Metrobank | CreditSights

Bangkok Bank (BBL TB)

FUNDAMENTAL VIEW [1]

As of 24 Jul 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 relatively better asset quality than most peers in a prolonged sluggish macroeconomic environment.

RISKS & CATALYSTS

As of 24 Jul 2025

- We see a significant impact to the Thai economy from potential US tariffs, with ripple effects in the form of lower bank NIMs and higher credit costs than earlier guided for this year. Moody's also downgraded its rating outlook on the Thailand sovereign, and consequently the Thai banks including BBL, to negative on 29 April 2025, citing increased risks to Thailand's economic and fiscal strength, partly due to the potential impact of new US tariffs.
- NIM pressure is set to continue into the coming quarters on the back of rate cuts to support growth. Loan growth will also remain middling across the Thai banks due to a focus on quality amid the current backdrop. However, we take comfort in BBL's prudent provisioning, high loan loss buffers and safer large corporate book.
- The acquisition of Bank Permata of Indonesia in May 2020 provides BBL with exposure to the high growth opportunities of the Indonesian market, but this also presents higher risks.

CREDIT QUALITY SCORE (CQS) [2]

As of 27 Oct 2025

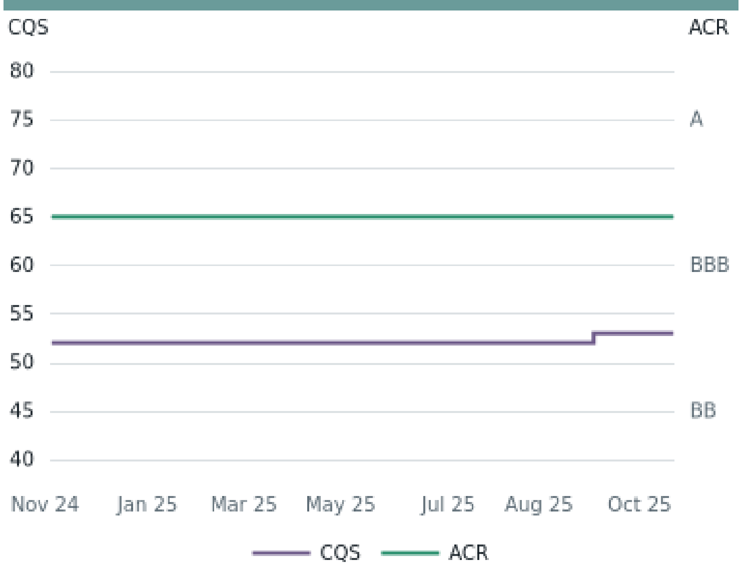
CURRENT CQS

53

CQS OUTLOOK [3]

NEGATIVE | **STABLE** | POSITIVE

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



KEY METRICS

As of 24 Jul 2025

THB MN	FY21	FY22	FY23	FY24	1H25
PPP ROA	1.65%	1.60%	1.92%	2.02%	2.15%
ROA	0.65%	0.67%	0.93%	1.00%	1.07%
ROE	5.6%	5.9%	8.1%	8.3%	8.7%
Equity / Assets	11.4%	11.5%	11.8%	12.2%	12.5%
CET1 Ratio	15.2%	14.9%	15.4%	16.2%	16.7%
Calculated NPL ratio	3.20%	3.10%	2.70%	2.70%	3.20%
Provisions / Loans	1.38%	1.24%	1.26%	1.30%	1.47%
Gross LDR	82%	84%	84%	85%	85%
Liquidity Coverage Ratio	270%	271%	277%	265%	n/m

BUSINESS DESCRIPTION

As of 24 Jul 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 49% corporate, 16% SME, 12% retail, and 23% international as at June 2025. 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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