

# Investor Presentation

## For 2Q24



# Bangkok Bank

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## Key highlights



## Operating environment



## 2Q24 Financial performance

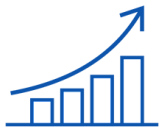


## 2024 Financial target

# 1H24 Key highlights

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

## Continue delivering quality growth



**+4.2% YoY**

### Higher net profit

following loan growth  
and interest rate trend

**+1.8% YTD**

### Strong loan growth

across domestic and international

**3.2%**

### NPL ratio

within manageable level

## Driven by diversified mechanism



**3.05%**

### Moderated net interest margin

improve from 2.88% in 1H23

**+0.6% YoY**

### Net fees and service income

bancassurance and mutual fund services  
performing well

**45.6%**

### Improved cost to income ratio

improve from 47.1% in 1H23

## Resilient balance sheet strength



**15.3%**

### Common equity tier 1

vs. 14.9% in 1H23

**85.4%**

### Loan to deposit ratio

stable and healthy liquidity position





**282.5%**

### Coverage ratio

well-secured reserves

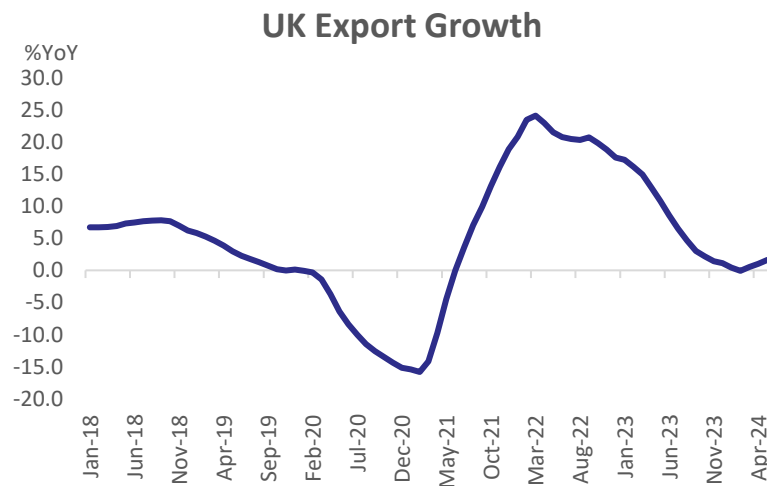
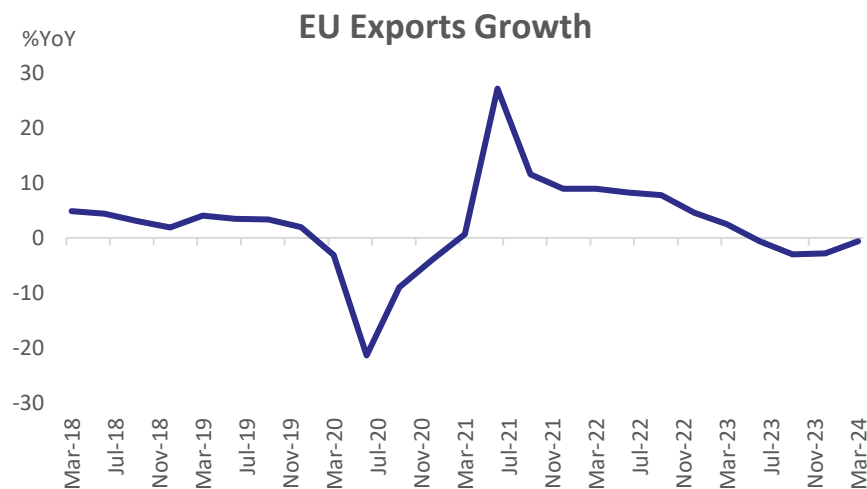
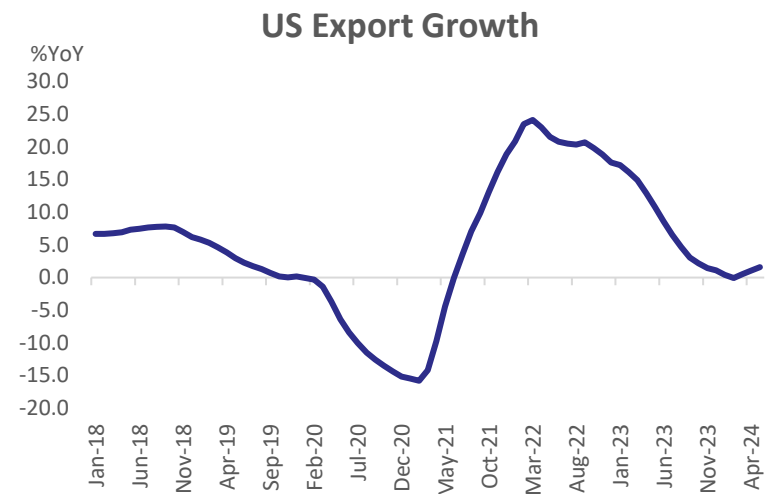
# Bangkok Bank

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-  Key highlights
-  **Operating environment**
-  2Q24 Financial performance
-  2024 Financial target

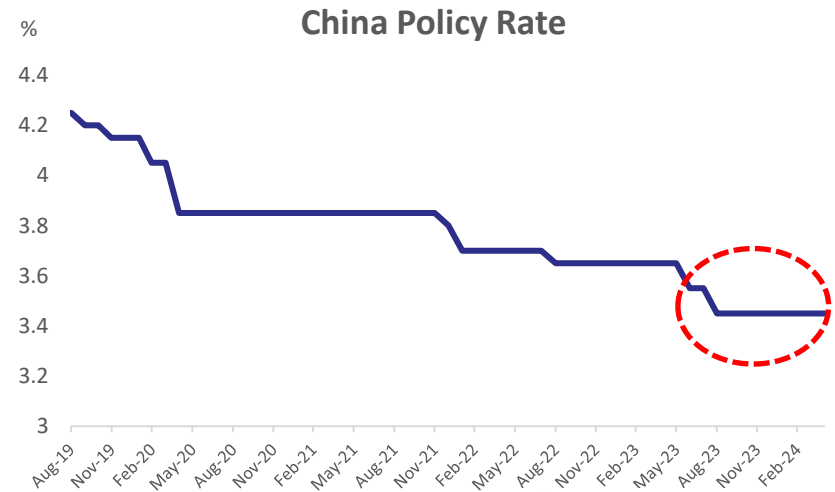
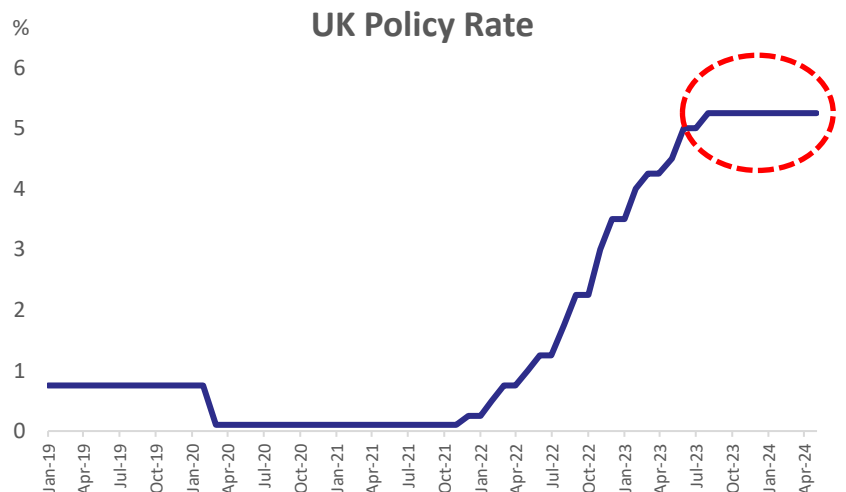
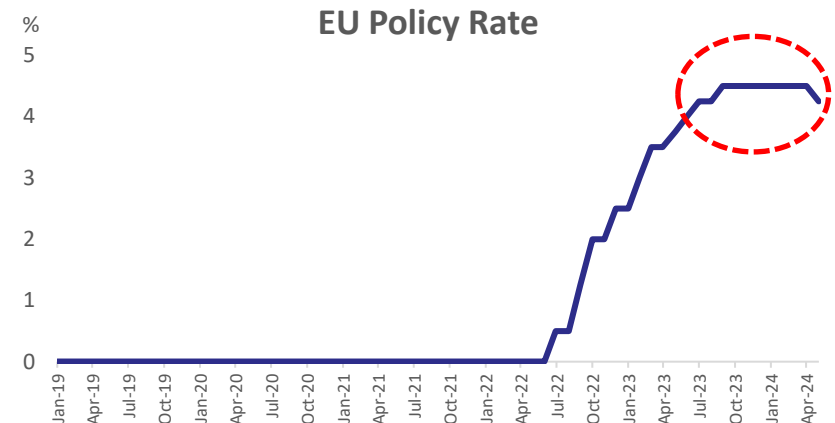
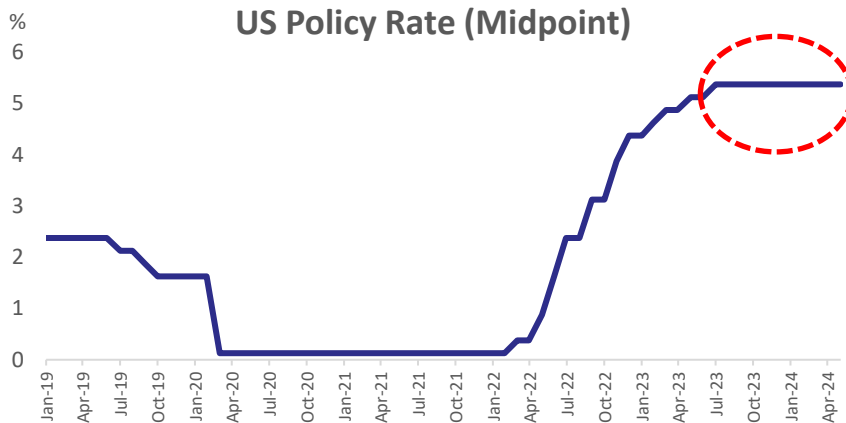
# Exports in many economies have started showing signs of recovery after periods of slowdown

## Exports



# Meanwhile, several central banks in major economies have started cutting rates as inflationary pressures eased

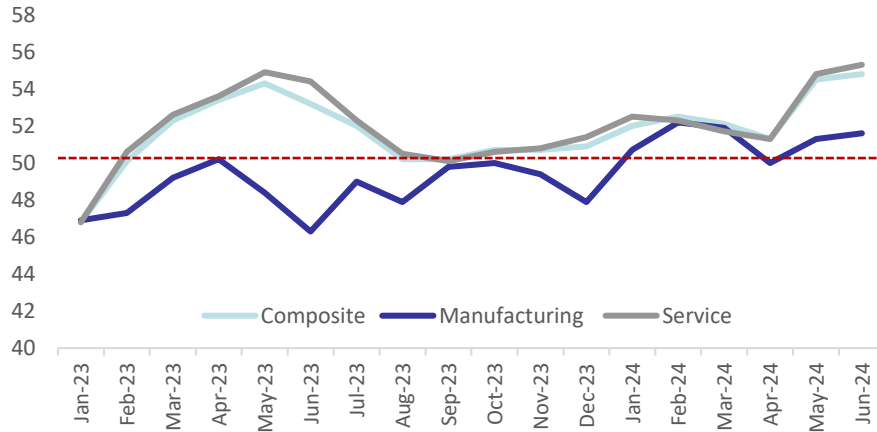
## Policy rate



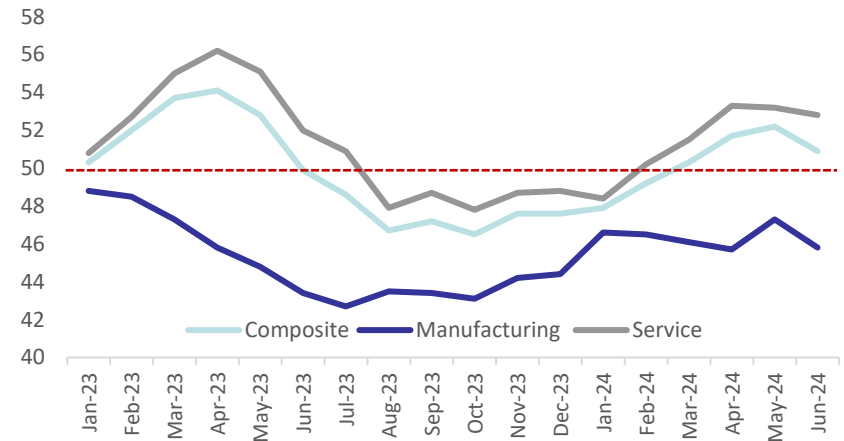
# Also, PMI figures suggest that manufacturing activities have started to recover in most major countries

## PMI

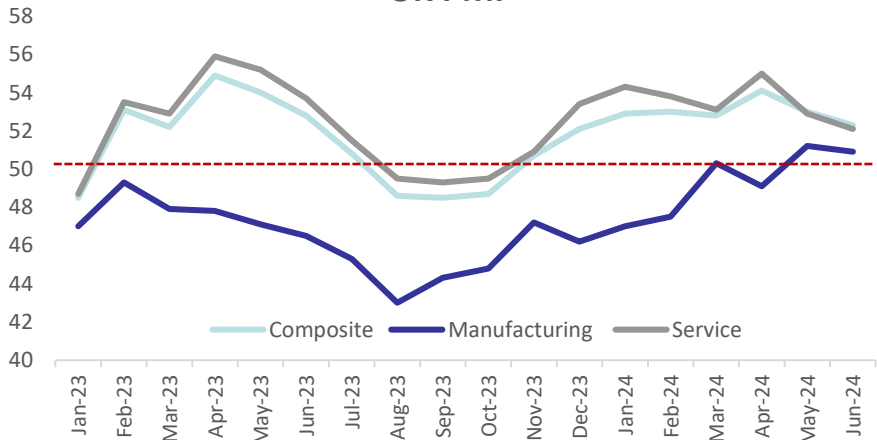
### US PMI



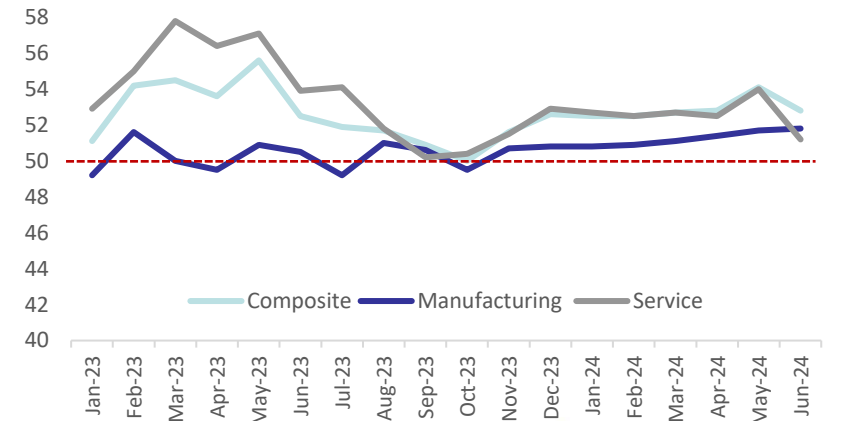
### EU PMI



### UK PMI



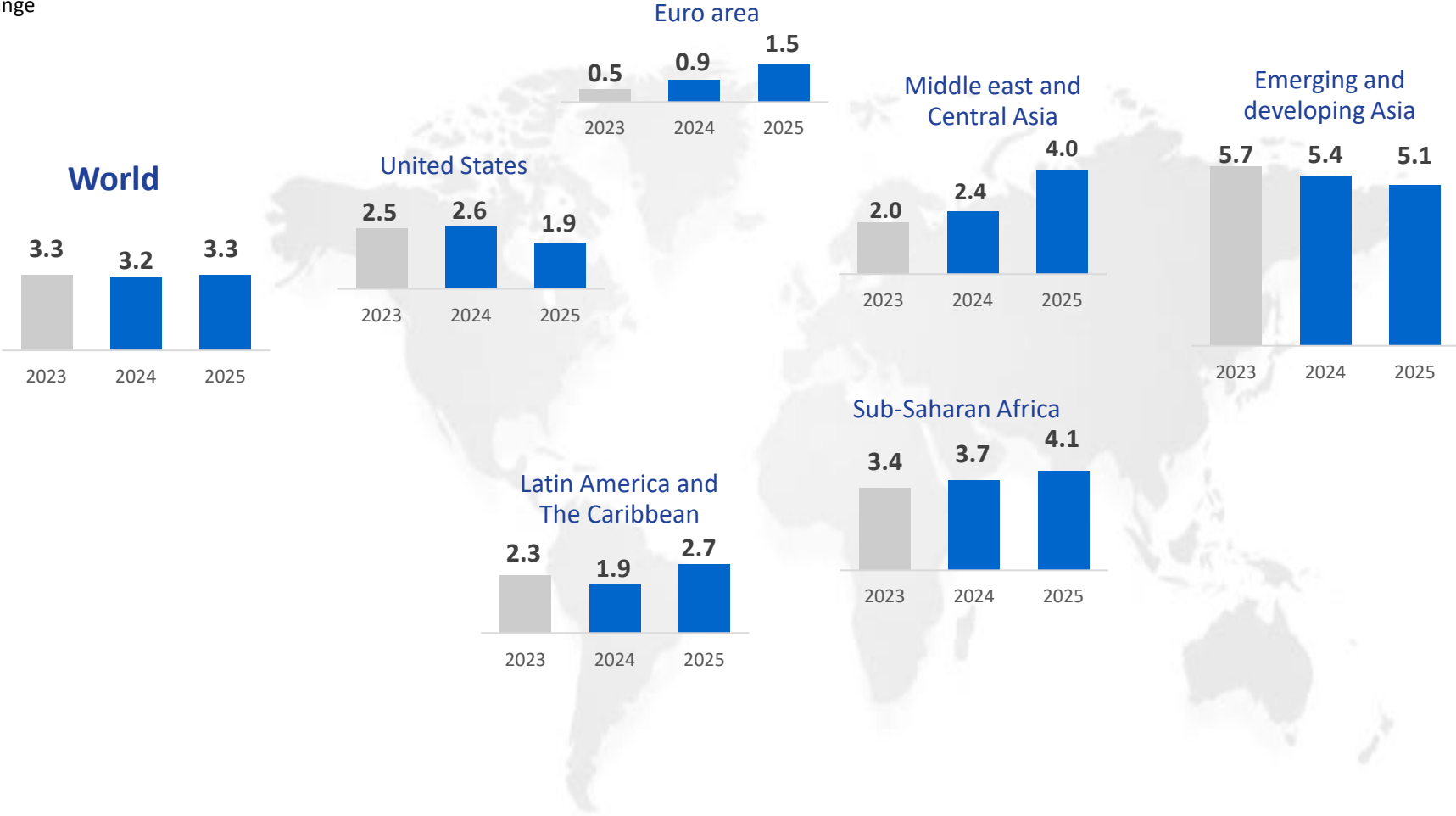
### China PMI



# Consequently, IMF predicts global economic activities will gradually recover into 2025

## Growth projections by region, real GDP growth

% change





# IMF forecasts for key Asian economies

## World Economic Outlook (ASIA), July 2024 update

ASIA	Estimate	Projections	
(Economies Real GDP Growth percent change)	2023	2024	2025
<b>China</b>	<b>5.2</b>	<b>5.0</b>	<b>4.5</b>
<b>India *</b>	<b>8.2</b>	<b>7.0</b>	<b>6.5</b>
<b>Japan</b>	<b>1.9</b>	<b>0.7</b>	<b>1.0</b>
<b>Korea</b>	<b>1.4</b>	<b>2.3</b>	<b>2.3</b>
<b>ASEAN-5**</b>	<b>4.1</b>	<b>4.5</b>	<b>4.6</b>
<b>Indonesia</b>	<b>5.0</b>	<b>5.0</b>	<b>5.1</b>
<b>Malaysia</b>	<b>3.6</b>	<b>4.4</b>	<b>4.4</b>
<b>Philippines</b>	<b>5.5</b>	<b>6.0</b>	<b>6.2</b>
<b>Thailand</b>	<b>1.9</b>	<b>2.9</b>	<b>3.1</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.

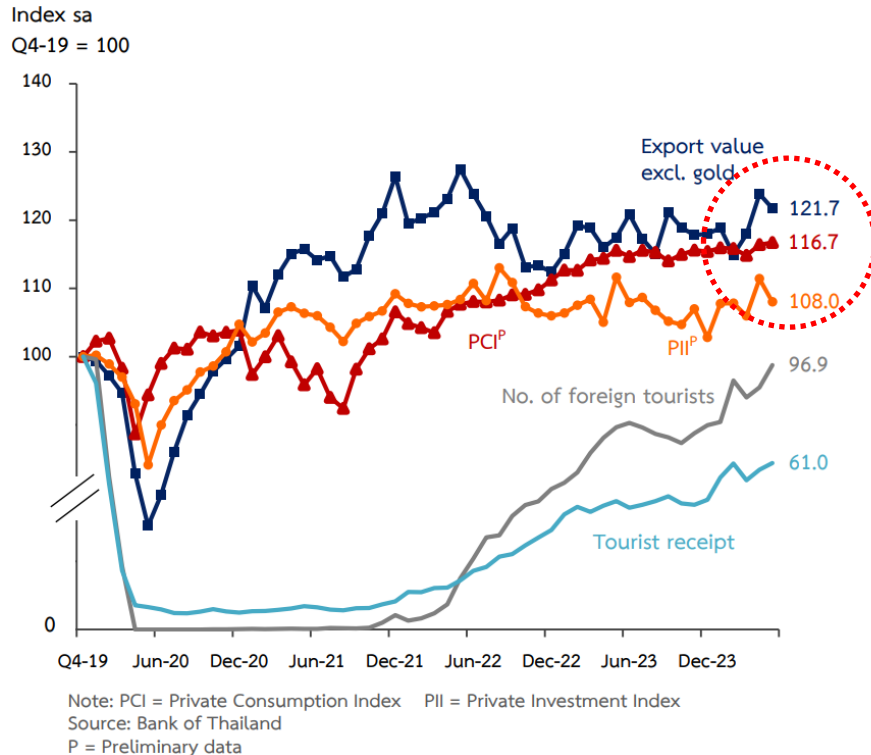
India's growth projections are 5.7 percent in 2024 and 6.8 percent in 2025 based on calendar year.

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

Source: IMF WEO

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

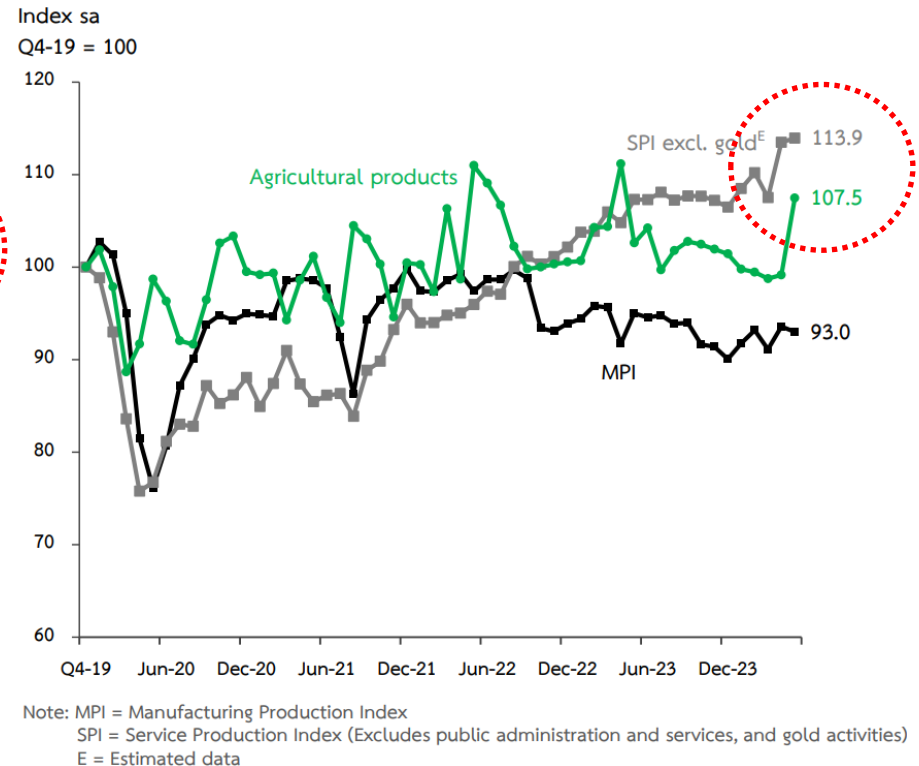
## Economic Indicator - Demand



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

PCI – Private Consumption Index  
SPI – Service Production Index

## Economic Indicator - Supply



# ...in line with fragile regional export growth since mid-2022

## Export value

Apr 2024 = 22.7 Bn USD (5.8%YoY)

May 2024 = 25.9 Bn USD (7.8%YoY)

Excl. Gold = 22.5 Bn USD (8.6%YoY)

Excl. Gold = 25.3 Bn USD (6.5%YoY)

%YoY	Share 2023	2023	2023				2024			
			Q1	Q2	Q3	Q4	Q1	Apr	May	%MoM sa
Agriculture	7.2	3.8	6.0	-3.0	10.6	5.3	4.5	-7.8	46.2	14.9
Fishery	0.5	-8.5	-13.2	-0.4	-16.4	-3.3	16.8	-5.9	-16.5	-9.0
Manufacturing	88.8	-1.1	-2.0	-5.4	-1.0	4.7	0.4	11.9	2.6	-4.1
Agro-manufacturing	13.3	-3.8	0.6	-8.2	-7.5	0.5	-4.6	10.5	0.6	-2.1
Electronics	11.6	-3.7	-8.1	-6.1	-5.1	4.9	6.6	36.0	38.1	-0.5
Electrical Appliances	9.6	4.0	4.6	9.3	2.1	-0.1	-4.5	2.8	-9.2	-5.1
Automotive	15.6	7.6	10.3	5.3	13.5	1.5	-5.1	14.9	-4.6	-10.7
Machinery & Equipment	8.3	-0.8	-0.6	-1.5	0.8	-1.8	-1.4	25.7	2.9	-12.8
Petroleum Related	11.0	-10.4	-15.7	-23.2	-9.6	13.5	4.6	14.0	29.3	2.6
Total (BOP Basis)	100.0	-1.7	-3.8	-5.0	-2.0	4.6	-1.0	5.8	7.8	-0.5
Excl. Gold		-1.4	-1.6	-5.1	-1.8	3.5	-0.6	8.6	6.5	-1.7
Excl. Gold & Petroleum Related		-0.1	0.5	-2.2	-0.7	2.3	-1.3	7.9	3.7	-2.2

Note: Data above are recorded by custom basis, except total export value which is recorded by BOP basis.

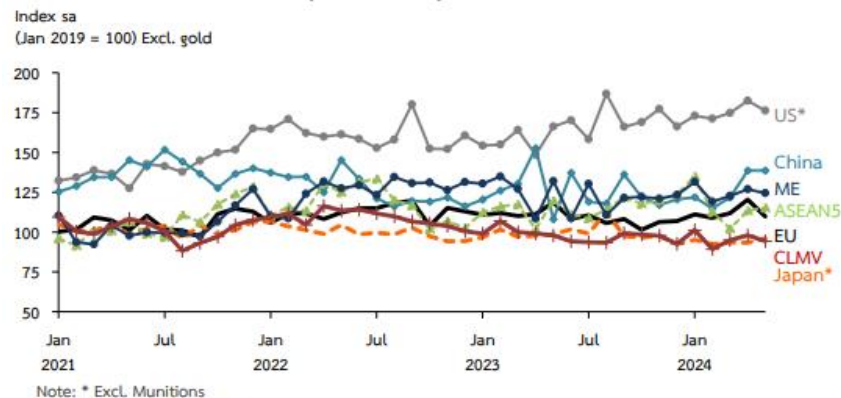
Custom basis considers recording as goods pass through Customs, while BOP basis considers changes in ownership between residents and non-residents.

%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



### Asian Export Performance

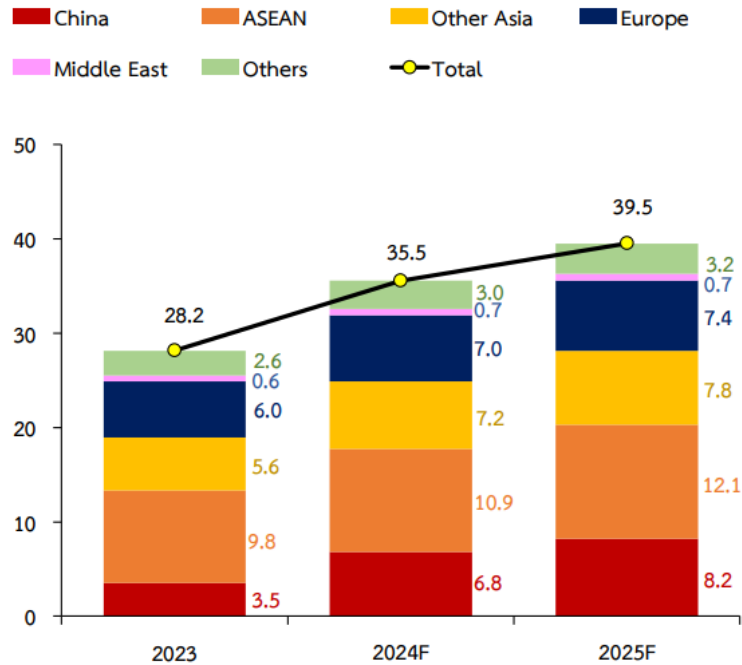


Note: Thai export excludes gold. Indonesian export excludes oil & gas. Hongkong domestic export. Singapore domestic export excludes oil.

Source: CEIC, Customs Department, calculated by Bank of Thailand

# Strong tourism recovery expected to continue in 2024

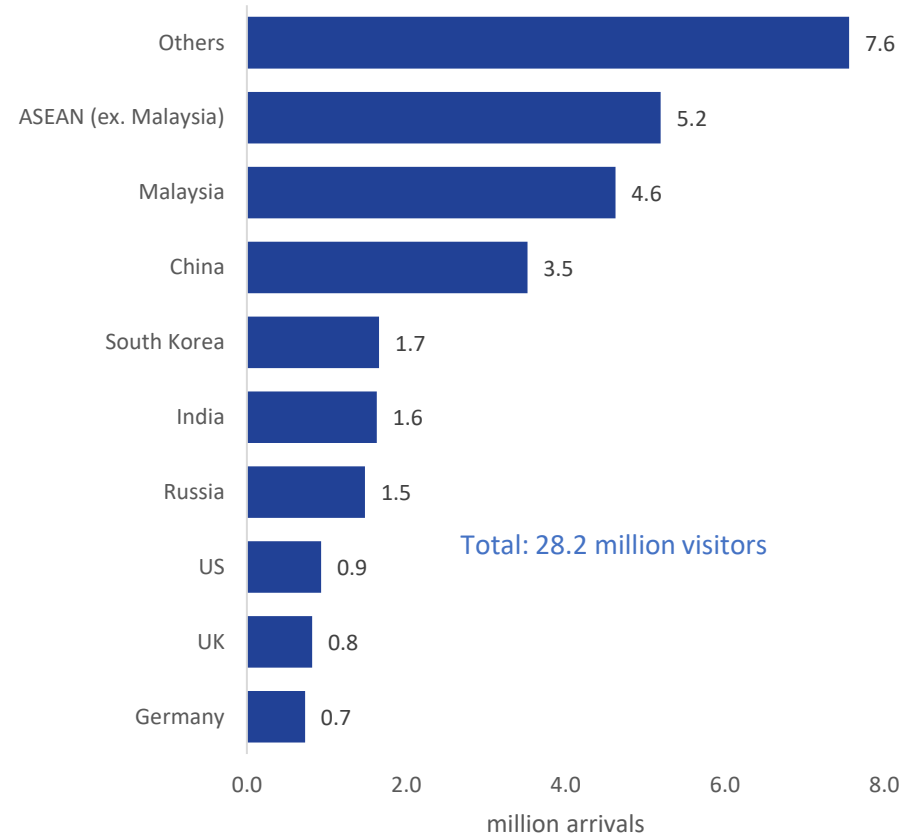
Projection of foreign tourist arrivals by nationality



	2019*	2022*	2023*	2024	2025
Million persons	39.9	11.1	28.2 (28.3)	35.5 (34.5)	39.5 (39.0)
% of 2019 value	-	28%	71% (71%)	89% (87%)	99% (98%)
Tourism receipt (Trillion baht)	1.9	0.5	1.0	1.4	1.6

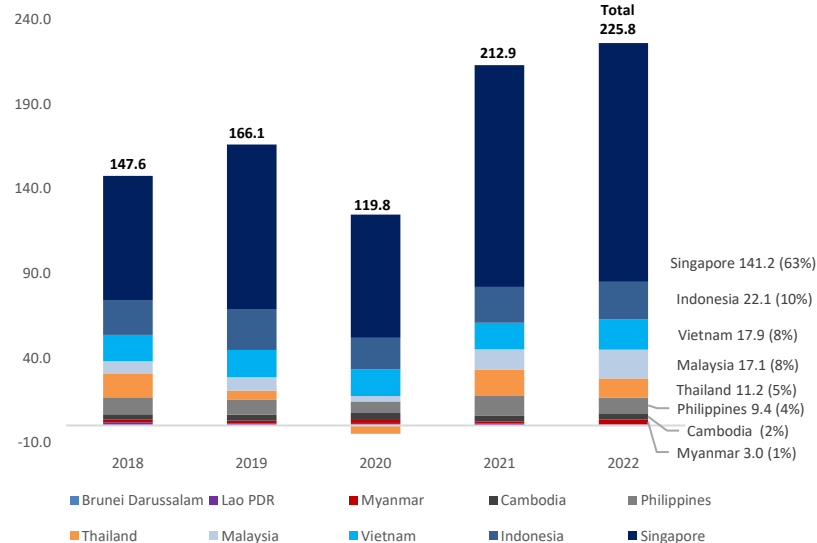
Note: \* denotes outturn, ( ) = forecast from Monetary Policy Report Q4-2023

Tourist Arrivals by Nationality (2023)

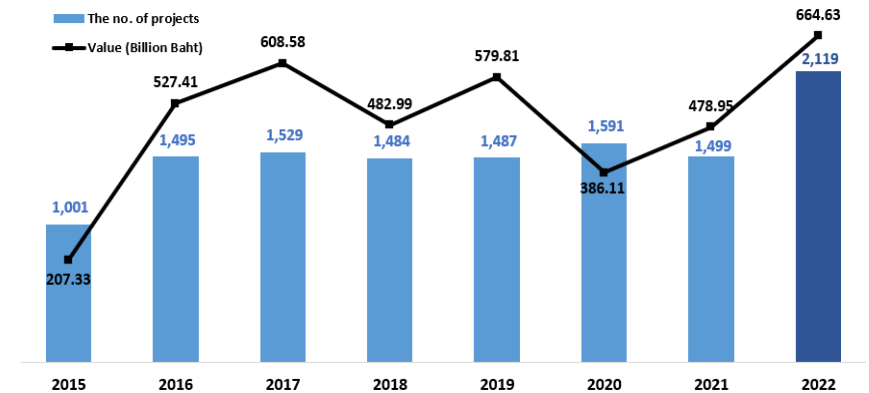


# At the same time, inflows of FDI to ASEAN have been increasing since 2020

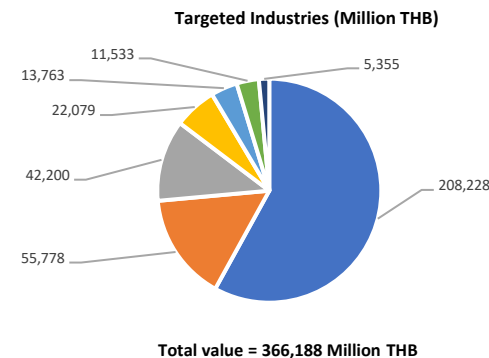
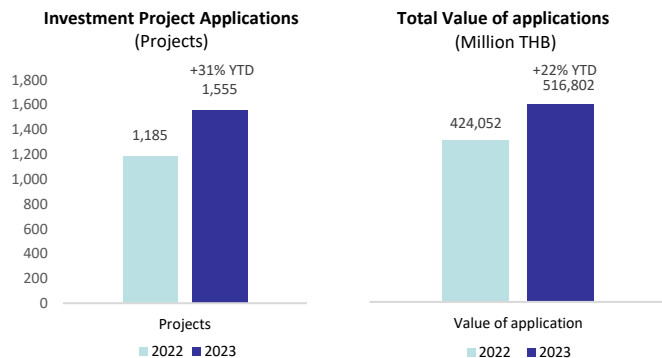
**Flows of Inward Foreign Direct Investment (FDI) to ASEAN Countries (Billion USD)**



**Applications for BOI incentives**



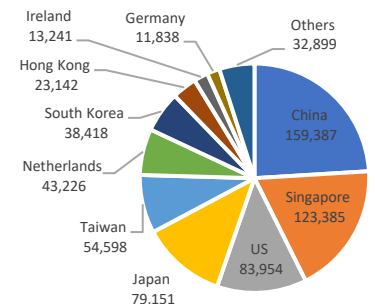
**Thailand's Total Investment (January-September 2023)**



Total value = 366,188 Million THB

- Electrical appliances and Electronics
- Automotive and Parts
- Tourism
- Medical
- Agriculture and Food Processing
- Petrochemicals and Chemicals
- Biotechnology

**FDI Inflow by Source in 2023 (Million THB)**

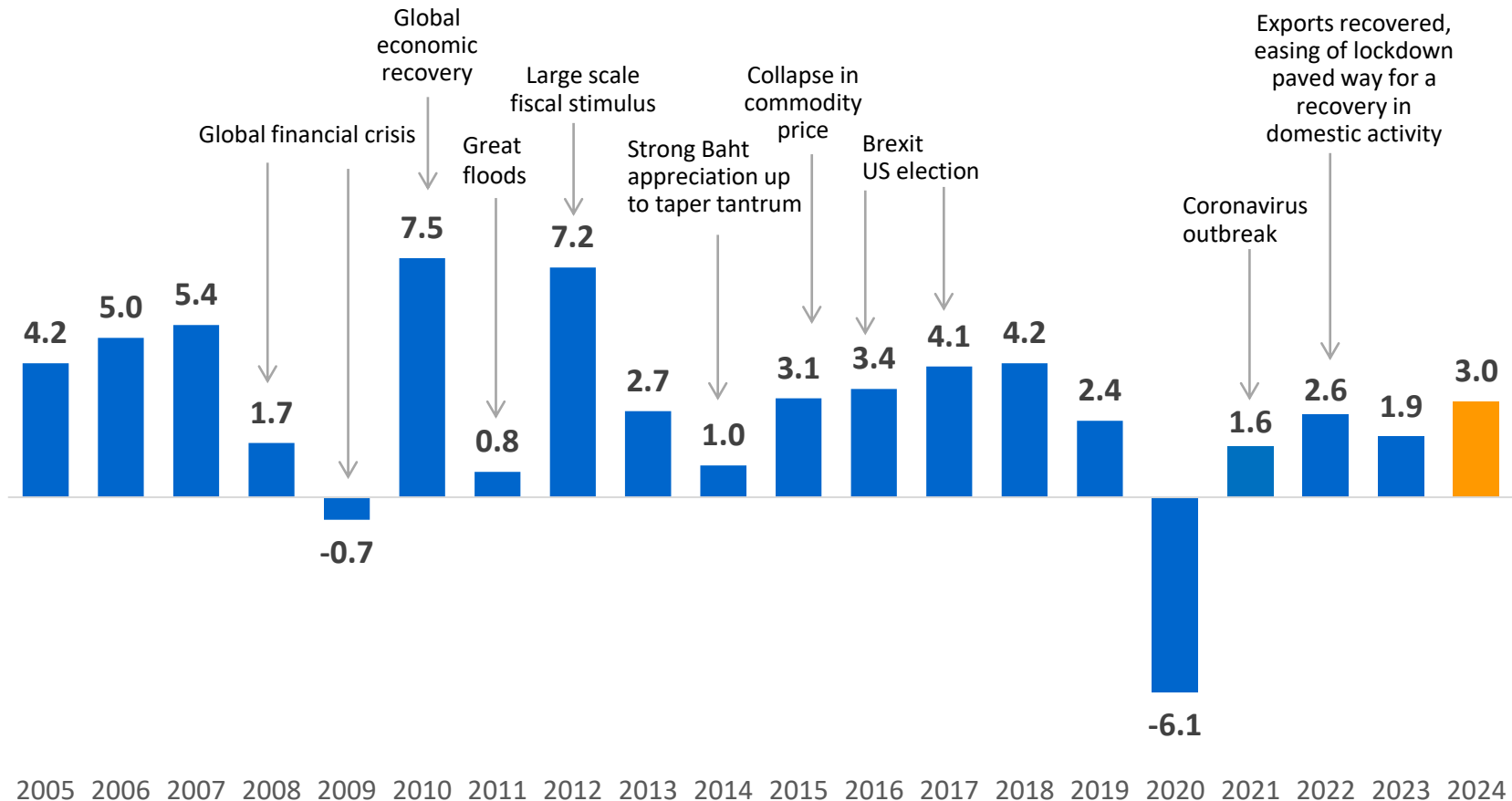


Total: 663,239 million THB

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

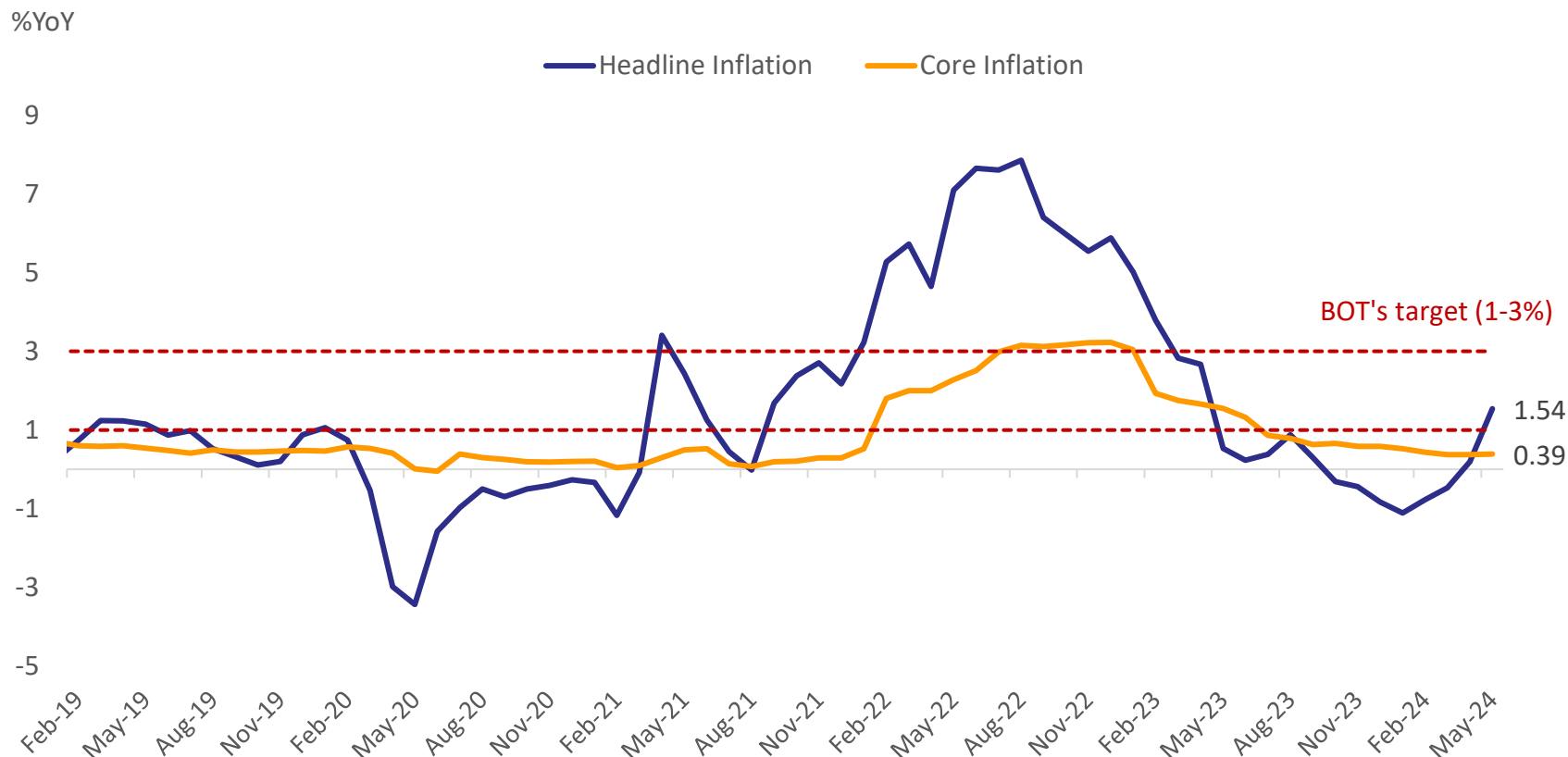
## GDP growth

YoY (%)



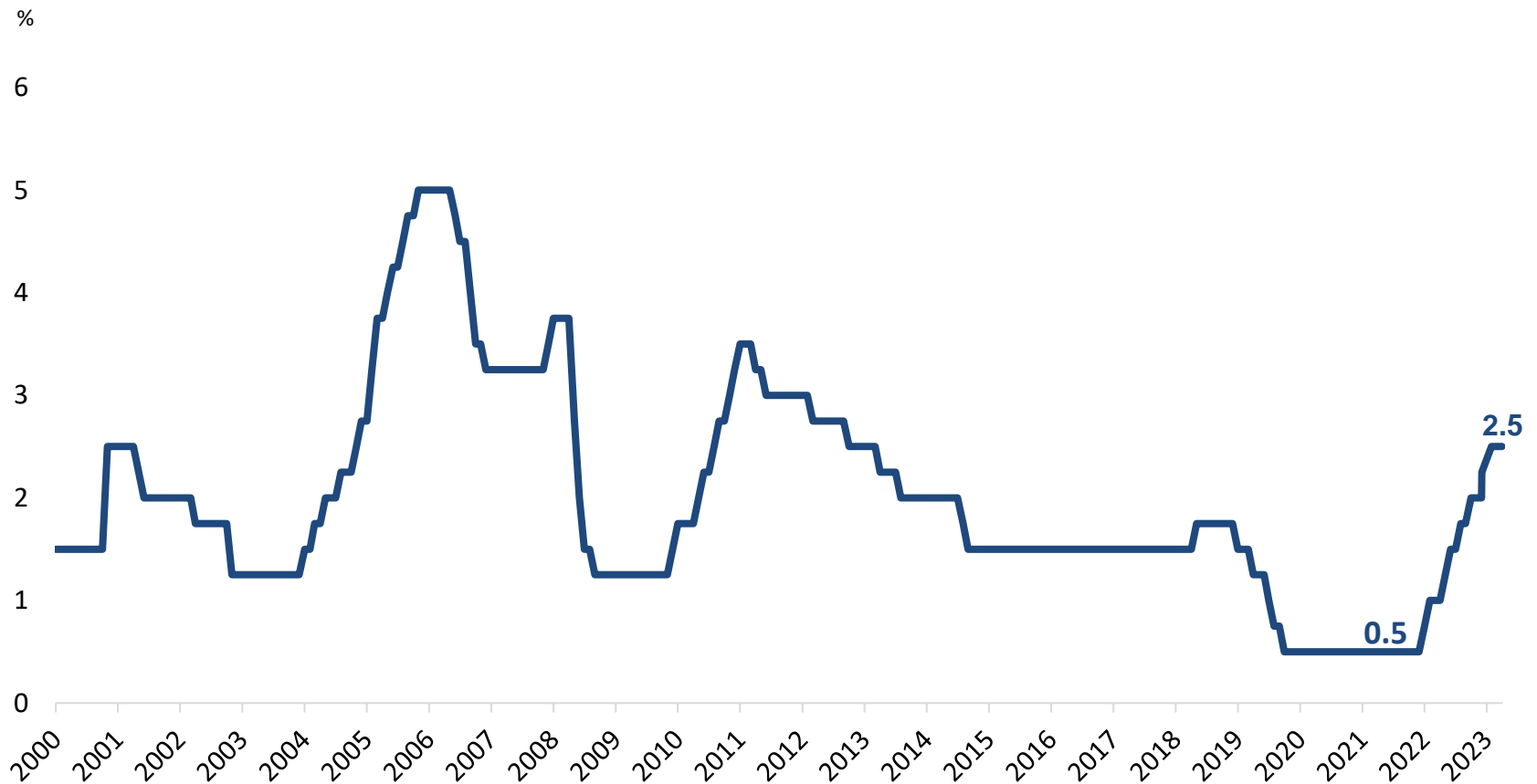
# Thai headline and core inflation have eased towards the BOT's target

## 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

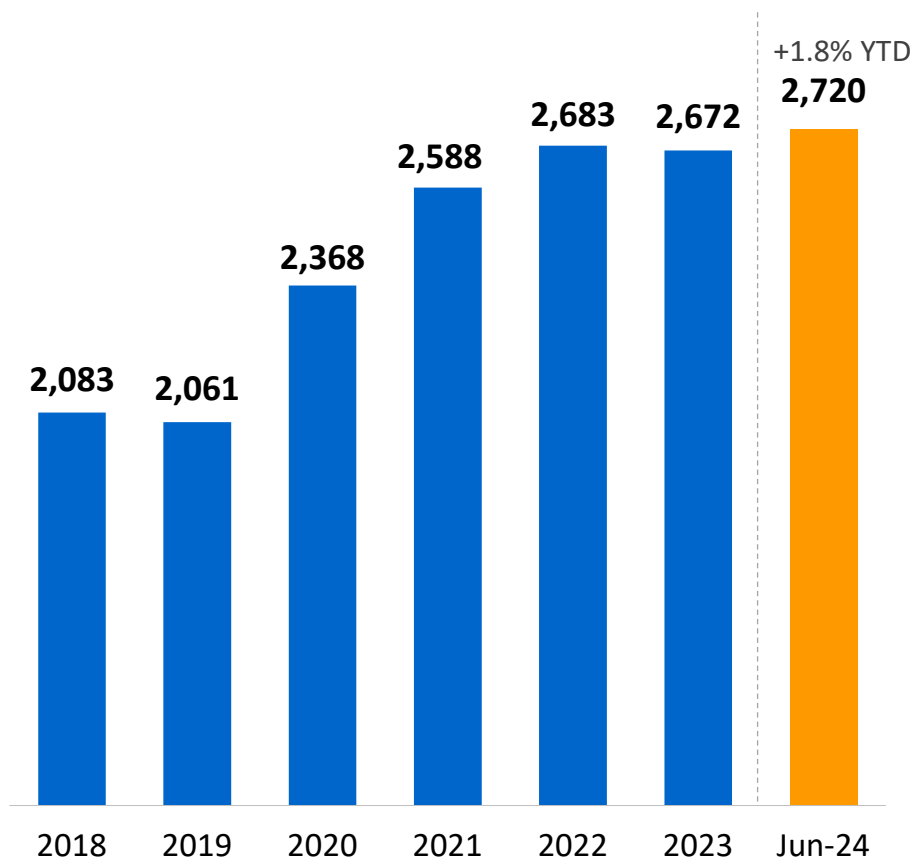
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-  Key highlights
-  Operating environment
-  **2Q24 Financial performance**
-  2024 Financial target

# Prudent loan growth and well-diversified portfolio

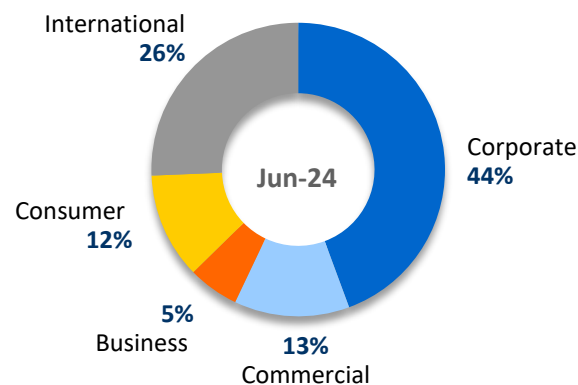
## Loan

Billion Baht



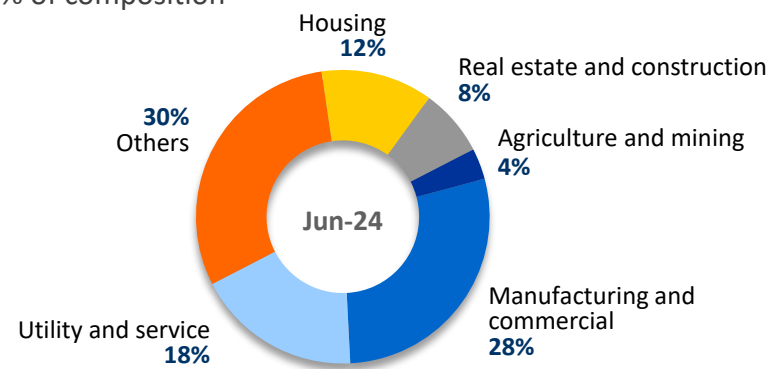
## Loan by business unit<sup>1</sup>

% of composition



## Loan by industry

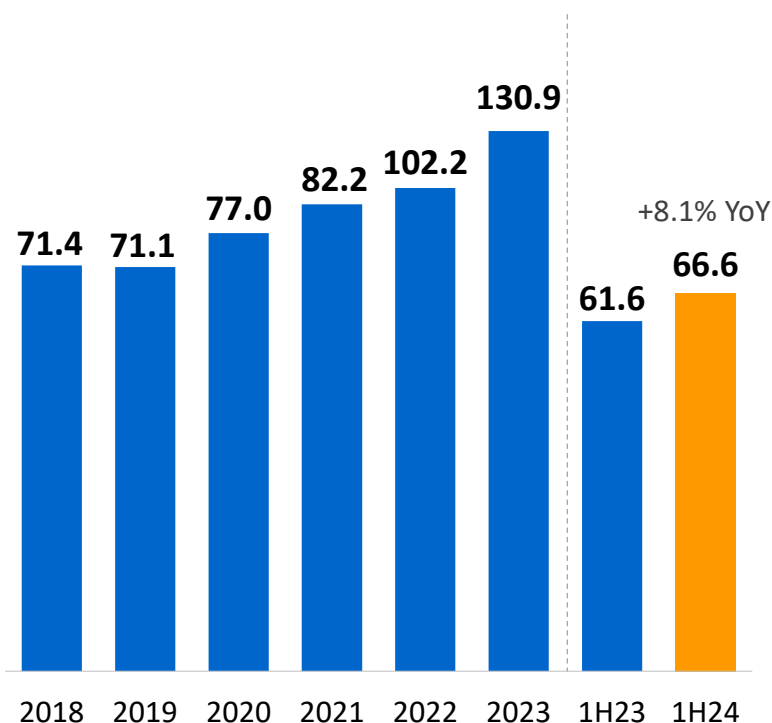
% of composition



# Consistent net interest income growth supported by loan growth and balance sheet management

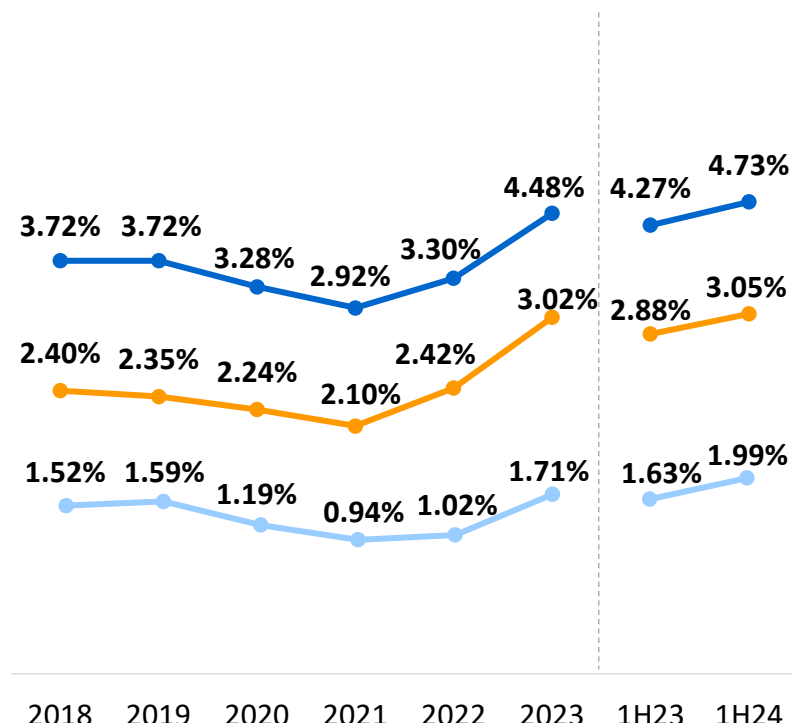
## Net interest income

Billion Baht



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

%



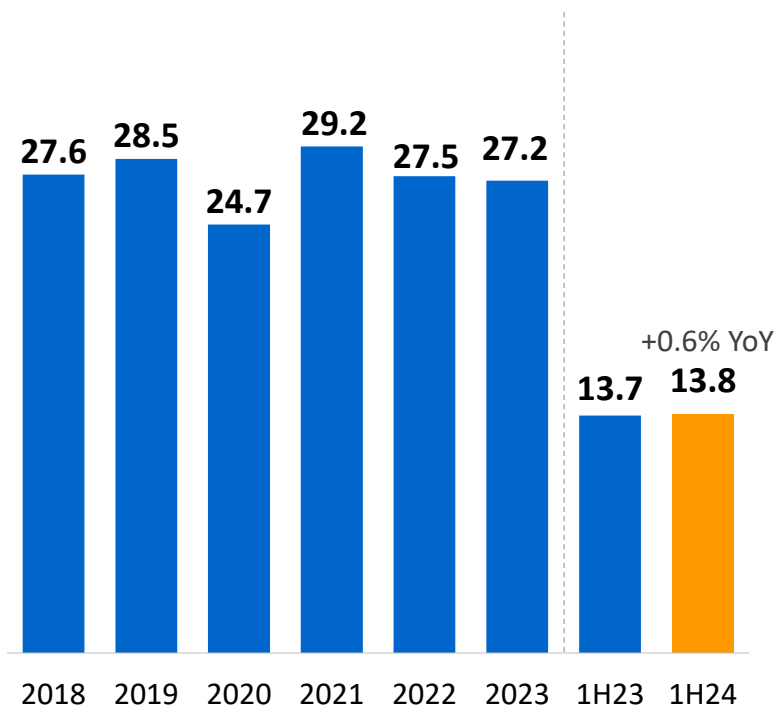
Policy rate	1.750%	1.250%	0.500%	0.500%	1.250%	2.500%	2.000%	2.500%
MLR	6.250%	6.000%	5.250%	5.250%	5.850%	7.100%	6.850%	7.100%
MOR	7.125%	6.875%	5.875%	5.875%	6.350%	7.550%	7.300%	7.550%

- Yield on earning assets
- NIM
- Cost of funds

# Fee income continued to be a contributor in diversifying revenue streams driven by bancassurance and mutual funds

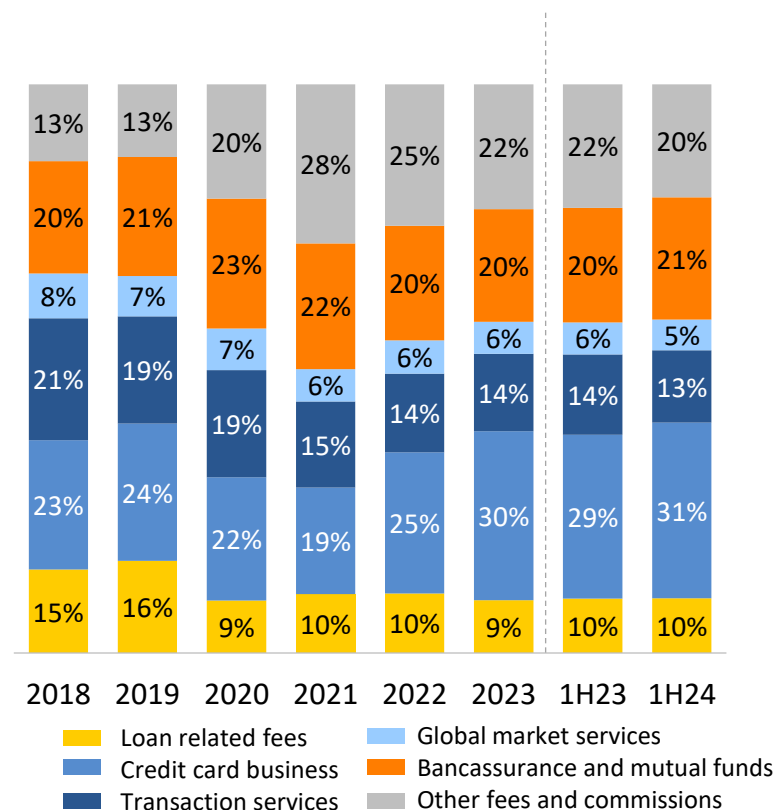
## Net fees and service income

Billion Baht



## Fees and service income

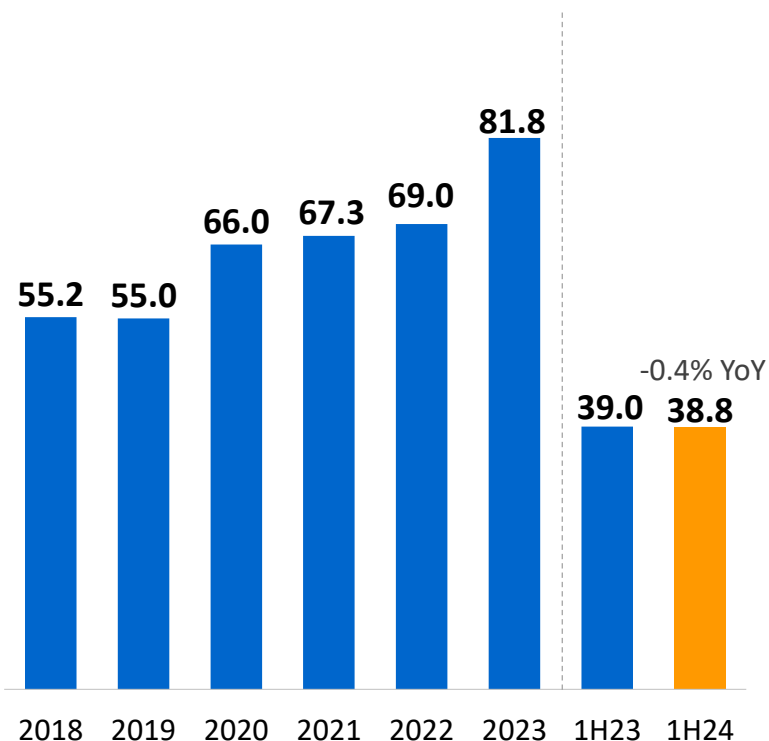
% of composition



# Continuing sustained improvements in cost management

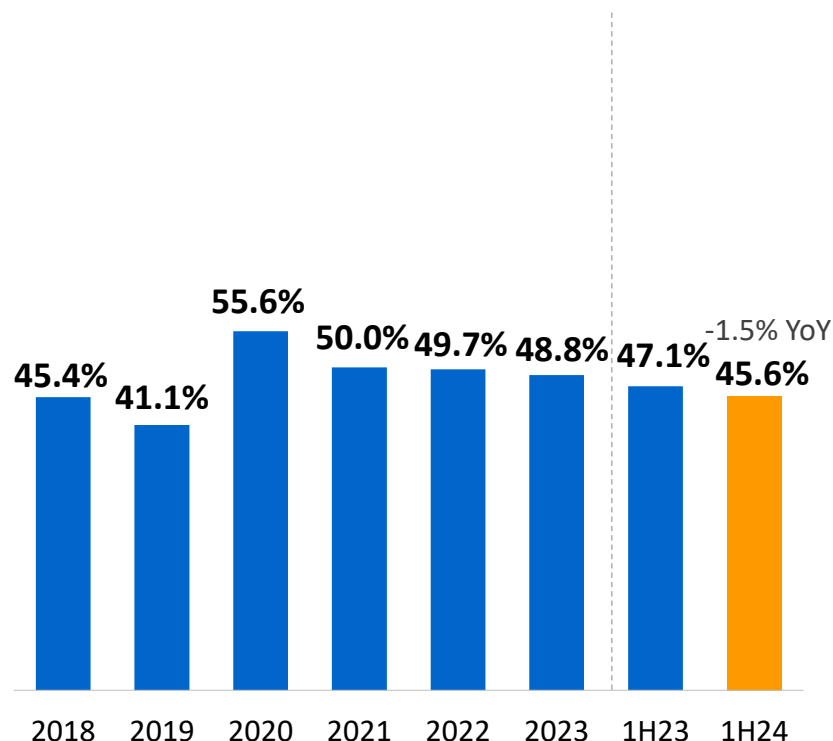
## Operating expenses

Billion Baht



## Cost to income ratio

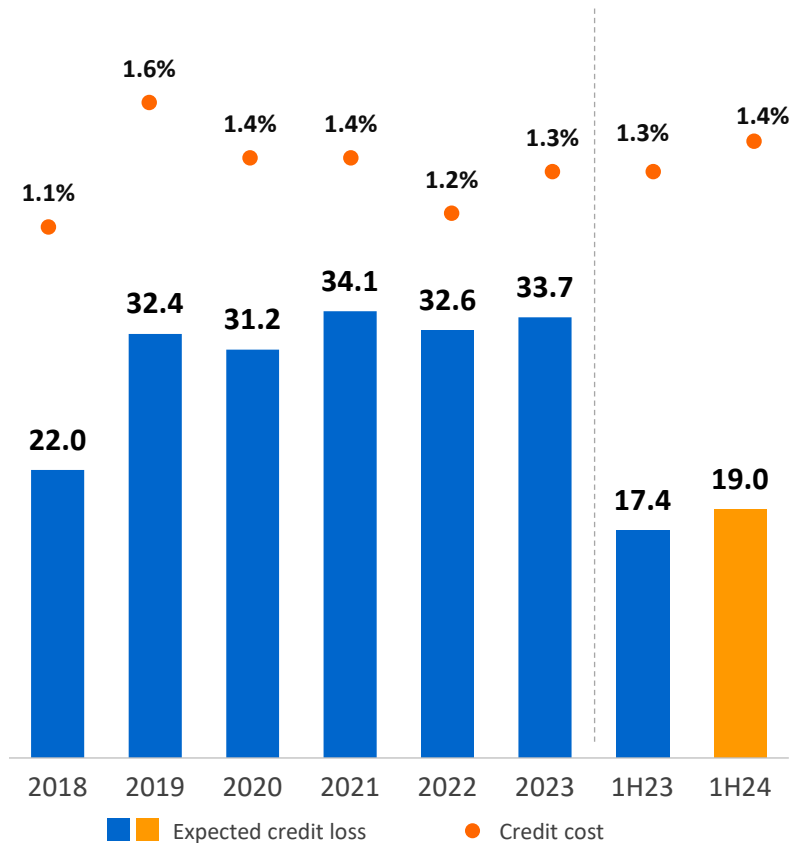
%



# Manageable asset quality with disciplined provisioning across business cycles resulted in well-secured reserves

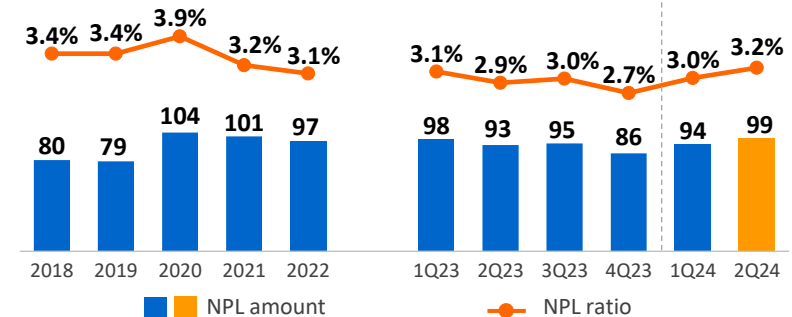
## Expected credit loss (Provision), Credit cost

Billion Baht, %



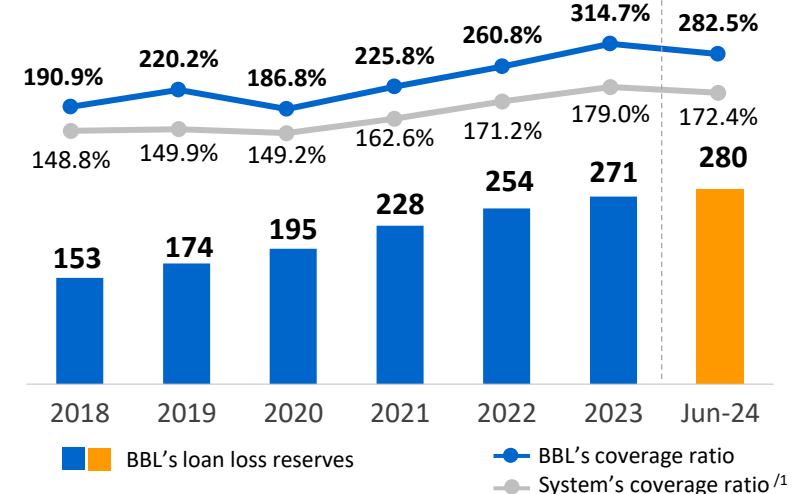
## NPL amount, NPL ratio

Billion Baht, %



## Loan loss reserve (LLR), Coverage ratio

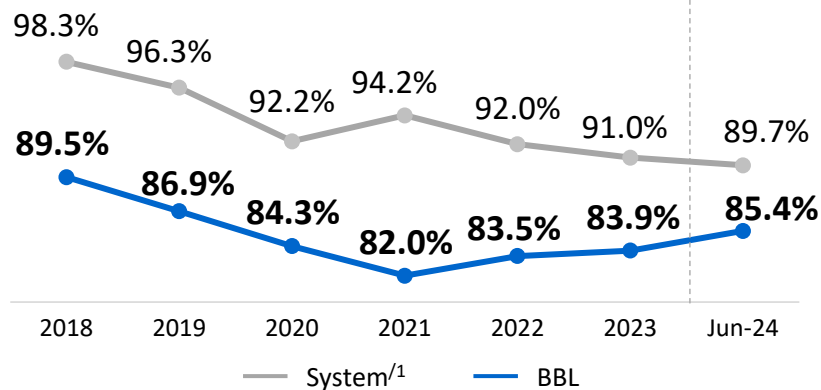
Billion Baht, %



# Healthy funding and robust liquidity position

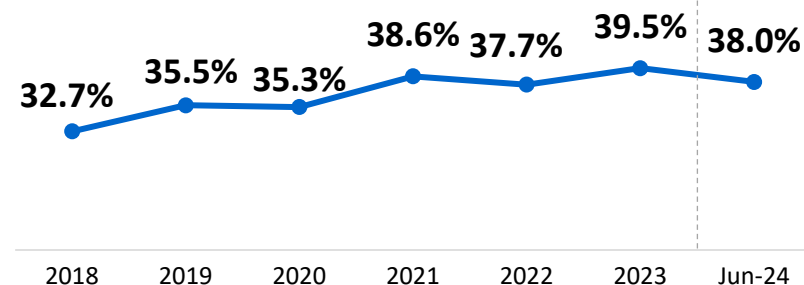
## Loan-to-deposit ratio

%



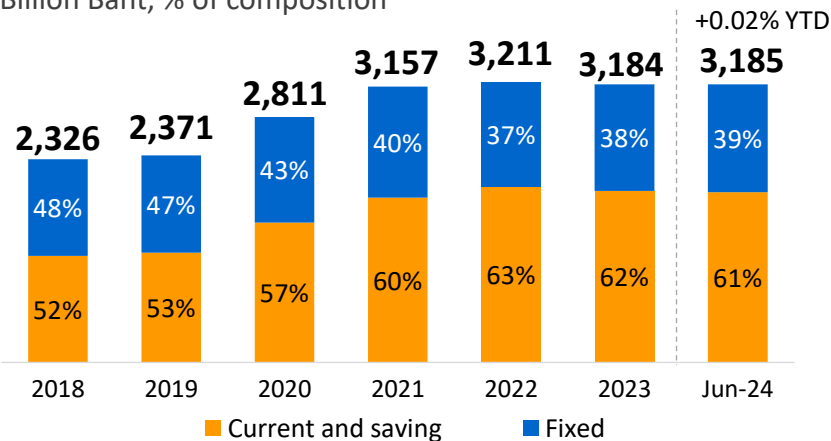
## Liquid assets<sup>/2</sup>

% of total assets



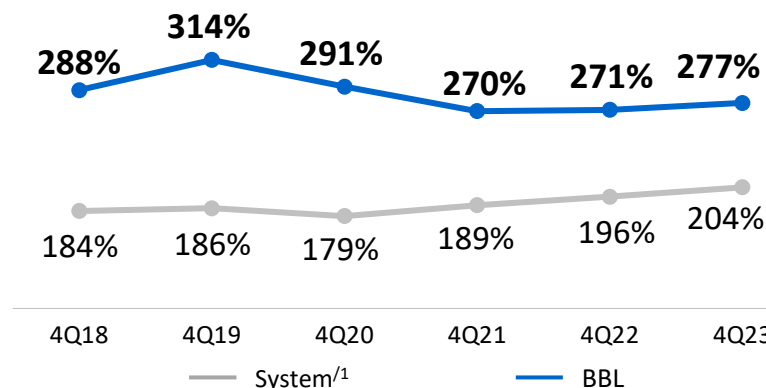
## Deposit

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.

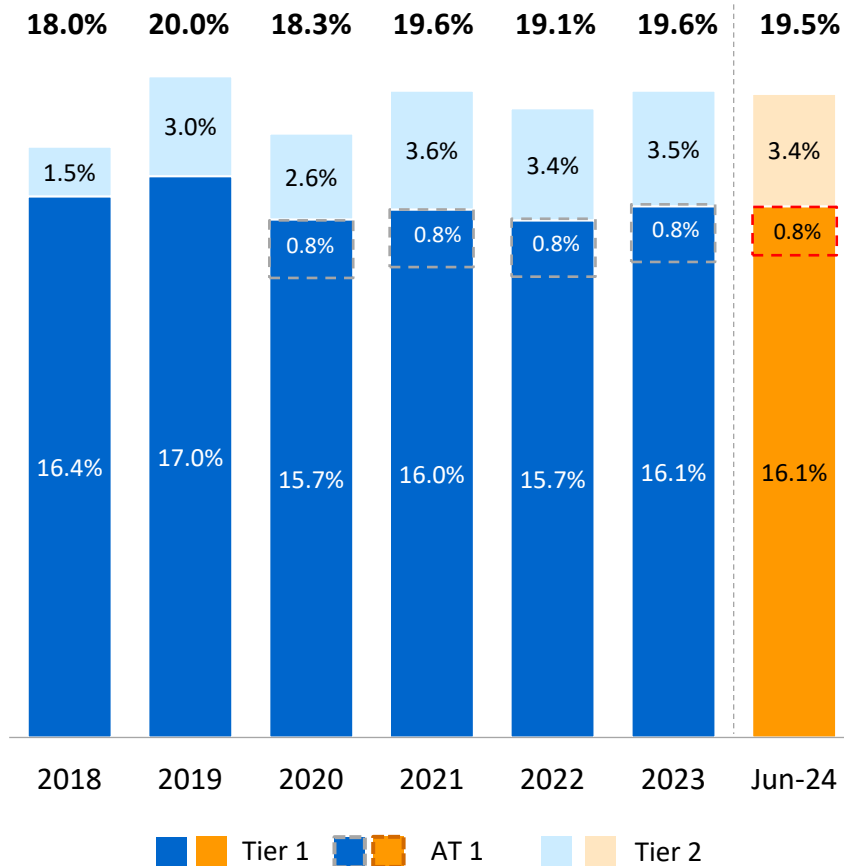
Include Permata's financial performance since May 2020



# Resilient balance sheet strength with strong capital positions

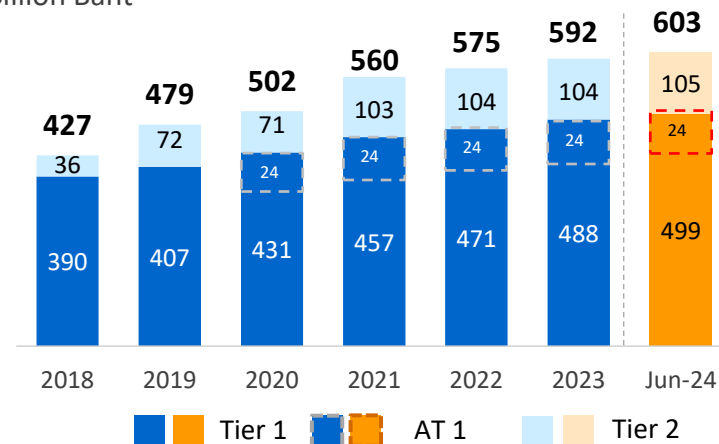
## Consolidated capital ratios

%

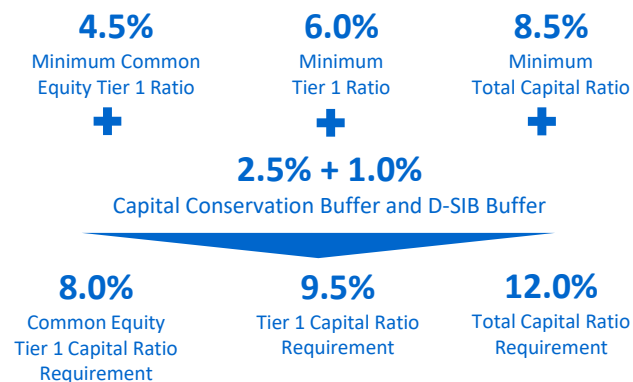


## Capital base

Billion Baht



## Regulatory capital ratio requirements



# Bangkok Bank

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-  Key highlights
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-  2Q24 Financial performance
-  **2024 Financial target**

# 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.

# Appendix

# Financial position

Million Baht

	Dec-20	Dec-21	Dec-22	Dec-23	Mar-24	Jun-24	Growth (%) YTD
Loan	2,368,238	2,588,339	2,682,691	2,671,964	2,736,427	2,719,989	1.8%
Deposit	2,810,863	3,156,940	3,210,896	3,184,283	3,198,332	3,184,856	0.0%
LDR	84.3%	82.0%	83.5%	83.9%	85.6%	85.4%	1.5%
NPL <sup>/1</sup>	104,401	101,103	97,188	85,955	93,949	99,140	15.3%
NPL ratio <sup>/1</sup>	3.9%	3.2%	3.1%	2.7%	3.0%	3.2%	0.5%
Allowance for ECL to NPL <sup>/1</sup>	186.8%	225.8%	260.8%	314.7%	291.7%	282.5%	-32.2%
Allowance for ECL to loan	8.2%	8.8%	9.4%	10.1%	10.0%	10.3%	0.2%
Liquid assets <sup>/2</sup> to total assets	35.3%	38.6%	37.7%	39.5%	38.0%	38.0%	-1.5%
CASA	57.0%	59.8%	62.6%	61.7%	62.0%	61.2%	-0.5%
CET1 <sup>/3</sup>	14.9%	15.2%	14.9%	15.4%	15.6%	15.3%	-0.1%
Tier 1 ratio <sup>/3</sup>	15.7%	16.0%	15.7%	16.1%	16.3%	16.1%	0.0%
CAR <sup>/3</sup>	18.3%	19.6%	19.1%	19.6%	19.7%	19.5%	-0.1%

Notes:

- 29 /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 – 2Q24

Million Baht

	2Q23	1Q24	2Q24	Growth (%)	
				QoQ	YoY
Net interest income	31,487	33,422	33,134	-0.9%	5.2%
Net fees and service income	6,571	6,927	6,850	-1.1%	4.2%
Other operating income	4,386	1,333	3,554	166.6%	-19.0%
Total income	42,444	41,682	43,538	4.5%	2.6%
Operating expense	20,110	19,618	19,208	-2.1%	-4.5%
Expected credit loss	8,880	8,582	10,426	21.5%	17.4%
Net profit/ <sup>1</sup>	11,294	10,524	11,807	12.2%	4.5%
EPS/ <sup>1</sup> (Baht per share)	5.92	5.51	6.19	12.2%	4.5%
NIM	2.91%	3.06%	3.03%	-0.03%	0.12%
Net fees and service income ratio	15.5%	16.6%	15.7%	-0.9%	0.2%
Cost to income ratio	47.4%	47.1%	44.1%	-3.0%	-3.3%
ROA/ <sup>1</sup>	1.01%	0.93%	1.05%	0.12%	0.04%
ROE/ <sup>1</sup>	8.75%	7.81%	8.63%	0.82%	-0.12%

# Financial performance – 1H24

Million Baht

	1H23	1H24	Growth (%) YoY
Net interest income	61,565	66,556	8.1%
Net fees and service income	13,693	13,776	0.6%
Other operating income	7,479	4,874	-34.8%
Total income	82,737	85,206	3.0%
Operating expense	38,961	38,812	-0.4%
Expected credit loss	17,354	19,007	9.5%
Net profit/ <sup>1</sup>	21,423	22,330	4.2%
EPS/ <sup>1</sup> (Baht per share)	11.22	11.70	4.2%
NIM	2.88%	3.05%	0.17%
Net fees and service income ratio	16.6%	16.2%	-0.4%
Cost to income ratio	47.1%	45.6%	-1.5%
ROA/ <sup>1</sup>	0.97%	0.99%	0.02%
ROE/ <sup>1</sup>	8.41%	8.27%	-0.14%

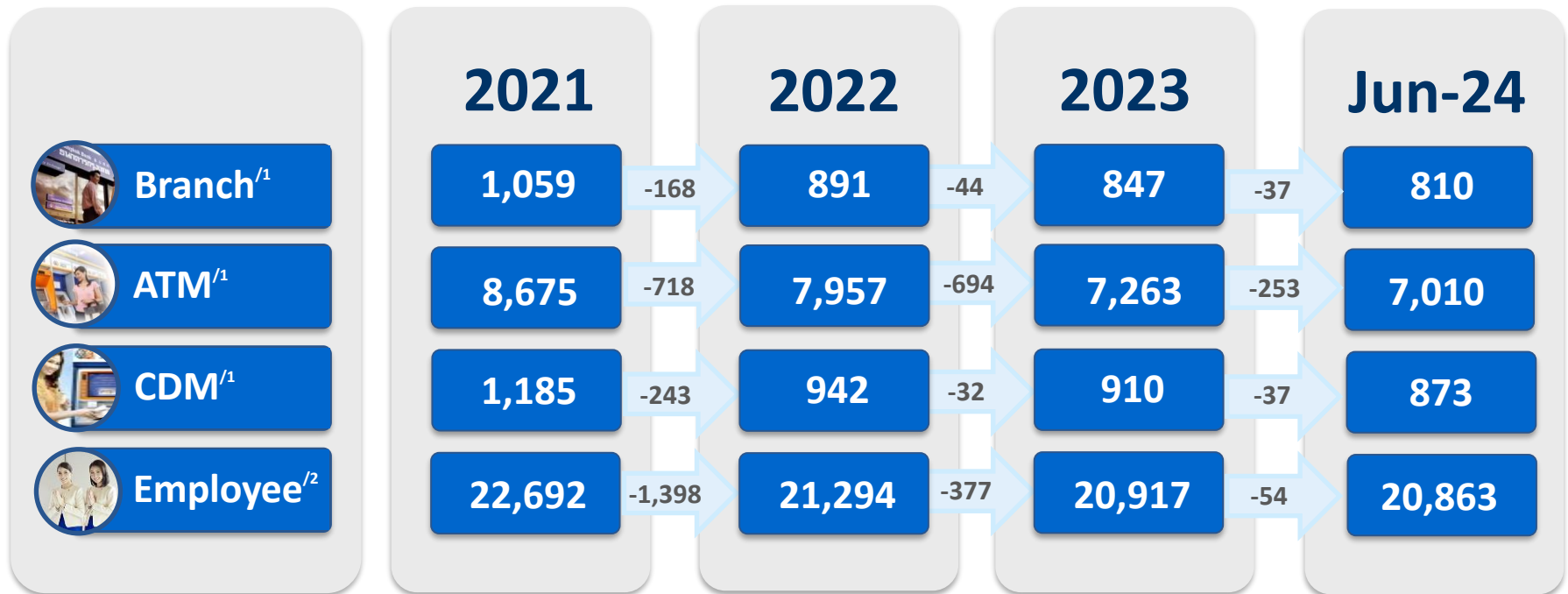
# Financial performance – Year

Million Baht

	2020	2021	2022	2023	Growth (%) YoY
Net interest income	77,046	82,156	102,223	130,860	28.0%
Net fees income	24,711	29,209	27,508	27,234	-1.0%
Other operating income	16,971	23,176	9,164	9,393	2.5%
Total income	118,728	134,541	138,895	167,487	20.6%
Operating expense	65,974	67,266	69,019	81,775	18.5%
Expected credit loss	31,196	34,134	32,647	33,666	3.1%
Net profit/ <sup>1</sup>	17,181	26,507	29,306	41,636	42.1%
EPS/ <sup>1</sup> (Baht per share)	9.00	13.89	15.35	21.81	42.1%
NIM	2.24%	2.10%	2.42%	3.02%	0.60%
Net fee income ratio	20.8%	21.7%	19.8%	16.3%	-3.5%
Cost to income ratio	55.6%	50.0%	49.7%	48.8%	-0.9%
ROA/ <sup>1</sup>	0.48%	0.65%	0.67%	0.93%	0.26%
ROE/ <sup>1</sup>	3.96%	5.62%	5.86%	8.01%	2.15%



# Network

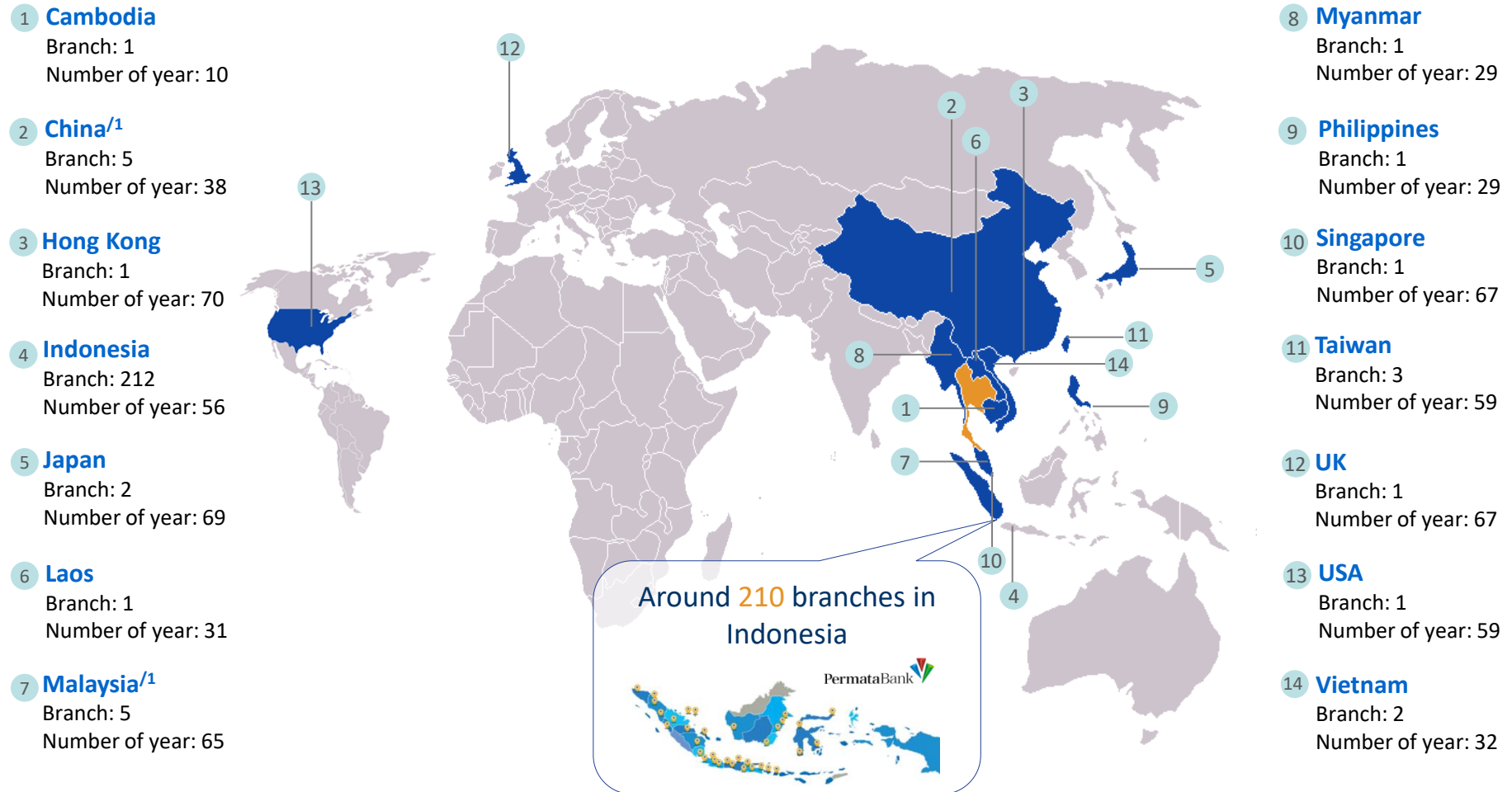


Notes: Consolidated

/1 Domestic operation

/2 Exclude PT Bank Permata Tbk

# Long-standing international presence in 14 economies



Notes: As of June 2024

<sup>1</sup> 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

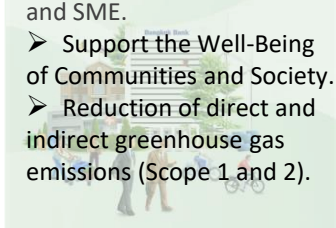
## Be Resilient

- 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

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