

Investor Presentation For 2018

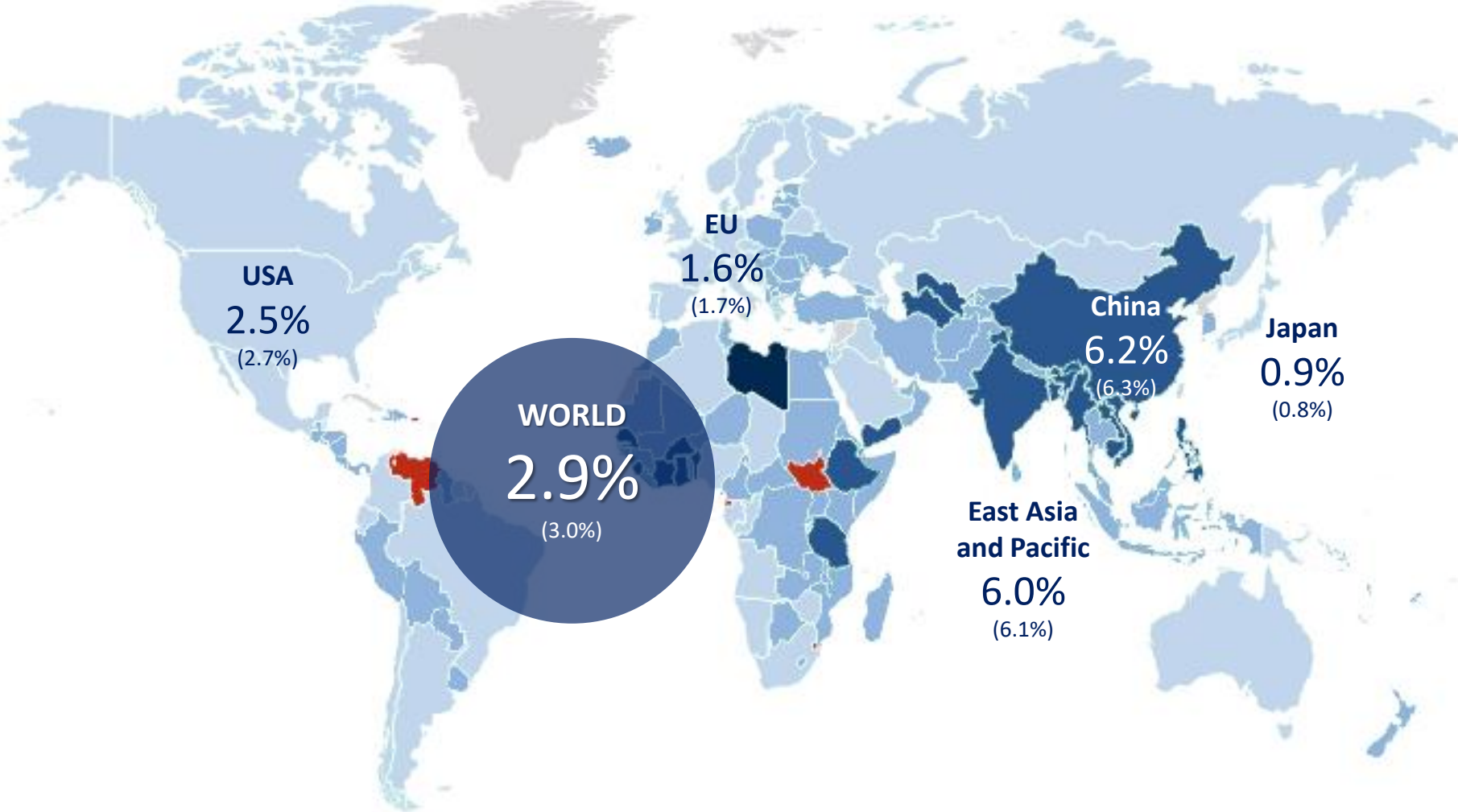
INSPIRING CHANGE >



Bangkok Bank

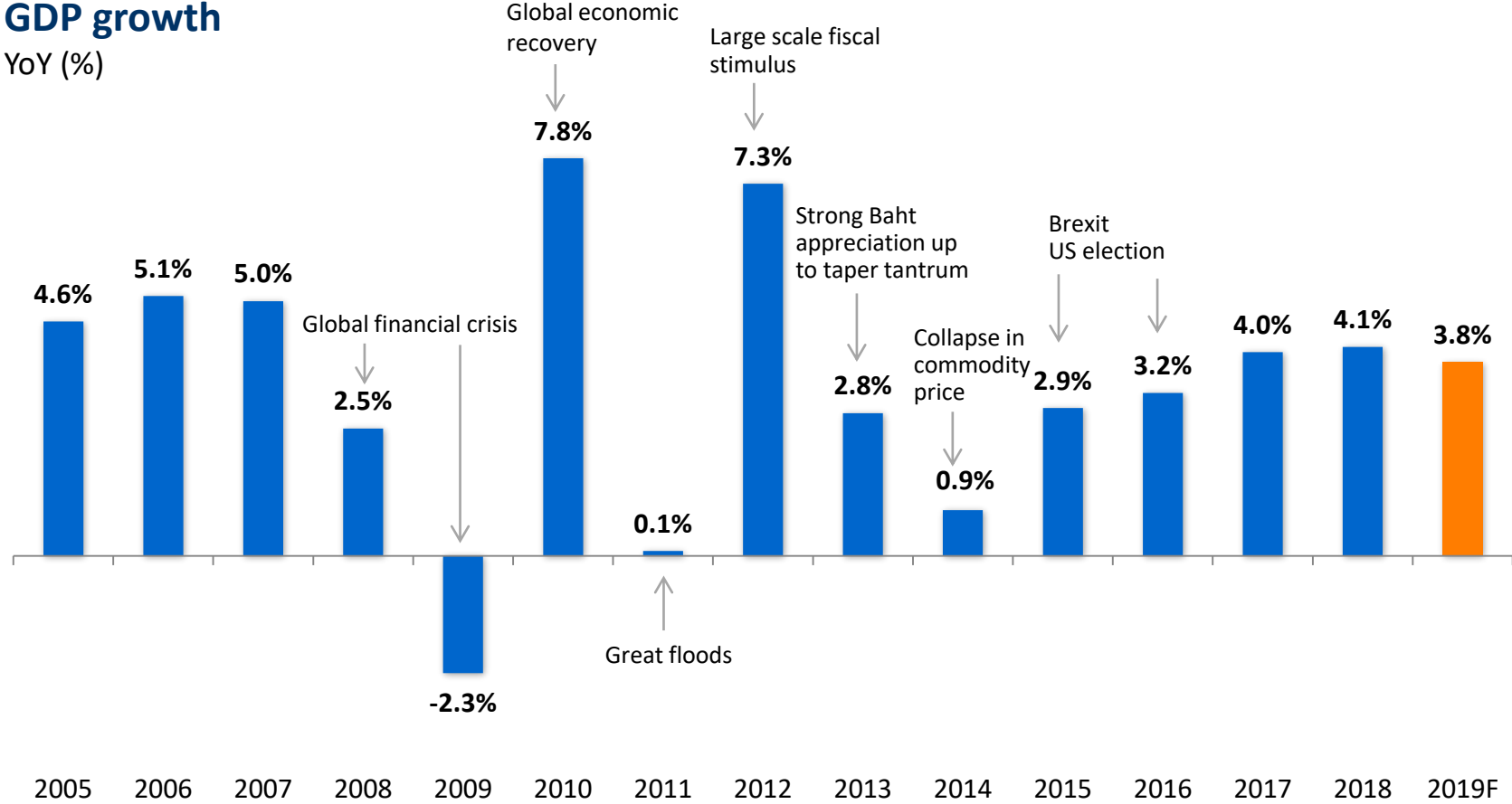
- **Operating Environment**
- 2019 Focus
- Financial Performance

Global Economy in 2019 is set to slow against the backdrop of the **US-China trade tension** and **quantitative tightening**



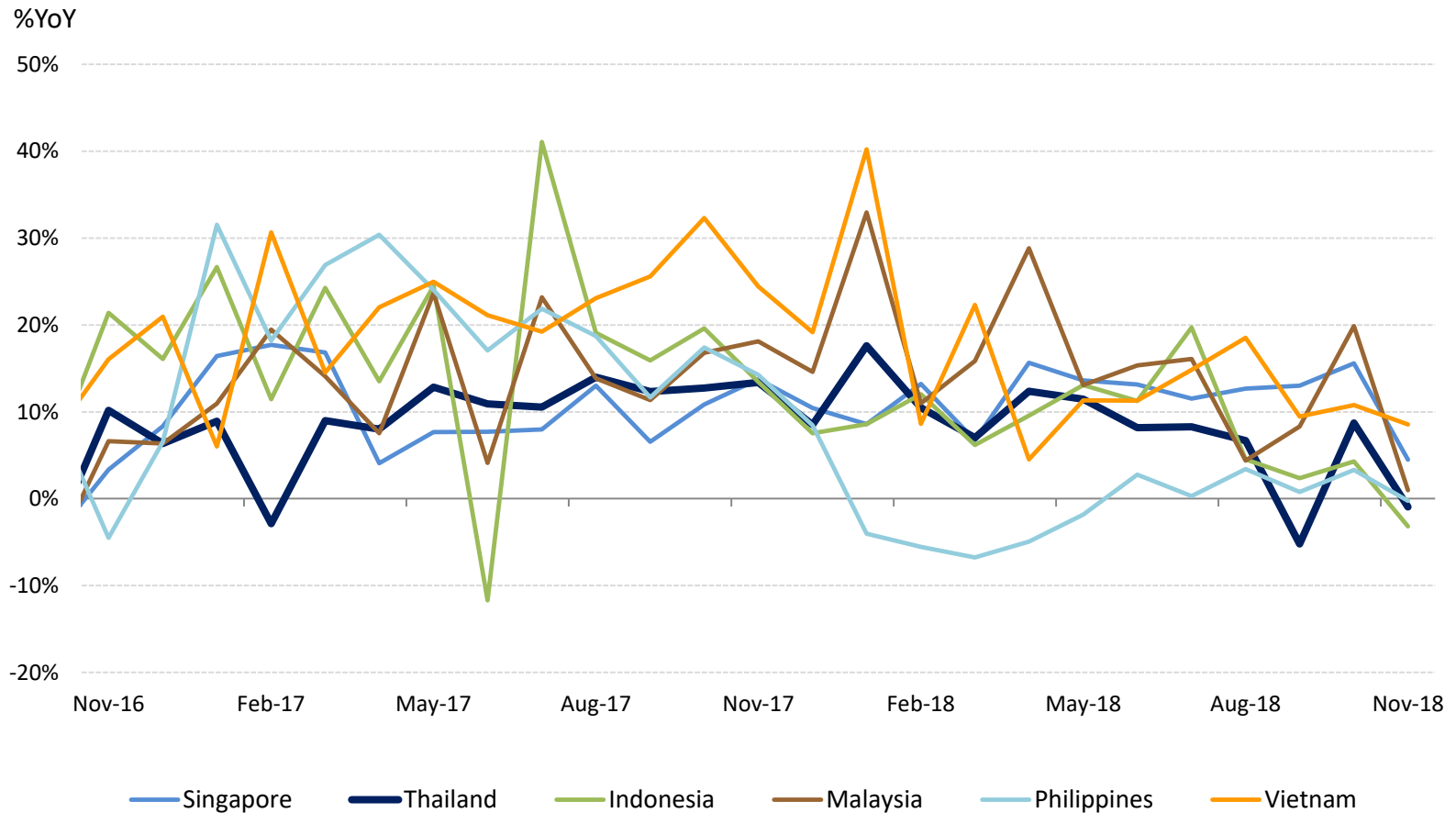
Note: June 2018 projections in brackets
Source: World Bank (2019)

Thailand's GDP growth in 2019 is projected to moderate as the world economy slows



Source: Office of the National Economic and Social Development Council and Bank of Thailand

Asia's exports have slowed markedly

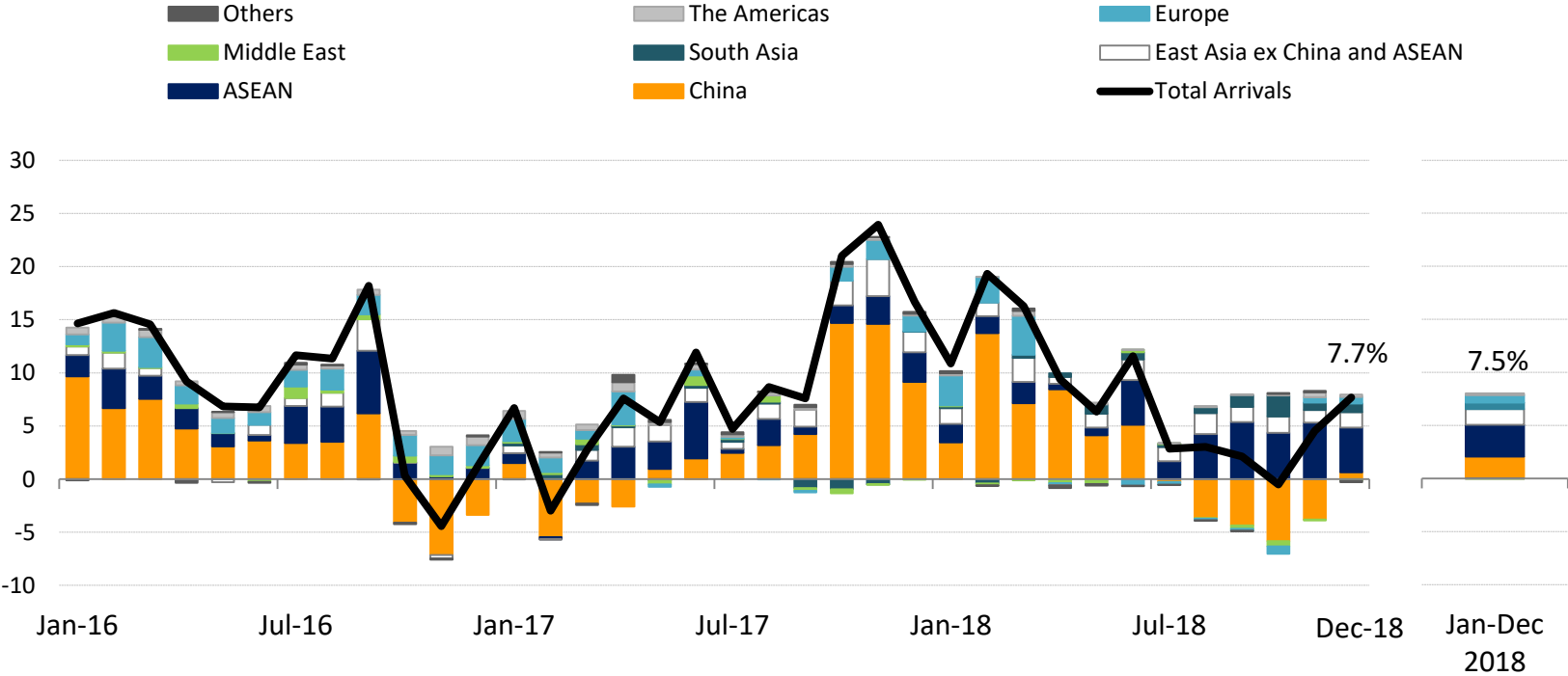


Source: CEIC

Tourist arrivals started to recover

Contributions to international tourist arrivals

%YoY

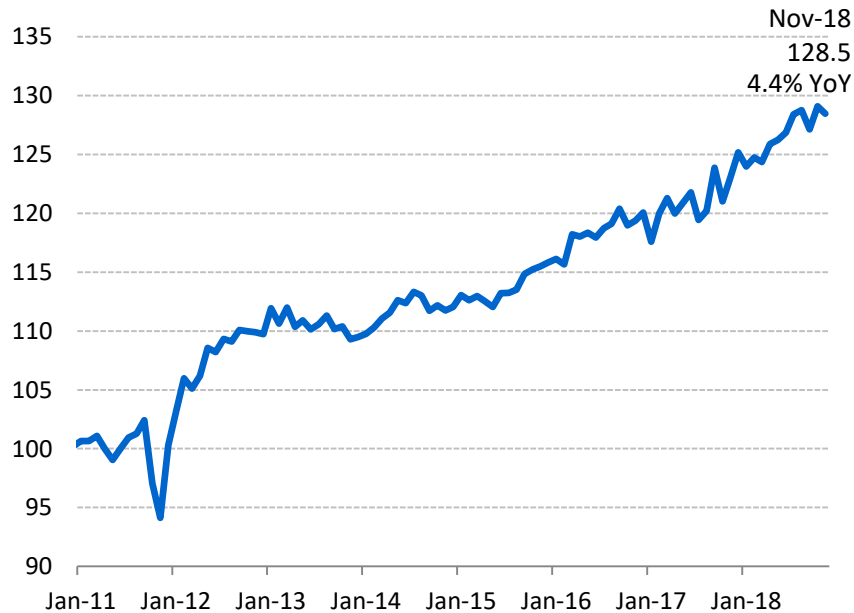


Source: Tourism Authority of Thailand, CEIC

Private consumption gained traction but household debt is still a challenge

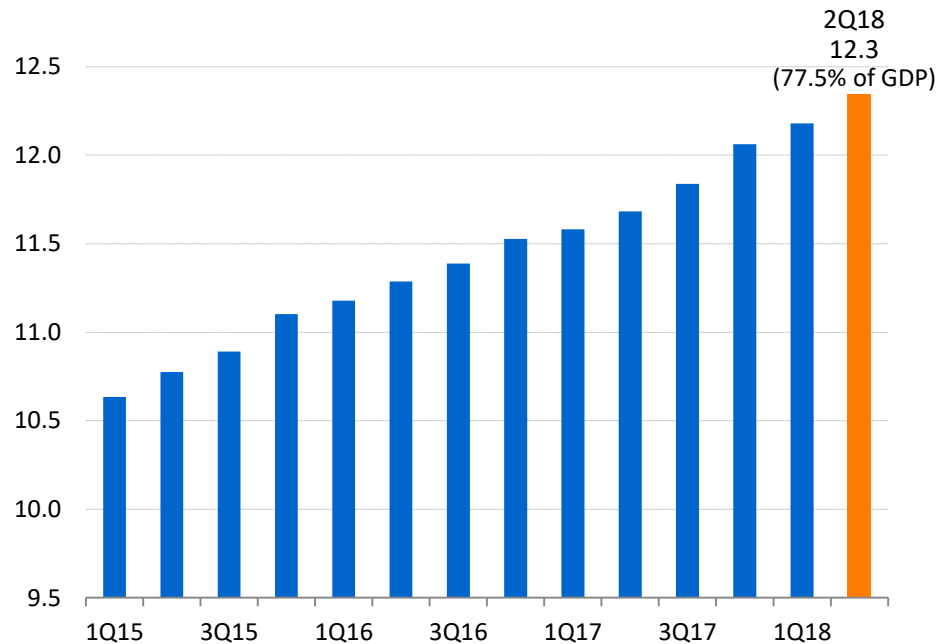
Private consumption

Monthly index
2010 = 100



Household debt

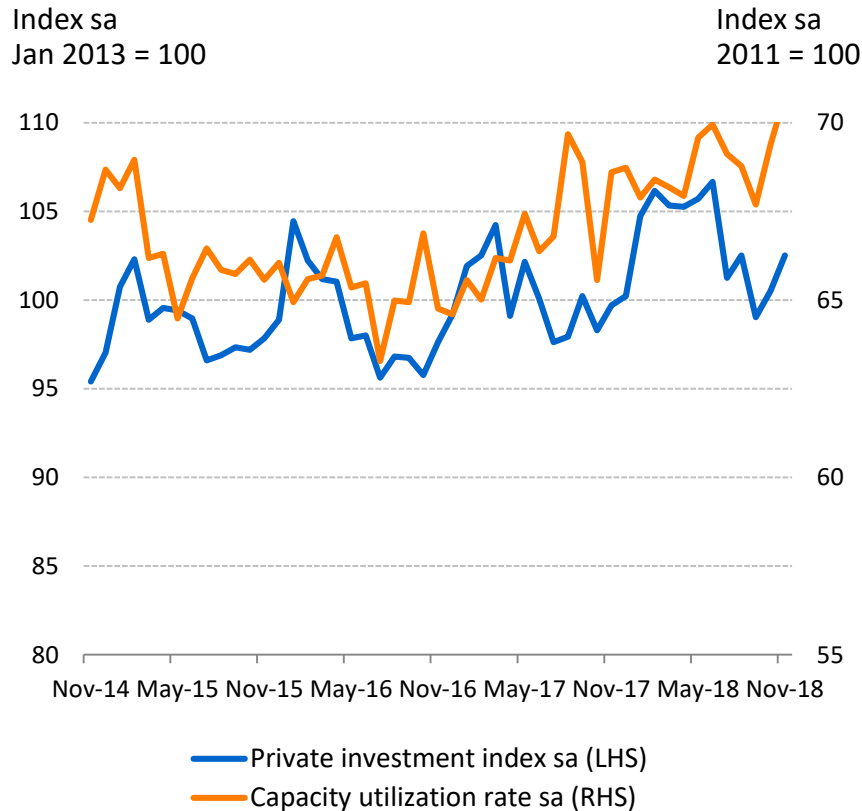
Trillion Baht



Source: Bank of Thailand, CEIC

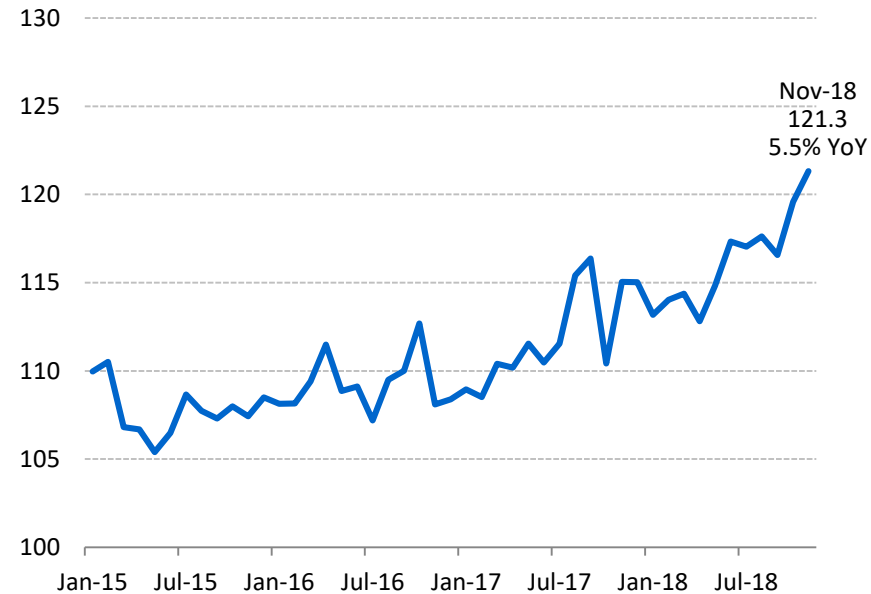
Private investment and capacity utilization remained solid

Private investment index and capital utilization rate



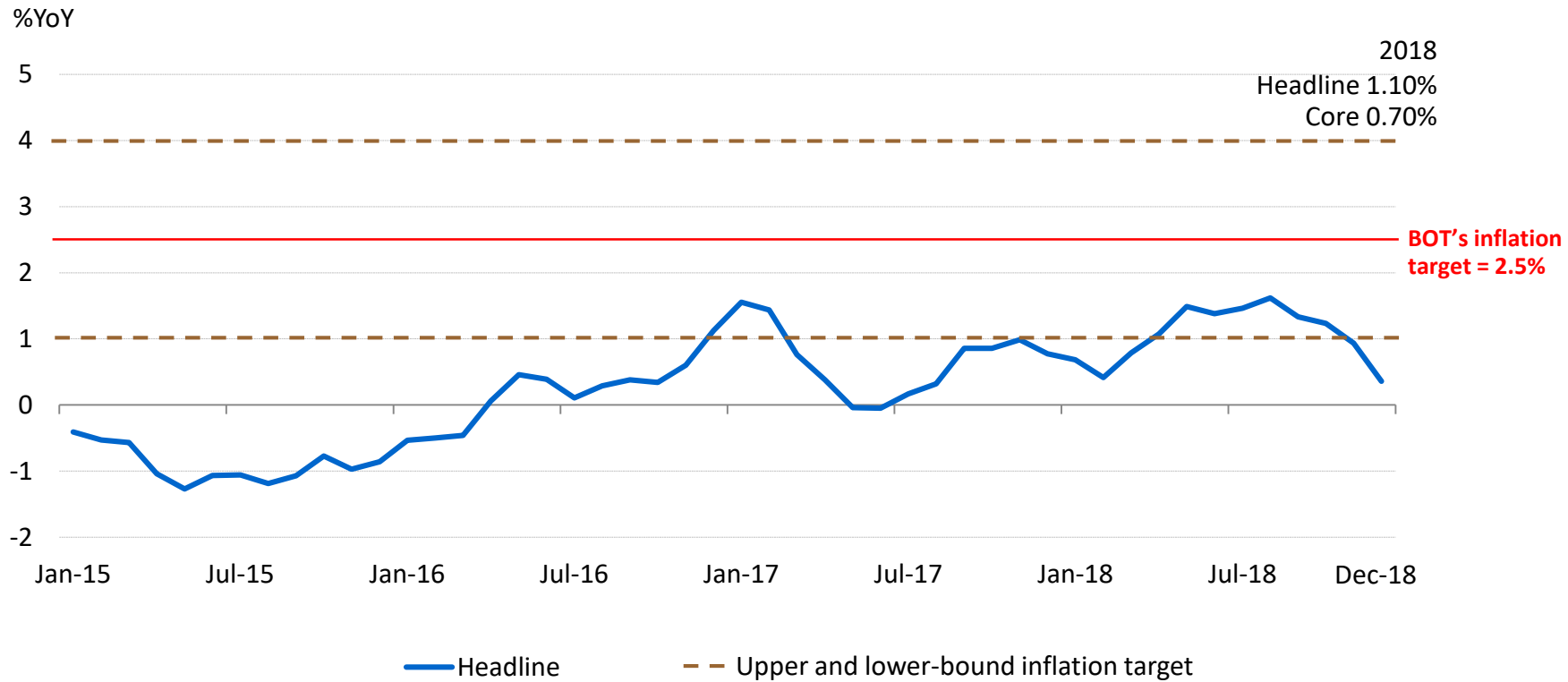
Manufacturing production

Monthly index (2011=100)



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

Inflation is below the inflation target band once again



Source: Ministry of Commerce

Thailand continued to maintain strong external fundamentals amongst EMs

| | Current Account * to GDP | Reserve to * External Debt | Budget Balance ** to GDP | External Debt ** to GDP | Inflation *** |
|-----------------|-----------------------------|-------------------------------|-----------------------------|----------------------------|---------------|
| Turkey | 0.8 | 15.0 | -1.6 | 53.4 | 22.4 |
| Argentina | -6.6 | 16.3 | -6.0 | 37.0 | 46.9 |
| Colombia | -3.7 | 35.4 | -2.2 | 39.6 | 3.3 |
| South Africa | -3.5 | 30.0 | -4.4 | 49.6 | 5.0 |
| Brazil | -1.0 | 69.0 | -7.8 | 26.6 | 4.1 |
| Mexico | -1.6 | 36.8 | -1.1 | 37.6 | 4.8 |
| India | -2.9 | 78.5 | -3.5 | 20.0 | 2.6 |
| Russia | 6.7 | 81.2 | -1.5 | 32.8 | 3.0 |
| Philippines | -3.7 | 86.0 | -2.2 | 23.3 | 5.9 |
| Malaysia | 1.0 | 43.0 | -3.2 | 65.0 | 0.5 |
| Thailand | 3.4 | 129.3 | 0.7 | 36.7 | 0.8 |
| China | 0.7 | 161.4 | -2.9 | 14.0 | 2.2 |
| Indonesia | -3.4 | 31.9 | -2.5 | 34.7 | 3.2 |
| South Korea | 6.3 | 89.6 | 1.4 | 27.3 | 1.8 |
| Taiwan | 9.7 | 227.3 | 1.0 | 31.6 | 0.6 |

Note: *Data as of 3Q18

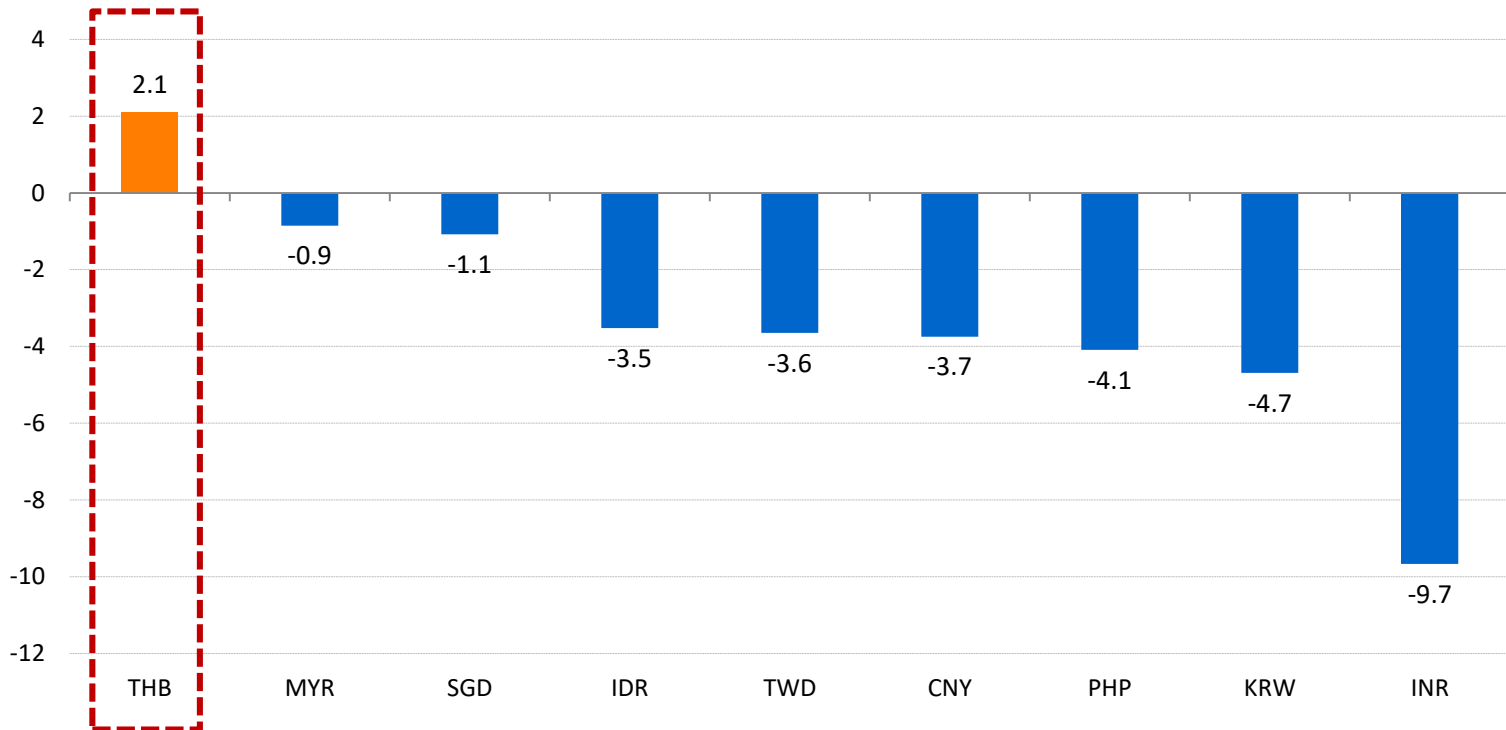
**Data as of 2017

***Data as of 4Q18 except South Africa, Russia, and Malaysia (3Q18)

THB is one of the best performers amongst EM currencies

Currency movement (since 1 January 2018)

%YoY



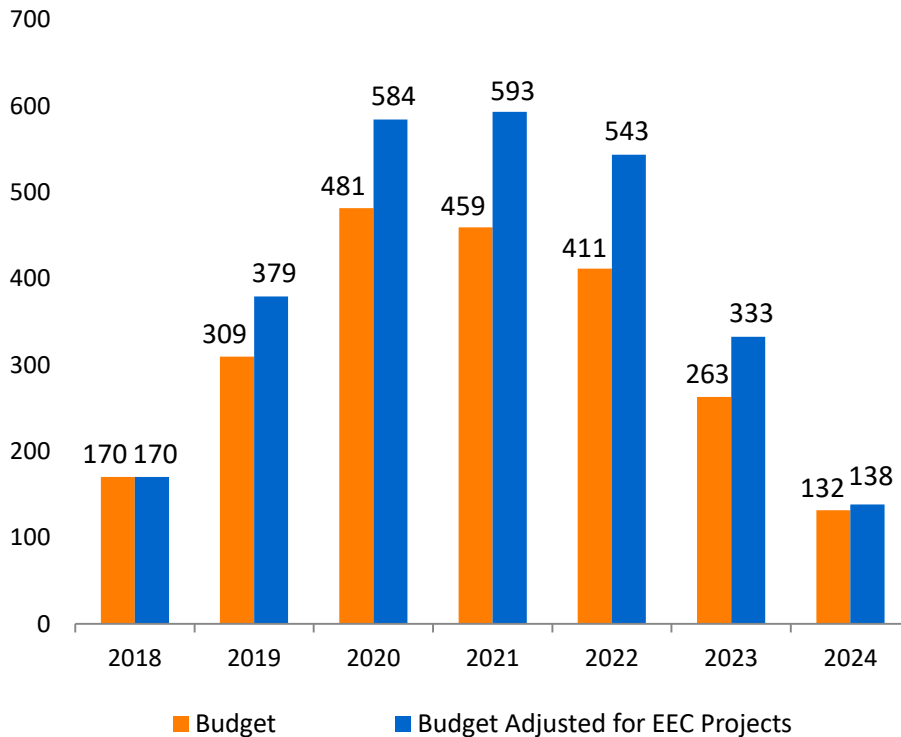
Note: As of 15 January 2019

Source: Bloomberg

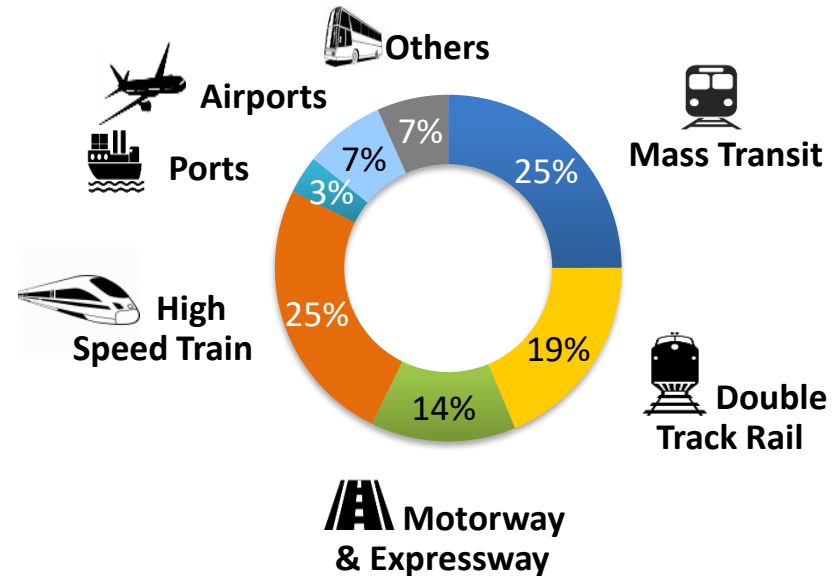
Budget disbursement for infrastructure projects to rise with more clarity of EEC-related projects

Disbursement schedule

Billion Baht



Types of infrastructure projects



Note: The disbursement schedule for the EEC-related projects are calculated by Bangkok Bank Economics Team

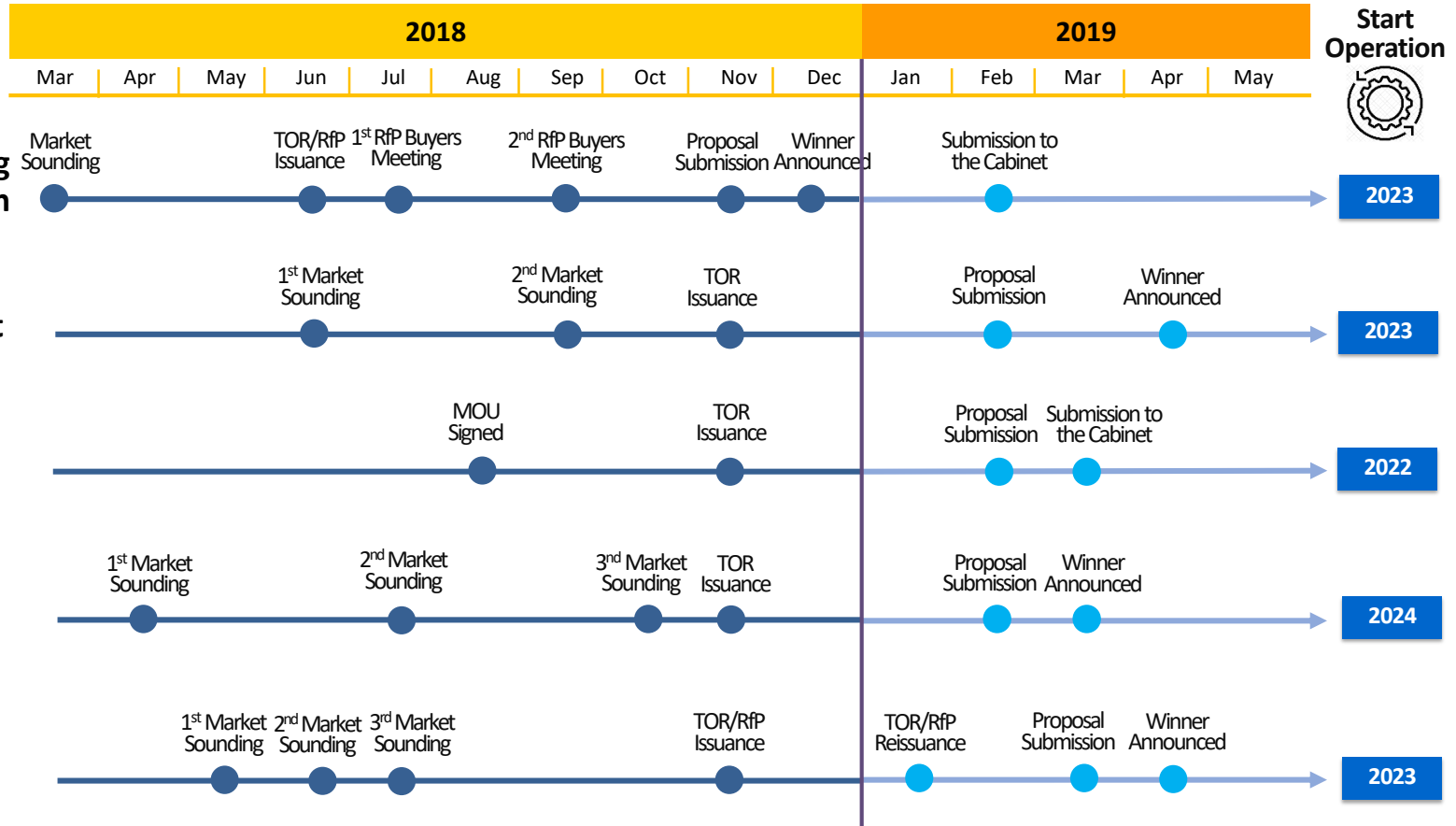
Source: Ministry of Transport, Office of Transport and Traffic Policy and Planning, EECO

Combined public and private investments: approximately 1.9 Trillion Baht for the first 5 years



Note: As of October 2018
Source: EEC Office

Timeline of infrastructure projects planned for the Eastern Economic Corridor (EEC)

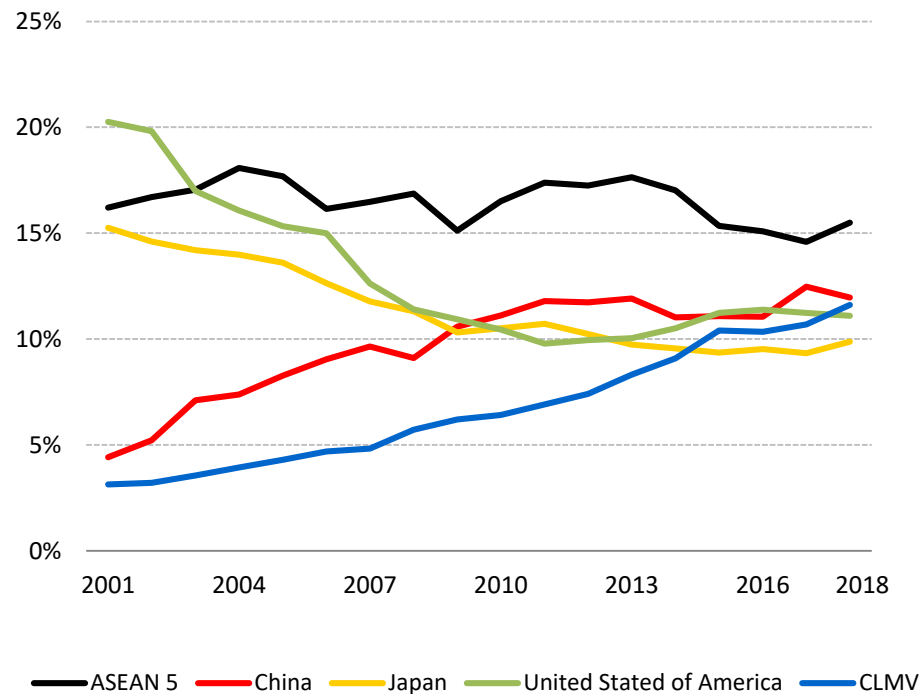


Note: Approved by EEC Committee, as of November 2018
 Source: EEC Office

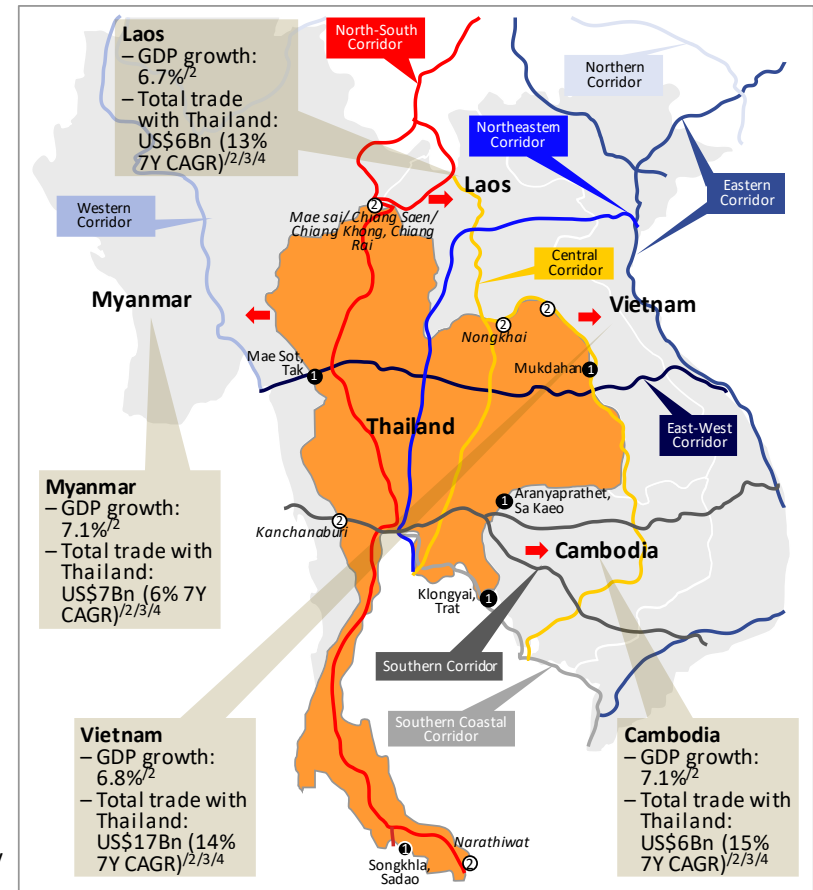
Opportunities from Regionalization and Urbanization

ASEAN countries have become Thailand's major trading partners

Thailand's top export destinations



Thailand: gateway to the CLMV¹ region



Note: /1 "CLMV" stands for "Cambodia, Laos, Myanmar, and Vietnam"
 /2 As of 2017; GDP growth refers to YoY growth between 2016-17
 /3 Using an FX rate of 33.23 THB/US\$ as of 31 December 2017
 /4 Total trade is calculated as the sum of exports and imports

① Phase 1
(5 Economic zones)

② Phase 2
(7 Economic zones)

Bangkok Bank

- Operating Environment
- 2019 Focus
- Financial Performance

2019 Focus : Creating Value



Regionalization

Connect the region using our network and leveraging our corporate and international expertise



Urbanization

Support business customers with opportunities in infrastructure, the EEC and urban development and meet the wealth needs of individual customers



Digitalization

Enhance customer experience by strengthening our digital banking capability

Financial Performance

 Prudent, diversified approach to loan growth



 Steady and sustainable profit supported by diversified income stream



 Strong capital base



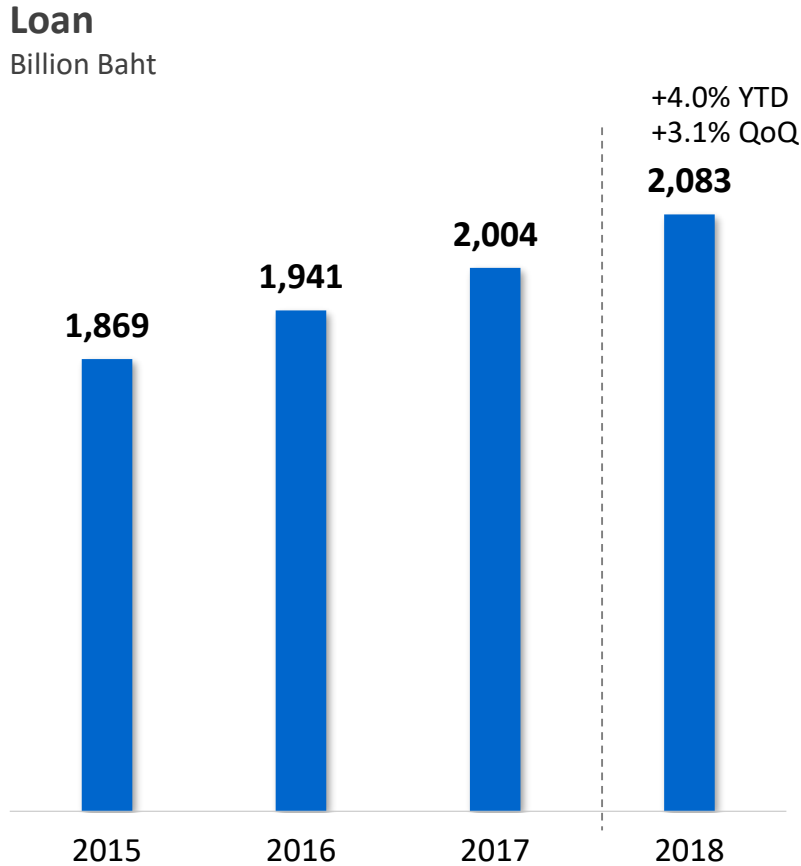
 Manageable asset quality



 Healthy liquidity positioning

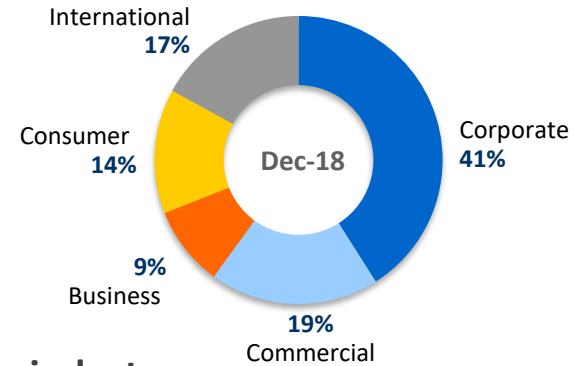
1. PRUDENT, DIVERSIFIED APPROACH TO LOAN GROWTH

Prudent approach to loan growth, credit diversification driving earnings stability



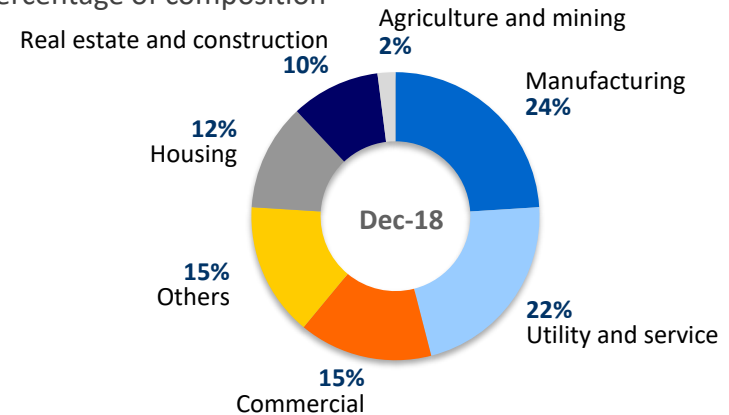
Loan by business unit

Percentage of composition



Loan by industry

Percentage of composition

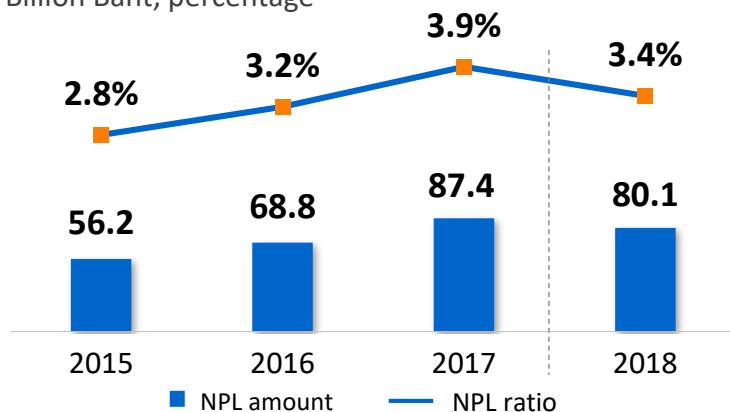


2. MANAGEABLE ASSET QUALITY

Strong loan loss reserve against downside risks

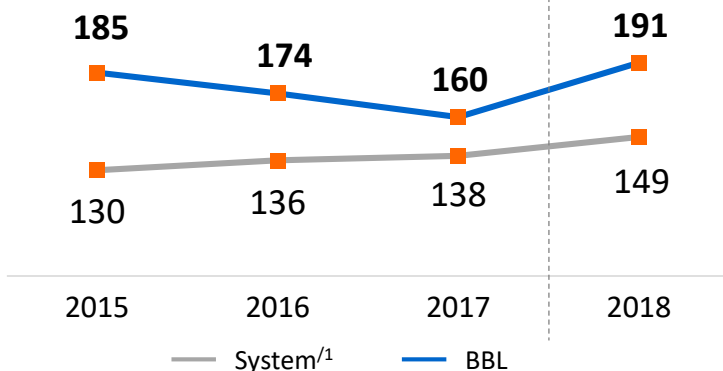
NPL amount

Billion Baht, percentage



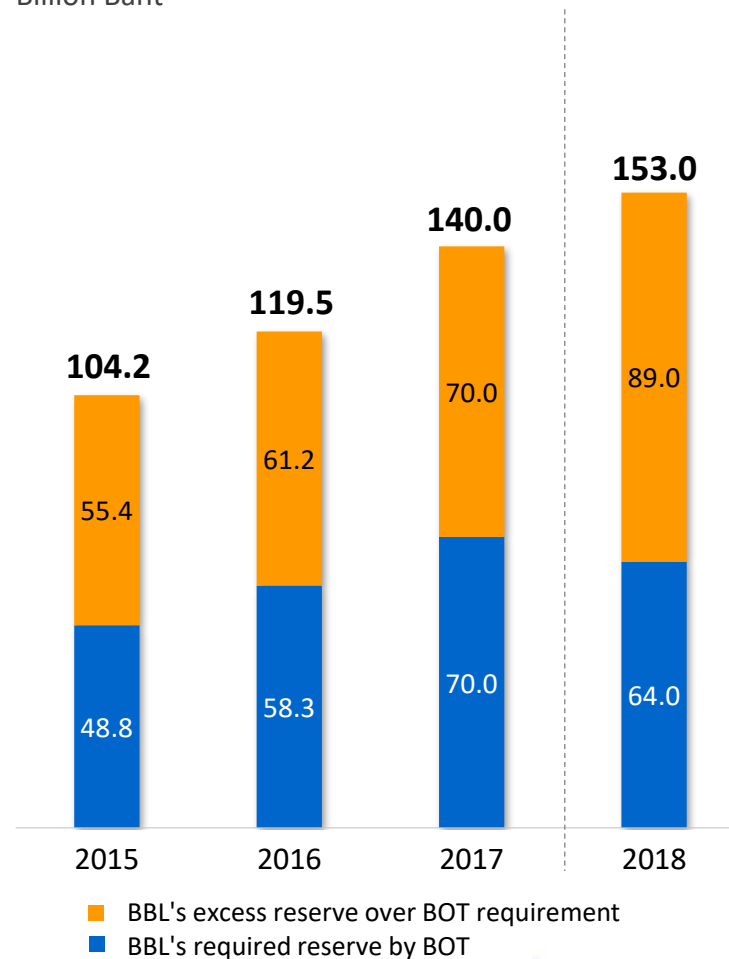
Coverage ratio

Percentage



Loan loss reserve

Billion Baht

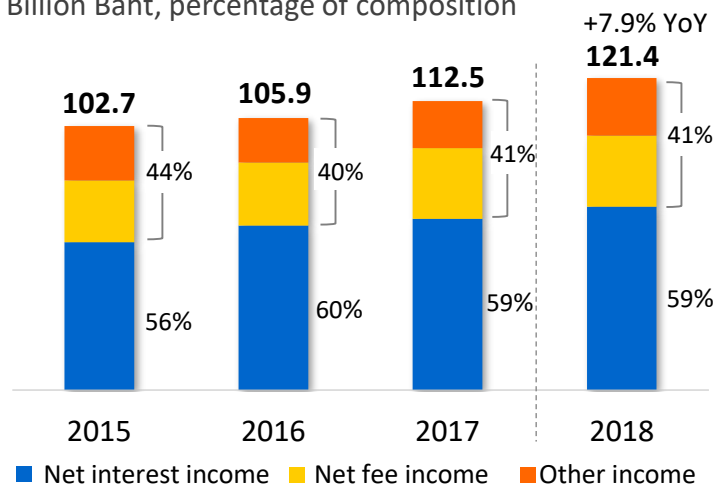


3. STEADY AND SUSTAINABLE PROFIT SUPPORTED BY DIVERSIFIED INCOME STREAM

Diversified operating income and effective cost management

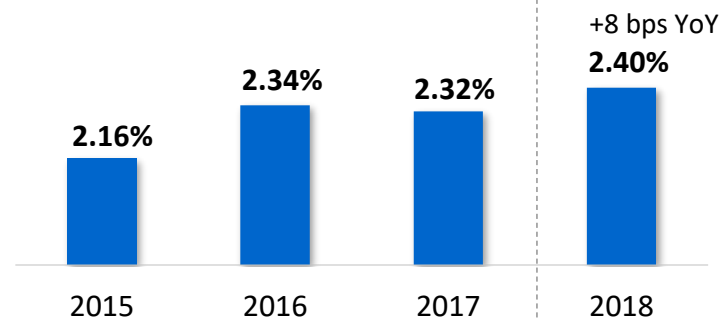
Income breakdown

Billion Baht, percentage of composition



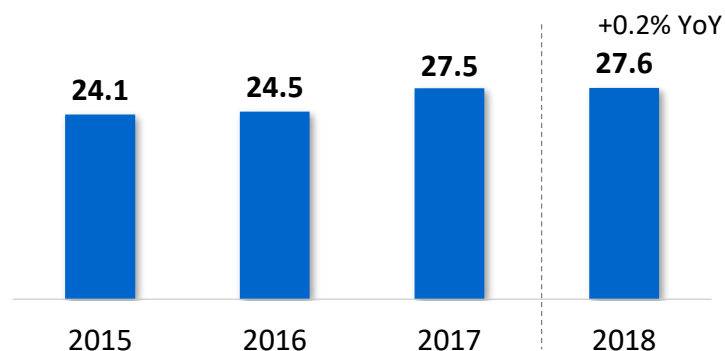
NIM

Percentage



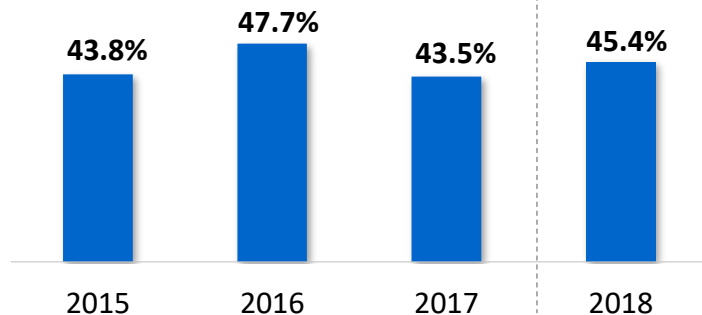
Net fee income

Billion Baht



Cost-to-income ratio

Percentage

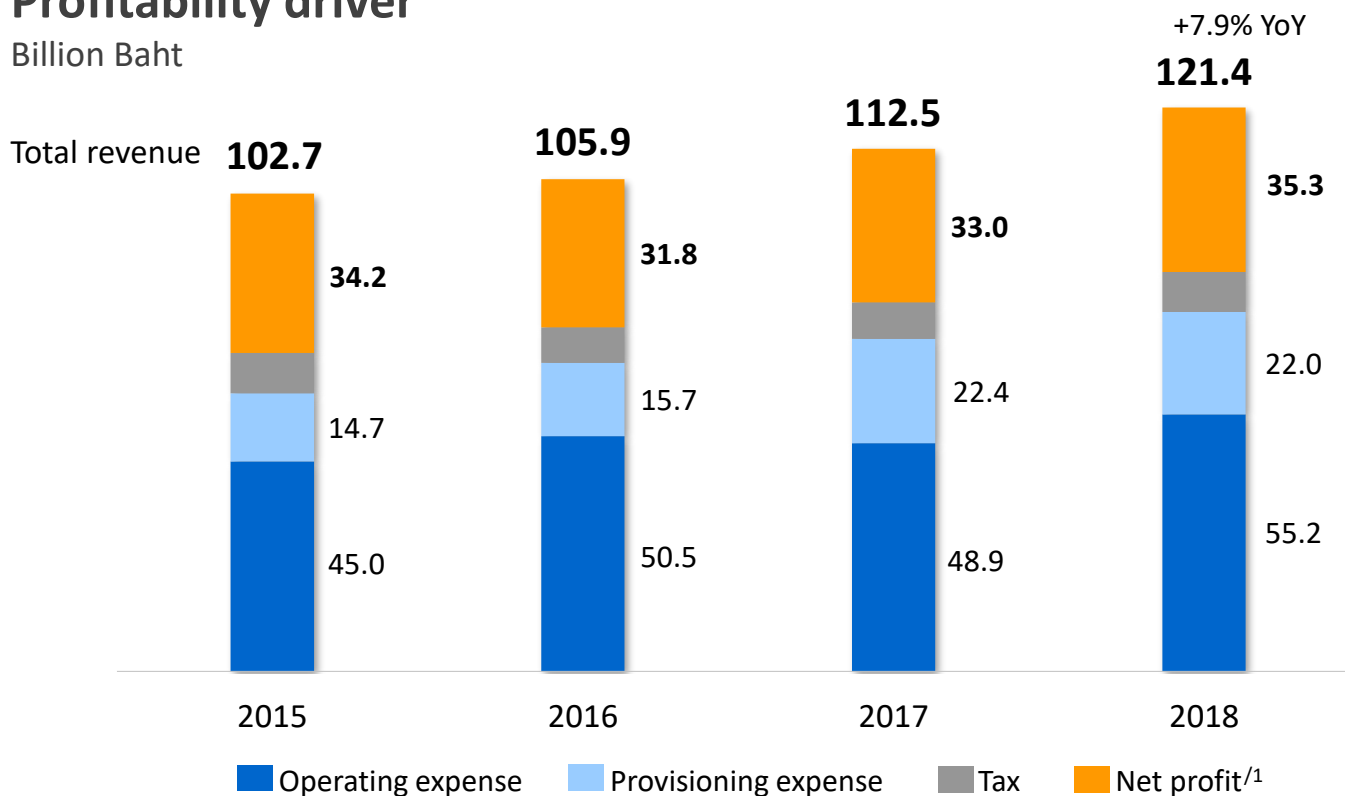


3. STEADY AND SUSTAINABLE PROFIT SUPPORTED BY DIVERSIFIED INCOME STREAM

Consistently delivering profits over business cycles

Profitability driver

Billion Baht



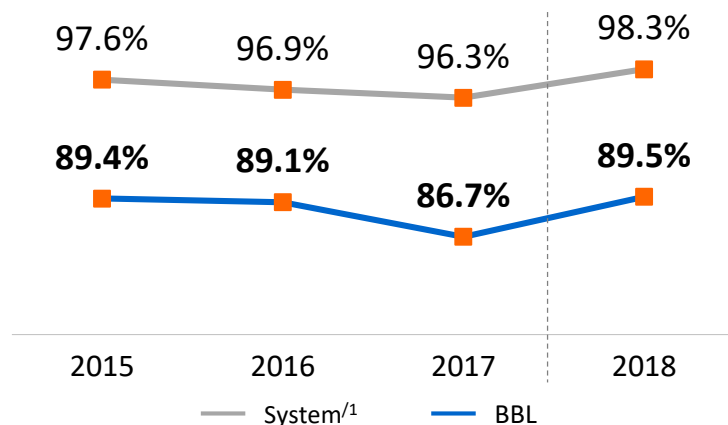
Note: /1 Attributable to owners of the Bank

4. HEALTHY LIQUIDITY POSITIONING

Solid deposit franchise supports our funding and liquidity

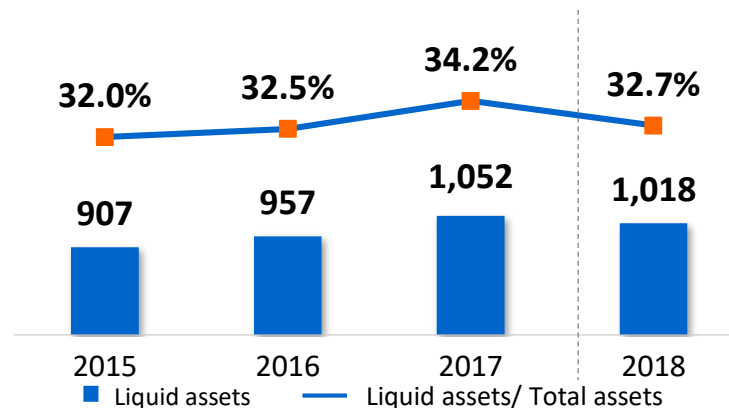
Loan-to-deposit ratio

Percentage



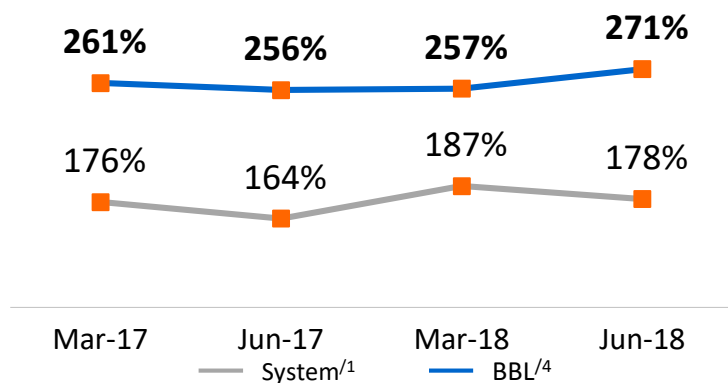
Liquid assets²

Billion Baht



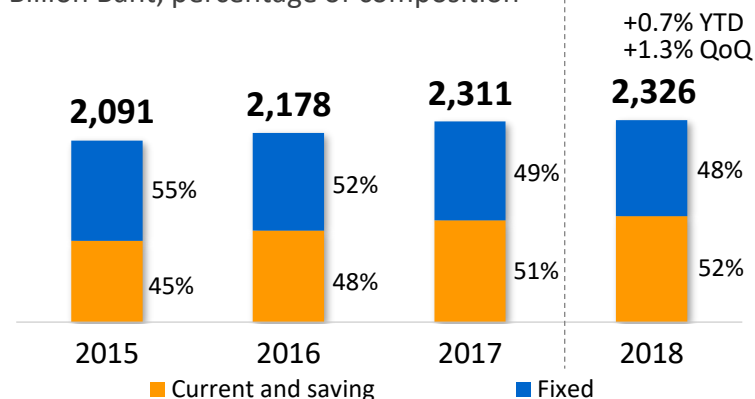
Liquidity coverage ratio³

Percentage



Deposit

Billion Baht, percentage of composition



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

/2 Liquid assets are defined as cash, interbank and money market assets and trading & available-for-sale securities

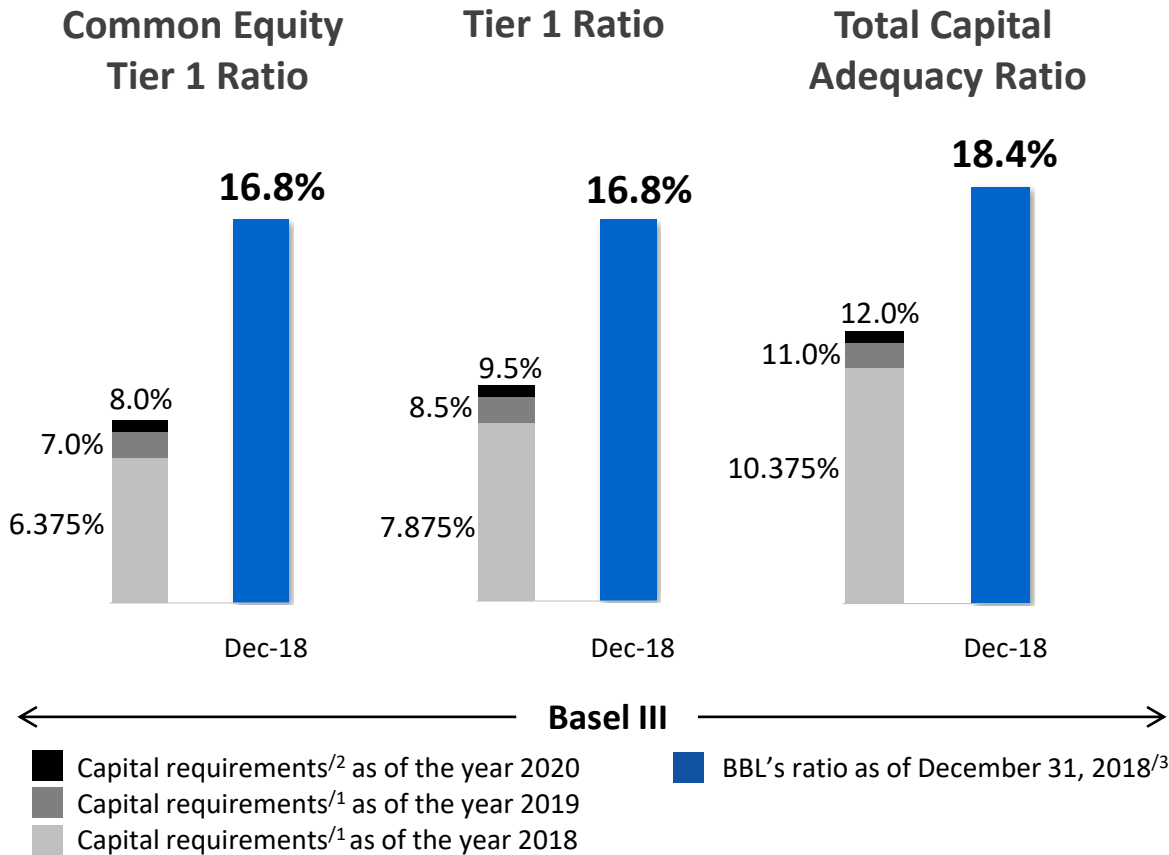
/3 The BOT requires commercial banks to maintain Liquidity Coverage Ratio (LCR) at the end of each month not less than 60%, starting from January 1, 2016. The LCR requirement is to increase by 10% yearly until it reaches 100% on January 1, 2020.

/4 LCR is disclosed semi-annually. The LCR is computed as an average ratio of month-end LCR in the quarter.

Source: Bank of Thailand, Bangkok Bank analysis

5. STRONG CAPITAL BASE

Capital level is comfortably above minimum requirements



Regulatory capital ratio requirements

2018

6.0% Minimum Tier 1 Ratio **8.5%** Minimum Total Capital Ratio

+

+

1.875%

Capital Conservation Buffer

7.875%
Tier 1 Capital Ratio Requirement

10.375%
Total Capital Ratio Requirement

2020

6.0% Minimum Tier 1 Ratio **8.5%** Minimum Total Capital Ratio

+

+

2.5% + 1.0%

Capital Conservation and D-SIB Buffer

9.5%
Tier 1 Capital Ratio Requirement

12.0%
Total Capital Ratio Requirement

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.

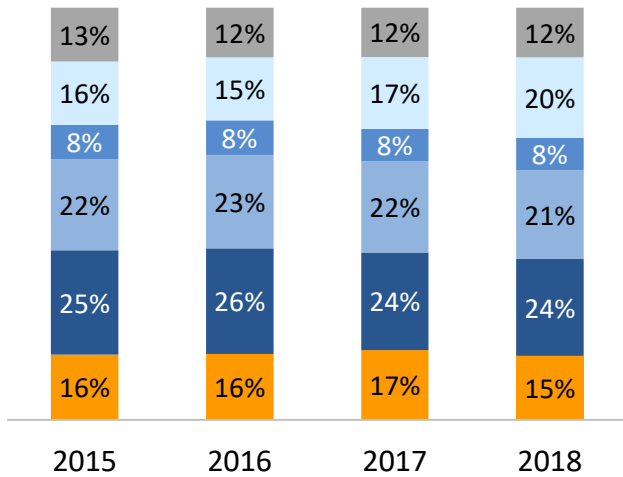
/3 The ratios include net profit for the second half of 2018 and the deduction of dividends to be paid in May 2019.

Appendix

Fee income

Fee income breakdown

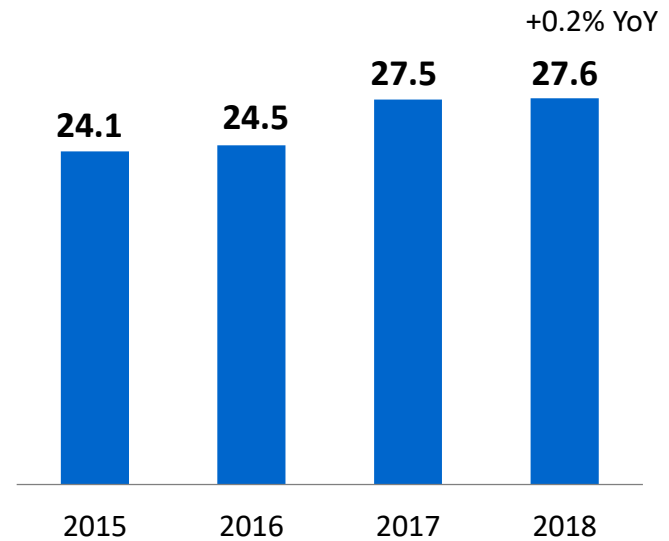
Percentage of composition



- Other fees and commissions
- Bancassurance and mutual fund
- Global market service
- Transaction service
- Credit card business
- Loan related fee

Net fee income

Billion Baht



Financial position

Million Baht

| | Dec-15 | Dec-16 | Dec-17 | Dec-18 | Growth | |
|---------------------------------|-----------|-----------|-----------|-----------|--------|-------|
| | | | | | %QoQ | %YTD |
| Loan ^{/1} | 1,868,903 | 1,941,093 | 2,003,989 | 2,083,160 | 3.1% | 4.0% |
| Deposit | 2,090,965 | 2,178,141 | 2,310,743 | 2,326,470 | 1.3% | 0.7% |
| LDR | 89.4% | 89.1% | 86.7% | 89.5% | 1.5% | 2.8% |
| NPL | 56,226 | 68,841 | 87,419 | 80,137 | -4.8% | -8.3% |
| NPL ratio | 2.8% | 3.2% | 3.9% | 3.4% | -0.2% | -0.5% |
| LLR to NPL | 185% | 174% | 160% | 191% | 10.8% | 30.7% |
| LLR to loan | 5.6% | 6.2% | 7.0% | 7.3% | -0.2% | 0.4% |
| Liquid assets ^{/2} | 906,620 | 956,841 | 1,051,975 | 1,018,448 | -2.8% | -3.2% |
| Liquid assets to total assets | 32.0% | 32.5% | 34.2% | 32.7% | -1.3% | -1.5% |
| CASA | 44.8% | 48.4% | 50.7% | 52.4% | 0.6% | 1.7% |
| CET1/Tier 1 ratio ^{/3} | 16.6% | 16.8% | 17.0% | 16.8% | 0.1% | -0.2% |
| CAR ^{/3} | 18.7% | 18.7% | 18.5% | 18.4% | 0.1% | -0.2% |

Note:

/1 Loan = Loan to customer less deferred revenue

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

/3 For 2015-2017, the ratios include net profit and deducted dividend. For Dec-18, the ratios include net profit for the second half of 2018 and the deduction of dividends to be paid in May 2019.

Financial performance – 4Q18

Million Baht

| | 4Q17 | 3Q18 | 4Q18 | Growth (%) | |
|------------------------------------|--------|--------|--------|------------|--------|
| | | | | QoQ | YoY |
| Net interest income | 16,955 | 18,256 | 18,423 | 0.9% | 8.7% |
| Net fee income | 7,836 | 6,263 | 7,070 | 12.9% | -9.8% |
| Non-interest income | 11,789 | 11,321 | 10,651 | -5.9% | -9.7% |
| Total income | 28,744 | 29,577 | 29,074 | -1.7% | 1.1% |
| Operating expense | 13,089 | 12,878 | 16,344 | 26.9% | 24.9% |
| Provisioning expense | 4,617 | 5,346 | 2,765 | -48.3% | -40.1% |
| Net profit ^{/1} | 8,496 | 9,030 | 8,101 | -10.3% | -4.6% |
| EPS ^{/1} (Baht per share) | 4.45 | 4.73 | 4.24 | -10.3% | -4.6% |
| NIM | 2.31% | 2.42% | 2.46% | 0.04% | 0.15% |
| Net fee income ratio | 27.3% | 21.2% | 24.3% | 3.1% | -3.0% |
| Cost to income ratio | 45.5% | 43.5% | 56.2% | 12.7% | 10.7% |
| ROA ^{/1} | 1.10% | 1.14% | 1.04% | -0.10% | -0.06% |
| ROE ^{/1} | 8.48% | 8.91% | 7.86% | -1.05% | -0.62% |

Note:

/1 Attributable to owners of the Bank

Financial performance – year

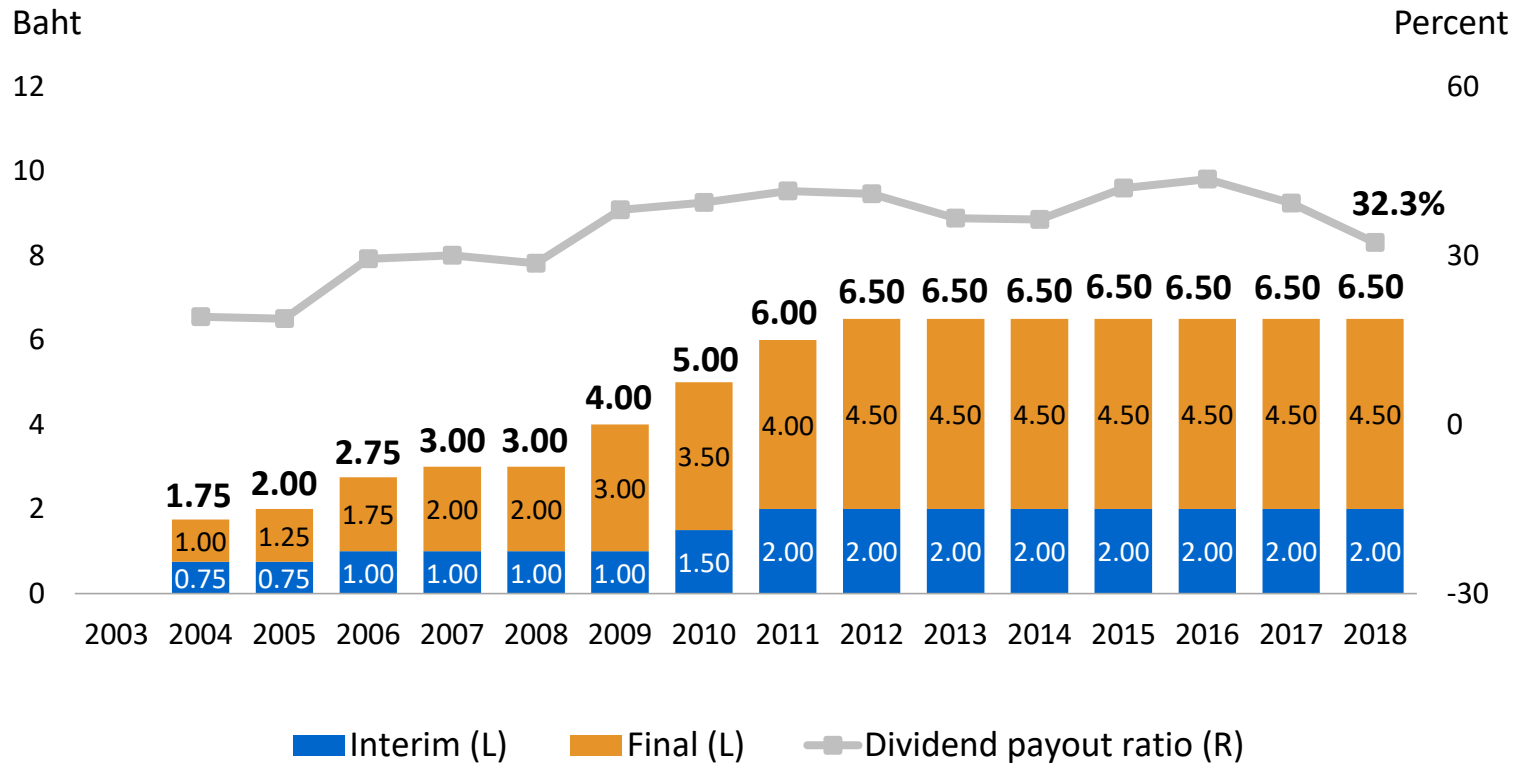
Million Baht

| | 2015 | 2016 | 2017 | 2018 | Growth (%) YoY |
|------------------------------------|---------|---------|---------|---------|-------------------|
| Net interest income | 57,510 | 63,998 | 66,625 | 71,376 | 7.1% |
| Net fee income | 24,071 | 24,492 | 27,526 | 27,590 | 0.2% |
| Non-interest income | 45,219 | 41,860 | 45,843 | 50,025 | 9.1% |
| Total income | 102,728 | 105,858 | 112,468 | 121,400 | 7.9% |
| Operating expense | 45,045 | 50,505 | 48,948 | 55,165 | 12.7% |
| Provisioning expense | 14,654 | 15,728 | 22,370 | 21,965 | -1.8% |
| Net profit ^{/1} | 34,181 | 31,815 | 33,009 | 35,330 | 7.0% |
| EPS ^{/1} (Baht per share) | 17.91 | 16.67 | 17.29 | 18.51 | 7.0% |
| NIM | 2.16% | 2.34% | 2.32% | 2.40% | 0.08% |
| Net fee income ratio | 23.4% | 23.1% | 24.5% | 22.7% | -1.8% |
| Cost to income ratio | 43.8% | 47.7% | 43.5% | 45.4% | 1.9% |
| ROA ^{/1} | 1.21% | 1.09% | 1.09% | 1.13% | 0.04% |
| ROE ^{/1} | 9.91% | 8.59% | 8.49% | 8.73% | 0.24% |

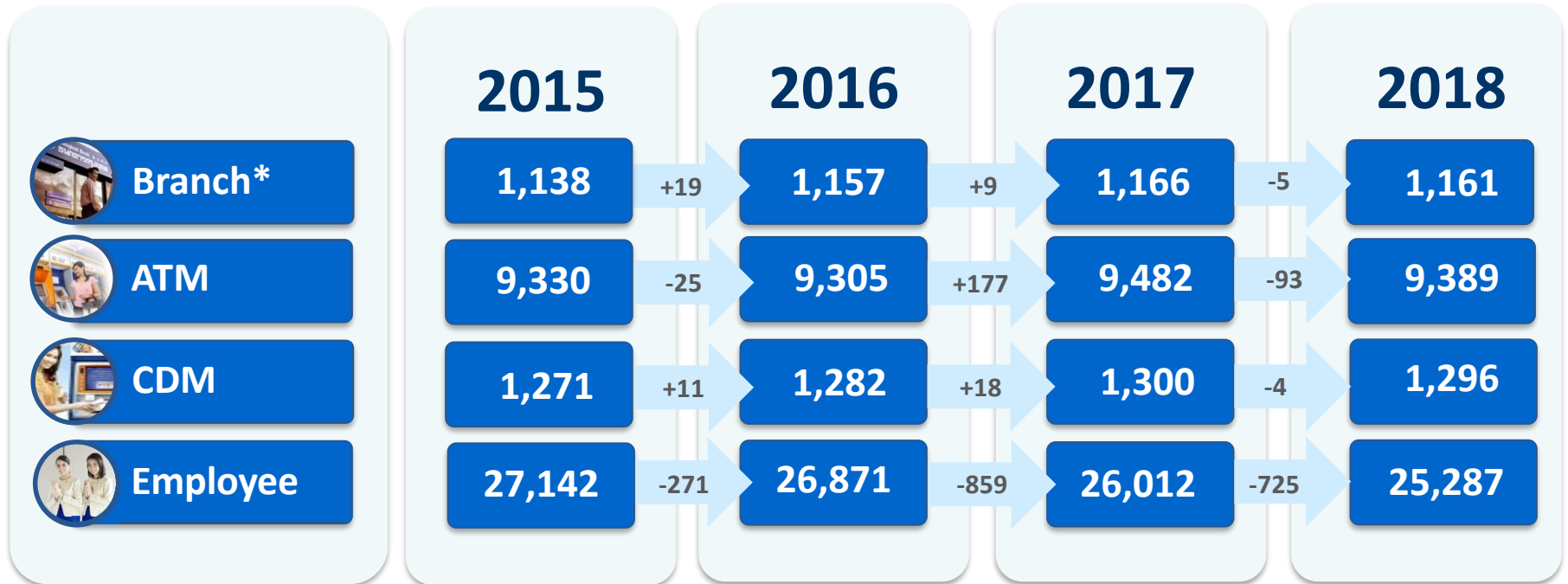
Note:

/1 Attributable to owners of the Bank

Dividend and payout ratio



Network



Note: Consolidated
* Domestic branches

Long-standing international presence

32 International locations
in **15** economies



UK
Branch: 1
Number of year: 61

Cayman Islands
Branch: 1
Number of year: 3

USA
Branch: 1
Number of year: 53

Laos
Branch: 2
Number of year: 25

Myanmar
Branch: 1
Number of year: 23

Malaysia^{/1}
Branch: 5
Number of year: 59

Singapore
Branch: 1
Number of year: 61

Vietnam
Branch: 2
Number of year: 26

China^{/1}
Branch: 6
Number of year: 32

Japan
Branch: 2
Number of year: 63

Philippines
Branch: 1
Number of year: 23

Taiwan
Branch: 3
Number of year: 53

Hong Kong
Branch: 2
Number of year: 64

Cambodia
Branch: 1
Number of year: 4

Indonesia
Branch: 3
Number of year: 46

Note: As at December 2018
/1 Wholly-owned subsidiary

Source: Bangkok Bank filing

2019 Financial target

| Consolidated | 2019 Financial target |
|-----------------------|-----------------------|
| Loan growth | 4-6% |
| NPL ratio (gross) | Maintain |
| Net interest margin | Slightly increase |
| Net fee income growth | Mid 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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Bangkok Bank website

www.bangkokbank.com

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