

Bangkok Bank (BBL TB)

FUNDAMENTAL VIEW ¹

As of 28 Mar 2025

- Bangkok Bank is a family run conservative financial institution, with high capital and liquidity levels.
- It acquired Indonesia's Permata Bank in 2020 which resulted in a meaningful decline in its CET1 ratio to 14%. It is back to ~16% range and management aims to keep the CET1 ratio at ~16% in preparation for Basel III final reforms.
- Profitability (ROA and ROE) has historically been below the industry average, due in part to higher exposure to the lower-yielding corporates segment that has resulted in a lower NIM. However, the returns gap has narrowed as this has supported its asset quality outperformance versus peers in a prolonged sluggish macroeconomic environment.

RISKS & CATALYSTS

As of 28 Mar 2025

- Returns have caught up well with peers as the more resilient large corporate book has supported lower credit costs and better BOT rate hike pass through to the NIM, given the backdrop of high household debt, challenged SMEs and sluggish growth momentum. However, we see greater NIM pressure on BBL than most peers henceforth as rate cuts flow through, due to its larger domestic and international corporate loan book (which tend to be floating rate).
- Loan growth has been middling across the Thai banks due to a focus on quality amid the current backdrop. A pickup in economic momentum is hoped for in 2025, but we remain cautious of another year of disappointing growth and uneven recovery, particularly with risks from potential US tariffs.
- The acquisition of Bank Permata of Indonesia in May 2020 provides BBL with exposure to the high growth opportunities of the Indonesian market, which is the bank's identified main base for overseas expansion, but this also presents higher risks.

CREDIT QUALITY SCORE (CQS)²

As of 02 Apr 2025

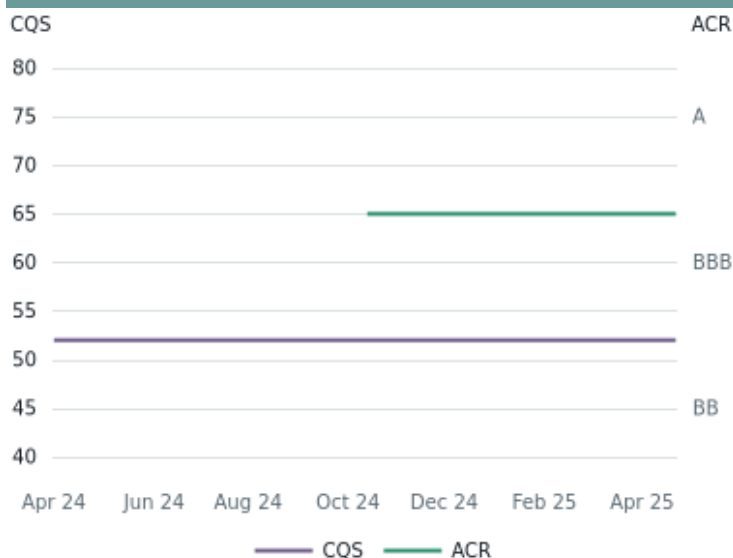
CURRENT CQS

52

CQS OUTLOOK ³

NEGATIVE STABLE POSITIVE

HISTORICAL RATINGS: AVERAGE AGENCY RATING (ACR)⁴ VS CQS



KEY METRICS

As of 28 Mar 2025

THB MN	FY20	FY21	FY22	FY23	FY24
PPP ROA	1.50%	1.65%	1.60%	1.92%	2.02%
ROA	0.49%	0.65%	0.67%	0.93%	1.00%
ROE	3.9%	5.6%	5.9%	8.1%	8.3%
Equity / Assets	11.8%	11.4%	11.5%	11.8%	12.2%
CET1 Ratio	14.9%	15.2%	14.9%	15.4%	16.2%
Calculated NPL ratio	3.90%	3.20%	3.10%	2.70%	2.70%
Provisions / Loans	1.41%	1.38%	1.24%	1.26%	1.30%
Gross LDR	84%	82%	84%	84%	85%
Liquidity Coverage Ratio	291%	270%	271%	277%	n/m

BUSINESS DESCRIPTION

As of 28 Mar 2025

- Bangkok Bank was set up in 1944 and was listed on the Stock Exchange of Thailand in 1975. It is a family-run bank and the current President of the bank, Chartsiri Sophonpanich, is the grandson of the founder of the bank.
- It is the largest bank by assets in Thailand. It was briefly surpassed by Kasikornbank in 2018, but the Bank Permata acquisition has taken BBL back to No.1.
- The bank is corporate-loan focused, and the loan book was split 46% corporate, 17% SME, 12% retail, and 25% international as at end-December 2024. It is by far the most international amongst the Thai banks, with branches in 14 economies.
- BBL's overseas presence has been enhanced by the acquisition of Bank Permata, the 12th largest bank in Indonesia. Bank Permata's asset size is ~10% of that of BBL.

GLOSSARY

¹ The **Fundamental View** is our current assessment of credit quality and our expectation of how credit quality will trend over the next year or longer.

² The **Credit Quality Score (CQS)** is a number between 5 and 100. It is a medium-term credit score for corporates and financial institutions that utilizes a combination of sector fundamental scores and equity market signals. Values of CQS above 50 generally indicate investment grade credit quality.

³ The **Credit Quality Score (CQS) Outlook** is the near-term (3 month) outlook for the CQS, based on its trend, volatility and distance from the adjacent CQS risk bucket.

⁴ The **Agency Composite Rating (ACR)** is the average senior unsecured rating from one or more major rating agencies.

Quantitative scores provided by CreditSights Analytics, LLC. Scores are shown are for the lesser of (1) 2 years and (2) date of CreditSights inception of quantitative coverage.

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