




# Investor Presentation

## For 3Q21

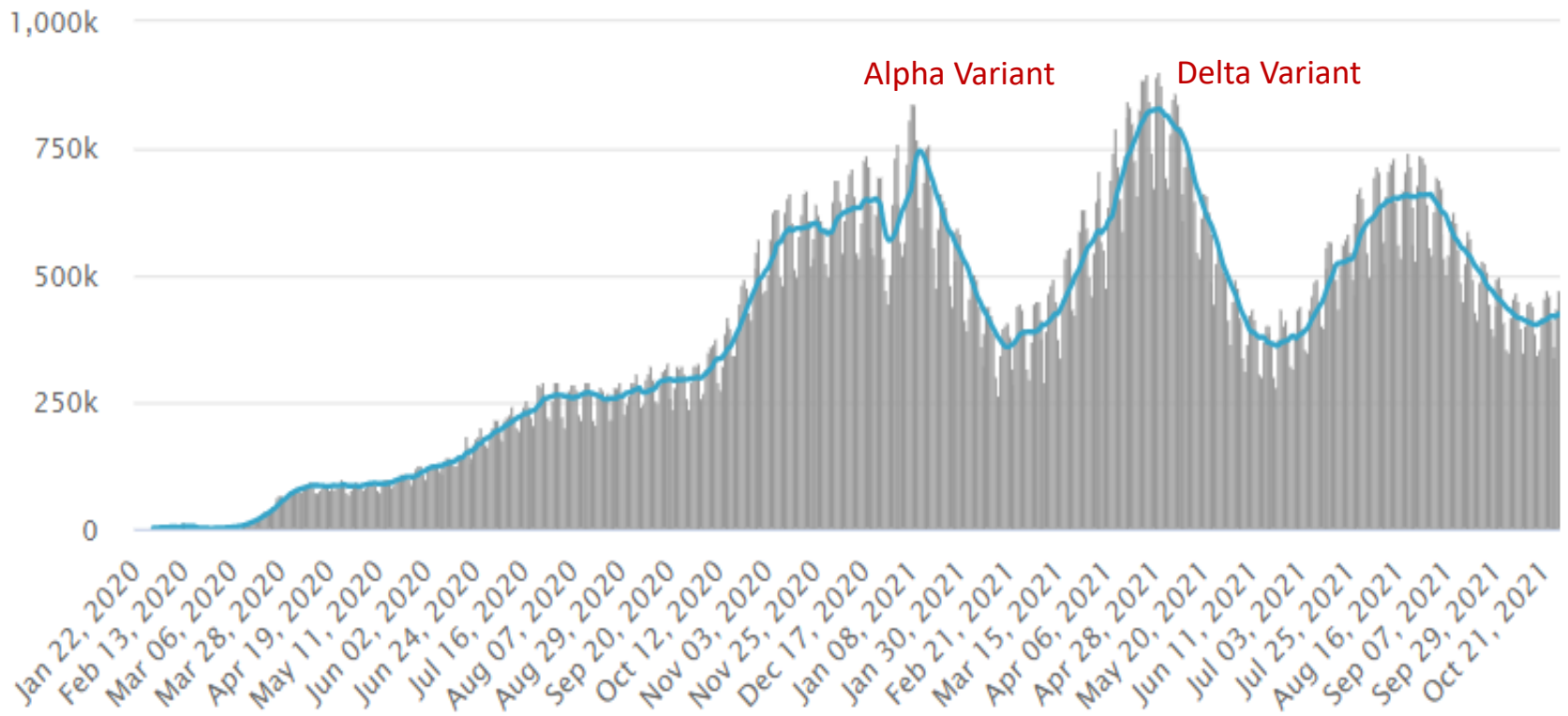


# Bangkok Bank

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-  **Operating environment**
-  3Q21 Financial performance
-  2021 Financial target

# The spread of Delta variant is stabilizing around the world

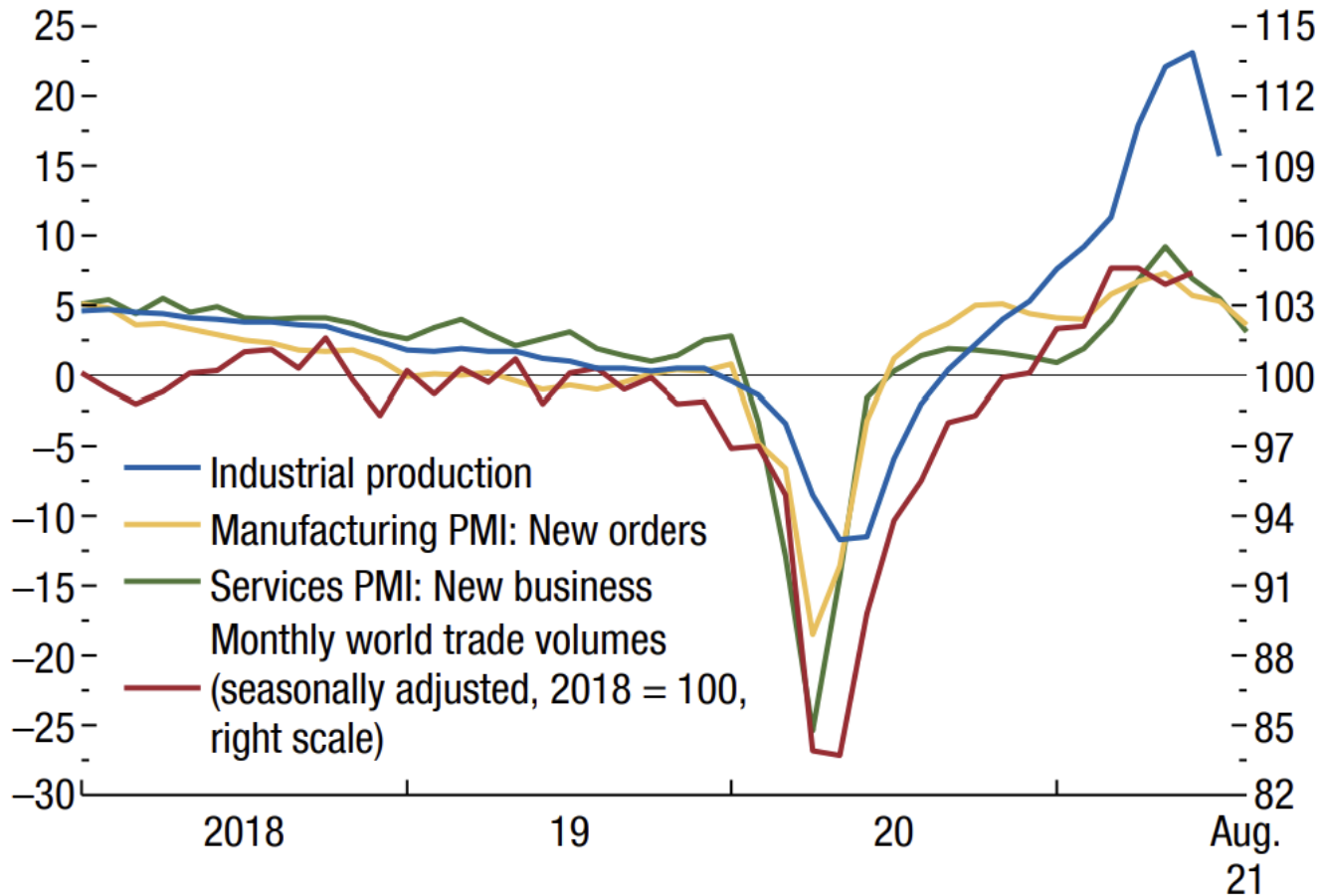


# The global economic recovery is continuing strongly despite higher energy prices and supply chain disruptions

(real GDP, annual percent change)	2020	PROJECTIONS	
		2021	2022
<b>World Output</b>	-3.1	5.9	4.9
<b>Advanced Economies</b>	-4.5	5.2	4.5
United States	-3.4	6.0	5.2
Euro Area	-6.3	5.0	4.3
Germany	-4.6	3.1	4.6
France	-8.0	6.3	3.9
Italy	-8.9	5.8	4.2
Spain	-10.8	5.7	6.4
Japan	-4.6	2.4	3.2
United Kingdom	-9.8	6.8	5.0
Canada	-5.3	5.7	4.9
Other Advanced Economies	-1.9	4.6	3.7
<b>Emerging Market and Developing Economies</b>	-2.1	6.4	5.1
Emerging and Developing Asia	-0.8	7.2	6.3
China	2.3	8.0	5.6
India	-7.3	9.5	8.5
ASEAN-5	-3.4	2.9	5.8

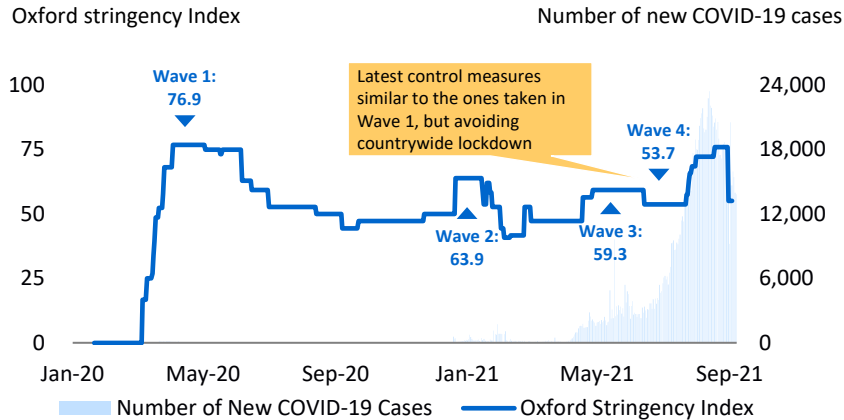
# Recovery in the global PMI is starting to moderate

Higher-frequency indicators point to softening momentum.



# The Thai government has implemented four measures to tackle the Covid-19 pandemic

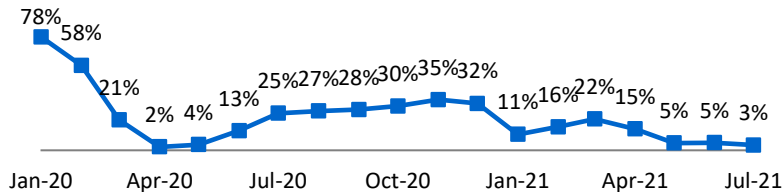
## Balanced, effective restrictions and control measures



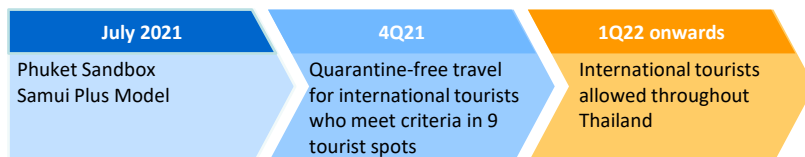
Source: Center for COVID-19 Situation Administration, University of Oxford

## Tourism reopening

Accommodation occupancy rate (%)



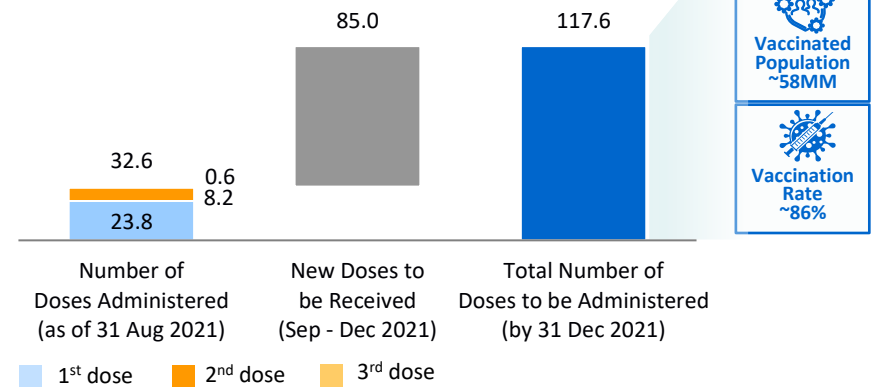
Relaxation of travel restrictions for fully vaccinated tourists from low-risk countries from 2h2021 onwards



Source: Center for COVID-19 Situation Administration, Bank of Thailand

## Acceleration of vaccination rollout

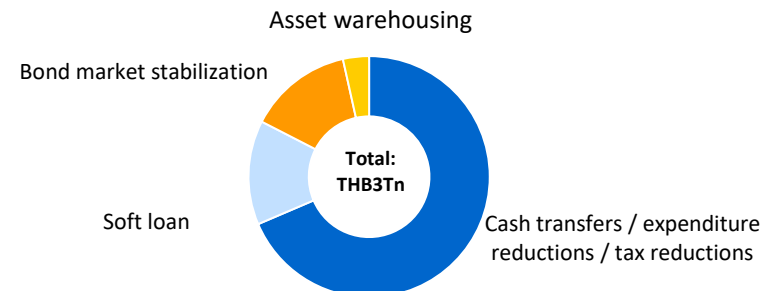
Number of Vaccine Doses (MM)



Source: Center for COVID-19 Situation Administration, Department of Medical Science, Bangkok Bank

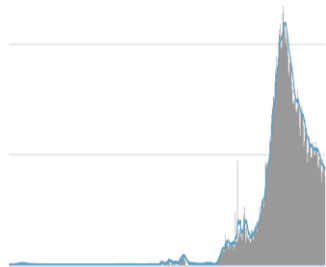
## Government stimulus

Government stimulus package (THB Bn)

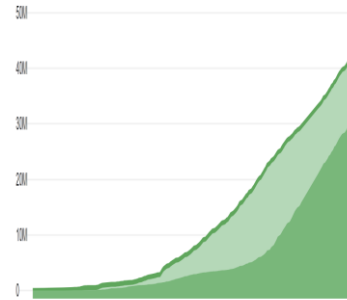


Source: The Government House of Thailand, News Runs

# 4 interrelated responses by the government



**Covid control**



**Vaccine rollout**

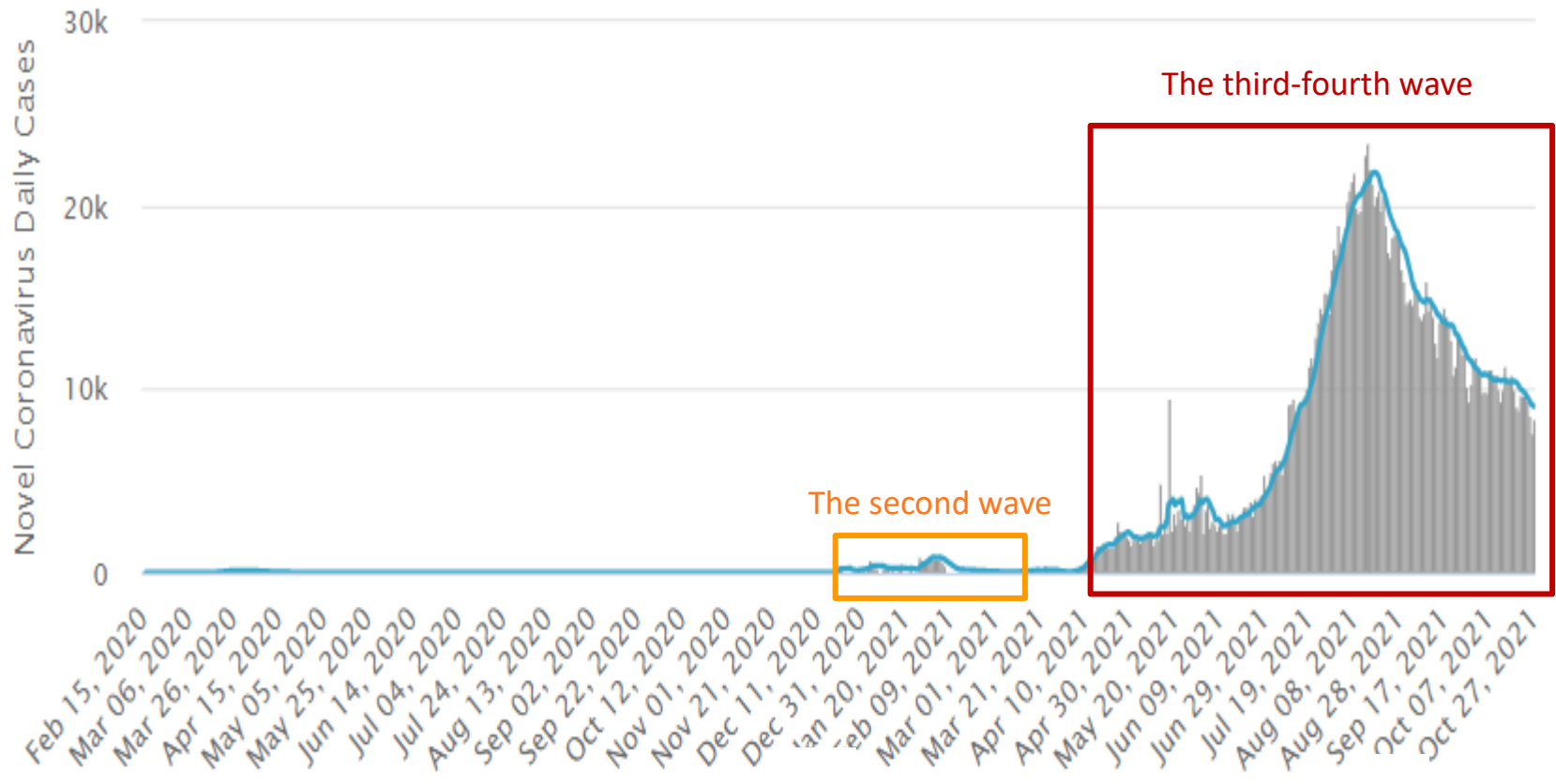


**Reopening**



**Public Stimulus**

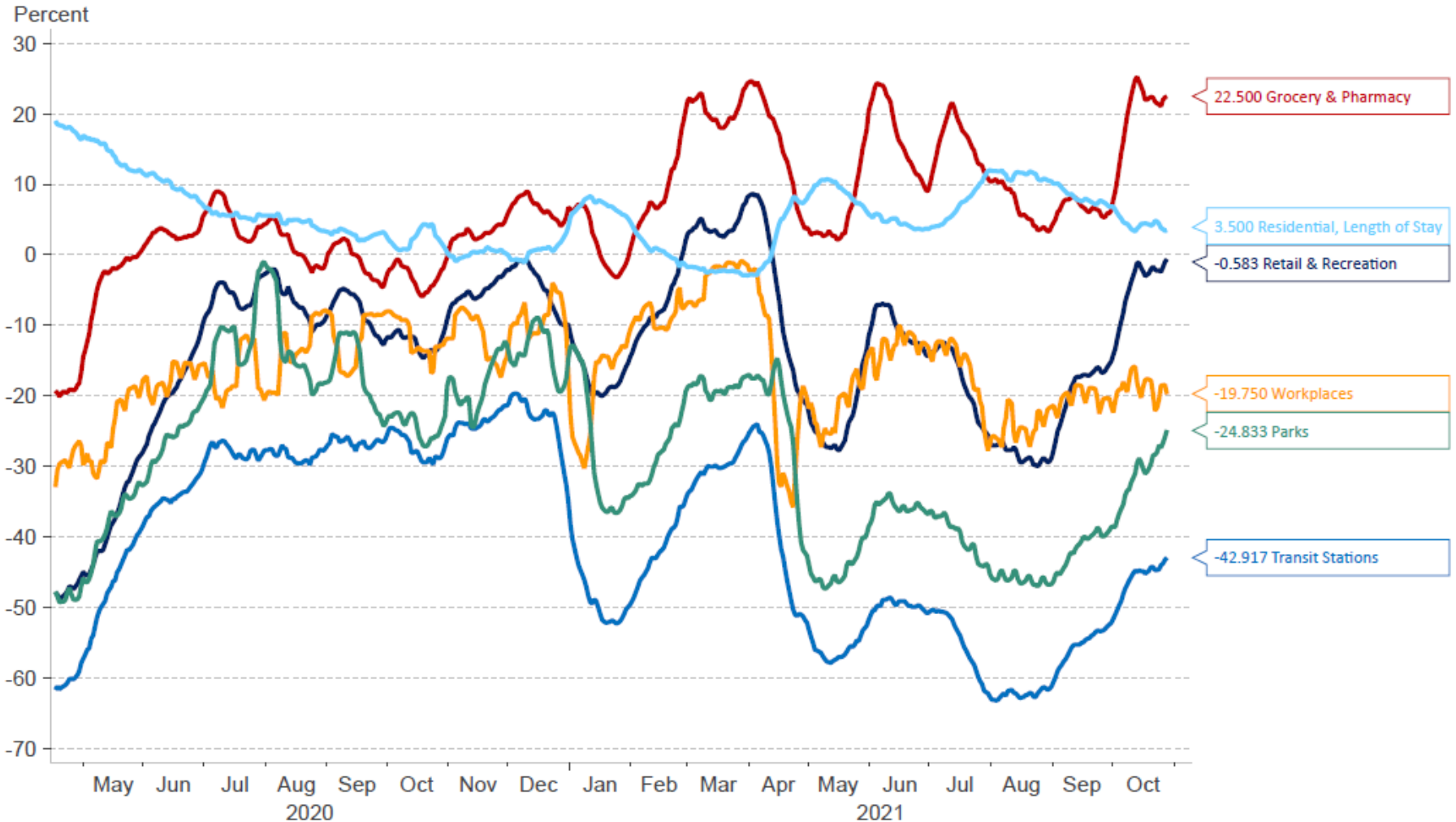
# The third-fourth wave of the pandemic has stabilized





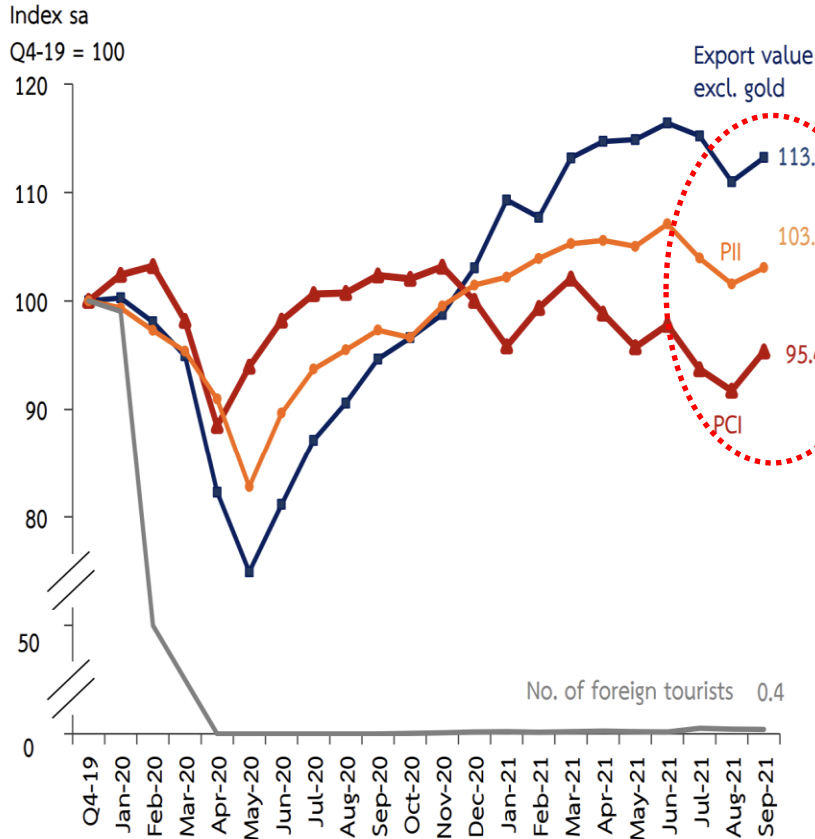
# Economic activity has resumed following the lifting of lockdown measures in September

Google Mobility Index 7-day moving average



# Leading to the rebound of the Thai economy in September

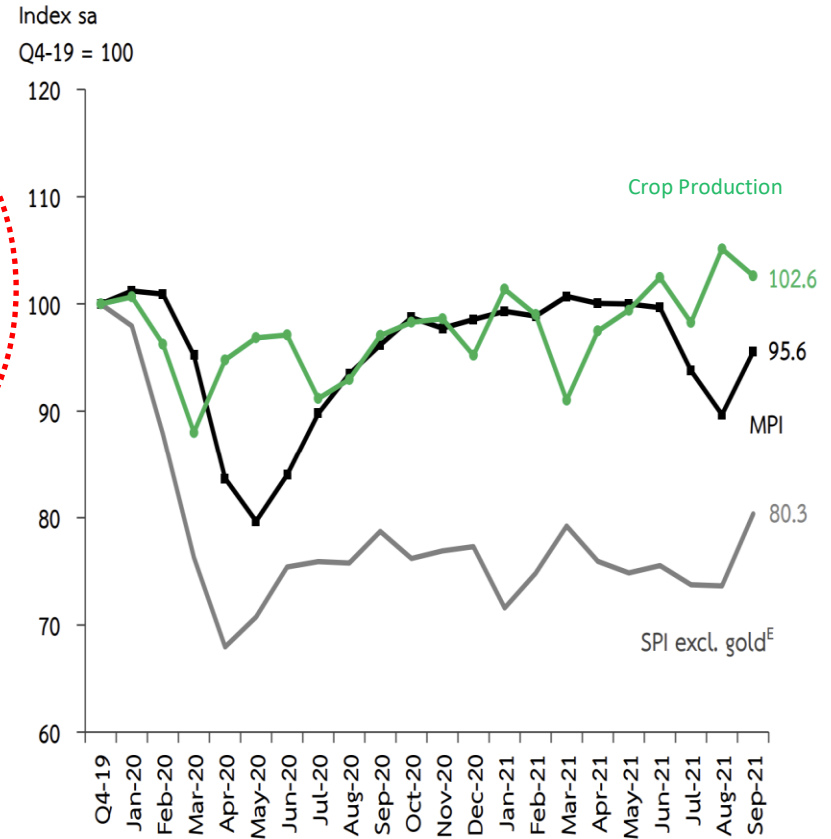
## Economic Indicator - Demand



Note: PCI = Private Consumption Indicators PII = Private Investment Indicators

Source: Bank of Thailand

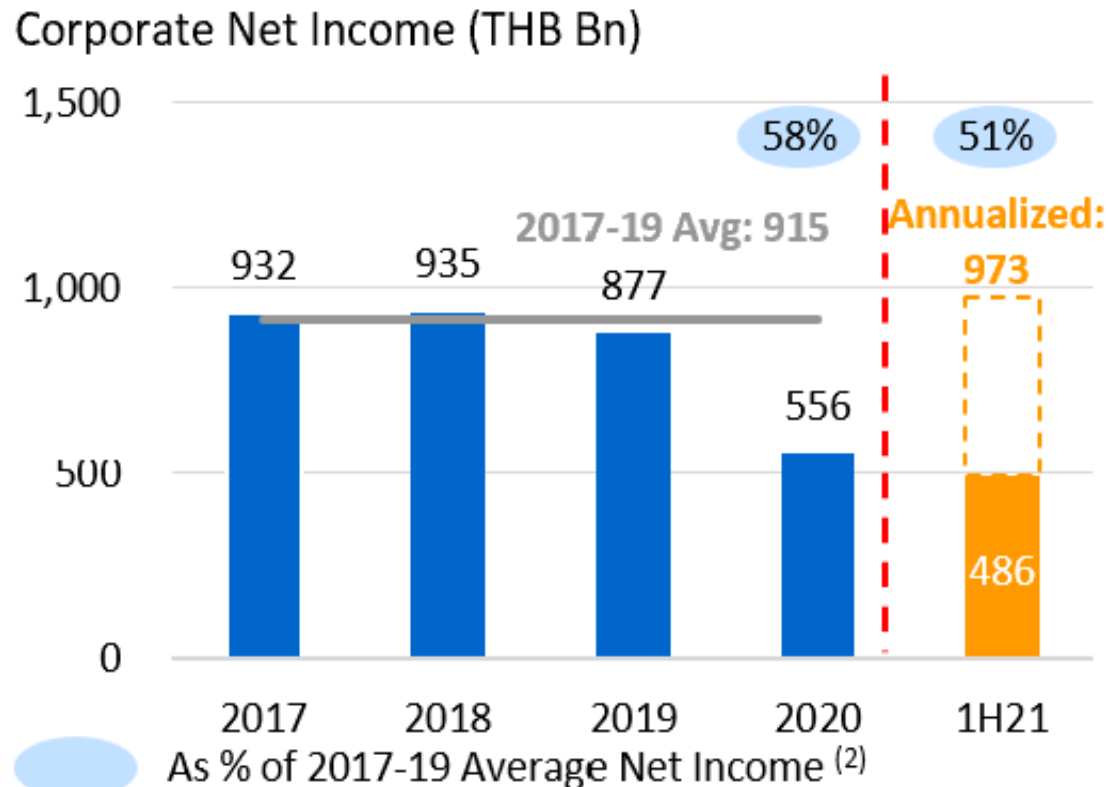
## Economic Indicator - Supply



Note: MPI = Manufacturing Production Index

SPI = Service Production Index (Excludes public administration and services, and gold activities)

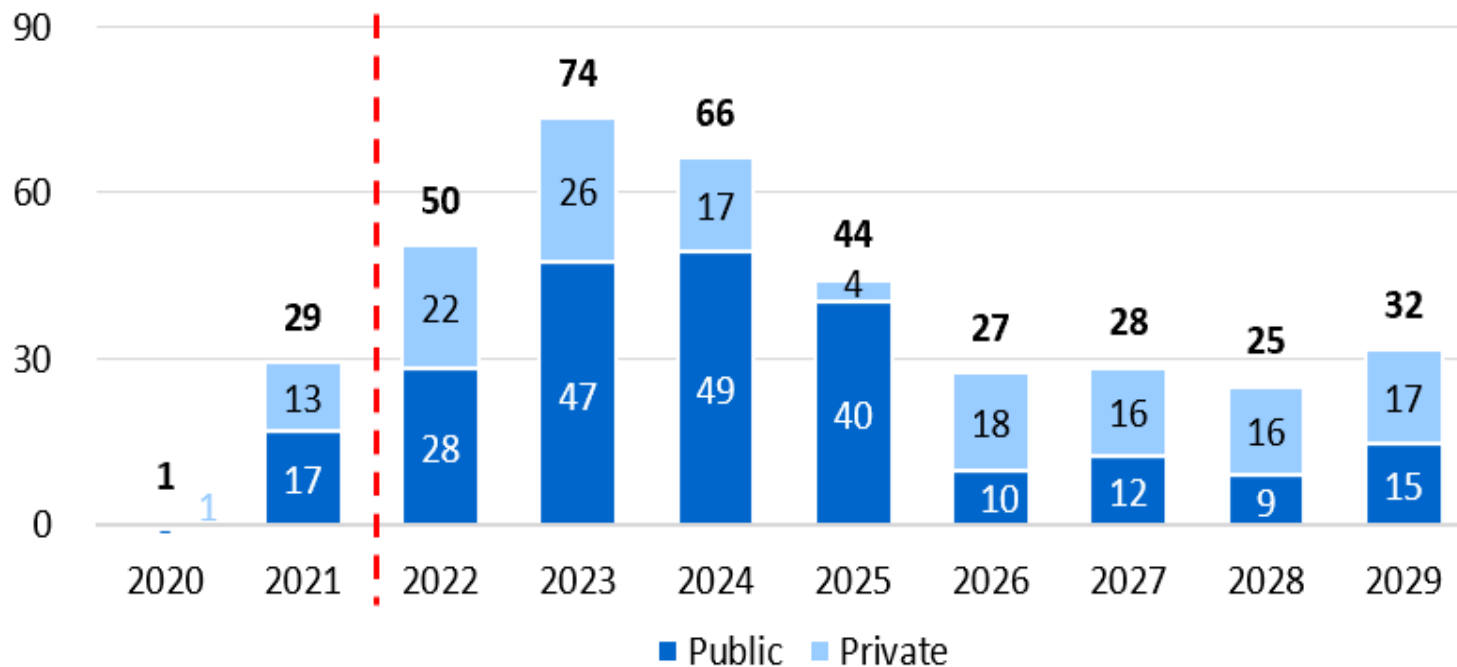
# At the same time, Thai corporate profits have recovered to pre-pandemic levels



Source: Ministry of Commerce

# Large budget disbursements in the upcoming years will be driven by the restart of mega-projects in the Eastern Economic Corridor and other areas

Public and Private Investment Disbursement Schedule (THB Bn)

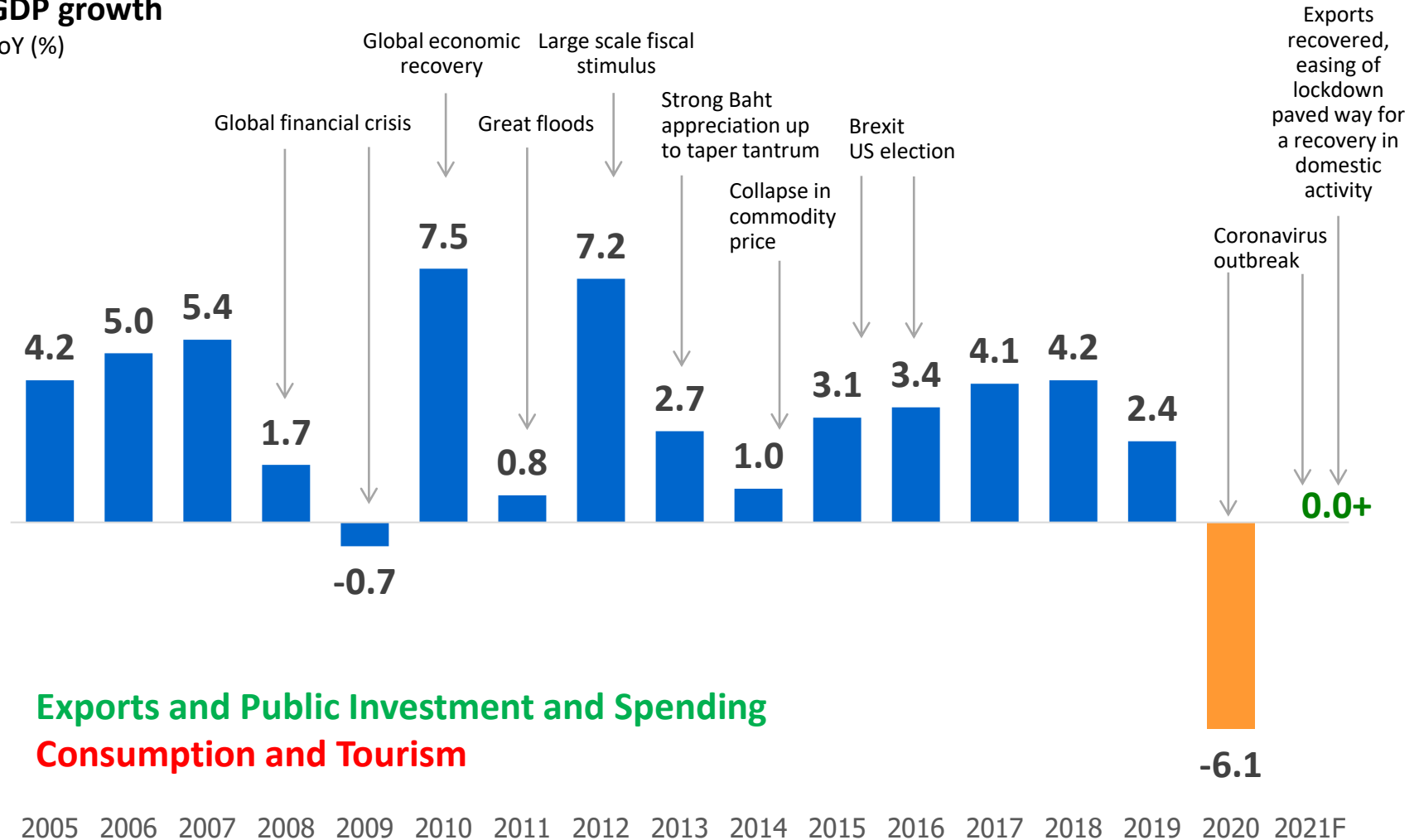


Source: EEC

# Impacts on the Thai economy : Activity to rebound after the lifting of lockdown measures

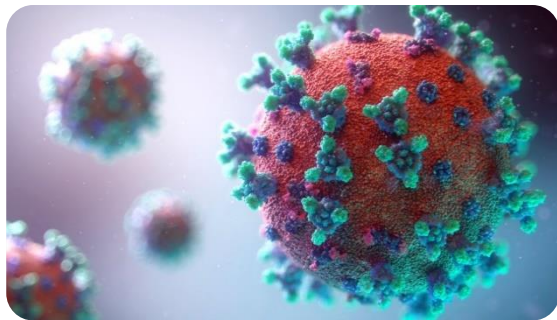
## GDP growth

YoY (%)



- Exports and Public Investment and Spending
- Consumption and Tourism

# Implications to Thai businesses



**Liquidity Support**

**Restarting Businesses**

**Competition in the New Normal**

Domestic Tourism




International Tourism

**Covid control**  
**Vaccine rollout**  
**Reopening**  
**Support the economy**

**Public infrastructure projects**

# Bangkok Bank

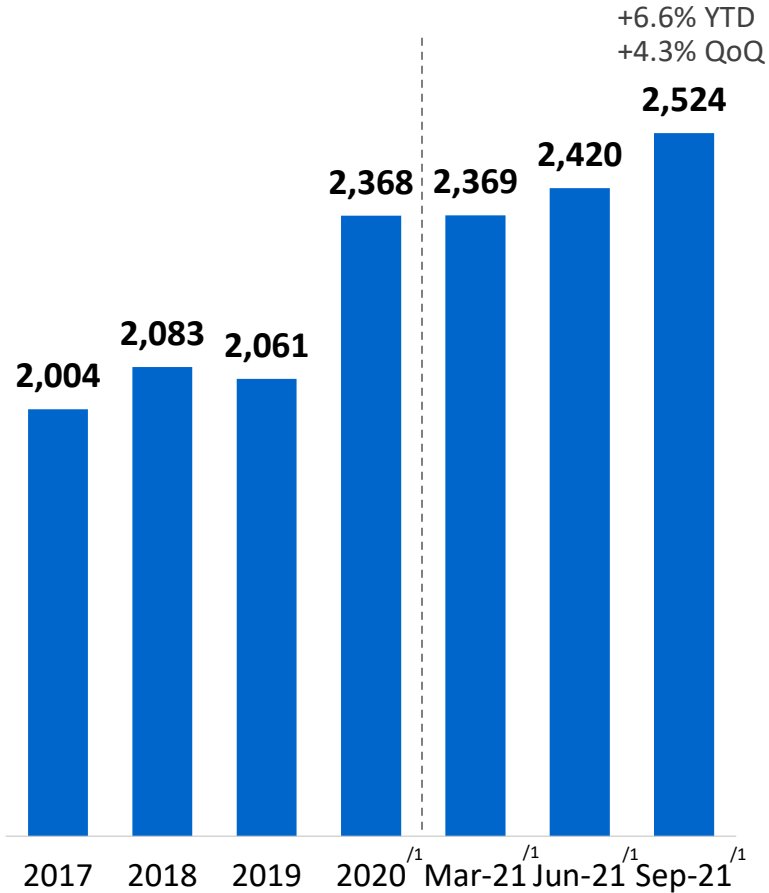
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-  Operating environment
-  **3Q21 Financial performance**
-  2021 Financial target

# Prudent and diversified approach to loan growth

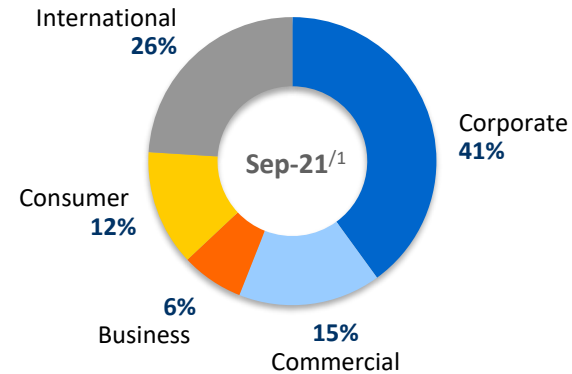
## Loan

Billion Baht



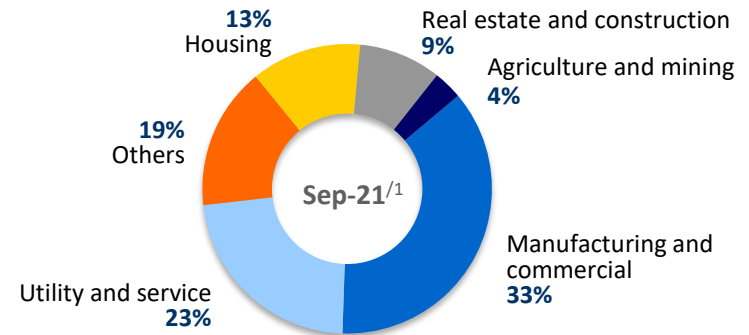
## Loan by business unit

% of composition



## Loan by industry

% of composition

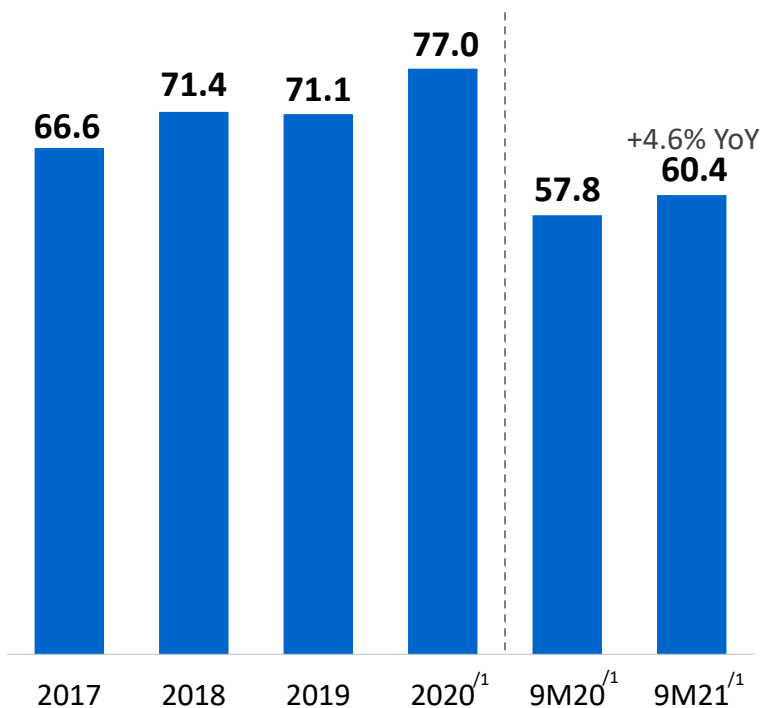




# NII increased due to the consolidation of Permata and interest expense management; while NIM decreased given low interest rate environment

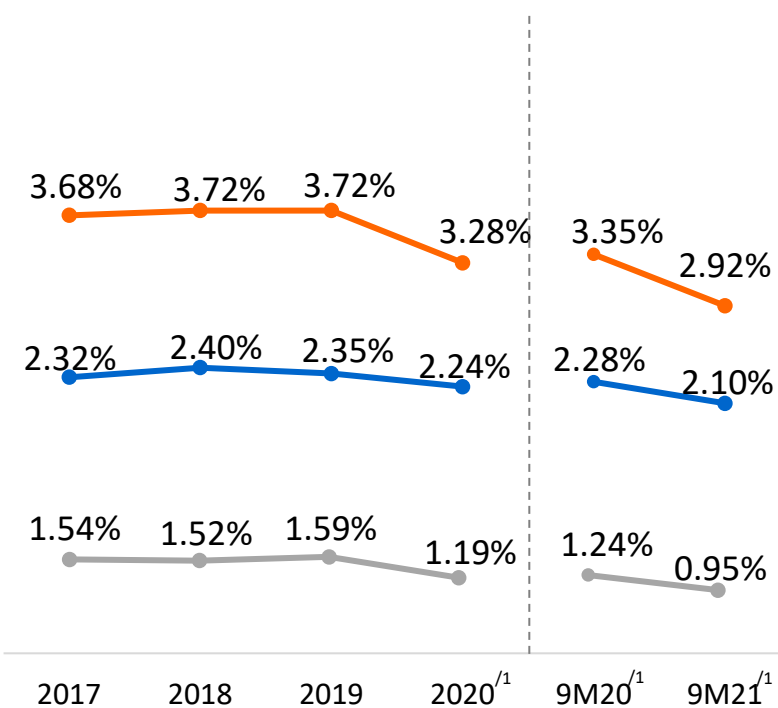
## Net interest income

Billion Baht



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

%



Policy rate	1.500%	1.750%	1.250%	0.500%	0.500%	0.500%
MLR	6.250%	6.250%	6.000%	5.250%	5.250%	5.250%
MOR	7.125%	7.125%	6.875%	5.875%	5.875%	5.875%

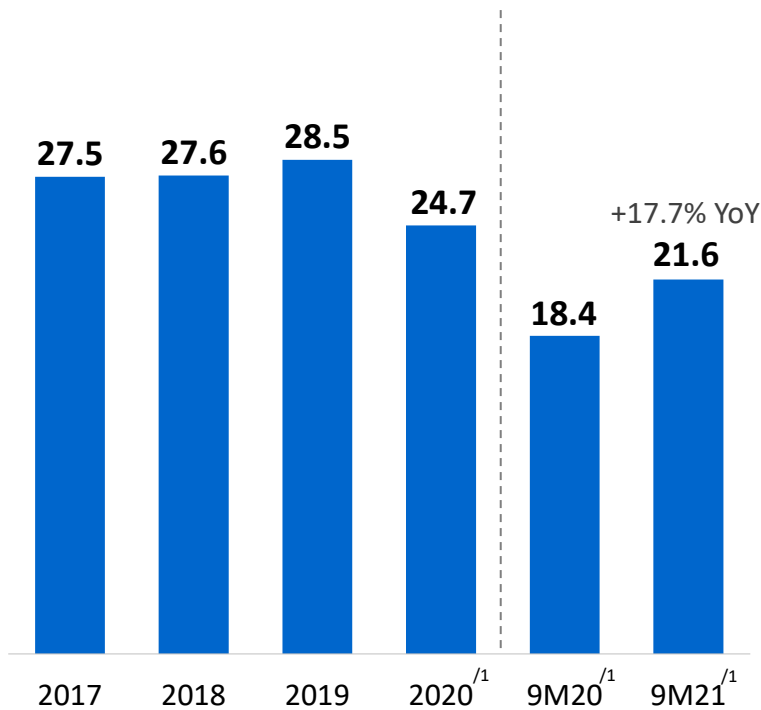
- NIM
- Yield on earning assets
- Cost of funds



# Net fees and service income growth was driven by fee income from loan related service and security business

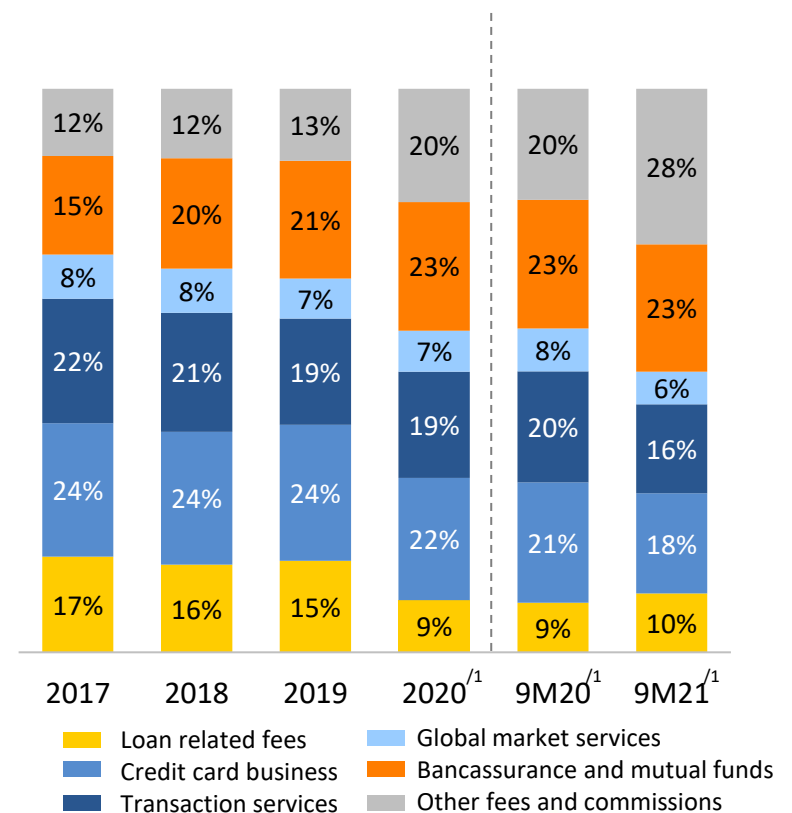
## Net fees and service income

Billion Baht



## Fees and service income

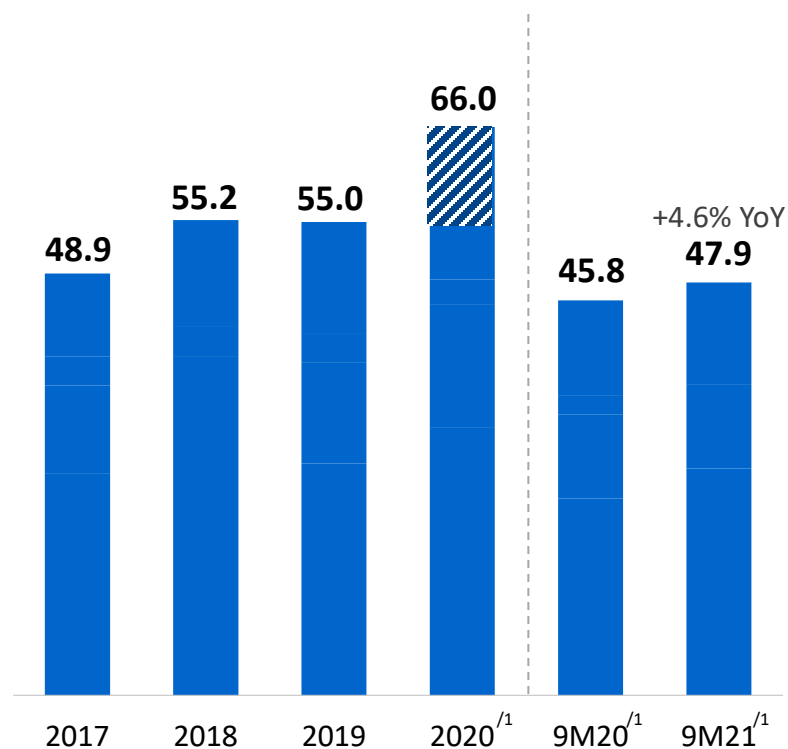
% of composition



# Operating expenses increased due to the consolidation of Permata's expense while a cost to income ratio declined to 48.4%

## Operating expenses

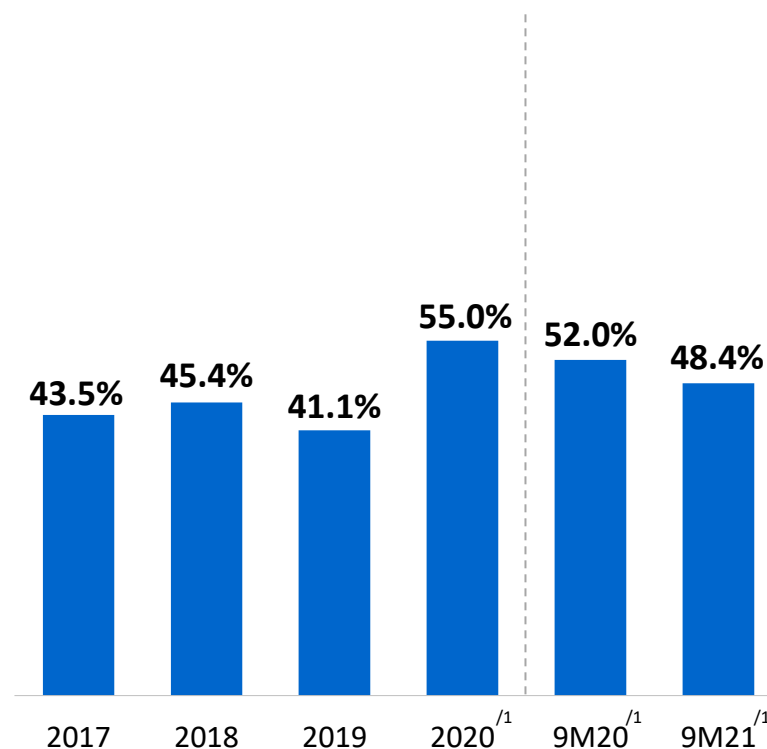
Billion Baht



 Permata's financial performance and one-time integration expense

## Cost to income ratio

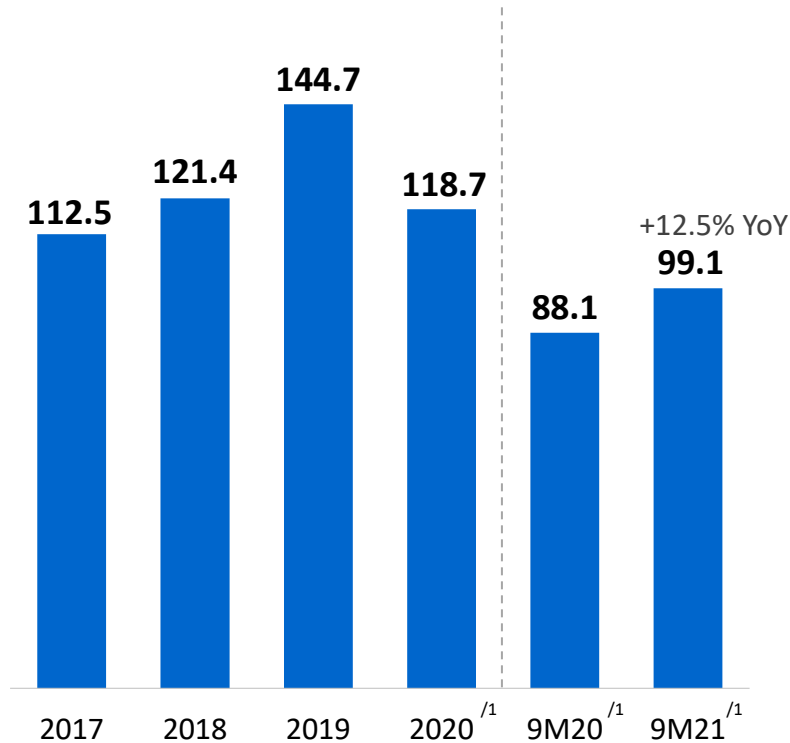
%



# Continue to deliver income and profit across business cycle amid the prolong Covid-19 pandemic. Pre-provisioning operating profit expanded 21.1%

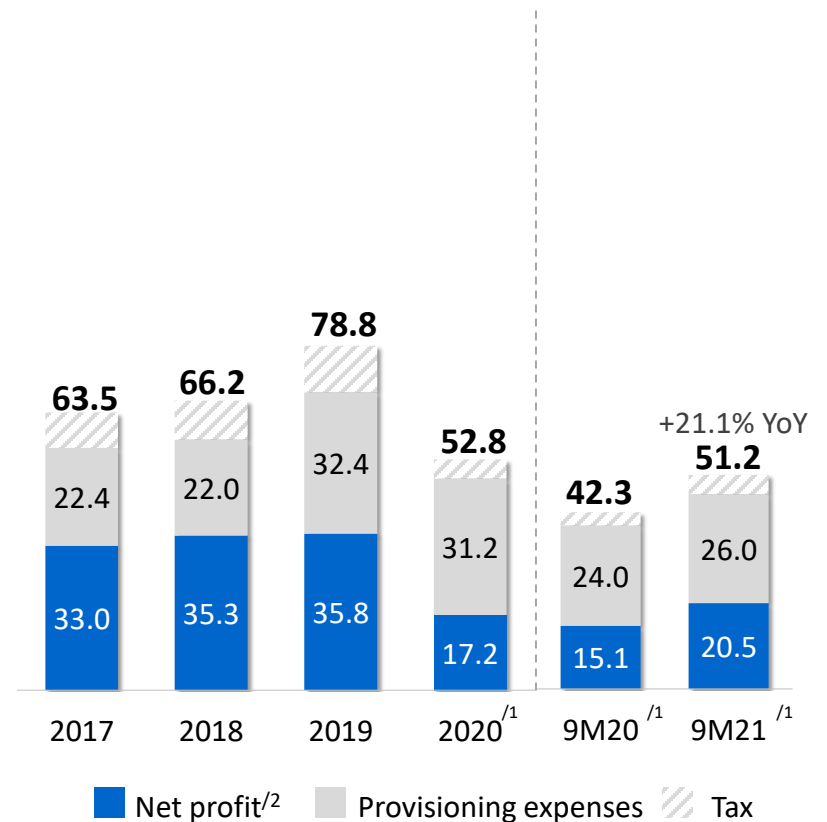
## Total income

Billion Baht



## Pre-provisioning operating profit (PPoP)

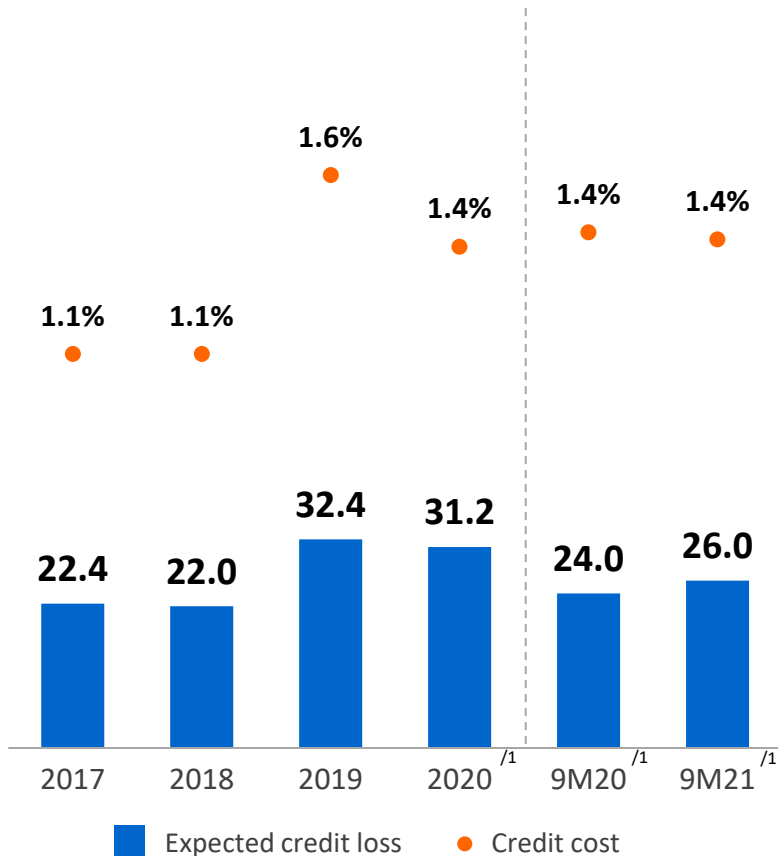
Billion Baht



# Continue to set aside expected credit losses to cover the delayed and uncertain economic recovery

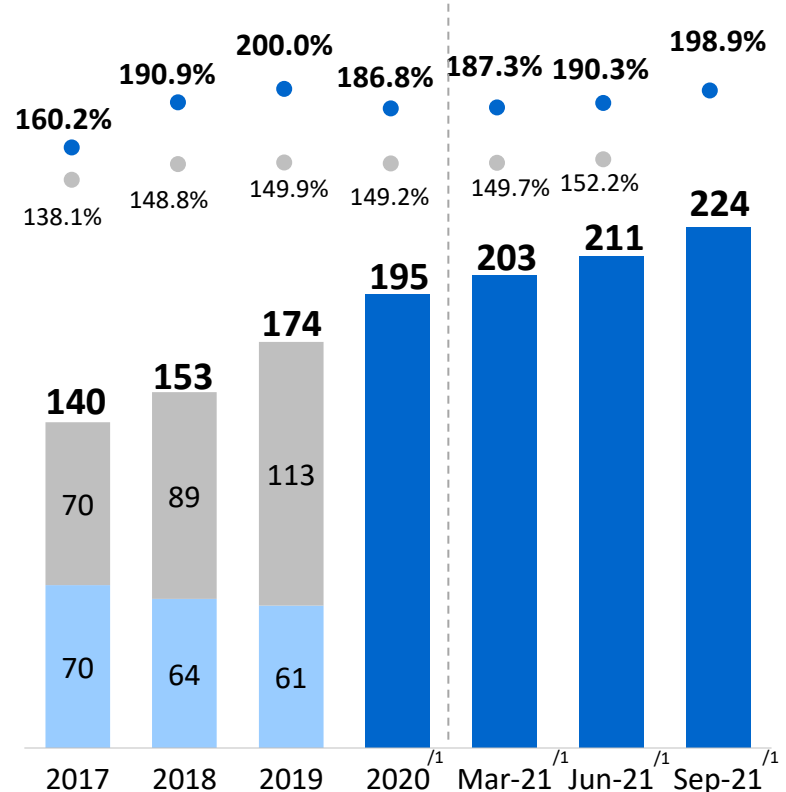
## Expected credit loss (Provision), Credit cost

Billion Baht, %



## Loan loss reserve (LLR), Coverage ratio

Billion Baht, %

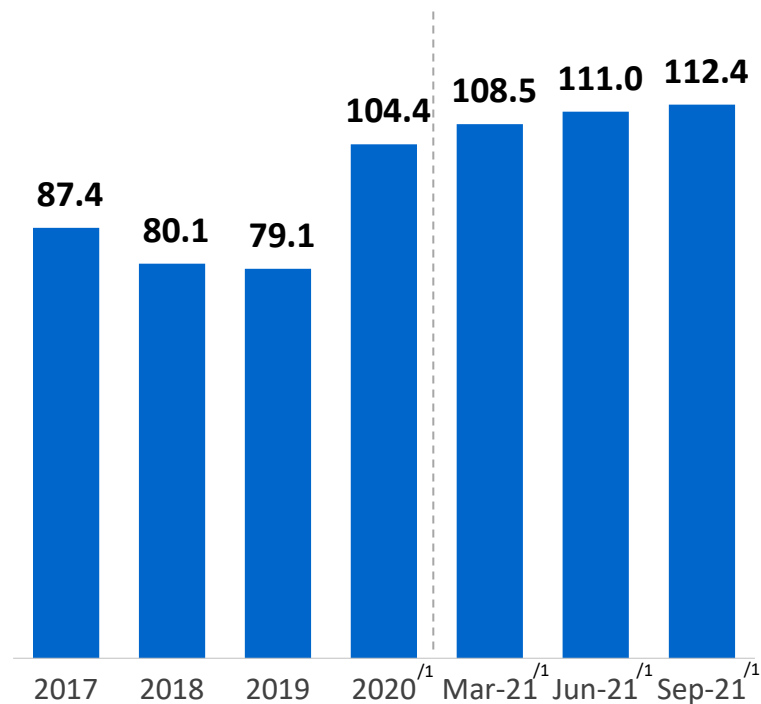


- BBL's excess reserves over BOT requirement
- BBL's required reserves by BOT
- BBL's loan loss reserves
- BBL's coverage ratio
- System's coverage ratio<sup>/2</sup>

# Manageable asset quality under effective risk management

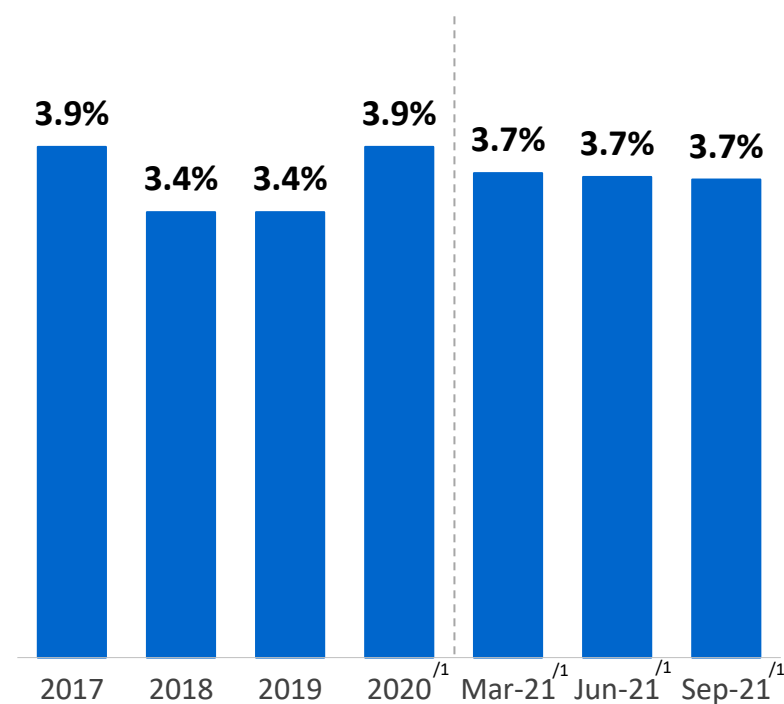
## NPL amount

Billion Baht



## NPL ratio

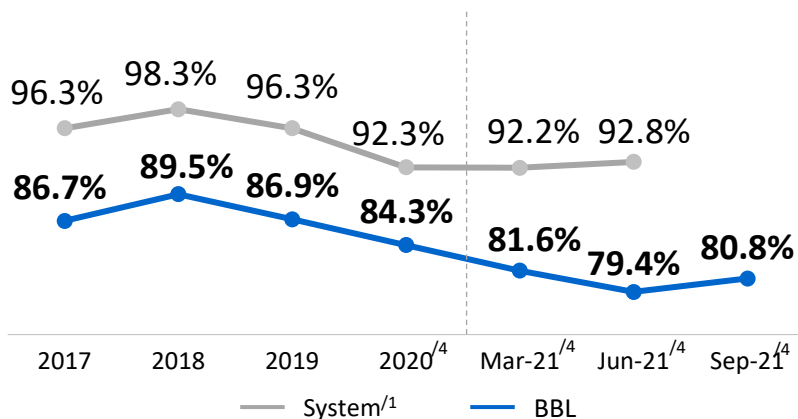
%



# Healthy funding and liquidity position

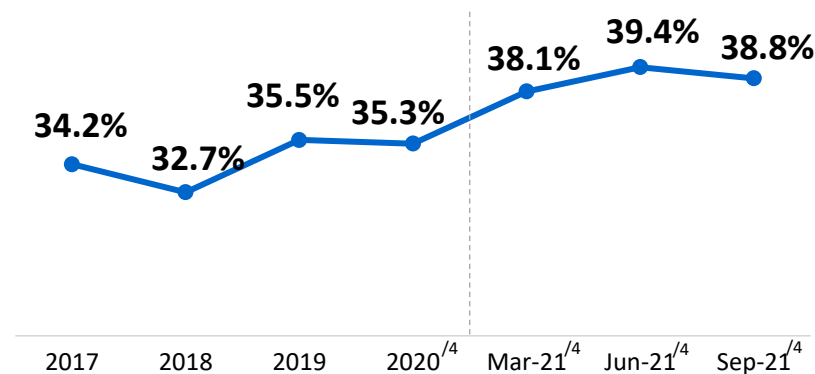
## Loan-to-deposit ratio

%



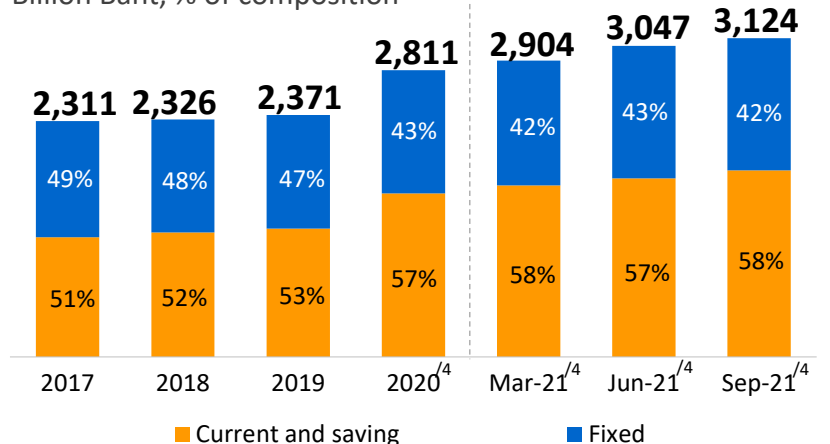
## Liquid assets<sup>2</sup>

% of total assets



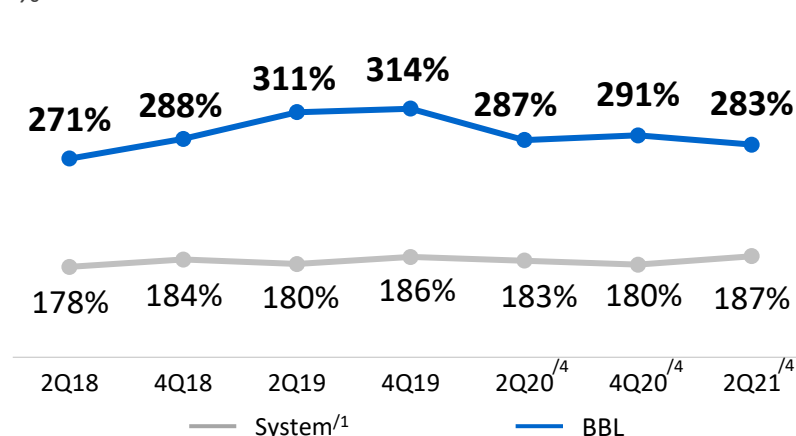
## Deposit

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)

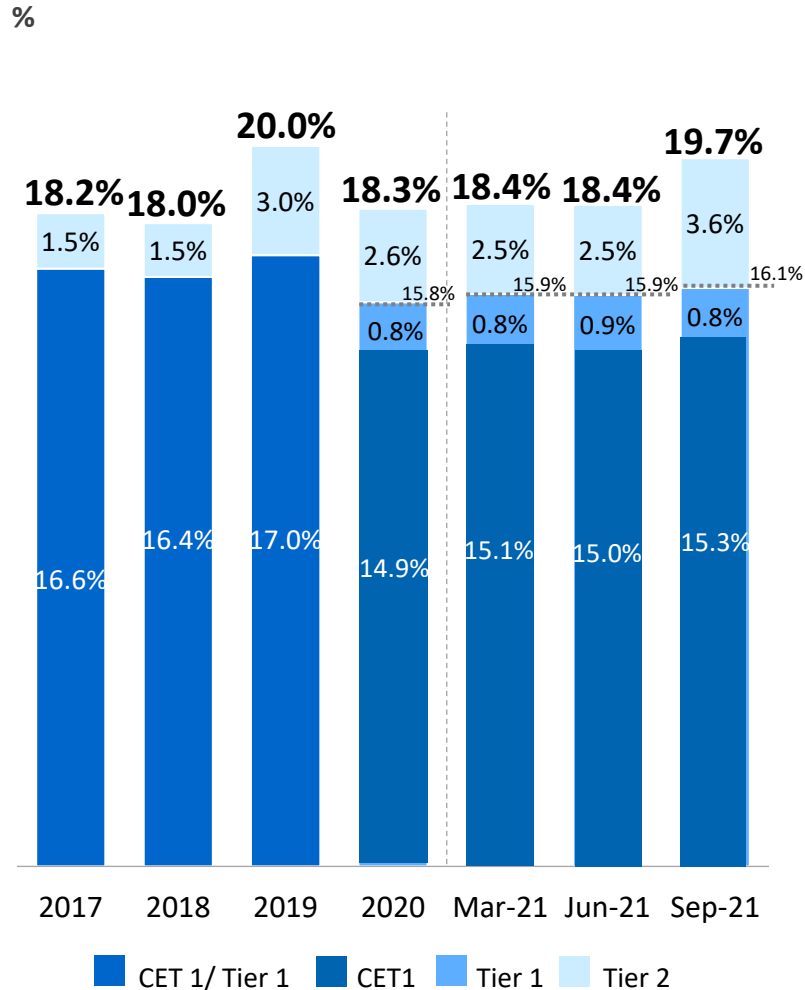
/2 Since 2020 liquid assets are defined as cash, interbank and money market items, debt securities and marketable equity securities

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

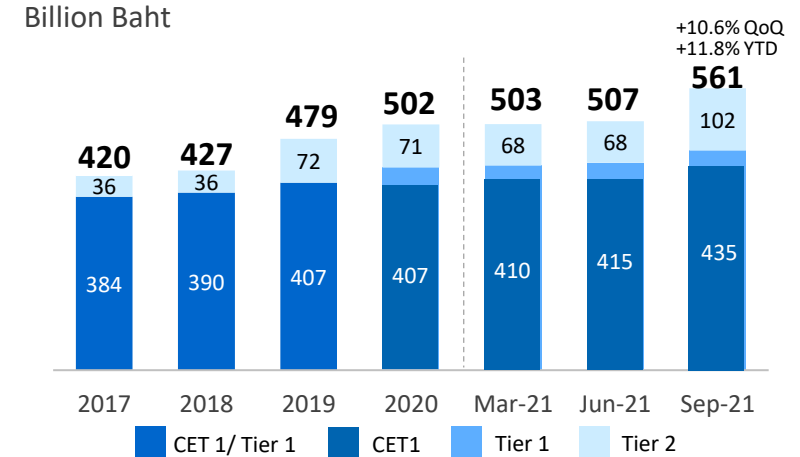
/4 Include Permatas's financial position

# Solid capital position above minimum requirements

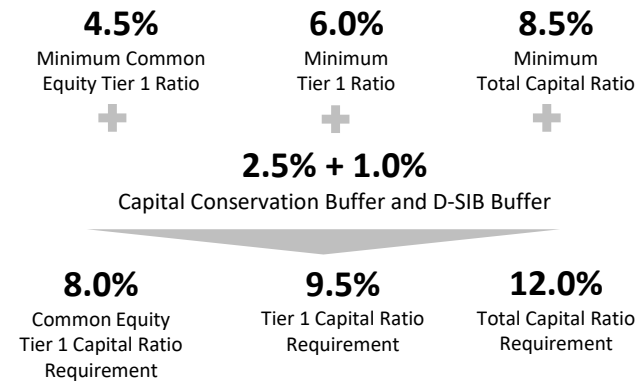
## Consolidated capital ratios



## Capital base






## Regulatory capital ratio requirements





# Bangkok Bank

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-  Operating environment
-  3Q21 Financial performance
-  **2021 Financial target**

# 2021 Financial target

Consolidated	2021 Financial target
Loan growth	3-4%
NPL ratio (gross)	Around 4.5%
Net interest margin	Around 2.1%
Net fee income growth	3-4%
Cost to income ratio	Low 50s%
Expected credit loss	Around 28,000 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.

# Appendix

# Financial position

Million Baht

	Dec-17	Dec-18	Dec-19	Dec-20	Jun-21	Sep-21	Growth (%)	
							QoQ	YTD
Loan	2,003,989	2,083,160	2,061,309	2,368,238	2,420,305	2,523,772	4.3%	6.6%
Deposit	2,310,743	2,326,470	2,370,792	2,810,863	3,046,985	3,124,277	2.5%	11.2%
LDR	86.7%	89.5%	86.9%	84.3%	79.4%	80.8%	1.4%	-3.5%
NPL <sup>/1</sup>	87,419	80,137	79,149	104,401	111,035	112,433	1.3%	7.7%
NPL ratio <sup>/1</sup>	3.9%	3.4%	3.4%	3.9%	3.7%	3.7%	-	-0.2%
Allowance for ECL to NPL <sup>/1</sup>	160%	191%	220%	187%	190%	199%	8.6%	12.1%
Allowance for ECL to loan	7.0%	7.3%	8.5%	8.2%	8.3%	8.4%	0.1%	0.2%
Liquid assets <sup>/2</sup> to total assets	34.2%	32.7%	35.5%	35.3%	39.4%	38.8%	-0.6%	3.5%
CASA	50.7%	52.4%	53.1%	57.0%	57.4%	58.5%	1.1%	1.5%
CET1 <sup>/3</sup>	16.6%	16.4%	17.0%	14.9%	15.0%	15.3%	0.3%	0.4%
Tier 1 ratio <sup>/3</sup>	16.6%	16.4%	17.0%	15.7%	15.9%	16.1%	0.2%	0.4%
CAR <sup>/3</sup>	18.2%	18.0%	20.0%	18.3%	18.4%	19.7%	1.3%	1.4%

Note:

/1 Including interbank and money market lending

/2 Since 2020, liquid assets consist of cash, interbank and money market items, debt securities and marketable equity securities

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

# Financial performance – 3Q21

Million Baht

	3Q20	2Q21	3Q21	Growth (%)	
				QoQ	YoY
Net interest income	19,852	20,027	20,705	3.4%	4.3%
Net fees and service income	6,380	6,896	7,373	6.9%	15.6%
Other operating income	3,189	6,900	6,352	-7.9%	99.2%
Total income	29,421	33,823	34,430	1.8%	17.0%
Operating expense	19,427	16,289	15,879	-2.5%	-18.3%
Expected credit loss	5,668	9,810	9,870	0.6%	74.1%
Net profit <sup>/1</sup>	4,017	6,357	6,909	8.7%	72.0%
EPS <sup>/1</sup> (Baht per share)	2.10	3.33	3.62	8.7%	72.0%
NIM	2.18%	2.08%	2.04%	-0.04%	-0.14%
Net fees and service income ratio	21.7%	20.4%	21.4%	1.0%	-0.3%
Cost to income ratio	66.0%	48.2%	46.1%	-2.1%	-19.9%
ROA <sup>/1</sup>	0.42%	0.63%	0.65%	0.02%	0.23%
ROE <sup>/1</sup>	3.64%	5.49%	5.74%	0.25%	2.10%

Note:

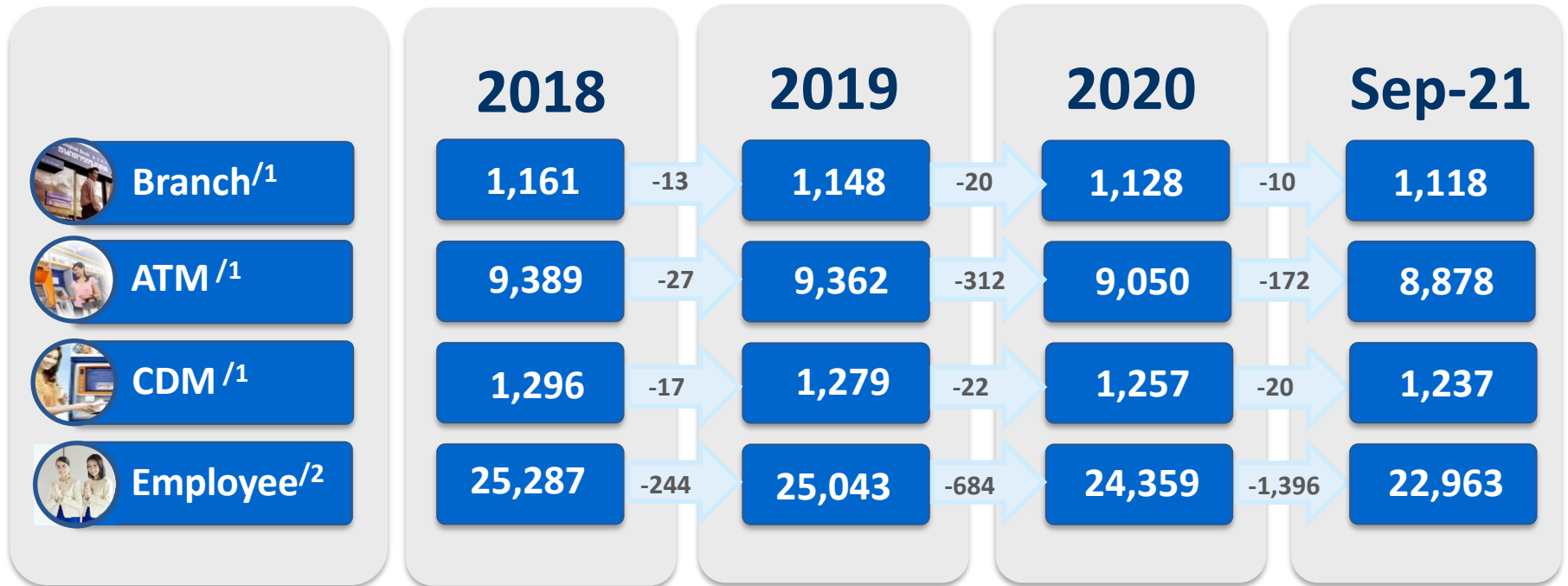
29 /1 Attributable to owners of the Bank

# Financial performance – 9M21

	Million Baht		
	9M20	9M21	Growth (%) YoY
Net interest income	57,782	60,440	4.6%
Net fees and service income	18,355	21,603	17.7%
Other operating income	11,964	17,084	42.8%
Total income	88,100	99,127	12.5%
Operating expense	45,830	47,930	4.6%
Expected credit loss	23,993	26,006	8.4%
Net profit <sup>/1</sup>	14,783	20,189	36.6%
EPS <sup>/1</sup> (Baht per share)	7.74	10.58	36.6%
NIM	2.28%	2.10%	-0.18%
Net fees and service income ratio	20.8%	21.8%	1.0%
Cost to income ratio	52.0%	48.4%	-3.6%
ROA <sup>/1</sup>	0.56%	0.67%	0.11%
ROE <sup>/1</sup>	4.59%	5.79%	1.20%

Note:

# Network



Note: Consolidated  
 /1 Domestic operation  
 /2 Exclude Permata's employee

# Long-standing international presence in 14 economies



## ASEAN

- Singapore 64 years (1)
- Malaysia<sup>/1</sup> 62 years (5)
- Indonesia<sup>/1</sup> 53 years (3+300)
- Vietnam 29 years (2)
- Laos 28 years (2)
- Philippines 26 years (1)
- Myanmar 26 years (1)
- Cambodia 7 years (1)

## Other important Economies

- Hong Kong 67 years (2)
- Japan 66 years (2)
- United Kingdom 64 years (1)
- Taiwan 56 years (3)
- United States 56 years (1)
- China<sup>/1</sup> 35 years (6)

Note: As of September 2021  
/1 Wholly-owned subsidiary  
(x) is number of locations

Source: Bangkok Bank filing



# For further information

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