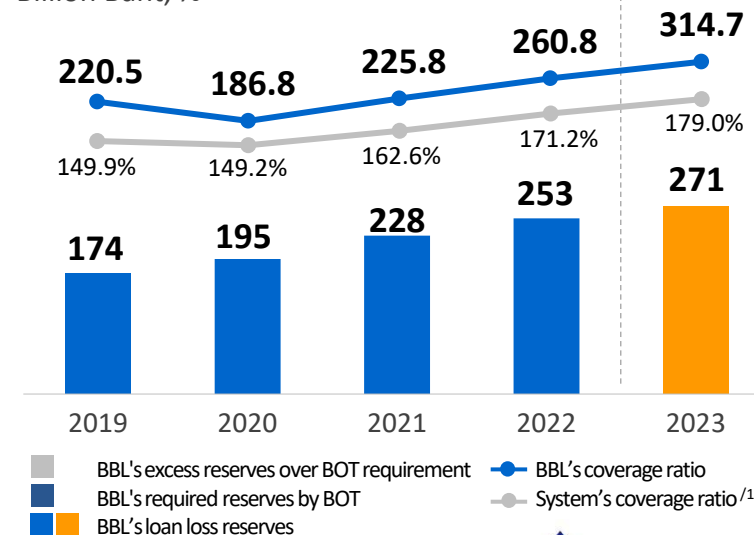
## NPL amount, NPL ratio

Billion Baht, %



## Loan loss reserve (LLR), Coverage ratio

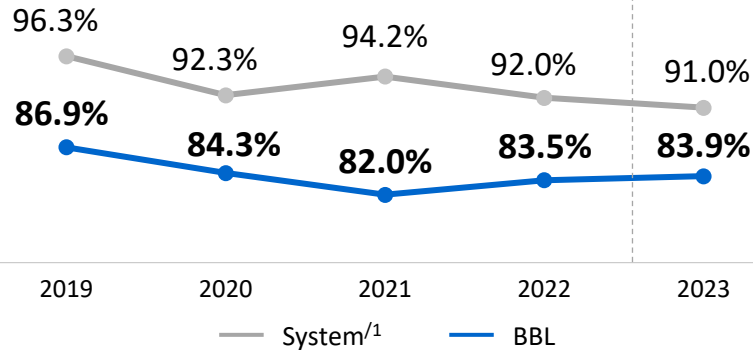
Billion Baht, %



# Healthy funding and liquidity position

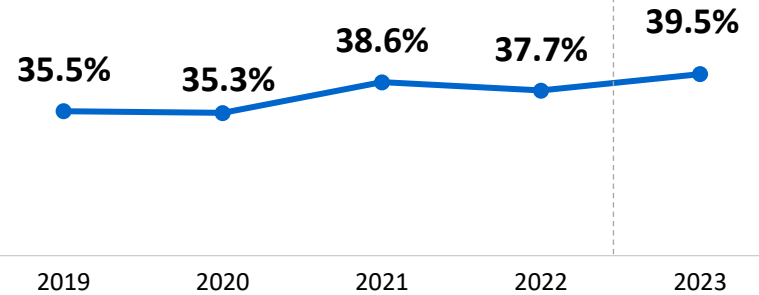
## Loan-to-deposit ratio

%



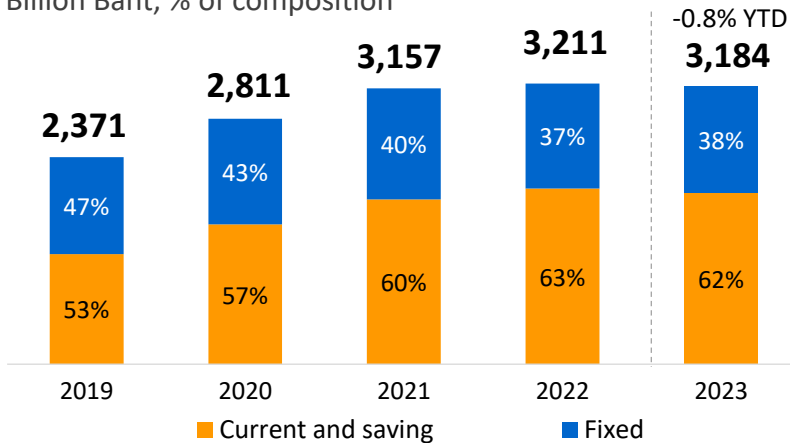
## Liquid assets<sup>/2</sup>

% of total assets



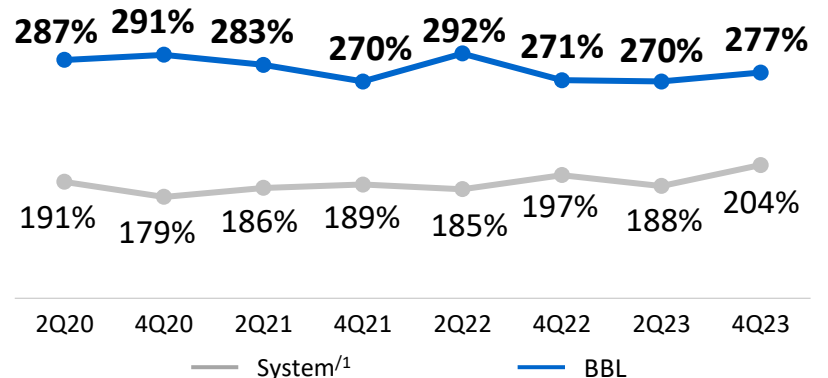
## Deposit

Billion Baht, % of composition



## Liquidity coverage ratio<sup>/3</sup>

%



Notes: /1 System refers to all commercial banks in Thailand (Source: Bank of Thailand, Bangkok Bank analysis)

/2 Since 2020 liquid assets are defined as cash, interbank and money market items, debt securities and marketable equity securities

/3 For BBL, LCR is computed as an average ratio of month-end LCR in the quarter. For System, LCR is as of month.

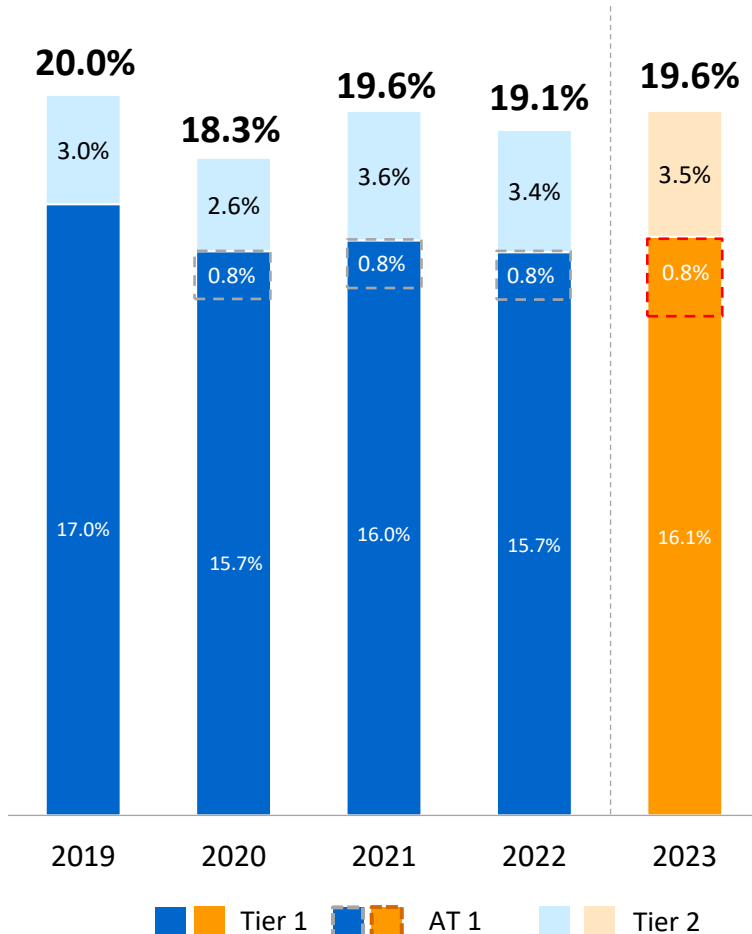
Include Permata's financial performance since May 2020



# Capital position above minimum requirements

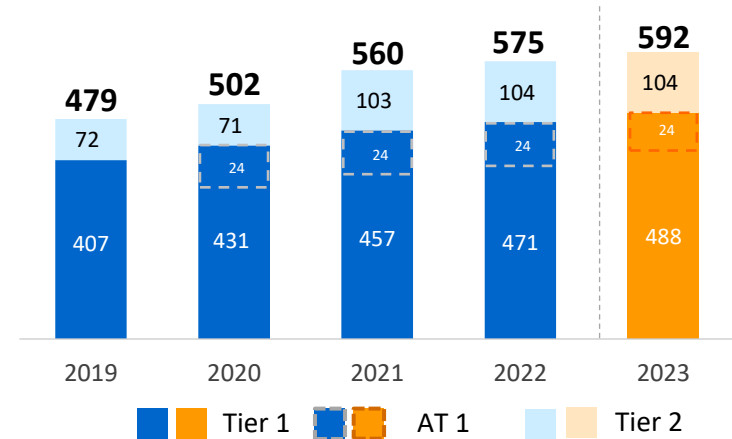
## Consolidated capital ratios

%

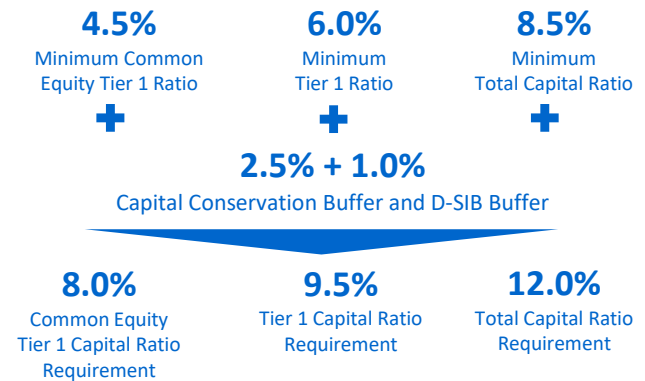


## Capital base

Billion Baht







## Regulatory capital ratio requirements



# Bangkok Bank

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-  **2024 Key focus and target**

# Key Focus and Strategy

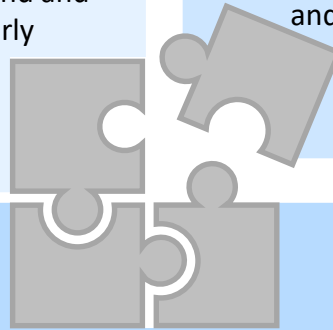


## Regionalization

Leveraging our network couple with corporate and international expertise to maximize customers' growth potential in Thailand and regional market, particularly focusing on high-value industries

## Digitalization

Developing a data driven organization through digitalizing systems, automation and use of AI including intelligent technologies such as predictive AI and generative AI to improve organizational competitiveness



## Urbanization

Innovating services to support the evolving lifestyle and wealth needs of individual customers while helping business customers to thrive in the changing urban landscape

## Sustainability

Be Resilient

Be Responsible

Be Customer Centric

Be Caring

Be Ethical

# 2024 Financial target

Consolidated	2024 Financial target
Loan growth	3-5%
NPL ratio (gross)	±3.0%
Net interest margin	Around 2.8%
Net fee income growth	Low single digit
Cost to income ratio	High-40s%
Credit cost	0.9-1.0%

Note: The above financial targets are based on the Bank's preliminary estimates that may change due to the operating environments and other unforeseen circumstances.

# Q&A

# Appendix

# Financial position

	Million Baht						
	Dec-20	Dec-21	Dec-22	Sep-23	Dec-23	Growth (%)	
						QoQ	YTD
Loan	2,368,238	2,588,339	2,682,691	2,723,751	2,671,964	-1.9%	-0.4%
Deposit	2,810,863	3,156,940	3,210,896	3,163,297	3,184,283	0.7%	-0.8%
LDR	84.3%	82.0%	83.5%	86.1%	83.9%	-2.2%	0.4%
NPL <sup>/1</sup>	104,401	101,103	97,188	94,884	85,955	-9.4%	-11.6%
NPL ratio <sup>/1</sup>	3.9%	3.2%	3.1%	3.0%	2.7%	-0.3%	-0.4%
Allowance for ECL to NPL <sup>/1</sup>	186.8%	225.8%	260.8%	283.3%	314.7%	31.4%	53.9%
Allowance for ECL to loan	8.2%	8.8%	9.4%	9.9%	10.1%	0.2%	0.7%
Liquid assets <sup>/2</sup> to total assets	35.3%	38.6%	37.7%	37.5%	39.5%	2.0%	1.8%
CASA	57.0%	59.8%	62.6%	61.5%	61.7%	0.2%	-0.9%
CET1 <sup>/3</sup>	14.9%	15.2%	14.9%	15.4%	15.4%	0.0%	0.5%
Tier 1 ratio <sup>/3</sup>	15.7%	16.0%	15.7%	16.2%	16.1%	-0.1%	0.4%
CAR <sup>/3</sup>	18.3%	19.6%	19.1%	19.6%	19.6%	0.0%	1.3%

Note:

/1 Including interbank and money market lending

/2 Liquid assets consist of cash, interbank and money market items, debt securities and marketable equity securities

/3 Based on Basel III standards issued by BOT since January 1, 2013

# Financial performance – Year

Million Baht

	2019	2020	2021	2022	2023	Growth (%) YoY
Net interest income	71,071	77,046	82,156	102,223	130,860	28.0%
Net fees income	28,505	24,711	29,209	27,508	27,234	-1.0%
Other operating income	34,171	16,971	23,176	9,164	9,393	2.5%
Total income	133,746	118,728	134,541	138,895	167,487	20.6%
Operating expense	54,963	65,974	67,266	69,019	81,775	18.5%
Expected credit loss <sup>/1</sup>	32,351	31,196	34,134	32,647	33,666	3.1%
Net profit <sup>/2</sup>	35,816	17,181	26,507	29,306	41,636	42.1%
EPS <sup>/2</sup> (Baht per share)	18.76	9.00	13.89	15.35	21.81	42.1%
NIM	2.35%	2.24%	2.10%	2.42%	3.02%	0.6%
Net fee income ratio	21.3%	20.8%	21.7%	19.8%	16.3%	-3.5%
Cost to income ratio	41.1%	55.6%	50.0%	49.7%	48.8%	-0.9%
ROA <sup>/2</sup>	1.13%	0.48%	0.65%	0.67%	0.93%	0.26%
ROE <sup>/2</sup>	8.45%	3.96%	5.62%	5.86%	8.01%	2.15%

Note:

/1 Prior to 2020 is impairment loss of loans and debt securities

/2 Attributable to owners of the Bank



# Financial performance – 4Q23

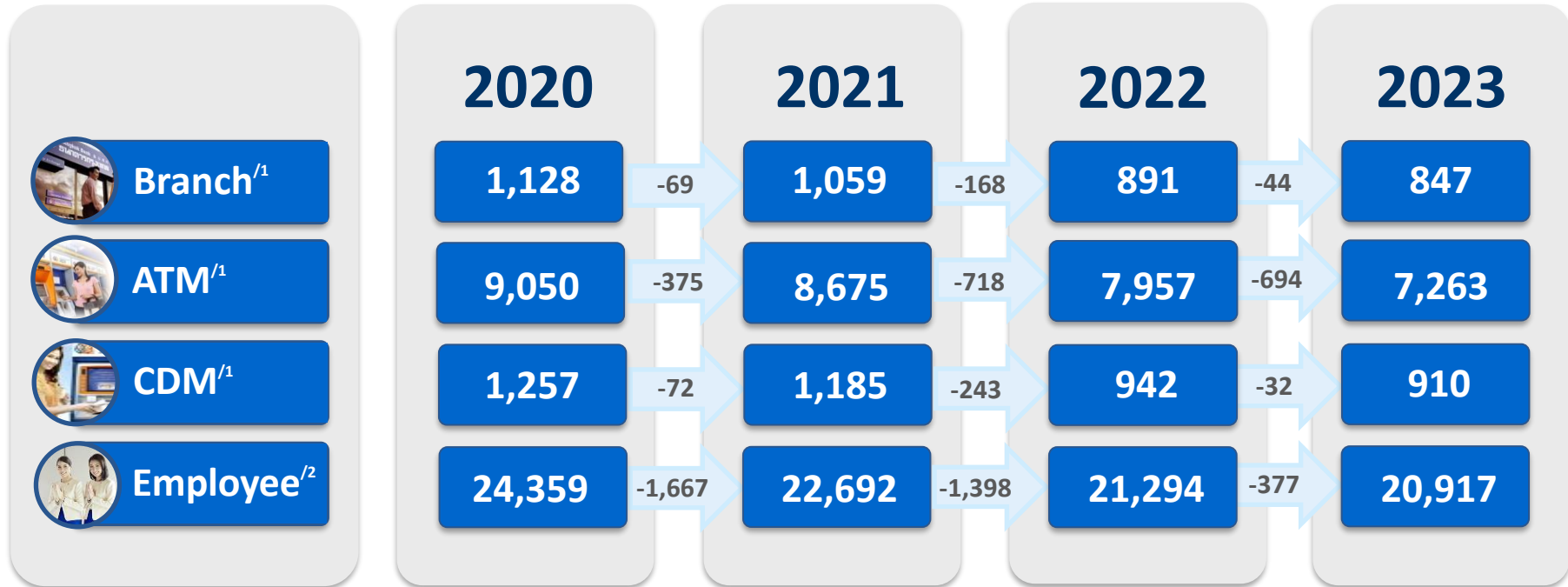
Million Baht

	4Q22	3Q23	4Q23	Growth (%)	
				QoQ	YoY
Net interest income	30,454	34,130	35,165	3.0%	15.5%
Net fees and service income	6,958	6,773	6,768	-0.1%	-2.7%
Other operating income	-527	1,670	259	-84.5%	149.1%
Total income	36,886	42,573	42,192	-0.9%	14.4%
Operating expense	19,071	19,208	23,621	23.0%	23.9%
Expected credit loss	7,914	8,969	7,343	-18.1%	-7.2%
Net profit <sup>/1</sup>	7,569	11,350	8,863	-21.9%	17.1%
EPS <sup>/1</sup> (Baht per share)	3.97	5.95	4.64	-21.9%	17.1%
NIM	2.84%	3.11%	3.19%	0.08%	0.35%
Net fees and service income ratio	18.9%	15.9%	16.0%	0.1%	-2.9%
Cost to income ratio	51.7%	45.1%	56.0%	10.9%	4.3%
ROA <sup>/1</sup>	0.68%	1.00%	0.78%	-0.22%	0.10%
ROE <sup>/1</sup>	5.92%	8.59%	6.65%	-1.94%	0.73%

Note:

33 /1 Attributable to owners of the Bank

# Network



Note: Consolidated

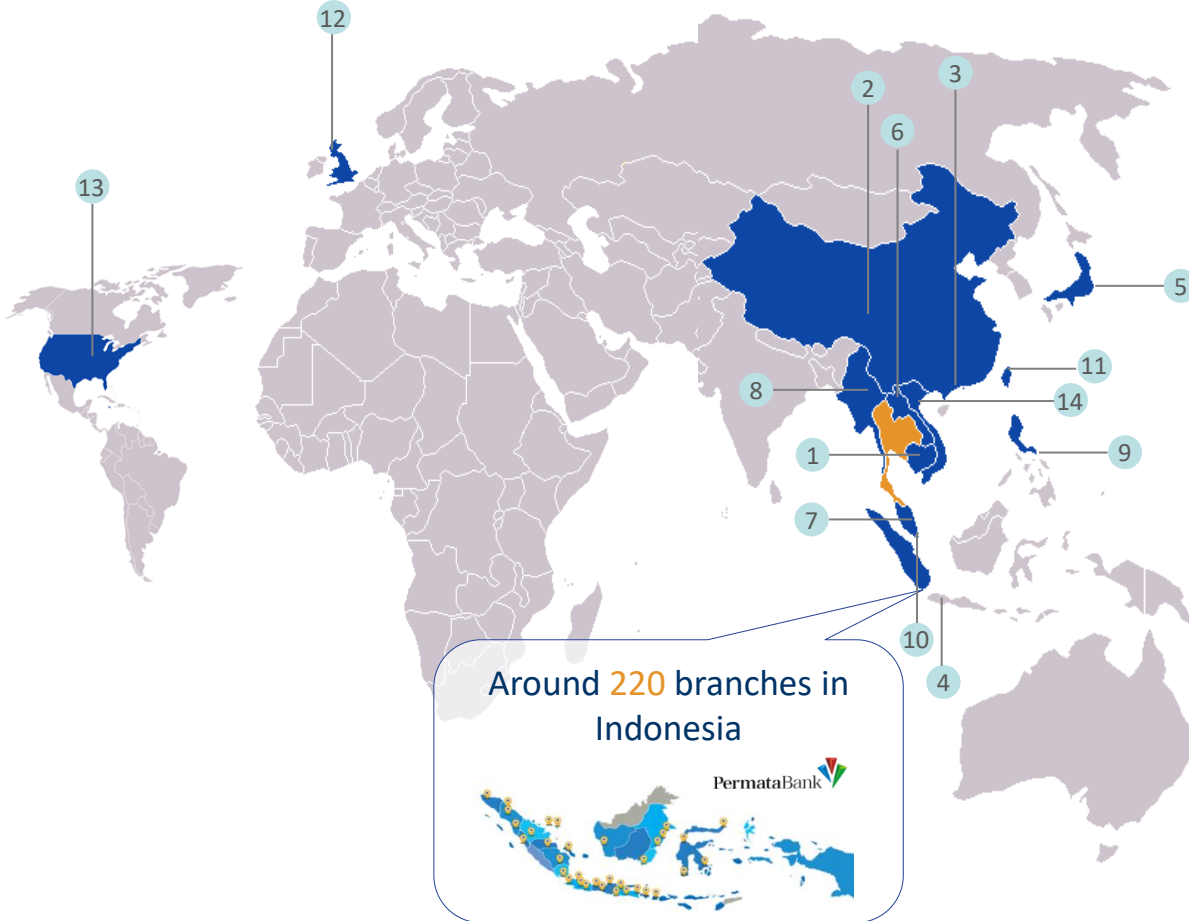
/1 Domestic operation

/2 Exclude Permata's employee

# Long-standing international presence in 14 economies

- 1 **Cambodia**  
Branch: 1  
Number of year: 9
- 2 **China<sup>/1</sup>**  
Branch: 5  
Number of year: 37
- 3 **Hong Kong**  
Branch: 1  
Number of year: 69
- 4 **Indonesia**  
Branch: 216  
Number of year: 55
- 5 **Japan**  
Branch: 2  
Number of year: 68
- 6 **Laos**  
Branch: 1  
Number of year: 30
- 7 **Malaysia<sup>/1</sup>**  
Branch: 5  
Number of year: 64

- 8 **Myanmar**  
Branch: 1  
Number of year: 28
- 9 **Philippines**  
Branch: 1  
Number of year: 28
- 10 **Singapore**  
Branch: 1  
Number of year: 66
- 11 **Taiwan**  
Branch: 3  
Number of year: 58
- 12 **UK**  
Branch: 1  
Number of year: 66
- 13 **USA**  
Branch: 1  
Number of year: 58
- 14 **Vietnam**  
Branch: 2  
Number of year: 31



Note: As of December 2023  
/1 Wholly-owned subsidiary  
Source: Bangkok Bank filing

# One Family, One Team

**Vision** To be a bank which provides quality financial services in line with customers' requirements, and is well equipped with qualified human resources and world-class technology and working systems, while maintaining its status as a well-established international bank and a leading Asian bank

## Be Resilient

- Achieve minimum capital requirements set by the BOT.
- Provide training on major risk issues for executives and employees.
- Improve online training courses on significant risk issues.



## Be Responsible

- Integrate ESG issues into policies, standards and processes of credit consideration.
- Building awareness on the importance of responsible finance and ESG risk management in the credit approval process.
- Promote eco-friendly loans.
- Extend service points through banking agents.
- Financial inclusion for vulnerable groups.
- Provide knowledge sharing activities for farmers and SME.
- Support the Well-Being of Communities and Society.
- Reduction of direct and indirect greenhouse gas emissions (Scope 1 and 2).



## Be Customer Centric

- Developing products and service channels that meet the needs and suit the lifestyles of customers.
- Attain customer satisfaction scores ~ 95 in branch service and ~ 80 in Mobile Banking.
- Achieve 100% training of executives and employees on cybersecurity and personal data protection.



## Be Caring

- Concentrated on two areas of skills development: Business as Usual (BAU) skills, and lifelong learning skills that are necessary for future work.
- Initiate new courses to develop skills and increase average training hours per employee.
- Provide fair, comprehensive and appropriate welfare to employees.



## Be Ethical

- Achieve "Excellent" rating from the Corporate Governance Report of Thai Listed Companies (CGR) conducted by the Thai Institute of Directors (IOD).
- Achieve 100% of all employees training on the Bank's Code of Conduct, Anti-Corruption, Anti-Money Laundering and Counter Terrorism and Proliferation of Weapons of Mass Destruction Financing (AML/CTPF) and Market Conduct.
- Building awareness among employees to ensure proper management and alignment with regulations and international standards.

## Sustainability Performance



# For further information

## Contact:

**Investor Relations team**

**Tel (66) 2 626 4981**

**Email: [IR@bangkokbank.com](mailto:IR@bangkokbank.com)**

**Bangkok Bank website**

**[www.bangkokbank.com](http://www.bangkokbank.com)**

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