




# Investor Presentation

## For 1Q23



# Bangkok Bank

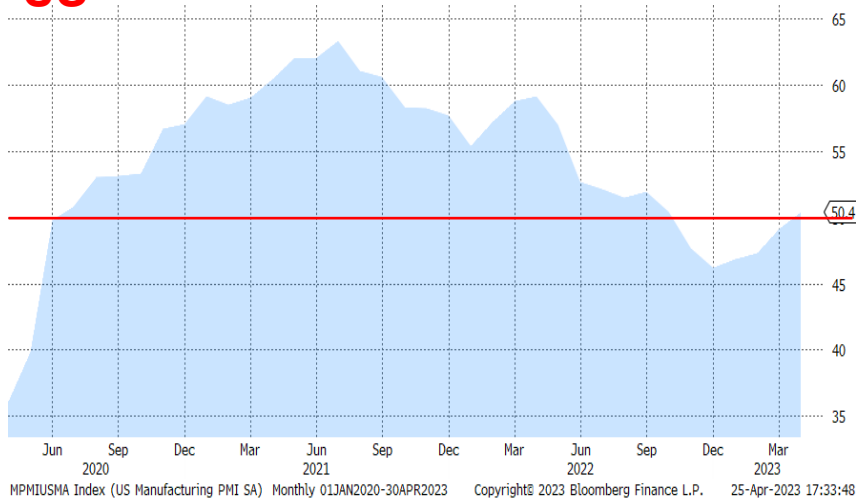
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-  **Operating environment**
-  **1Q23 Financial performance**
-  **2023 Financial target**

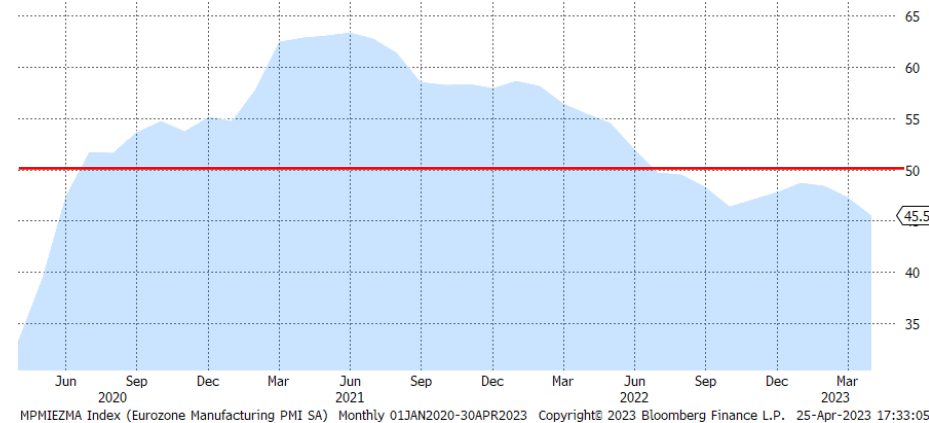
# Significant global headwinds anticipated throughout 2023...

## Manufacturing PMI SA

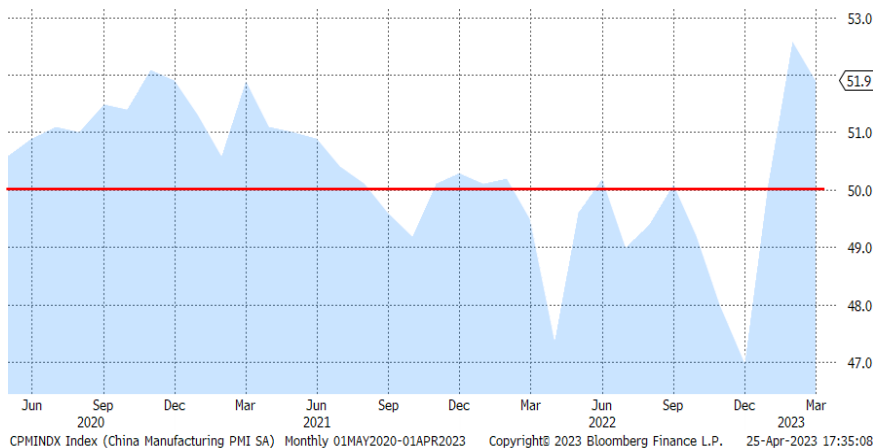
US



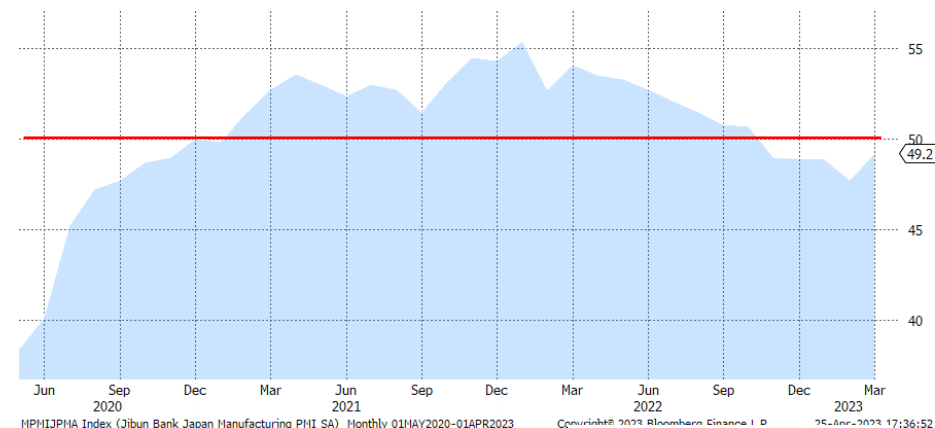
EU



CN



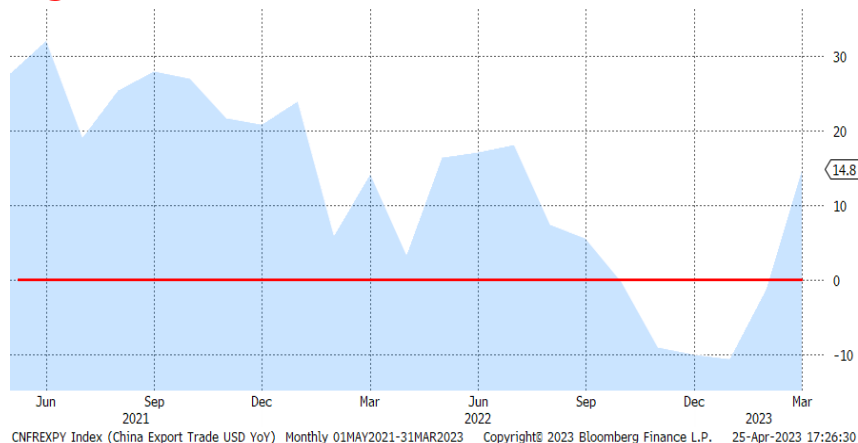
JP



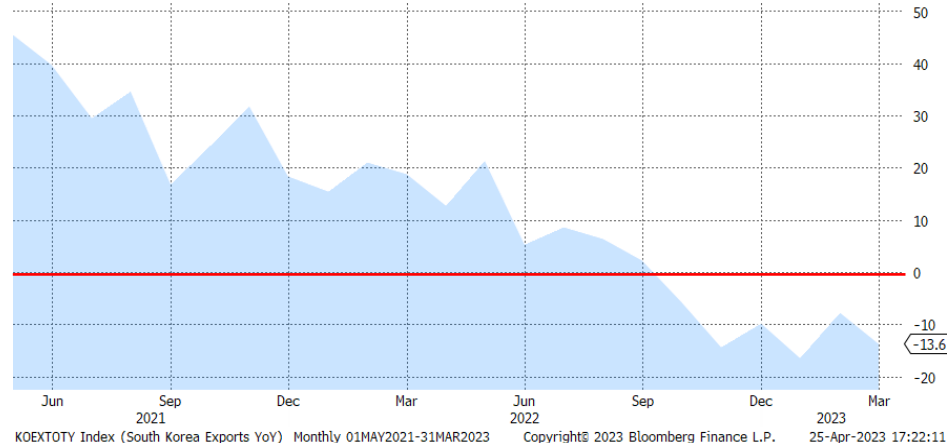
# ...export growth significantly affected in many economies since late 2022, with recovery in China

Export growth (%)

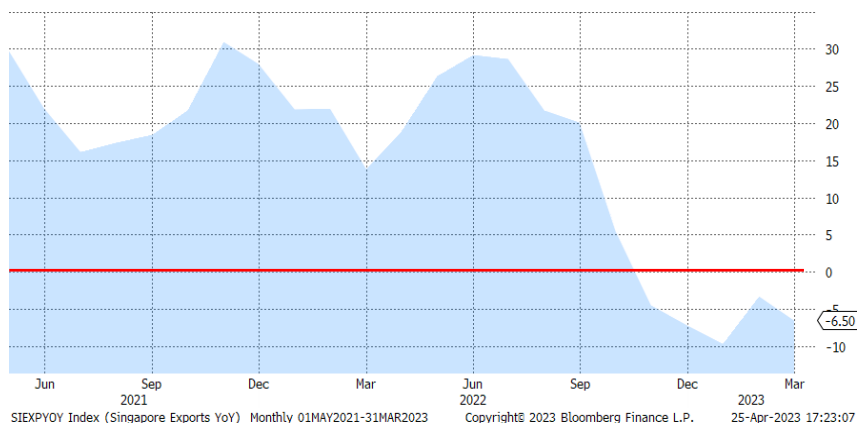
**CN**



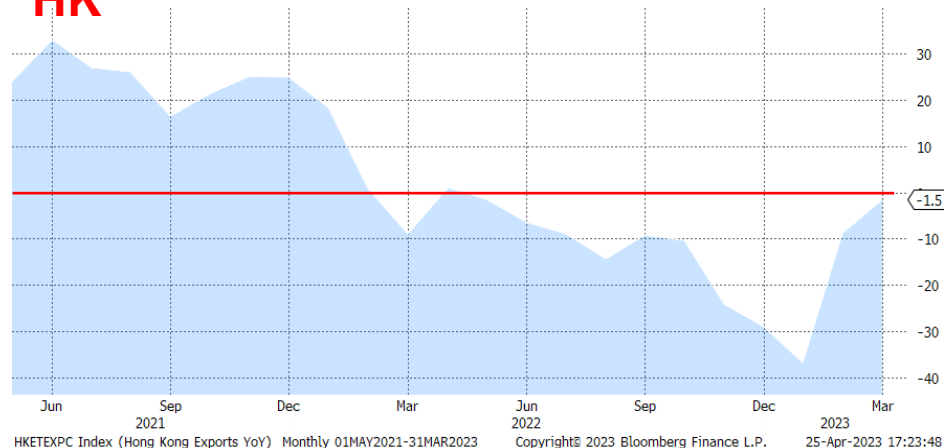
**KR**



**SG**



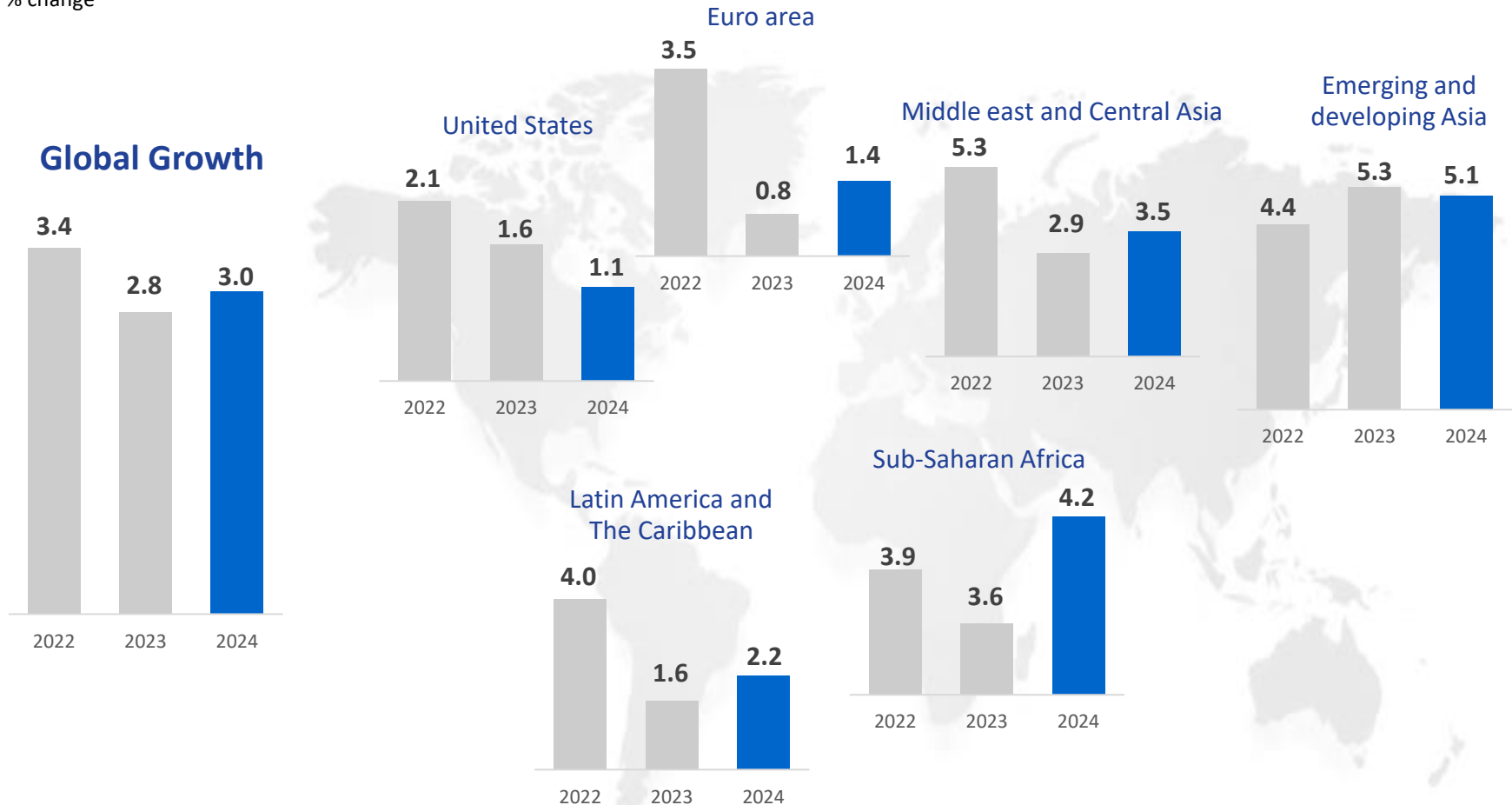
**HK**



# IMF recently upgraded global GDP forecast for 2023 and expects global economic recovery in 2024

## Growth projections by region, real GDP growth

% change



# IMF forecasts by country, economic development, region

(Real GDP, annual percent change)	2022	PROJECTIONS	
		2023	2024
<b>World Output</b>	<b>3.4</b>	<b>2.8</b>	<b>3.0</b>
<b>Advanced Economies</b>	<b>2.7</b>	<b>1.3</b>	<b>1.4</b>
United States	2.1	1.6	1.1
Euro Area	3.5	0.8	1.4
Germany	1.8	-0.1	1.1
France	2.6	0.7	1.3
Italy	3.7	0.7	0.8
Spain	5.5	1.5	2.0
Japan	1.1	1.3	1.0
United Kingdom	4.0	-0.3	1.0
Canada	3.4	1.5	1.5
Other Advanced Economies	2.6	1.8	2.2
<b>Emerging Market and Developing Economies</b>	<b>4.0</b>	<b>3.9</b>	<b>4.2</b>
Emerging and Developing Asia	4.4	5.3	5.1
China	3.0	5.2	4.5
India	6.8	5.9	6.3

# IMF forecasts for key Asian economies

## World Economic Outlook (ASIA), April 2023 update

ASIA		Projections	
(Economies Real GDP Growth percent change)	2022	2023	2024
<b>China</b>	<b>3.0</b>	<b>5.2</b>	<b>4.5</b>
<b>India *</b>	<b>6.8</b>	<b>5.9</b>	<b>6.3</b>
<b>Japan</b>	<b>1.1</b>	<b>1.3</b>	<b>1.1</b>
<b>Korea</b>	<b>2.6</b>	<b>1.5</b>	<b>2.4</b>
<b>ASEAN-5**</b>	<b>5.5</b>	<b>4.5</b>	<b>4.6</b>
<b>Indonesia</b>	<b>5.3</b>	<b>5.0</b>	<b>5.1</b>
<b>Malaysia</b>	<b>8.7</b>	<b>4.5</b>	<b>4.5</b>
<b>Philippines</b>	<b>7.6</b>	<b>6.0</b>	<b>5.8</b>
<b>Thailand</b>	<b>2.6</b>	<b>3.4</b>	<b>3.6</b>

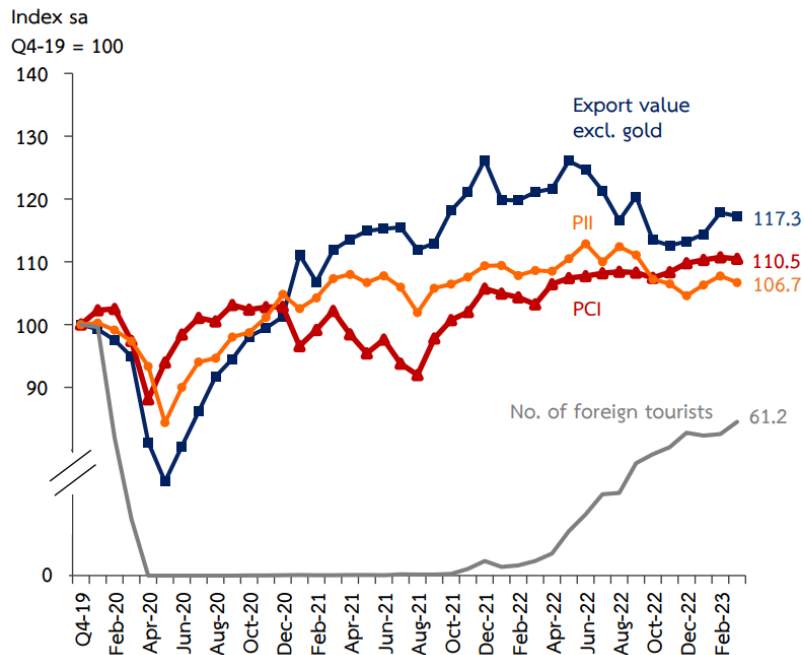
Note : \* For India, data and projections are presented on a fiscal year basis, with FY 2022/23 (starting in April 2022) shown in the 2022 column.

India's growth projections are 5.4 percent in 2023 and 6.3 percent in 2024 based on calendar year.

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

# Thai exports and manufacturing show signs of stabilization since the beginning of the year

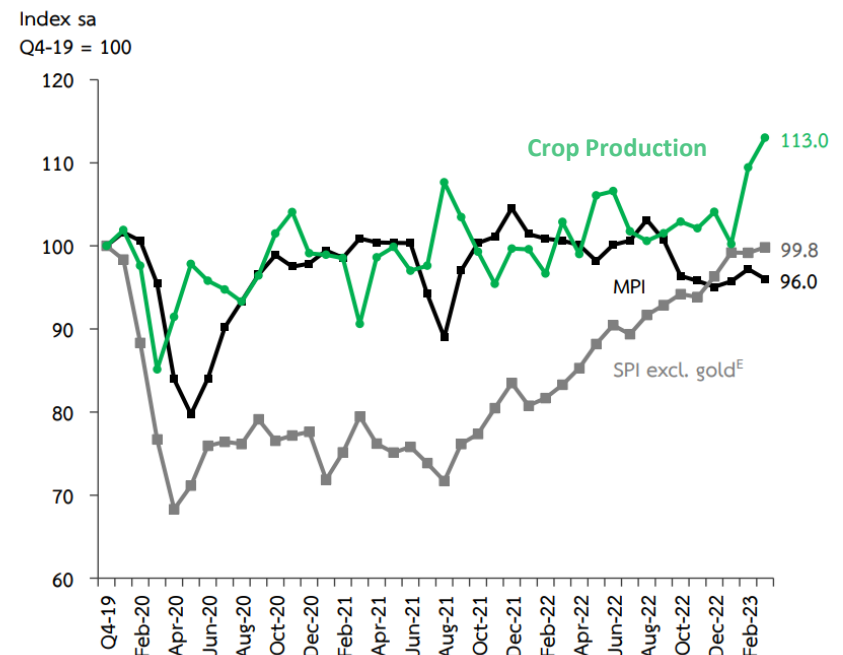
## Economic Indicator - Demand



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

PCI – Private Consumption Index  
SPI – Service Production Index

## Economic Indicator - Supply





# ...which is in line with exports in the neighboring economies

## Export value

Feb 2023 = 22.4 Bn USD (-4.1%YoY)

Mar 2023 = 27.1 Bn USD (-5.8%YoY)

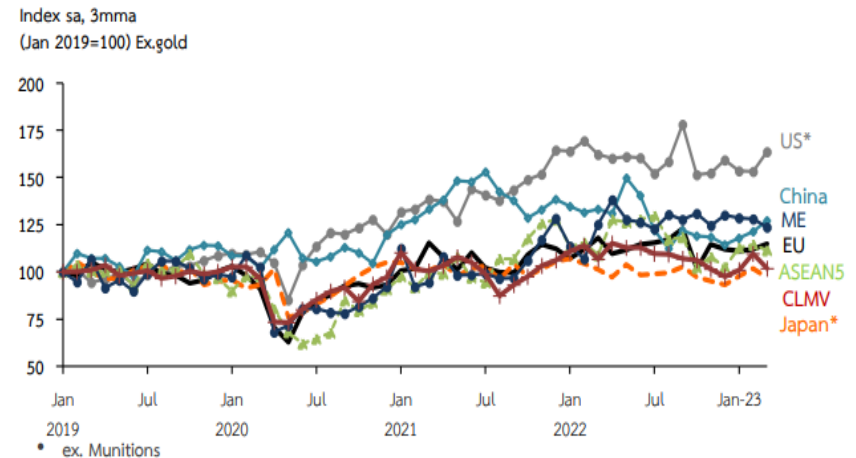
Ex Gold = 22.2 Bn USD (-1.8%YoY)

Ex Gold = 25.5 Bn USD (-2.2%YoY)

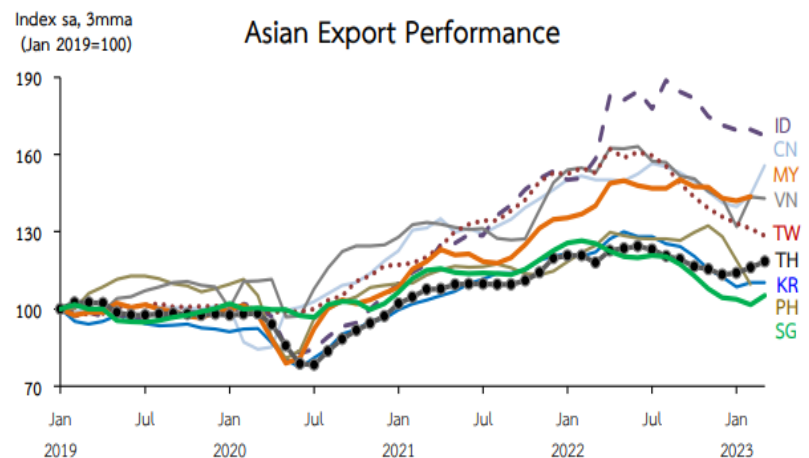
%YoY	Share 2022	2022	2022				2023			
			H1	H2	Q3	Q4	Q1	Feb	Mar	Mar (%MoMsa)
Agriculture	6.7	-1.7	8.1	-11.7	-13.2	-10.0	6.9	8.2	8.8	2.7
Fishery	0.6	-2.1	2.8	-6.3	1.1	-13.5	-13.2	-3.8	-8.6	-5.7
Manufacturing	89.0	4.8	10.4	-0.5	7.9	-8.3	-3.3	-2.9	-2.5	0.5
Agro-manufacturing	13.9	8.6	12.0	5.1	13.5	-2.9	-0.1	1.0	1.4	-4.5
Electronics	11.9	3.8	9.3	-1.2	5.1	-7.2	-8.0	-11.3	-1.6	13.1
Electrical Appliances	9.2	2.8	3.3	2.2	7.4	-2.8	4.6	0.4	8.0	0.8
Automotive	14.3	-1.6	-4.8	1.7	8.4	-4.1	2.1	2.7	-0.2	-0.6
Machinery & Equipment	8.2	5.2	6.3	4.2	10.3	-1.7	-0.1	-0.5	-1.4	-1.8
Petroleum Related	12.2	1.4	19.5	-14.1	-3.6	-24.2	-15.5	-18.3	-14.7	1.7
Total (BOP Basis)	100.0	5.5	11.9	-0.6	6.7	-7.5	-4.6	-4.1	-5.8	5.6
Ex. Gold	-	4.4	9.6	-0.6	6.4	-7.3	-2.4	-1.8	-2.2	-0.5
Ex. Gold & Petroleum Related	-	4.8	8.2	1.5	8.0	-4.6	-0.5	0.7	-0.4	-0.7

## Export performance

### Thai Export to Major Destinations



### Asian Export Performance



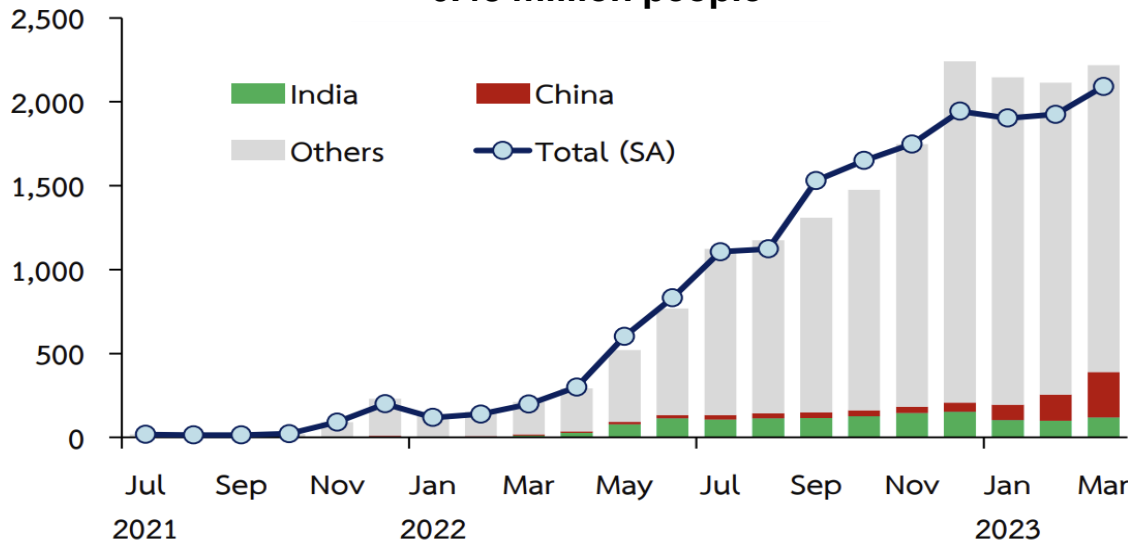
# Better-than-expected tourist arrivals have been among the key drivers of the Thai economy since 2022

## Number of tourists

(Thousands)	2022	2022				2023			
		H1	H2	Q3	Q4	Q1 <sup>P</sup>	Feb <sup>P</sup>	Mar <sup>P</sup>	%MoMsa
No. of tourists	11,153	2,079.9	9,073.1	3,608.1	5,465.0	6,477.5	2,113.6	2,219.0	8.7
o/w China	273.6	57.4	216.1	89.5	126.7	517.3	155.7	269.8	95.8
o/w India	997.9	235.9	762.1	336.3	425.8	322.6	99.8	119.5	3.1

Thousands

## Numbers of tourists Jan-Mar 23 6.48 million people



Million persons	2022	2023	2024
Mar23	11.2	28.0	35.0
Jan23	11.2	25.5	34.0
Change		↑2.5	↑1.0

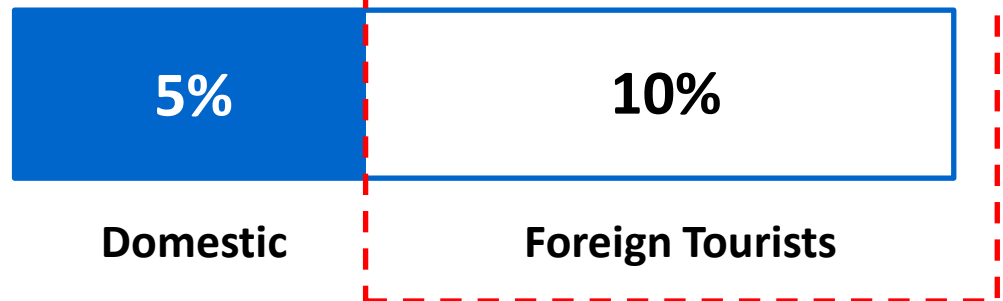
Note: ( ) denotes share of total tourist arrivals in 2019

P = Preliminary data

Source: Ministry of Tourism and Sports, calculated by Bank of Thailand

# Tourism-related businesses account for more than 15% of Thai GDP and employment

Thailand's tourism  
**15% of GDP**  
**Employ 10 M**

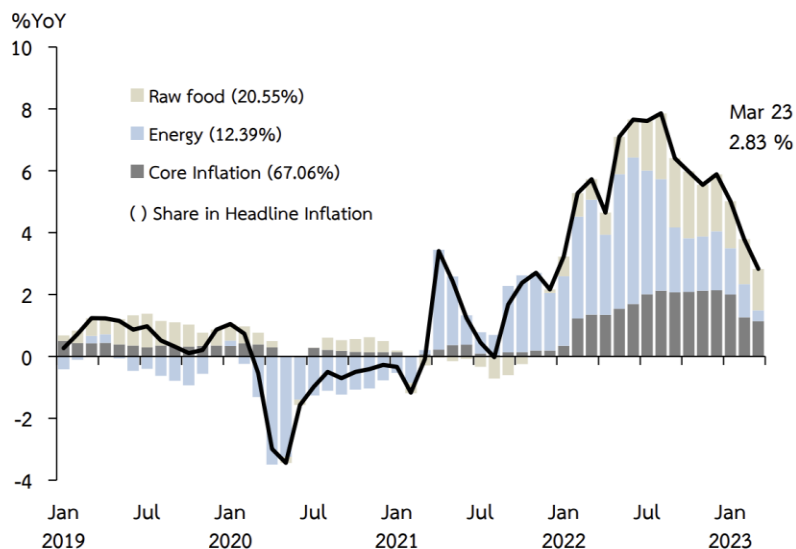


# Thai headline and core inflation have eased since end of 2022

## Headline inflation contribution

Headline inflation

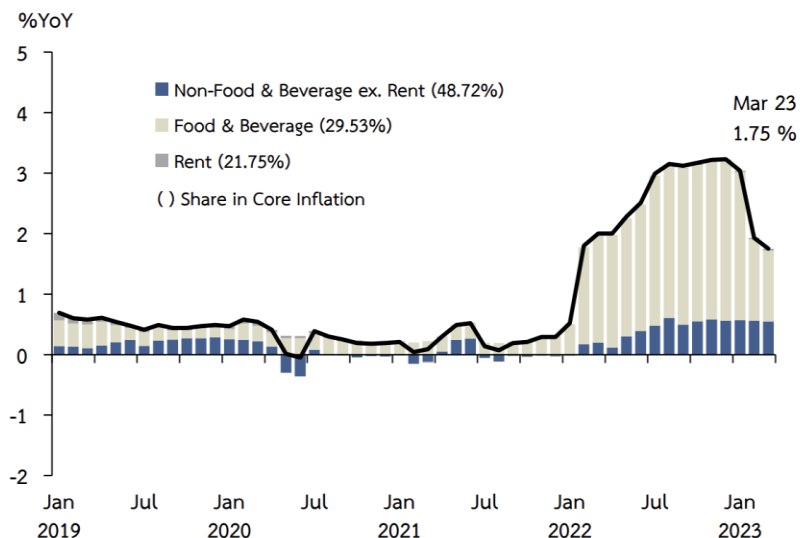
	2022	2022				2023		
		H1	H2	Q3	Q4	Q1	Feb	Mar
%YoY	6.08	5.61	6.54	7.28	5.81	3.88	3.79	2.83
%QoQsa, MoMsa	-	-	-	1.04	0.49	0.41	0.06	-0.28



## Core inflation contribution

Core inflation

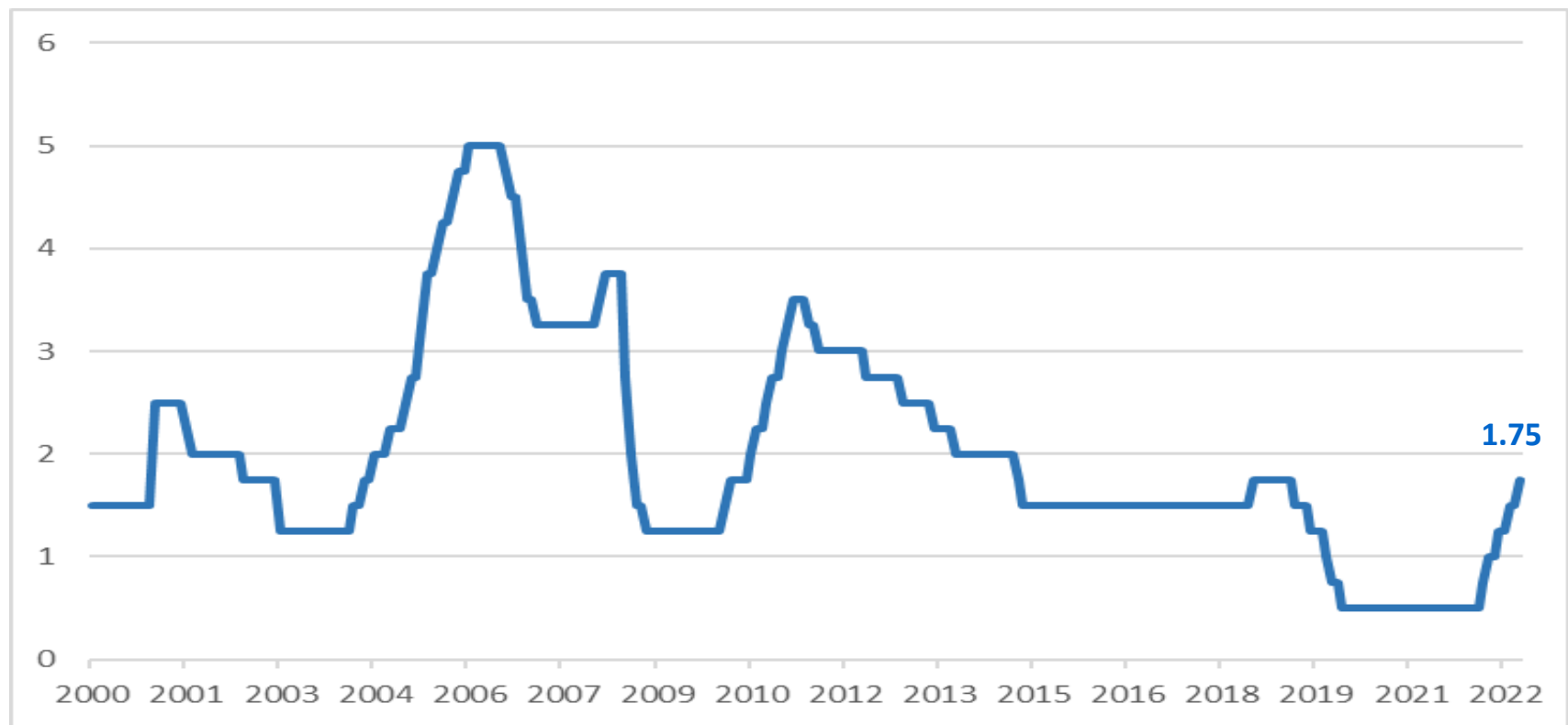
	2022	2022				2023		
		H1	H2	Q3	Q4	Q1	Feb	Mar
%YoY	2.51	1.85	3.14	3.08	3.20	2.24	1.93	1.75
%QoQsa, MoMsa	-	-	-	0.79	0.38	0.32	0.12	0.05



# BOT normalization process is gradually increasing policy rate into neutral territory

## Policy Interest Rate

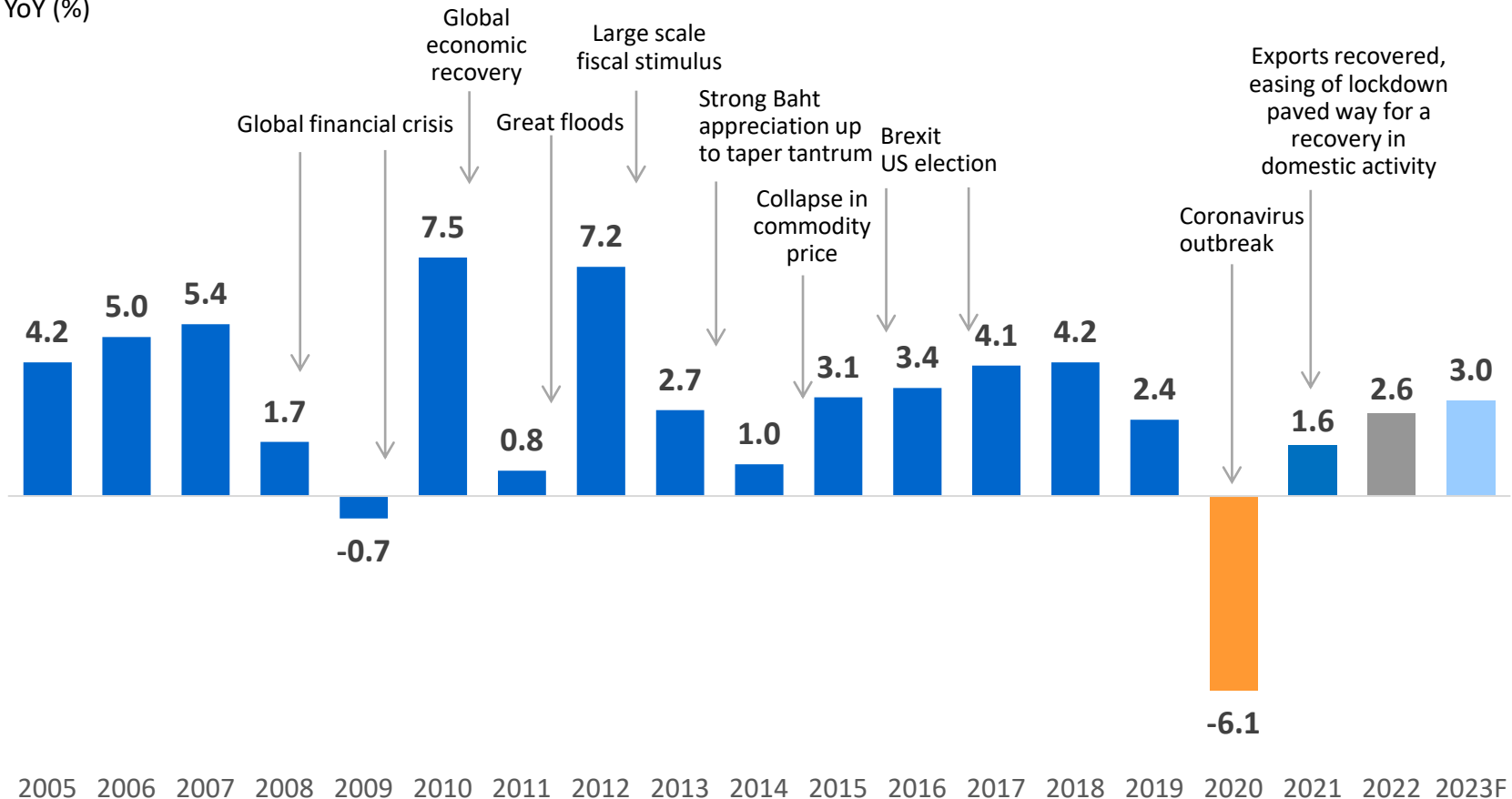
%



# Bangkok Bank forecasts uncertainties and global economic headwinds will limit Thai economic growth to ~3% in 2023

## GDP growth

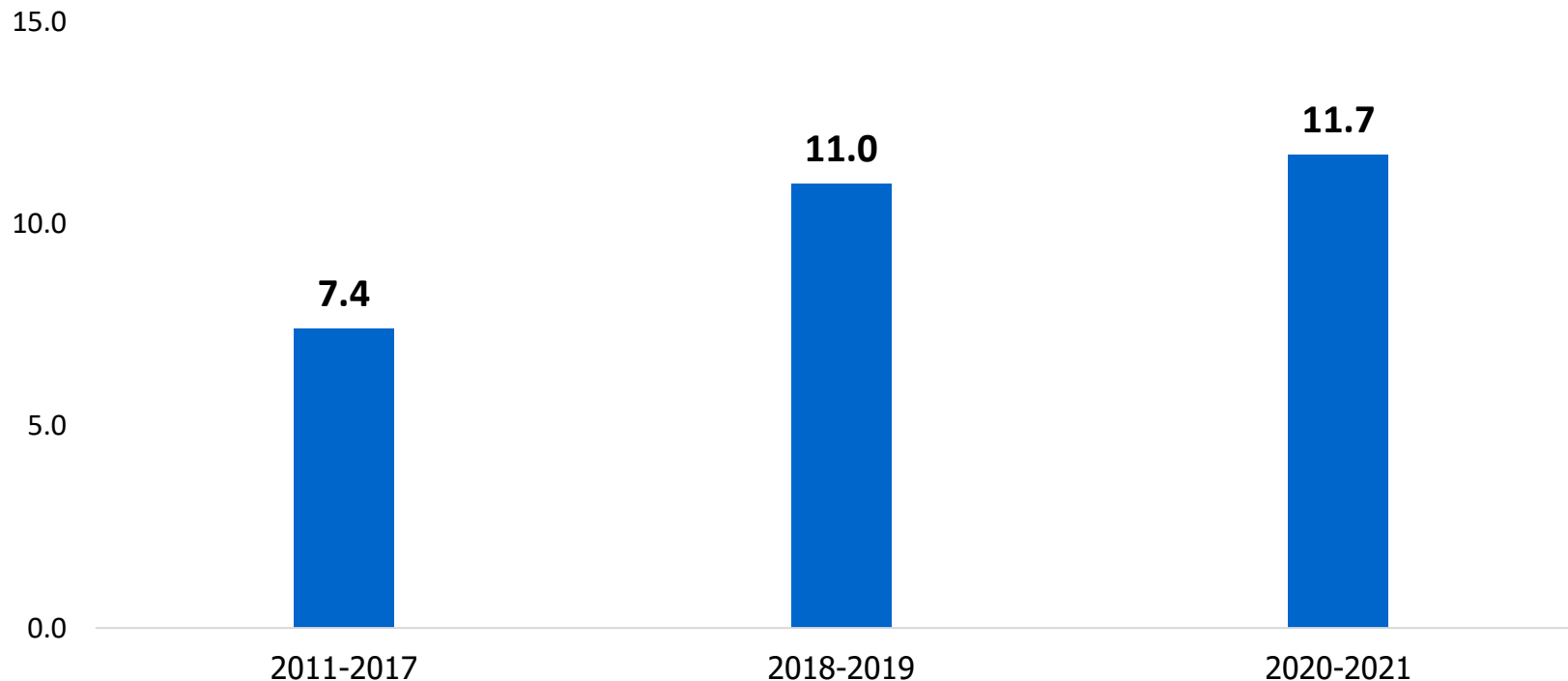
YoY (%)



# ASEAN's ability to attract foreign investors is expected to continue for the foreseeable future

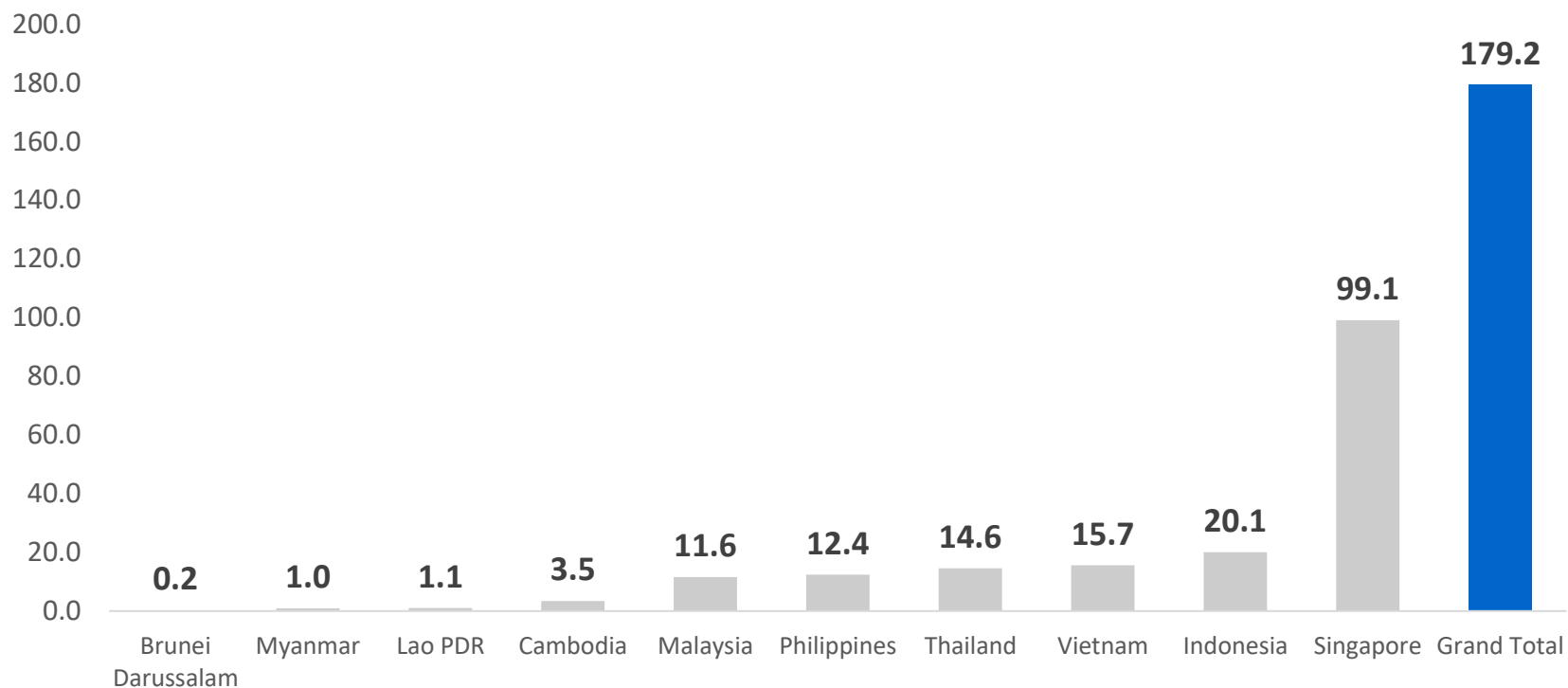
## ASEAN Share of FDI inflows

%



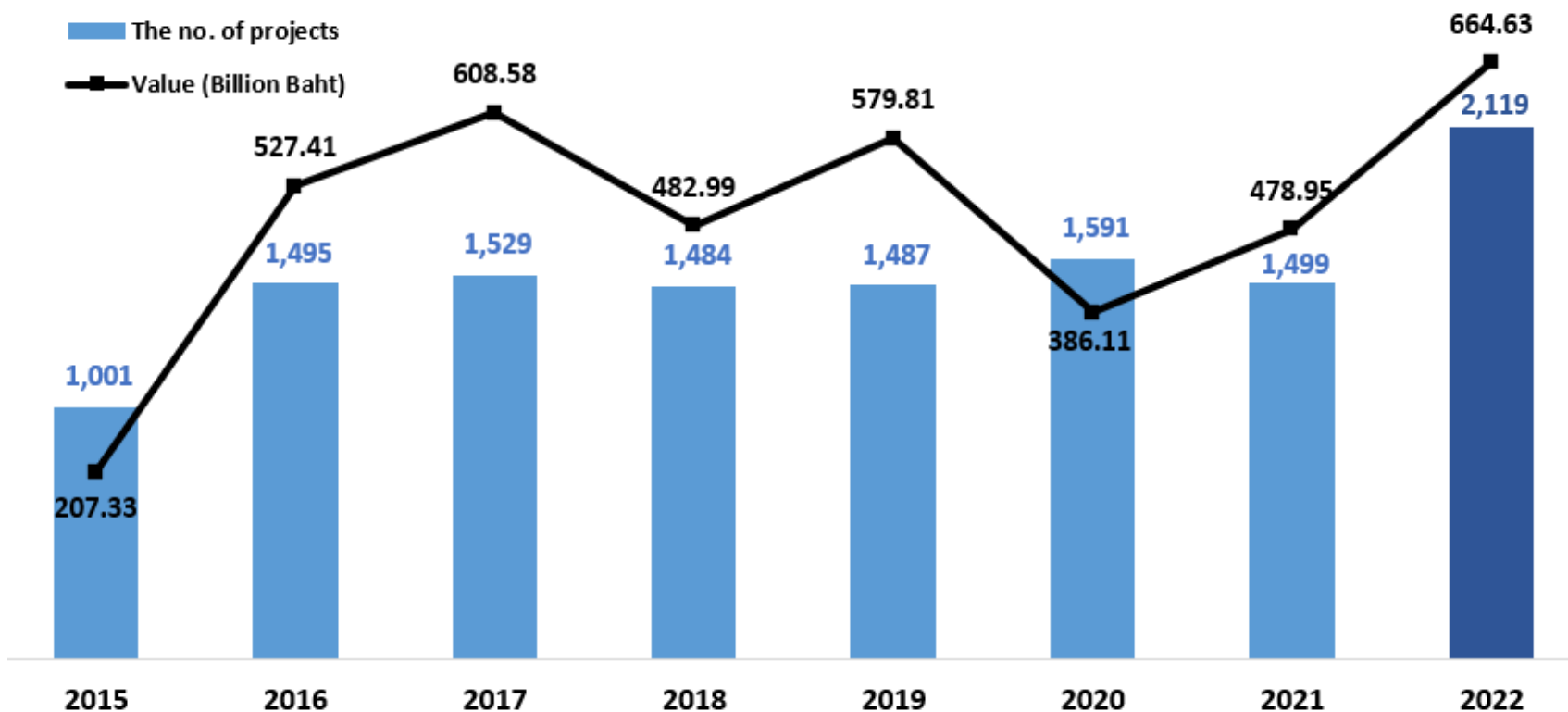
# FDI into ASEAN nations (2021)

USD Billion

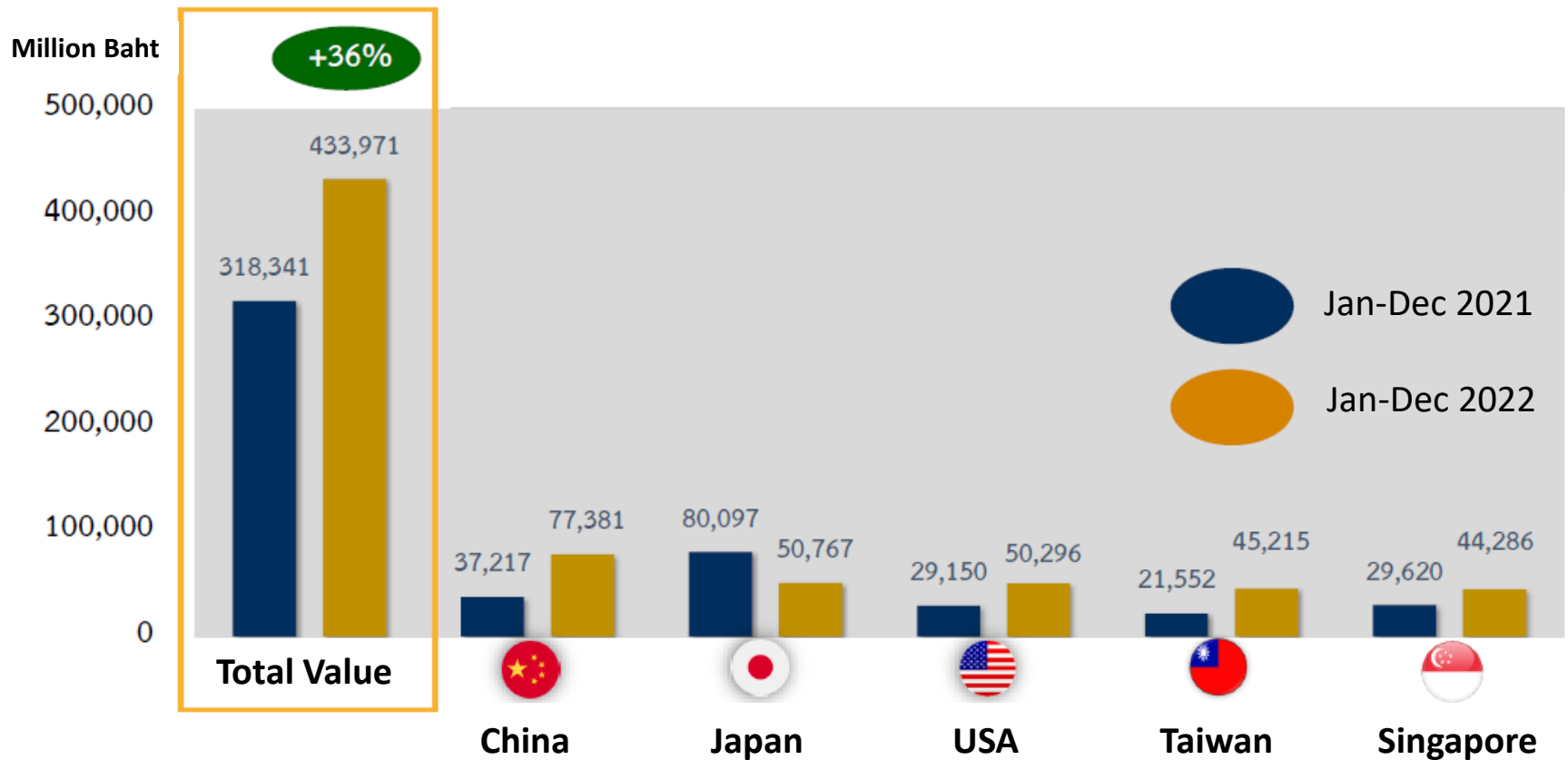




# Applications for BOI incentives



# Foreign applications for BOI incentives



# Our international network will allow us to capture business relocation into Asia

## Key Highlights of International Presence



### THAILAND

- #1 corporate bank in Thailand
- #1 international bank among Thai banks



### INDONESIA

- Presence since 1968
- #10 bank in Indonesia



### ASEAN

- 13 branches across Laos, Myanmar, Cambodia, Malaysia, Singapore, Vietnam and Philippines



### CHINA

- First Thai bank in China with significant operations since 1986



### MALAYSIA

- Only Thai bank with subsidiary in Malaysia since 1994

## Number of Branches

(Not including self-service outlets)

①



United States

1

Year of Establishment  
1984

②



United Kingdom

1

Year of Establishment  
1957

③



Myanmar

1

Year of Establishment  
1995

④



Laos

2

Year of Establishment  
1993

⑤



China

5

Establishment  
1986

⑥



Hong Kong

2

Year of Establishment  
1954

⑦



Taiwan

3

Year of Establishment  
1965



⑮



Thailand

891

Year of Establishment  
1944

⑭



Vietnam

2

Year of Establishment  
1992

⑬



Malaysia

5

Year of Establishment  
1959

⑫



Singapore

1

Year of Establishment  
1957

⑪



Indonesia

248

Year of Establishment  
1972

⑩



Cambodia

1

Year of Establishment  
1992

⑨



Philippines

1

Year of Establishment  
1995

⑧



Japan

2

Year of Establishment  
1955






## Geographic Coverage

14

Economies

# Bangkok Bank

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-  Operating environment
-  **1Q23 Financial performance**
-  2023 Financial target

# 1Q23 Financial Highlights

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

**Net profit**  
**10.1 bn Baht**

**Net interest margin**  
**2.84%**

**Net fees and service income**  
**+2.4% YoY**

**Cost-to-income ratio**  
**46.8%**

**Loan**  
**-1.6% YTD**

**Deposit**  
**-0.2% YTD**

**NPL ratio**  
**3.1%**

**Coverage ratio**  
**265.1%**

**Loan-to-deposit ratio**  
**82.3%**

**Tier 1 ratio**  
**15.7%**

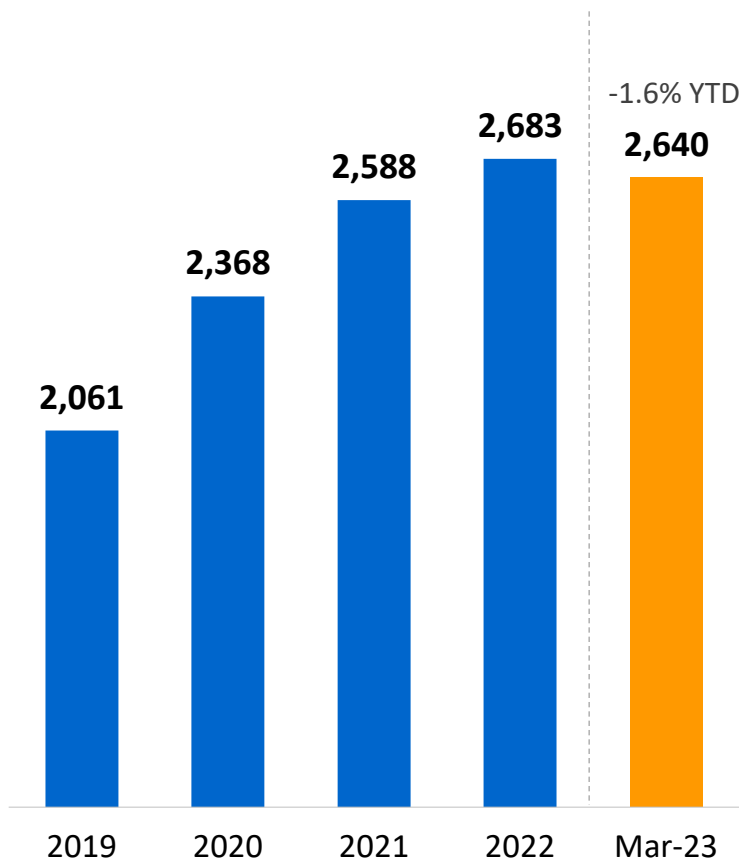
## Deliver sustained 1Q23 results, supported by well-disciplined balance sheet management

- 1Q23 Net profit grew YoY, driven by higher total operating income
- NII increased YoY following interest rate trends, resulting in NIM at 2.84%
- Fee income increased mainly due to international banking services
- Loan declined YTD from business customers and loan made through the Bank's international network
- Manageable asset quality with prudent risk management and well-secured reserves
- Healthy liquidity and strong capital positions to support sustainable business prospects

# Prudent and diversified approach to loan growth

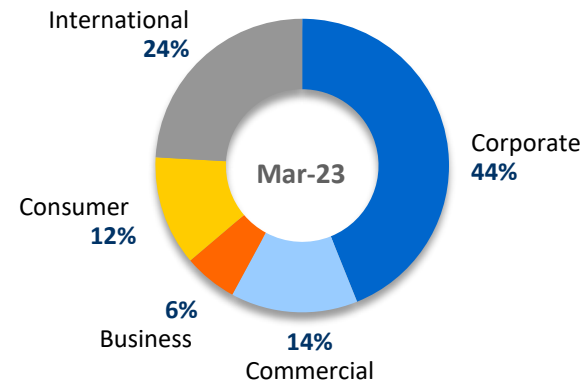
## Loan

Billion Baht



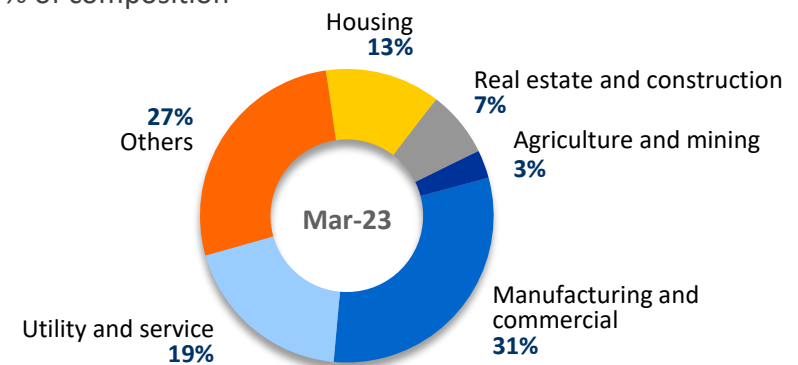
## Loan by business unit<sup>/1</sup>

% of composition



## Loan by industry

% of composition



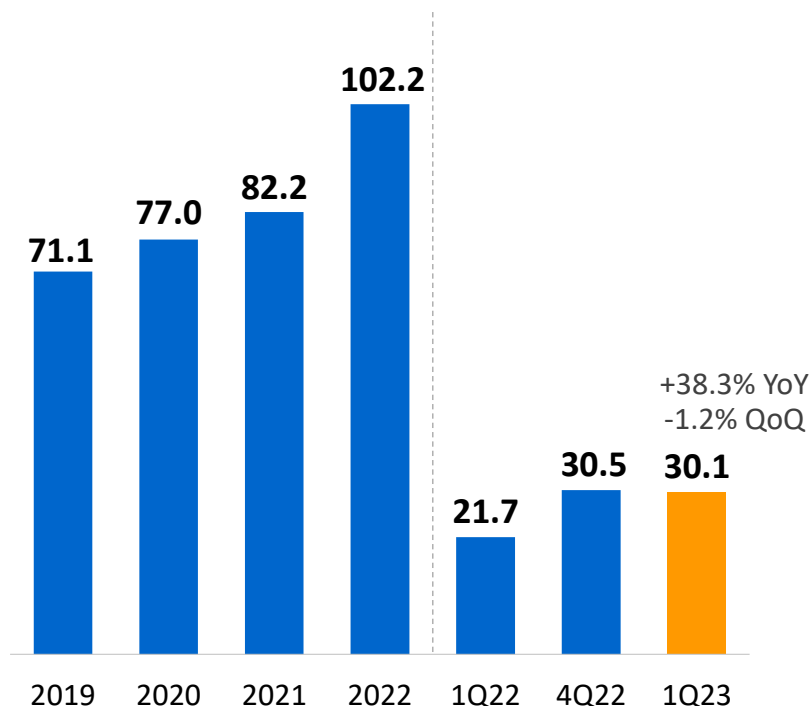
Note: Loan included Permata's financial performance since May 2020

/1 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.

# Stable NIM from higher yield in line with interest rate trend, offset by rising deposit rate and the resumption of FIDF fee

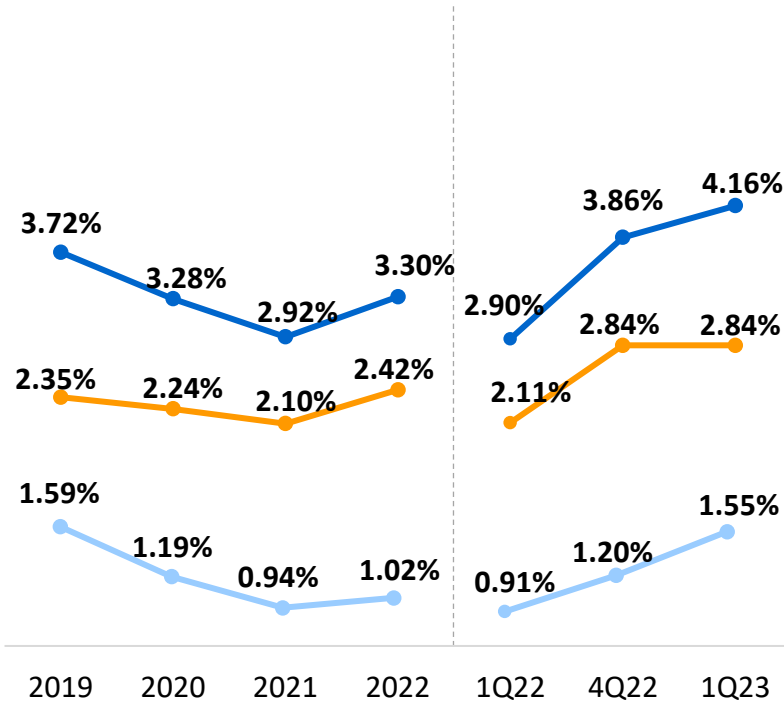
## Net interest income

Billion Baht



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

%



Policy rate	1.250%	0.500%	0.500%	1.25%	0.500%	1.25%	1.75%
MLR	6.000%	5.250%	5.250%	5.85%	5.250%	5.85%	6.45%
MOR	6.875%	5.875%	5.875%	6.35%	5.875%	6.35%	6.90%

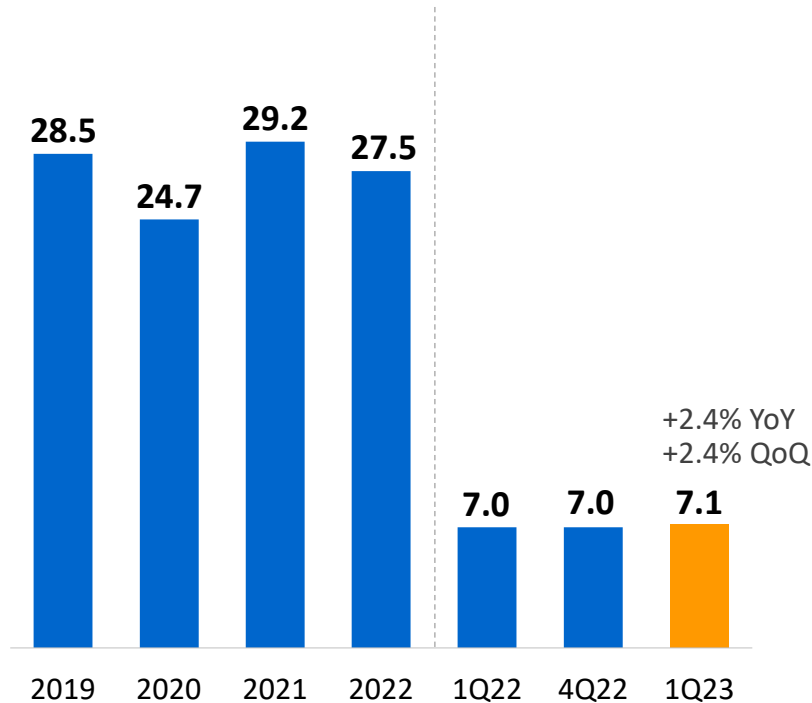
Yield on earning assets  
 NIM  
 Cost of funds



# Net fees increased mainly from international banking service and bancassurance & mutual fund

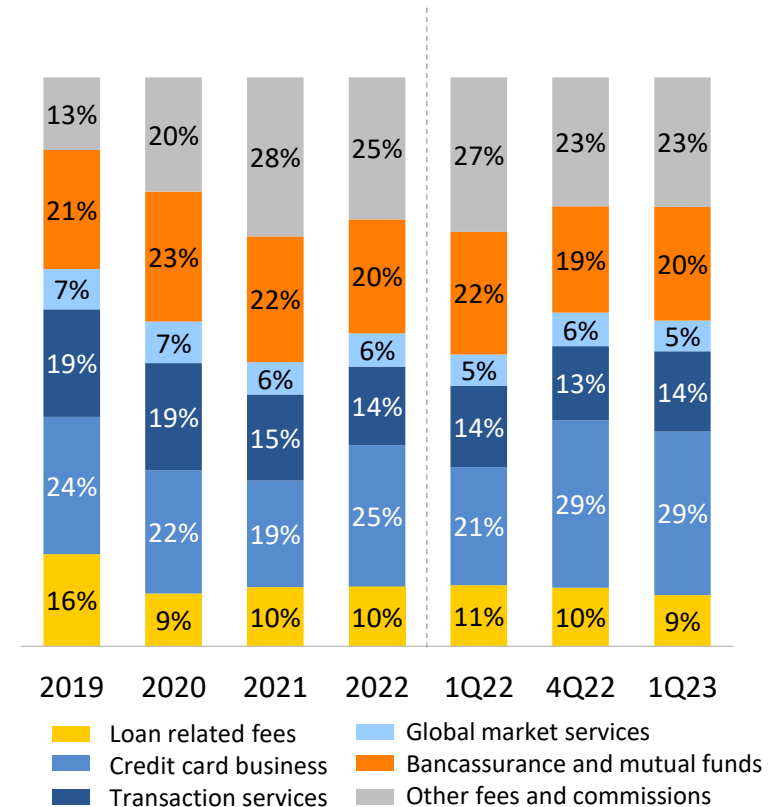
## Net fees and service income

Billion Baht



## Fees and service income

% of composition

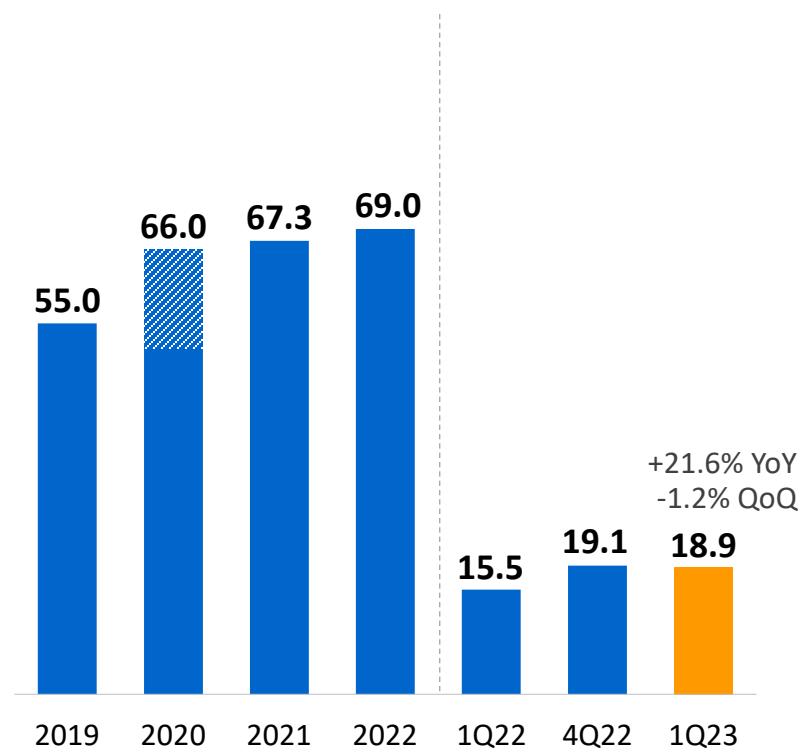




# Focus on working stream enhancement while cost to income ratio within manageable range

## Operating expenses

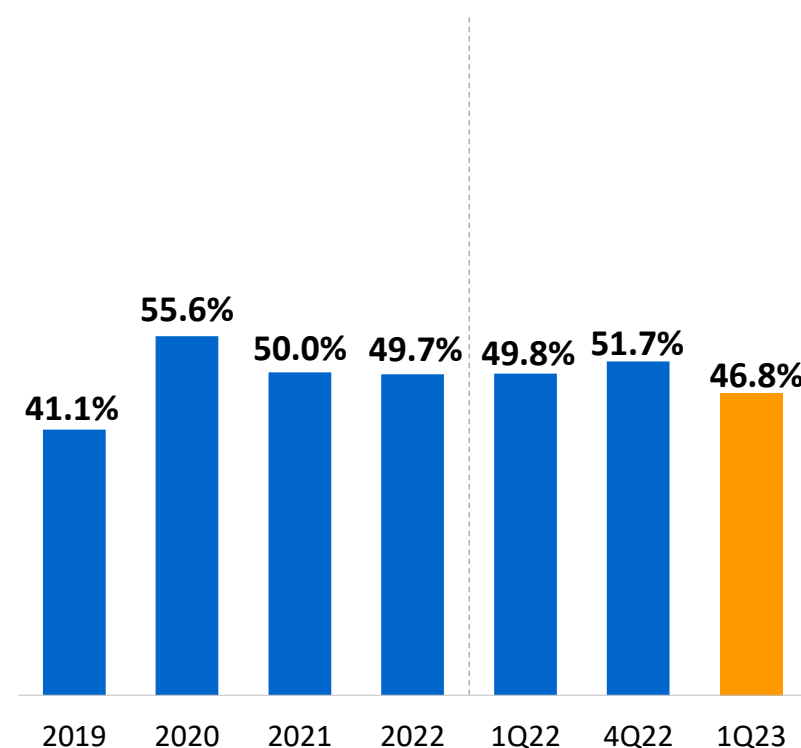
Billion Baht



▨ Permata's expense for 21 May – 31 Dec 2020 and one-time integration expense

## Cost to income ratio

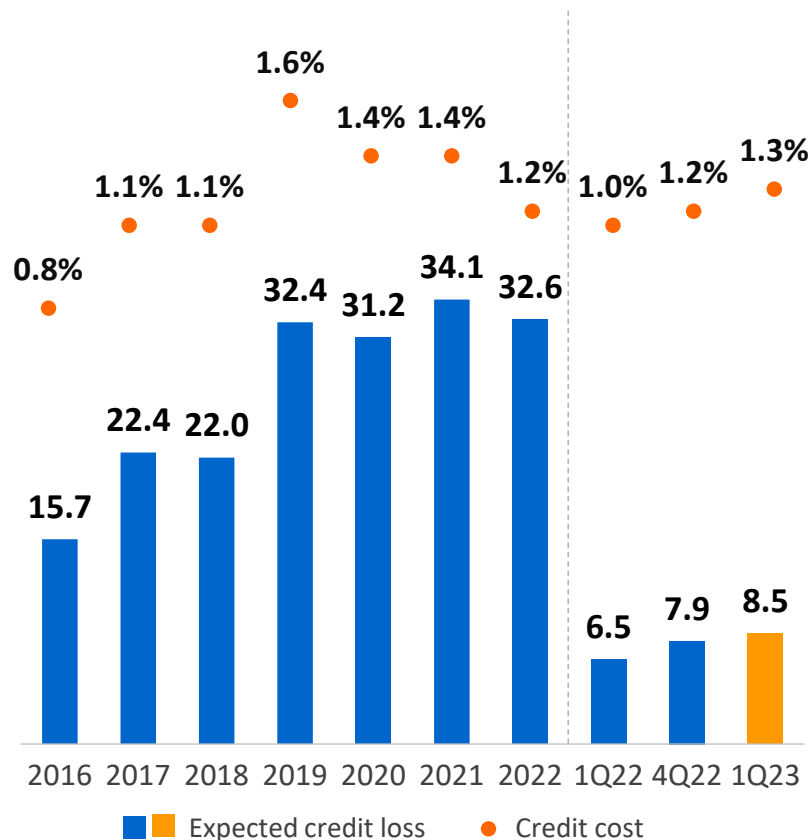
%



# Manageable asset quality with prudent coverage ratio

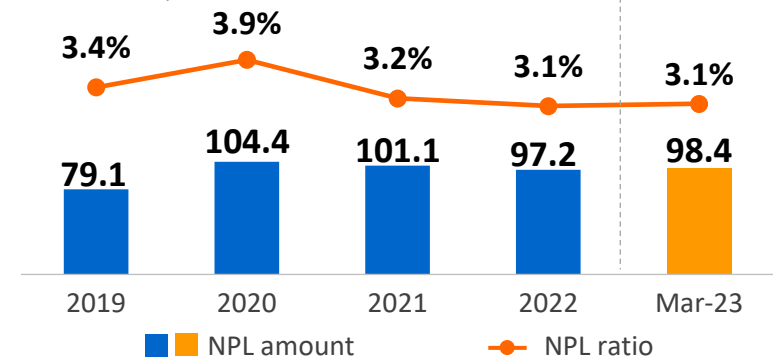
## Expected credit loss (Provision), Credit cost

Billion Baht, %



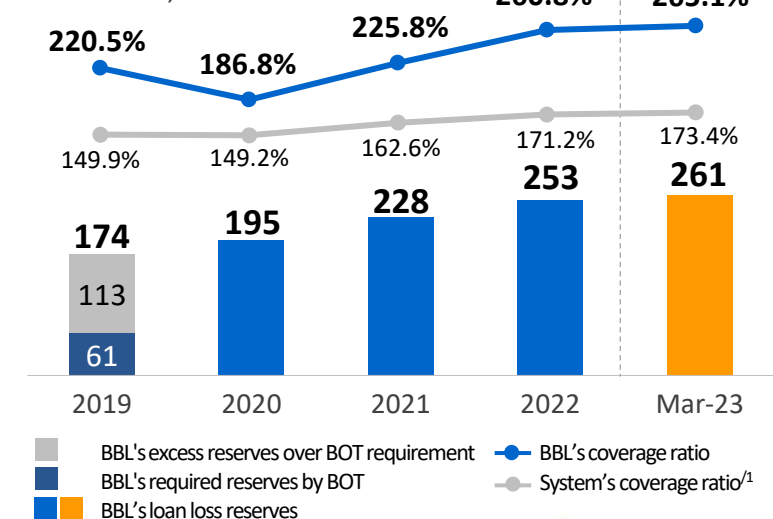
## NPL amount, NPL ratio

Billion Baht, %



## Loan loss reserve (LLR), Coverage ratio

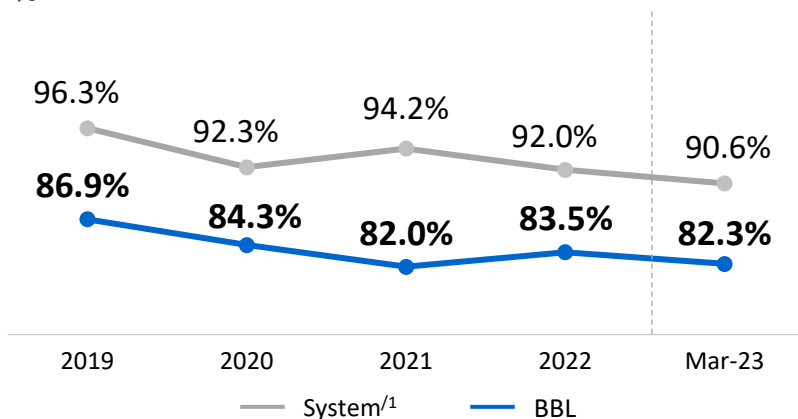
Billion Baht, %



# Healthy funding and liquidity position

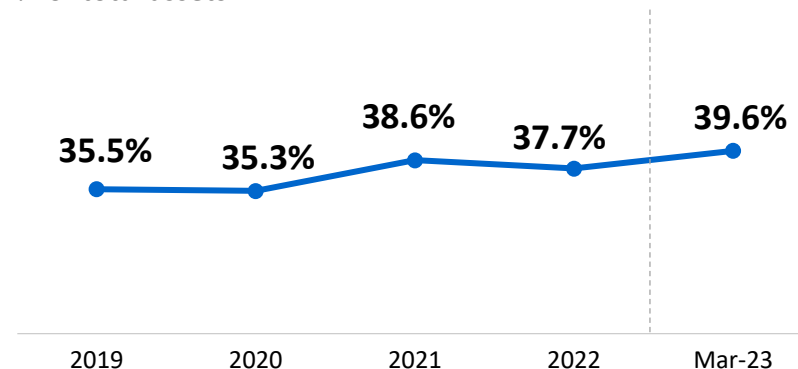
## Loan-to-deposit ratio

%



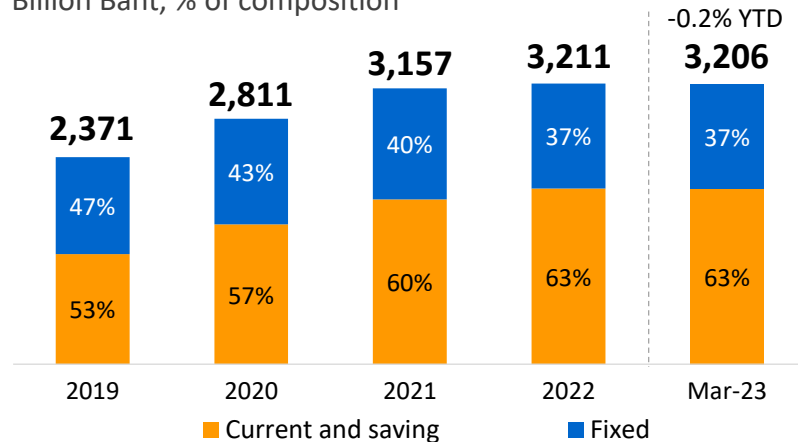
## Liquid assets<sup>2</sup>

% of total assets



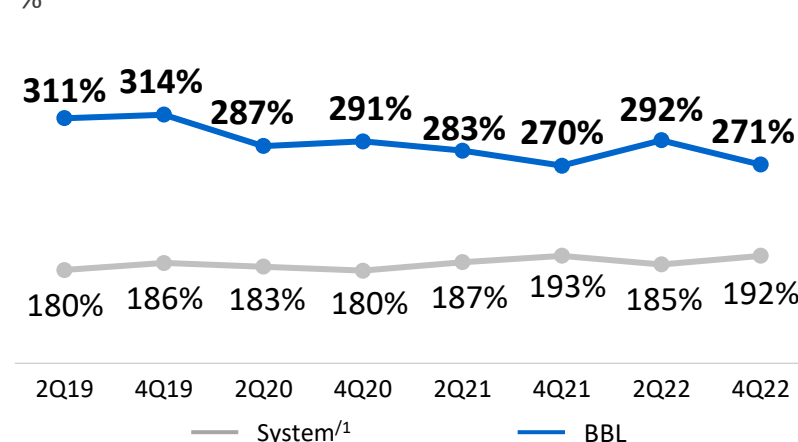
## Deposit

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

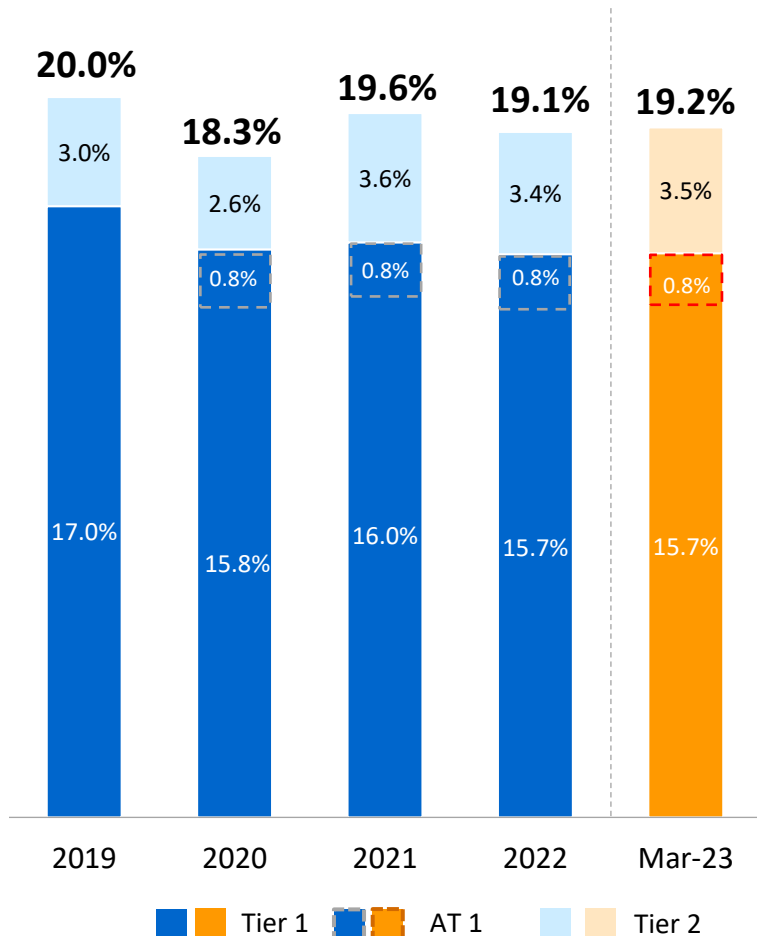
/3 For BBL, LCR is computed as an average ratio of month-end LCR in the quarter. For System, LCR is as of month.

Include Permata's financial performance since May 2020

# Capital position above minimum requirements

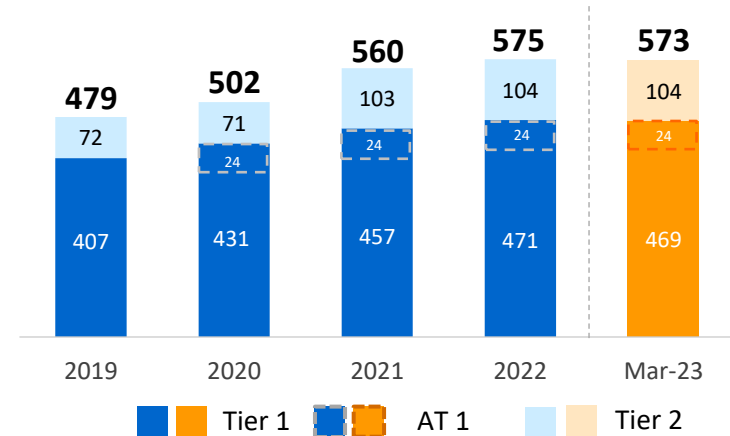
## Consolidated capital ratios

%

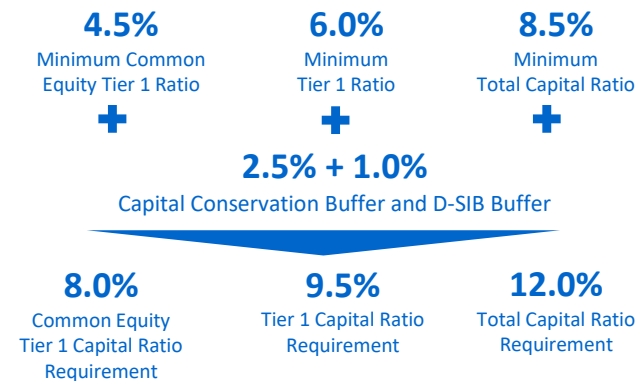


## Capital base

Billion Baht






## Regulatory capital ratio requirements



# Bangkok Bank

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-  Operating environment
-  1Q23 Financial performance
-  **2023 Financial target**

# 2023 Financial target

Consolidated	2023 Financial target
Loan growth	4-6%
NPL ratio (gross)	Around 3.5%
Net interest margin	Around 2.5%
Net fee income growth	Flat growth
Cost to income ratio	Low 50s%
Credit cost	Around 1%

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.

# Appendix

# Financial position

	Million Baht					
	Dec-19	Dec-20	Dec-21	Dec-22	Mar-23	Growth (%)
						YTD
Loan	2,061,309	2,368,238	2,588,339	2,682,691	2,640,090	-1.6%
Deposit	2,370,792	2,810,863	3,156,940	3,210,896	3,205,989	-0.2%
LDR	86.9%	84.3%	82.0%	83.5%	82.3%	-1.2%
NPL <sup>/1</sup>	79,149	104,401	101,103	97,188	98,359	1.2%
NPL ratio <sup>/1</sup>	3.4%	3.9%	3.2%	3.1%	3.1%	0.0%
Allowance for ECL to NPL <sup>/1</sup>	220%	187%	226%	261%	265%	4.3%
Allowance for ECL to loan	8.5%	8.2%	8.8%	9.4%	9.9%	0.4%
Liquid assets <sup>/2</sup> to total assets	35.5%	35.3%	38.6%	37.7%	39.6%	1.9%
CASA	53.1%	57.0%	59.8%	62.6%	62.5%	-0.1%
CET1 <sup>/3</sup>	17.0%	14.9%	15.2%	14.9%	14.9%	0.0%
Tier 1 ratio <sup>/3</sup>	17.0%	15.7%	16.0%	15.7%	15.7%	0.0%
CAR <sup>/3</sup>	20.0%	18.3%	19.6%	19.1%	19.2%	0.1%

Note:

/1 Including interbank and money market lending

/2 Since 2020, 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 – 1Q23

Million Baht

	1Q22	4Q22	1Q23	Growth (%)	
				QoQ	YoY
Net interest income	21,747	30,454	30,077	-1.2%	38.3%
Net fees and service income	6,957	6,958	7,123	2.4%	2.4%
Other operating income	2,406	-527	3,093	686.9%	28.6%
Total income	31,110	36,886	40,293	9.2%	29.5%
Operating expense	15,507	19,071	18,850	-1.2%	21.6%
Expected credit loss	6,489	7,914	8,474	7.1%	30.6%
Net profit/ <sup>1</sup>	7,118	7,569	10,129	33.8%	42.3%
EPS/ <sup>1</sup> (Baht per share)	3.73	3.97	5.31	33.8%	42.3%
NIM	2.11%	2.84%	2.84%	0.0%	0.7%
Net fees and service income ratio	22.4%	18.9%	17.7%	-1.2%	-4.7%
Cost to income ratio	49.8%	51.7%	46.8%	-4.9%	-3.0%
ROA/ <sup>1</sup>	0.67%	0.68%	0.92%	0.2%	0.3%
ROE/ <sup>1</sup>	5.83%	5.92%	8.05%	2.1%	2.2%

Note:

33 /1 Attributable to owners of the Bank

# Financial performance – Year

Million Baht

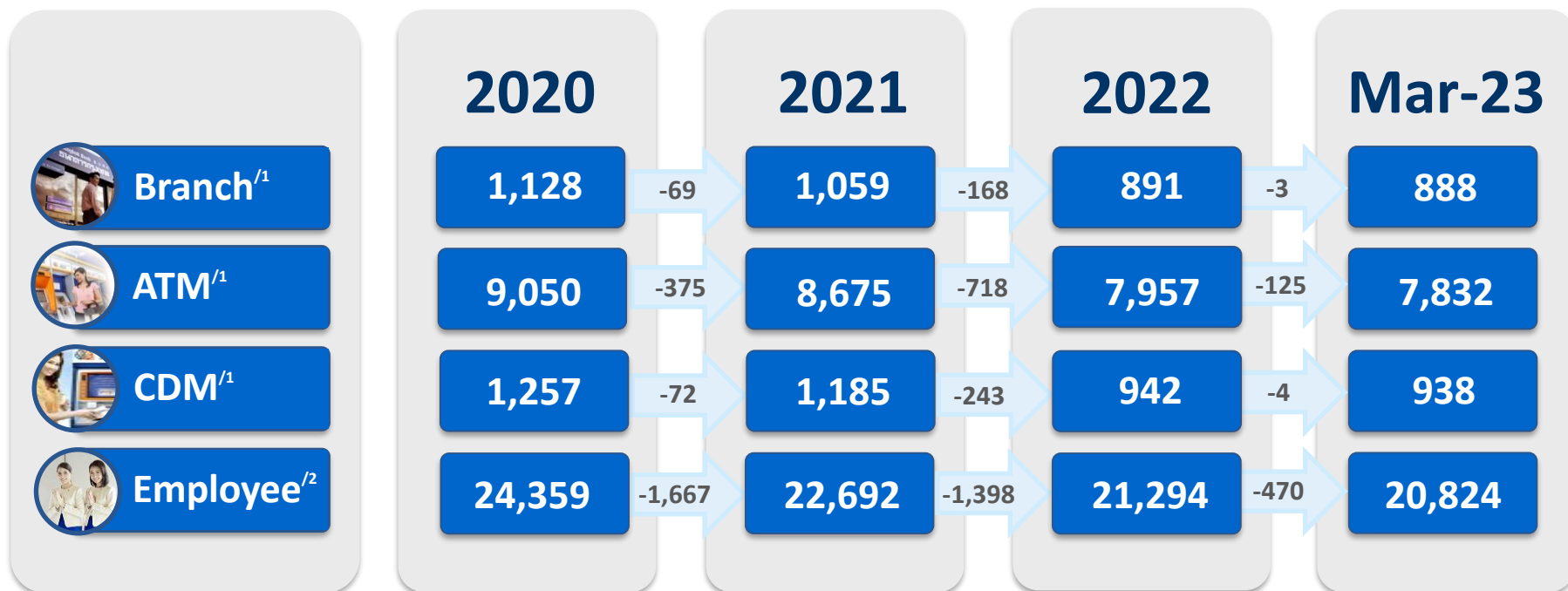
	2019	2020	2021	2022	Growth (%) YoY
Net interest income	71,071	77,046	82,156	102,223	24.4%
Net fees income	28,505	24,711	29,209	27,508	-5.8%
Other operating income	34,171	16,971	23,176	9,164	-60.5%
Total income	133,746	118,728	134,541	138,895	3.2%
Operating expense	54,963	65,974	67,266	69,019	2.6%
Expected credit loss <sup>/1</sup>	32,351	31,196	34,134	32,647	-4.4%
Net profit <sup>/2</sup>	35,816	17,181	26,507	29,306	10.6%
EPS <sup>/2</sup> (Baht per share)	18.76	9.00	13.89	15.35	10.6%
NIM	2.35%	2.24%	2.10%	2.42%	0.32%
Net fee income ratio	21.3%	20.8%	21.7%	19.8%	-1.9%
Cost to income ratio	41.1%	55.6%	50.0%	49.7%	-0.3%
ROA <sup>/2</sup>	1.13%	0.48%	0.65%	0.67%	0.02%
ROE <sup>/2</sup>	8.45%	3.96%	5.62%	5.86%	0.24%

Note:

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

/2 Attributable to owners of the Bank

# Network



Note: Consolidated

/1 Domestic operation

/2 Exclude Permata's employee

# Long-standing international presence in **14** economies



## ASEAN

- |                           |                |               |              |
|---------------------------|----------------|---------------|--------------|
| • Singapore               | 65 years (1)   | • Laos        | 29 years (2) |
| • Malaysia <sup>/1</sup>  | 63 years (5)   | • Philippines | 27 years (1) |
| • Indonesia <sup>/1</sup> | 54 years (248) | • Myanmar     | 27 years (1) |
| • Vietnam                 | 30 years (2)   | • Cambodia    | 8 years (1)  |

## Other important Economies

- |                  |              |                       |              |
|------------------|--------------|-----------------------|--------------|
| • Hong Kong      | 68 years (2) | • United States       | 57 years (1) |
| • Japan          | 67 years (2) | • China <sup>/1</sup> | 36 years (5) |
| • United Kingdom | 65 years (1) |                       |              |
| • Taiwan         | 57 years (3) |                       |              |

Note: As of December 2022  
/1 Wholly-owned subsidiary  
(x) is number of locations

Source: Bangkok Bank filing

# For further information

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