



Summary of Operating Results for the Bank and its Subsidiaries**Quarter Ended March 31, 2023**

The Thai economy continued to expand in the first quarter of 2023, driven mainly by an increase in the number of foreign tourists, which promoting employment and private consumption. At the same time, exports show signs of rebounding after contractions in the previous period. Looking ahead, the Thai economy continues to face risks from the subduing global economy, persistent inflationary pressure, prolonged geopolitical conflicts, and episodes of banking stresses in advanced economies. These are important factors that need to be closely monitored.

Amid the ongoing economic uncertainties, Bangkok Bank continues to place importance on prudent risk management, together with maintaining its financial stability, liquidity, and capital at an appropriate level. Meanwhile, Bangkok Bank places a high value on working closely with customers and advising them on how to modify their business model in response to the changing market situation, including digital technology, new innovations, environmental, social, and governance trends. This is to create value for customers to grow their businesses in a sustainable way in line with our philosophy to be a trusted partner and reliable close friend.

Bangkok Bank and its subsidiaries reported a net profit of Baht 10,129 million in the first quarter of 2023, increasing from the fourth quarter of 2022. Net interest income was at a similar level to the previous quarter from higher interest income following the rise in interest rates, offsetting higher interest expenses due to the increase in deposit rate and the resumption of the FIDF fee at a normal rate of 0.46 percent. The net interest margin was 2.84 percent. Non-interest income increased mainly from gains on financial instruments measured at FVTPL in line with the market situation, and net fees and service income slightly increased. The cost to income ratio declined to 46.8 percent. In accordance with the Bank's prudent management, the expected credit losses were set aside at Baht 8,474 million, considering global economic volatility that may affect the Thai economy's recovery in the future.

At the end of March 2023, the Bank's loans amounted to Baht 2,640,090 million, a slight decrease of 1.6 percent from the end of 2022, due mainly to loans to business customers and loans made through the Bank's international network. The ratio of non-performing loans to total loans was at a manageable level of 3.1 percent. Given the Bank continues to set aside expected credit losses in line with its prudent approach, the ratio of allowance for expected credit losses to non-performing loan remained strong at 265.1 percent.

As of March 31, 2023, the Bank's deposits amounted to Baht 3,205,989 million, the same level as the end of 2022. The loan to deposit ratio was 82.3 percent. Meanwhile, the total capital adequacy ratio, Tier 1 capital adequacy ratio, and Common Equity Tier 1 capital adequacy ratio of the Bank and its subsidiaries were 19.2 percent, 15.7 percent and 14.9 percent respectively, comfortably above the Bank of Thailand's minimum capital requirements.

**Overall Picture of the Bank and its Subsidiaries**

Item	Million Baht				
	Q1/23	Q4/22	Q1/22	%QoQ	%YoY
Net profit ^{/1}	10,129	7,569	7,118	33.8%	42.3%
Earnings per share (Baht)	5.31	3.97	3.73	33.8%	42.3%
Net interest margin	2.84%	2.84%	2.11%	-	0.73%
Net fees and service income to operating income ratio	17.7%	18.9%	22.4%	(1.2)%	(4.7)%
Cost to income ratio	46.8%	51.7%	49.8%	(4.9)%	(3.0)%
Return on average assets ^{/1}	0.92%	0.68%	0.67%	0.24%	0.25%
Return on average equity ^{/1}	8.05%	5.92%	5.83%	2.13%	2.22%

^{/1} Attributable to owners of the Bank

Item	Million Baht				
	Mar'23	Dec'22	Mar'22	%QoQ	%YoY
Loans	2,640,090	2,682,691	2,587,534	(1.6)%	2.0%
Deposits	3,205,989	3,210,896	3,194,460	(0.2)%	0.4%
Loan to deposit ratio	82.3%	83.5%	81.0%	(1.2)%	1.3%
Non-performing loan (Gross NPL) ^{/1}	98,359	97,188	102,342	1.2%	(3.9)%
Gross NPL to total loans ratio ^{/1}	3.1%	3.1%	3.3%	-	(0.2)%
Allowance for expected credit losses to NPL ratio ^{/1}	265.1%	260.8%	229.0%	4.3%	36.1%
Total capital adequacy ratio	19.2%	19.1%	19.5%	0.1%	(0.3)%

^{/1} Including interbank and money market lending

Operating Income and Expenses of the Bank and its Subsidiaries

	Million Baht				
Item	Q1/23	Q4/22	Q1/22	%QoQ	%YoY
Net interest income	30,077	30,454	21,747	(1.2)%	38.3%
Non-interest income	10,216	6,431	9,363	58.9%	9.1%
Operating expenses	18,850	19,071	15,507	(1.2)%	21.6%
Expected credit losses	8,474	7,914	6,489	7.1%	30.6%
Operating profit before tax	12,969	9,900	9,114	31.0%	42.3%
Income tax expenses	2,728	2,257	1,875	20.9%	45.5%
Net profit	10,241	7,643	7,239	34.0%	41.5%
Net profit ^{/1}	10,129	7,569	7,118	33.8%	42.3%
Total comprehensive income (losses) ^{/1}	9,863	(4,726)	4,906	308.7%	101.0%

^{/1} Attributable to owners of the Bank

Bangkok Bank and its subsidiaries reported a net profit attributable to owners of the Bank in the first quarter of 2023 of Baht 10,129 million, increasing from the previous quarter due to non-interest income from gains on financial instruments measured at Fair Value Through Profit or Loss (FVTPL) in line with the market situation. Meanwhile, net fees and service income slightly increased. Net interest income was at the same level as the previous quarter from an increase in interest income following the rise in interest rates, offset by an increase in interest expenses, due to the rise in deposit rates and the Financial Institutions Development Fund (FIDF) fee which rose from a rate of 0.23 percent per annum to the normal rate of 0.46 percent per annum from the beginning of 2023 onwards. In this quarter, the Bank set aside higher expected credit losses by considering the uncertain global economic situation that may affect the Thai economy going forward.

Compared with the first quarter of 2022, net profit attributable to owners of the Bank rose from an increase in net interest income due to higher loan volume and the rising interest rate, offset by higher interest cost from the rise in deposit rates and the FIDF fee. Operating expenses increased, partly from higher expenses for working stream development and improvement. The Bank set aside additional expected credit losses in accordance with its prudent approach.

Net Interest Income

Net interest income in the first quarter of 2023 amounted to Baht 30,077 million, which was the same level as the previous quarter. Interest income increased in line with the rising interest rate offset by increases in interest expenses from deposit rates and the FIDF fee.

Compared with the same quarter last year, net interest income increased mainly due to an increase in interest income from higher loan volume and rising interest rate offset by higher interest expenses from deposits and the FIDF fee.

	Million Baht				
Item	Q1/23	Q4/22	Q1/22	%QoQ	%YoY
Interest Income					
Loans	35,500	34,170	25,405	3.9%	39.7%
Interbank and money market items	4,348	3,221	1,399	35.0%	210.8%
Investments	4,322	4,017	3,118	7.6%	38.6%
Total interest income	44,170	41,408	29,922	6.7%	47.6%
Interest expenses					
Deposits	7,585	6,329	4,378	19.8%	73.3%
Interbank and money market items	1,422	951	253	49.5%	462.1%
Contributions to Financial Institutions Development Fund and Deposit Protection Agency	3,100	1,700	1,678	82.4%	84.7%
Debt issued and borrowings	1,986	1,974	1,866	0.6%	6.4%
Total interest expenses	14,093	10,954	8,175	28.7%	72.4%
Net interest income	30,077	30,454	21,747	(1.2)%	38.3%
Yield on earning assets	4.16%	3.86%	2.90%	0.30%	1.26%
Cost of funds	1.55%	1.20%	0.91%	0.35%	0.64%
Net interest margin	2.84%	2.84%	2.11%	-	0.73%

Bangkok Bank Interest Rate	Mar'23	Dec'22	Sep'22	Jun'22	Mar'22	Dec'21
Loans (%)						
MOR	6.900	6.350	6.250	5.875	5.875	5.875
MRR	6.800	6.250	6.250	5.950	5.950	5.950
MLR	6.450	5.850	5.650	5.250	5.250	5.250
Deposits (%)						
Savings	0.500	0.450	0.450	0.250	0.250	0.250
3-month Fixed	0.750	0.600	0.550	0.375	0.375	0.375
6-month Fixed	0.850	0.700	0.650	0.500	0.500	0.500
12-month Fixed	1.150	1.000	0.800	0.500	0.500	0.500
Bank of Thailand Policy Rate (%)	1.750	1.250	1.000	0.500	0.500	0.500

Non-Interest Income

Non-interest income for the first quarter of 2023 amounted to Baht 10,216 million, increasing from the previous quarter. This was due mainly to higher gains on financial instruments measured at FVTPL in line with the market environment. Meanwhile, net fees and service income increased slightly.

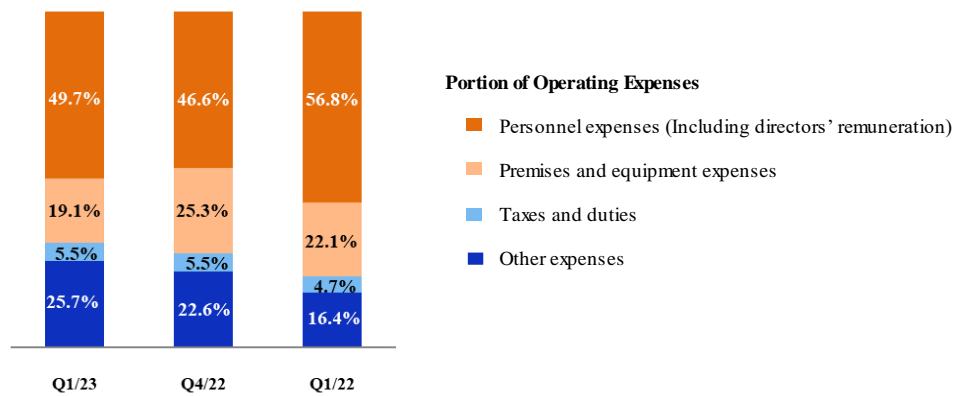
Compared with the first quarter of 2022, non-interest income increased, partly due to net fees and service income from international banking services.

Million Baht					
Item	Q1/23	Q4/22	Q1/22	%QoQ	%YoY
Fees and service income	11,158	10,783	10,089	3.5%	10.6%
<u>Less</u> fees and service expenses	4,035	3,825	3,132	5.5%	28.8%
Net fees and service income	7,123	6,958	6,957	2.4%	2.4%
Gains (losses) on financial instruments measured at FVTPL	1,445	(1,955)	1,346	173.9%	7.4%
Gains (losses) on investments	30	(646)	71	104.6%	(57.7)%
Share of profit from investment for using equity method	57	50	50	14.0%	14.0%
Gains on disposal of assets	642	1,463	64	(56.1)%	903.1%
Dividend income	630	297	611	112.1%	3.1%
Other operating income	289	264	264	9.5%	9.5%
Total other operating income	3,093	(527)	2,406	686.9%	28.6%
Total non-interest income	10,216	6,431	9,363	58.9%	9.1%
Net fees and service income to operating income ratio	17.7%	18.9%	22.4%	(1.2)%	(4.7)%

Operating Expenses

Operating expenses for the first quarter of 2023 amounted to Baht 18,850 million, declining from the previous quarter. Compared with the first quarter of 2022, operating expenses increased, partly from higher expenses for working stream development and improvement. The cost to income ratio stood at 46.8 percent.

Million Baht					
Item	Q1/23	Q4/22	Q1/22	%QoQ	%YoY
Personnel expenses	9,324	8,862	8,735	5.2%	6.7%
Directors' remuneration	49	26	81	88.5%	(39.5)%
Premises and equipment expenses	3,589	4,817	3,420	(25.5)%	4.9%
Taxes and duties	1,038	1,060	731	(2.1)%	42.0%
Other expenses	4,850	4,306	2,540	12.6%	90.9%
Total operating expenses	18,850	19,071	15,507	(1.2)%	21.6%
Cost to income ratio	46.8%	51.7%	49.8%	(4.9)%	(3.0)%



Expected Credit Losses

In the first quarter of 2023, the Bank set aside Baht 8,474 million in expected credit losses. The Bank continued to set aside expected credit losses in line with its prudent approach, although the Thai economy tended to continuously expand, underpinned by the recovery in the tourism sector and private consumption. However, the export sector was still under pressure from the global economic slowdown due to the trend towards higher inflation and the problematic situation of financial institutions in major economies, as well as the prolonged geopolitical conflicts. Expected credit losses covered loans, interbank and money market items, and debt securities, which are not measured at FVTPL, as well as loan commitments and financial guarantee contracts.

Significant Items in the Financial Position

Assets

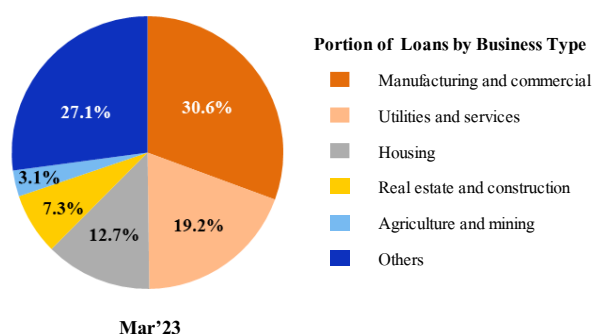
As of March 31, 2023, total assets amounted to Baht 4,461,137 million, the same level as at the end of December 2022.

Item	Million Baht				
	Mar'23	Dec'22	Mar'22	%QoQ	%YoY
Net interbank and money market items	811,274	766,074	768,421	5.9%	5.6%
Financial assets measured at FVTPL	75,226	75,036	88,150	0.3%	(14.7)%
Net investments	909,494	850,151	875,378	7.0%	3.9%
Net investments in associates	1,487	1,421	1,378	4.6%	7.9%
Loans	2,640,090	2,682,691	2,587,534	(1.6)%	2.0%
Net properties for sale	14,727	12,017	9,749	22.6%	51.1%
Total assets	4,461,137	4,421,752	4,343,930	0.9%	2.7%

Loans

As of March 31, 2023, loans amounted to Baht 2,640,090 million, decreasing by 1.6 percent from the end of December 2022, mainly from the decreases in business customers and loans made through the Bank's international network.

	Million Baht				
Loans by Business Type	Mar'23	Dec'22	Mar'22	%QoQ	%YoY
Manufacturing and commercial	808,497	825,508	839,754	(2.1)%	(3.7)%
Utilities and services	506,295	527,351	579,940	(4.0)%	(12.7)%
Housing	336,161	336,256	327,432	(0.0)%	2.7%
Real estate and construction	193,020	196,482	203,091	(1.8)%	(5.0)%
Agriculture and mining	81,192	88,014	101,726	(7.8)%	(20.2)%
Others	714,925	709,080	535,591	0.8%	33.5%
Total loans	2,640,090	2,682,691	2,587,534	(1.6)%	2.0%



The Bank and its subsidiaries had loans distributed across business sectors, with 30.6 percent in the manufacturing and commercial sector, 19.2 percent in the utilities and services sector, 12.7 percent in the housing sector, and 7.3 percent in the real estate and construction sector. The decrease in loans from the end of December 2022 was mainly driven by the utilities and services sector and the manufacturing and commercial sector.

Classified Loans and Allowance for Expected Credit Losses

Non-performing loans (Gross NPL) at the end of March 2023 was Baht 98,359 million, while the gross NPL to total loans ratio stood at 3.1 percent.

The allowance for expected credit losses was Baht 260,738 million. The allowance for expected credit losses to NPL ratio was 265.1 percent.

	Million Baht				
Item	Mar'23	Dec'22	Mar'22	%QoQ	%YoY
Consolidated					
Non-performing loans (Gross NPL) ^{/1}	98,359	97,188	102,342	1.2%	(3.9)%
Gross NPL to total loans ratio ^{/1}	3.1%	3.1%	3.3%	-	(0.2)%
Net NPL to net total loans ratio ^{/1}	0.9%	0.9%	0.9%	-	-
Allowance for expected credit losses to NPL ratio	265.1%	260.8%	229.0%	4.3%	36.1%
The Bank					
Non-performing loans (Gross NPL) ^{/1}	84,016	80,991	83,441	3.7%	0.7%
Gross NPL to total loans ratio ^{/1}	3.0%	2.9%	3.1%	0.1%	(0.1)%

^{/1} Including interbank and money market lending

Million Baht

Item	Loans and Interbank & Money Market			Allowance for Expected Credit Losses ^{/1}		
	Mar'23	Dec'22	Mar'22	Mar'23	Dec'22	Mar'22
	Non-credit-impaired	3,352,959	3,351,508	3,254,160	185,286	179,648
Credit-impaired	98,359	97,188	102,342	75,452	73,811	78,164
Total	3,451,318	3,448,696	3,356,502	260,738	253,459	234,411

^{/1} Including allowance for expected credit losses of loans, interbank and money market items, loan commitments and financial guarantee contracts

Investments

As of March 31, 2023, investments amounted to Baht 984,720 million, increasing by 6.4 percent from the end of December 2022, mostly from investments in Thai government and state enterprise securities.

The Bank and its subsidiaries had Baht 574,122 million in investments in government securities and Thai state enterprises, accounting for 58.3 percent of total investments. Foreign debt securities amounted to Baht 219,483 million, private enterprise debt securities to Baht 24,546 million, and net investment in equity securities to Baht 101,732 million.

Million Baht

Investments by Investment Holding	Mar'23	Dec'22	Mar'22	%QoQ	%YoY
Trading securities	5,843	5,141	16,698	13.7%	(65.0)%
Securities measured at FVTPL	69,383	69,895	71,452	(0.7)%	(2.9)%
Debt securities measured at amortized cost	96,331	88,212	45,637	9.2%	111.1%
Debt securities measured at FVOCI	725,067	672,065	734,269	7.9%	(1.3)%
Equity securities measured at FVOCI	88,096	89,874	95,472	(2.0)%	(7.7)%
Total investments	984,720	925,187	963,528	6.4%	2.2%

Liabilities and Shareholders' Equity

Total liabilities as of March 31, 2023, amounted to Baht 3,943,985 million, the same level as at the end of last year.

Million Baht

Item	Mar'23	Dec'22	Mar'22	%QoQ	%YoY
Deposits	3,205,989	3,210,896	3,194,460	(0.2)%	0.4%
Interbank and money market items	317,865	262,522	265,243	21.1%	19.8%
Financial liabilities measured at FVTPL	17,767	17,960	19,299	(1.1)%	(7.9)%
Debt issued and borrowings	185,745	188,302	182,843	(1.4)%	1.6%
Total liabilities	3,943,985	3,914,610	3,844,329	0.8%	2.6%
Shareholders' equity ^{/1}	515,208	505,346	497,633	2.0%	3.5%

^{/1} Attributable to owners of the Bank

*Deposits*

Total deposits as of March 31, 2023, amounted to Baht 3,205,989 million, the same level as at the end of 2022, and the loan to deposit ratio was 82.3 percent.

Million Baht

Deposits Classified by Product Type	Mar'23		Dec'22		Mar'22		%QoQ	%YoY
	Amount	Portion	Amount	Portion	Amount	Portion		
Current	293,391	9.1%	302,855	9.4%	284,322	8.9%	(3.1)%	3.2%
Savings	1,711,027	53.4%	1,708,362	53.2%	1,672,825	52.4%	0.2%	2.3%
Fixed	1,201,571	37.5%	1,199,679	37.4%	1,237,313	38.7%	0.2%	(2.9)%
Total deposits	3,205,989	100.0%	3,210,896	100.0%	3,194,460	100.0%	(0.2)%	0.4%
Loan to deposit ratio		82.3%		83.5%		81.0%	(1.2)%	1.3%

Debt Issued and Borrowings

Total debt issued and borrowings as of March 31, 2023, amounted to Baht 185,745 million, decreasing from the end of December 2022 due to a decline in the value of foreign-denominated debentures following the appreciation of the baht.

Million Baht

Debt Issued and Borrowings Classified by Type of Instruments	Mar'23		Dec'22		Mar'22		%QoQ	%YoY
	Amount	Portion	Amount	Portion	Amount	Portion		
Senior unsecured notes	84,362	45.4%	85,045	45.2%	83,280	45.5%	(0.8)%	1.3%
Subordinated notes	100,646	54.2%	101,998	54.1%	98,271	53.7%	(1.3)%	2.4%
Bills of exchange	100	0.0%	413	0.2%	519	0.3%	(75.8)%	(80.7)%
Others	700	0.4%	915	0.5%	826	0.5%	(23.5)%	(15.3)%
Total (before less discount on borrowings)	185,808	100.0%	188,371	100.0%	182,896	100.0%	(1.4)%	1.6%
Less discount on borrowings	63		69		53		(8.7)%	18.9%
Total debt issued and borrowings	185,745		188,302		182,843		(1.4)%	1.6%

Shareholders' Equity

Shareholders' equity attributable to owners of the Bank as of March 31, 2023, amounted to Baht 515,208 million, an increase of Baht 9,862 million or 2.0 percent from the end of 2022. This was due to the net profit attributable to owners of the Bank for the first quarter of 2023 of Baht 10,129 million.

Sources and Utilization of Funds

As of March 31, 2023, the Bank and its subsidiaries' primary sources of funds consisted of deposits of Baht 3,205,989 million or 71.9 percent, equity attributable to owners of the Bank of Baht 515,208 million or 11.5 percent, interbank and money market items on liabilities of Baht 317,865 million or 7.1 percent and debt securities issued and borrowing including financial liabilities measured at FVTPL amounting to Baht 203,512 million or 4.6 percent.

The utilization of funds comprised loans of Baht 2,640,090 million or 59.2 percent, net investments including financial assets measured at FVTPL and net investments in associates of Baht 986,207 million or 22.1 percent, and net interbank and money market assets of Baht 811,274 million or 18.2 percent.

Capital Reserves and Capital Adequacy Ratio

Under the principles of Basel III, the Bank of Thailand (BOT) currently requires commercial banks registered in Thailand and members of their financial groups to maintain minimum levels of capital adequacy as measured by three ratios: the Common Equity Tier 1 capital adequacy ratio at no less than 4.50 percent, the Tier 1 capital adequacy ratio at no less than 6.00 percent, and the Total Capital Adequacy ratio at no less than 8.50 percent – measured as a percentage of total risk-weighted assets. The BOT also requires a capital conservation buffer of more than 2.50 percent. Since the Bank is classified by BOT as a Domestic Systemically Important Bank (D-SIB), it must have additional Common Equity Tier 1 ratio at 1.00 percent for Higher Loss Absorbency (HLA). Consequently, the Bank is required to maintain the Common Equity Tier 1 capital adequacy ratio at more than 8.00 percent, the Tier 1 capital adequacy ratio at more than 9.50 percent, and the total capital adequacy ratio at more than 12.00 percent – measured as percentages of total risk-weighted assets.

As of March 31, 2023, the Bank's Common Equity Tier 1 capital adequacy ratio was 14.9 percent, the Tier 1 capital adequacy ratio was 15.7 percent, and the total capital adequacy ratio was 19.2 percent, which was above the Bank of Thailand's minimum capital requirements.

Consolidated

Million Baht

Item	Mar'23		Dec'22		Mar'22		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	445,491	14.9%	447,590	14.9%	430,538	15.2%	> 8.00%
Tier 1 capital	469,275	15.7%	471,366	15.7%	454,319	16.0%	> 9.50%
Tier 2 capital	103,882	3.5%	104,108	3.4%	99,812	3.5%	
Total capital	573,157	19.2%	575,474	19.1%	554,131	19.5%	> 12.00%

The Bank

Million Baht

Item	Mar'23		Dec'22		Mar'22		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	439,798	16.4%	444,882	16.5%	423,793	16.6%	> 8.00%
Tier 1 capital	463,390	17.2%	468,474	17.4%	447,385	17.6%	> 9.50%
Tier 2 capital	100,754	3.8%	100,807	3.7%	98,873	3.9%	
Total capital	564,144	21.0%	569,281	21.1%	546,258	21.5%	> 12.00%

Liquid Assets

Liquid assets consisted of cash, net interbank and money market items, debt securities, and marketable equity securities. As of March 31, 2023, the ratio of liquid assets to total assets and liquid assets to deposits was 39.6 percent and 55.1 percent, respectively.

Item	Mar'23	Dec'22	Mar'22
Liquid assets/Total assets (%)	39.6	37.7	39.2
Liquid assets/Deposits (%)	55.1	51.9	53.3

Credit Ratings

Details of the Bank's credit ratings are as follows:

Credit Rating Agency	Mar'23	Dec'22	Mar'22
Moody's Investors Service			
Long-term Deposits	Baa1	Baa1	Baa1
Short-term Deposits	P-2	P-2	P-2
Senior Unsecured Debt Instruments	Baa1	Baa1	Baa1
Subordinated Debt Instruments	Baa2	Baa2	Baa2
Subordinated Debt (Basel III-compliant Tier 2 securities)	Baa3	Baa3	Baa3
Subordinated Debt (Basel III-compliant Tier 1 securities)	Ba1	Ba1	Ba1
Financial Strength (BCA)	baa1	baa1	baa1
Outlook	Stable	Stable	Stable
S&P Global Ratings			
Long-term Issuer Credit Rating	BBB+	BBB+	BBB+
Short-term Issuer Credit Rating	A-2	A-2	A-2
Senior Unsecured Debt Instruments	BBB+	BBB+	BBB+
Subordinated Debt Instruments	BBB	BBB	BBB
Financial Strength (SACP)	bbb-	bbb-	bbb-
Outlook	Stable	Stable	Stable
Fitch Ratings			
International Rating			
Long-term Issuer Default Rating	BBB	BBB	BBB
Short-term Issuer Default Rating	F2	F2	F2
Senior Unsecured Debt Instruments	BBB	BBB	BBB
Subordinated Debt Instruments	BB+	BB+	BB+
Subordinated Debt (Basel III-compliant Tier 2 securities)	BB+	BB+	BB+
Financial Strength (VR)	bbb	bbb	bbb
Outlook	Stable	Stable	Stable
National Rating			
Long-term	AA+(tha)	AA+(tha)	AA+(tha)
Short-term	F1+(tha)	F1+(tha)	F1+(tha)
Outlook	Stable	Stable	Stable