





Investor Presentation

For 3Q20

CREATING
VALUE

Bangkok Bank

-  **Operating environment**
-  3Q20 Financial performance

This current crisis stems from the global pandemic, not from economic factors

Before the spread of COVID-19

- Balance sheets are in reasonable shape with good businesses



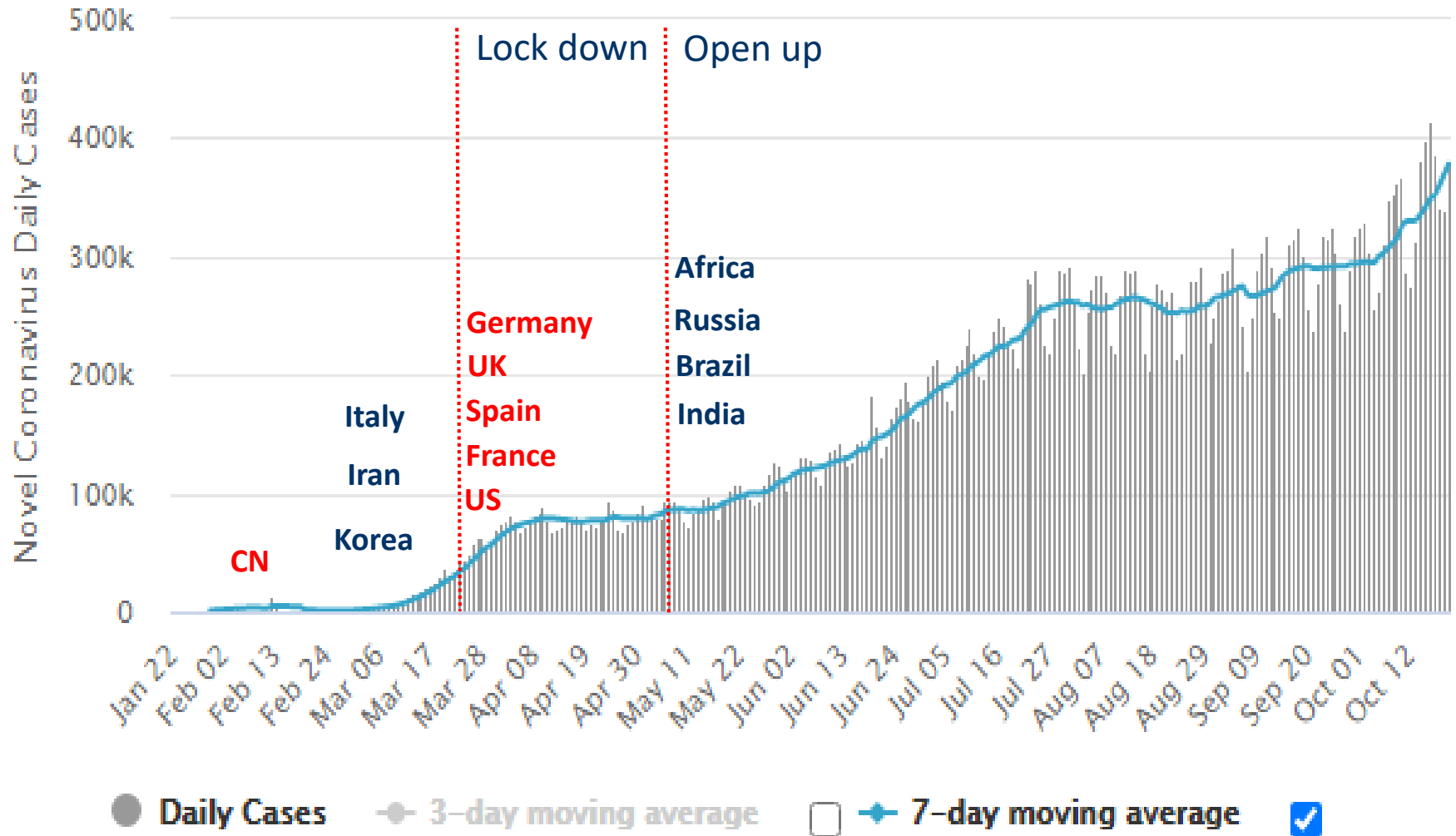
Impacts come from

- Changes in behavior
- Government policy responses
- Total impacts of the crisis will depend on the length of time before the cure becomes available



Path of economic recovery

Covid-19 continues its spread around the world

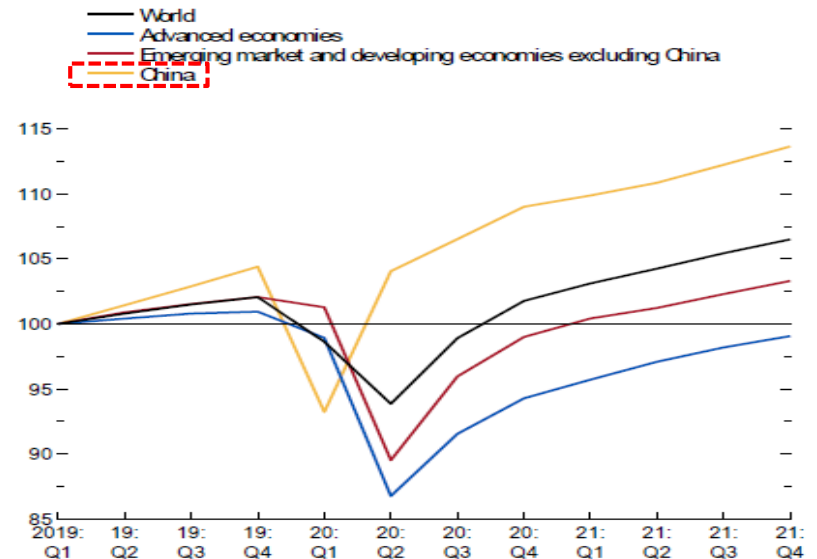
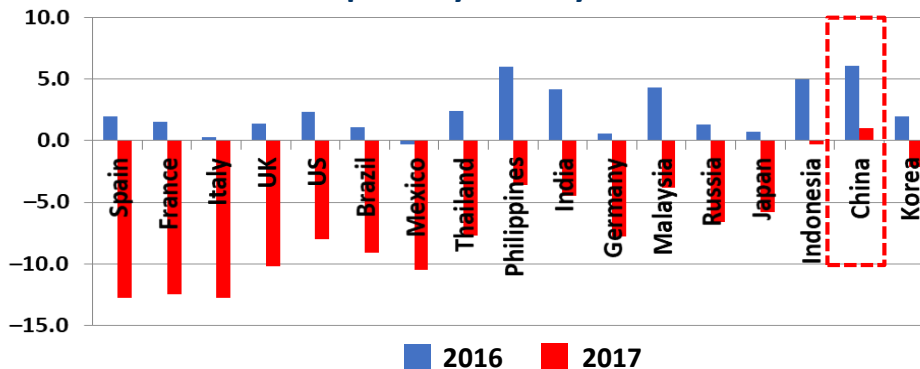


Leading to one of the most severe economic crisis of the past century

Latest World Economic Outlook Growth Projections

(real GDP, annual percent change)	PROJECTIONS		
	2019	2020	2021
World Output	2.8	-4.4	5.2
Advanced Economies	1.7	-5.8	3.9
United States	2.2	-4.3	3.1
Euro Area	1.3	-8.3	5.2
Germany	0.6	-6.0	4.2
France	1.5	-9.8	6.0
Italy	0.3	-10.6	5.2
Spain	2.0	-12.8	7.2
Japan	0.7	-5.3	2.3
United Kingdom	1.5	-9.8	5.9
Canada	1.7	-7.1	5.2
Other Advanced Economies	1.7	-3.8	3.6
Emerging Markets and Developing Economies	3.7	-3.3	6.0
Emerging and Developing Asia	5.5	-1.7	8.0
China	6.1	1.9	8.2
India	4.2	-10.3	8.8
ASEAN-5	4.9	-3.4	6.2

Impacts by country



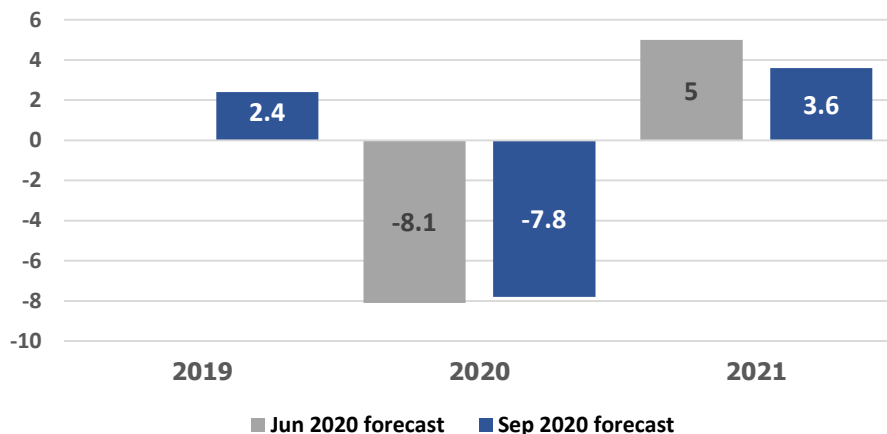
Impacts on the US stock market



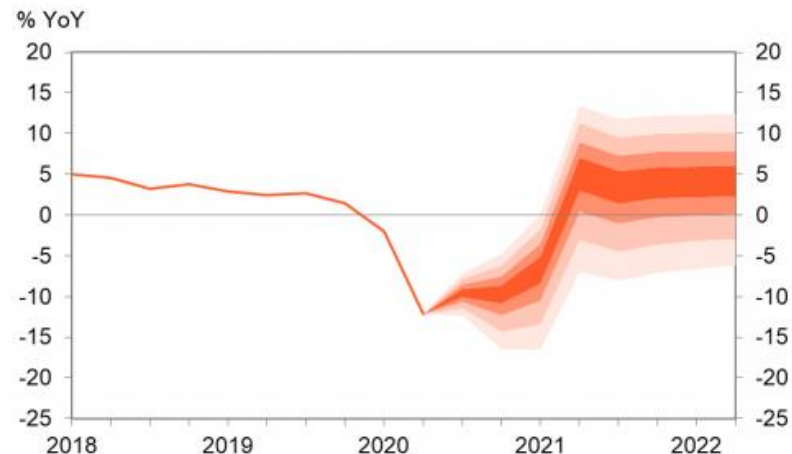
Impacts on the Thai economy : BOT's projection

BOT forecast

GDP growth



GDP (yoy) growth forecast



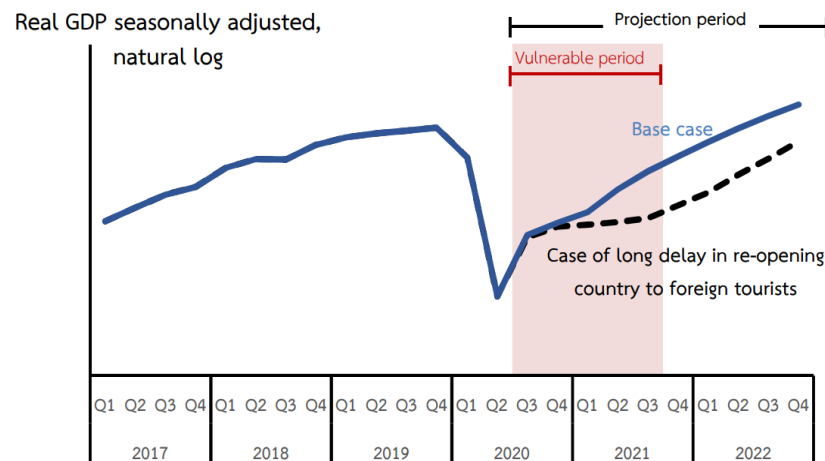
Note: Fan chart covers 90% of the probability distribution

(% YoY)	2019*	2020 ^E		2021 ^E	
		Jun 20	Sep 20	Jun 20	Sep 20
GDP Growth	2.4	-8.1	-7.8	5.0	3.6
- Private Consumption	4.5	-3.6	-3.5	2.5	2.0
- Private Investment	2.8	-13.0	-11.4	5.6	4.2
- Government Consumption	1.4	3.8	3.4	3.1	5.1
- Government Investment	0.2	5.8	8.8	14.1	11.4
- Exports of Goods and Services	-2.6	-22.7	-21.2	8.4	4.3
- Imports of Goods and Services	-4.4	-18.9	-16.6	7.3	4.4
Current Account (Billion USD)	37.0	15.5	14.0	20.2	14.6
- Value of Merchandise Exports	-3.3	-10.3	-8.2	4.5	4.5
- Value of Merchandise Imports	-5.6	-16.2	-13.7	4.1	4.4
Headline Inflation	0.7	-1.7	-0.9	0.9	1.0
Core Inflation	0.5	0.0	0.3	0.1	0.2
Assumptions					
- Number of Tourists (Million)	39.8	8.0	6.7	16.2	9.0
- Dubai Oil Price (USD/Barrel)	63.5	35.1	41.5	37.0	45.8

Note: * Outturn, ^E Estimated

Source: Monetary Policy Report, September 2020

GDP recovery path



The Thai economy has already passed its bottom point in Q2

Export Value

Jul 2020 = 18.5 Bn USD

Aug 2020 = 20.1 Bn USD

Ex. gold = 16.9 Bn USD

Ex. gold = 17.3 Bn USD

%YoY	Share 2019	2019 ^P	2020 ^P							
			2019 ^P	H1	H2	H1	Q1	Q2	Jul	Aug
Agriculture	6.8	-8.4	-3.6	-13.4	-3.1	-10.5	4.2	-15.8	-18.5	-0.4
Fishery	0.8	-6.5	-12.0	-1.2	-9.9	-6.7	-12.7	-19.5	-23.8	1.1
Manufacturing	87.8	-3.9	-3.5	-4.2	-11.6	-3.0	-20.6	-13.2	-12.7	1.5
Agro-manufacturing	12.8	0.2	-2.2	2.7	0.5	3.3	-2.2	-2.0	-3.2	5.6
Electronics	14.1	-6.7	-10.4	-3.0	-0.8	5.3	-6.6	-2.5	-3.0	1.0
Electrical Appliances	5.5	1.0	-1.4	3.9	-6.4	5.9	-18.8	2.2	8.7	3.3
Automotive	15.1	-3.1	-3.2	-3.1	-27.0	-7.2	-48.1	-26.3	-22.4	0.2
Machinery & Equipment	8.4	-6.2	-4.8	-7.5	-15.9	-8.9	-23.4	-15.1	-15.6	8.4
Petroleum Related	11.4	-15.1	-10.5	-19.4	-17.8	-9.9	-25.7	-22.5	-14.6	2.8
Total (BOP Basis)	100.0	-3.3	-4.0	-2.7	-8.2	1.4	-17.8	-11.9	-8.2	8.4
Ex. Gold		-5.0	-4.9	-5.0	-12.3	-3.2	-21.4	-14.3	-13.6	2.4
Ex. Gold & Petroleum Related		-3.4	-4.0	-2.7	-11.5	-2.3	-20.8	-13.1	-13.5	2.4

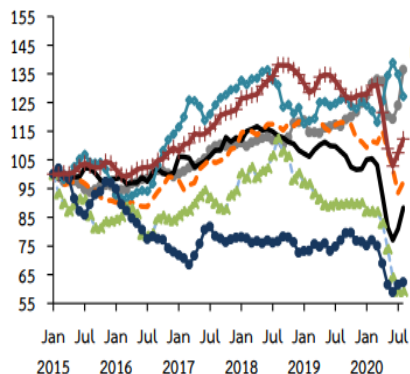
%MoM calculated from seasonally adjusted data. P = Preliminary data.

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.

Source: Compiled from Customs Department's data

Thai Export to Major Destinations

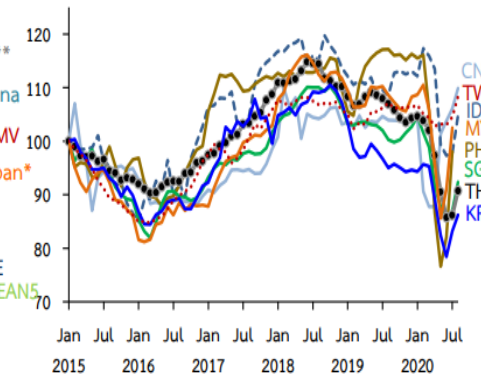
Index sa, 3mma
(Jan 2015=100) Ex.gold



* ex. aircraft, other vehicles and other manufacturing goods
** ex other manufacturing products

Asian Export Performance

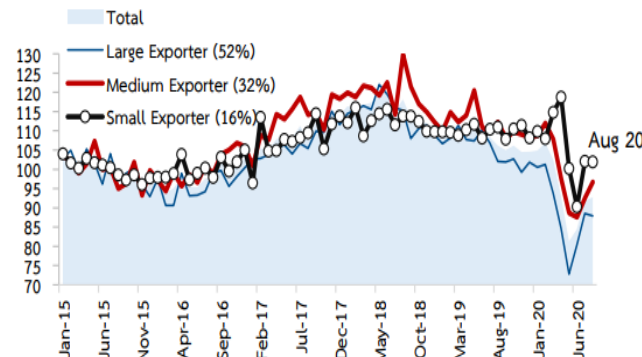
Index sa, 3mma
(Jan 2015=100)



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

Index sa (2015=100) Ex.gold

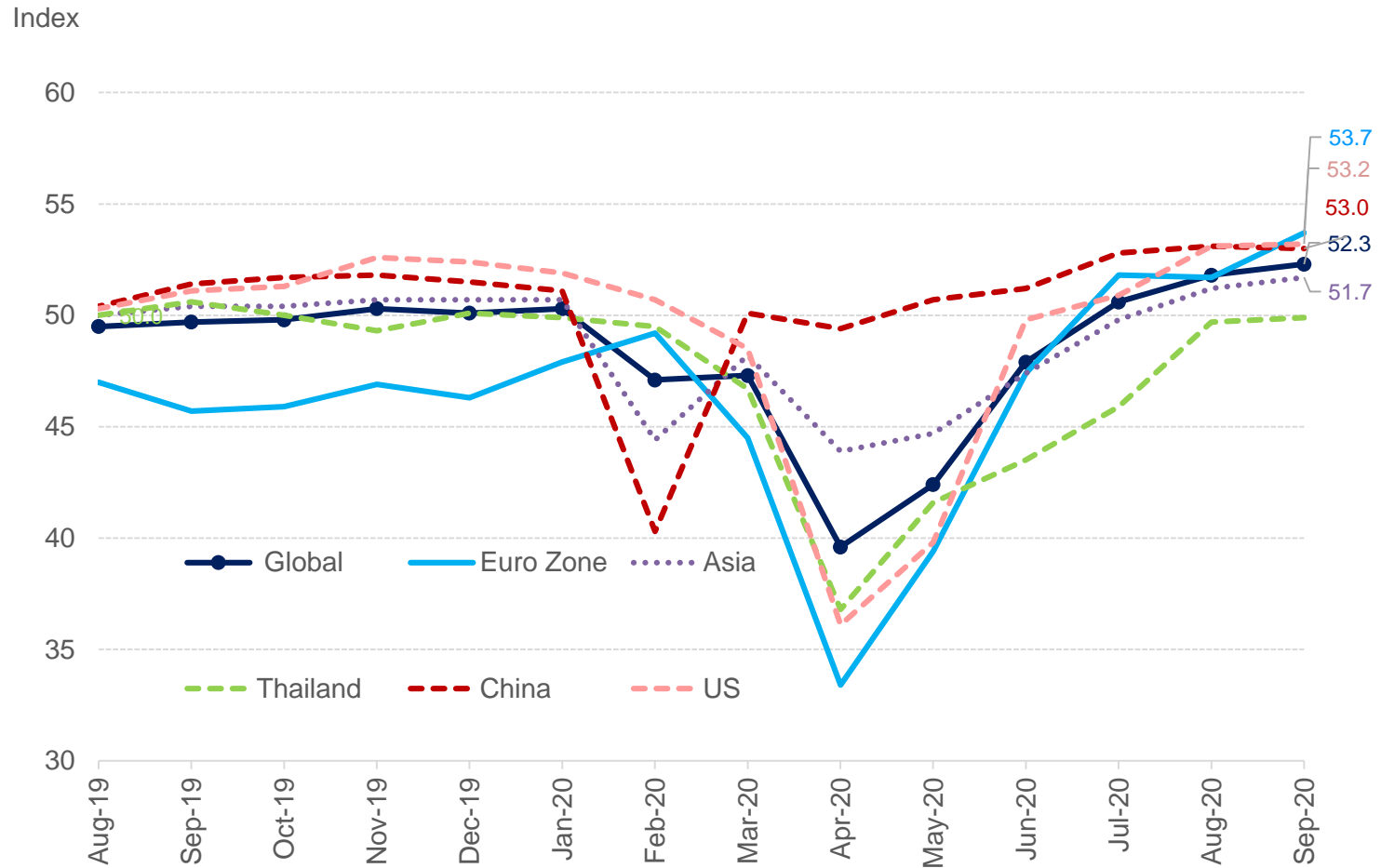
Export by Firm Size



- () represents export share in 2018
- Firm size is classified by their export share in 2013-2018;
Large Exporter (> 0.1%), Medium (0.01% - 0.1%), Small (< 0.01%)
- Data include only firms that registered to the Department of Business Development.

The Thai economy has already passed its bottom point in Q2

Manufacturing PMI

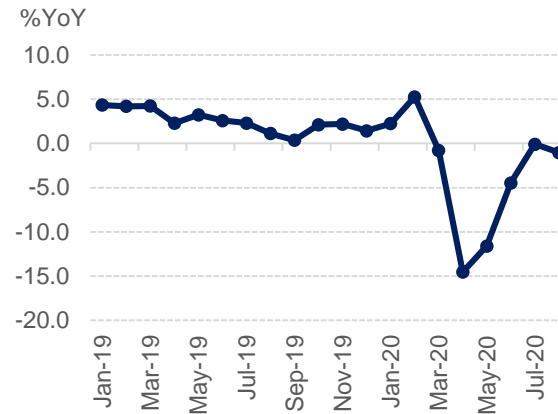


The Thai economy has already passed its bottom point in Q2

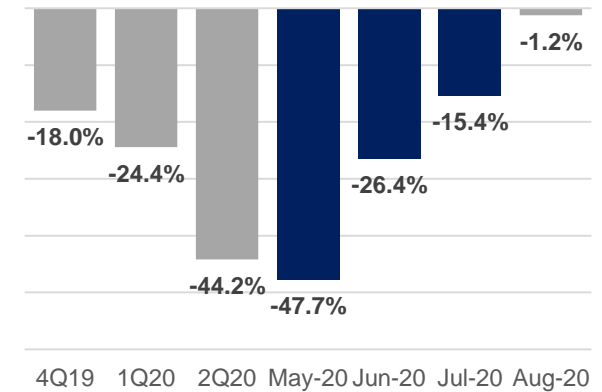
Tourism



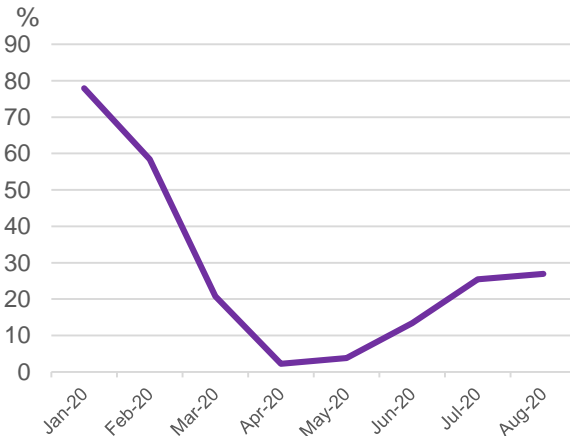
Private consumption Index (PCI)



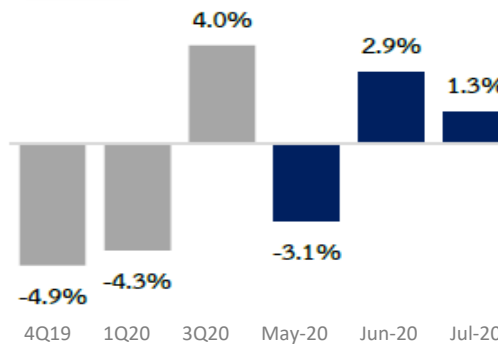
Commercial car sales



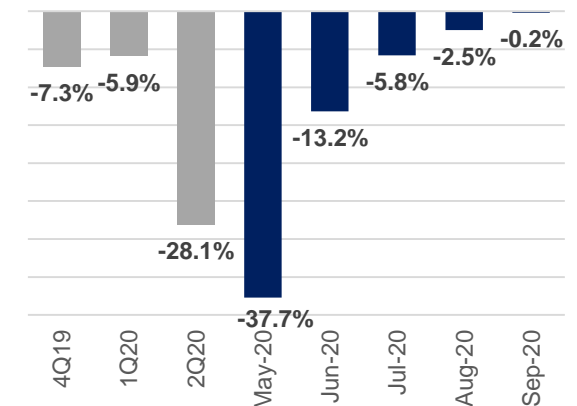
Occupancy rate



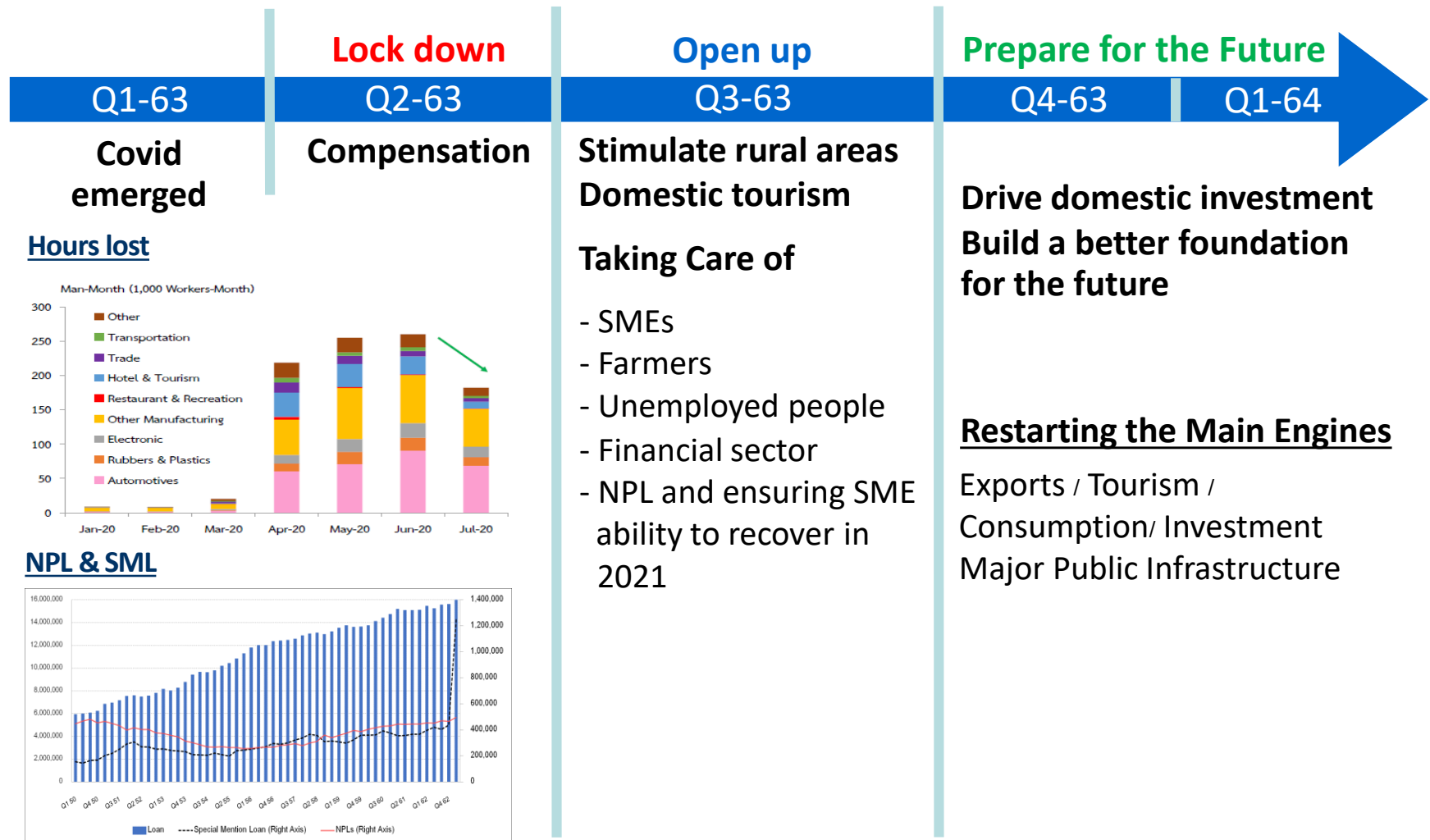
Domestic cement sales



Motorcycle sales



Responses of the Thai Government



Bangkok Bank

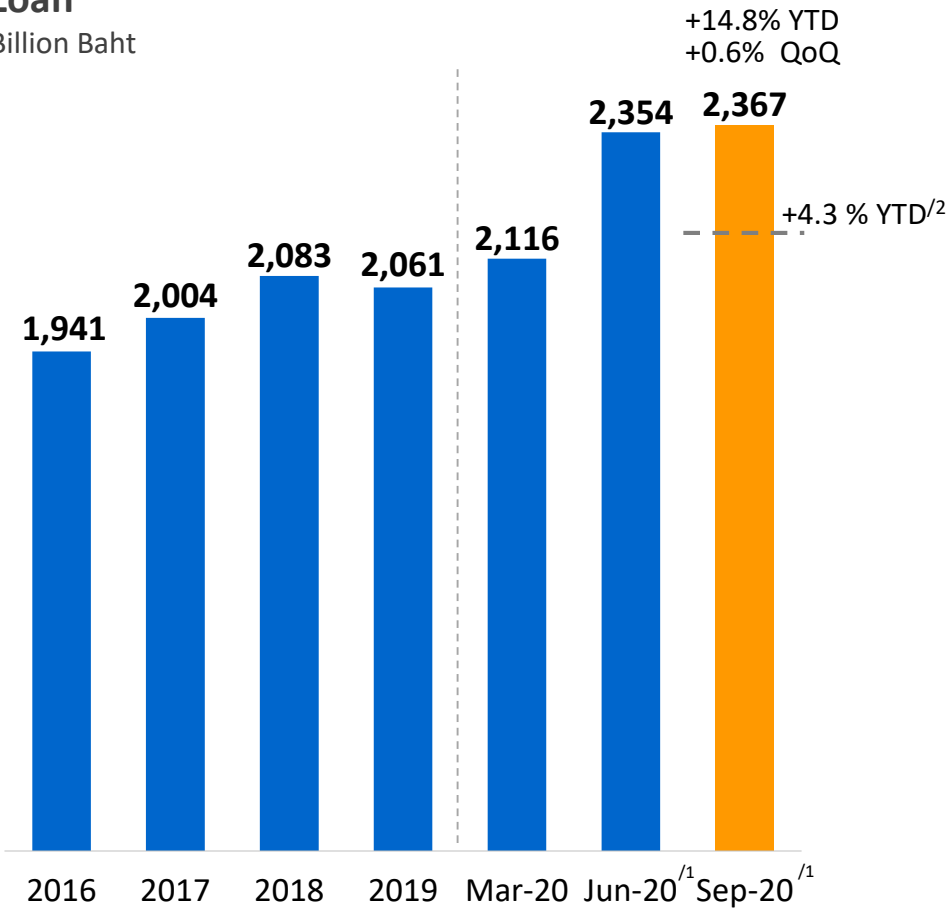
-  Operating environment
-  **3Q20 Financial performance**

FINANCIAL POSITION

Prudent approach to loan growth with diversified portfolio

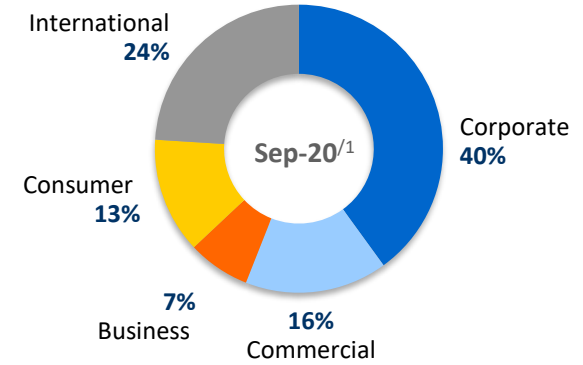
Loan

Billion Baht



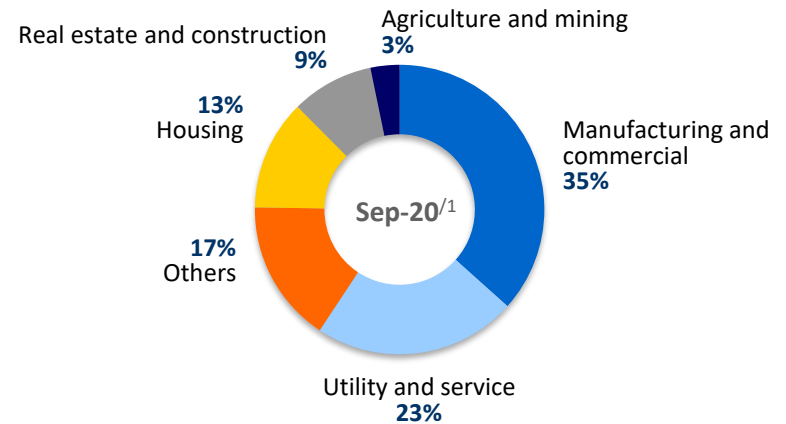
Loan by business unit

% of composition



Loan by industry

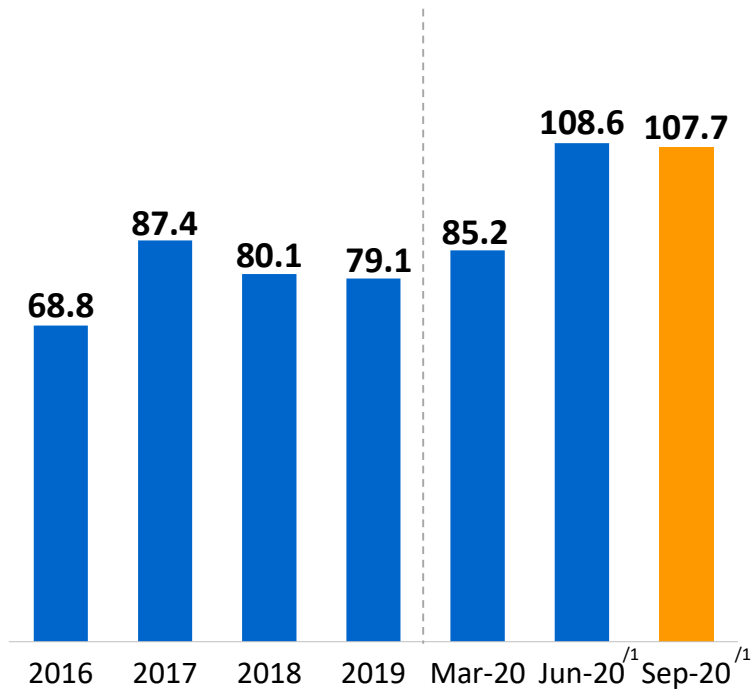
% of composition



Manageable asset quality amid global economic contraction

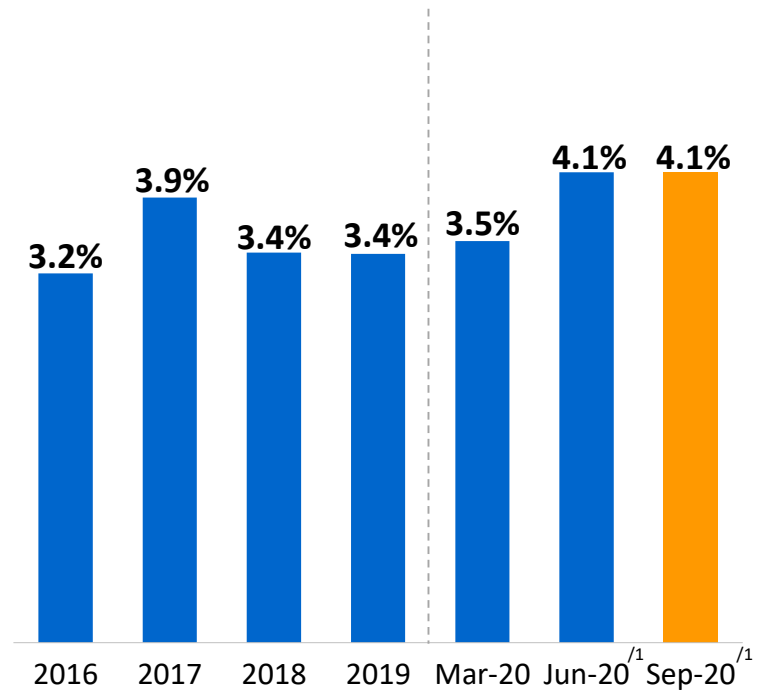
NPL amount

Billion Baht



NPL ratio

%

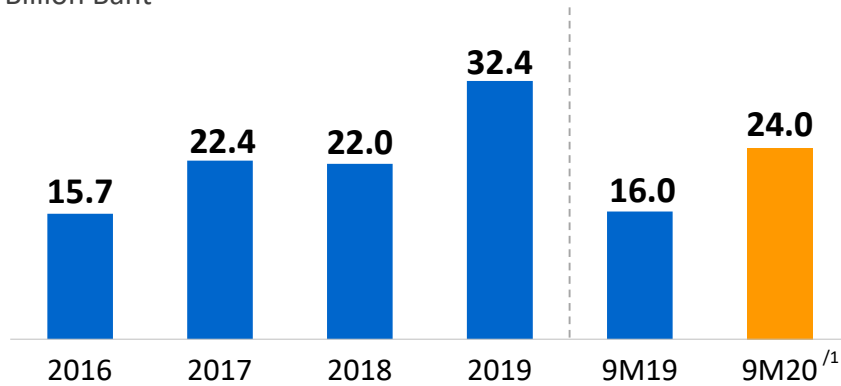


FINANCIAL POSITION

Strengthen financial loss absorption to provide cushion against uncertainty from the economic contraction

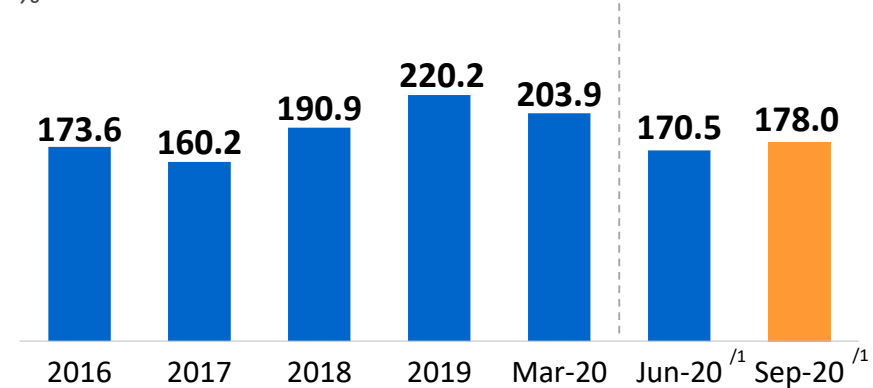
Expected credit loss (Provision)

Billion Baht



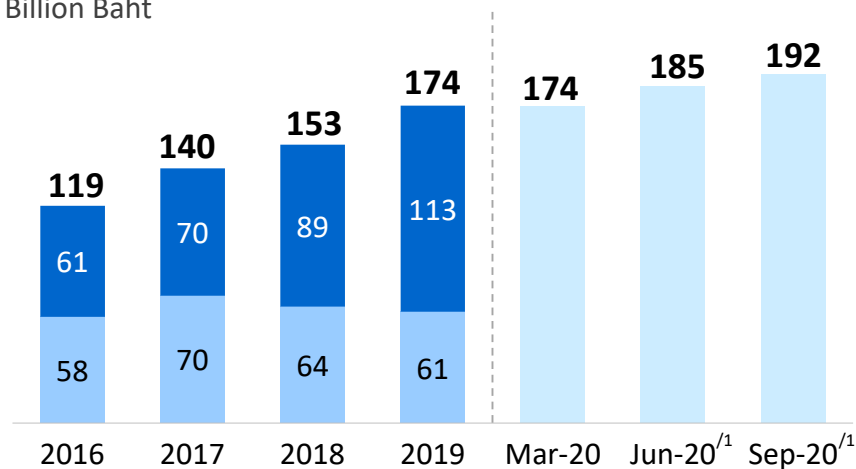
Coverage ratio

%



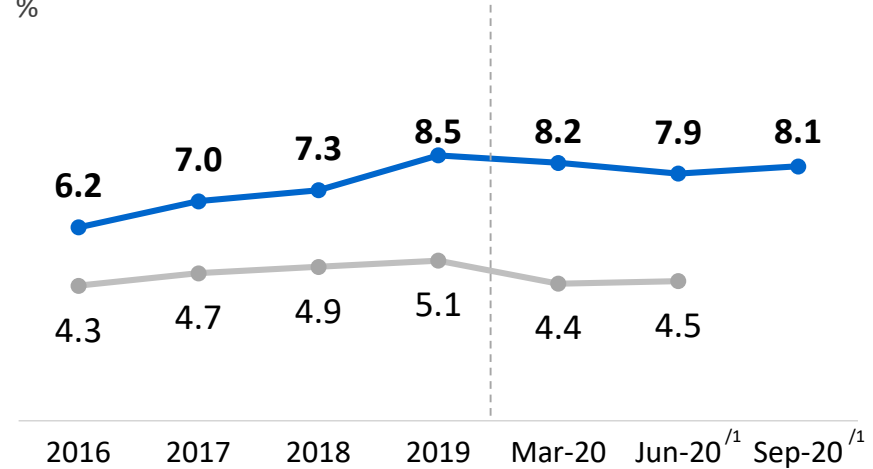
Loan loss reserve (LLR)

Billion Baht



LLR / Loan

%



■ BBL's excess reserve over BOT requirement

■ BBL's required reserve by BOT

14

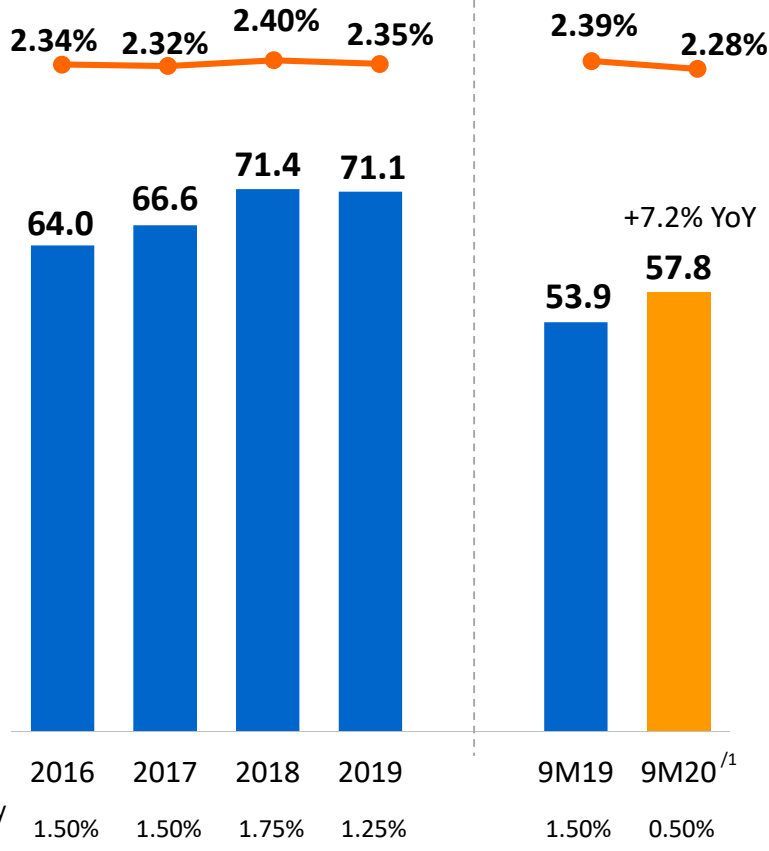
Note: /1 Include Permata's financial position / performance (21 May – 30 Sep 2020)

/2 System refers to all commercial banks in Thailand

Growth in net interest income and lower fees income affected by TFRS 9

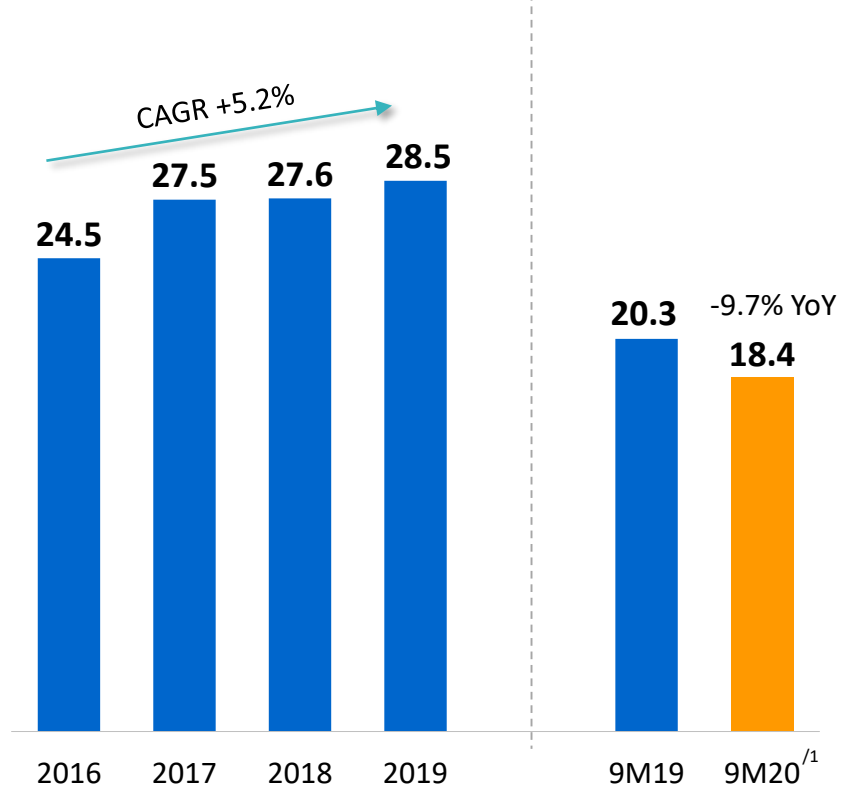
Net interest income, NIM

Billion Baht, %



Net fees and service income

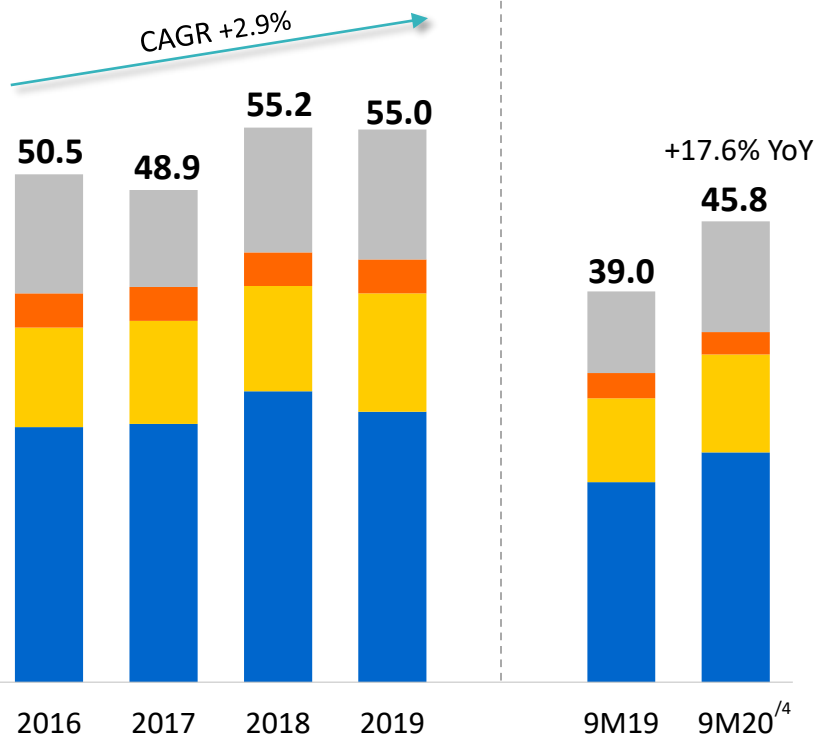
Billion Baht



Cost to income ratio within manageable range

Operating expenses

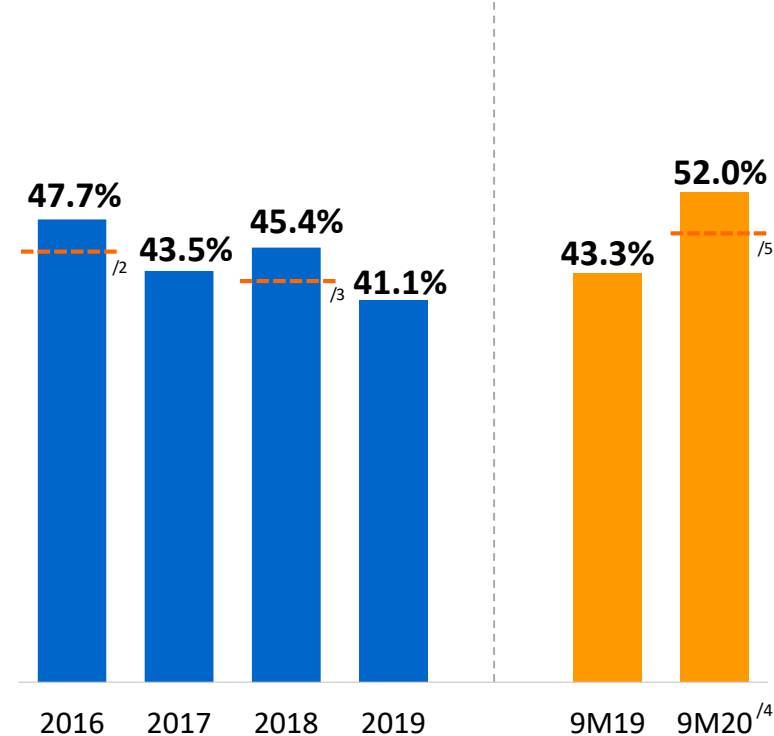
Billion Baht



- Others
- Taxes and duties
- Premises and equipment expenses
- Personnel expenses^{/1}

Cost to income ratio

%

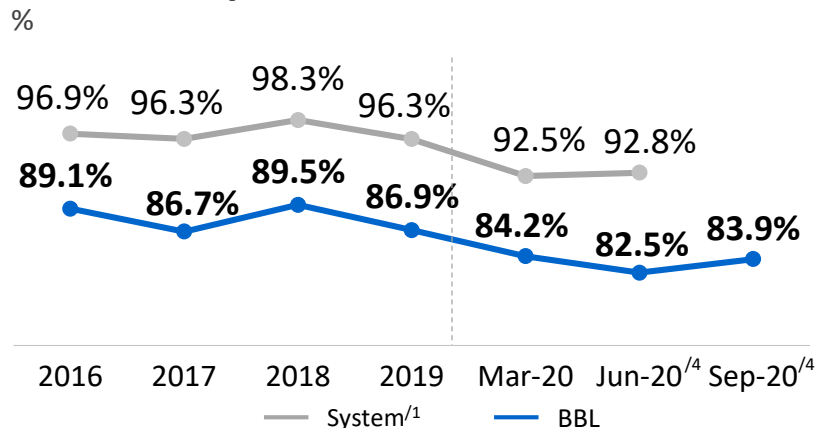


Note: ^{/1} Including directors' remuneration
^{/2} If excluding one-time provision for contingency, cost-to-income ratio will be 43.4%
^{/3} If excluding the recognition of provision for post-employment benefits for the compensation in lieu of notice in the case of retirement of employees according to the new Labor Protection Act (7) B.E. 2562 (2019), cost-to-income ratio was 44.9%
^{/4} Include Permata's financial performance (21 May – 30 Sep 2020)
^{/5} Mainly from provision expenses related to Indonesia branches integration. If excluding, cost to income ratio was 47.2%.

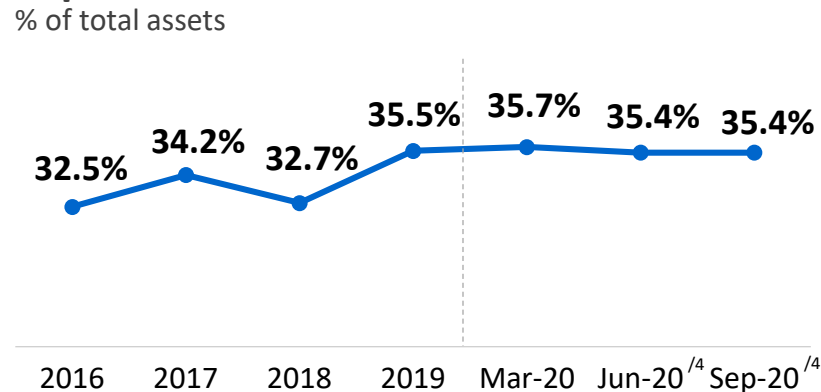
FINANCIAL POSITION

Healthy liquidity position

Loan-to-deposit ratio

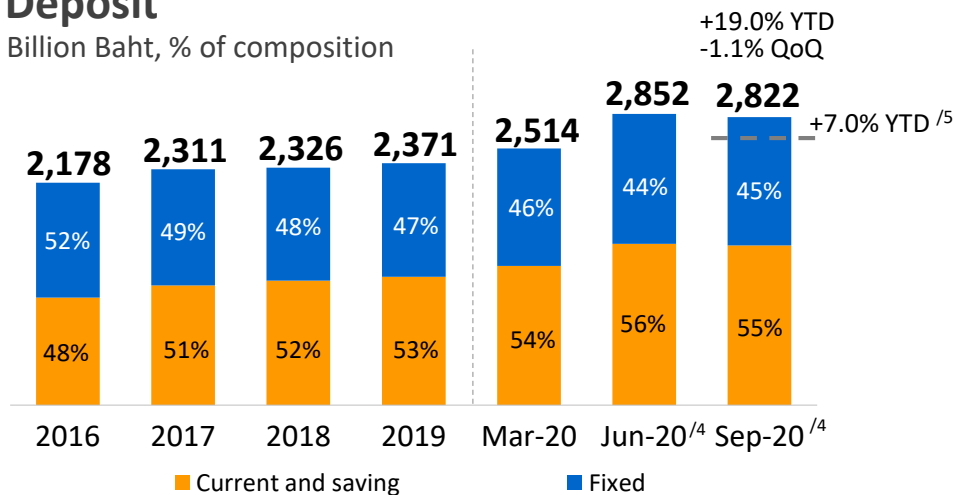


Liquid assets^{/2}

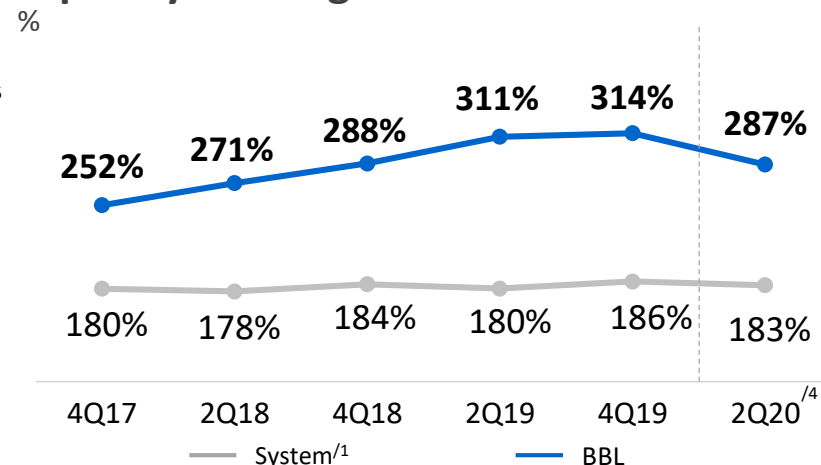


Deposit

Billion Baht, % of composition



Liquidity coverage ratio^{/3}



Notes: /1 System refers to all commercial banks in Thailand

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

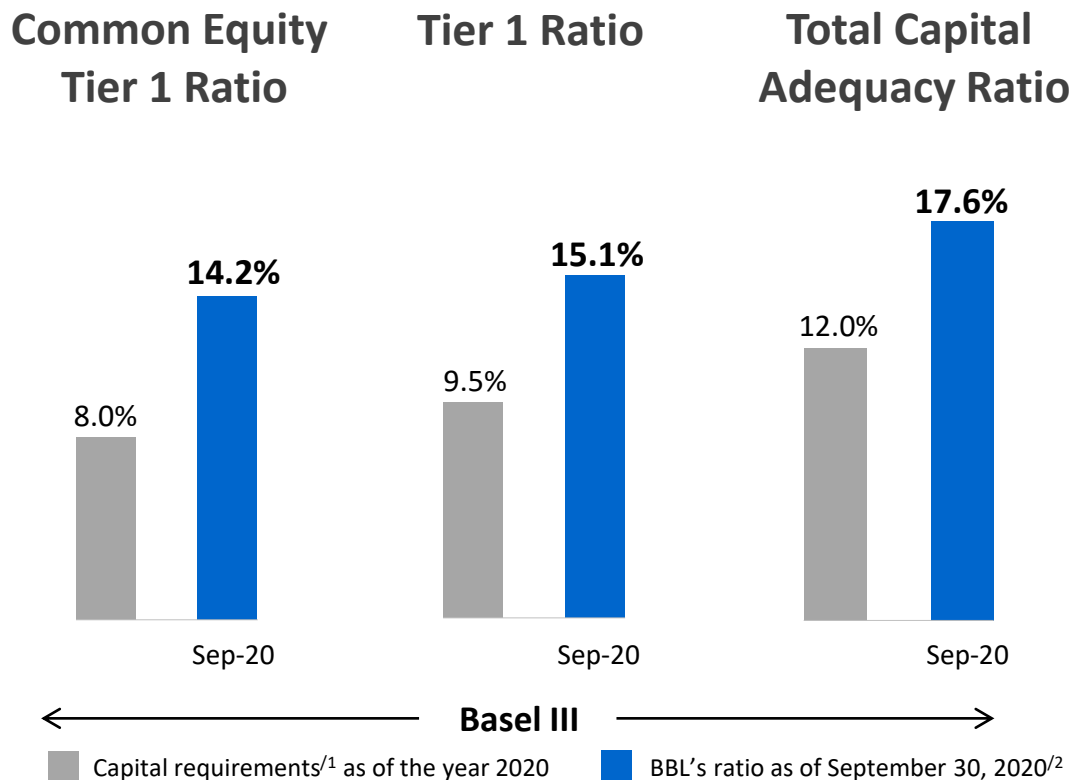
/3 For BBL, LCR is computed as an average ratio of month-end LCR in the quarter. For System, LCR is as of month.

/4 Include Permata's financial position

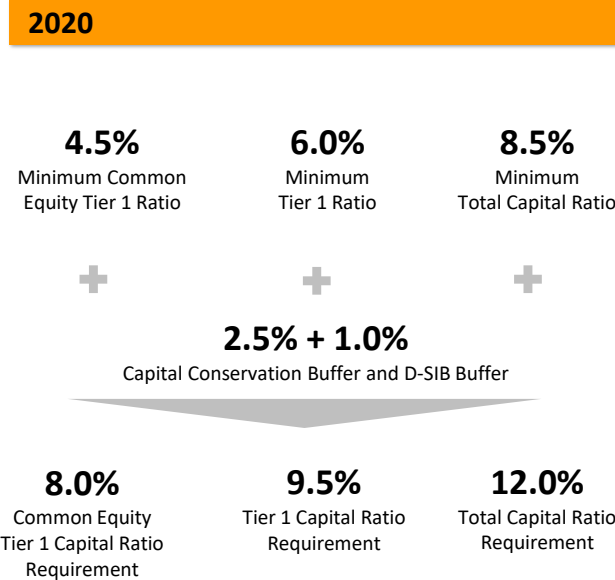
/5 Exclude Permata's financial position

Source: Bank of Thailand, Bangkok Bank analysis

Solid capital position above minimum requirements



Regulatory capital ratio requirements



Note: /1 The Bank of Thailand's capital requirements include additional 2.5% capital conservation buffer and 1.0% D-SIBs buffer (capital for Higher Loss Absorbency)
 /2 Based on Basel III standards issued by BOT since January 1, 2013

2020 Financial target

Consolidated	2020 Financial target
Loan growth	4-6%*
NPL ratio (gross)	4.0-4.5%
Net interest margin	±2.20%
Net fee income growth	approximately -15%
Cost to income ratio	High 40%
Expected credit loss	±28,000 million Baht

Note: *Loan growth target excludes Permata's loan

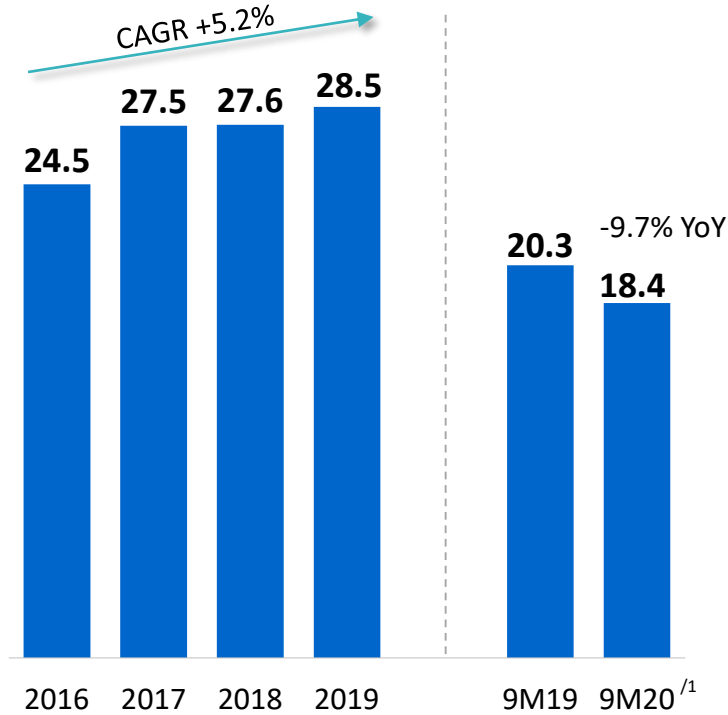
Disclaimer: The above financial targets are based on the Bank's preliminary estimates that may change due to the operating environments and other unforeseen circumstances.

Appendix

Fees and service income

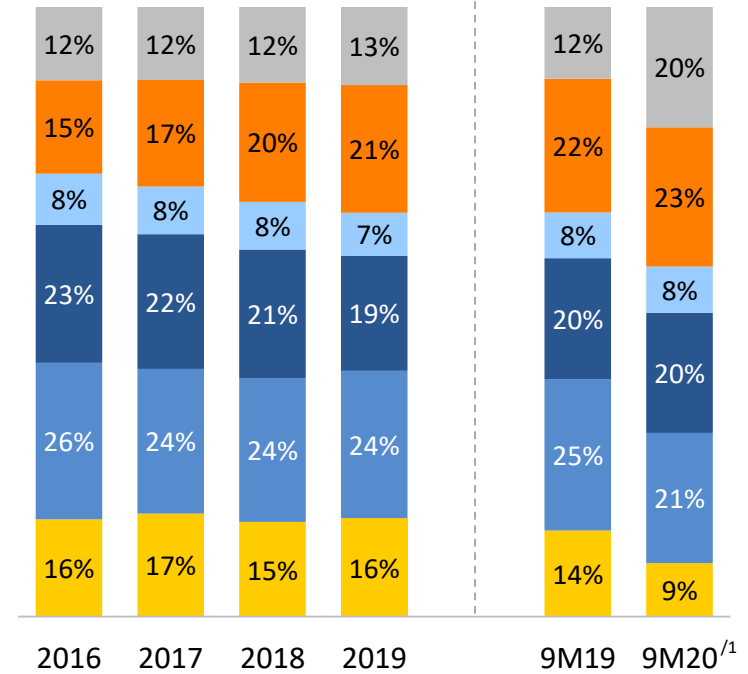
Net fees and service income

Billion Baht



Fees and service income

% of composition



- Other fees and commissions including Permata fee
- Bancassurance and mutual fund
- Global market service
- Transaction service
- Credit card business
- Loan related fee

Financial position

	Million Baht						
	Dec-16	Dec-17	Dec-18	Dec-19	Sep-20	Growth (%)	
						QoQ	YTD
Loan	1,941,093	2,003,989	2,083,160	2,061,309	2,367,296	0.6%	14.8%
Deposit	2,178,141	2,310,743	2,326,470	2,370,792	2,821,883	-1.1%	19.0%
LDR	89.1%	86.7%	89.5%	86.9%	83.9%	1.4%	-3.0%
NPL ^{/1}	68,841	87,419	80,137	79,149	107,743	-0.8%	36.1%
NPL ratio ^{/1}	3.2%	3.9%	3.4%	3.4%	4.1%	0.0%	0.7%
Allowance for ECL to NPL ^{/1}	174%	160%	191%	220%	178%	7.5%	-42.2%
Allowance for ECL to loan	6.2%	7.0%	7.3%	8.5%	8.1%	0.2%	-0.4%
Liquid assets ^{/2} to total assets	32.5%	34.2%	32.7%	35.5%	35.4%	0.0%	-0.1%
CASA	48.4%	50.7%	52.4%	53.1%	55.5%	-0.2%	2.4%
CET1 ^{/3}	16.4%	16.6%	16.4%	17.0%	14.2%	0.2%	-2.8%
Tier 1 ratio ^{/3}	16.4%	16.6%	16.4%	17.0%	15.1%	1.1%	-1.9%
CAR ^{/3}	18.3%	18.2%	18.0%	20.0%	17.6%	1.0%	-2.4%

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 – 3Q20

Million Baht

	3Q19	2Q20	3Q20	Growth (%)	
				QoQ	YoY
Net interest income	17,944	18,110	19,852	9.6%	10.6%
Net fees income	6,864	5,621	6,380	13.5%	-7.1%
Other operating income	5,432	8,554	3,189	-62.7%	-41.3%
Total income	30,239	32,285	29,421	-8.9%	-2.7%
Operating expense	12,679	15,026	19,427	29.3%	53.2%
Expected credit loss ^{/1}	5,381	13,238	5,668	-57.2%	5.3%
Net profit ^{/2}	9,438	3,095	4,017	29.8%	-57.4%
EPS ^{/2} (Baht per share)	4.94	1.62	2.10	0.48	-2.84
NIM	2.35%	2.13%	2.18%	0.05%	-0.17%
Net fee income ratio	22.7%	17.4%	21.7%	4.3%	-1.0%
Cost to income ratio	41.9%	46.5%	66.0%	19.5%	24.1%
ROA ^{/2}	1.17%	0.35%	0.42%	0.07%	-0.75%
ROE ^{/2}	8.78%	2.92%	3.64%	0.72%	-5.14%

Note:

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

/2 Attributable to owners of the Bank

Financial performance – 9M20

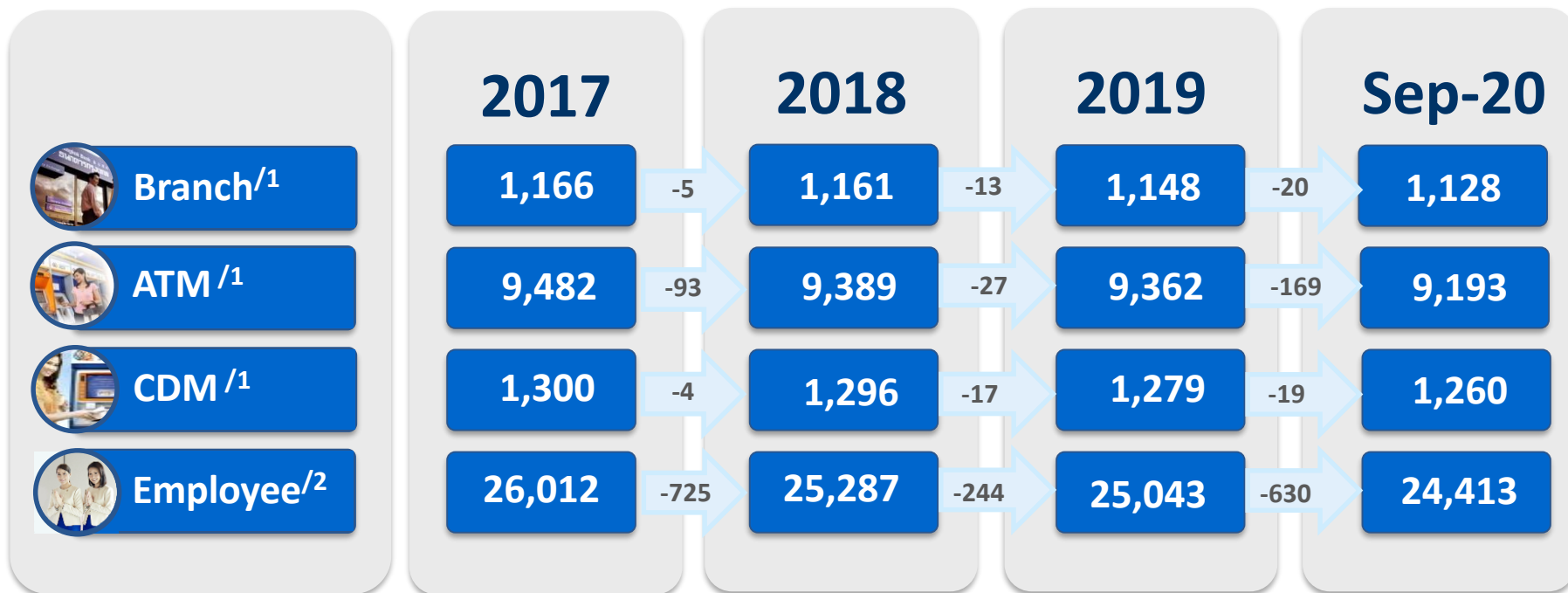
	Million Baht			
	9M18	9M19	9M20	Growth (%) YoY
Net interest income	52,953	53,878	57,782	7.2%
Net fees income	20,520	20,319	18,355	-9.7%
Other operating income	18,865	15,826	11,964	-24.4%
Total income	92,339	90,023	88,100	-2.1%
Operating expense	38,832	38,975	45,830	17.6%
Provisioning expense	19,200	16,009	23,993	49.9%
Net profit ^{/1}	27,229	27,814	14,783	-46.9%
EPS ^{/1} (Baht per share)	14.26	14.57	7.74	-6.83
NIM	2.38%	2.39%	2.28%	-0.11%
Net fee income ratio	22.2%	22.6%	20.8%	-1.8%
Cost to income ratio	42.1%	43.3%	52.0%	8.7%
ROA ^{/1}	1.16%	1.18%	0.56%	-0.62%
ROE ^{/1}	9.04%	8.79%	4.59%	-4.20%

Financial performance – year

Million Baht

	2016	2017	2018	2019	Growth (%) YoY
Net interest income	63,998	66,625	71,376	71,071	-0.4%
Net fees income	24,492	27,526	27,590	28,504	3.3%
Other operating income	17,368	18,317	22,435	34,171	52.3%
Total income	105,858	112,468	121,400	133,746	10.2%
Operating expense	50,505	48,948	55,165	54,963	-0.4%
Provisioning expense	15,728	22,370	21,965	32,351	47.3%
Net profit/ ¹	31,815	33,009	35,330	35,816	1.4%
EPS/ ¹ (Baht per share)	16.67	17.29	18.51	18.76	1.4%
NIM	2.34%	2.32%	2.40%	2.35%	-0.05%
Net fee income ratio	23.1%	24.5%	22.7%	21.3%	-1.4%
Cost to income ratio	47.7%	43.5%	45.4%	41.1%	-4.3%
ROA/ ¹	1.09%	1.09%	1.13%	1.13%	0.00%
ROE/ ¹	8.59%	8.49%	8.73%	8.45%	-0.28%

Network



Note: Consolidated

/1 Domestic operation

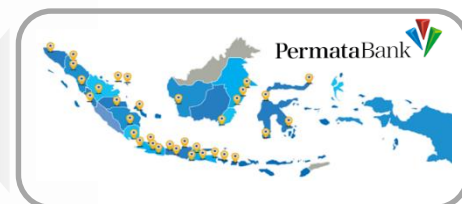
/2 Exclude Permata's employee

Long-standing international presence

in **14** economies



more than **300** branches
in Indonesia



ASEAN

- Singapore 63 years (1)
- Malaysia^{/1} 61 years (5)
- Indonesia^{/1} 52 years (3+300)
- Vietnam 28 years (2)
- Laos 27 years (2)
- Philippines 25 years (1)
- Myanmar 25 years (1)
- Cambodia 6 years (1)

Other important Economies

- Hong Kong 66 years (2)
- Japan 65 years (2)
- United Kingdom 63 years (1)
- Taiwan 55 years (3)
- United States 55 years (1)
- China^{/1} 34 years (6)

Note: As at October 2020
/1 Wholly-owned subsidiary
(x) is number of locations

Source: Bangkok Bank filing

For further information

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