







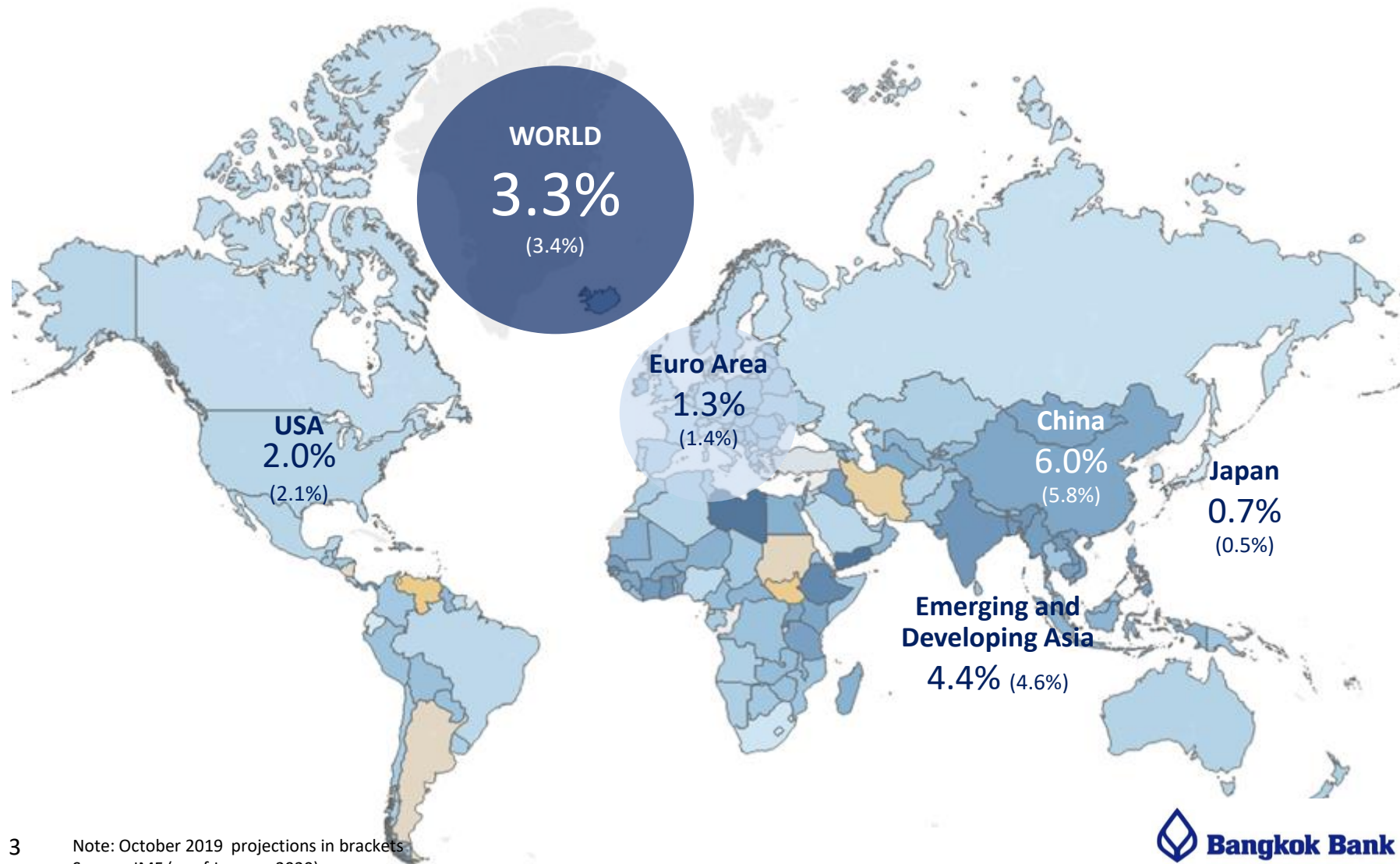
Investor Presentation

CREATING
VALUE

Bangkok Bank

-  **Operating environment**
-  2019 Financial performance
-  2020 target & Key focus and strategy
-  Brief update on Permata

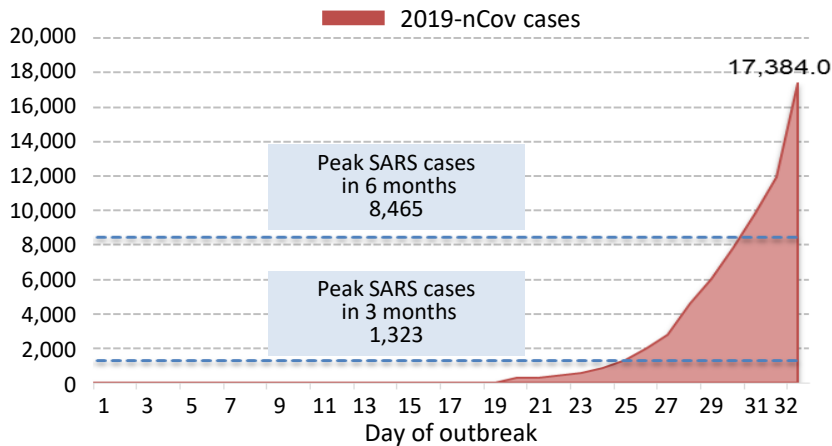
Despite reduced trade tensions, global growth faces growing downside risks due to **the uncertainty over the coronavirus outbreak**



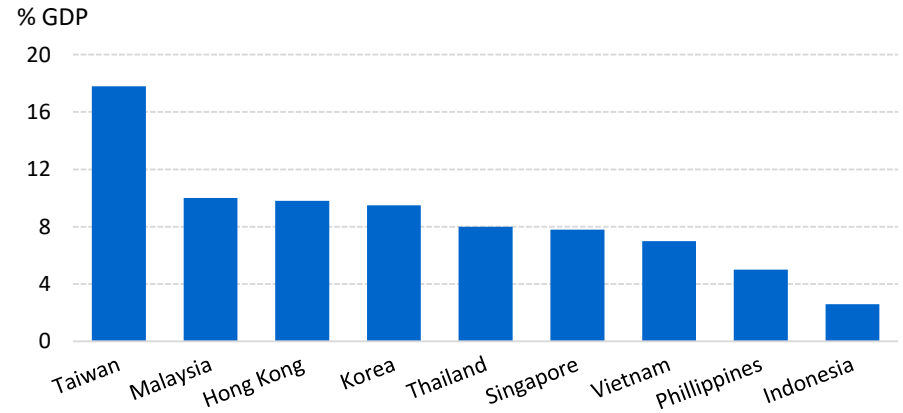
Wuhan Virus disrupts global tourism and supply chains

Impacts will be much worse than the SARS epidemic

Coronavirus Confirmed Cases

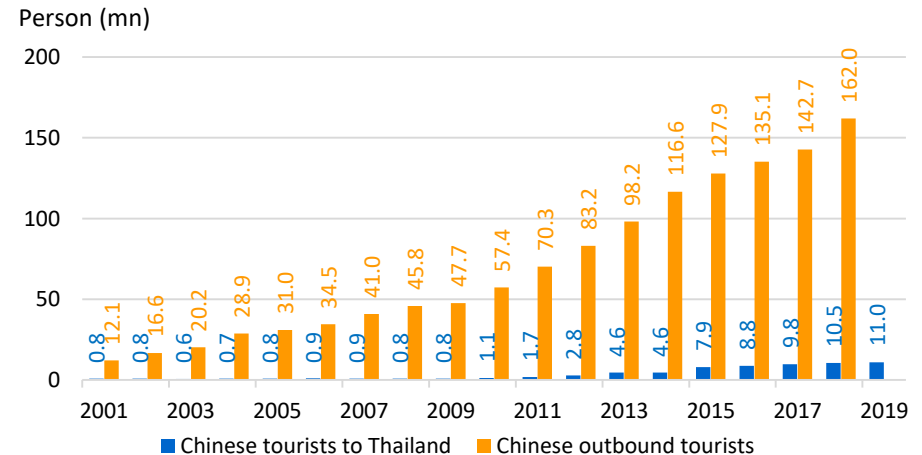


Domestic Value Added Content of Intermediate Exports to China



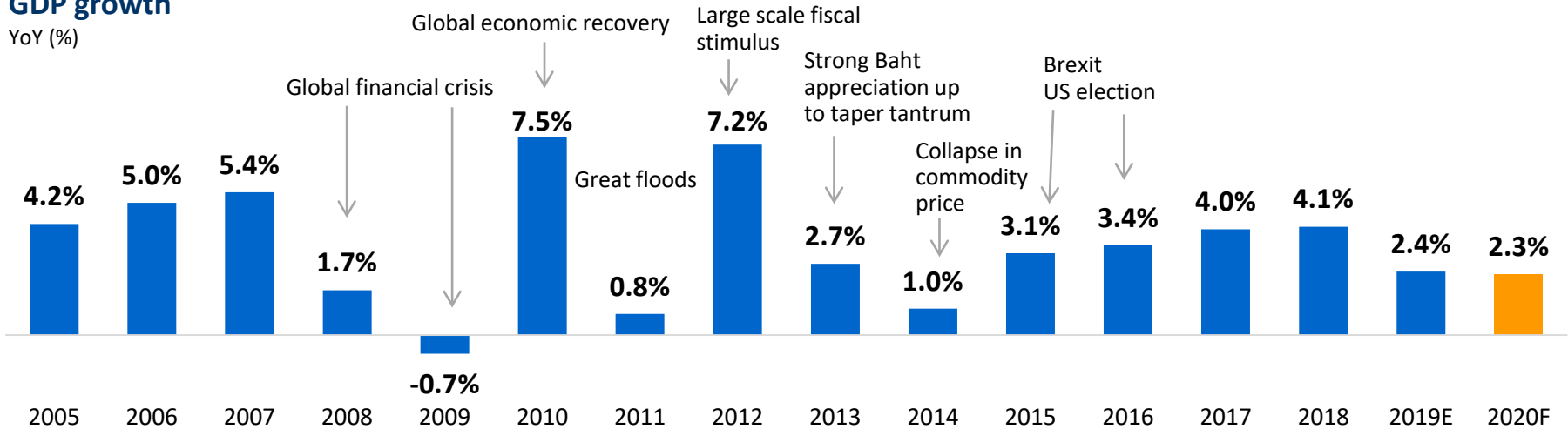
Travel restrictions and advisories	Visa issuance suspension	Entry refusal for visitors from Hubei/China	Border Closure
Australia, Canada, Egypt, Finland, France, Japan, Germany, India, Mongolia, New Zealand, UK, US	Hong Kong, Indonesia, Myanmar, Russia, Singapore, South Korea	Indonesia, Israel, Maldives, New Zealand, Philippines, Singapore, South Korea, Taiwan	Hong Kong, Mongolia, North Korea, Pakistan, Russia

Chinese Visitors

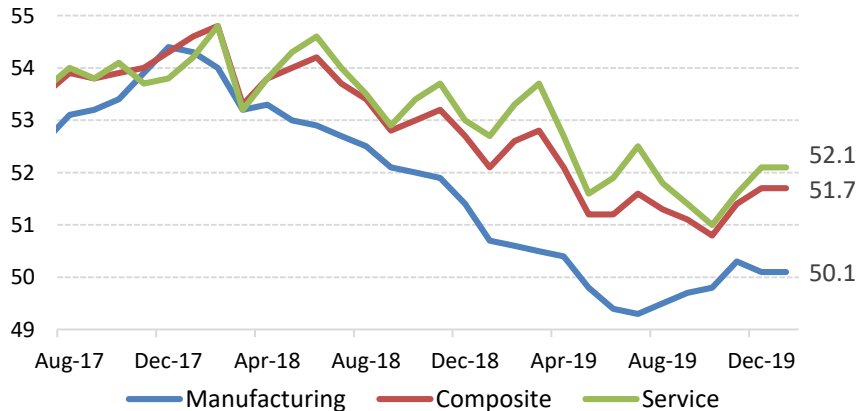


Outlook for GDP growth in 2020 is clouded by the virus outbreak, even as mild global economic recovery is anticipated

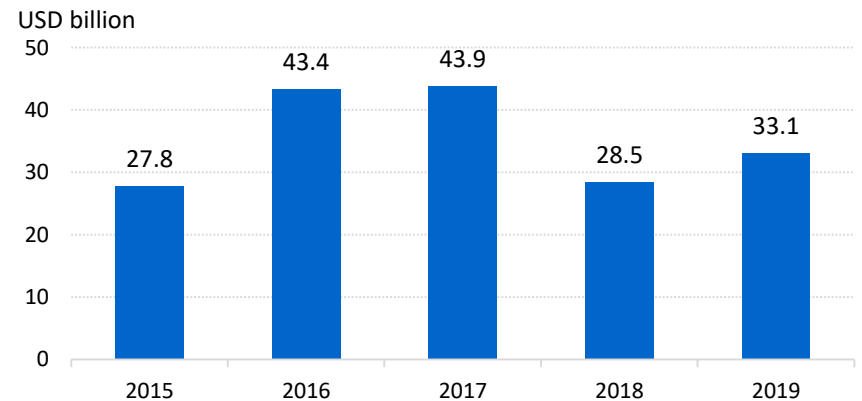
GDP growth
YoY (%)



Global Purchasing Managers' Index (PMI)

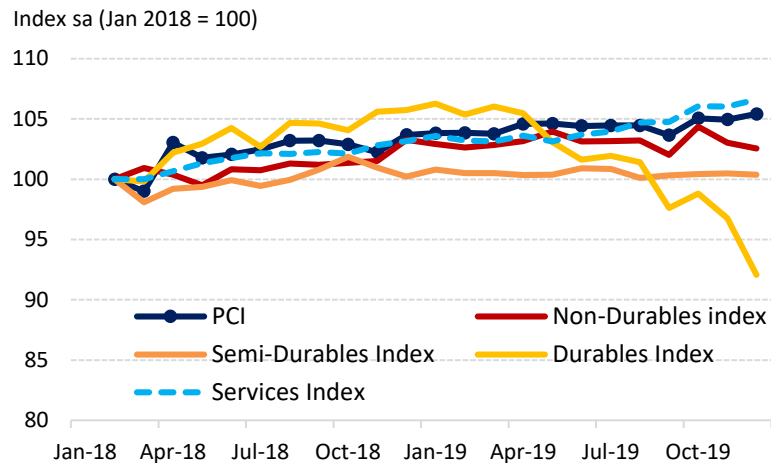


Current Account

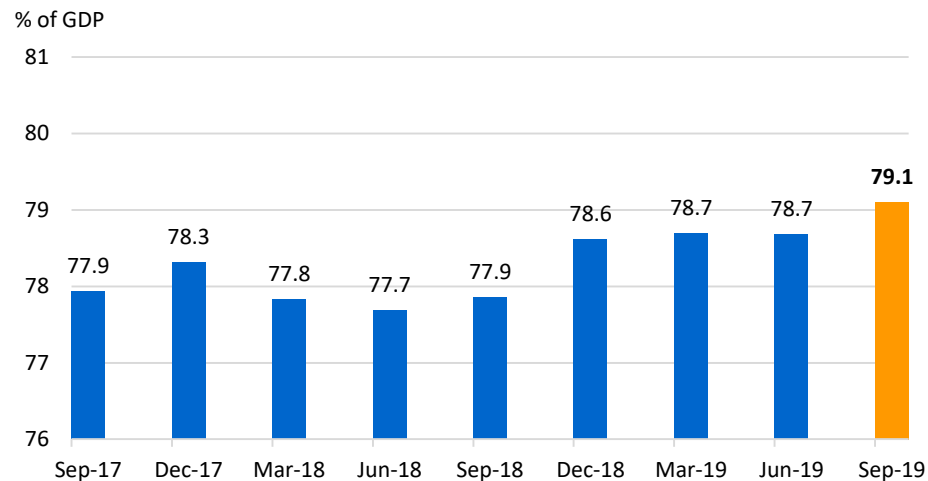


Domestic demand has softened with spillovers from weak exports, headwinds against consumption and investment

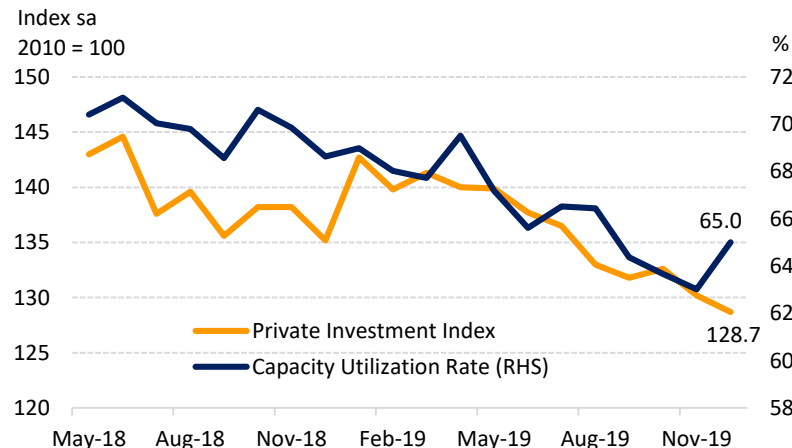
Private consumption



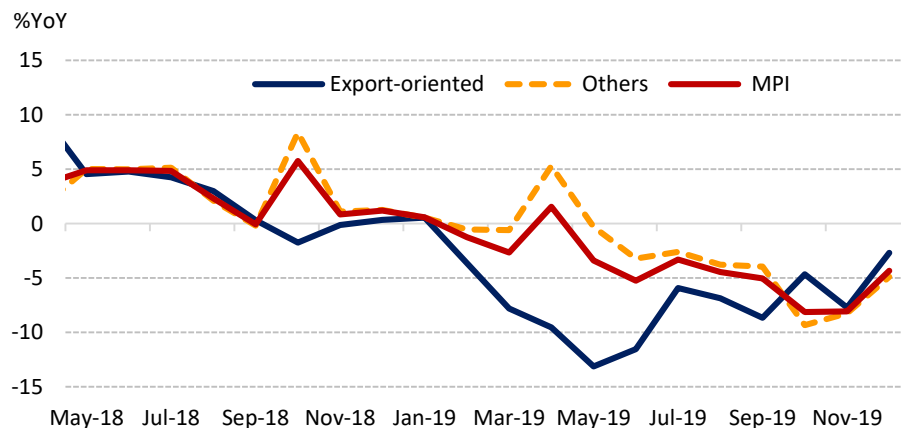
Household debt



Private investment index and capacity utilization rate



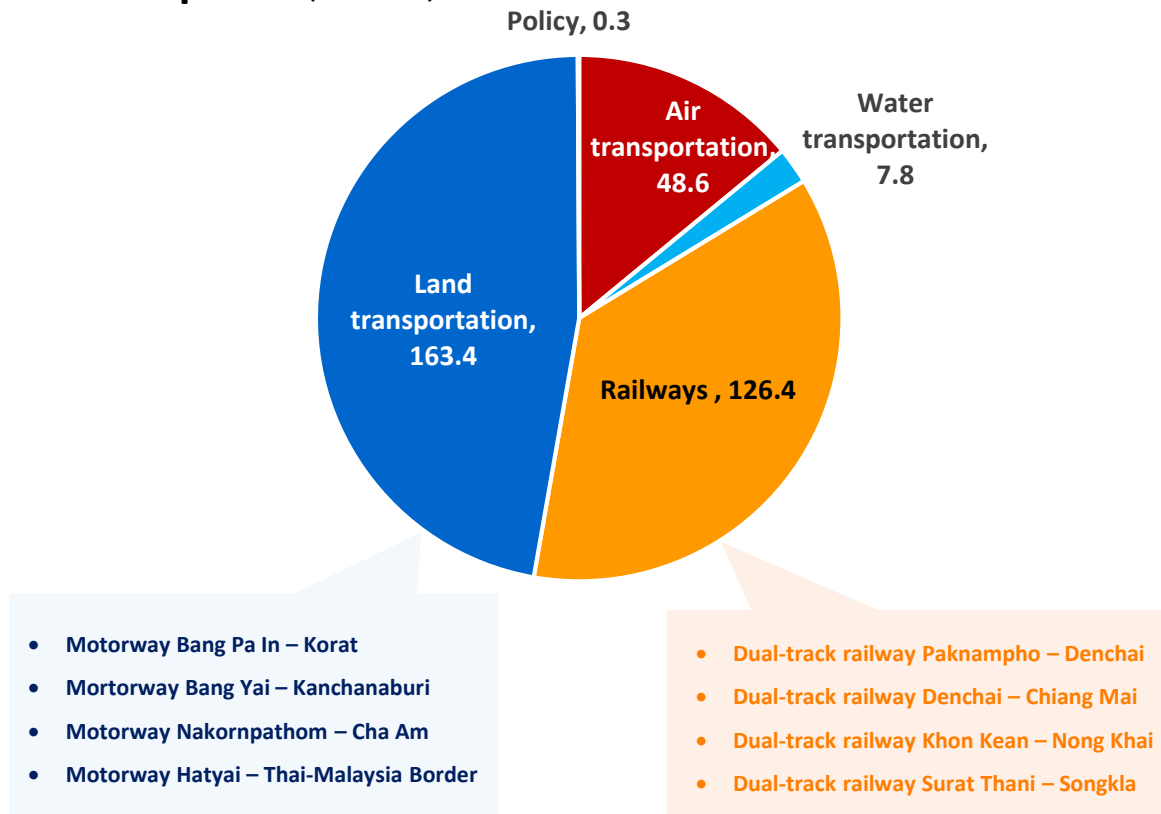
Manufacturing production index



Budget delay may put new infrastructure projects further behind schedule

2020 Budget for Government and State-owned Enterprises (THB bn)

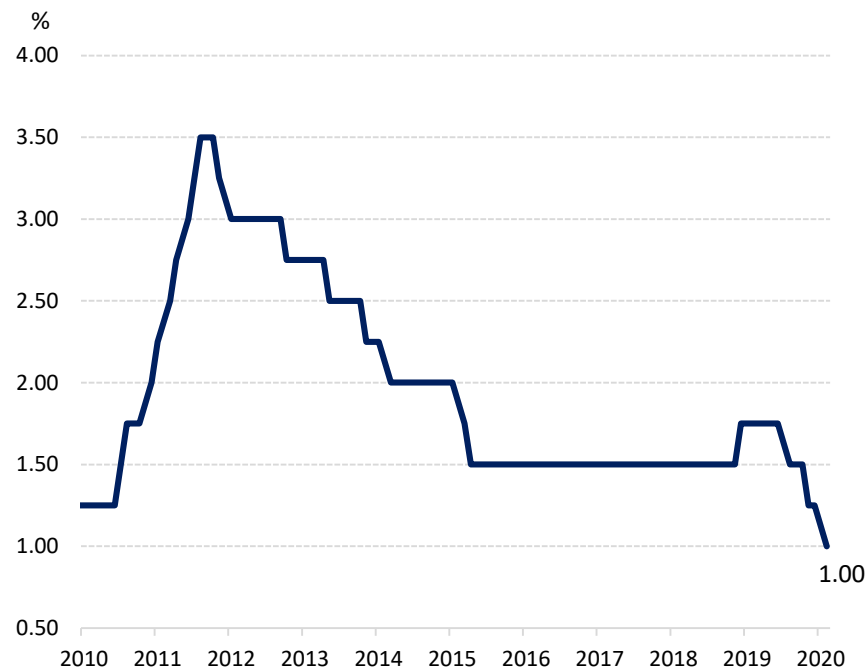
Infrastructure Mega Projects	
Status	Budget (THB bn)
Waiting for Cabinet approval	1,239.6
Waiting for bidding	314.6
In the bidding process	153.3
Waiting for construction	555.9
Construction ongoing	361.9



Source: Various News Sources

Record-low policy rate at 1.0% and THB has weakened sharply





BOT Policy Rate



USDTHB



Bangkok Bank

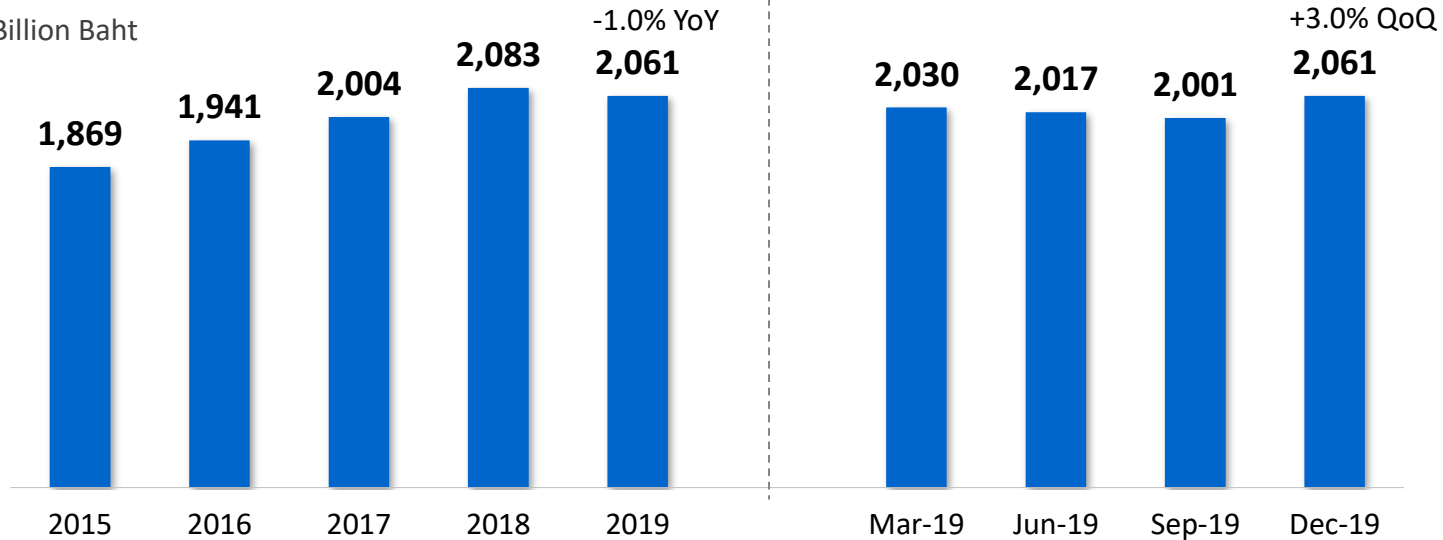
-  Operating environment
-  **2019 Financial performance**
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Prudent loan growth, diversified portfolio business mix

3% QoQ loan growth in Q4 from corporate projects in pipeline, moderated decline in earlier part of the year

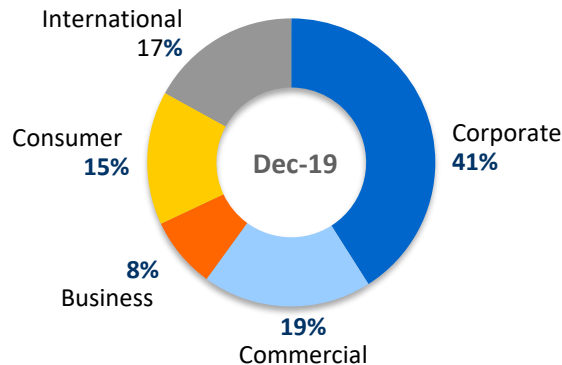
Loan

Billion Baht



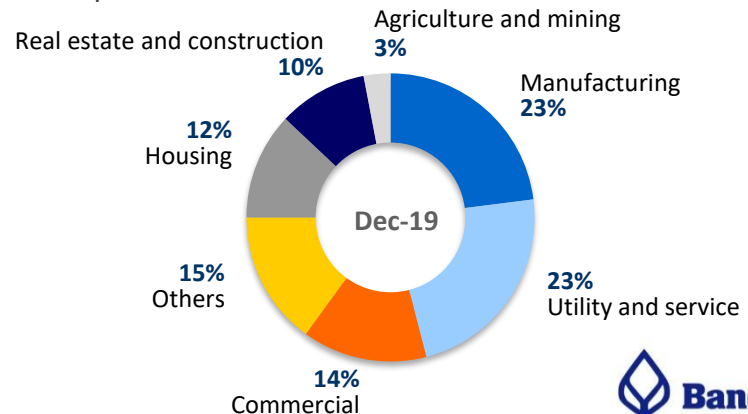
Loan by business unit

% of composition



Loan by industry

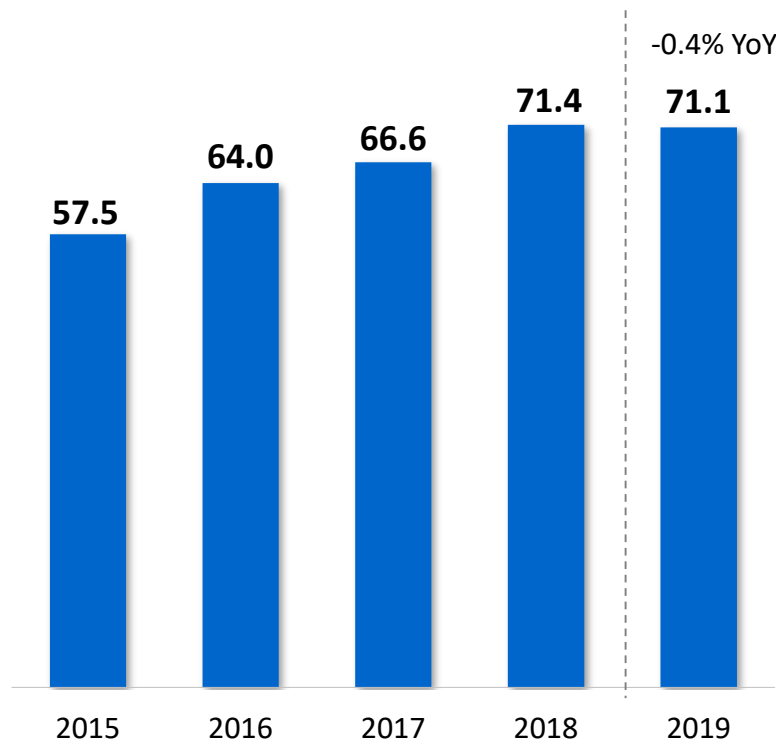
% of composition



Low interest environment put pressure on NIM but maintain value of franchise

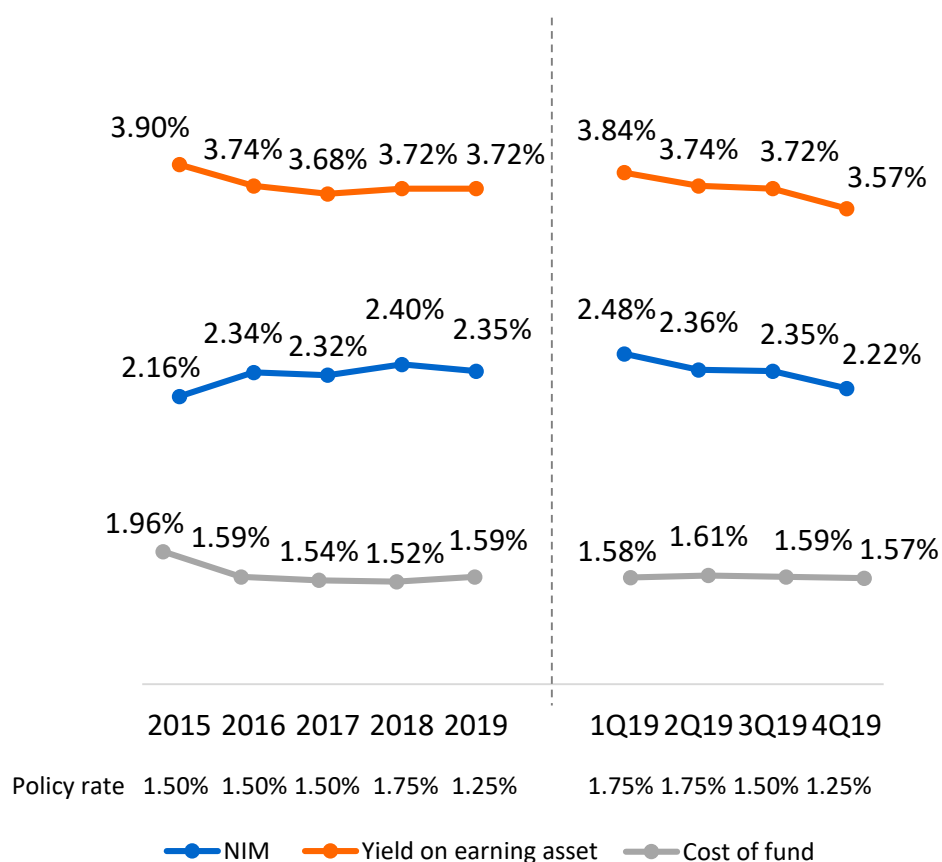
Net interest income

Billion Baht



NIM, Yield on earning asset, Cost of fund

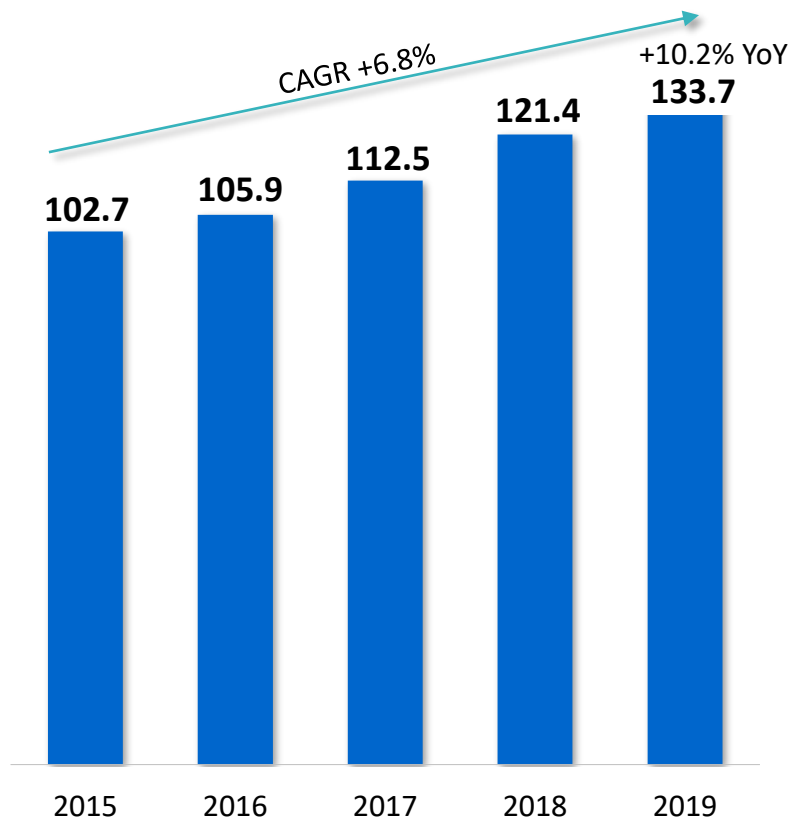
%



Proven earnings track record

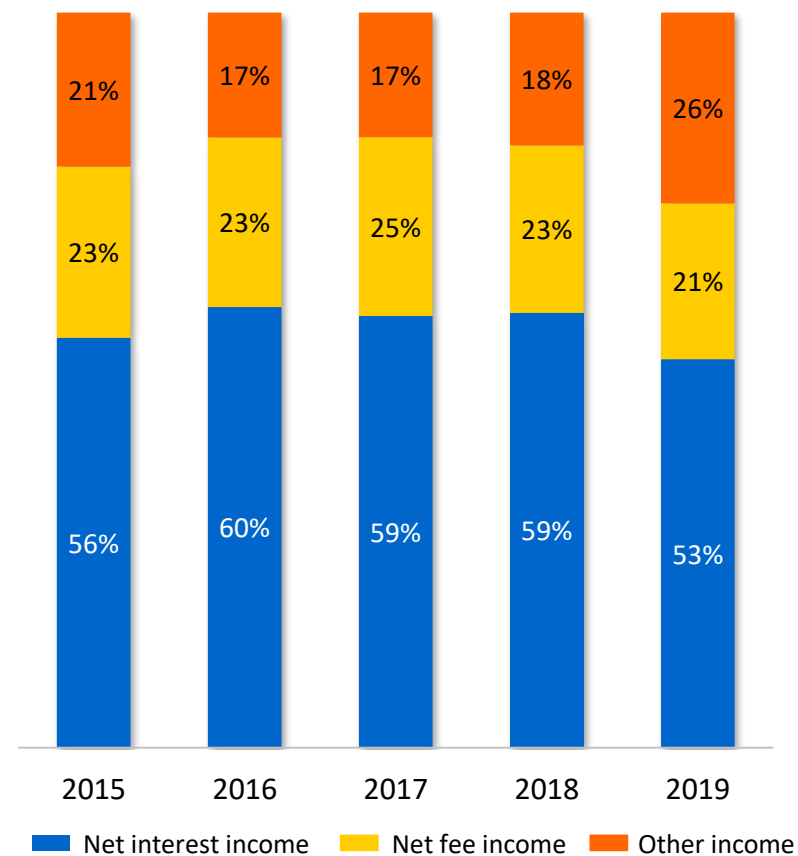
Total income

Billion Baht, % of composition



Total income breakdown

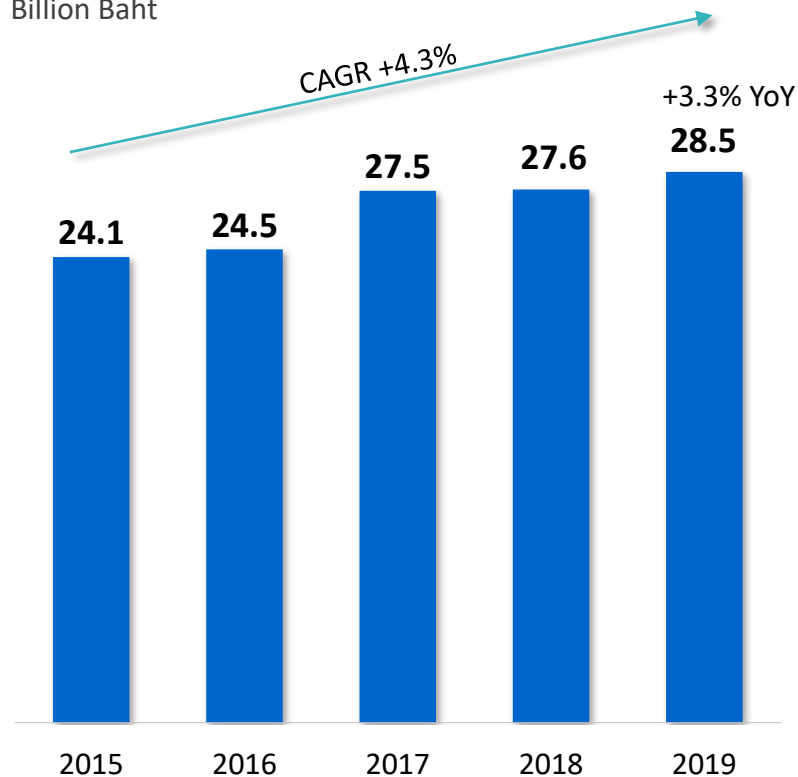
% of composition



Steady composition of fee components and maintain 3-4% growth trend

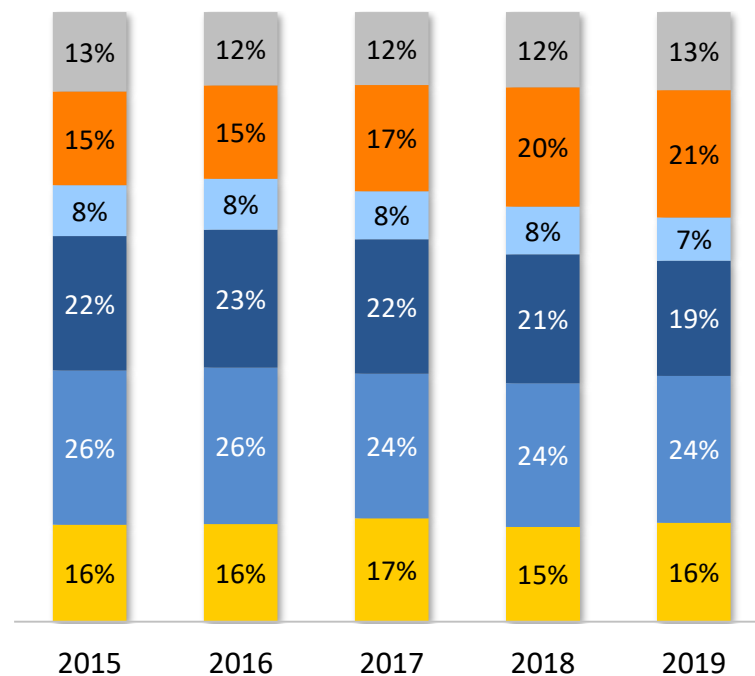
Net fees and service income

Billion Baht



Fees and service income

% of composition

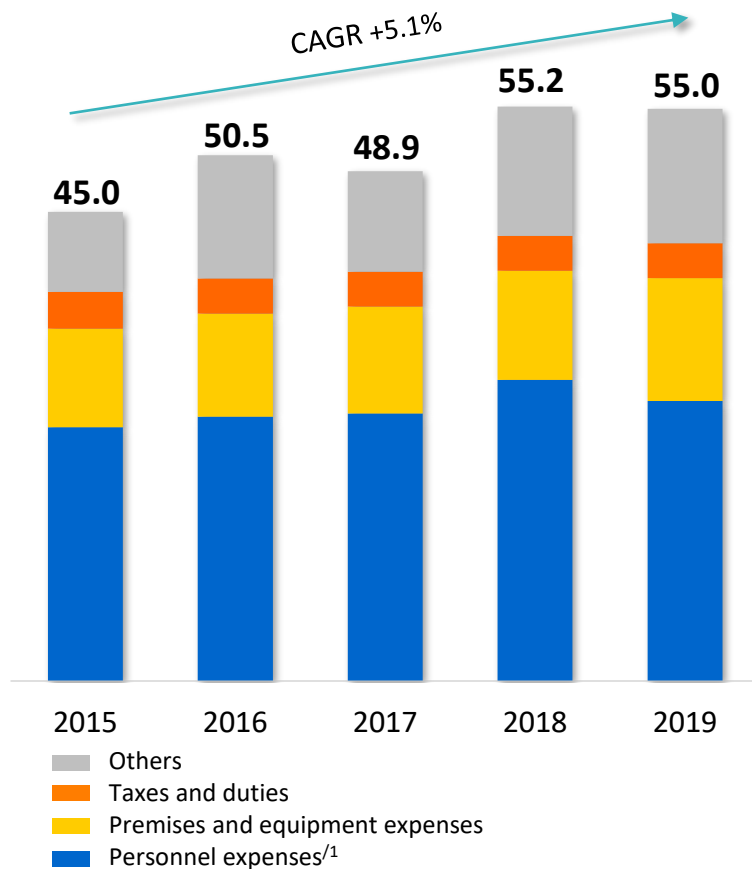


- Other fees and commissions
- Bancassurance and mutual fund
- Global market service
- Transaction service
- Credit card business
- Loan related fee

Cost management discipline

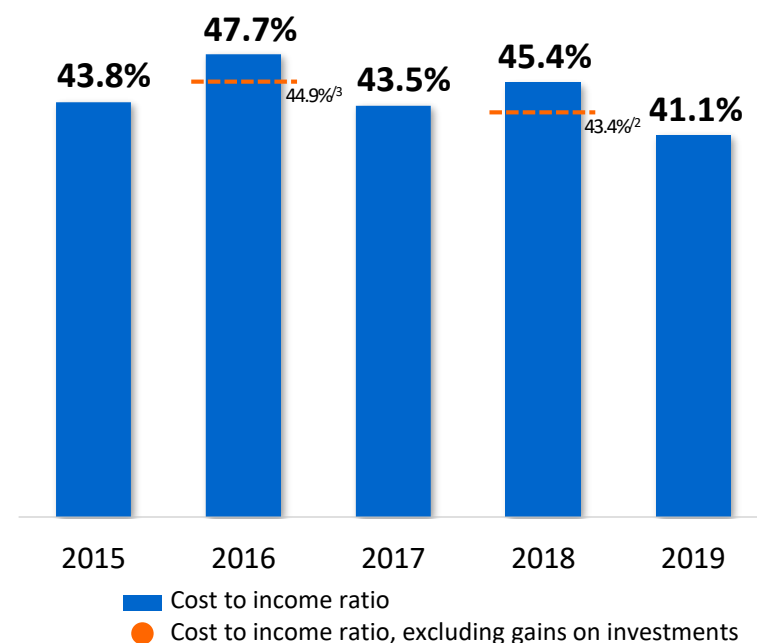
Operating expenses

Billion Baht



Cost to income ratio

%



Note: /1 Including directors' remuneration

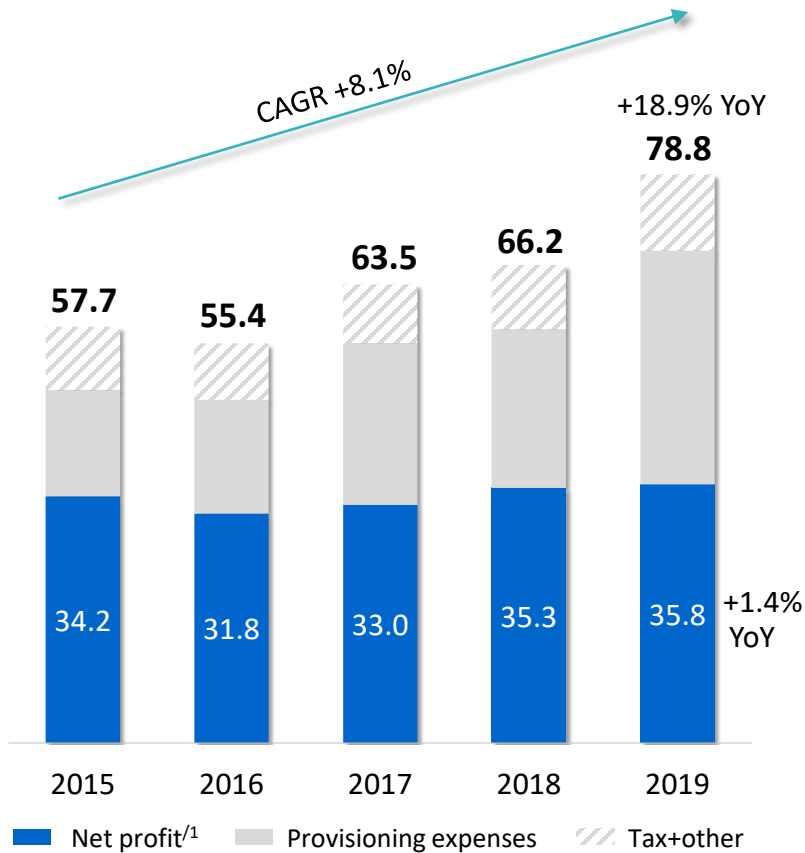
/2 If excluding the recognition of provision for post-employment benefits for the compensation in lieu of notice in the case of retirement of employees according to the new Labor Protection Act (7) B.E. 2562 (2019)

/3 If excluding one-time provision for contingency

High PPOP allowed for one-off provisioning to take advantage of TFRS9 regime change

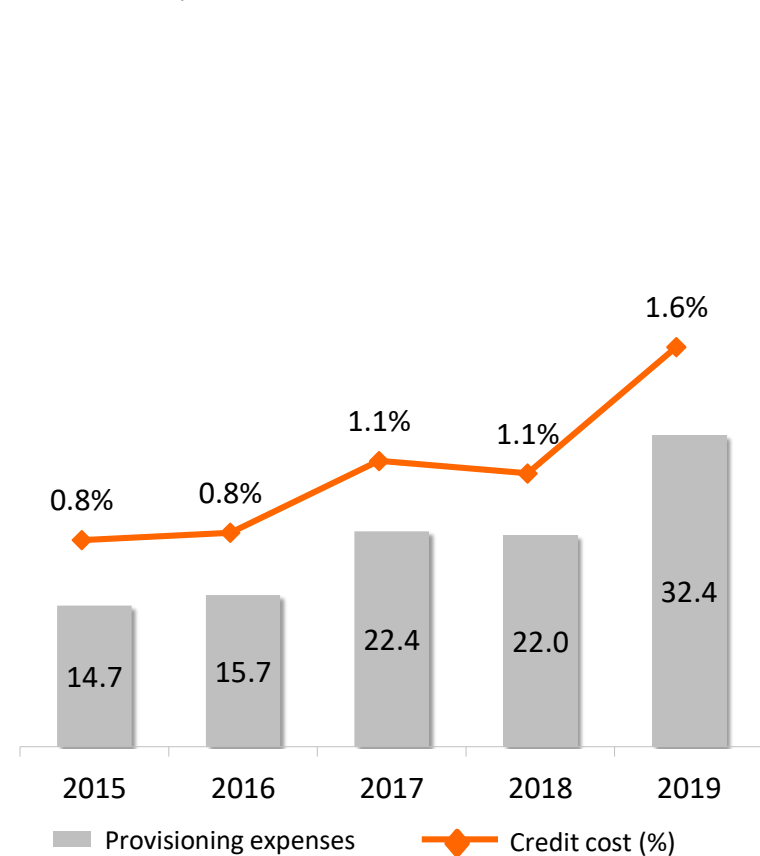
Pre-provisioning operating profit (PPOP)

Billion Baht



Provisioning expense, Credit cost

Billion Baht, %

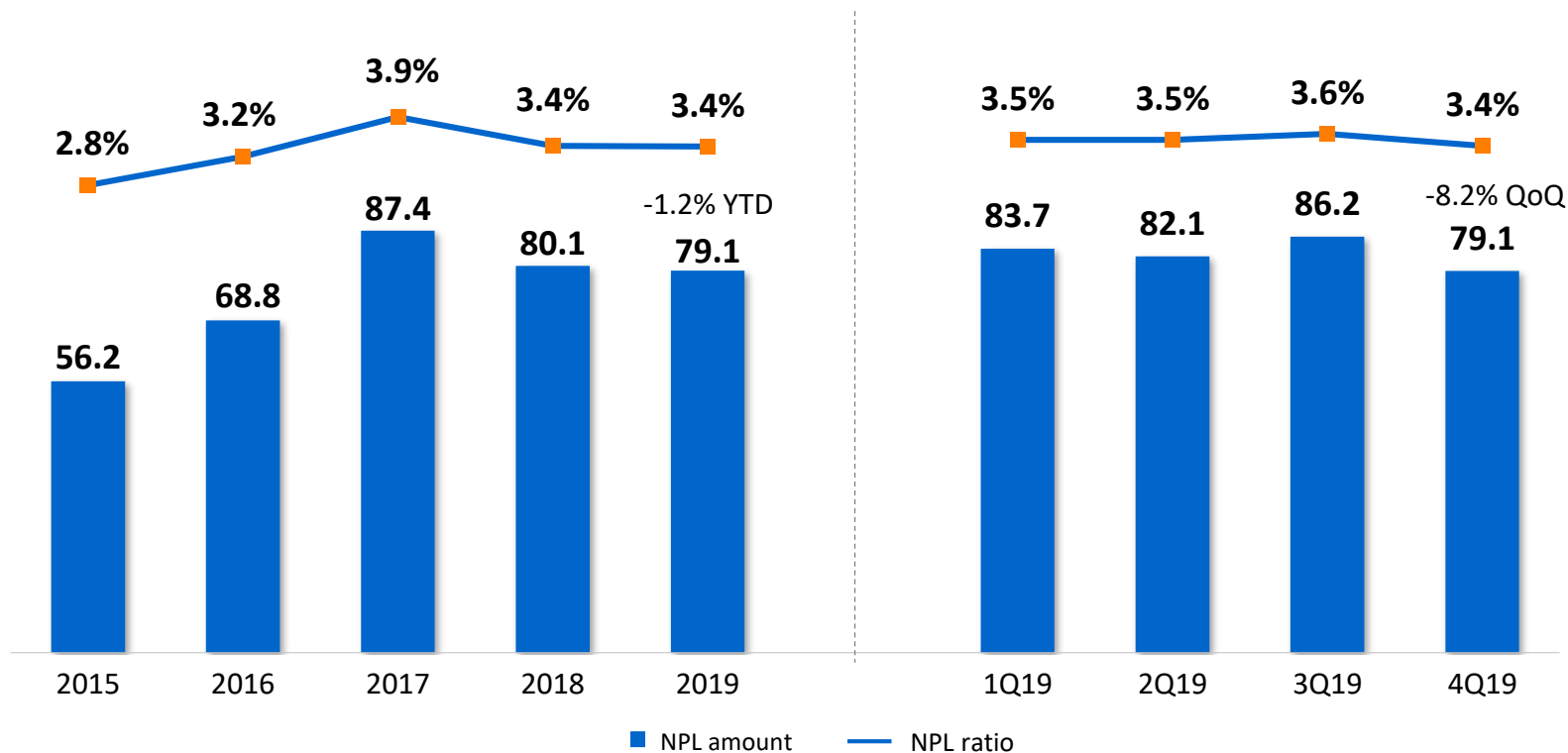


Note: /1 Attributable to owners of the Bank

Continued improvement in asset quality in Q4, with NPL decreasing by 8.2% QoQ

NPL

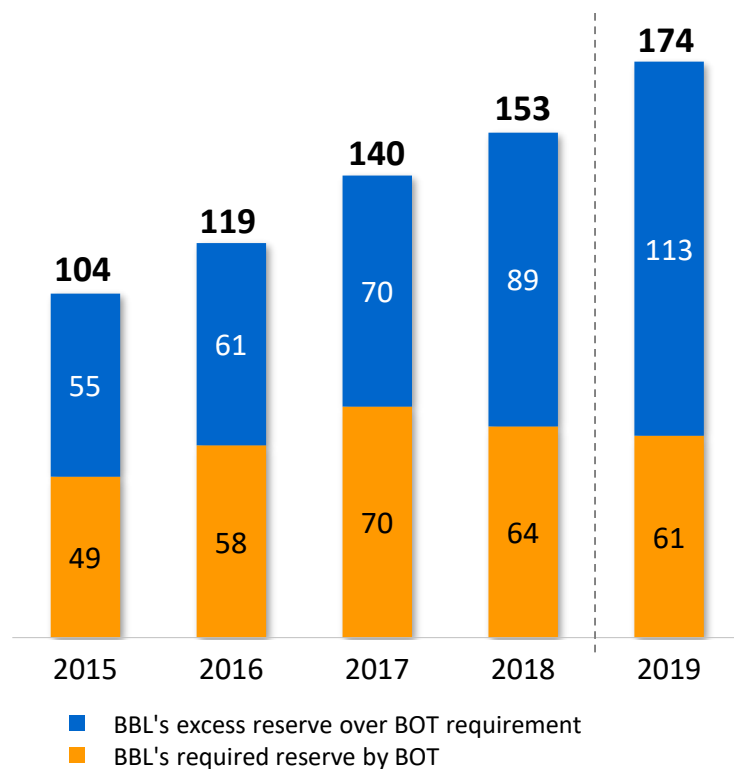
Billion Baht, %



High one-off provision on conservative premise to strengthen loan loss reserve

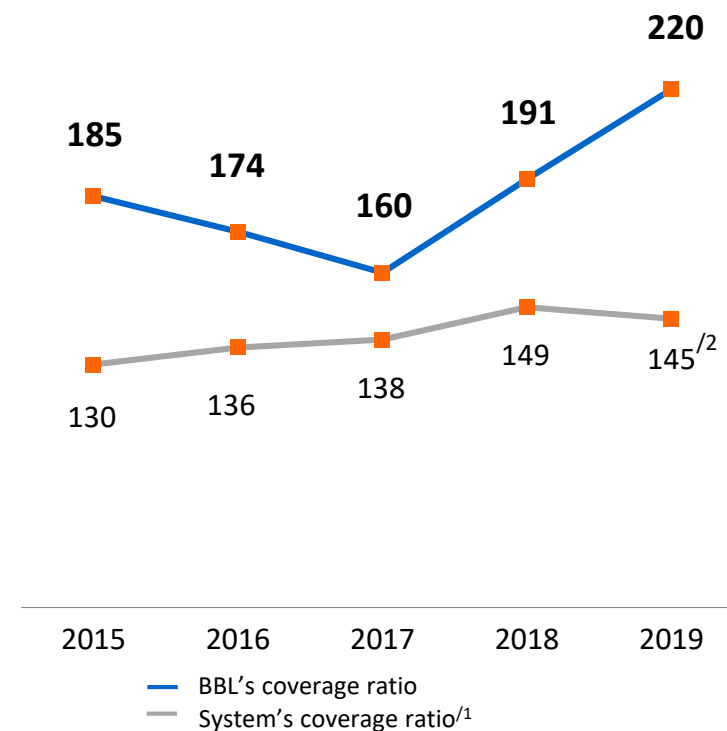
Loan loss reserve

Billion Baht



Coverage ratio

%



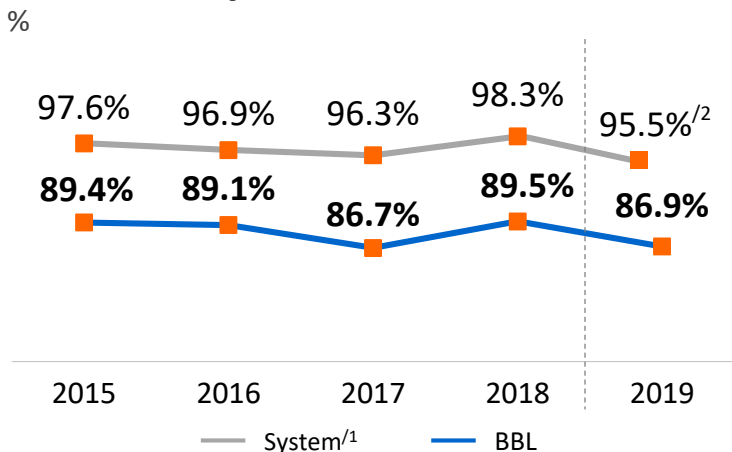
Note: /1 System refers to all commercial banks in Thailand

/2 As of September 2019

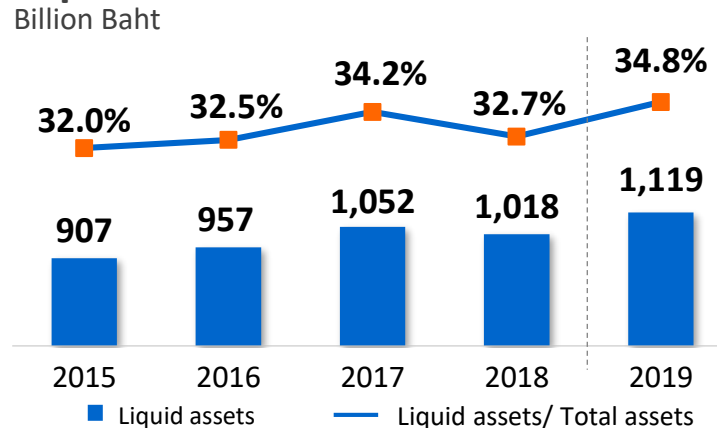
Source: Bank of Thailand, Bangkok Bank analysis

Healthy funding and liquidity positions

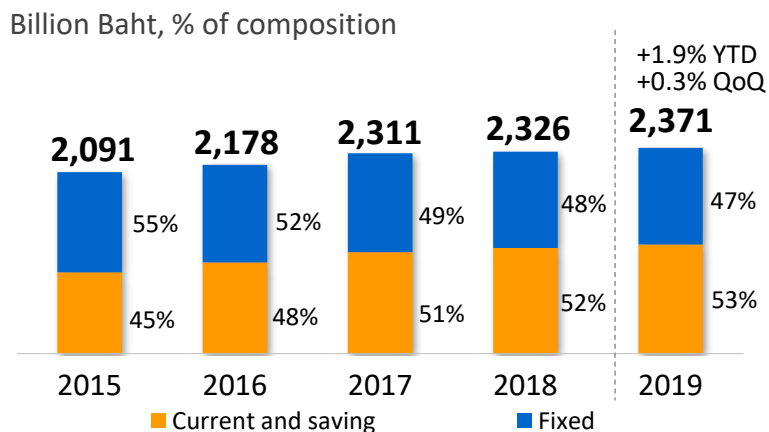
Loan-to-deposit ratio



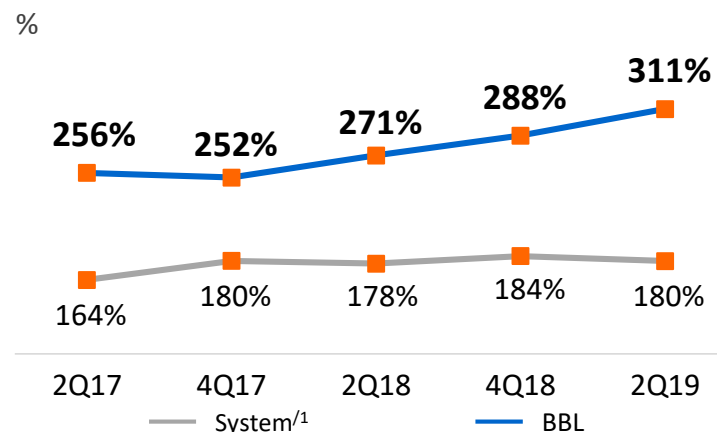
Liquid assets³



Deposit



Liquidity coverage ratio⁴



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

/2 As of November 2019

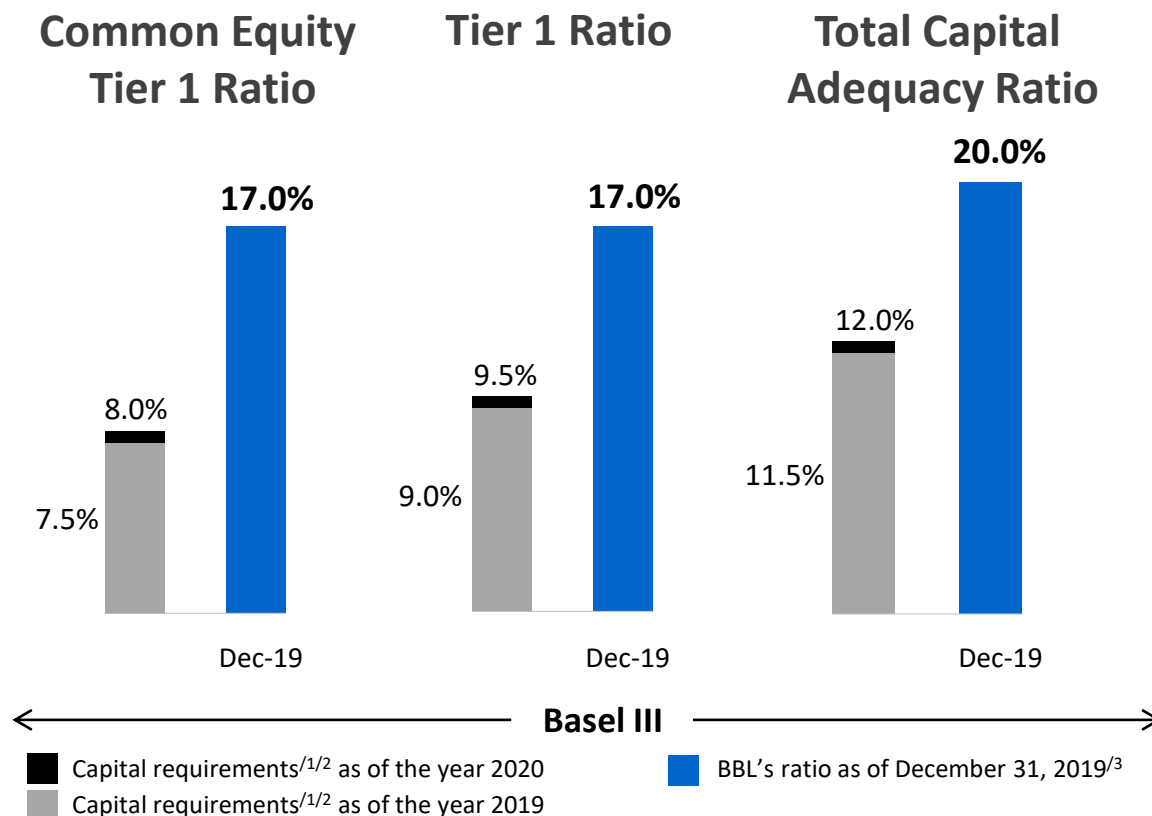
/3 Liquid assets are defined as cash, interbank and money market assets and trading & available-for-sale securities

/4 The BOT requires commercial banks to maintain Liquidity Coverage Ratio (LCR) at the end of each month not less than 60%, starting from January 1, 2016. The LCR requirement is to increase by 10% yearly until it reaches 100% on January 1, 2020.

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

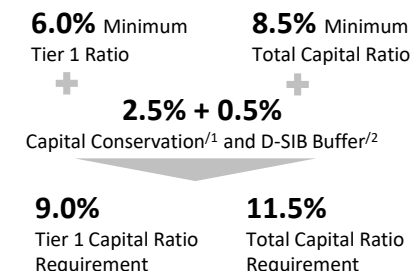
Source: Bank of Thailand, Bangkok Bank analysis

Sound capital base above minimum requirements

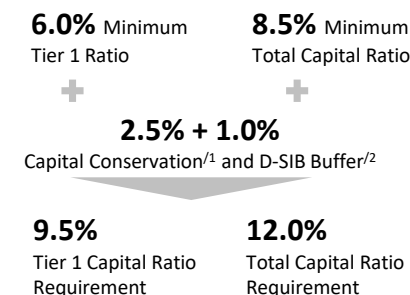


Regulatory capital ratio requirements

2019







2020



Note: /1 The Bank of Thailand requires commercial banks to maintain an additional capital conservation buffer. The buffer will gradually increase by more than 0.625% each year from January 1, 2016 until it reaches more than 2.5% in January 1, 2019.
 /2 The Bank of Thailand announced the guidelines for identifying and regulating Domestic Systemically Important Banks (D-SIBs) in September 2017. The BOT requires D-SIBs to hold additional capital for Higher Loss Absorbency (HLA) by gradually increasing its additional capital ratio by an increment of 0.5 percent from January 1, 2019 until completion of the increment to 1.0 percent in January 1, 2020 onwards.
 /3 Based on Basel III standards issued by BOT since January 1, 2013.

Bangkok Bank

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Fully prepared for IFRS9 implementation

Key Areas of Impact

Provisioning based on “lifetime expected credit loss”

Credit fee income included in interest income

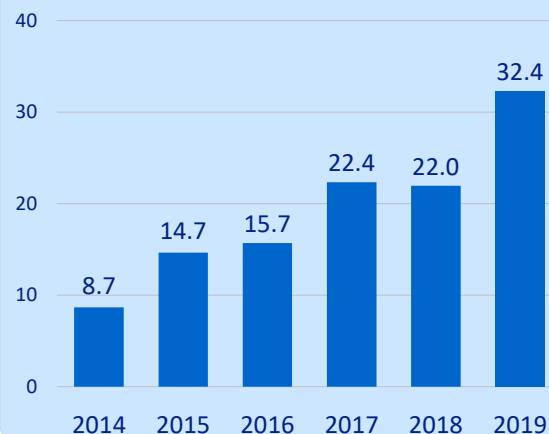
New classification of financial assets and financial liabilities : accounted for fair value to profit and loss (FVTPL)

Banking book derivatives “mark to market” instead of “accrual basis”

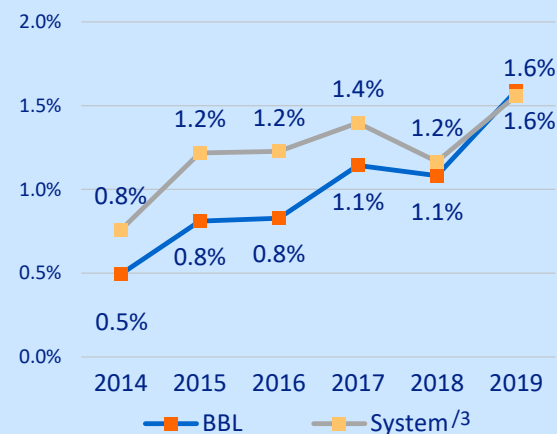
Bangkok Bank Mitigants

Sound credit management and consistent reserving policies

Provisioning expense (THB Bn) ⁽¹⁾



Cost of credit (%) ⁽²⁾



Lower non-interest income

Most of investment in equities is classified to fair value to OCI (FVTOCI). The remaining is classified to FVTPL which a movement of market value will go through PL.

Derivatives that qualify for hedge accounting reduce income volatility

Derivative assets and derivative liabilities constitute less than 2% of total assets and total liabilities, respectively

Notes: /1 Impairment loss of loan and debt securities

/2 Impairment loss of loan and debt securities divided by average loan less deferred income

/3 System refers to all commercial banks in Thailand, except 2019 refers to 5 banks (BBL, KBANK, SCB, KTB and BAY)

Source: Bank of Thailand, Bangkok Bank analysis

2020 Financial target

Consolidated	2020 Financial target
Loan growth	3-4%
NPL ratio (gross)	Maintain
Net interest margin	±2.20%
Net fee income growth	-2% to flat
Cost to income ratio	High 40%
Expected credit loss	12,000-15,000 million Baht

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.

Key Focus and Strategy

Business Opportunities

Connectivity and integration

Infrastructure development and the needs of urban society

Innovation technology

- ✓ Support customers by leveraging our expertise, extensive network and offering total solutions
- ✓ Deepen customer relationships
- ✓ Data analytic to enhance customer experience

Business Challenges





Weak global growth

Domestic structural challenges

- ✓ Grow business with quality
- ✓ Well disciplined balance sheet management
 - ✓ Robust capital base
 - ✓ Strong liquidity and solid deposit franchise
 - ✓ Resilient asset quality with strong loan-loss reserves

Long-term Sustainable Bank

Bangkok Bank

-  Operating environment
-  2019 Financial performance
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-  **Brief update on Permata**

Brief update on Permata

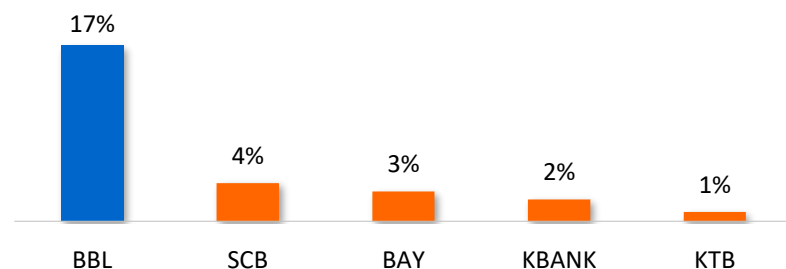


- ▶ Extraordinary General Meeting of Shareholders scheduled on 5 March 2020
 - Recap of Strategic Rationale
 - Increases Bangkok Bank's exposure to a highly attractive and fast-growing market
 - Aligns with Bangkok Bank's international strategy to transform into a leading regional bank
 - Provides a platform of scale that is poised for growth and an excellent fit for Bangkok Bank
 - Generates significant synergies by leveraging Bangkok Bank's network and expertise
- ▶ Progressing through regulatory approval processes
- ▶ Expected closing within 2020

Acquisition of Permata is in line with Bangkok Bank's international strategy

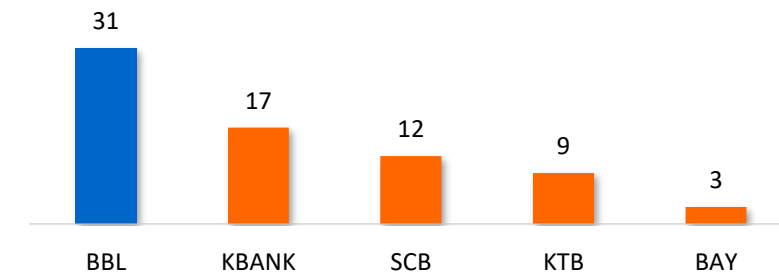
Bangkok Bank is Thailand's most international bank

% international loans ^{/1}



Source: Company Information

Number of international locations ^{/2}



Source: Company Information

Permata will help transform Bangkok Bank into a leading ASEAN bank

Key Highlights of Permata

- Exposure to Retail and SME (58% of loans)
- Solid funding base (over 3.5 million customers; 50% CASA ratio)
- Best-in-class digital capabilities
- Unique partnership ecosystem model



Key Strengths of Bangkok Bank

- Largest corporate bank in Thailand
- Leading cross-border product capabilities
- Extensive regional footprint
- Robust capital position and prudent liquidity and risk management

Large scale provides broader funding and capital base to grow Bangkok Bank's international business

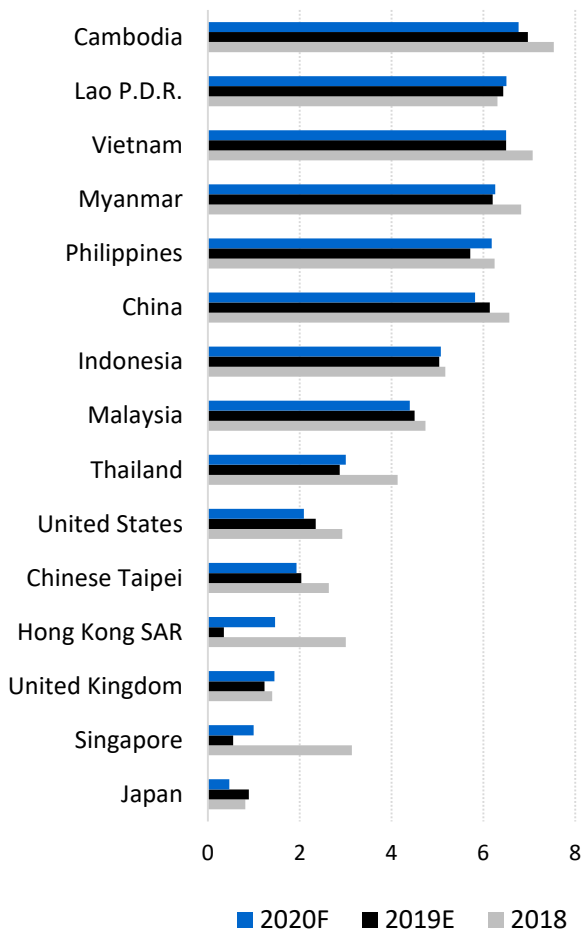
Enhance value proposition and product offering for Bangkok Bank and Permata clients

Aid and promote Indonesian corporates and SMEs in expanding domestically and regionally

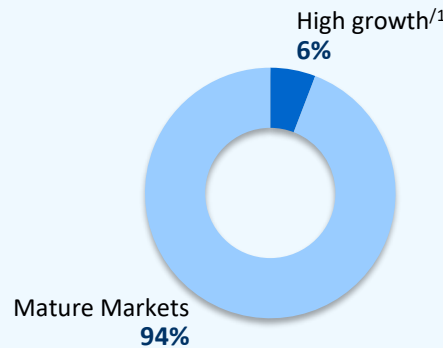
Capitalize on opportunities from greater ASEAN integration and promote knowledge transfer

Transform Bangkok Bank into a leading ASEAN bank with meaningful presence in high growth markets

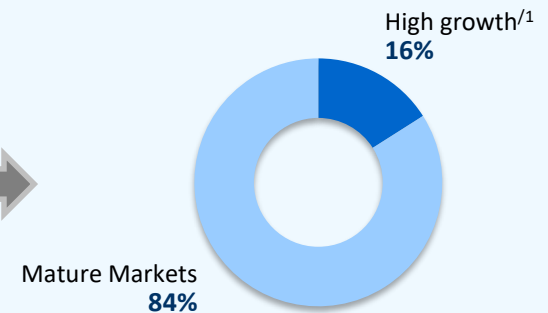
GDP growth %



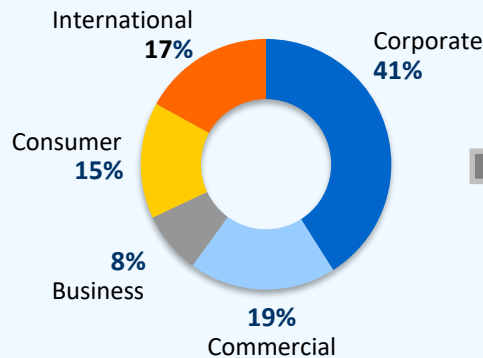
Bangkok Bank pre-transaction loan breakdown



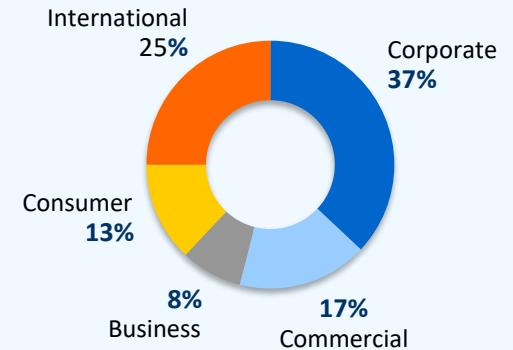
High growth markets will contribute ~16% to Bangkok Bank's loan



Bangkok Bank pre-transaction loan breakdown



Permata will contribute ~10% of Bangkok Bank loan



Loans: THB2,001 Bn

Pro forma Loans: THB2,235 Bn

27 Note: /1 High growth markets include Myanmar, Cambodia, China, Vietnam, Philippines, Indonesia, and Laos. Mature markets include Thailand, USA, UK, Malaysia, Japan, Hong Kong, Taiwan, and Singapore



Illustrative financial and capital impact on Bangkok Bank

Change in Key Financial Metrics (Sep-2019 Basis)

US\$MM¹

	Bangkok Bank	Permata	Pro Forma	Permata Contribution
Balance Sheet (as of 30 Sep 2019)				
Loan	65,422	7,646	73,068	10%
Deposit	77,212	8,479	85,691	10%
Total Assets	105,490	10,937	116,427	9%
NPL Ratio	3.6%	3.3%	3.6%	(3) bps
NPL Coverage	183.4%	164.0%	181.5%	(189) bps
Income Statement (9M 2019)				
Net Interest Income	1,761	290	2,050	14%
Net Income to Owners	909	77	986	8%
Net Interest Margin	2.4%	4.2%	2.5%	+15 bps

Estimated Capital Impact

- Bangkok Bank capital position will remain robust post-acquisition of 100% stake
- Standalone and pro forma capital ratios: ^{/2}

	Bangkok Bank Stand-alone	Permata	Bangkok Bank Pro Forma
CET 1 Ratio	17.7%	18.8%	14.5%
CAR	20.7%	20.1%	17.2%

- Bangkok Bank does not intend to raise equity for this transaction
- Bangkok Bank will continue to assess raising Tier 2 or Additional Tier 1 capital to maintain capital ratios at prudent levels

Impact on Dividends

- Bangkok Bank intends to maintain its current level of dividends

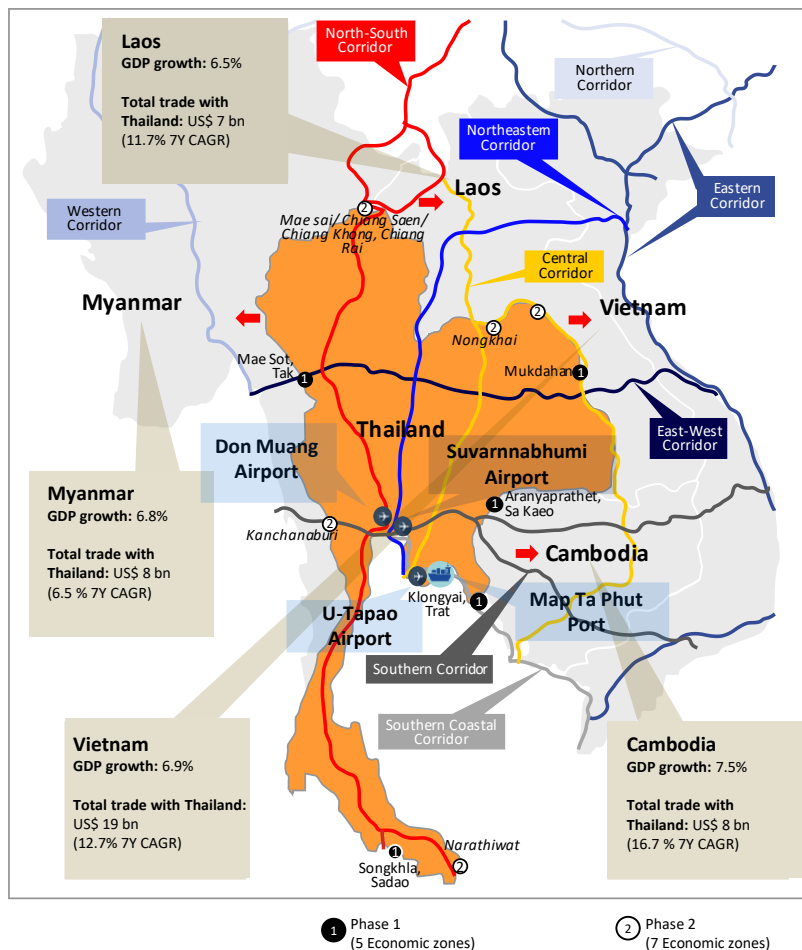
Note: /1 Based on exchange rate of US\$/IDR of 14,179 and exchange rate of US\$/THB of 30.6 as of 30 September 2019

28 /2 No CET 1, Tier 1, and Tier 2 financing assumed. 100% deduction of goodwill from CET1 and addition of 100% Permata RWAs to Bangkok Bank; As of Sep-2019

Appendix

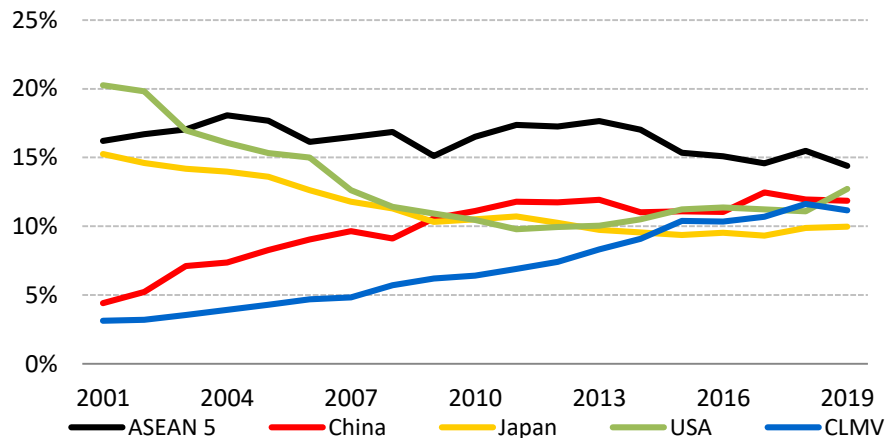
Opportunities from Regionalization and Urbanization

Thailand: gateway to the CLMV¹ region

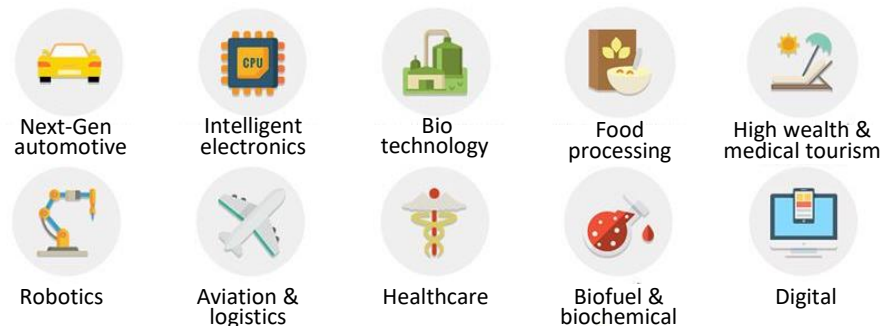


ASEAN countries have become Thailand's major trading partners

Thailand's top export destinations

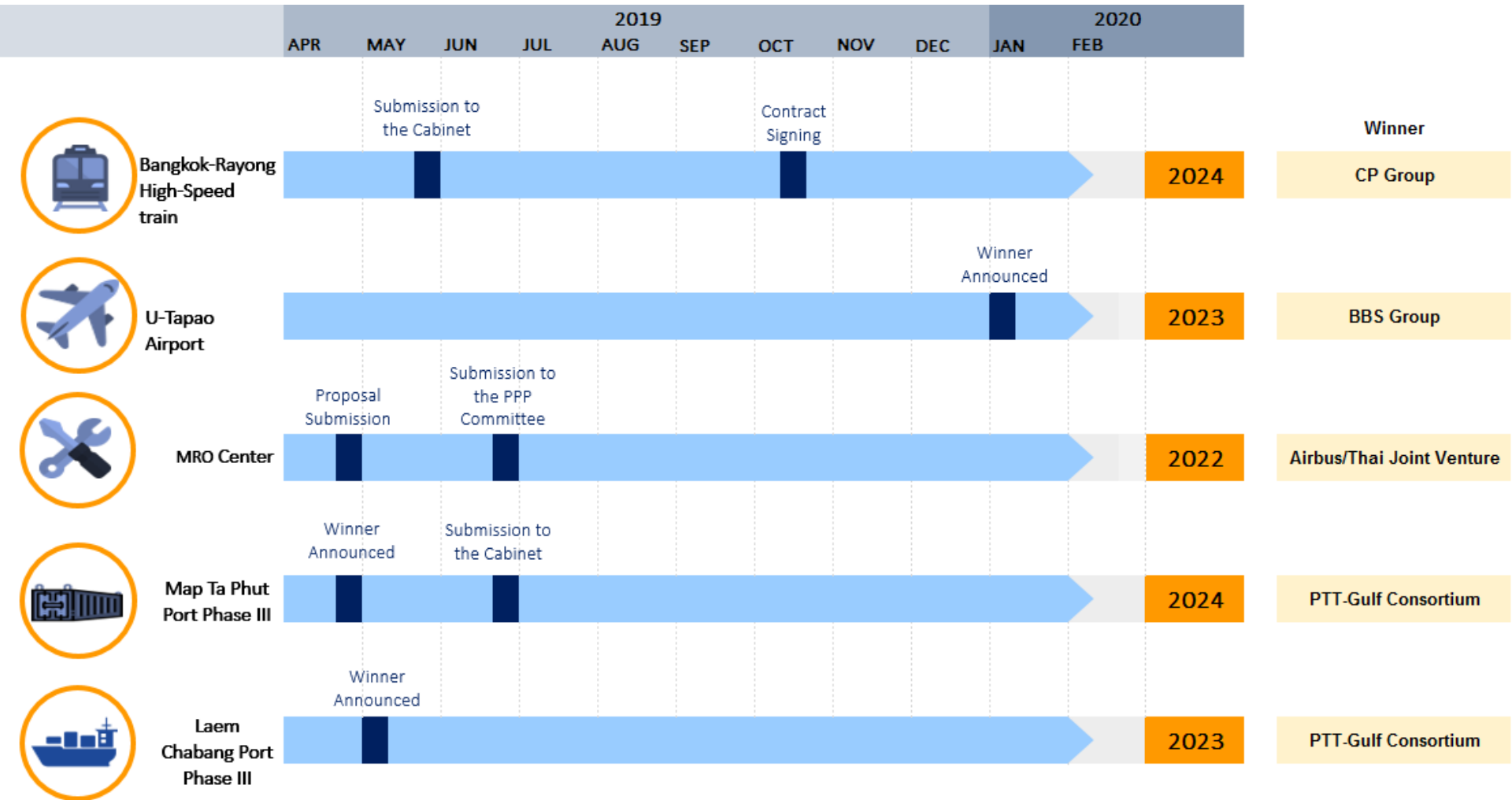


10 targeted industries



Note: /1 "CLMV" stands for "Cambodia, Laos, Myanmar, and Vietnam"
 - GDP growth as of 2018; GDP growth refers to YoY growth between 2017-18
 - Total trade is calculated as the sum of exports and imports as of 2018

EEC Projects Timeline



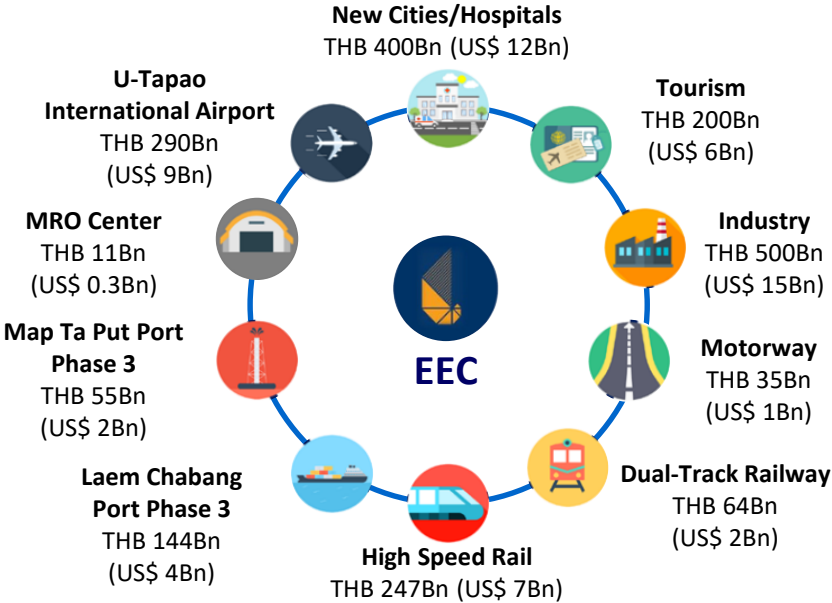
Source: Various News Sources



Budget disbursement for infrastructure projects to rise with more clarity of EEC-related projects

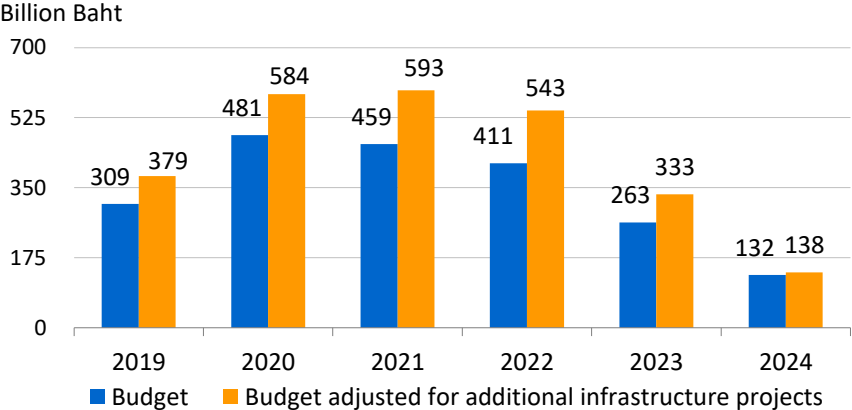
Combined public and private investments

Approximately THB1.9Tn (US\$62Bn) over the next 5 years



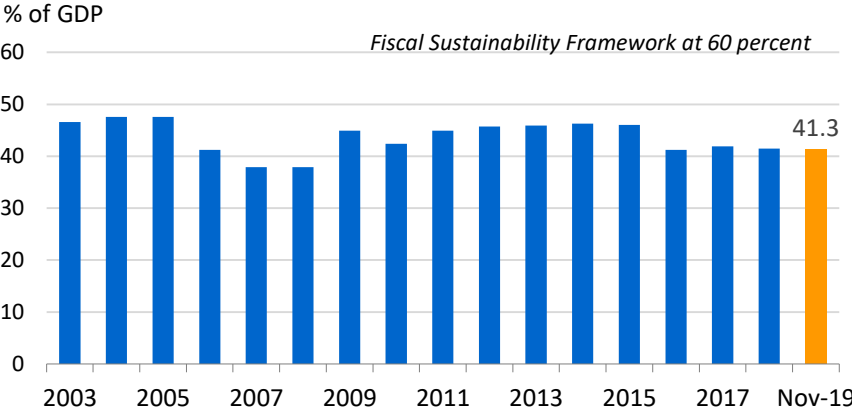
Source: EECO

Disbursement schedule



Source: Ministry of Transport, OTTPP, EECO, Bangkok Bank Economic Team

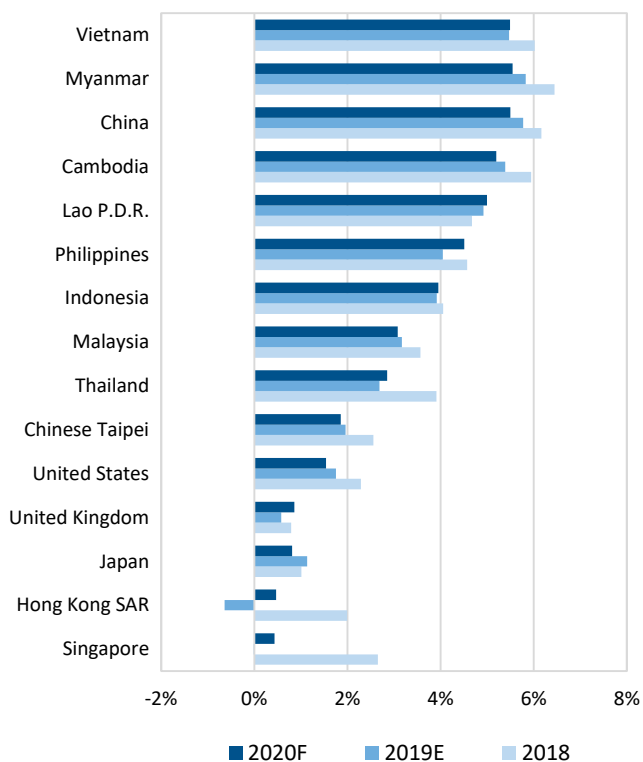
Public debt to GDP



Source: Bank of Thailand

GDP per capita and middle income class

GDP per capita

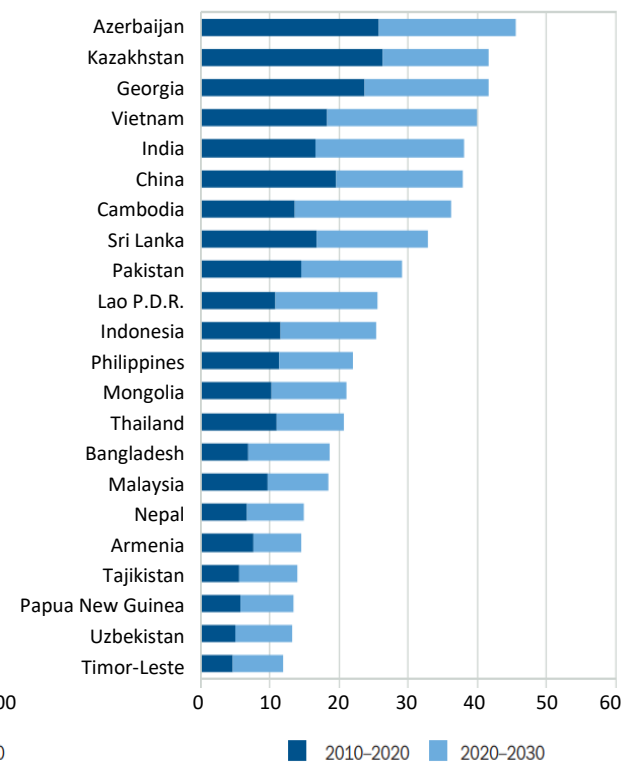


Middle income class*

>4\$ standard, population, million



>4\$ standard, % change



Note: * More than \$4.00 income per person per day
 Source: Roland-Holst, Sugiyarto and Loh (2010).

Financial position

Million Baht

	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Growth (%)	
						QoQ	YTD
Loan ^{/1}	1,868,903	1,941,093	2,003,989	2,083,160	2,061,309	3.0%	-1.0%
Deposit	2,090,965	2,178,141	2,310,743	2,326,470	2,370,792	0.3%	1.9%
LDR	89.4%	89.1%	86.7%	89.5%	86.9%	2.2%	-2.6%
NPL	56,226	68,841	87,419	80,137	79,149	-8.2%	-1.2%
NPL ratio	2.8%	3.2%	3.9%	3.4%	3.4%	-0.2%	0.0%
LLR to NPL	185%	174%	160%	191%	220%	36.8%	29.3%
LLR to loan	5.6%	6.2%	7.0%	7.3%	8.5%	0.6%	1.2%
Liquid assets ^{/2}	906,648	956,841	1,051,975	1,018,448	1,118,772	-5.2%	9.9%
Liquid assets to total assets	32.0%	32.5%	34.2%	32.7%	34.8%	-1.8%	2.1%
CASA	44.8%	48.4%	50.7%	52.4%	53.1%	1.1%	0.7%
CET1/Tier 1 ratio ^{/3}	15.8%	16.4%	16.6%	16.4%	17.0%	-0.7%	0.6%
CAR ^{/3}	17.9%	18.3%	18.2%	18.0%	20.0%	-0.7%	2.0%

Note:

/1 Loan = Loan to customer less deferred revenue

/2 Liquid assets consist of cash, net interbank and money market items, trading securities and available-for-sale securities

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

Financial performance – 4Q19

Million Baht

	4Q18	3Q19	4Q19	Growth (%)	
				QoQ	YoY
Net interest income	18,423	17,944	17,193	-4.2%	-6.7%
Net fee income	7,070	6,864	8,185	19.2%	15.8%
Other operating income	3,581	5,431	18,345	237.8%	412.3%
Total income	29,074	30,239	43,723	44.6%	50.4%
Operating expense	16,344	12,679	15,988	26.1%	-2.2%
Provisioning expense	2,765	5,381	16,342	203.7%	491.0%
Net profit ^{/1}	8,101	9,438	8,002	-15.2%	-1.2%
EPS ^{/1} (Baht per share)	4.24	4.94	4.19	-15.2%	-1.2%
NIM	2.46%	2.35%	2.22%	-0.13%	-0.24%
Net fee income ratio	24.3%	22.7%	18.7%	-4.0%	-5.6%
Cost to income ratio	56.2%	41.9%	36.6%	-5.3%	-19.6%
ROA ^{/1}	1.04%	1.17%	0.99%	-0.18%	-0.05%
ROE ^{/1}	7.86%	8.78%	7.40%	-1.38%	-0.46%

Note:

/1 Attributable to owners of the Bank

Financial performance – year

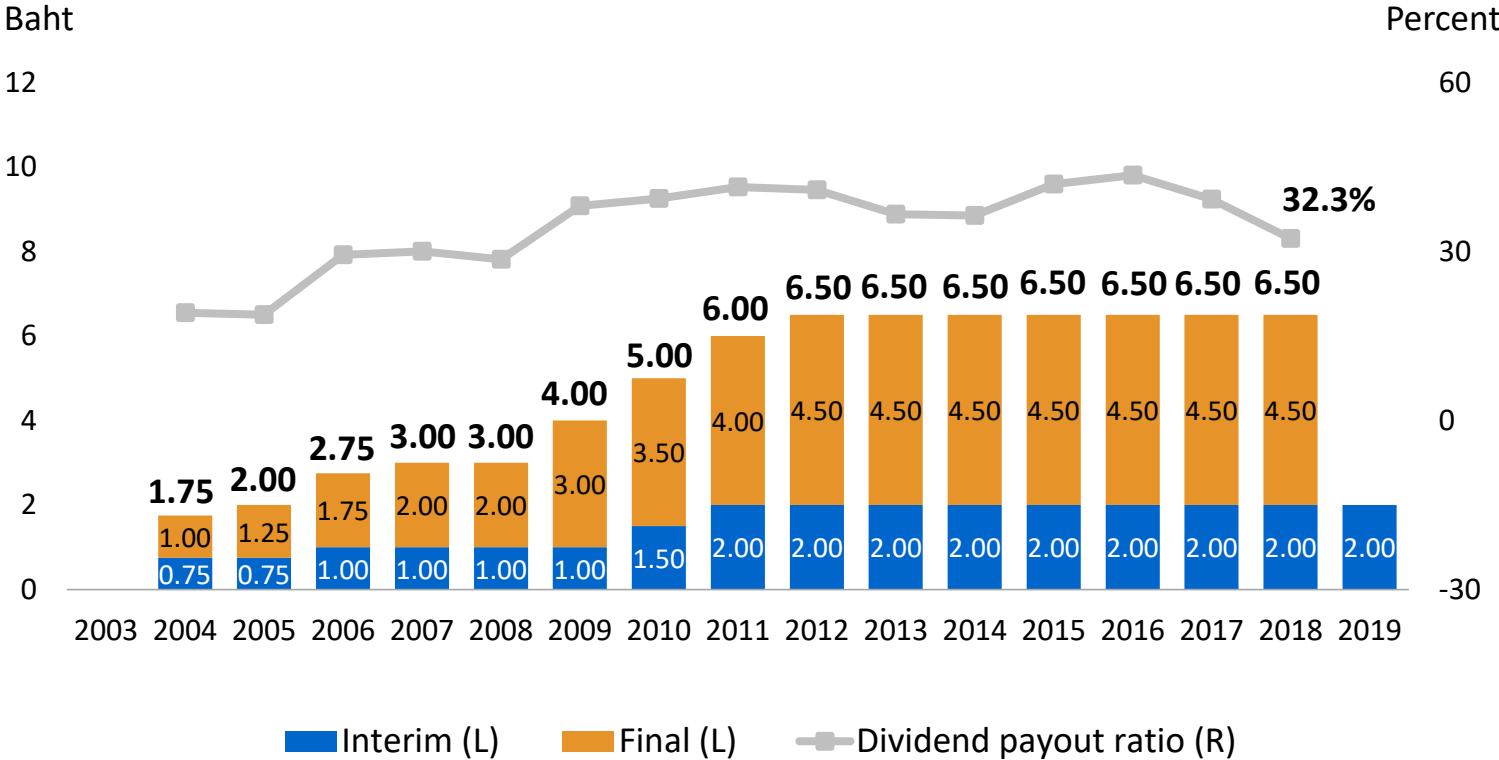
Million Baht

	2015	2016	2017	2018	2019	Growth %YoY
Net interest income	57,510	63,998	66,625	71,376	71,071	-0.4%
Net fee income	24,071	24,492	27,526	27,590	28,504	3.3%
Other operating income	21,147	17,368	18,317	22,435	34,171	52.3%
Total income	102,728	105,858	112,468	121,400	133,746	10.2%
Operating expense	45,045	50,505	48,948	55,165	54,963	-0.4%
Provisioning expense	14,654	15,728	22,370	21,965	32,351	47.3%
Net profit/ ¹	34,181	31,815	33,009	35,330	35,816	1.4%
EPS/ ¹ (Baht per share)	17.91	16.67	17.29	18.51	18.76	1.4%
NIM	2.16%	2.34%	2.32%	2.40%	2.35%	-0.05%
Net fee income ratio	23.4%	23.1%	24.5%	22.7%	21.3%	-1.4%
Cost to income ratio	43.8%	47.7%	43.5%	45.4%	41.1%	-4.3%
ROA/ ¹	1.21%	1.09%	1.09%	1.13%	1.13%	0.00%
ROE/ ¹	9.91%	8.59%	8.49%	8.73%	8.45%	-0.28%

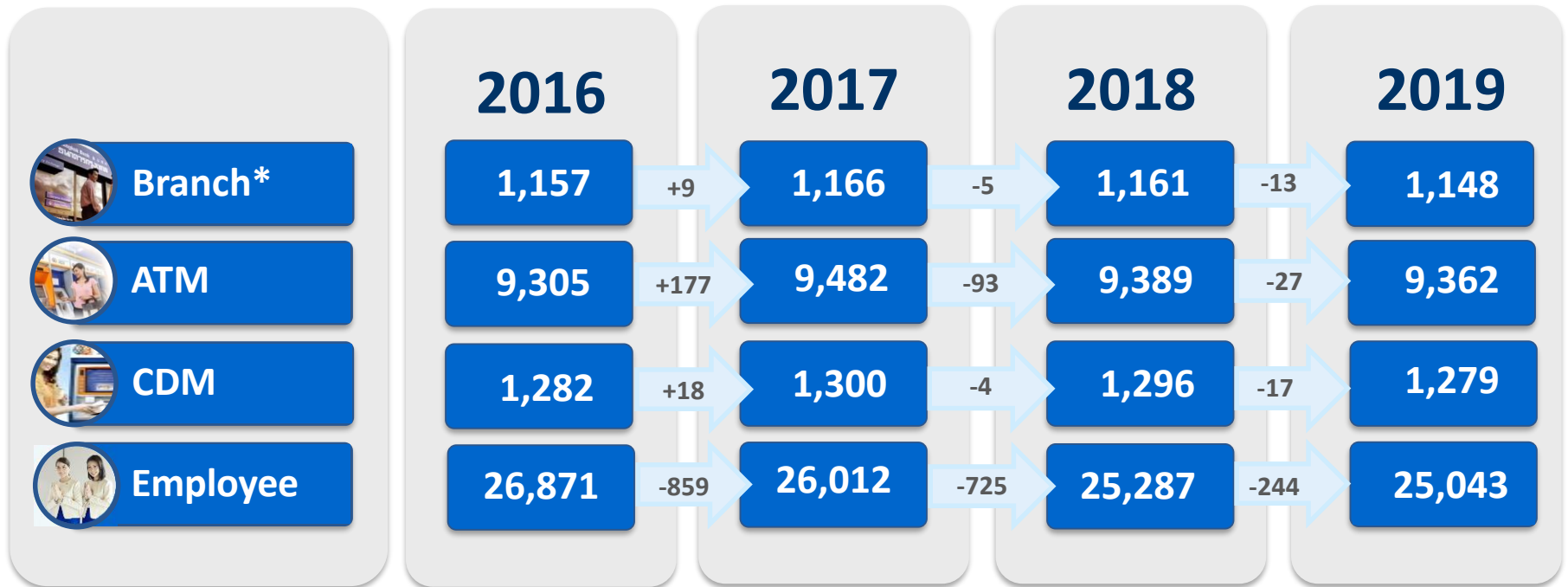
Note:

¹ Attributable to owners of the Bank

Dividend and payout ratio



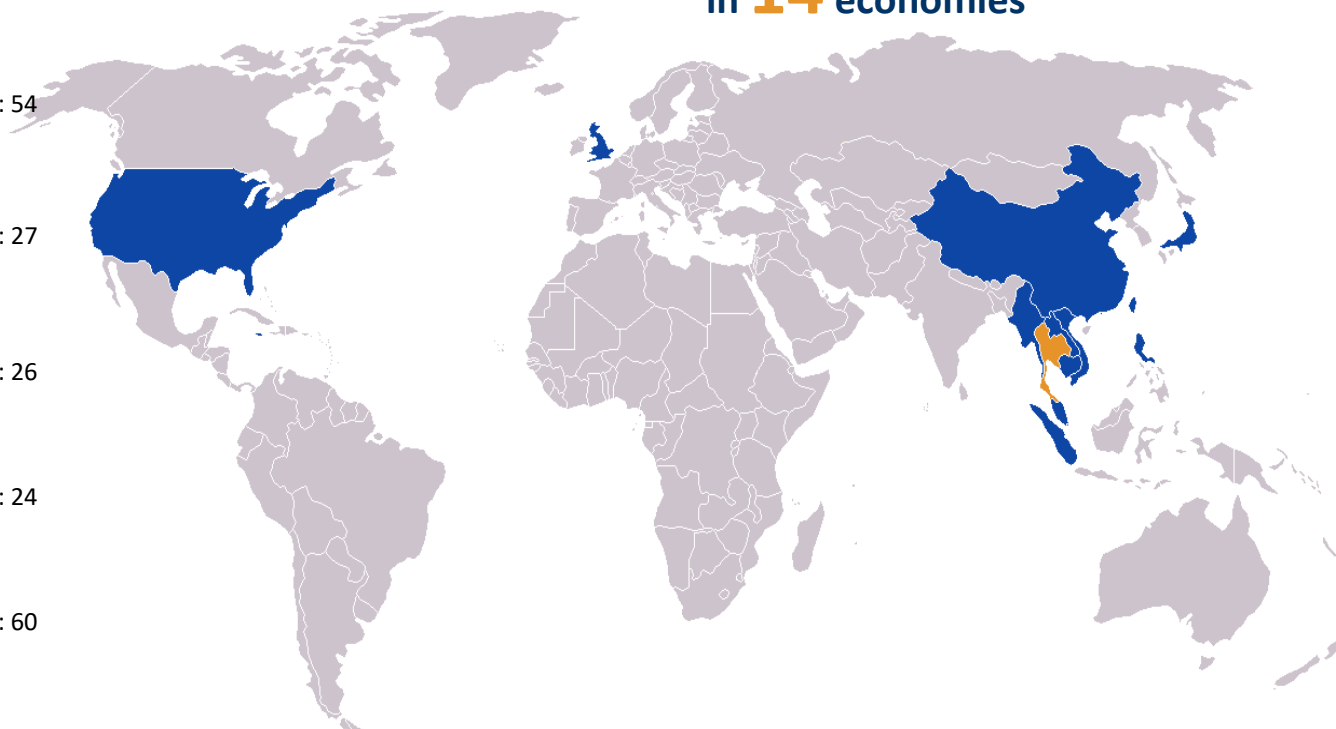
Network



Note: Consolidated
* Domestic branches

Long-standing international presence

31 International locations
in **14** economies



UK

Branch: 1
Number of year: 62

USA

Branch: 1
Number of year: 54

Vietnam

Branch: 2
Number of year: 27

Laos

Branch: 2
Number of year: 26

Myanmar

Branch: 1
Number of year: 24

Malaysia^{/1}

Branch: 5
Number of year: 60

Singapore

Branch: 1
Number of year: 62

China^{/1}

Branch: 6
Number of year: 33

Japan

Branch: 2
Number of year: 64

Philippines

Branch: 1
Number of year: 24

Taiwan

Branch: 3
Number of year: 54

Hong Kong

Branch: 2
Number of year: 65

Cambodia

Branch: 1
Number of year: 5

Indonesia

Branch: 3
Number of year: 47

Note: As at December 2019
/1 Wholly-owned subsidiary

Source: Bangkok Bank filing

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