

Investor Presentation For 1Q18

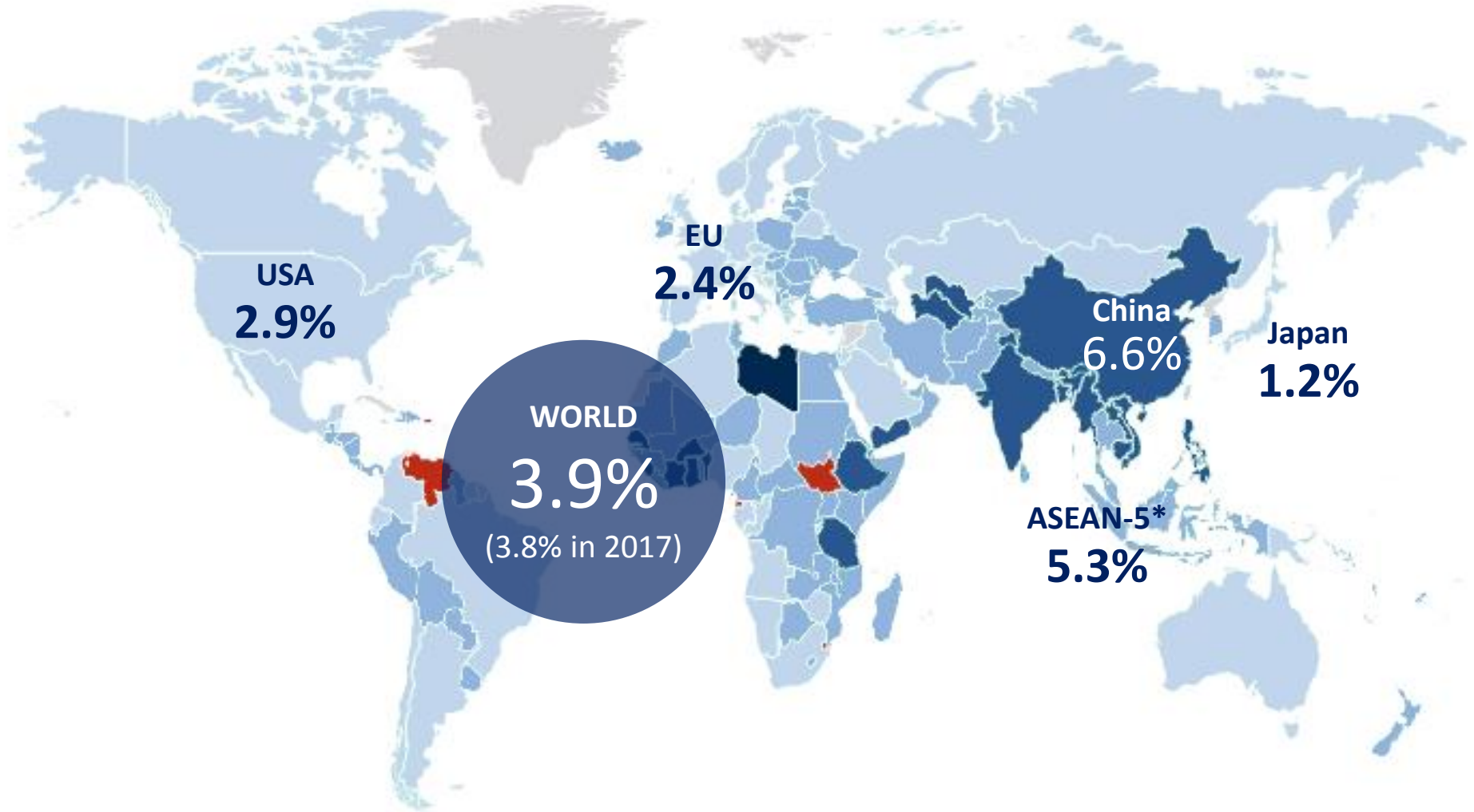
INSPIRING CHANGE >



Bangkok Bank

- 1. Operating Environment**
2. Our Key Focus and Position
3. Our Financial Result 1Q18

For 2018, global economic expansion is synchronous with rising global investment amid upbeat sentiment



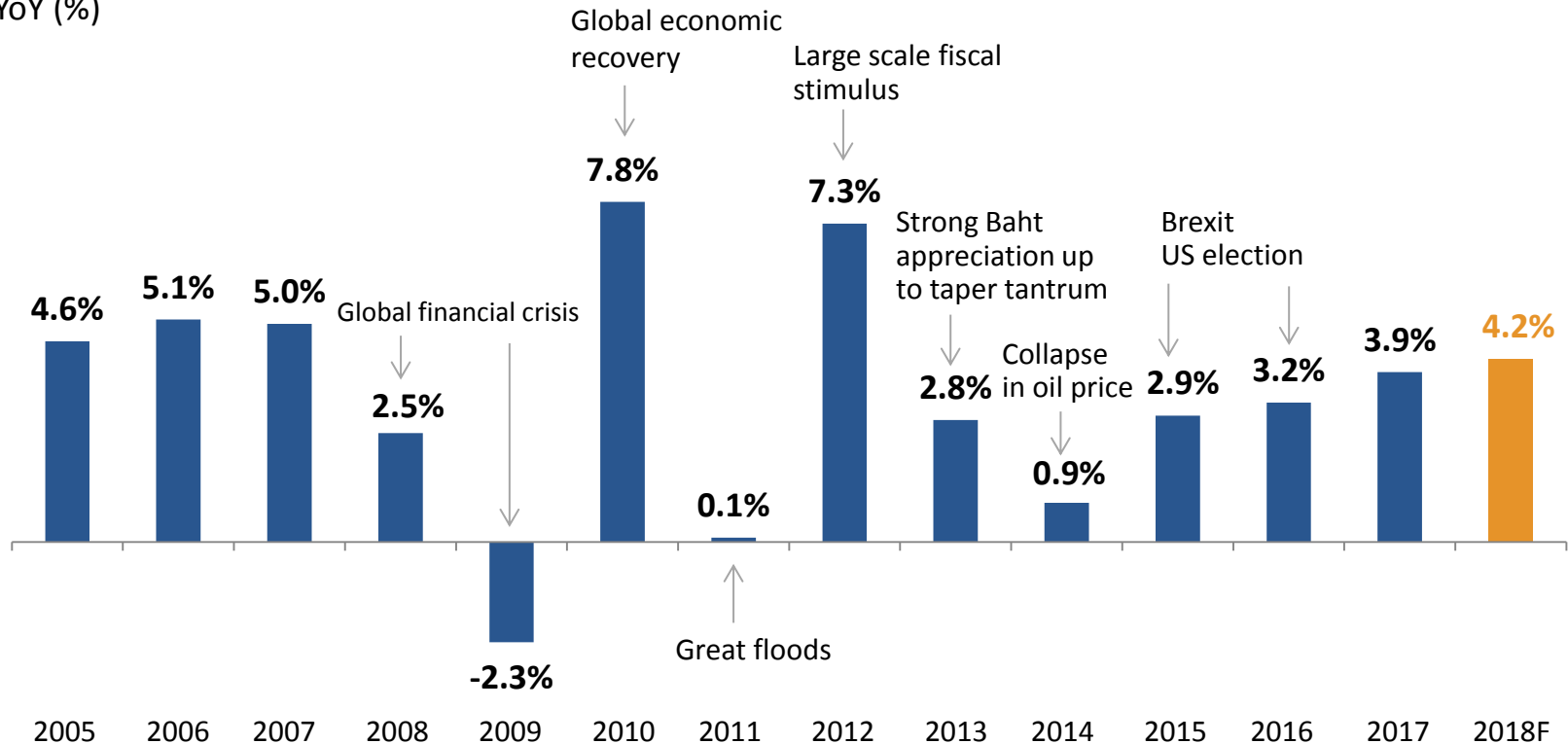
Note: *ASEAN-5 includes Indonesia, Malaysia, Philippines, Thailand, Vietnam
Source: IMF (2018)

The Thai Economy in 2018

Stronger growth with firmer domestic activity

GDP Growth

YoY (%)

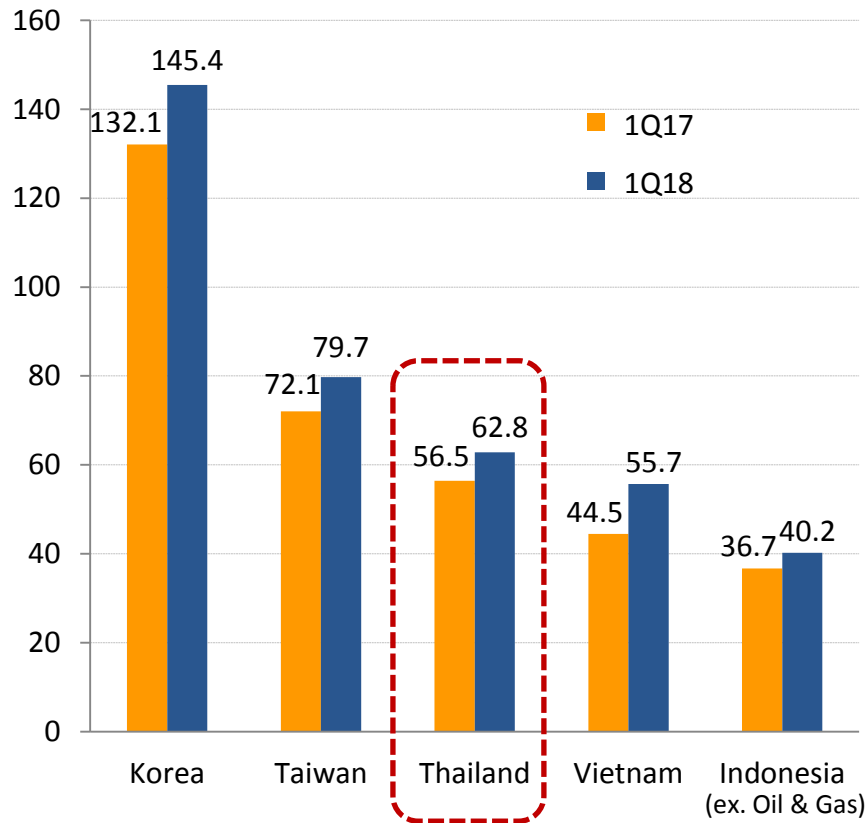


Source: National Economic and Social Development Board of Thailand and Bank of Thailand
2018F GDP forecast by Bangkok Bank
Since 2012 GDP Revised by Chain Volume Measures

Exports have benefited from strong global growth and rising global CAPEX

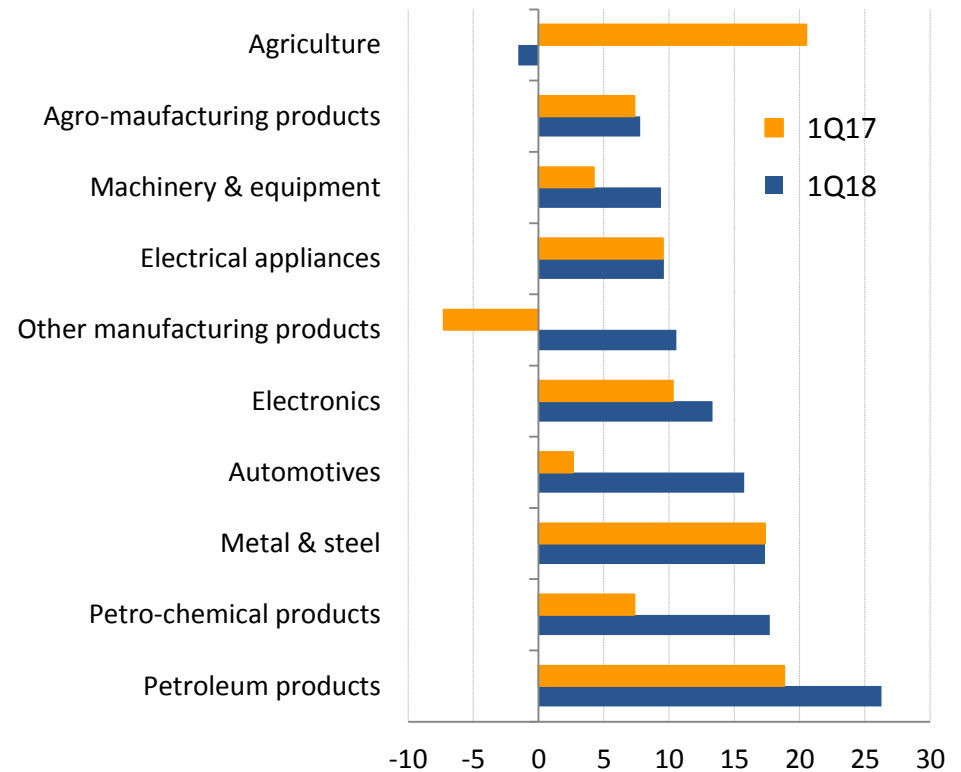
Export Value

Billion USD



Growth of Top Ten Exports

%YoY



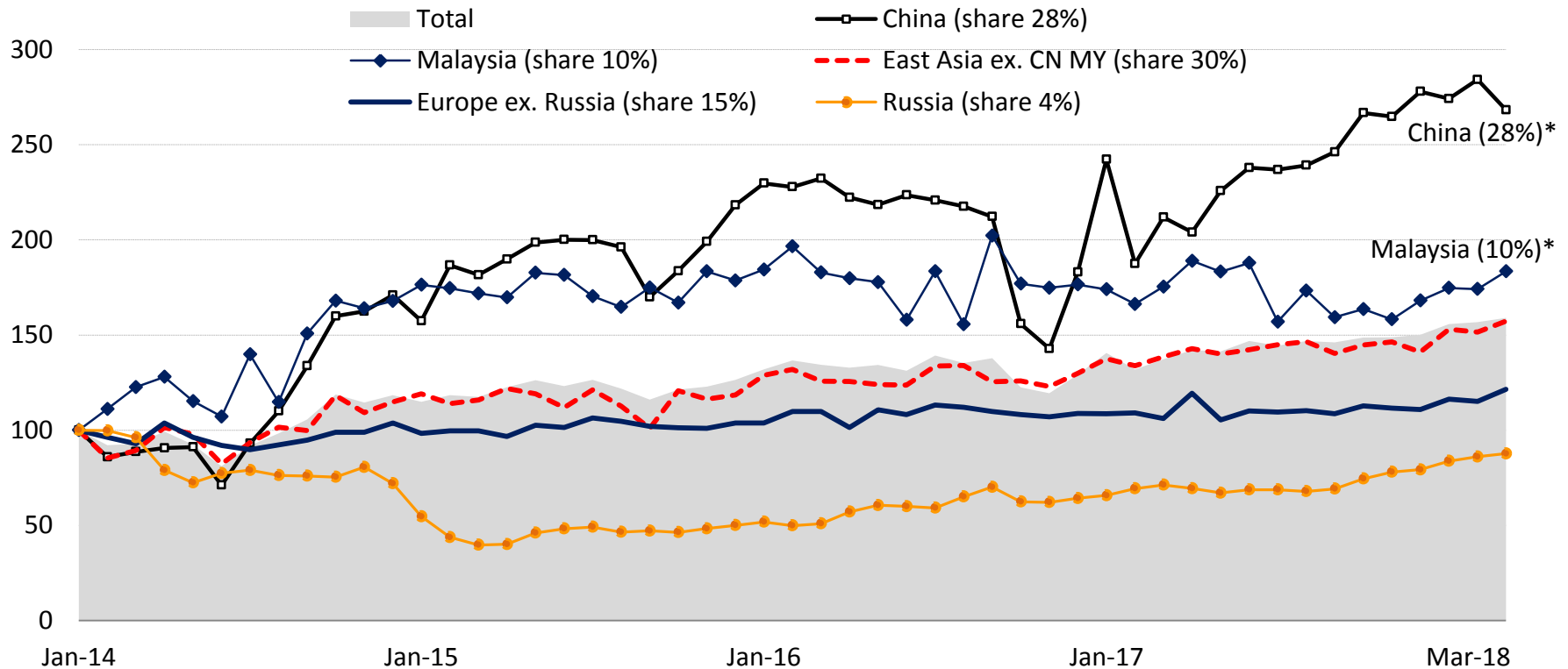
Source: Bank of Thailand, CEIC

Tourism continues to go from strength to strength - accounting for 11.8% of GDP in 2017

Tourist Classified by Nationality

Index sa

Jan 2014 = 100



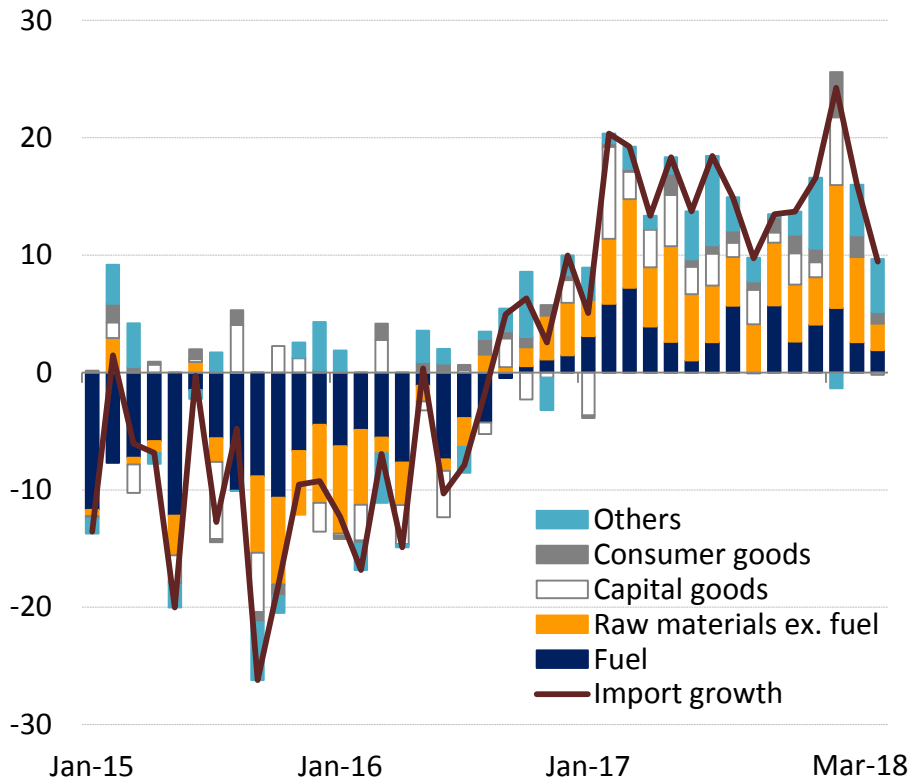
Note: *Share of total tourists

Source: CEIC, Ministry of Tourism and Sports

Private investment is on firmer footing amid rising capacity utilisation

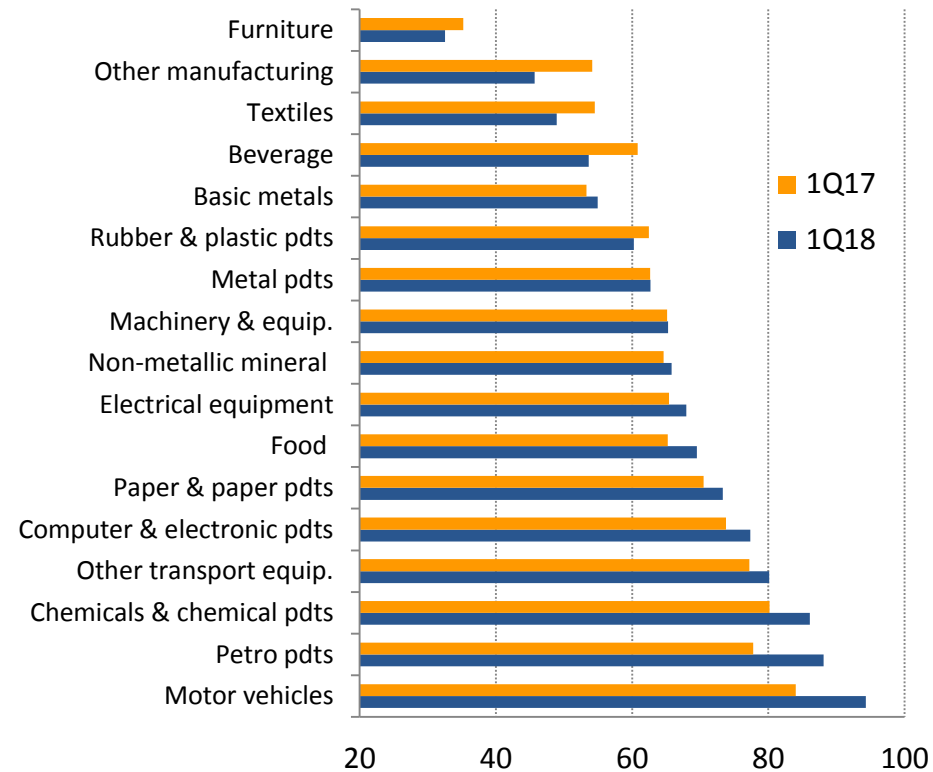
Contribution to Import Growth

% Monthly YoY



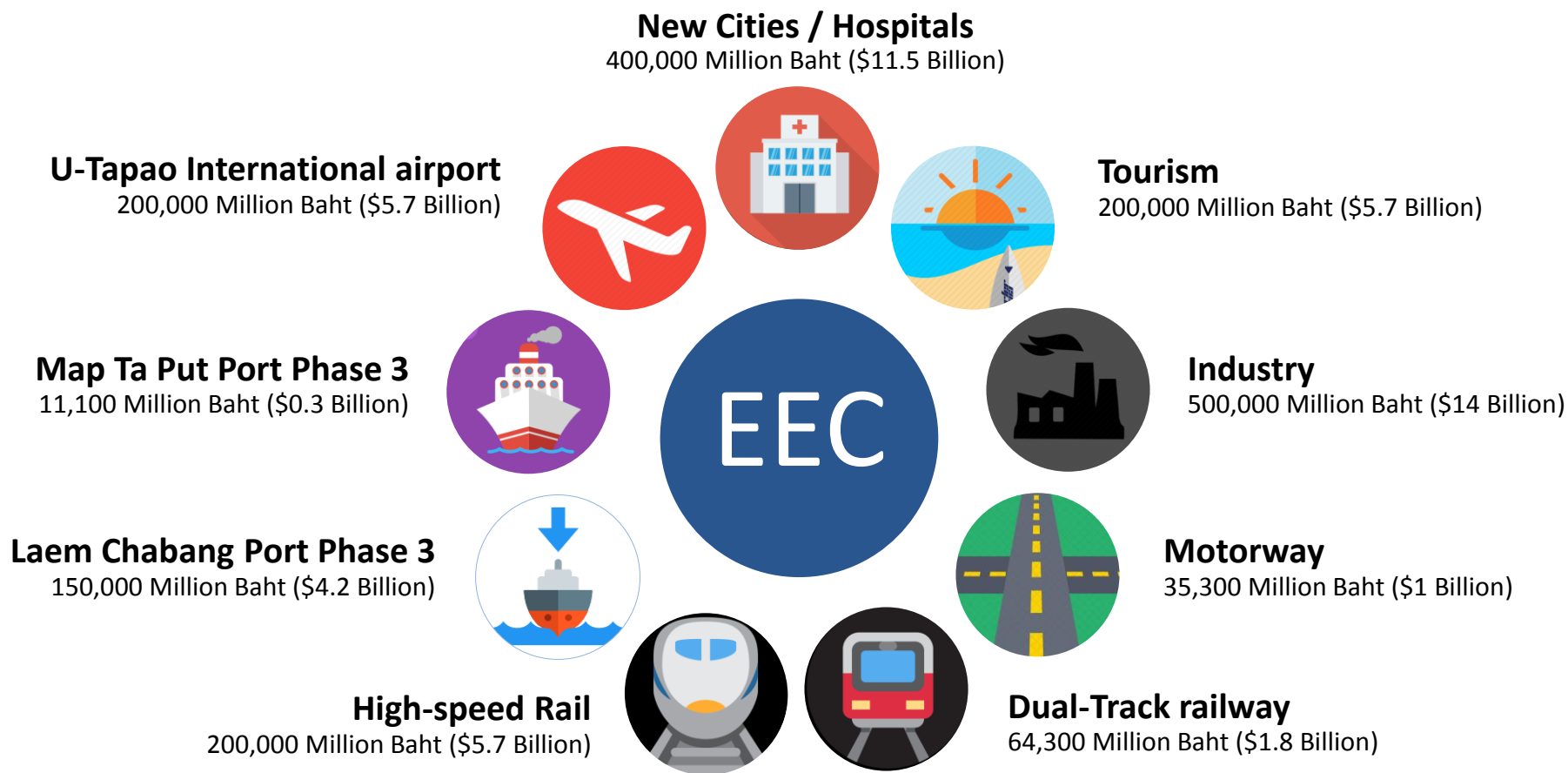
Capacity Utilisation Rate

%, not seasonally adjusted



Source: Bank of Thailand, The Office of Industrial Economics, Bureau of Budget and Fiscal Policy Office

Combined public and private investments: approximately 1.7 Trillion Baht (\$49.9 Billion) for the first 5 years

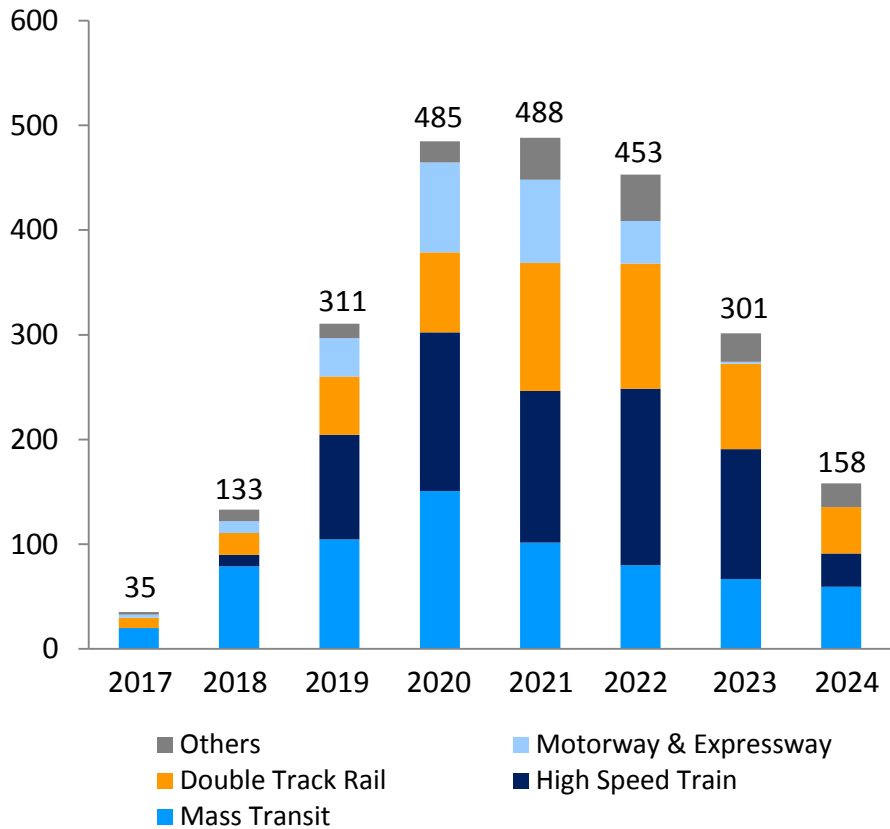


Source: EEC Office

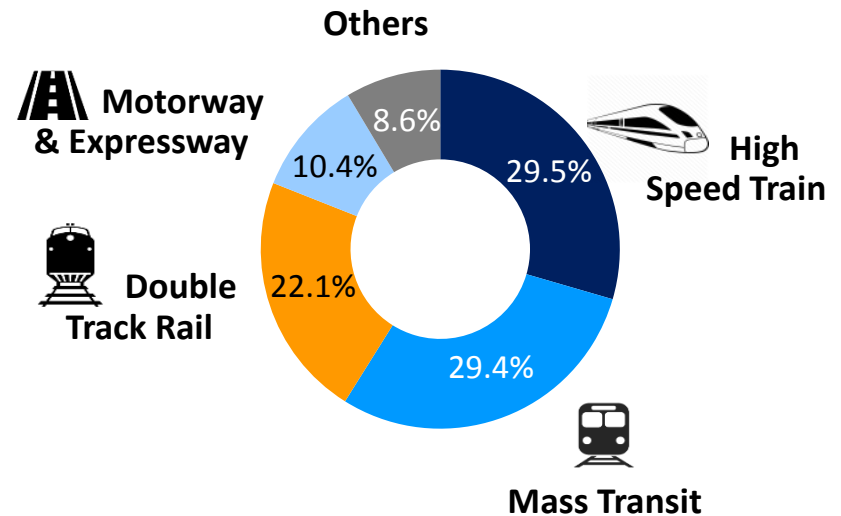
Infrastructure investment is set to take off before the election

Disbursement Schedule

Billion Baht



Shares of Infrastructure Investment 2017-2024



Source: Ministry of Transport, Office of Transport and Traffic Policy and Planning

Infrastructure projects planned for the Eastern Economic Corridor (EEC)

The 2018 Schedule of EEC Infrastructure Projects

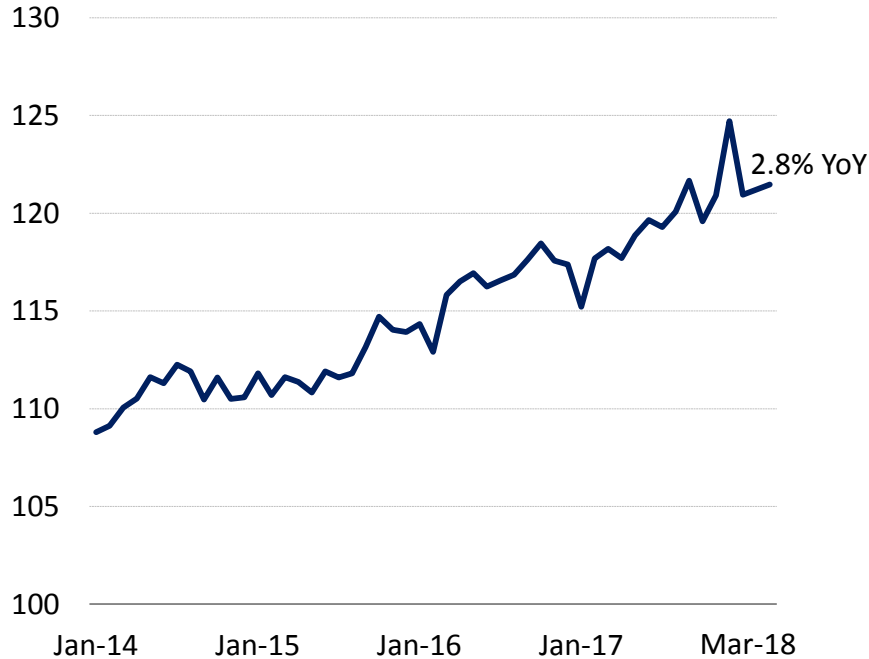
						
	Priority Projects	* High-speed train Bangkok-Rayong	U-Tapao Airport	MRO Centre	Map Ta Phut Port (Phase III)	Laem Chabang Port (Phase III)
Terms of Reference		Apr	Aug	Jun	Jun	Aug
Private Partner Selection		Sep	Nov	Jul	Sep	Nov
Contract Signing		Dec	Dec	Sep	Dec	Dec
Completion		2023	2023	2021	2024	2025
Project Value* (THB billion)		237	215	10	11	150

Note: * Approved by EEC Committee
Source: EEC Office, as of January 2018

Private consumption recovers mildly while car sales appeared to have rebounded

Private Consumption

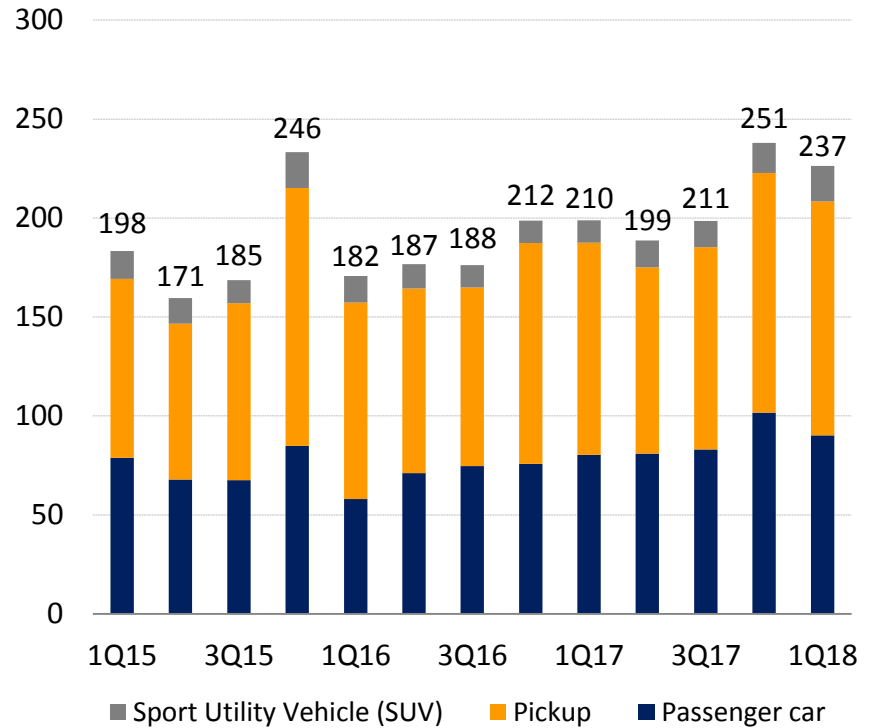
Monthly Index
2010 = 100 sa



Source: Bank of Thailand, CEIC

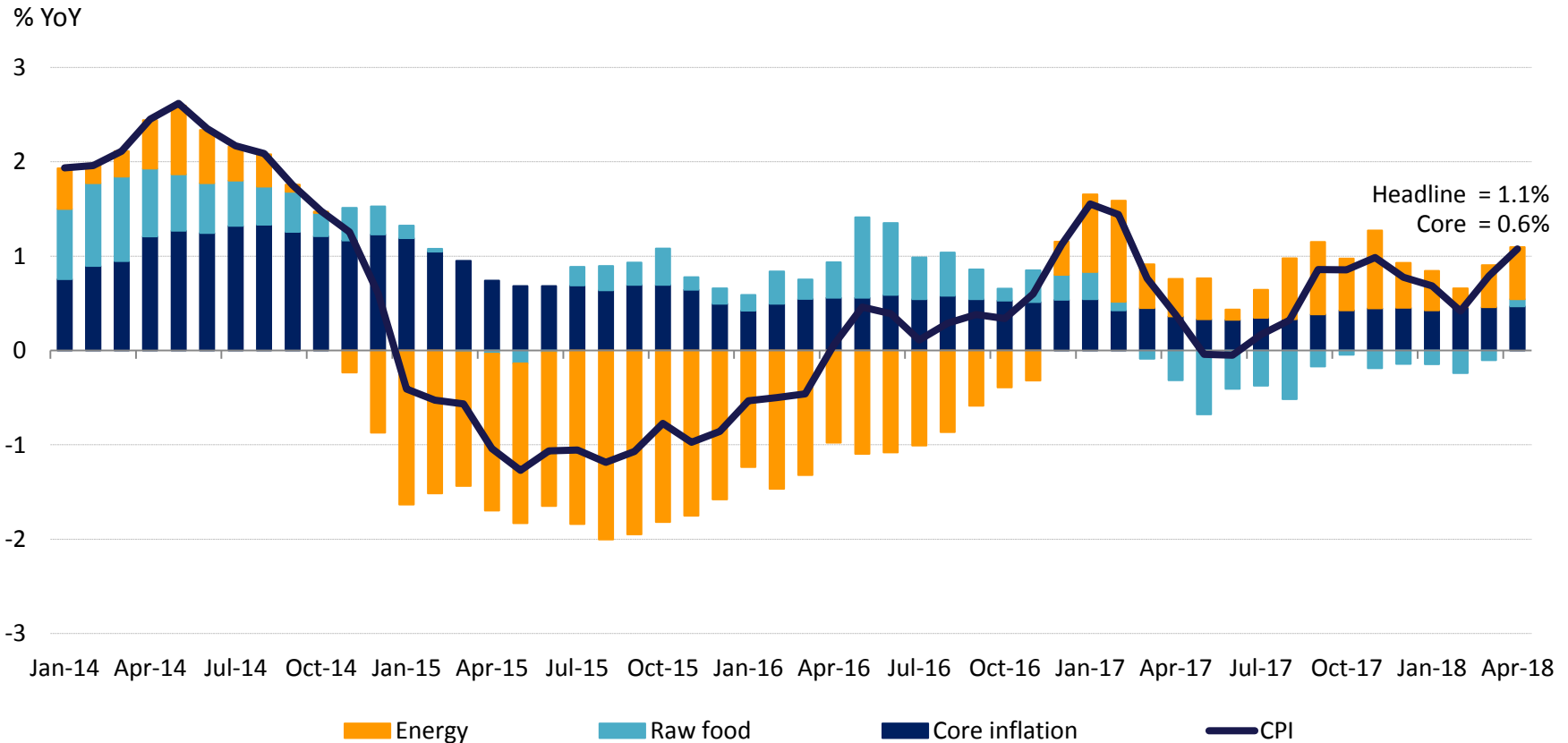
Domestic Motor Vehicle Sales

No of units (in thousands)



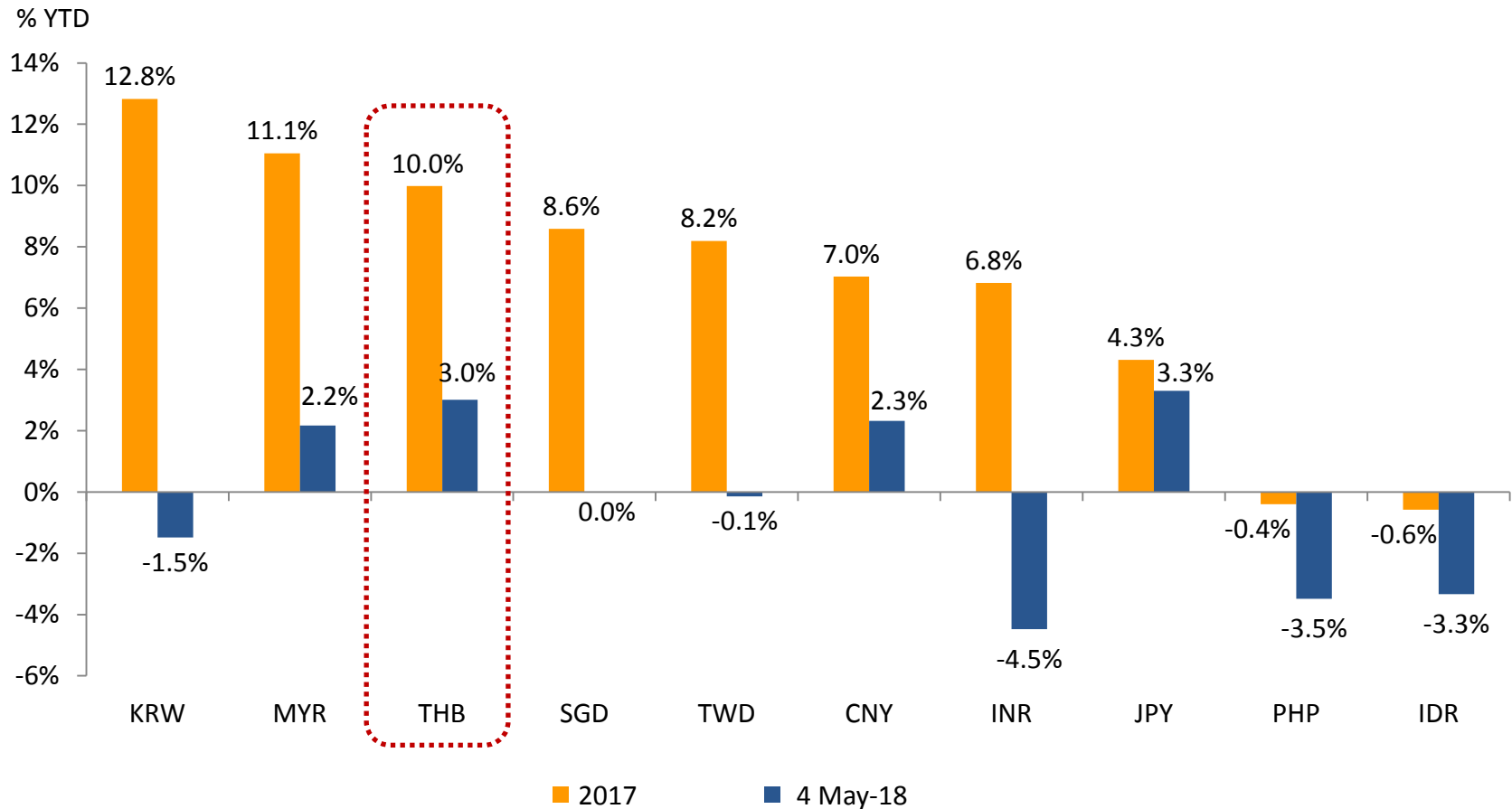
Inflation is trending up as a result of rising energy prices - albeit well below the target

Contribution to Headline Inflation



Source: Ministry of Commerce

Currency Movement: Prolonged appreciation has unsettled the business sector

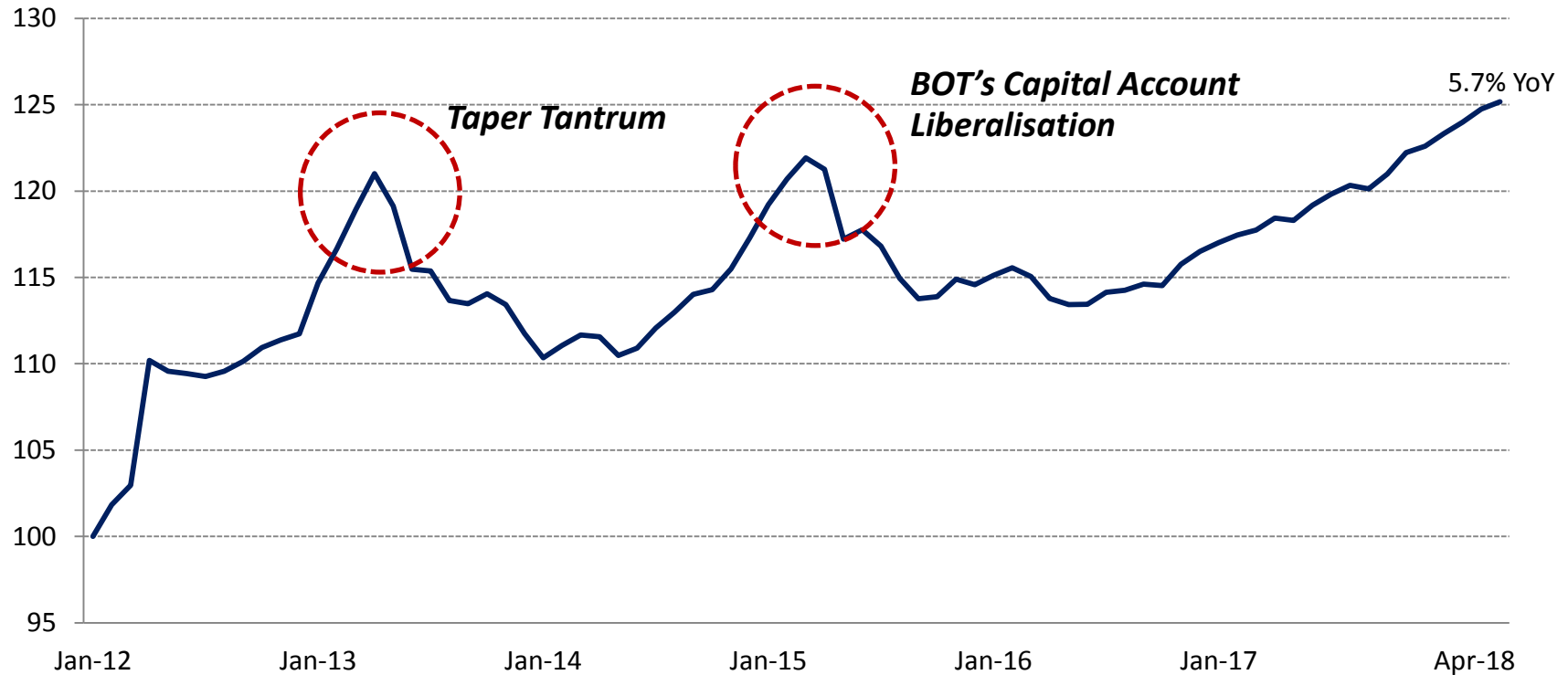


Source: Bloomberg

Currency Movement: The NEER level has risen to multiyear high – lowering export competitiveness

Nominal Effective Exchange Rate (NEER)

Monthly Index
Jan 2012 = 100



Source: Bank of Thailand

Bangkok Bank

1. Operating Environment
- 2. Our Key Focus and Position**
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Our Key Focus



Inspiring Success

Support customers to tap into new opportunities in infrastructure investment in Thailand and AEC, businesses in EEC and S-curve industries. Expand customer base and revenue streams



Innovation Leadership

Offer innovative products and services using Big Data, machine learning and Artificial Intelligence (AI)



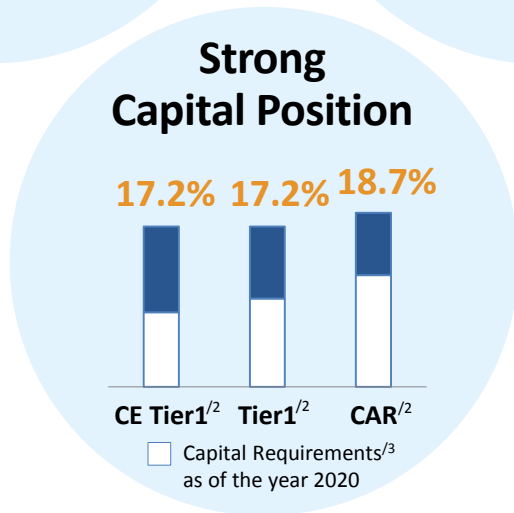
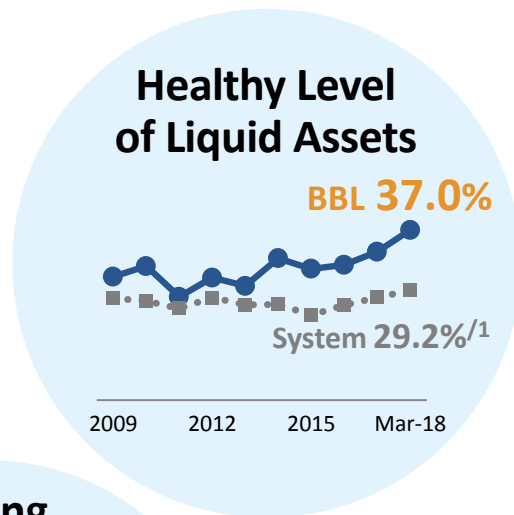
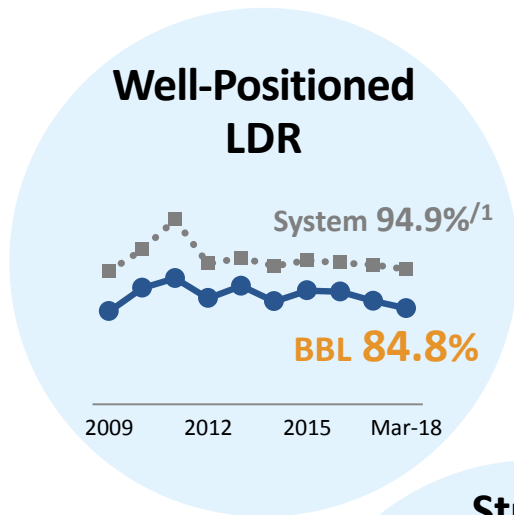
Inter-Connection

Connect businesses in ASEAN/AEC by leveraging our industry expertise and enhanced transaction services through our domestic and international networks



Goals are supported by:

1. Sustainable Liquidity and Capital



Note: /1 System refers to all commercial banks in Thailand

/2 As of March 2018, the ratios include net profit for the second half of 2017, the first quarter of 2018 and the deduction of dividend payments in May 2018

/3 The minimum capital requirements by the Bank of Thailand (BOT) under the Basel III, including the additional requirements for Higher Loss Absorbency (HLA) as Domestic Systemically Important Banks (D-SIBs)

Goals are supported by:

2. Scale and Franchise Leadership



Goals are supported by:

3. Solutions for a Digital Era

Building a Culture of Innovation

Promoting a culture of innovation with a range of initiatives



Rebuilding Technology Infrastructure

Enhance our back-end and front-end systems & improve straight-through-processing

Security Culture

Cultivate corporate security culture as a business enabler and support the sustainable cybersecurity

Research and Development

Working on areas such as AI and Big Data

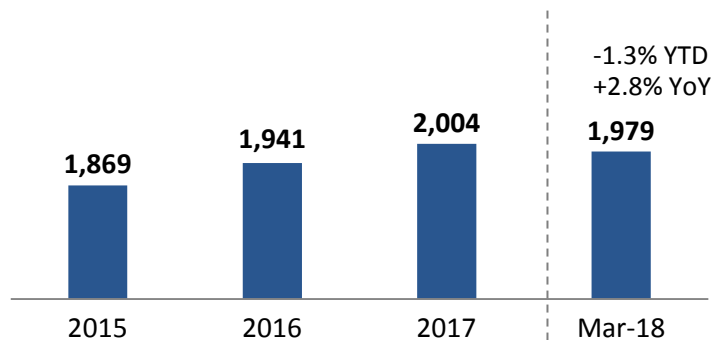
Bangkok Bank

1. Operating Environment
2. Our Key Focus and Position
3. **Our Financial Result 1Q18**

Overall Financial Position

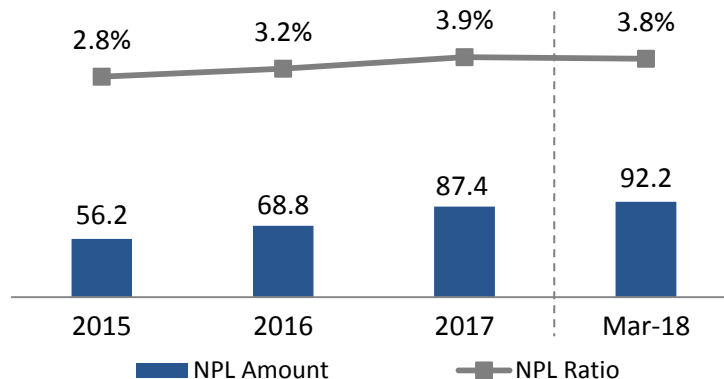
Loan

Billion Baht



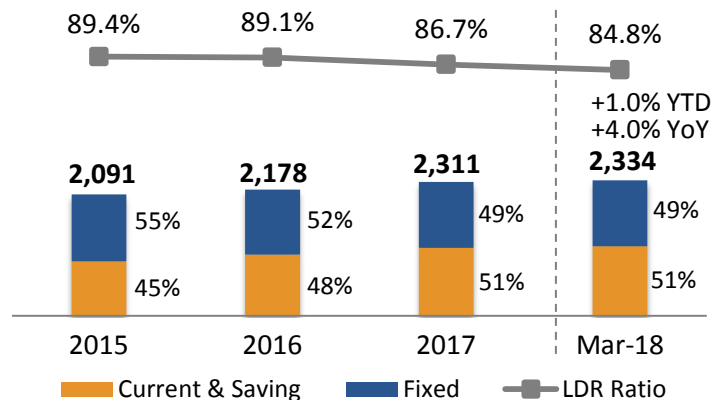
NPL Amount, NPL Ratio

Billion Baht, Percentage



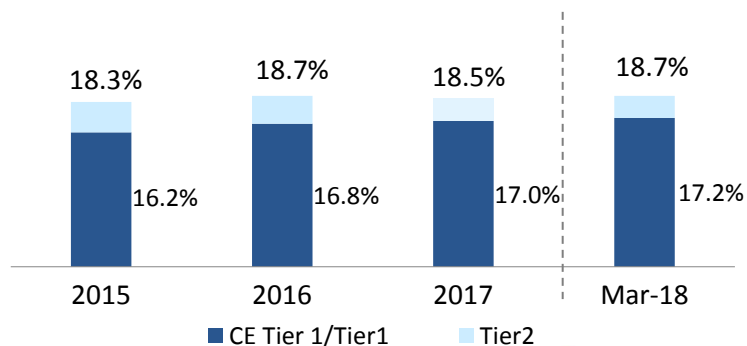
Deposit

Billion Baht, Percentage of Composition



CE Tier1, Capital Ratio*

Percentage

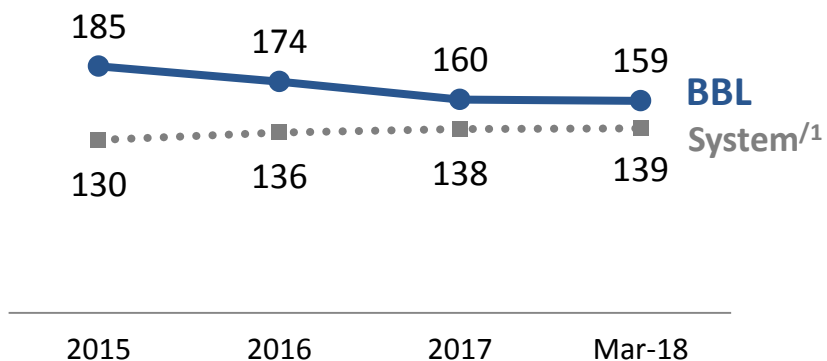


Note: * The ratios include net profit and deducted dividend

Reserve for Asset Quality

Coverage Ratio

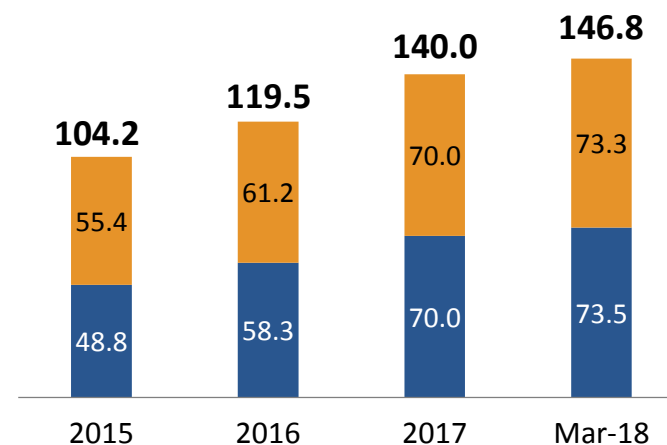
Percentage



Note: /1 System refers to all commercial banks in Thailand
 Source: Bank of Thailand, Bangkok Bank Analysis

Loan Loss Reserve

Billion Baht

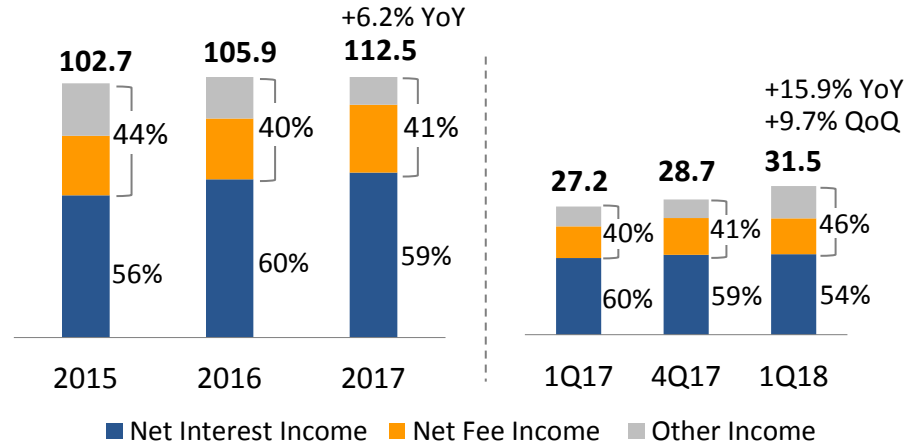


■ BBL's Excess Reserve over BOT Requirement
 ■ BBL's Required Reserve by BOT

Total Income and Operating Expense

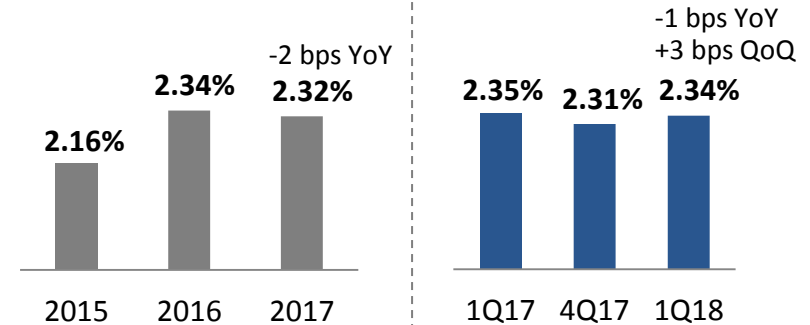
Income Breakdown

Billion Baht, Percentage of Composition



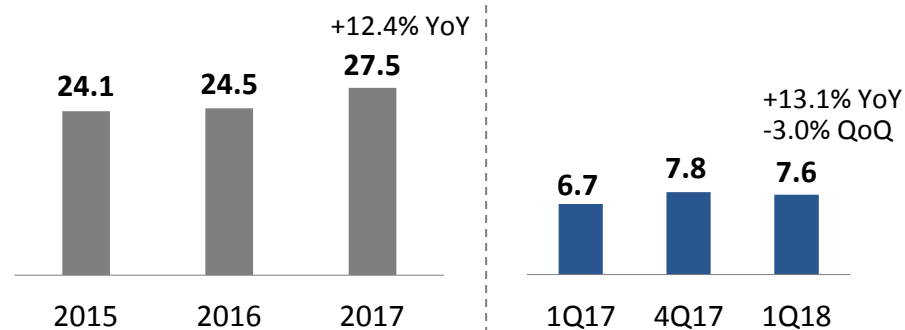
NIM

Percentage



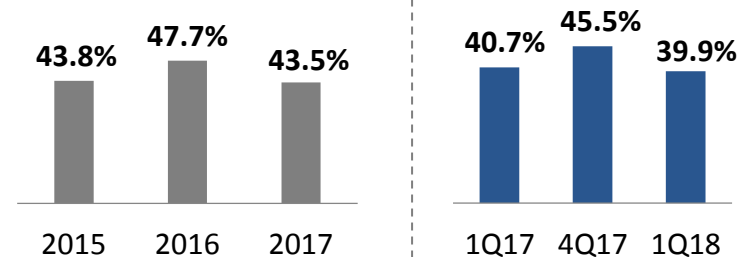
Net Fee Income

Billion Baht



Cost-to-Income Ratio

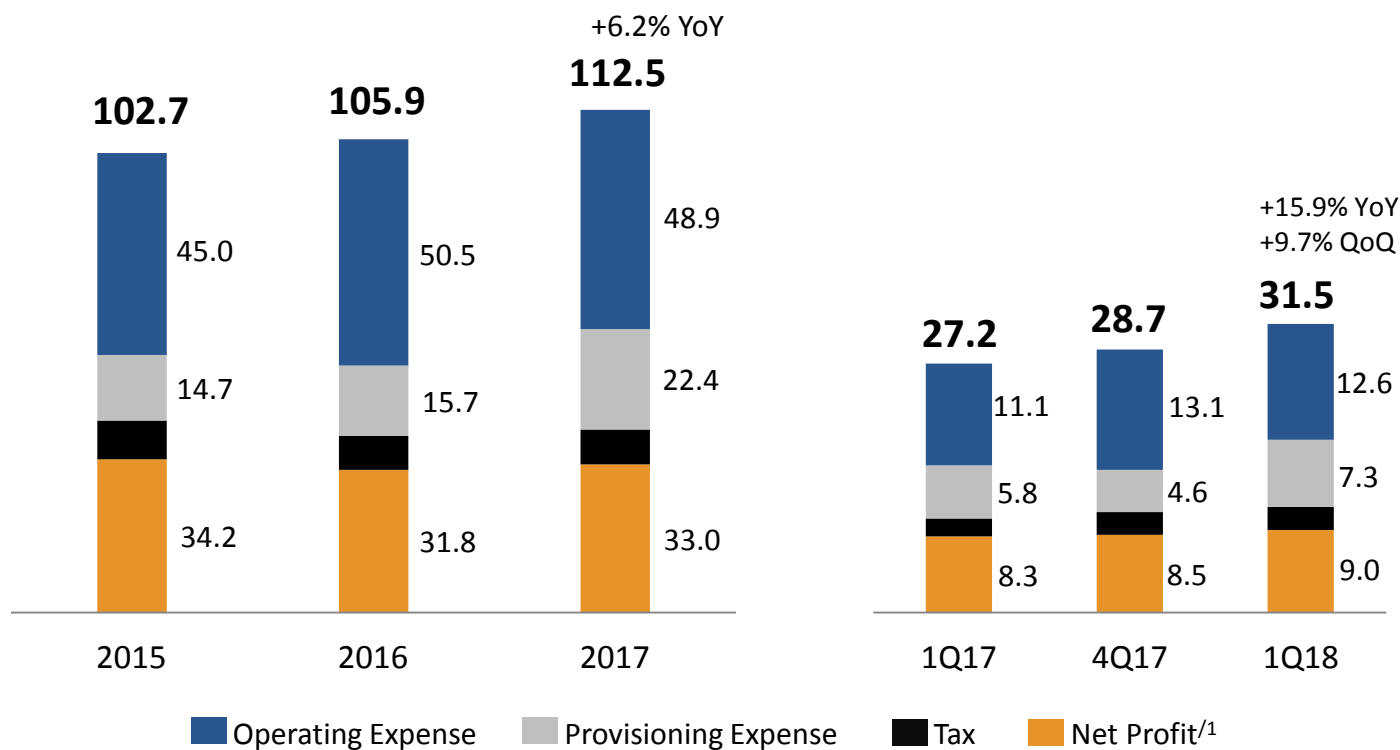
Percentage



Overall Profitability

Profitability Driver

Billion Baht



Note: /1 Attributable to owners of the Bank

Appendix

Infrastructure investment is set to accelerate before the general election

2015-2022 Infrastructure Projects 3.38 Trillion Baht

- 1 Inter-city rail network
2,227.42 Billion Baht
- 2 Mass transit
746.98 Billion Baht
- 3 Road
300.82 Billion Baht
- 4 Water transportation
6.76 Billion Baht
- 5 Air transport
98.02 Billion Baht



2016-2018 Transport Action Plans 60 Projects, 2.5 Trillion Baht

- ▶ **Inter-city rail network**
 - Under construction: Chira-Khonkhaen (58% completed)
 - Auctions completed: 5 projects
- ▶ **Transportation in Bangkok & vicinity**
 - Under construction : Red/Orange lines
 - To be constructed in 2Q18: Pink/Yellow lines
 - Proposals developed: 5 lines
- ▶ **Highway network**
 - Under construction: Bang Pa In-Korat (32% completed)
Bang Yai-Kanchanaburi (7% completed)
Pattaya-Maptaphut (70% completed)
 - Under procurement : Rama 3-Dao Khanong –Outer Ring Road (West Bangkok)
- ▶ **Air transport**
 - Under construction: Suvarnabhumi Phase II
- ▶ **Other projects**
 - High-speed trains: Bangkok-Korat, Bangkok-Rayong
 - Eastern Economic Corridor

Source: Office of Transport and Traffic Policy and Planning, Ministry of Transport

Opportunities from Regionalization & Urbanization

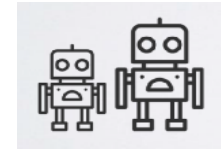
Higher Connectivity in the AEC



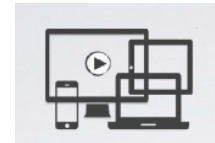
10 Target Industries



Next-Generation Automotive



Robotics



Smart Electronics



Aviation & Logistics



Affluent, Medical & Wellness Tourism



Biofuels & Biochemicals



Agriculture & Biotechnology



Digital



Food for the Future

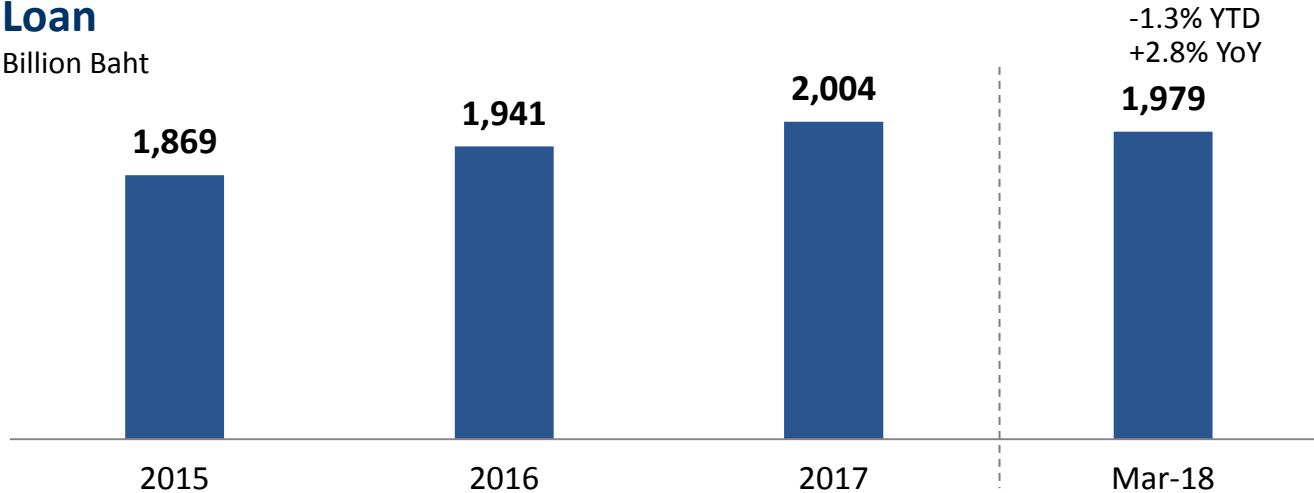


Medical Hub

Loan Growth and Composition

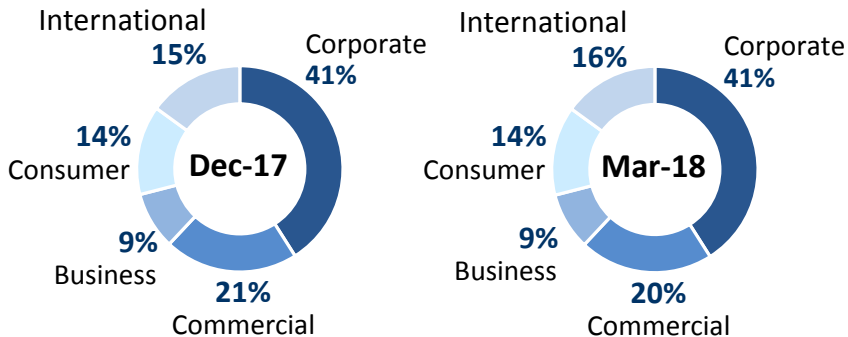
Loan

Billion Baht



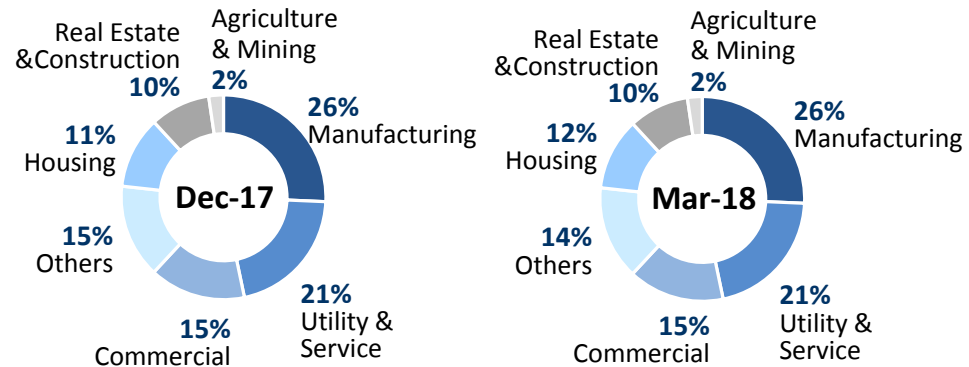
Loan by Business Unit

Percentage of Composition



Loan by Industry

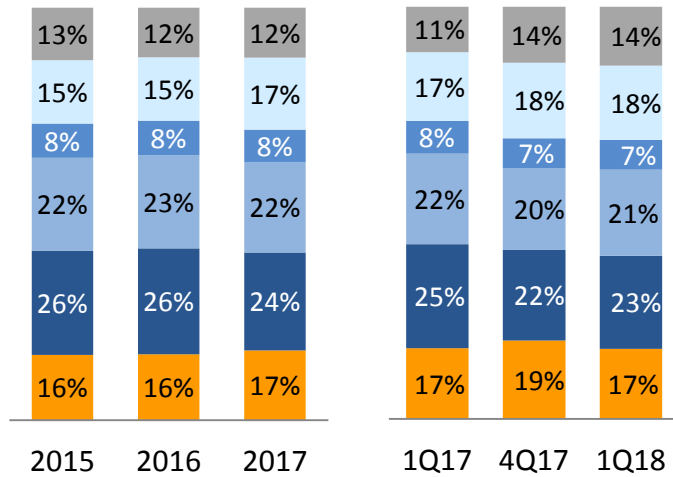
Percentage of Composition



Fee Income

Fee Income Breakdown

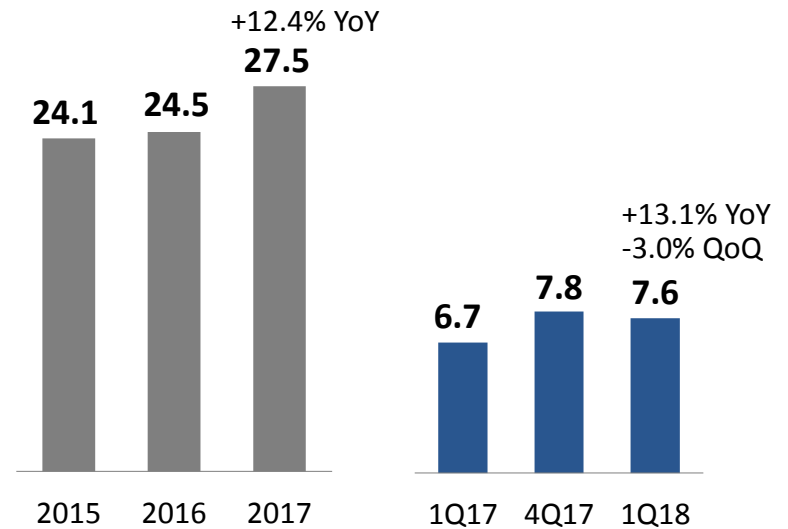
Percentage of Composition



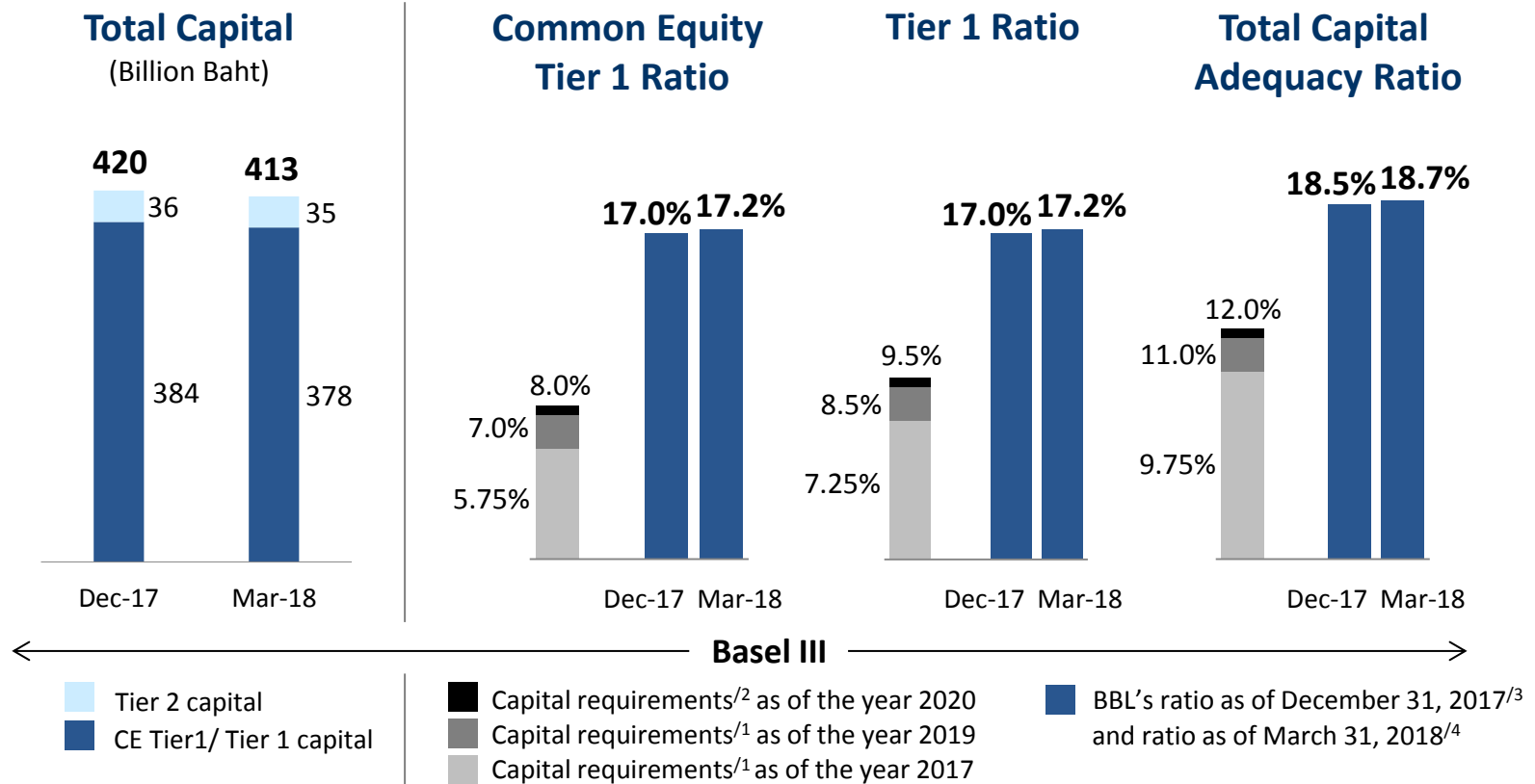
- Other Fees and Commissions
- Bancassurance and Mutual Fund
- Global Market Service
- Transaction Service
- Credit Card Business
- Loan Related Fee

Net Fee Income

Billion Baht



Capital Position



Note: /1 The Bank of Thailand requires commercial banks to maintain an additional capital conservation buffer. The buffer will gradually increase by more than 0.625% each year from January 1, 2016 until it reaches more than 2.5% in January 1, 2019.

/2 The Bank of Thailand announced the guidelines for identifying and regulating Domestic Systemically Important Banks (D-SIBs) in September 2017. The BOT requires D-SIBs to hold additional capital for Higher Loss Absorbency (HLA) by gradually increasing its additional capital ratio by an increment of 0.5 percent from January 1, 2019 until completion of the increment to 1.0 percent in January 1, 2020 onwards.

/3 The ratios include net profit for the second half of 2017 and the deduction of dividend payments in May 2018

/4 The ratios include net profit for the second half of 2017, the first quarter of 2018 and the deduction of dividend payments in May 2018

Financial Position

Million Baht

	Dec-15	Dec-16	Dec-17	Mar-18	Growth	
					%YTD	%YoY
Loan ¹	1,868,903	1,941,093	2,003,989	1,978,511	-1.3%	2.8%
Deposit	2,090,965	2,178,141	2,310,743	2,334,078	1.0%	4.0%
LDR	89.4%	89.1%	86.7%	84.8%	-1.9%	-0.9%
NPL	56,226	68,841	87,419	92,165	5.4%	18.5%
NPL Ratio	2.8%	3.2%	3.9%	3.8%	-0.1%	0.3%
LLR to NPL	185%	174%	160%	159%	-0.9%	-0.7%
LLR to Loan	5.6%	6.2%	7.0%	7.4%	0.4%	1.0%
Liquid Assets ²	906,648	956,847	1,051,982	1,173,948	11.6%	13.5%
Liquid Assets to Total Assets	32.0%	32.5%	34.2%	37.0%	2.8%	2.5%
CET1/Tier 1 Ratio ³	16.2%	16.8%	17.0%	17.2%	0.2%	0.0%
CAR ³	18.3%	18.7%	18.5%	18.7%	0.2%	-0.3%

Note:

/1 Loan = Loan to Customer Less Deferred Revenue

/2 Liquid Assets consist of cash, interbank and money market assets, claims on securities and trading & available-for-sale securities

/3 The ratios include net profit and deducted dividend

Financial Performance – 1Q18

Million Baht

	1Q17	4Q17	1Q18	Growth (%)	
				QoQ	YoY
Net Interest Income	16,277	16,955	17,123	1.0%	5.2%
Net Fee Income	6,719	7,836	7,602	-3.0%	13.1%
Non-Interest Income	10,939	11,789	14,414	22.3%	31.8%
Total Income	27,216	28,744	31,537	9.7%	15.9%
Operating Expense	11,082	13,089	12,594	-3.8%	13.6%
Provisioning Expense	5,806	4,617	7,322	58.6%	26.1%
Net Profit ^{/1}	8,305	8,496	9,005	6.0%	8.4%
EPS ^{/1} (Baht per Share)	4.35	4.45	4.72	6.0%	8.4%
NIM	2.35%	2.31%	2.34%	0.03%	-0.01%
Net Fee Income Ratio	24.7%	27.3%	24.1%	-3.2%	-0.6%
Cost to Income Ratio	40.7%	45.5%	39.9%	-5.6%	-0.8%
ROA ^{/1}	1.13%	1.10%	1.17%	0.07%	0.04%
ROE ^{/1}	8.81%	8.48%	9.05%	0.57%	0.24%

Note:

/1 Attributable to owners of the Bank

Financial Performance – Year

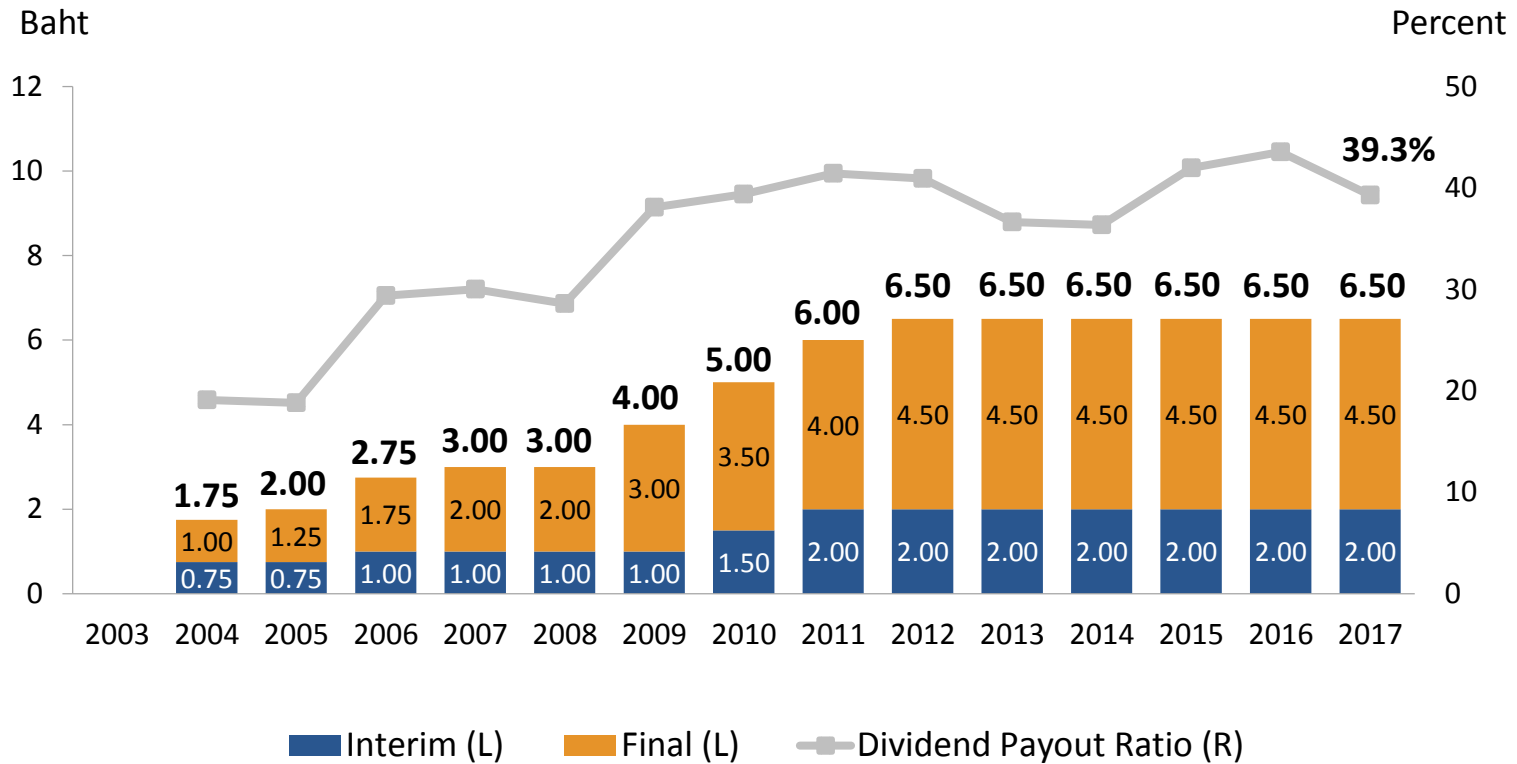
Million Baht

	2015	2016	2017	Growth (%) YoY
Net Interest Income	57,510	63,998	66,625	4.1%
Net Fee Income	24,071	24,492	27,526	12.4%
Non-Interest Income	45,219	41,860	45,843	9.5%
Total Income	102,728	105,858	112,468	6.2%
Operating Expense	45,045	50,505	48,948	-3.1%
Provisioning Expense	14,654	15,728	22,370	42.2%
Net Profit ^{/1}	34,181	31,815	33,009	3.8%
EPS ^{/1} (Baht per Share)	17.91	16.67	17.29	3.8%
NIM	2.16%	2.34%	2.32%	-0.02%
Net Fee Income Ratio	23.4%	23.1%	24.1%	1.0%
Cost to Income Ratio	43.8%	47.7%	43.5%	4.2%
ROA ^{/1}	1.21%	1.09%	1.09%	0.00%
ROE ^{/1}	9.91%	8.59%	8.49%	-0.10%

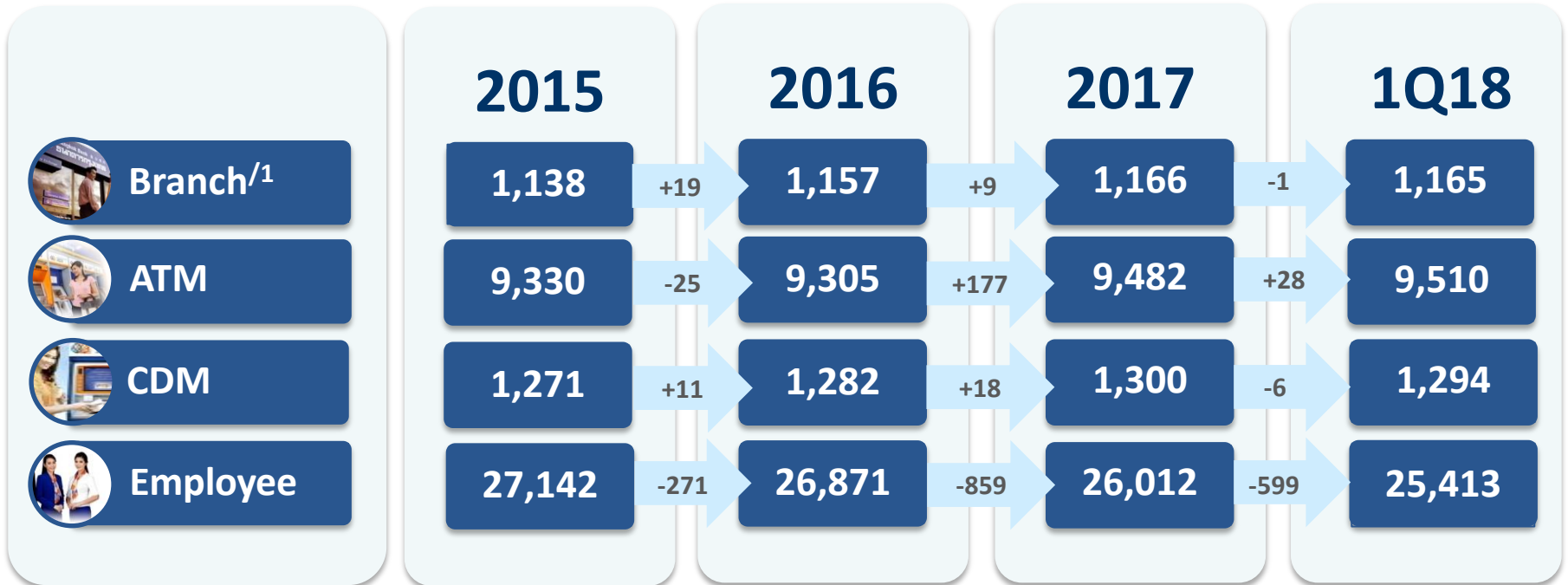
Note:

/1 Attributable to owners of the Bank

Dividend and Payout Ratio



Network



Note: Consolidated
/1 Domestic branches

Long-Standing International Presence

32 International Locations
in **15** Economies

UK

Branch: 1
Number of Year: 60

Cayman Islands

Branch: 1
Number of Year: 2

USA

Branch: 1
Number of Year: 52

Laos

Branch: 2
Number of Year: 24

Myanmar

Branch: 1
Number of Year: 22

Malaysia^{/1}

Branch: 5
Number of Year: 59

Singapore

Branch: 1
Number of Year: 61

Vietnam

Branch: 2
Number of Year: 25

China^{/1}

Branch: 6
Number of Year: 31

Japan

Branch: 2
Number of Year: 62

Philippines

Branch: 1
Number of Year: 22

Taiwan

Branch: 3
Number of Year: 52

Hong Kong

Branch: 2
Number of Year: 63

Cambodia

Branch: 1
Number of Year: 3

Indonesia

Branch: 3
Number of Year: 45

Note: As at March 2018
/1 Wholly-Owned Subsidiary
Source: Bangkok Bank Filing

2018 Financial Target

Consolidated	2018 Financial Target
Loan Growth	5-6%
NPL Ratio (Gross)	Maintain
Net Interest Margin (NIM)	Maintain
Net Fee Income Growth	Mid to High Single Digit
Cost to Income Ratio	Mid-40s

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.

For Further Information

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