



# Investor Presentation

## For 3Q22



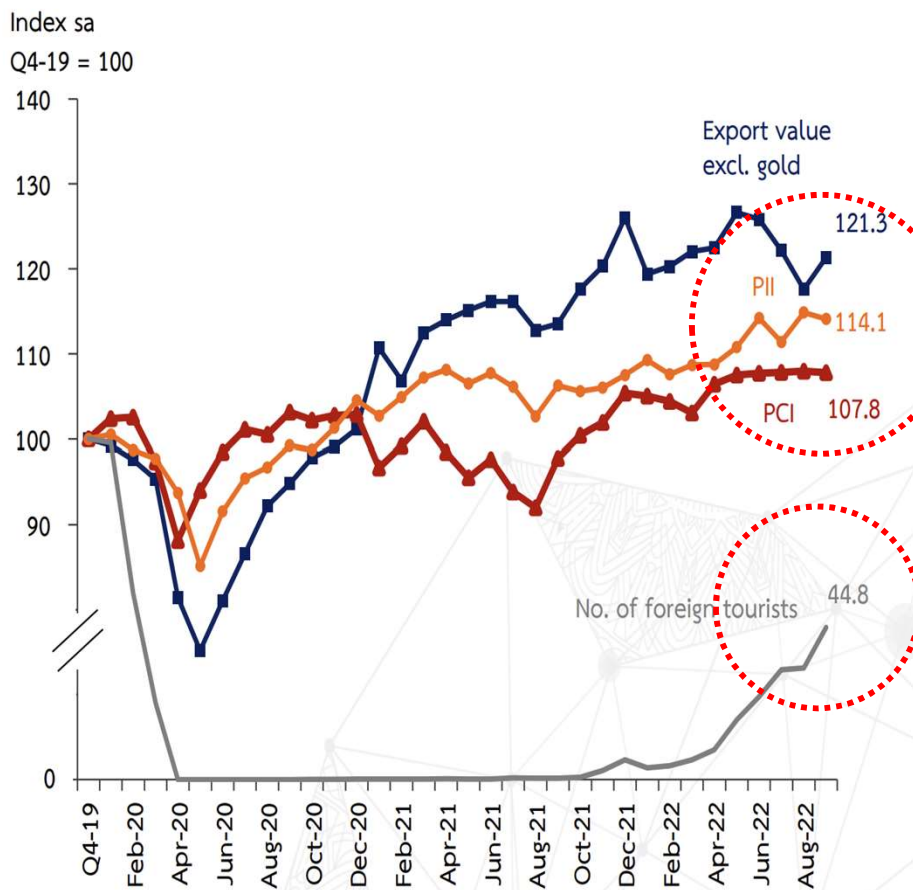
# Bangkok Bank

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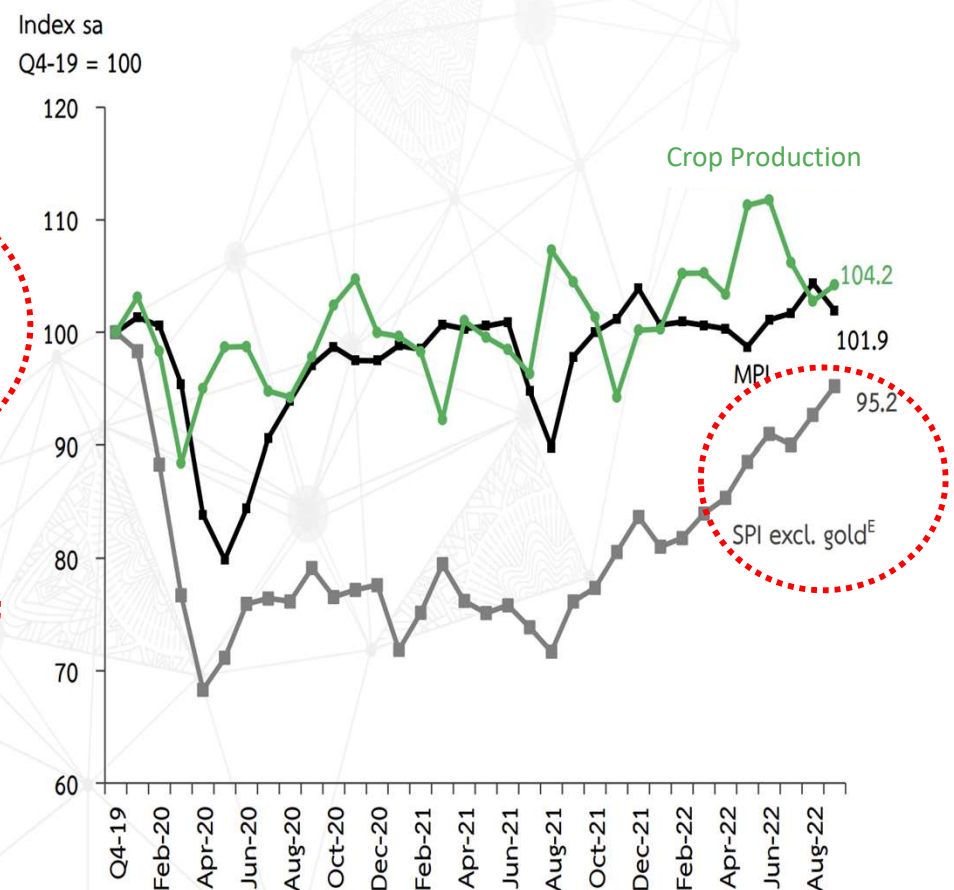
-  **Operating environment**
-  **3Q22 Financial performance**

# Improvement in Thai economic activities and number of foreign tourists coincided with the reopening of our borders

Economic Indicator - Demand



Economic Indicator - Supply



Note: PII – Private Investment Index  
MPI – Manufacturing Production Index  
Source: www.bot.or.th

PCI – Private Consumption Index  
SPI – Service Production Index

# Exports growth decelerated with slowing global economy

## Export value

Aug 2022 = 23.6 Bn USD (8.2%YoY)

Sep 2022 = 25 Bn USD (8.4%YoY)

Ex Gold = 23.2 Bn USD (8.1%YoY)

Ex Gold = 24.5 Bn USD (7.3%YoY)

| %YoY                         | Share 2021 | 2021 | 2021 |      | 2022 |      |       |       |      |              |
|------------------------------|------------|------|------|------|------|------|-------|-------|------|--------------|
|                              |            |      | H1   | H2   | Q1   | Q2   | Q3    | Aug   | Sep  | Sep (%MoMsa) |
| Agriculture                  | 7.2        | 28.1 | 23.4 | 33.3 | -3.0 | 16.2 | -13.2 | -23.3 | -8.2 | 11.8         |
| Fishery                      | 0.6        | 8.8  | 3.0  | 14.5 | 14.1 | -5.7 | 1.1   | 6.2   | 1.1  | 4.7          |
| Manufacturing                | 89.6       | 23.5 | 24.4 | 22.6 | 10.7 | 10.3 | 7.9   | 10.2  | 7.7  | 2.2          |
| Agro-manufacturing           | 13.6       | 13.2 | 15.3 | 11.1 | 10.3 | 13.3 | 13.5  | 18.6  | 4.0  | -3.3         |
| Electronics                  | 12.1       | 18.9 | 19.0 | 18.9 | 17.0 | 2.5  | 5.1   | 4.7   | 21.2 | 21.6         |
| Electrical Appliances        | 9.4        | 19.9 | 27.3 | 13.1 | 7.8  | -0.8 | 7.4   | 17.2  | 5.4  | 0.4          |
| Automotive                   | 15.3       | 35.7 | 51.9 | 22.3 | -5.6 | -3.6 | 8.4   | 17.8  | 8.9  | -0.6         |
| Machinery & Equipment        | 8.2        | 20.1 | 27.3 | 13.8 | 5.6  | 7.0  | 10.3  | 19.4  | 3.4  | -1.1         |
| Petroleum Related            | 12.7       | 43.8 | 34.3 | 53.0 | 29.0 | 41.5 | 20.0  | 10.1  | 22.3 | 1.5          |
| Total (BOP Basis)            | 100.0      | 19.2 | 19.2 | 19.2 | 14.4 | 9.7  | 6.7   | 8.2   | 8.4  | 3.4          |
| Ex. Gold                     | -          | 24.9 | 26.7 | 23.2 | 9.6  | 9.9  | 6.4   | 8.1   | 7.3  | 3.2          |
| Ex. Gold & Petroleum Related | -          | 22.5 | 25.7 | 19.5 | 7.1  | 5.3  | 4.2   | 7.8   | 4.9  | 3.4          |

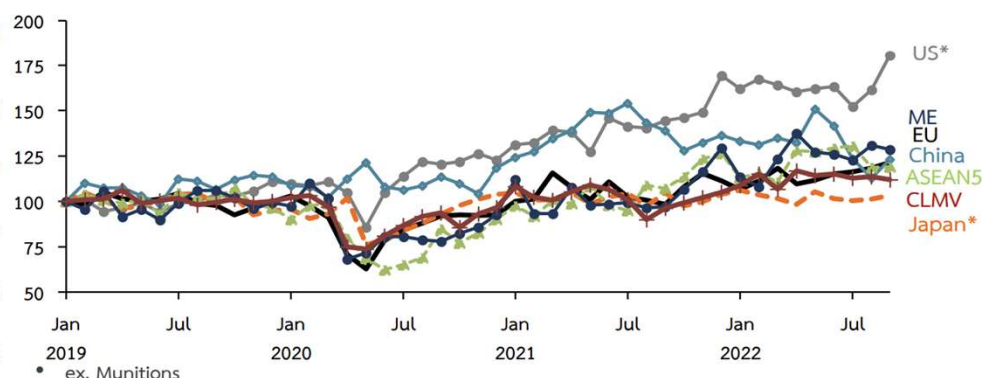
%MoM calculated from seasonally adjusted data, using data since 2007 (subject to revision). P = Preliminary data.  
Note: Data above are recorded by custom basis, except total export value which is recorded by BOP basis. Custom basis considers recording as goods pass through Customs, while BOP basis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

Source: Compiled from Customs Department's data

## Export performance

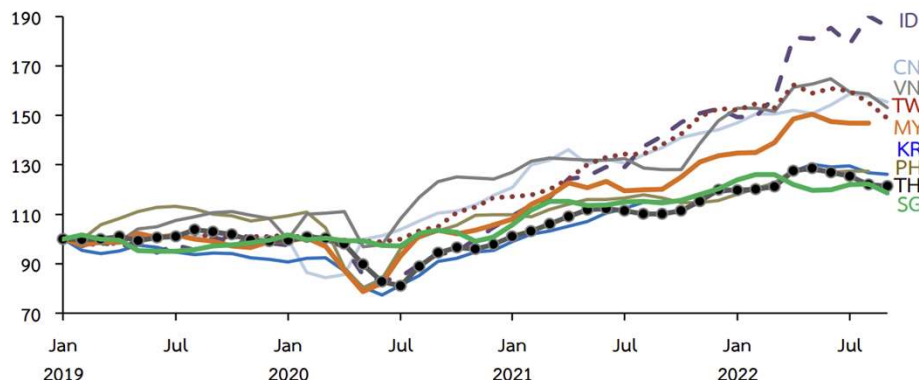
### Thai Export to Major Destinations

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



### Asian Export Performance

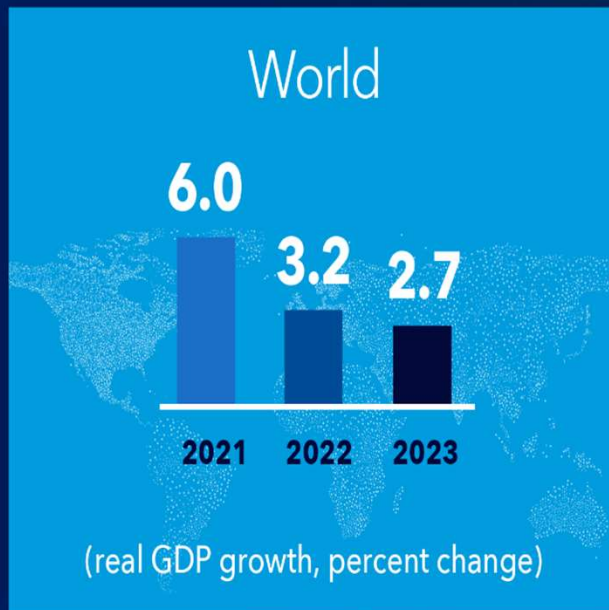
Index sa, 3mma  
(Jan 2019=100)



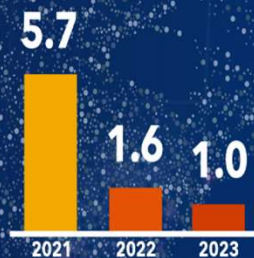
Note: Thai export excludes gold. Indonesian export excludes oil&gas. Hongkong domestic export. Singapore domestic export excludes oil.

# GROWTH PROJECTIONS BY REGION

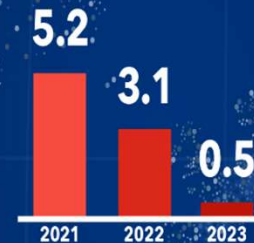
(PERCENT CHANGE)



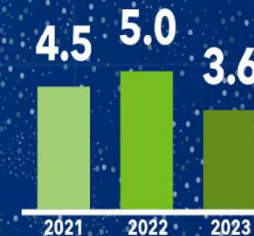
## UNITED STATES



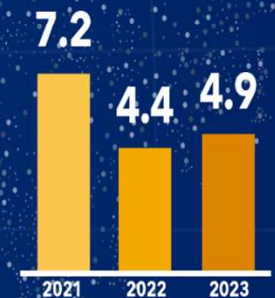
## EURO AREA



## MIDDLE EAST AND CENTRAL ASIA



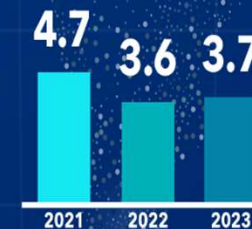
## EMERGING AND DEVELOPING ASIA



## LATIN AMERICA AND THE CARIBBEAN



## SUB-SAHARAN AFRICA



Source: IMF, *World Economic Outlook*, October 2022.

Note: Order of bars for each group indicates (left to right): 2021, 2022 projections, and 2023 projections.

# IMF projection for world economy

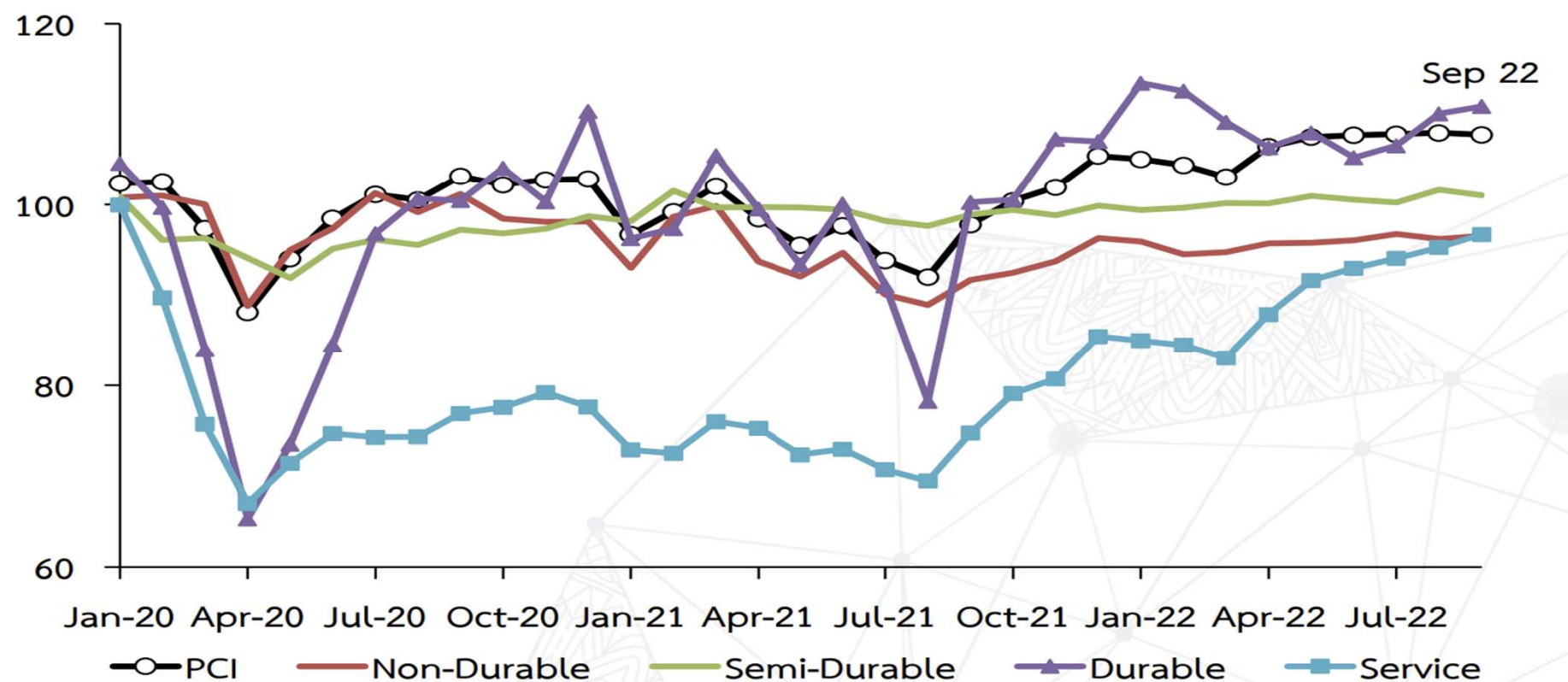
| (real GDP, annual percent change)               | 2021       | 2022       | 2023       |
|-------------------------------------------------|------------|------------|------------|
| <b>World Output</b>                             | <b>6.0</b> | <b>3.2</b> | <b>2.7</b> |
| <b>Advanced Economies</b>                       | <b>5.2</b> | <b>2.4</b> | <b>1.1</b> |
| United States                                   | 5.7        | 1.6        | 1.0        |
| Euro Area                                       | 5.2        | 3.1        | 0.5        |
| Germany                                         | 2.6        | 1.5        | -0.3       |
| France                                          | 6.8        | 2.5        | 0.7        |
| Italy                                           | 6.7        | 3.2        | -0.2       |
| Spain                                           | 5.1        | 4.3        | 1.2        |
| Japan                                           | 1.7        | 1.7        | 1.6        |
| United Kingdom                                  | 7.4        | 3.6        | 0.3        |
| Canada                                          | 4.5        | 3.3        | 1.5        |
| Other Advanced Economies                        | 5.3        | 2.8        | 2.3        |
| <b>Emerging Market and Developing Economies</b> | <b>6.6</b> | <b>3.7</b> | <b>3.7</b> |
| Emerging and Developing Asia                    | 7.2        | 4.4        | 4.9        |
| China                                           | 8.1        | 3.2        | 4.4        |
| India                                           | 8.7        | 6.8        | 6.1        |
| ASEAN-5                                         | 3.4        | 5.3        | 4.9        |

# Private consumption decelerated over the past several months

|               | 2021 | 2021 |      | 2022 |      |      |      |                  |
|---------------|------|------|------|------|------|------|------|------------------|
|               |      | H1   | H2   | Q1   | Q2   | Q3   | Aug  | Sep <sup>P</sup> |
| %YoY          | -0.8 | 2.1  | -3.5 | 4.1  | 10.3 | 14.1 | 16.8 | 11.3             |
| %QoQsa, MoMsa | -    | -3.8 | 0.3  | 1.5  | 2.9  | 0.6  | 0.1  | -0.2             |

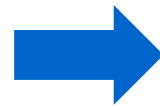
P = Preliminary data

Index sa (Q4-19 = 100)



# Tourism sector

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

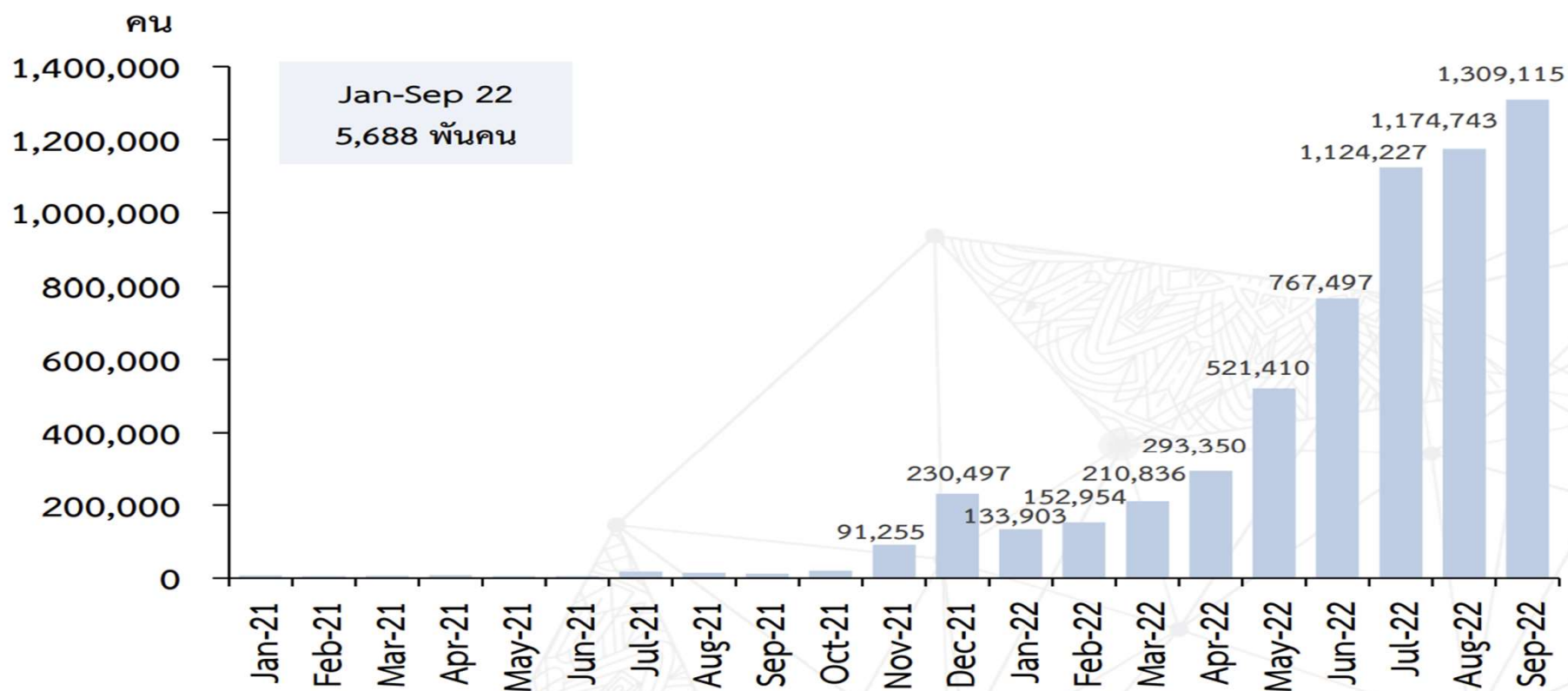


**Domestic**

**Foreign Tourists**

# Tourism sector

| (พันคน)         | 2021 <sup>P</sup> | 2021 <sup>P</sup> |       | 2022 <sup>P</sup> |         |         |         |         |
|-----------------|-------------------|-------------------|-------|-------------------|---------|---------|---------|---------|
|                 |                   | H1                | H2    | Q1                | Q2      | Q3      | Aug     | Sep     |
| No. of tourists | 428               | 40.4              | 387.4 | 497.7             | 1,582.3 | 3,608.1 | 1,174.7 | 1,309.1 |



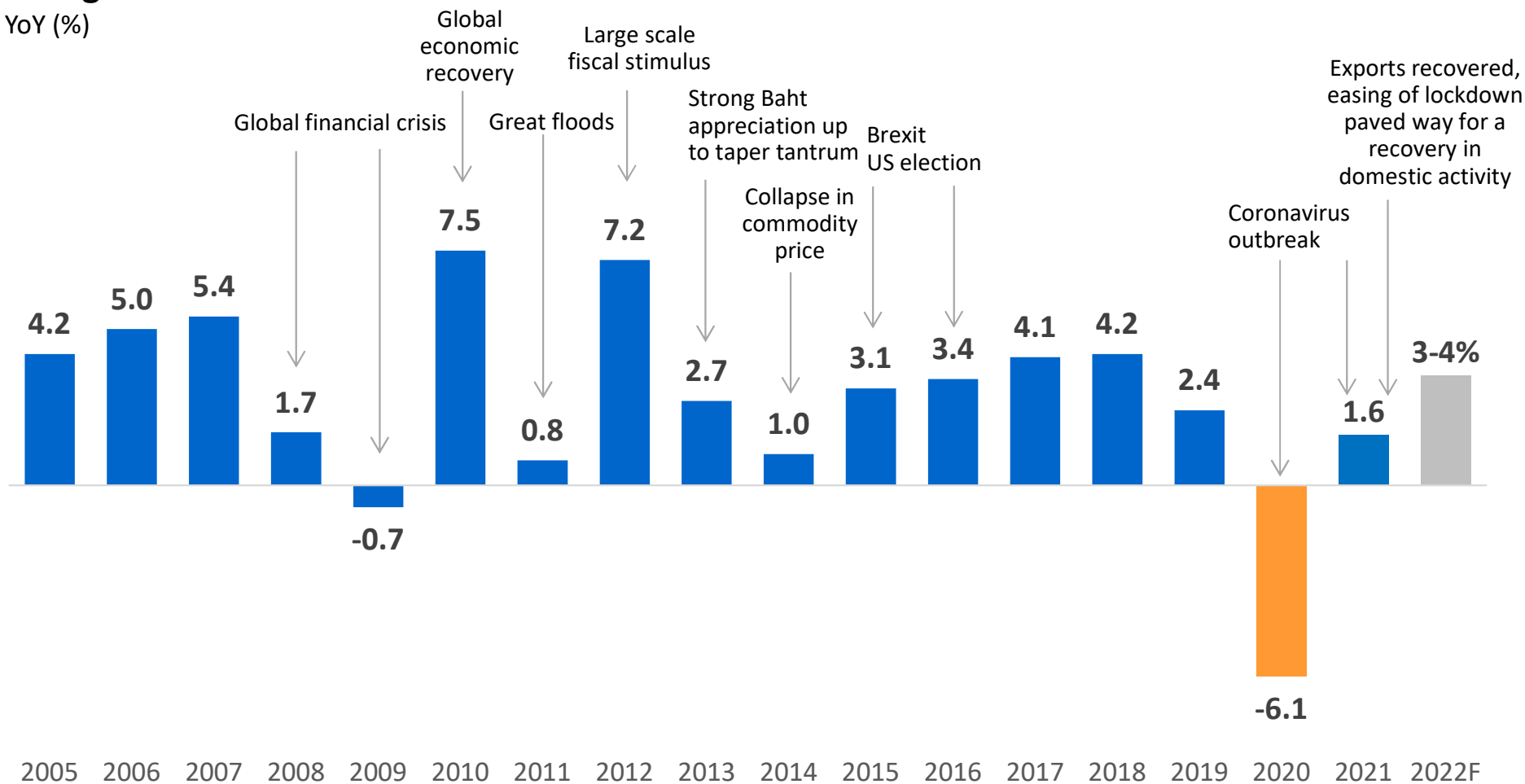
Source: Ministry of Tourism and Sports

Note: P = Preliminary data

# Impacts on the Thai economy : Activity to rebound after the lifting of lockdown measures and tourism should pick up after border reopening

## GDP growth

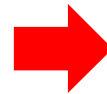
YoY (%)



**Thai government urgently needs to work on the new engine of growth for 2022. This will give the Thai economy, the momentum to withstand the global volatility**

**2021**

- **Export**
- **Domestic Consumption**
- **Domestic Tourism**

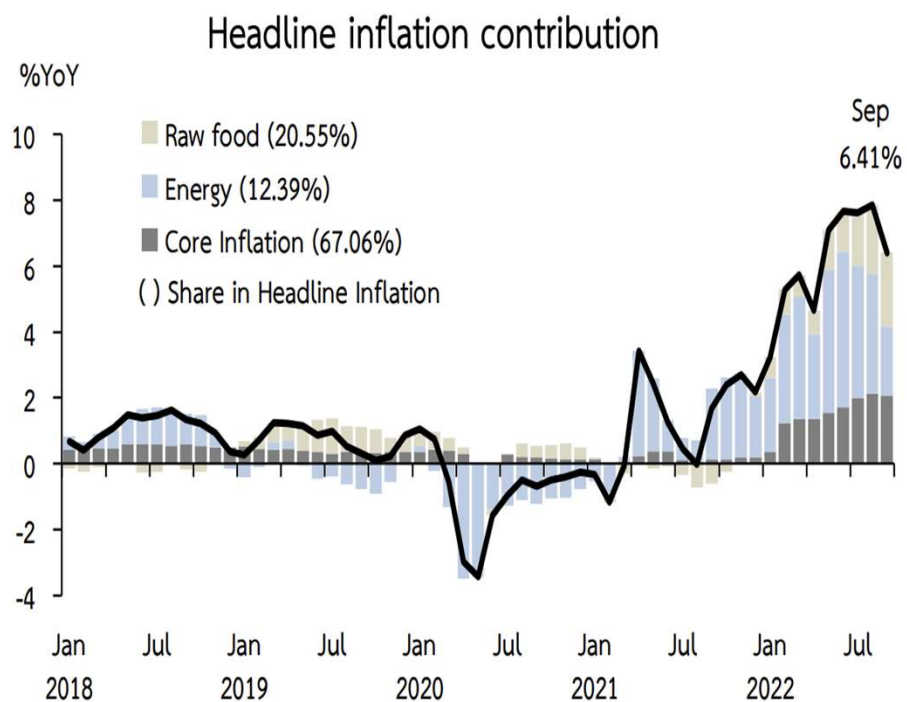


**2022**

- **Export**
- **International Tourism**
- **Public Infrastructure**
- **FDIs**

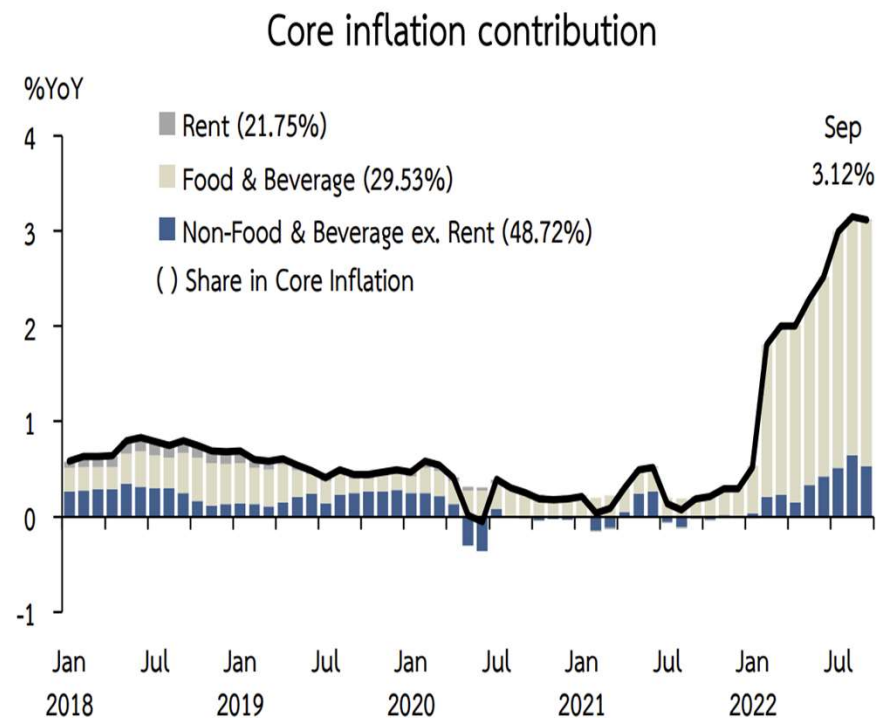
# Headline and Core Inflation

## Headline inflation contribution



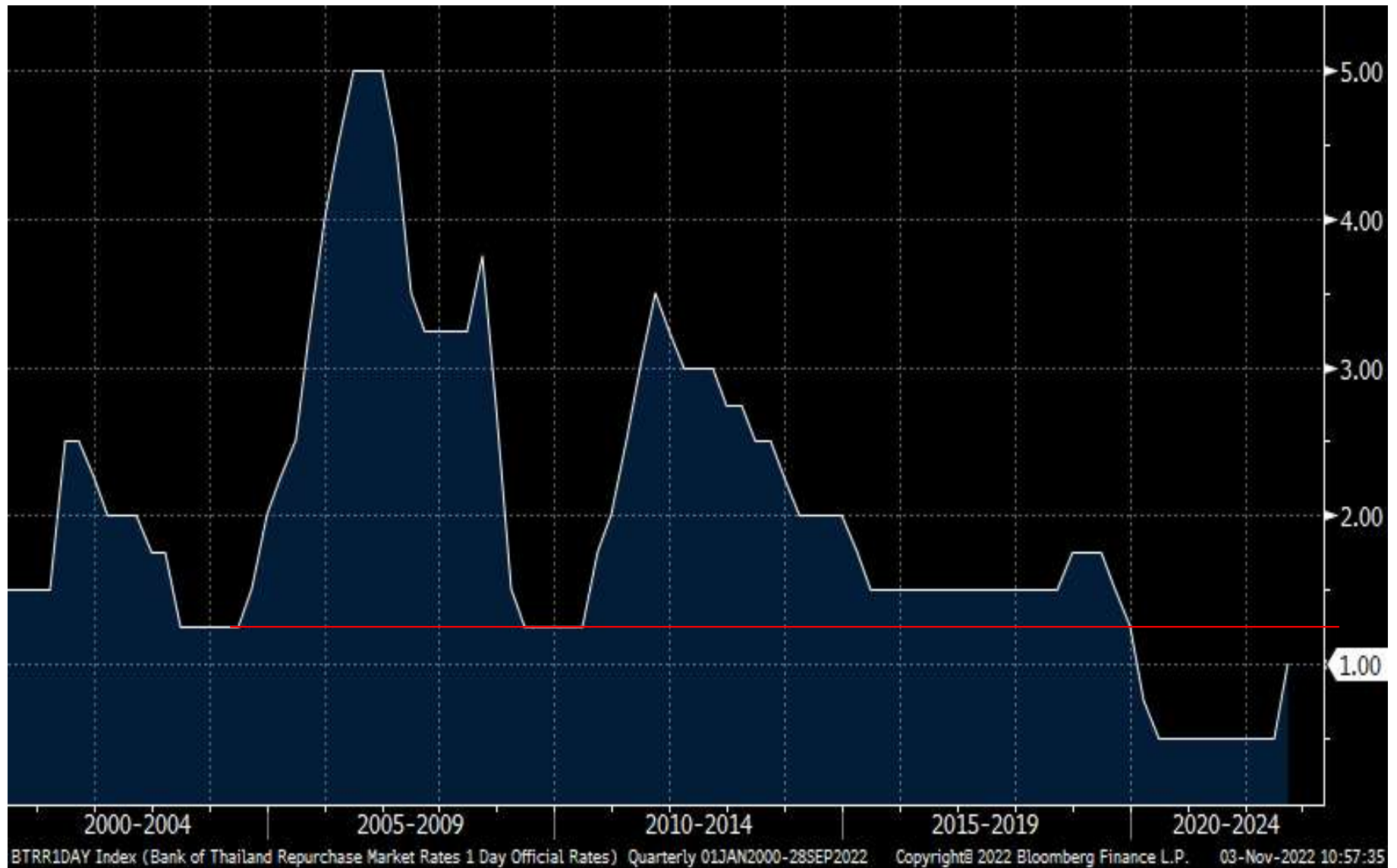
Sources: Ministry of Commerce calculated by Bank of Thailand

## Core inflation contribution



Sources: Ministry of Commerce calculated by Bank of Thailand

# BOT Policy Rate



# Thai Baht



# Bangkok Bank

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-  Operating environment
-  **3Q22 Financial performance**

# 9M22 Financial Highlights

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

## Net profit

**+7.7%** YoY

## Net interest income

**+18.7%** YoY

## Net fees and service income

**-4.9%** YoY

## Cost-to-income ratio

**49.0%**

## Loan

**+8.1%** YTD

## Deposit

**+0.3%** YTD

## NPL ratio

**3.5%**

## Coverage ratio

**240.1%**

## Loan-to-deposit ratio

**88.4%**

## Tier 1 ratio

**15.2%**

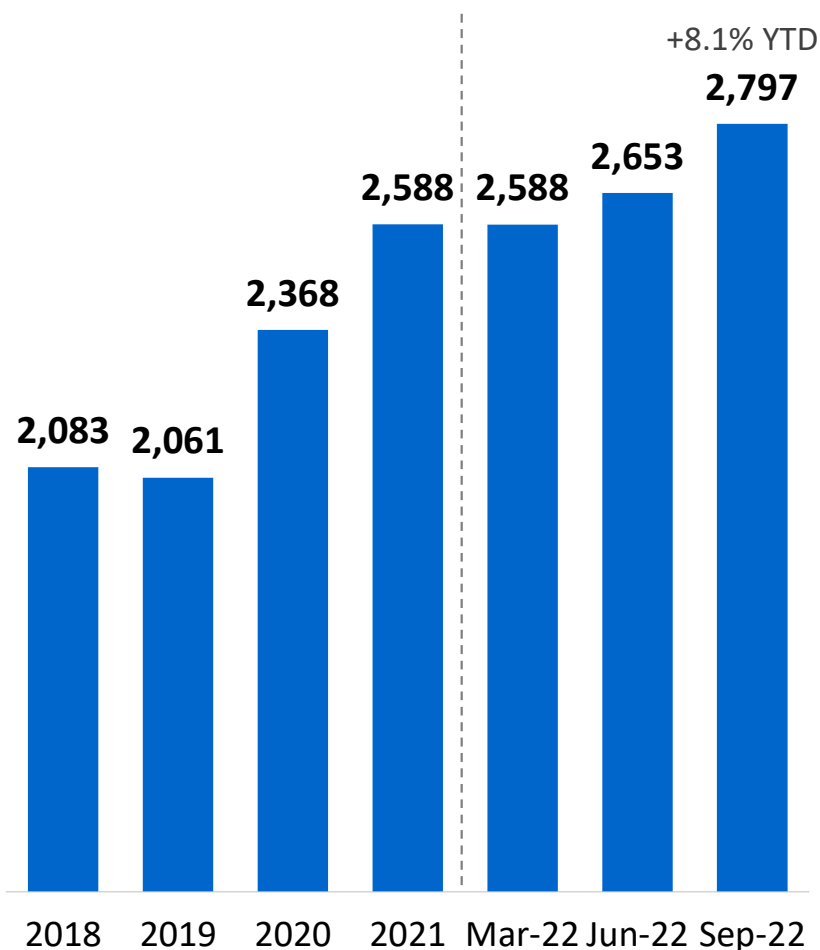
## Resilient performance: 9M22 profit growth of 7.7% YoY underpinned by disciplined balance sheet management

- Net interest income increased from loan growth and NIM expansion.
- Net fee and service income declined from security business, while income from loan related and trade finance services increased.
- Loan grew from loan to large corporate customers and loans made through international network.
- NPL remained manageable with strong coverage ratio.
- Healthy liquidity and strong capital positions to support sustainable business prospects.

# Prudent and diversified approach to loan growth

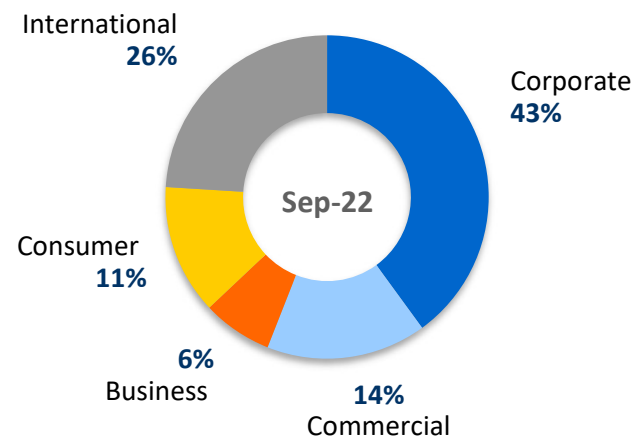
## Loan

Billion Baht



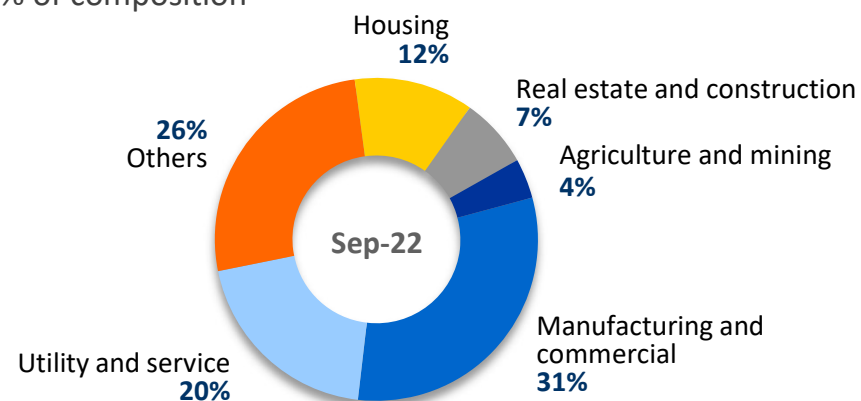
## Loan by business unit<sup>/1</sup>

% of composition



## Loan by industry

% of composition



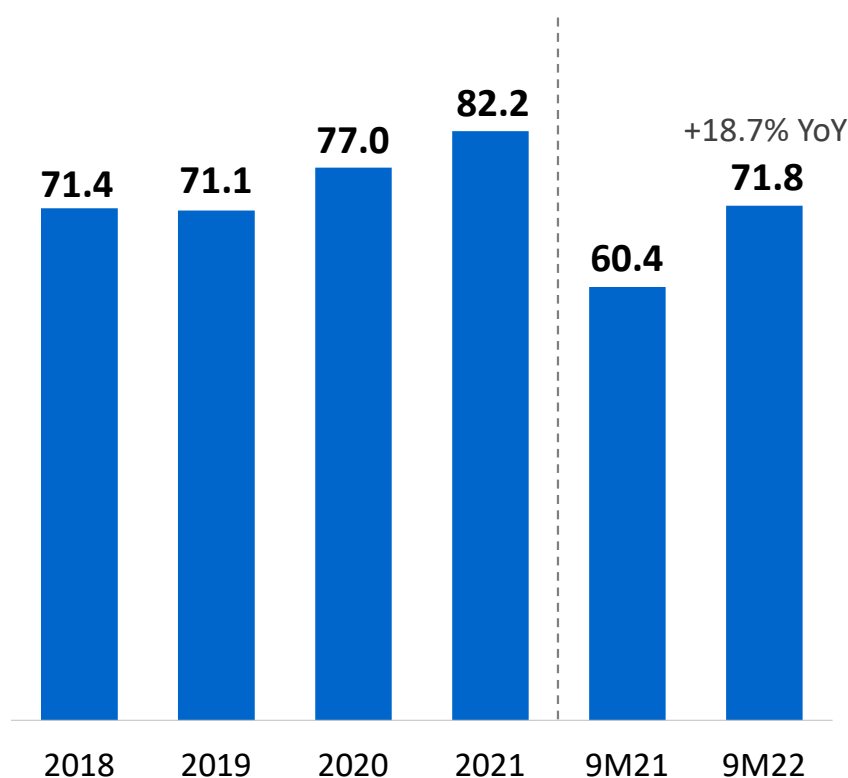
Note: Loan included Permata's financial performance since May 2020

/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.

# Net interest income increased driven by loan growth and NIM expansion

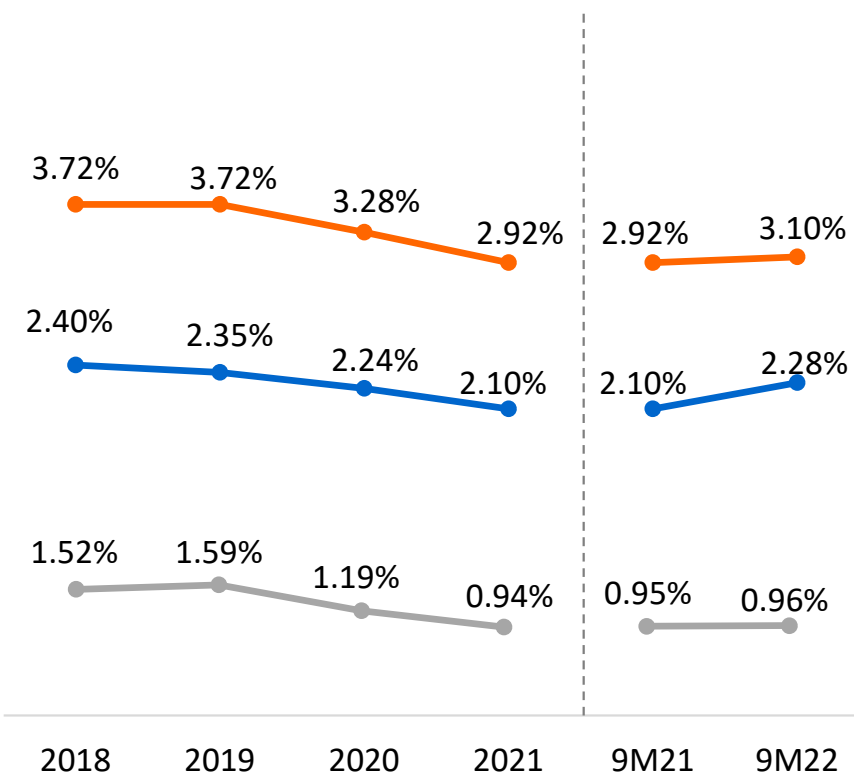
## Net interest income

Billion Baht



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

%



|             |        |        |        |        |        |        |
|-------------|--------|--------|--------|--------|--------|--------|
| Policy rate | 1.750% | 1.250% | 0.500% | 0.500% | 0.500% | 1.000% |
| MLR         | 6.250% | 6.000% | 5.250% | 5.250% | 5.250% | 5.65%  |
| MOR         | 7.125% | 6.875% | 5.875% | 5.875% | 5.875% | 6.25%  |

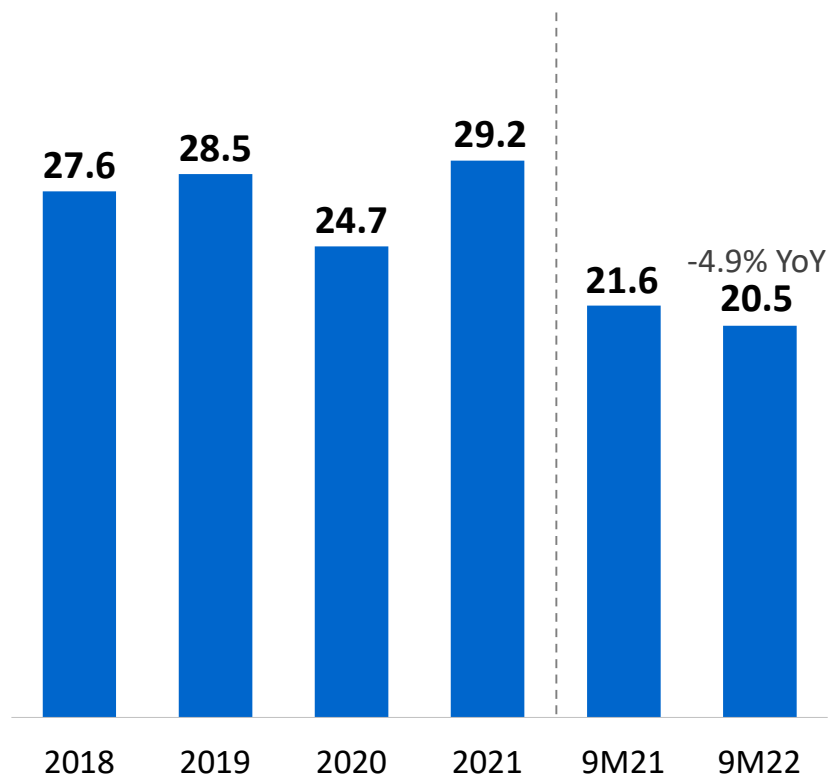
NIM  
 Yield on earning assets  
 Cost of funds



# Net fees remained soft from security business amid subdued market sentiments, while loan related services increased

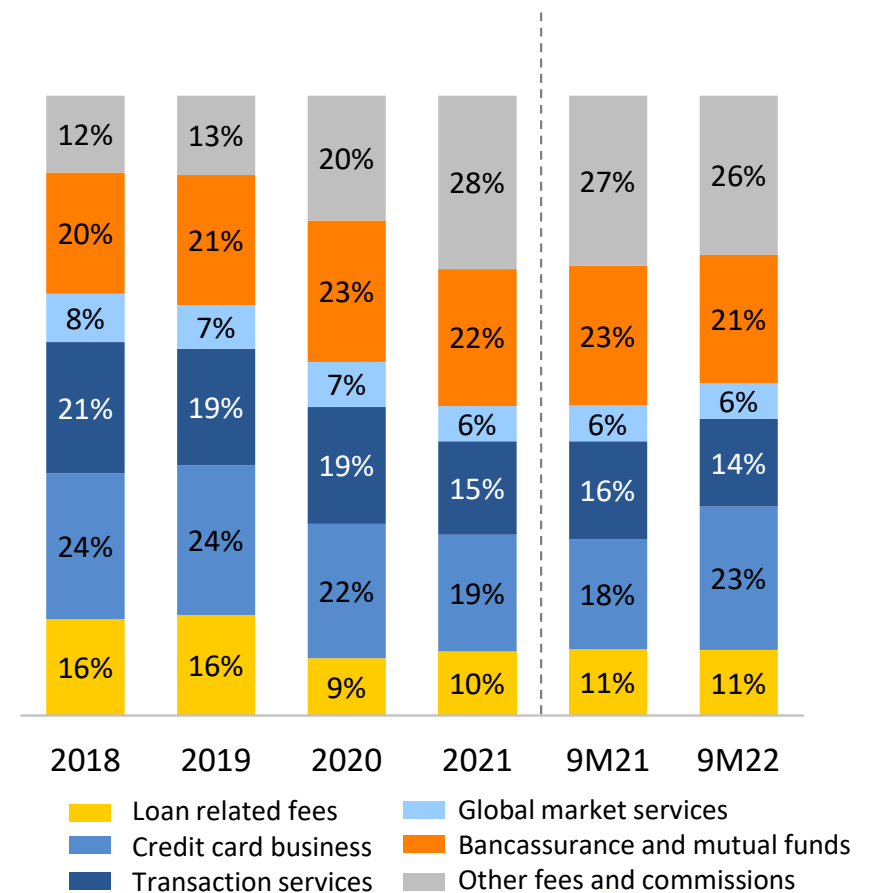
## Net fees and service income

Billion Baht



## Fees and service income

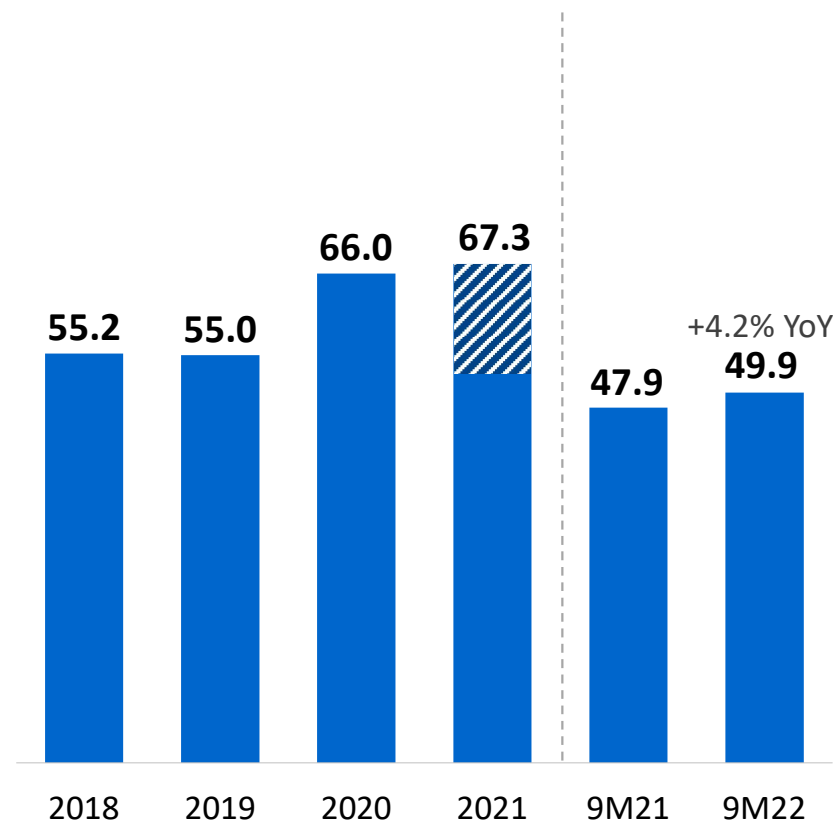
% of composition



# Stable cost to income ratio reflecting disciplined cost management

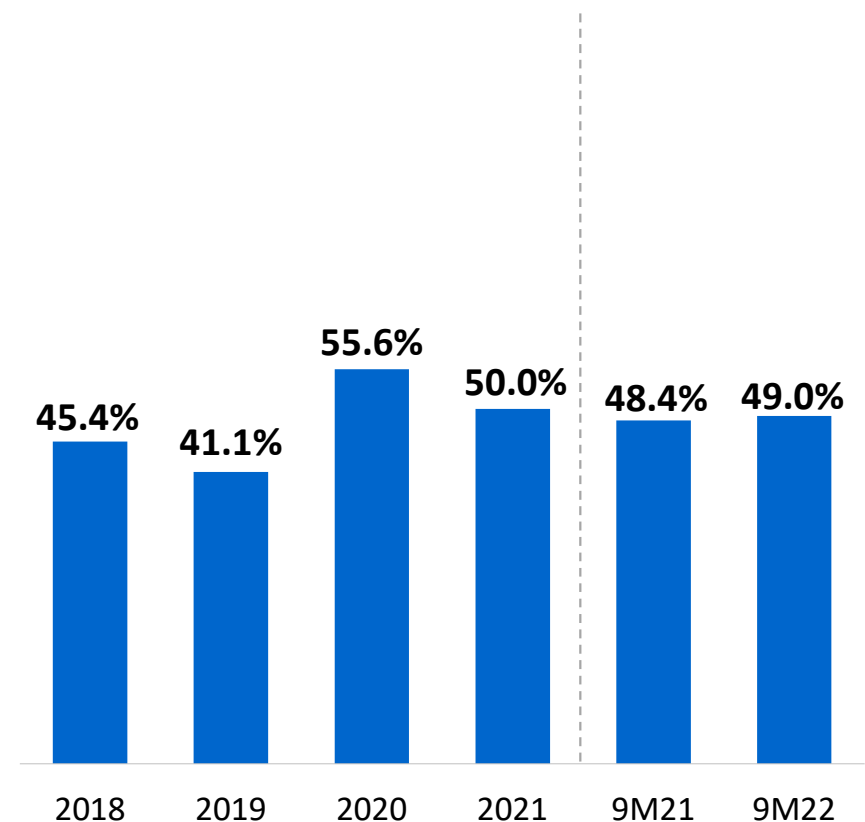
## Operating expenses

Billion Baht



## Cost to income ratio

%

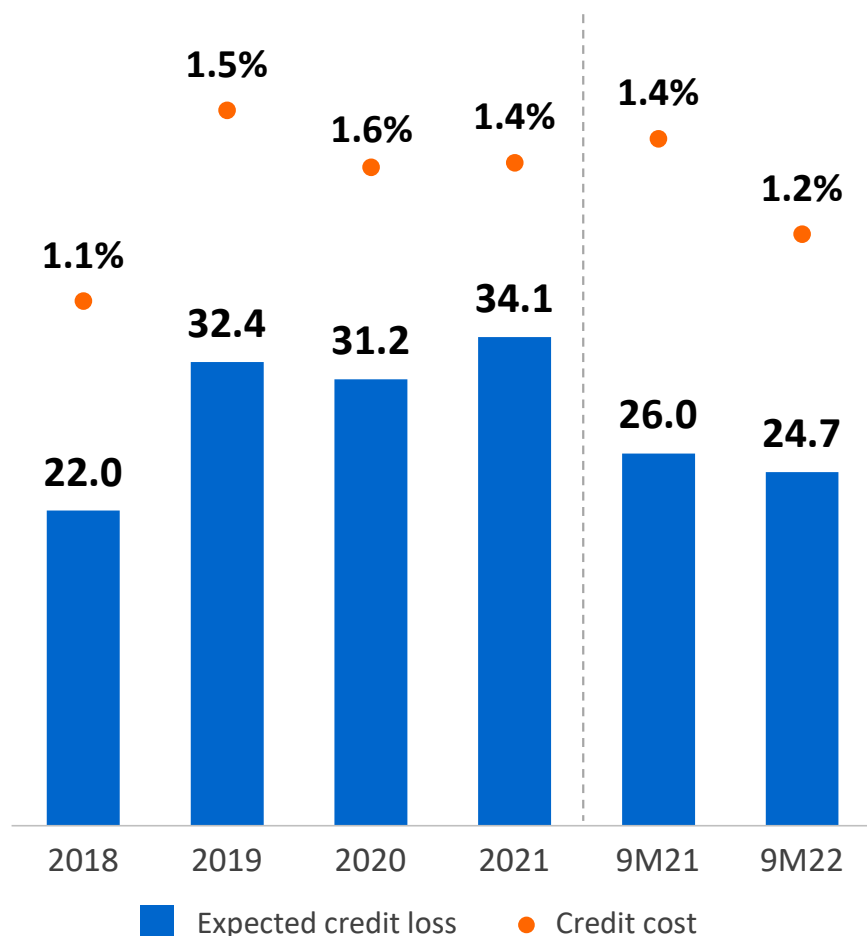


 Permata's expense for 21 May – 31 Dec 2020 and one-time integration expense

# Manageable asset quality with strong coverage ratio against headwinds from global economic volatility

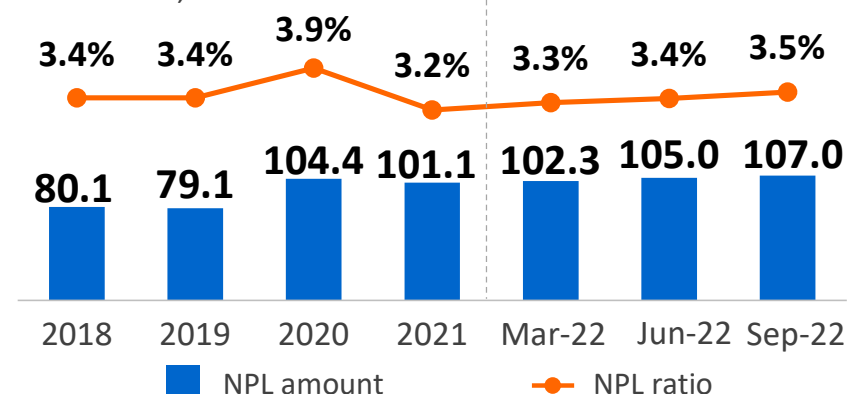
## Expected credit loss (Provision), Credit cost

Billion Baht, %



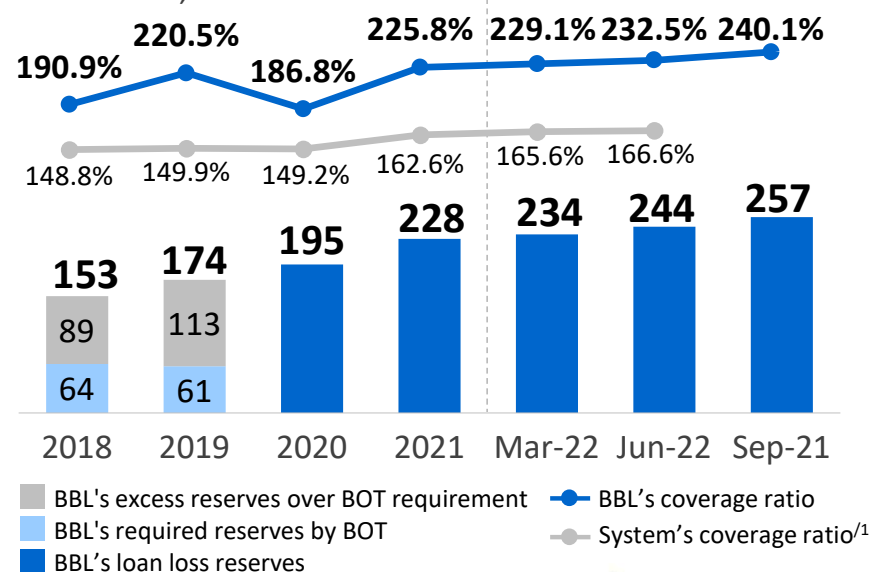
## NPL amount, NPL ratio

Billion Baht, %



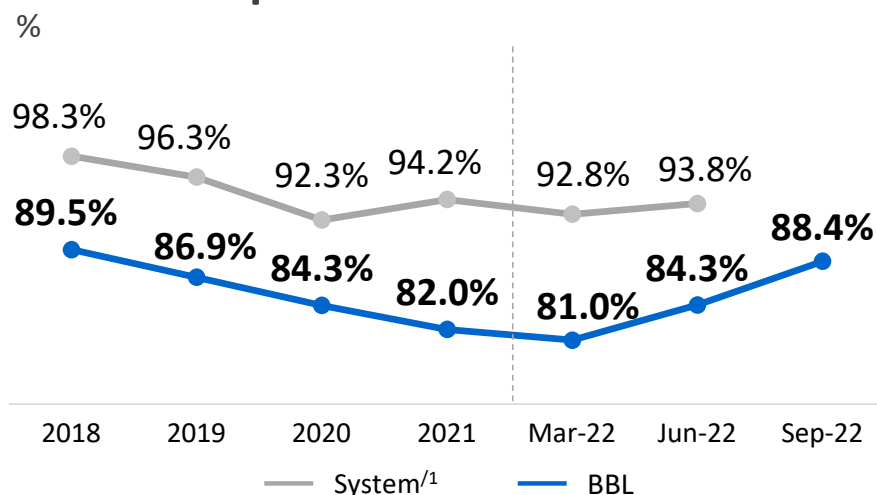
## Loan loss reserve (LLR), Coverage ratio

Billion Baht, %



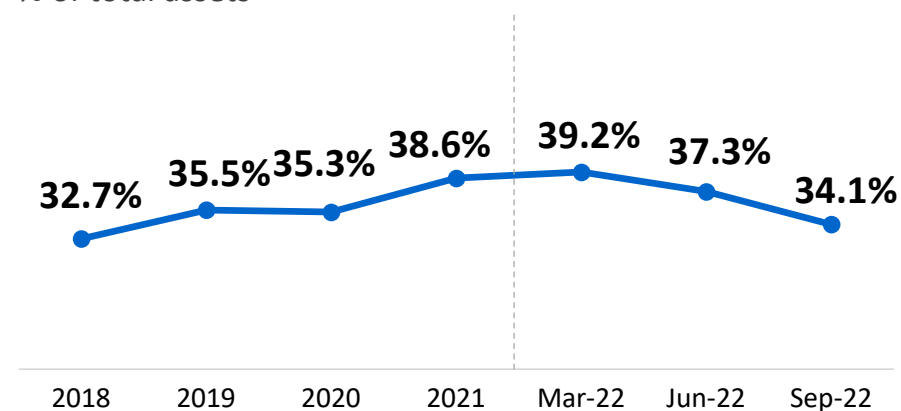
# Healthy funding and liquidity position

## Loan-to-deposit ratio



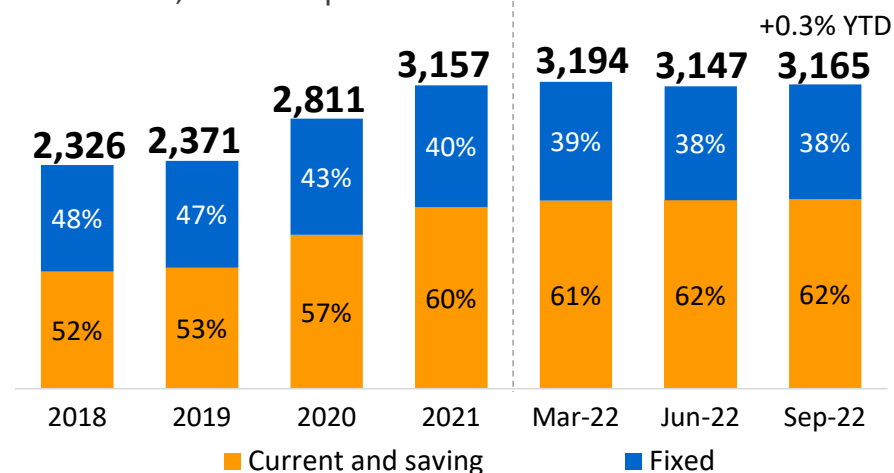
## Liquid assets<sup>/2</sup>

% of total assets



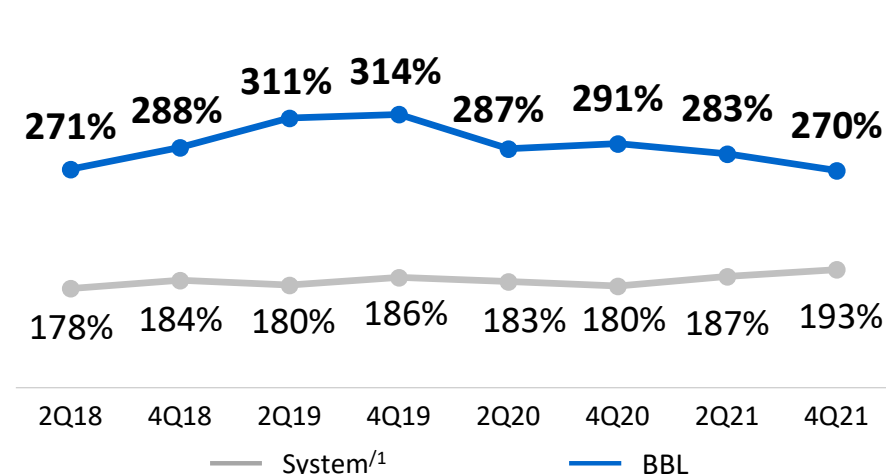
## Deposit

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

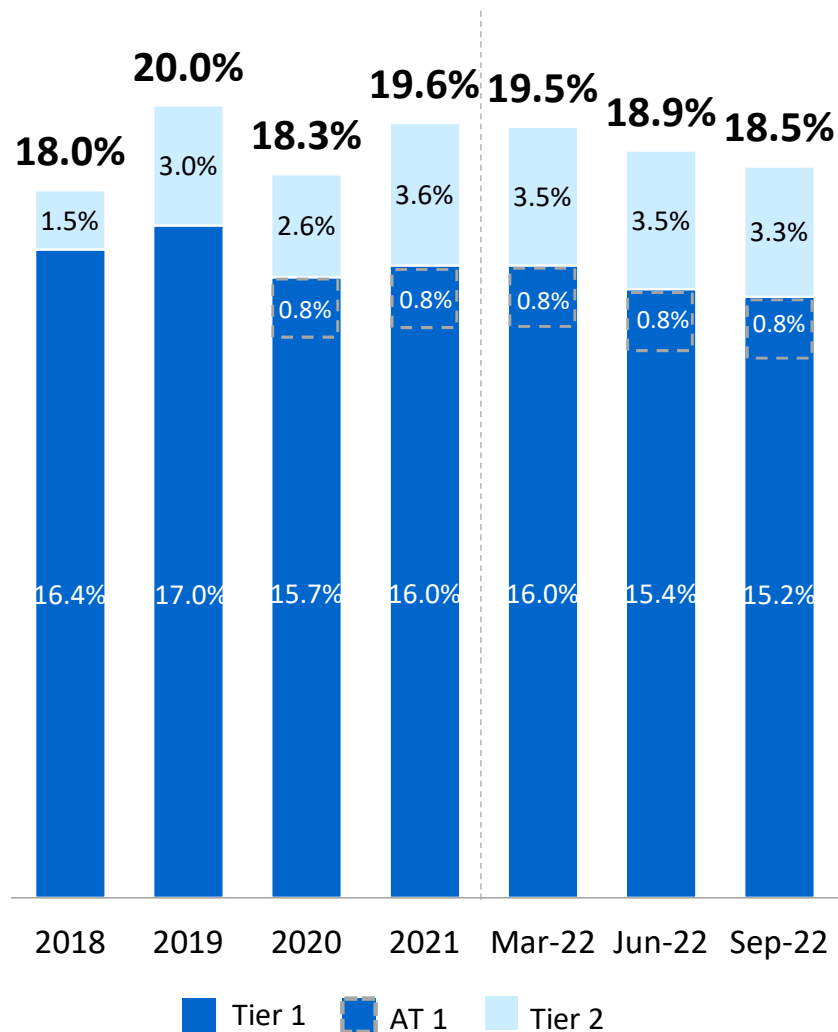
/3 For BBL, LCR is computed as an average ratio of month-end LCR in the quarter. For System, LCR is as of month.

Include Permata's financial performance since May 2020

# Solid capital position above minimum requirements

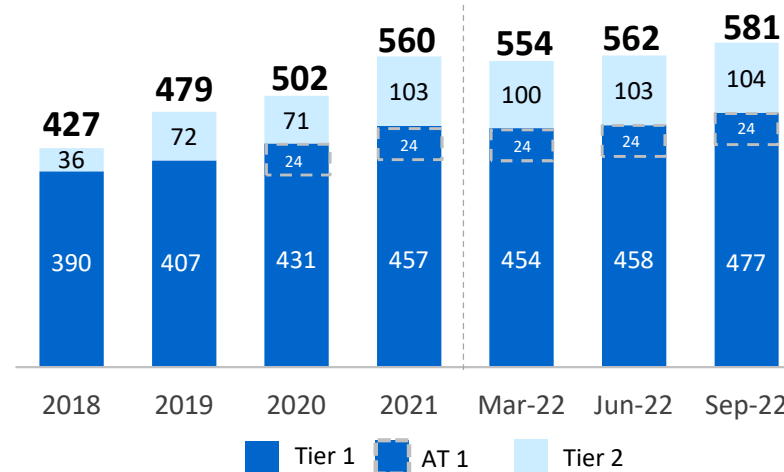
## Consolidated capital ratios

%

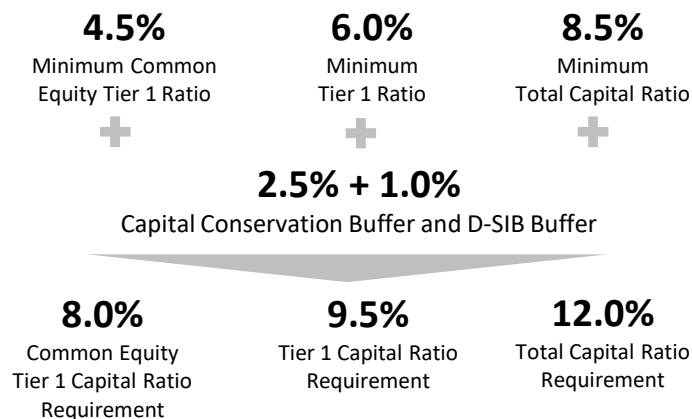


## Capital base

Billion Baht



## Regulatory capital ratio requirements



# Appendix

# 2022 Financial target

| Consolidated          | 2022 Financial target      |
|-----------------------|----------------------------|
| Loan growth           | 4-6%                       |
| NPL ratio (gross)     | Less than 4.0%             |
| Net interest margin   | Around 2.1%                |
| Net fee income growth | Flat growth                |
| Cost to income ratio  | Low 50s%                   |
| Expected credit loss  | Around 26,000 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.

# Financial position

|                                             | Million Baht |           |           |           |           |            |       |
|---------------------------------------------|--------------|-----------|-----------|-----------|-----------|------------|-------|
|                                             | Dec-19       | Dec-20    | Dec-21    | Jun-22    | Sep-22    | Growth (%) |       |
|                                             |              |           |           |           |           | QoQ        | YTD   |
| Loan                                        | 2,061,309    | 2,368,238 | 2,588,339 | 2,652,872 | 2,796,849 | 5.4%       | 8.1%  |
| Deposit                                     | 2,370,792    | 2,810,863 | 3,156,940 | 3,147,149 | 3,165,479 | 0.6%       | 0.3%  |
| LDR                                         | 86.9%        | 84.3%     | 82.0%     | 84.3%     | 88.4%     | 4.1%       | 6.4%  |
| NPL <sup>/1</sup>                           | 79,149       | 104,401   | 101,103   | 105,046   | 107,023   | 1.9%       | 5.9%  |
| NPL ratio <sup>/1</sup>                     | 3.4%         | 3.9%      | 3.2%      | 3.4%      | 3.5%      | 0.1%       | 0.3%  |
| Allowance for ECL to NPL <sup>/1</sup>      | 220%         | 187%      | 226%      | 233%      | 240%      | 7%         | 14%   |
| Allowance for ECL to loan                   | 8.5%         | 8.2%      | 8.8%      | 9.2%      | 9.2%      | 0.0%       | 0.4%  |
| Liquid assets <sup>/2</sup> to total assets | 35.5%        | 35.3%     | 38.6%     | 37.3%     | 34.1%     | -3.2%      | -4.5% |
| CASA                                        | 53.1%        | 57.0%     | 59.8%     | 62.3%     | 62.3%     | 0.0%       | 2.5%  |
| CET1 <sup>/3</sup>                          | 17.0%        | 14.9%     | 15.2%     | 14.6%     | 14.4%     | -0.2%      | -0.8% |
| Tier 1 ratio <sup>/3</sup>                  | 17.0%        | 15.7%     | 16.0%     | 15.4%     | 15.2%     | -0.2%      | -0.8% |
| CAR <sup>/3</sup>                           | 20.0%        | 18.3%     | 19.6%     | 18.9%     | 18.5%     | -0.4%      | -1.1% |

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 – 9M22

|                                    | Million Baht |         |                   |
|------------------------------------|--------------|---------|-------------------|
|                                    | 9M21         | 9M22    | Growth (%)<br>YoY |
| Net interest income                | 60,440       | 71,769  | 18.7%             |
| Net fees and service income        | 21,603       | 20,550  | -4.9%             |
| Other operating income             | 17,084       | 9,690   | -43.3%            |
| Total income                       | 99,127       | 102,009 | 2.9%              |
| Operating expense                  | 47,930       | 49,947  | 4.2%              |
| Expected credit loss               | 26,006       | 24,733  | -4.9%             |
| Net profit/ <sup>1</sup>           | 20,189       | 21,736  | 7.7%              |
| EPS/ <sup>1</sup> (Baht per share) | 10.58        | 11.39   | 7.7%              |
| NIM                                | 2.10%        | 2.28%   | 0.18%             |
| Net fees and service income ratio  | 21.8%        | 20.1%   | -1.7%             |
| Cost to income ratio               | 48.4%        | 49.0%   | 0.6%              |
| ROA/ <sup>1</sup>                  | 0.67%        | 0.67%   | 0.00%             |
| ROE/ <sup>1</sup>                  | 5.79%        | 5.83%   | 0.04%             |

Note:

27 /1 Attributable to owners of the Bank

# Financial performance – 3Q22

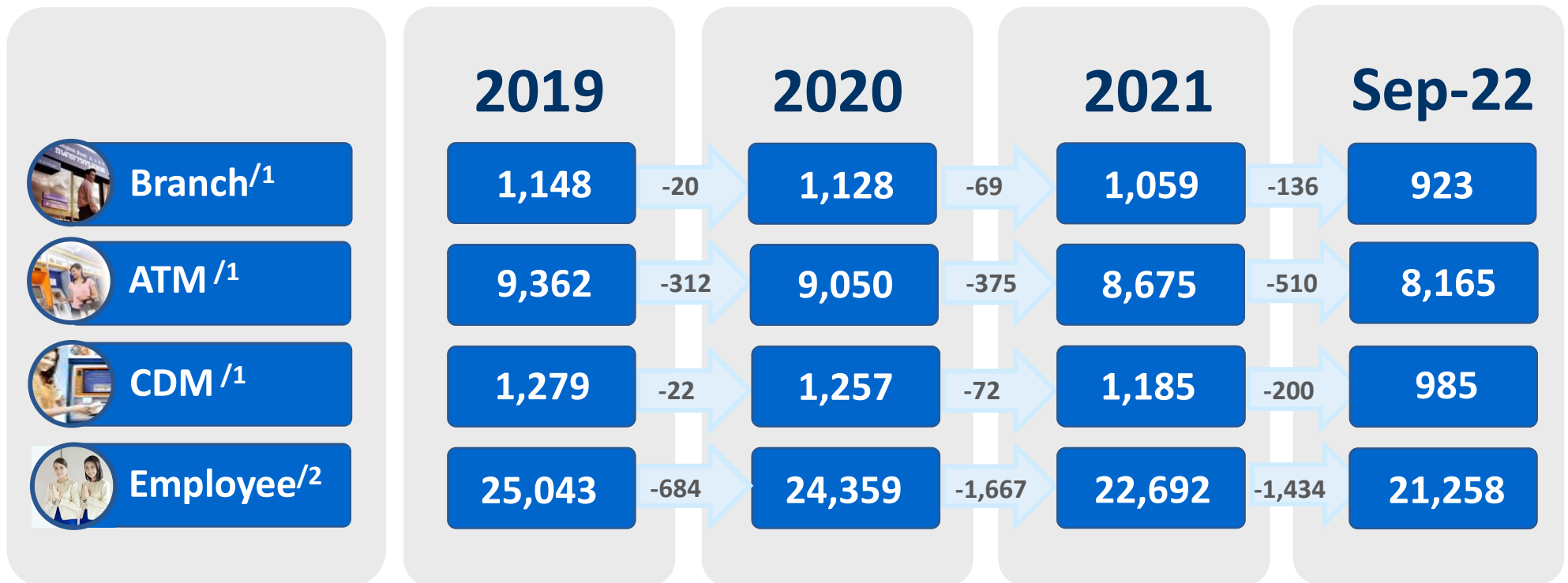
Million Baht

|                                    | 3Q21   | 2Q22   | 3Q22   | Growth (%) |        |
|------------------------------------|--------|--------|--------|------------|--------|
|                                    |        |        |        | QoQ        | YoY    |
| Net interest income                | 20,705 | 23,526 | 26,496 | 12.6%      | 28.0%  |
| Net fees and service income        | 7,373  | 6,726  | 6,866  | 2.1%       | -6.9%  |
| Other operating income             | 6,352  | 3,940  | 3,345  | -15.1%     | -47.3% |
| Total income                       | 34,430 | 34,192 | 36,707 | 7.4%       | 6.6%   |
| Operating expense                  | 15,879 | 17,435 | 17,006 | -2.5%      | 7.1%   |
| Expected credit loss               | 9,870  | 8,354  | 9,889  | 18.4%      | 0.2%   |
| Net profit <sup>/1</sup>           | 6,909  | 6,961  | 7,657  | 10.0%      | 10.8%  |
| EPS <sup>/1</sup> (Baht per share) | 3.62   | 3.65   | 4.01   | 10.0%      | 10.8%  |
| NIM                                | 2.04%  | 2.24%  | 2.49%  | 0.25%      | 0.45%  |
| Net fees and service income ratio  | 21.4%  | 19.7%  | 18.7%  | -1.0%      | -2.7%  |
| Cost to income ratio               | 46.1%  | 51.0%  | 46.3%  | -4.7%      | 0.2%   |
| ROA <sup>/1</sup>                  | 0.65%  | 0.64%  | 0.69%  | 0.05%      | 0.04%  |
| ROE <sup>/1</sup>                  | 5.74%  | 5.63%  | 6.05%  | 0.42%      | 0.31%  |

Note:

28 /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



## ASEAN

- Singapore 65 years (1)
- Malaysia<sup>/1</sup> 63 years (5)
- Indonesia<sup>/1</sup> 54 years (3+300)
- Vietnam 30 years (2)
- Laos 29 years (2)
- Philippines 27 years (1)
- Myanmar 27 years (1)
- Cambodia 8 years (1)

## Other important Economies

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

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

Source: Bangkok Bank filing

# For further information

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