

Investor Presentation

May 2016



Bangkok Bank

1. Operating Environment
2. Our Financial Results 1Q 2016
3. Our Key Focus & Strategy

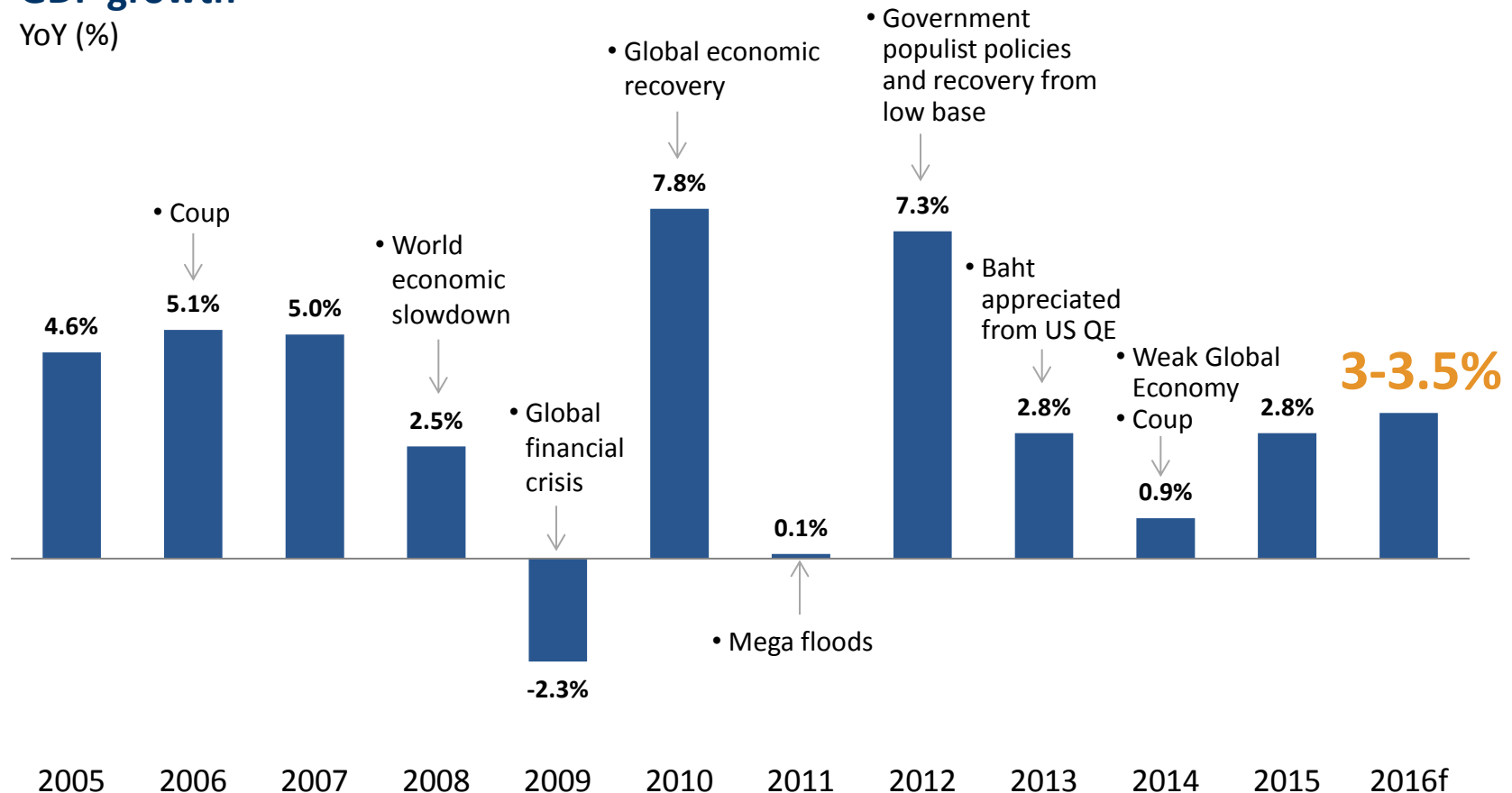
Bangkok Bank

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The Thai Economy in 2016 is Expected to Recover Steadily

GDP growth

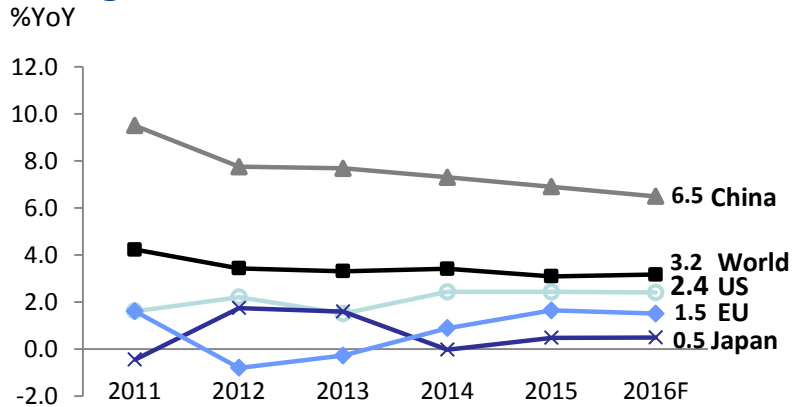
YoY (%)



Source: National Economic and Social Development Board of Thailand and Bank of Thailand
2016f GDP forecast by Bangkok Bank
Since 2012 GDP Revised by Chain Volume Measures

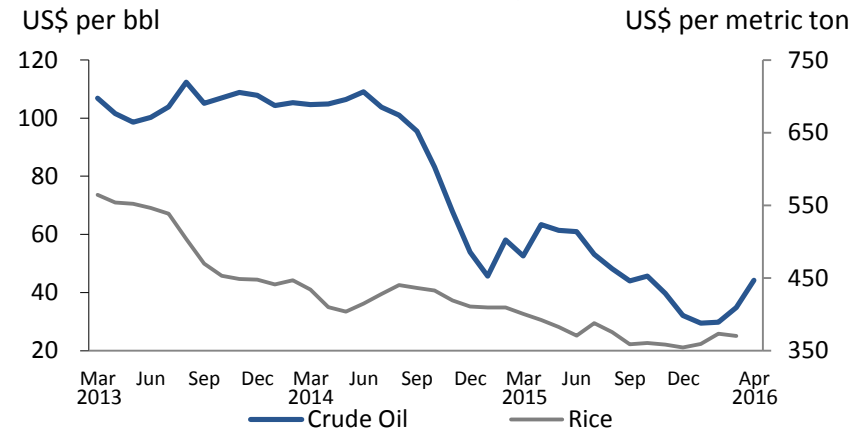
Challenges from External Factors

GDP growth



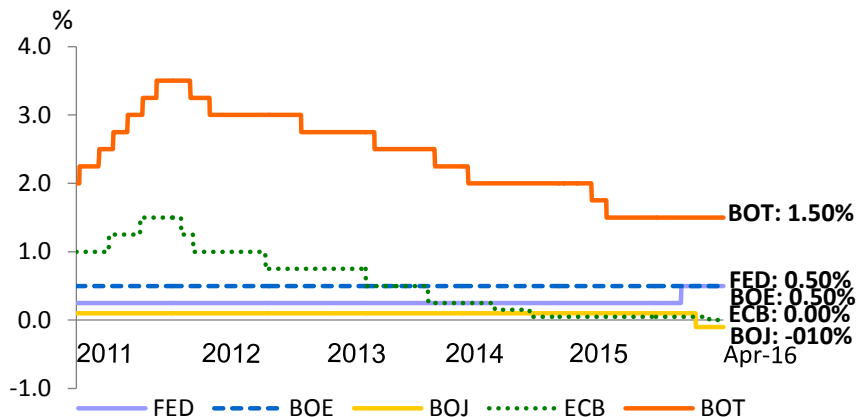
Source: International Monetary Fund, World Economic Outlook Database April 2016

Crude Oil (Dubai) & Rice (5 percent, Thailand)



Source: Bloomberg

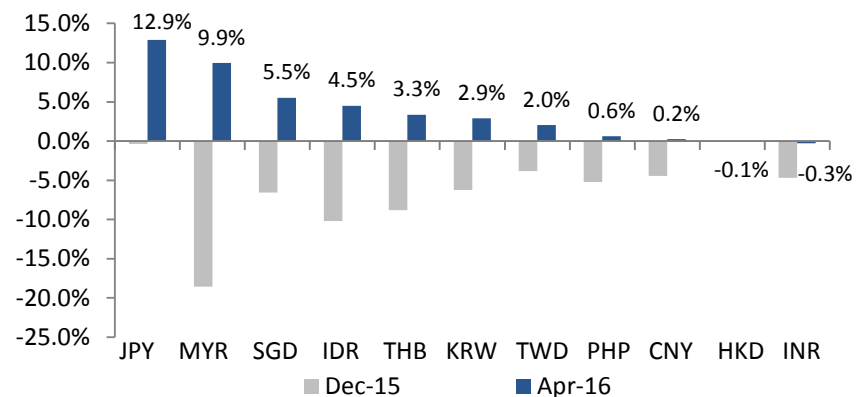
Policy Interest Rate



Note: BOT : Bank of Thailand, ECB : European Central Bank, BOE : Bank of England, FED : Federal Reserve of the United States, BOJ : Bank of Japan
Source: Bloomberg, www.cbrates.com

Exchange Rate

%YTD of currencies change to US Dollar

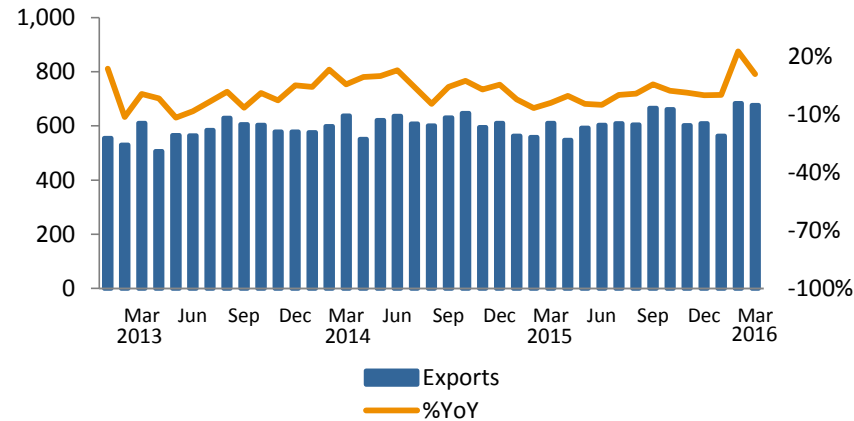


Note: IDR: Indonesian Rupiah, MYR: Malaysian Ringgit, SGD: Singapore Dollar, THB: Thai Baht, PHP: Philippine Peso
Source: Bloomberg

Government Investment becomes a Main Driver of the Domestic Economy

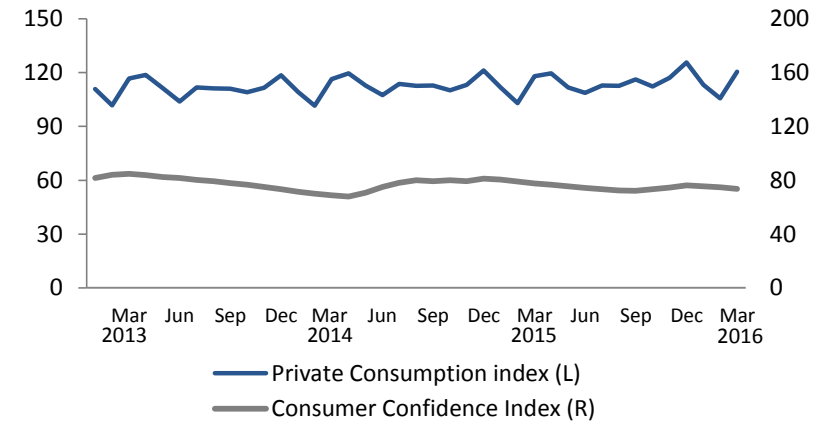
Exports

Billion Baht



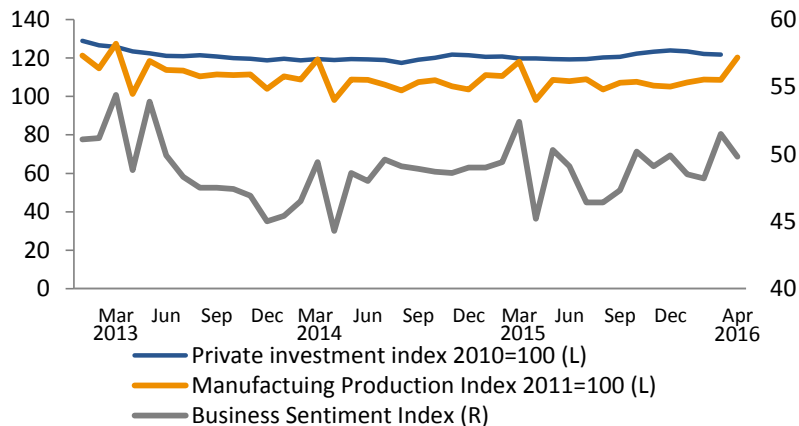
Consumption indicators

Index (2010=100)



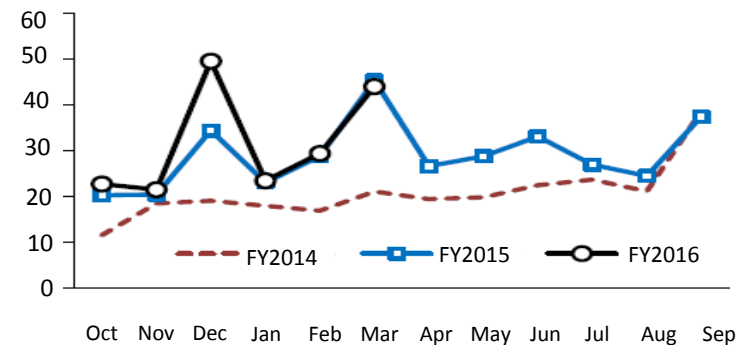
Investment indicators

Index



Government investment expenditure

Billion Baht



Note: Excluding subsidies/grants and other

Source: Bank of Thailand, The Office of Industrial Economics, Center for Economic and Business Forecasting, Bureau of Budget and Fiscal Policy Office and Thailand Stock Exchange

Infrastructure Projects in the Pipeline

2015-2022 Infrastructure Projects 1.9 Trillion Baht

1

Inter-city rail network
Baht 494 billion

2

Transportation in
Bangkok & its vicinity
Baht 745 billion

3

Highway network
Baht 522 billion

4

Water transportation
Baht 101 billion

5

Air transport
Baht 50 billion



20 Transport Infrastructure Projects under Immediate Investment Plan

▶ 4 Projects approved by Cabinet and bidding in 2015

Meter-gauge, Dual-Track Railway

- Jira Junction - Khon Kaen Section (Baht 26 bn)

Motorway

- Pattaya - Mab Ta Phut (Baht 20 bn)
- Bang Pa In- Saraburi- Nakhon Ratchasima (Baht 85 bn)

Coastal port development (Terminal A),
Laem Chabang Port (Baht 2 bn)

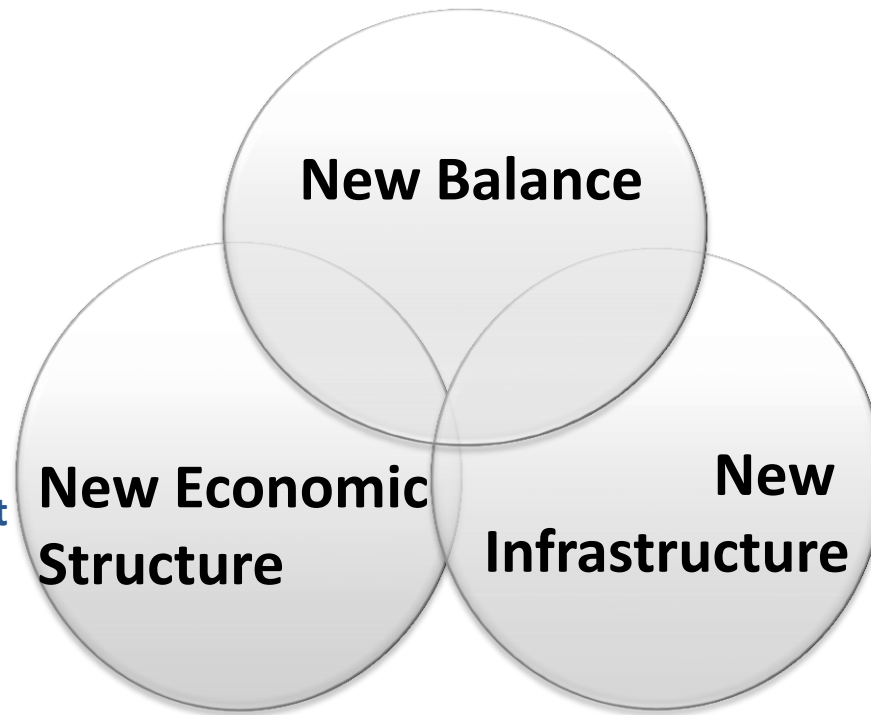
▶ 16 Projects bidding in 2016-2017

- Dual track (Meter Gauge) – 4 Sections
- Dual track (Standard gauge) – 4 Sections
- Mass Rapid Transit – 5 Sections
- Motorway – 1 Section
- Single Rail Transfer Operator (SRT) Phase 1,
Laem Chabang Port
- Suvarnabhumi Airport Phase II

Long Run Policies

Building a New Platform for the Thai Economy

- Strengthen the local economy to reduce export reliance



- Double S-Curves: 10 flagship industries
- Special Economic Zones
- Competitiveness Fund
- 2016→Year of Investment

- Accelerate infrastructure investment
- PPP Fast Track
- National Infrastructure Fund

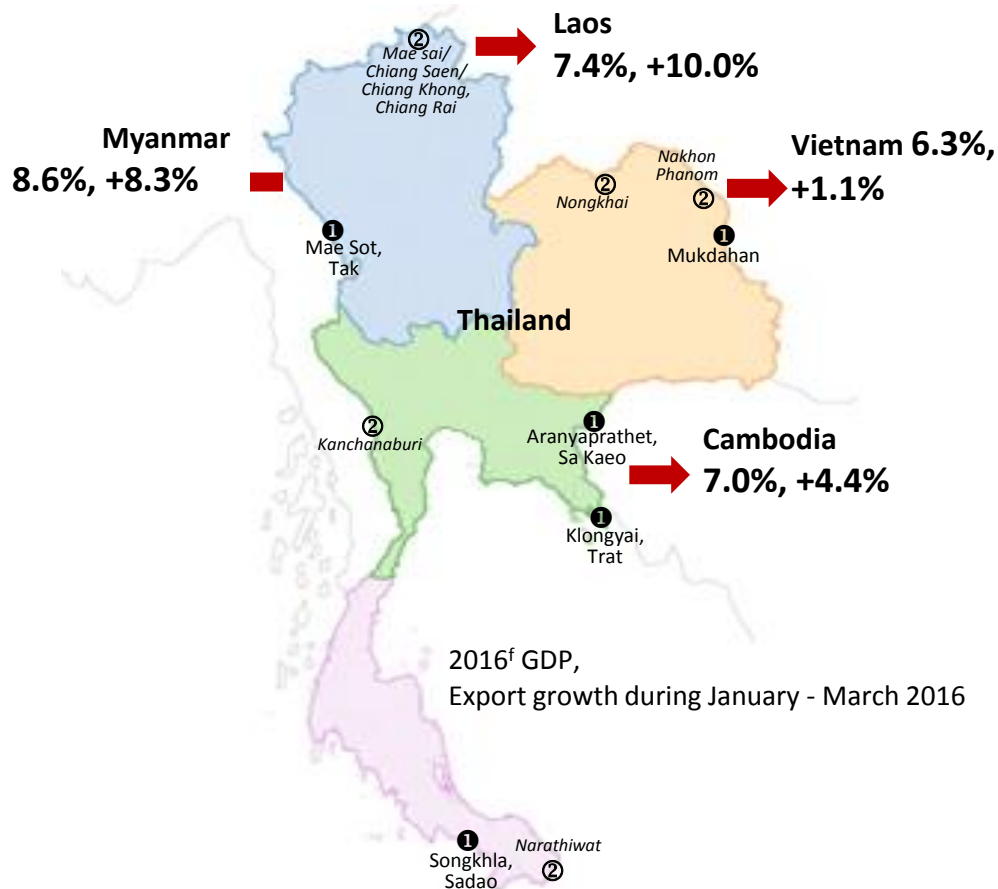
- Increase Thailand's Ease of Doing Business Ranking
- Make Thailand a Human Resource Development Hub

Opportunities from Regionalization & Urbanization

Linkages in the region and AEC



Economic zones and border trade



Note: ① Phase 1 (5 Economic zones), ② Phase 2 (7 Economic zones)

CLMV refers to Cambodia, Laos, Myanmar and Vietnam

Source: Department of Foreign Trade, www.imf.org (World Economic Outlook, April 2016)

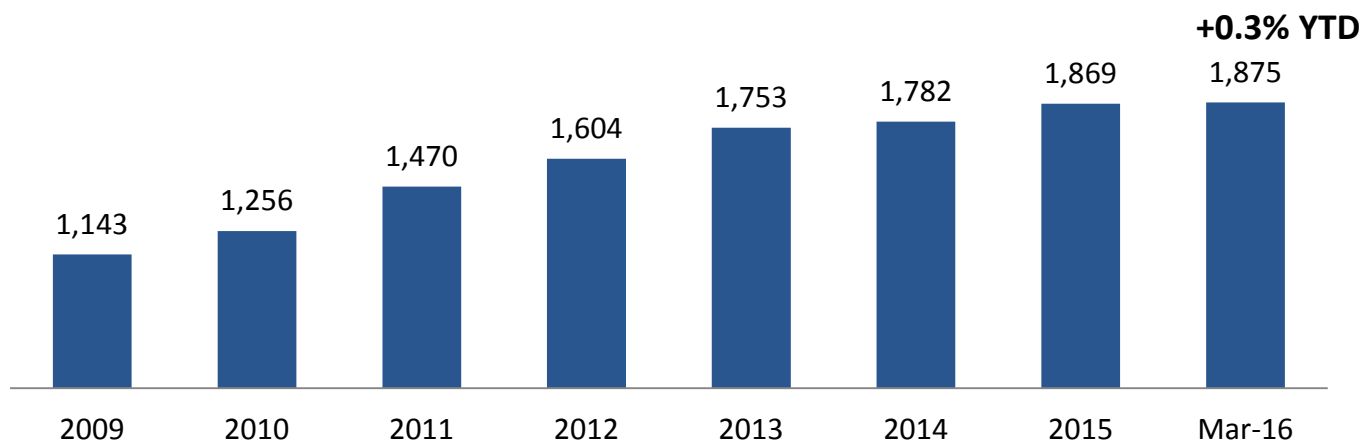
Bangkok Bank

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Prudent Approach to Loan Growth

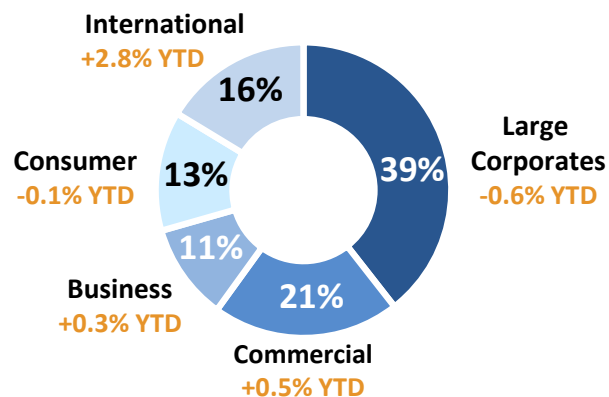
Loan

Billion Baht



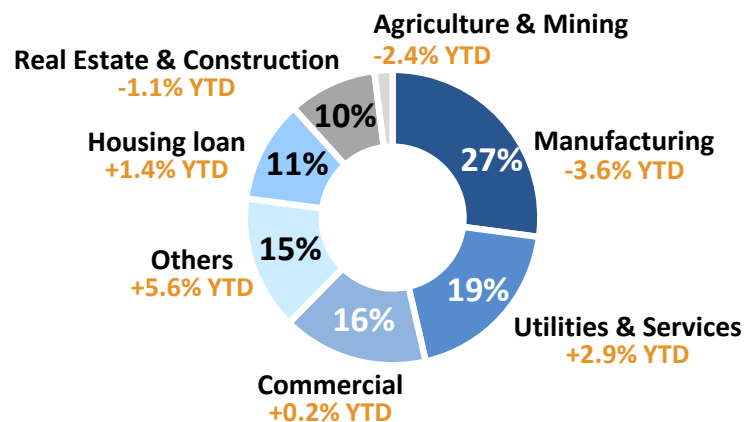
Loan by Business Unit

As at March 2016



Loan by Industry

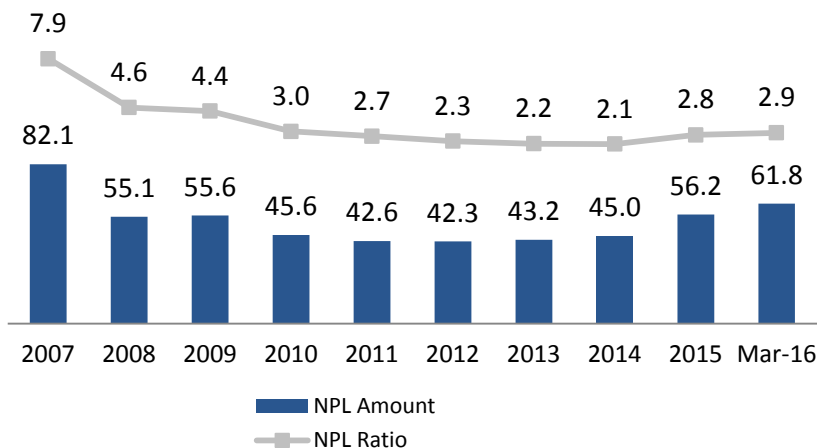
As at March 2016



Manageable Asset Quality Reflects Prudent, Defensive Portfolio

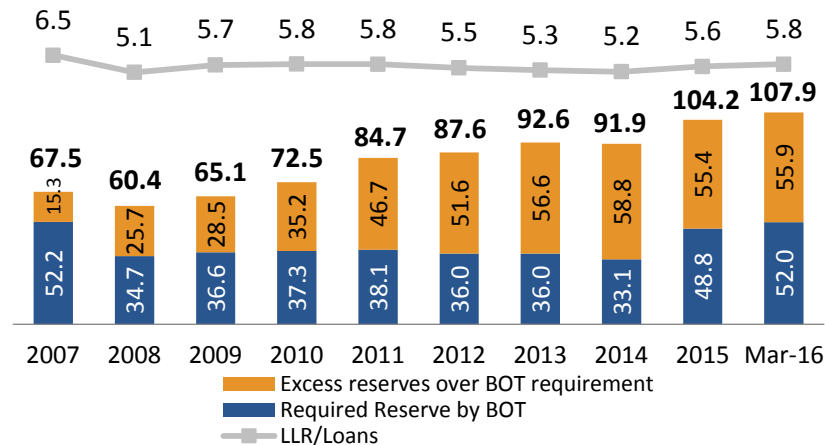
NPL amount, NPL ratio

Billion Baht, Percentage



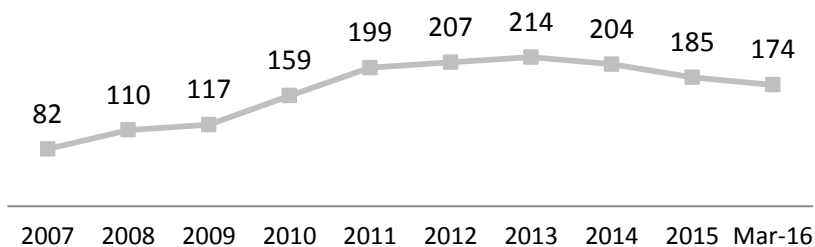
Loan loss reserves, LLR/Loan

Billion Baht, Percentage



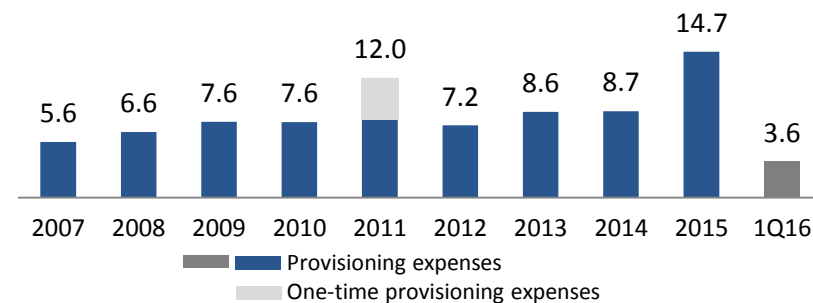
Coverage ratio

Percentage



Provisioning expenses

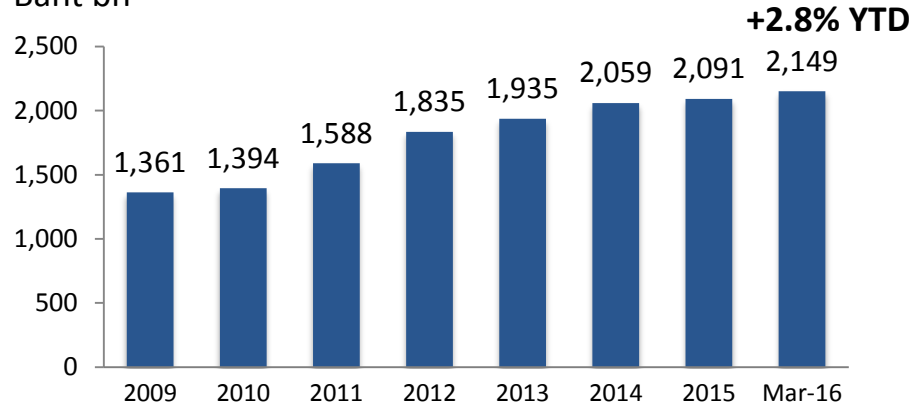
Billion Baht



Strong Liquidity and Funding Positions

Deposit

Baht bn

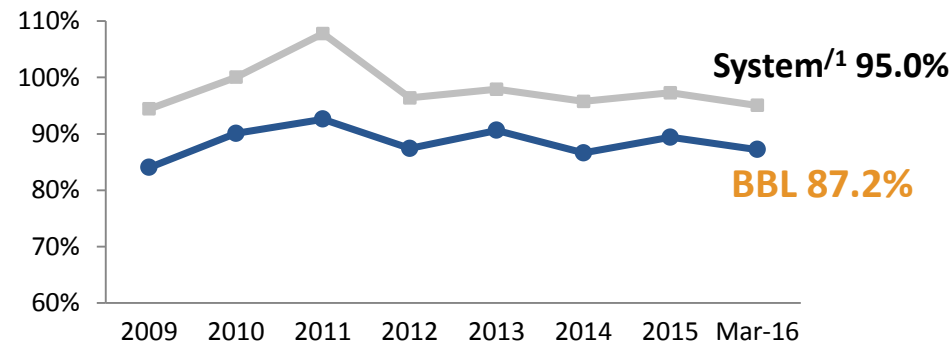


Funding sources^{/2}

As at March 2016

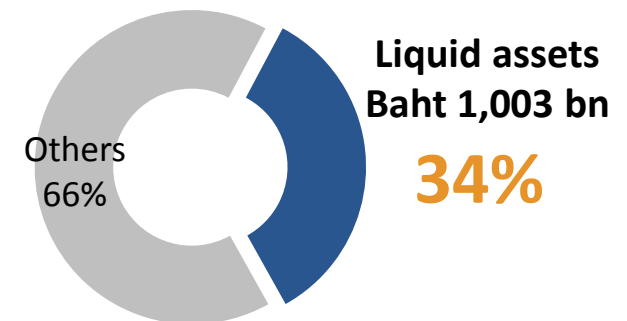


LDR consistently lower than System



Liquid assets^{/3}

As at March 2016



Note: /1 System refers to 31 commercial banks in Thailand

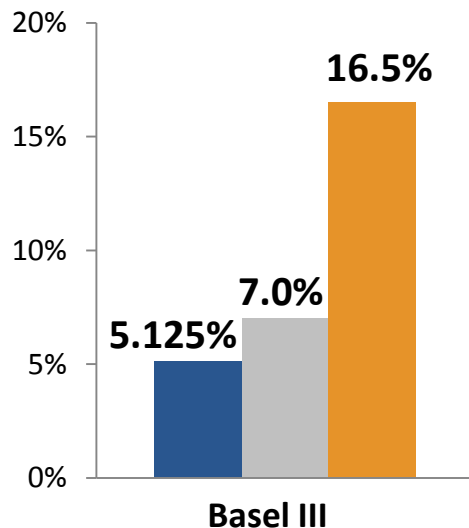
/2 Funding sources are defined as total liabilities consisting of deposit, interbank and money markets liabilities, liabilities payable on demand, borrowings, and others

/3 Liquid assets consist of cash, interbank and money market assets, claims on securities, and trading & available-for-sale securities

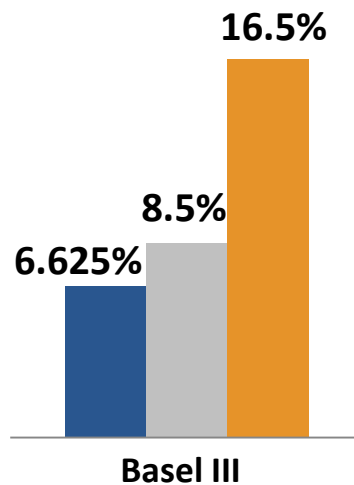
Source: Bank of Thailand, Bangkok Bank Analysis

Solid Capital Base

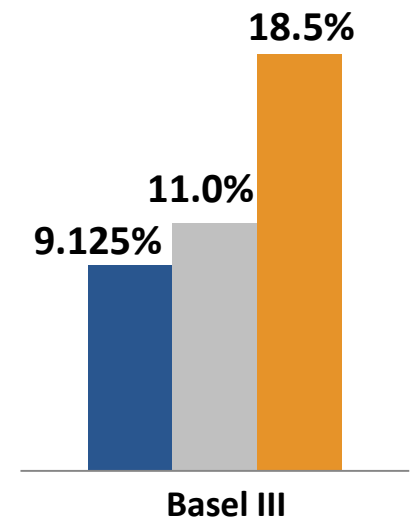
Common Equity Tier 1 Ratio



Tier 1 Ratio



Total Capital Adequacy Ratio



■ Capital requirements^{/1}
until the end of 2016

■ Capital requirements^{/1}
as of the year 2019

■ BBL's ratio^{/2} as of
March 31, 2016

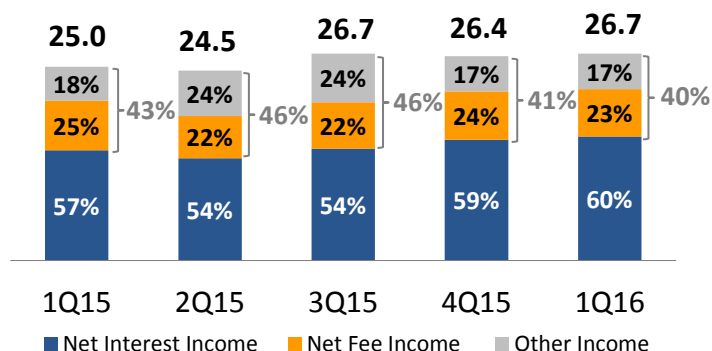
Note: /1 The Bank of Thailand requires commercial banks to maintain an additional capital conservation buffer. The buffer will gradually increase by more than 0.625% each year from January 1, 2016 until it reaches more than 2.5% in January 1, 2019

/2 The ratios include net profit for the second half of 2015, the first quarter of 2016 and the deduction of dividend payments in May 2016

Performance Driven by Steady Income Growth

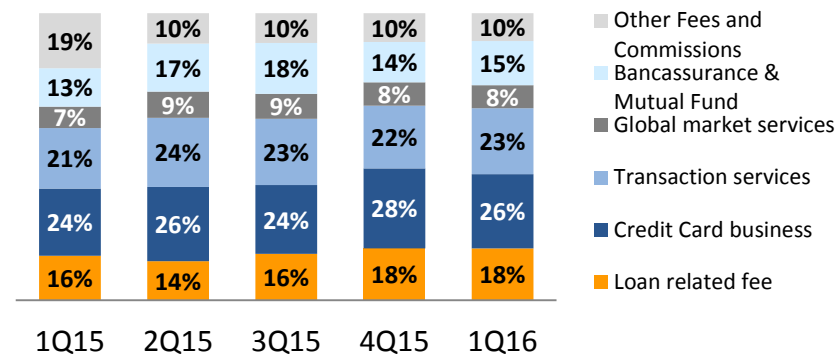
Income breakdown

Baht bn, Percentage of composition



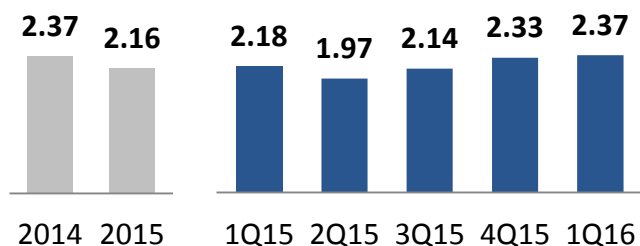
Fee income breakdown

Percentage



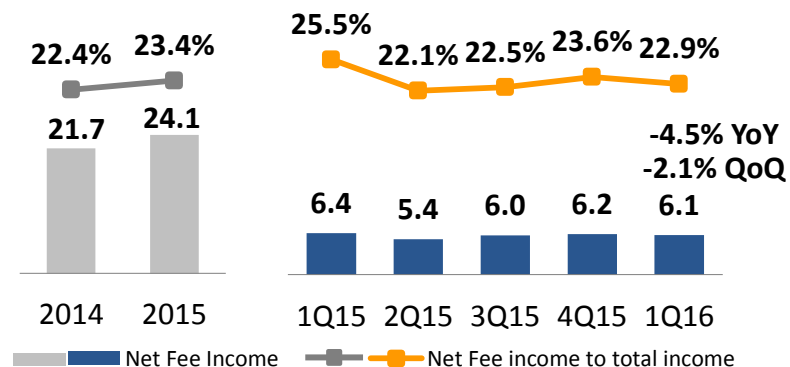
NIM

Percentage



Net fee income

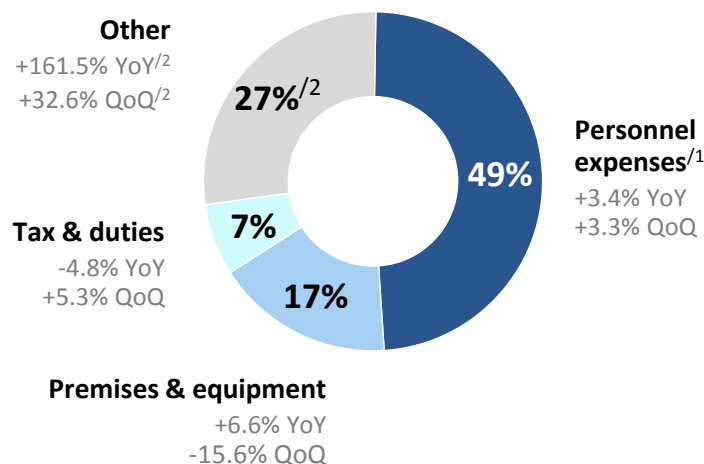
Baht bn, Percentage



Continued Focus on Cost Management

Operating expenses breakdown

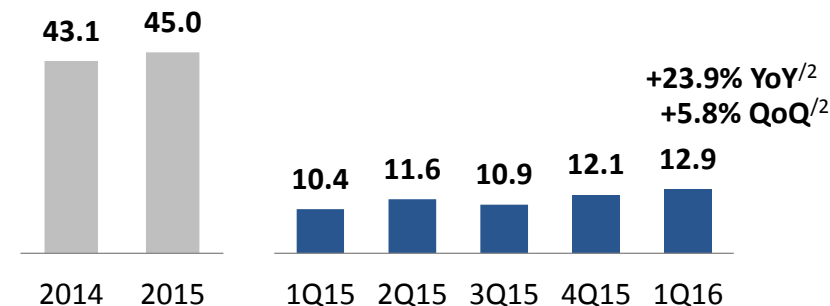
For 1Q16



Note: /1 Including directors' remuneration
/2 Caused mainly by the provisions for contingencies

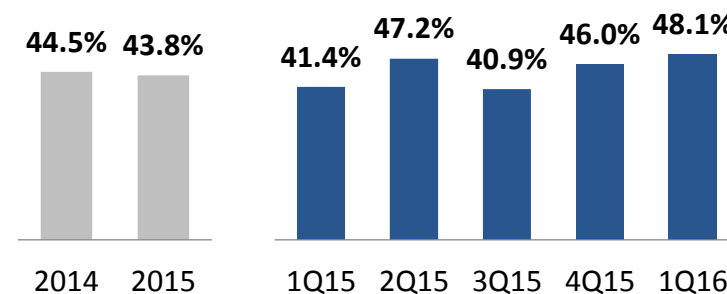
Operating expenses

Baht bn



Cost-to-income ratio

Percentage

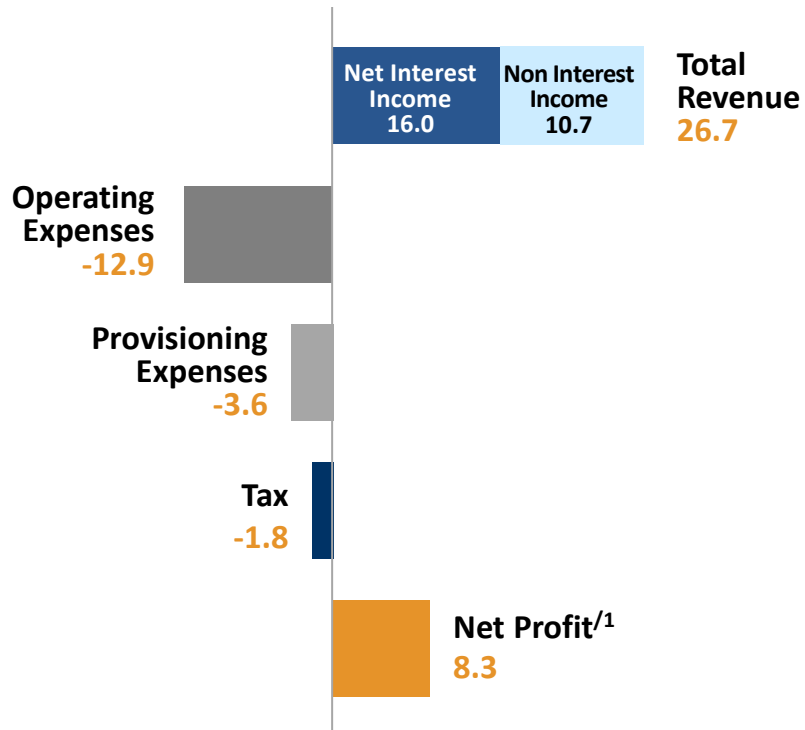


Overall Profitability

Profitability drivers

For 1Q16

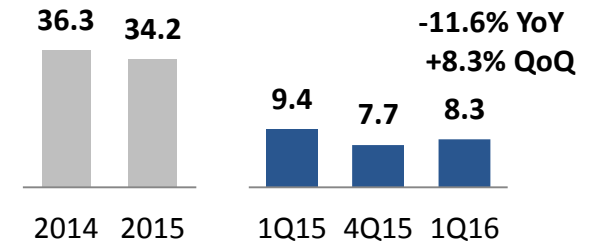
Billion Baht



Note: /1 Owners of the Bank

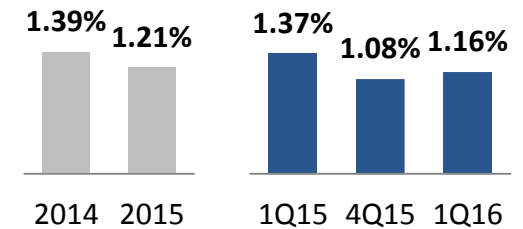
Net Profit^{/1}

Billion Baht



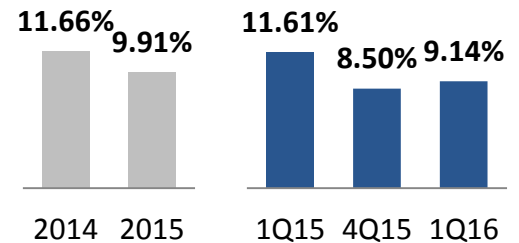
ROA^{/1}

Percentage



ROE^{/1}

Percentage



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Our Key Focus & Strategy

Improve

Customer Focus

- Leverage **long-term relationships**
- Utilize **regional branch** presence and **extensive network** across the country
- **Cross-sell** to deepen financial product offerings

Prudent

Banking Strategy

- **Closely monitor portfolio** – impacted by macro economic downturn
- Rigorous **risk management** framework
- **Diversified** credit exposure

Leverage

Core Capability

- **Strong liquidity** with broad deposit base
- **Solid capital** base

Appendix

Baht 1.9 trillion for 2015-2022 Infrastructure Projects

Inter-city rail network Baht 494 billion

1

- Development of double-track rail
- Improved equipment and infrastructure

Transportation in Bangkok & its vicinity Baht 745 billion

2

- 10 electric train routes
- Buy 3,183 NGV buses and improve parking places
- Development of road networks and bridges in Bangkok and its vicinity

Highway network Baht 522 billion

3

- Improved access to agricultural and tourism areas
- Network to production bases, link cities and international transportation
- Improved road facilities to connect multi-channel transportation systems

Air transport Baht 50 billion

5

- Improved efficiency of airports, air fleet, and air traffic to meet international standards
- Establishment of aircraft industrial estates
- Construction of buildings for civil aviation

Water transportation Baht 101 billion

4

- Development of ports
- Improved efficiency of water transportation and maintained river banks



Source: www.bangkokbiznews.com

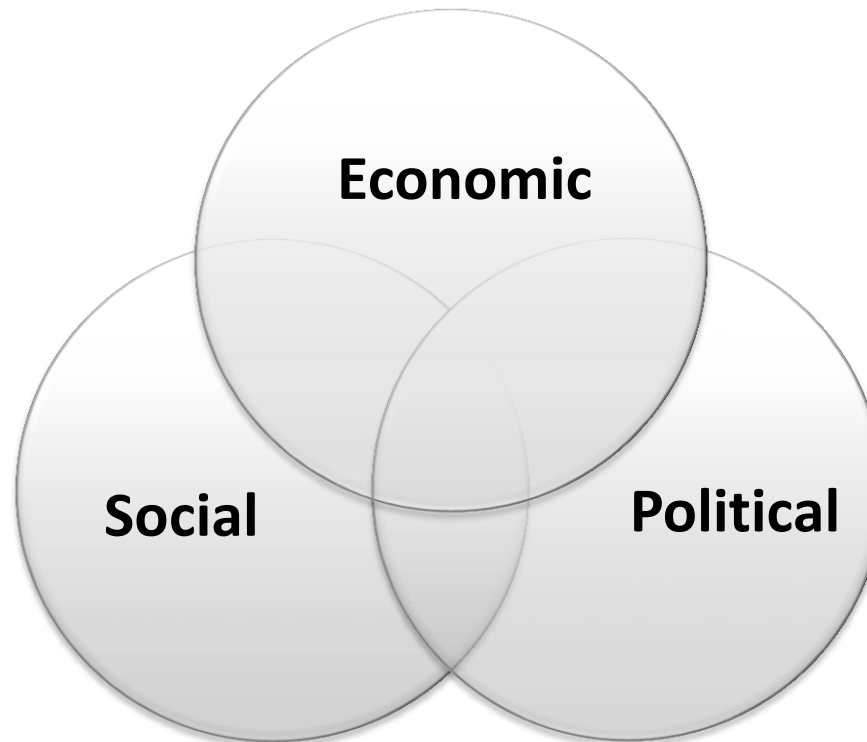
Thailand in Transition

Multiple Facets Reforms for Future Growth

Ensure Thailand's Competitiveness

- State enterprises reforms
- Competition law
- Enforce SFIs' mandates
- Logistics infrastructure
- Overseas investment
- Special Economic Zones

- Reduce Inequality and Prepare for Aging Society**
- Land ownership reforms
 - Welfare reforms
 - Voluntary savings scheme




- Install Well-functioning Political System**
- Election reforms
 - Corruption prevention
 - Improve public sector effectiveness



Opportunities from Regionalization & Urbanization

1,147 domestic branches/¹

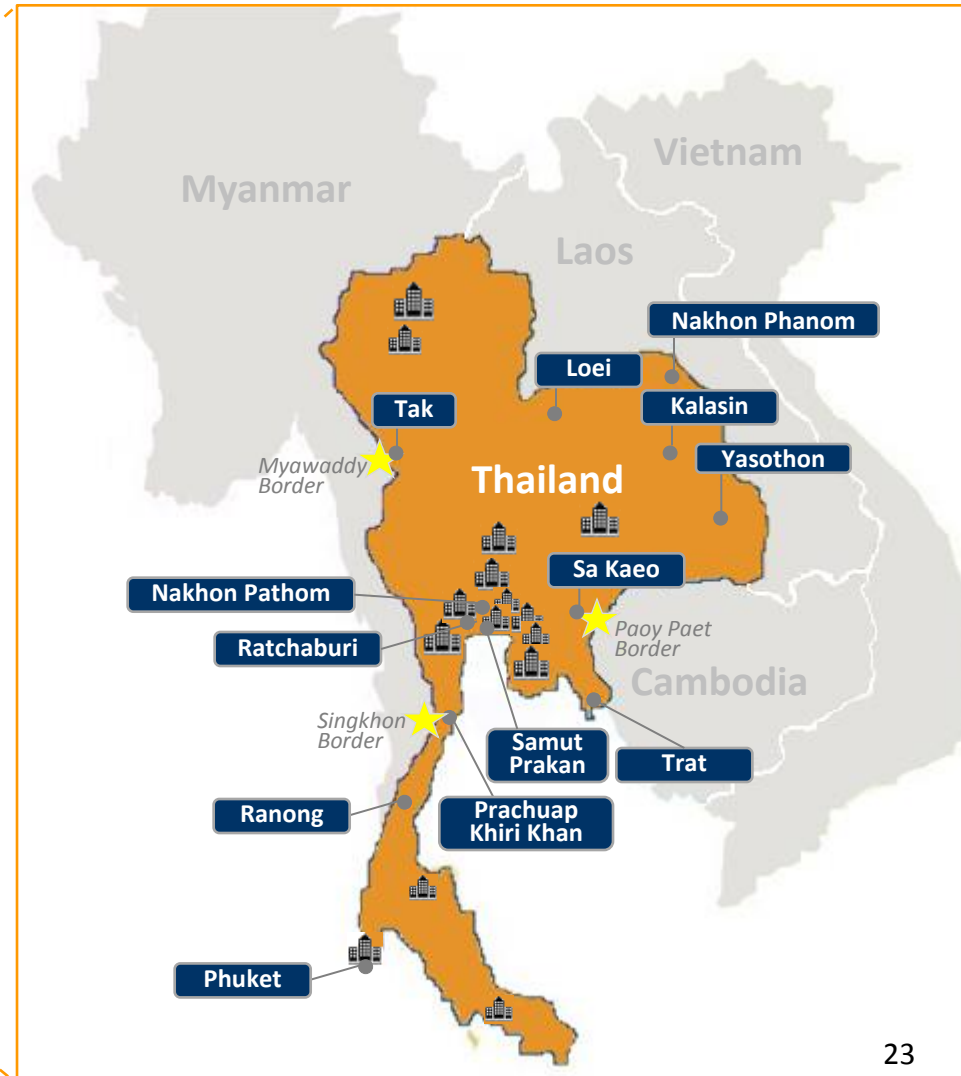
32 international branches in **15** economies



Note:  Business centers (offices to service SME customers) opened during 2013 – March 2016

 Border crossing point  Trade Finance Center

¹ As at March 2016, Branches excluded 94 self-service



Long-standing International Presence

UK

Branches: 1
Number of Years: 58

Cayman Island

Branches: 1
Number of Years: 4 months

USA

Branches: 1
Number of Years: 31

Laos

Branches: 2
Number of Years: 22

Myanmar

Branches: 1
Number of Years: 20

Malaysia^{/1}

Branches: 5
Number of Years: 56

Singapore

Branches: 1
Number of Years: 58

Note: As at March 2016

/1 Wholly-owned subsidiaries

Source: Bangkok Bank filings



Vietnam

Branches: 2
Number of Years: 23

China^{/1}

Branches: 6
Number of Years: 29

Japan

Branches: 2
Number of Years: 60

Philippines

Branches: 1
Number of Years: 20

Taiwan

Branches: 3
Number of Years: 50

Hong Kong

Branches: 2
Number of Years: 61

Cambodia

Branches: 1
Number of Years: 1

Indonesia

Branches: 3
Number of Years: 47

Financial Position – March 2016

Baht mn

	2014	2015	Mar-16	Growth (%)
				YTD
Loans/ ¹	1,782,233	1,868,903	1,874,924	0.3%
Deposits	2,058,779	2,090,965	2,149,333	2.8%
LDR	86.6%	89.4%	87.2%	-2.2%
NPL	45,046	56,226	61,841	10.0%
NPL ratio	2.1%	2.8%	2.9%	0.1%
LLR to NPL	204.1%	185.3%	174.4%	-10.9%
LLR to loans	5.2%	5.6%	5.8%	0.2%
Liquid assets/ ²	920,034	906,648	1,003,089	10.6%
Liquid asset to total assets	33.3%	32.0%	34.1%	2.1%
CET1/Tier 1 ratio/ ³	15.6%	16.2%	16.5%	0.3%
CAR/ ³	17.9%	18.3%	18.5%	0.2%

Note:

/1 Loans = Loans to customers 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 were included net profit and deducted dividend

Financial Performance – 1Q16

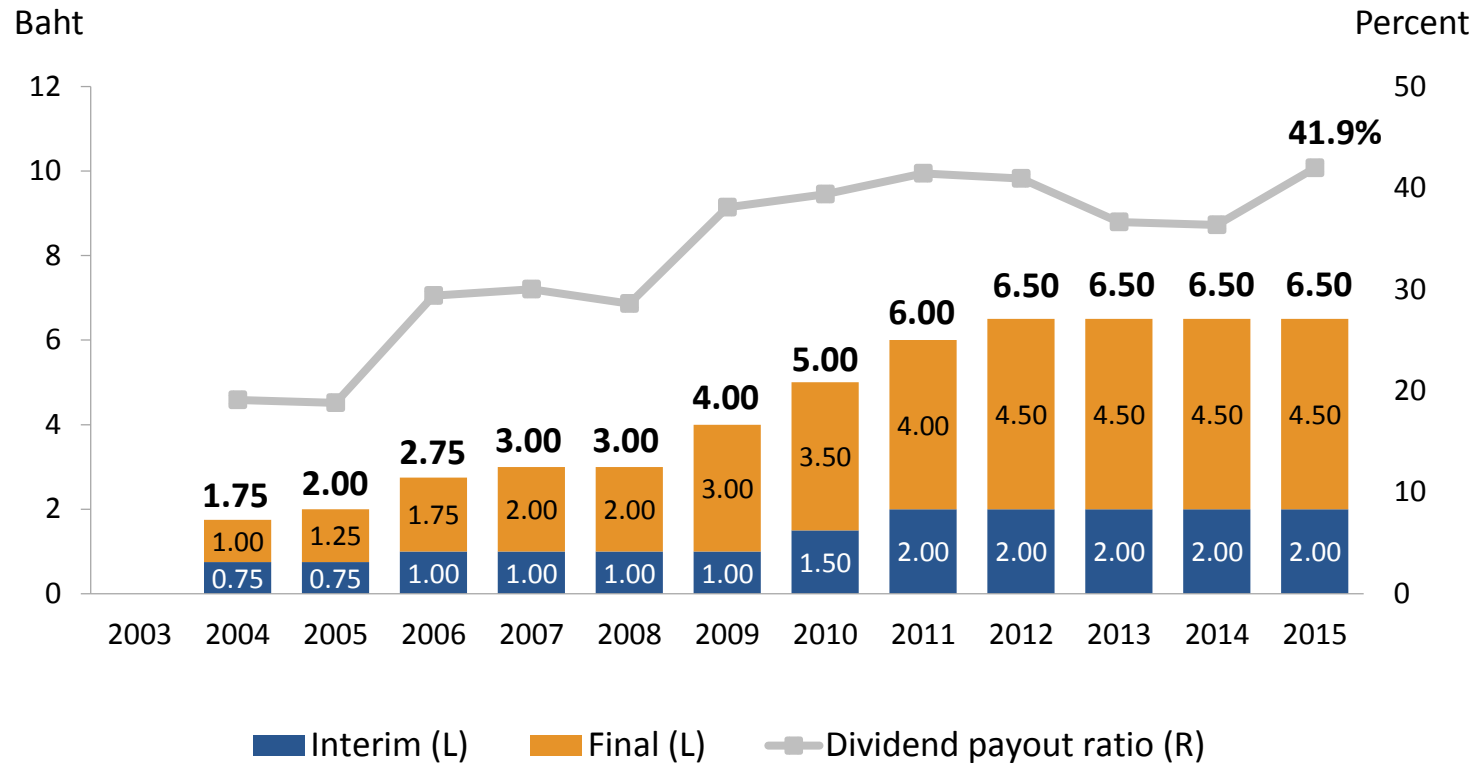
Baht mn

	1Q15	4Q15	1Q16	Growth (%)	
				YoY	QoQ
Net interest income	14,235	15,617	16,034	12.6%	2.7%
Net Fee income	6,394	6,238	6,104	-4.5%	-2.1%
Non-interest income	10,813	10,793	10,672	-1.3%	-1.1%
Total income	25,048	26,410	26,707	6.6%	1.1%
Operating expenses	10,376	12,146	12,856	23.9%	5.8%
Provisioning expenses	2,980	3,880	3,644	22.3%	-6.1%
Net profit/ ¹	9,407	7,681	8,317	-11.6%	8.3%
NIM	2.18%	2.33%	2.37%	0.19%	0.04%
Net Fee income ratio	25.5%	23.6%	22.9%	-2.7%	-0.8%
Cost to income ratio	41.4%	46.0%	48.1%	6.7%	2.1%
ROA/ ¹	1.37%	1.08%	1.16%	-0.21%	0.08%
ROE/ ¹	11.61%	8.50%	9.14%	-2.47%	0.64%

Note:

/1 Attributable to the Bank

Dividends and Payout ratio



For Further Information

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www.bangkokbank.com

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