

July 19, 2018

Bangkok Bank reports second quarter 2018 net profit of Baht 9.2 billion

The Thai economy in the second quarter of 2018 continued to grow on the back of expansion of Thailand's exports and tourism. The domestic economy started to show more visible signs of recovery with solid growth in both private consumption and private investment. Private consumption rose moderately due to the continued growth of the economy, mainly driven by non-agricultural households, especially those with medium to high incomes. In line with the solid expansion of Thai exports, those industries benefiting from growing exports have begun to invest to expand their production capacity, resulting in increased private investment. This was coupled with visible signs of government investment in infrastructure projects as well as the Eastern Economic Corridor Development Plan, which is helping to increase confidence in the business sector, improve the investment climate and attract more foreign investment. However, the Thai economy has also been impacted by external risks, stemming from the effects of severe countertrade measures between the US and other major economies, and volatility in financial markets following the movement of interest rates and currencies.

Against this backdrop, Bangkok Bank has continued its prudent approach towards financial management, maintaining liquidity and capital reserves at sufficient levels to cope with uncertainties which may arise, and to support future business expansion to ensure the Bank's financial sustainability.

For the second quarter of 2018, Bangkok Bank and its subsidiaries have reported a net profit attributable to owners of the Bank of Baht 9.2 billion, an increase of 14.3 percent from the second quarter of last year. Net interest income amounted to Baht 17.6 billion, an increase of 6.1 percent, and a net interest margin of 2.33 percent. Non-interest income was Baht 13.7 billion, an increase of 19.1 percent, due predominantly to an increase in gains on trading and foreign exchange transactions, gains on investments, and net fees and service income mainly attributed to a rise in fee income from bancassurance and mutual funds. The Bank's operating expenses were Baht 13.4 billion, an increase of 4.1 percent, while the ratio of expenses to operating income was 42.8 percent.

At the end of June 2018, the Bank's loans amounted to Baht 2,065.5 billion, an increase of 3.1 percent from the end of 2017, due to loans to large corporates and loans made through the Bank's international network. The ratio of non-performing loan (NPL) was 3.5 percent. In line with the prudent approach of setting aside adequate provisioning expenses, the Bank's total allowances for doubtful accounts amounted to Baht 147.2 billion, which will provide a cushion against any uncertainty or new regulations.

In terms of capital, with the inclusion of net profit for the six months ending June 30, 2018, the total capital adequacy ratio, the Common Equity Tier 1 capital adequacy ratio and the Tier 1 capital adequacy ratio of the Bank and its subsidiaries would be approximately 18.0 percent, 16.5 percent and 16.5 percent, respectively.

These capital adequacy ratios are above the Bank of Thailand's minimum capital requirements. Shareholders' equity attributable to owners of the Bank as of June 30, 2018, amounted to Baht 399.9 billion. The book value per share was Baht 209.47.

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