

Investor Presentation

For 3Q16



Bangkok Bank

1. Operating Environment
2. Our Financial Results 9M 2016
3. Our Key Focus & Strategy

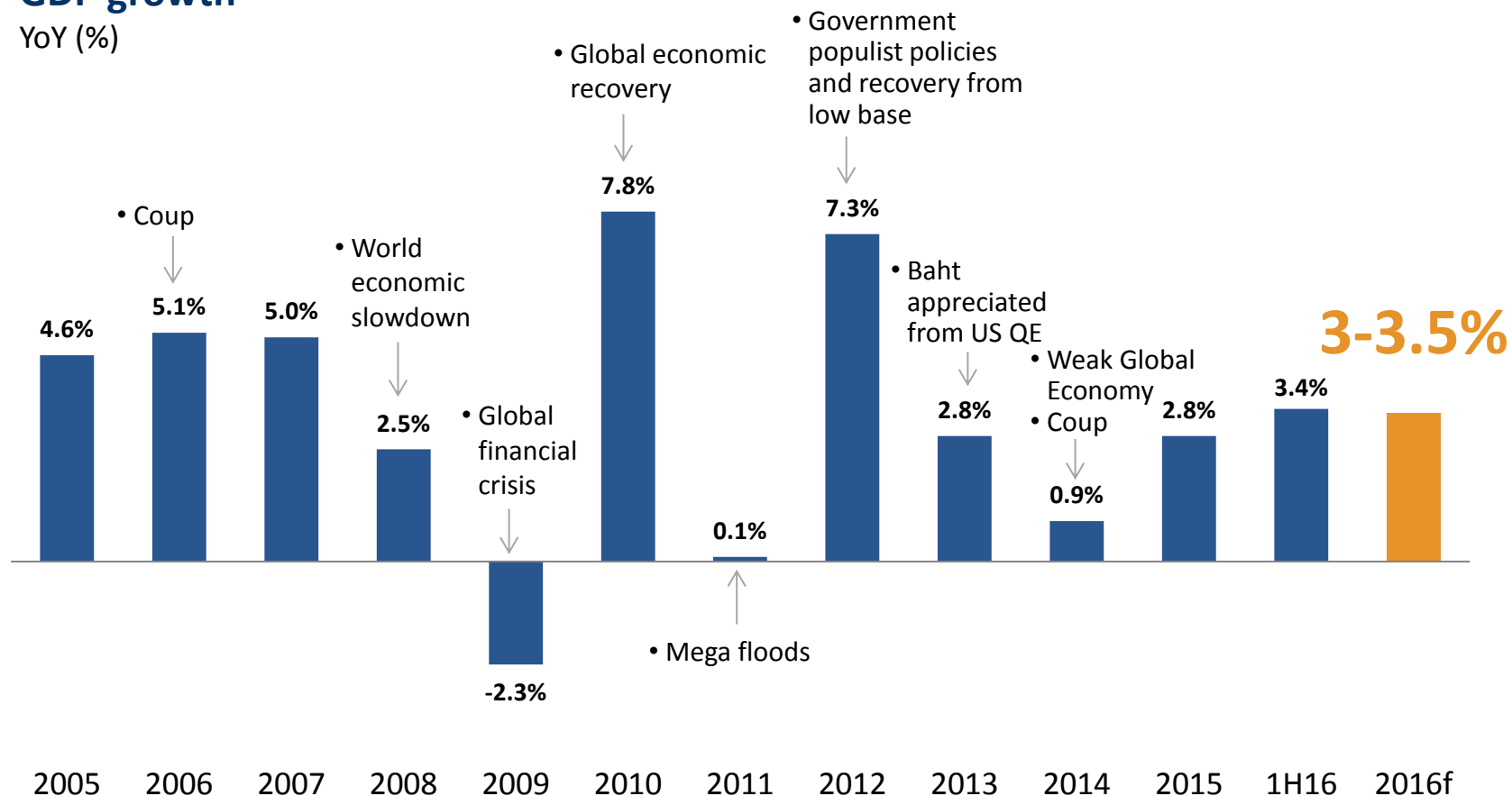
Bangkok Bank

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Steady Trend of Moderate Recovery

GDP growth

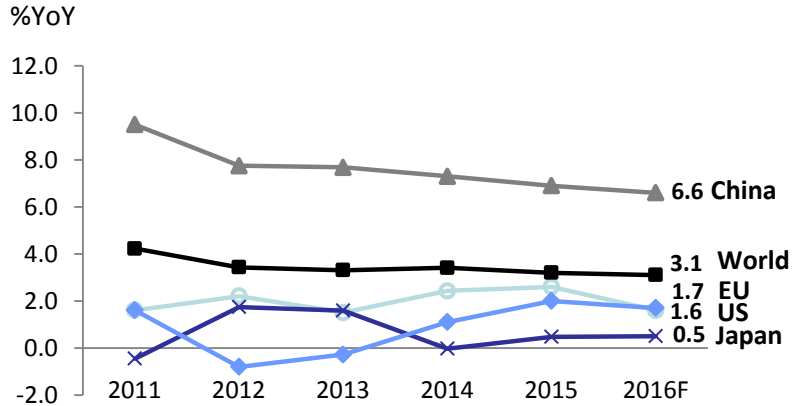
YoY (%)



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

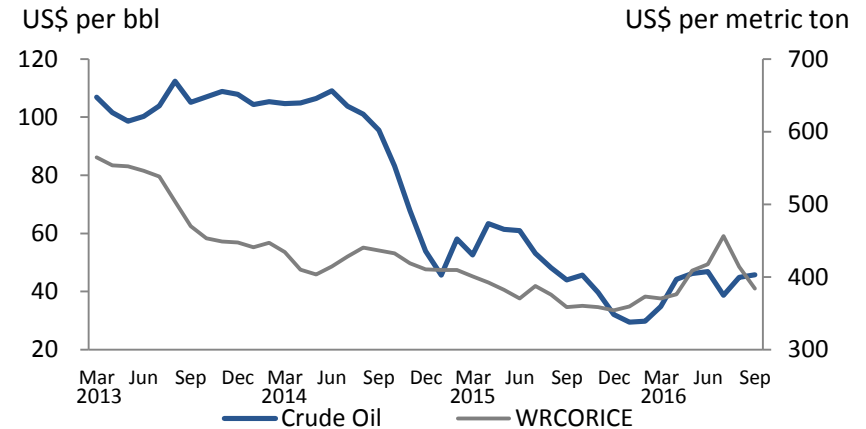
Challenges from External Factors

GDP growth



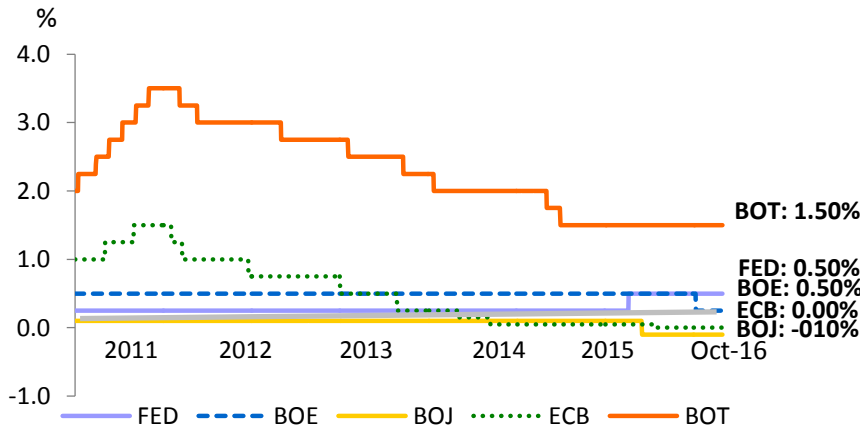
Source: International Monetary Fund, October 2016

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



Source: Bloomberg

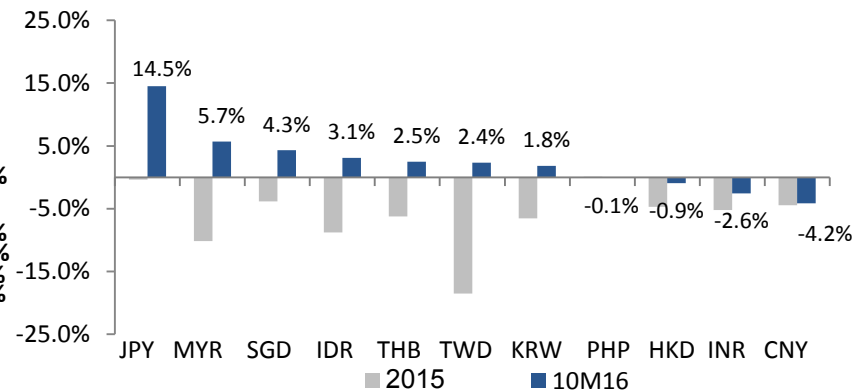
Policy Interest Rate



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

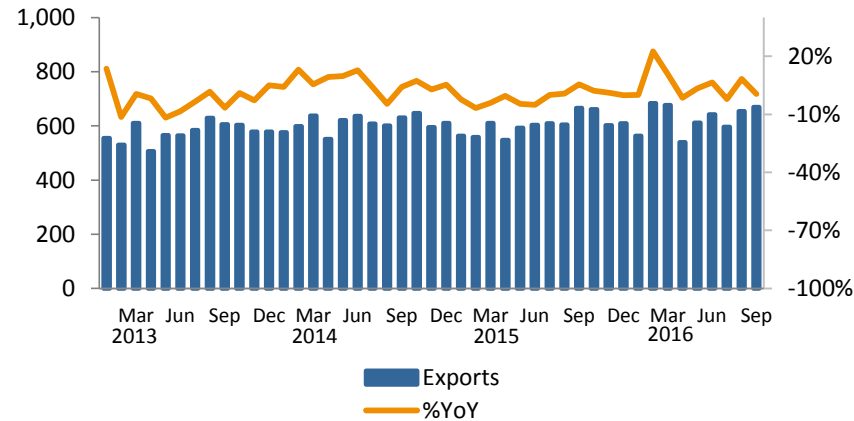


Note: IDR: Indonesian Rupiah, MYR: Malaysian Ringgit, SGD: Singapore Dollar, THB: Thai Baht, PHP: Philippine Peso
Source: Bloomberg

Fiscal Policy Supporting Economic Recovery

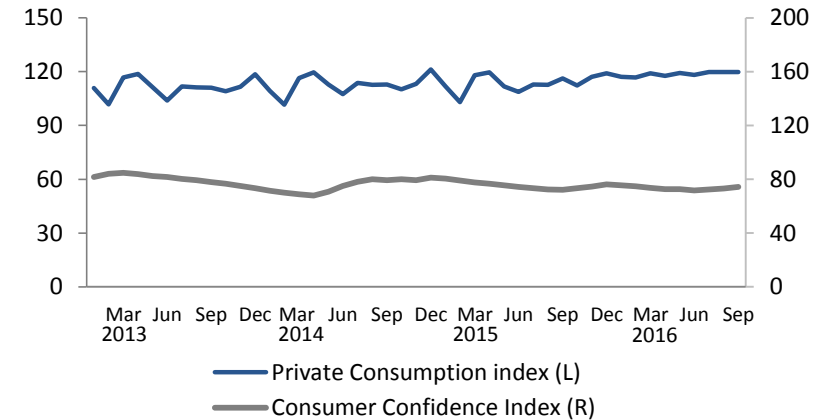
Exports

Billion Baht



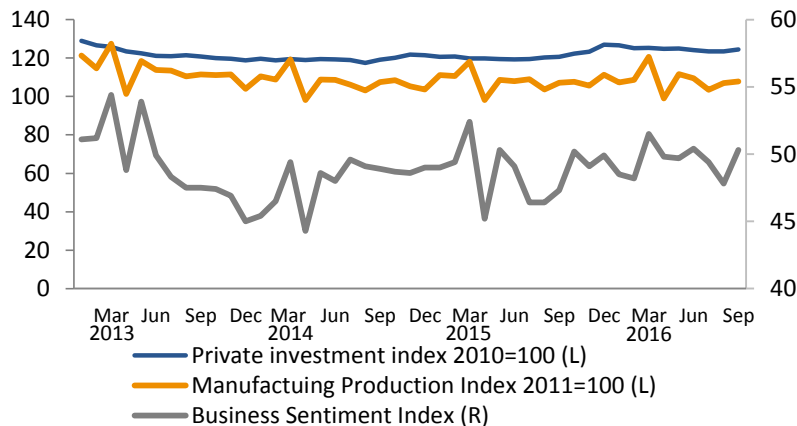
Consumption indicators

Index (2010=100)



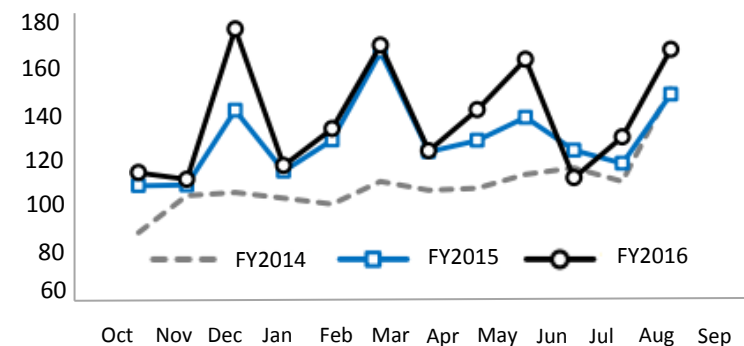
Investment indicators

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 1.797 Trillion Baht

1

Inter-city rail network
Baht 1,184.1 billion

2

**Transportation in
Bangkok & its vicinity**
Baht 396.6 billion

3

Highway network
Baht 160.4 billion

4

Water transportation
Baht 3.9 billion

5

Air transport
Baht 51.6 billion



Transport Infrastructure Projects under Immediate Investment Plan

▶ On the approval by the Cabinet

- Dual track rail: Map Kabao - Jira Junction
- Dual track rail: Nakhonpathom – Hua Hin
- Dual track rail: Lopburi - Pak Nam Pho
- Red line: Bang Sue – Hua Lamphong
- Purple line: Tao Poon - Rat Burana

▶ On the pre-auction process

- Dual track rail: Prachuap Khiri Khan – Chumphon
- Orange line: Thailand Culture Center – Minburi
- Pink line: Khae Rai – Minburi
- Yellow line: Ladprao - Samrong

▶ On auction

- Motorway: Bang Pa-in -Nakhon Ratchasima
- Motorway: Bang Yai – Kanchanaburi
- Suvarnabhumi Airport Phase II

▶ Under construction

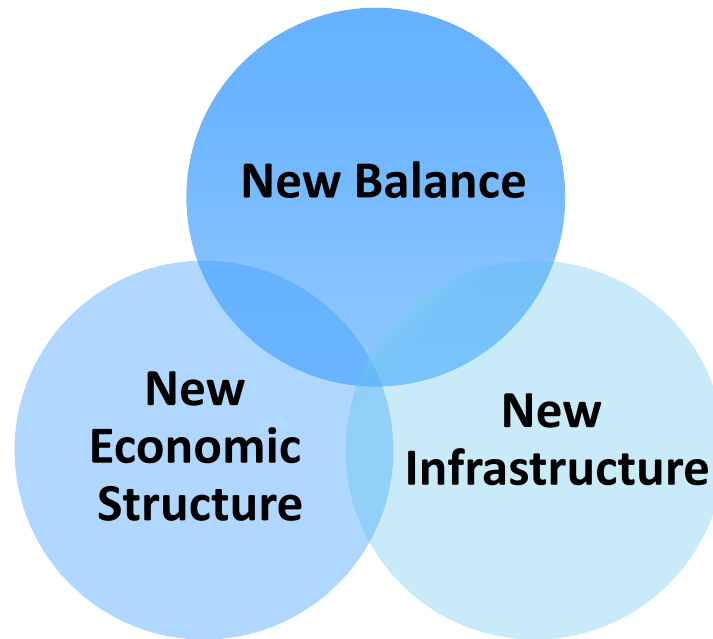
- Motorway: Pattaya - Map Ta Phut
- Port development: Port A Leam Chabang
- Cargo terminal Phase I, Leam Chabang
- Dual track rail: Jira - Khon Kaen

Source: Office of Transport and Traffic Policy and Planning, Ministry of Transport
* As of June 2016

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

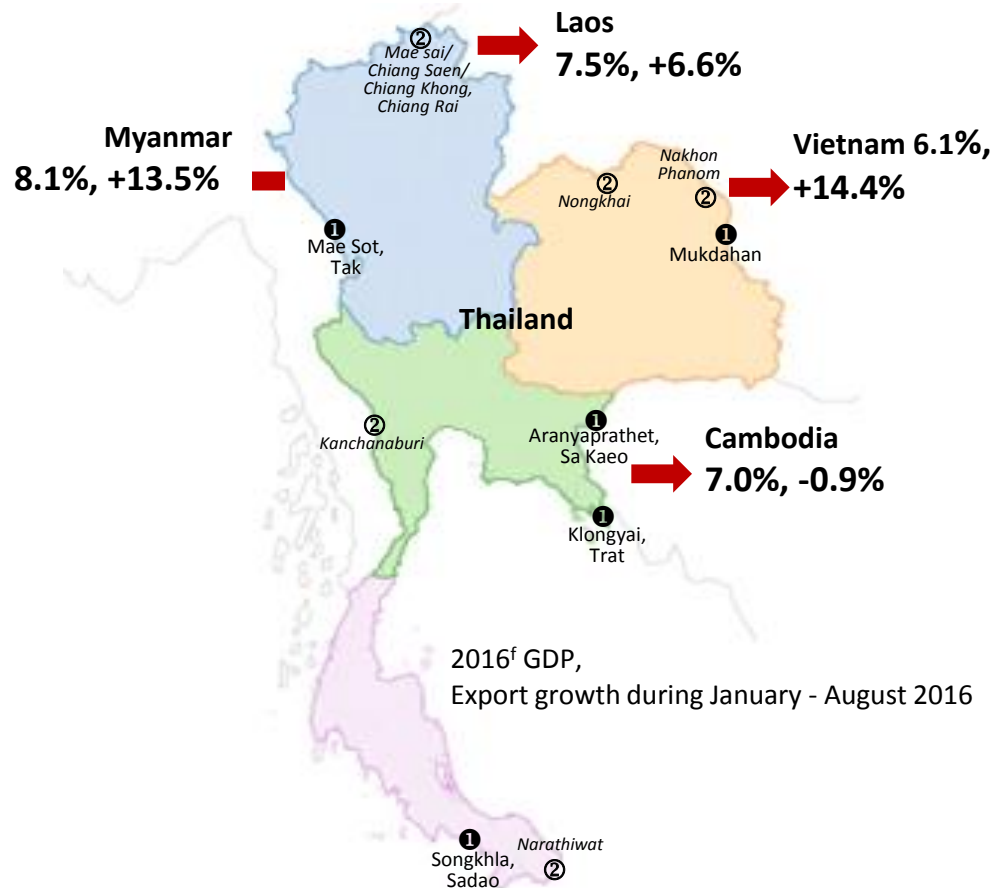
-
- ▶ Increase Thailand's Ease of Doing Business Ranking
 - ▶ Make Thailand a Human Resource Development Hub

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 (October 2019)

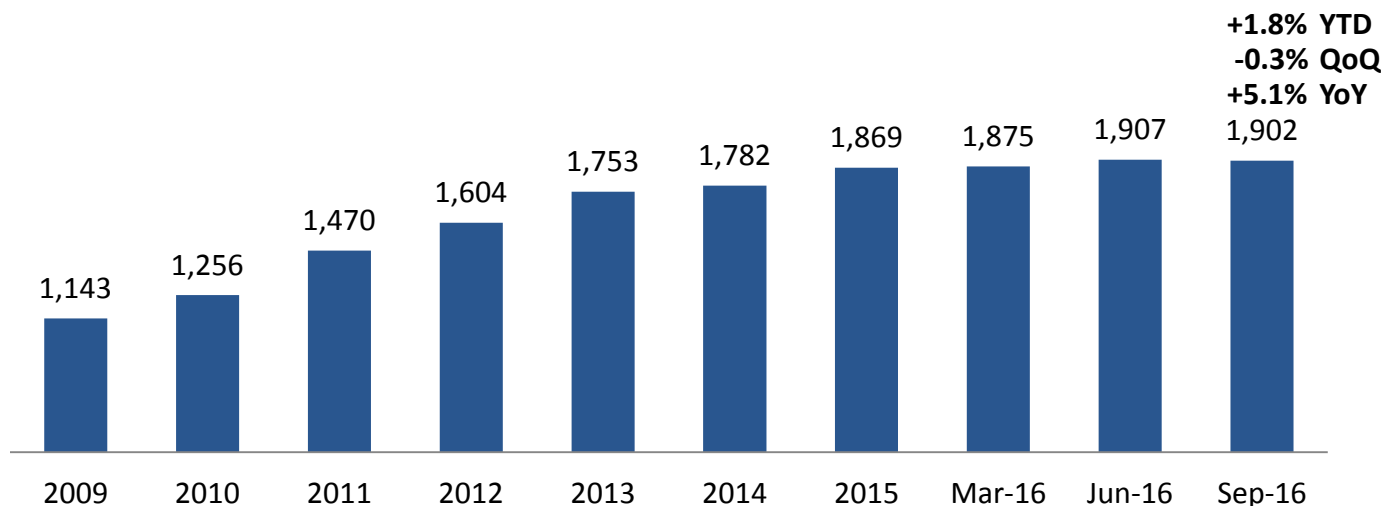
Bangkok Bank

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Prudent Approach to Loan Growth

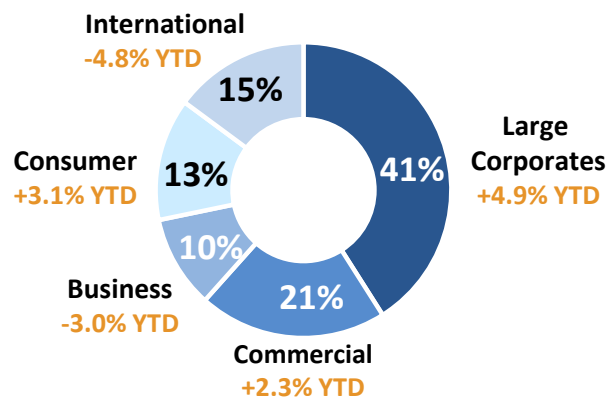
Loan

Billion Baht



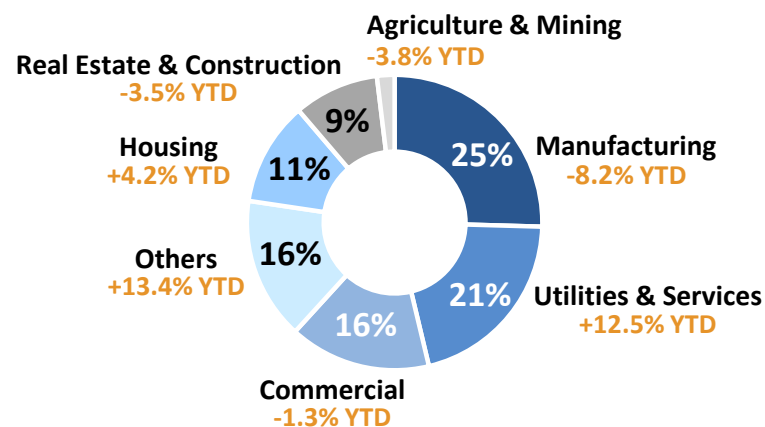
Loan by Business Unit

As at September 2016



Loan by Industry

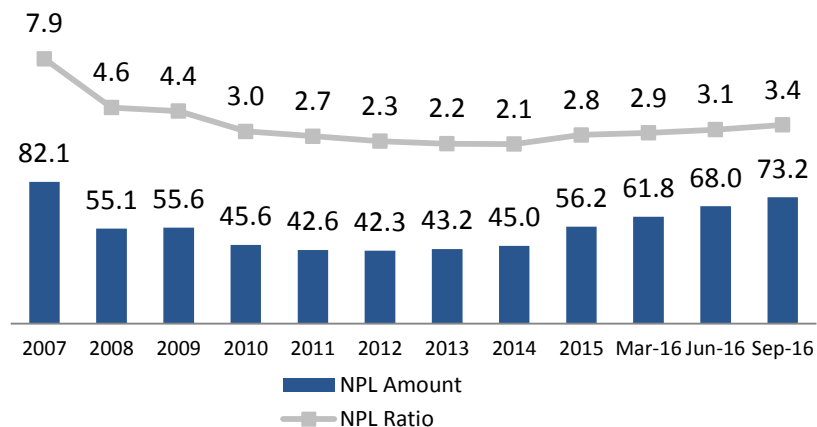
As at September 2016



Consistent Provisioning Policy

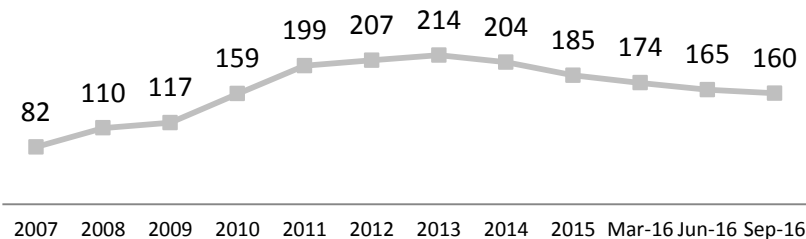
NPL amount, NPL ratio

Billion Baht, Percentage



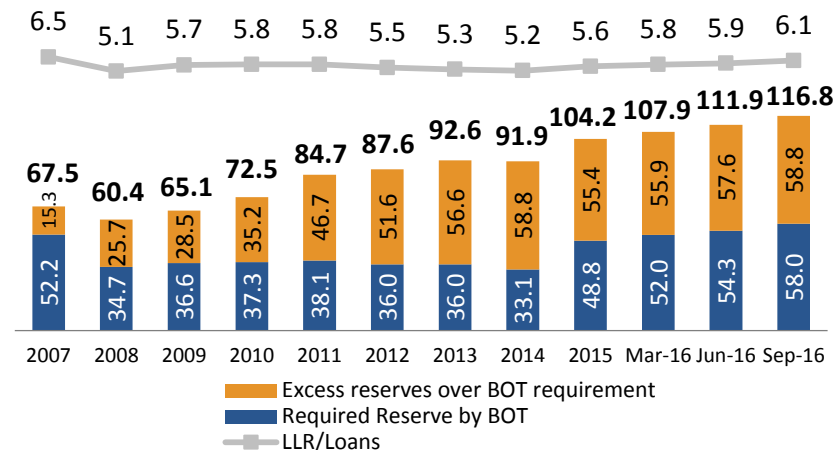
Coverage ratio

Percentage



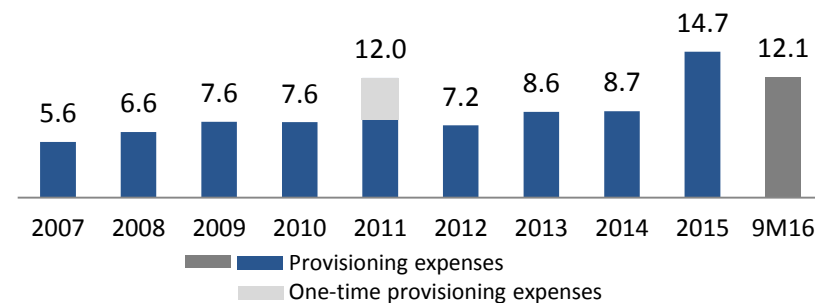
Loan loss reserves, LLR/Loan

Billion Baht, Percentage



Provisioning expenses

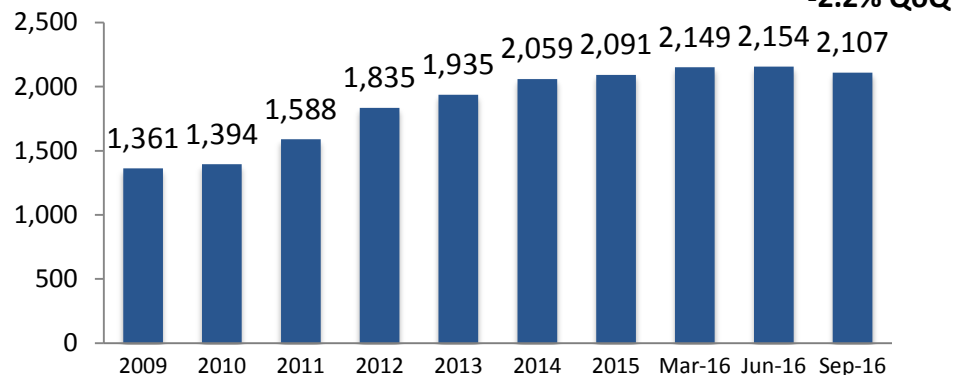
Billion Baht



Stable Funding and Strong Liquidity Base

Deposit

Baht bn

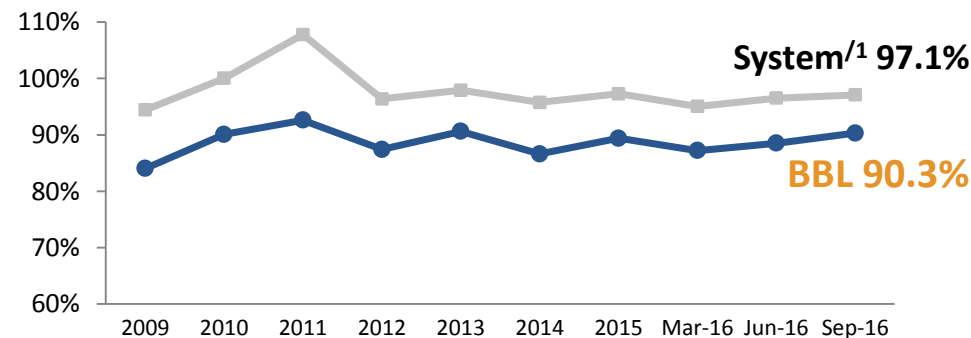


Funding sources^{/2}

As at September 2016

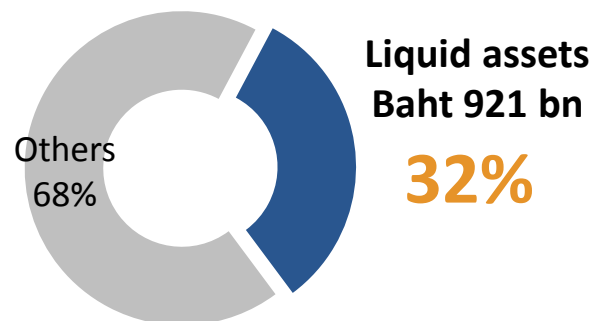


LDR consistently lower than System



Liquid assets^{/3}

As at September 2016



Note: /1 System refers to 31 commercial banks in Thailand as at Sep-16

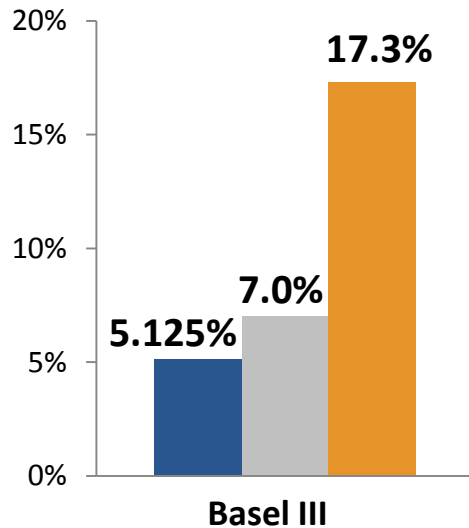
/2 Funding sources are defined as total liabilities consisting of deposit, interbank and money markets liabilities, liabilities payable on demand, borrowings, and others

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

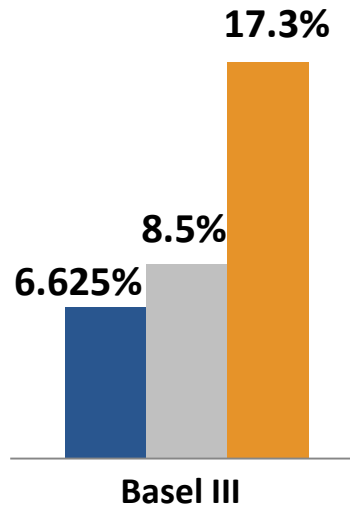
Source: Bank of Thailand, Bangkok Bank Analysis

Solid Capital Base

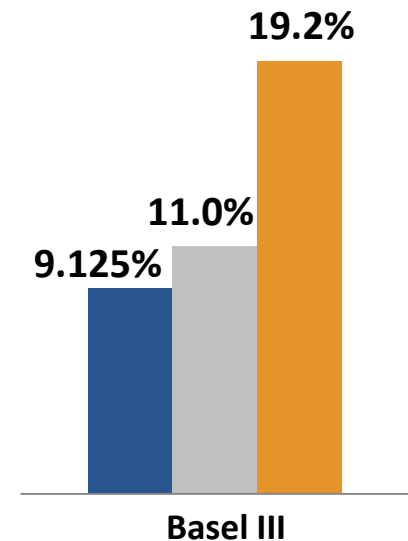
Common Equity Tier 1 Ratio



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
September 30, 2016

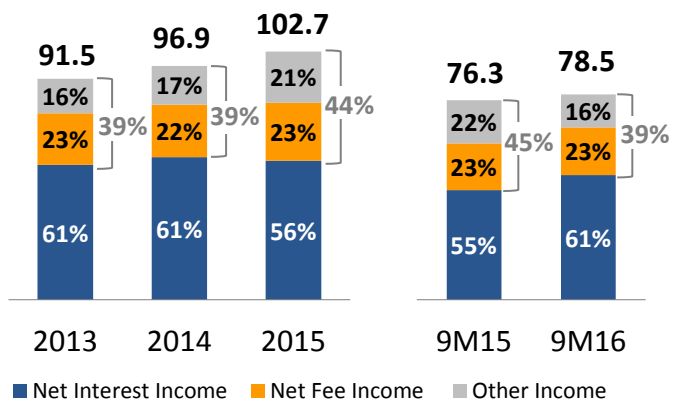
Note: /1 The Bank of Thailand requires commercial banks to maintain an additional capital conservation buffer. The buffer will gradually increase by more than 0.625% each year from January 1, 2016 until it reaches more than 2.5% in January 1, 2019

/2 The ratios include net profit for the third quarter of 2016

Performance Driven by Steady Income Growth

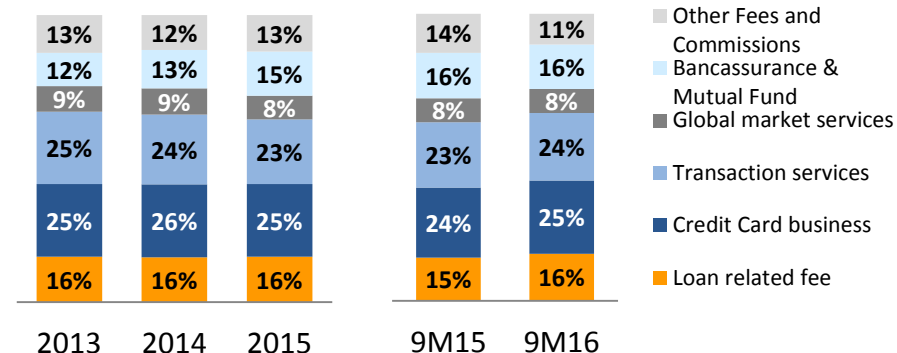
Income breakdown

Baht bn, Percentage of composition



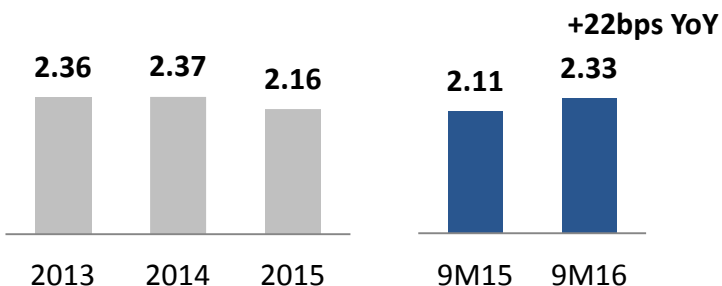
Fee income breakdown

Percentage of composition



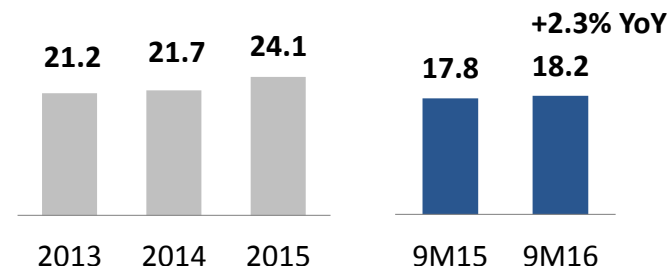
NIM

Percentage



Net fee income

Baht bn

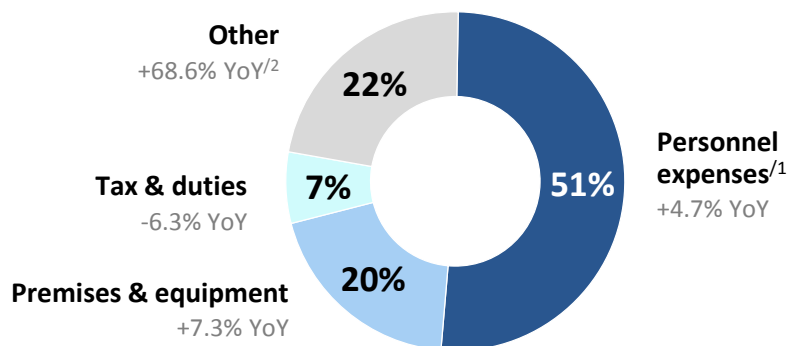


OPEX within Manageable Range

Operating expenses breakdown

For 9M16

Percentage

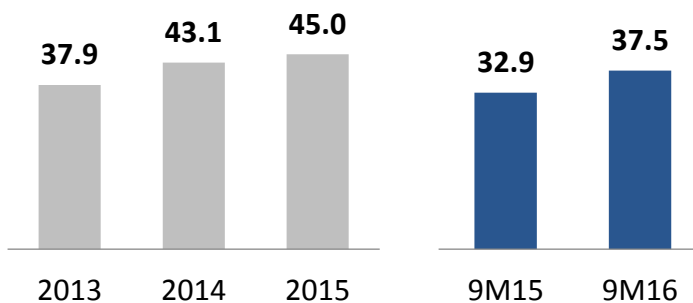


Note: /1 Including directors' remuneration

/2 Caused mainly by the provisions for contingencies

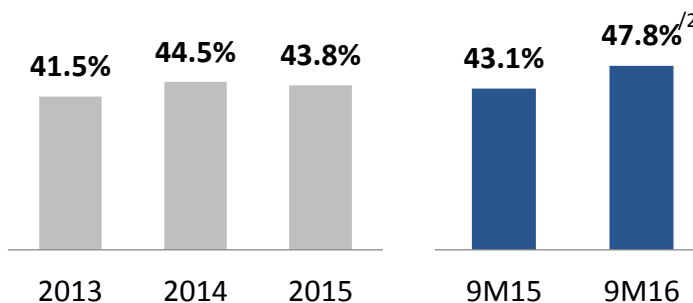
Operating expenses

Baht bn



Cost-to-income ratio

Percentage

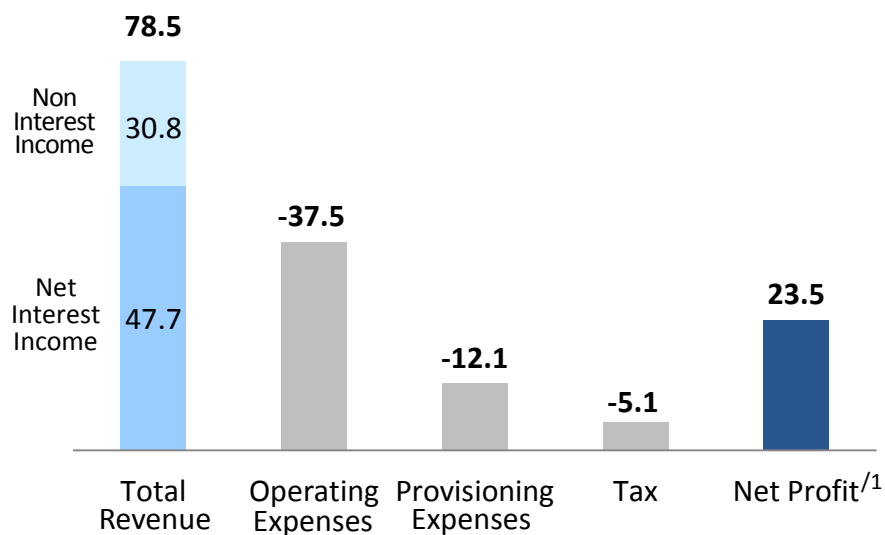


Overall Profitability

Profitability drivers

For 9M16

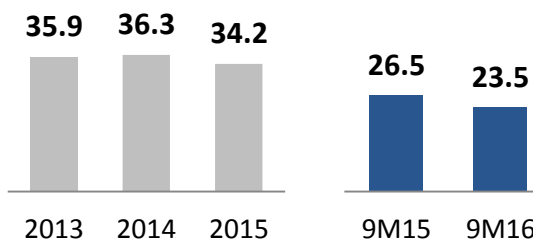
Billion Baht



Note: /1 Owners of the Bank

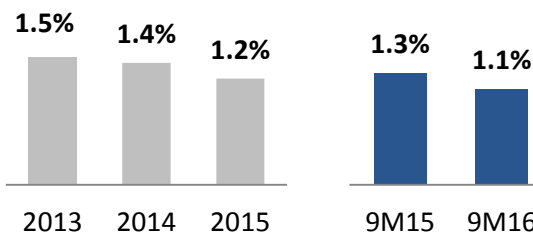
Net Profit^{/1}

Billion Baht



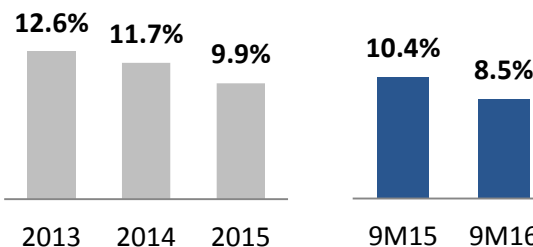
ROA^{/1}

Percentage



ROE^{/1}

Percentage



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Major Themes of Strategic Priorities

URBANIZATION – REGIONALIZATION – DIGITALIZATION

Improve Customer Focus

- Leverage **long-term relationships**
- **Cross-sell** to deepen financial product offerings

Deepen Foundational Strength

- **Closely monitor** portfolio
- **Diversify** credit exposure
- Rigorous **risk management** framework

Leverage Core Capability

- Utilize our **scale and franchise leadership**
- **Strong liquidity** with broad deposit base
- **Solid capital** base

Appendix

Baht 1.797 trillion for 2015-2022 Infrastructure Projects

Inter-city rail network Baht 1,184.1 billion

1

- Implementation of high speed train
- Improved equipment and infrastructure

Transportation in Bangkok & its vicinity Baht 396.6 billion

2

- 10 electric train routes
- Buy 489 NGV buses and improve 11 parking places
- Development of road networks and bridges in Bangkok and its vicinity

Highway network Baht 160.4 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 51.6 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 3.9 billion

4

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



The results of the 2015-2022 Infrastructure Projects



Road

4-lane highway expansion

(Baht 4.48 billion)
2016 fast tract
(Baht 1.15 billion)

Highway construction

- Pattaya – Map Ta Phut disbursement 53.3% of 2016 budget
- Bang pa in – Nakhon Ratchasima disbursement 8.1% of 2016 budget



Rail

Bangkok & its vicinity electric train

- Purple line disbursement 80.4% of total budget
 - Blue line disbursement 11.4% of total budget
 - Red line disbursement 22.3% of total budget
- Auction process
- Orange line
 - Pink line
 - Yellow line

Dual track rail

- Jira - Khonkaen disbursement 9.0% of total budget
- Prachuap – Chumchon bidding process

Thailand - China Railway

- - Bangkok - Nakhon Ratchasima (EIA)
- Nakhon Ratchasima - Nong Khai (EIA)

Thailand – Japan Railway

- One-meter gauge double track rail route link Bangkok with eastern and western provinces (feasibility study)
- High speed train Bangkok – Chiang Mai (feasibility study)



Water

Port development

- Klongyai, Trat disbursement 89.9% of total budget
- Laem Chabang (A) disbursement 15.0% of total budget



Air

Airport development

- Suvarnabhumi Airport phase II (EIA)
- U-ta pao Airport (feasibility study)

Source: MOT as of 30 April 2016

2017 Action Plan

20 Projects, Baht 721.75 billion

Dual track rail Baht Billion

Paknampho - Denchai	56.06
Jira - Ubon-Ratchathani	35.84
Khonkaen - Nongkhai	26.06
Chumphon - Surat Thani	23.38
Surat Thani - Songkhla	51.82
Hat Yai - Padang Besar	7.94
Denchai – Chiang Mai	59.92
Hua Hin - Prachuap Khiri Khan	10.30
Denchai – Chiang Khong	76.98
Bann Phai - Nakhon Phanom	60.35

Motorway Baht Billion

Nakhon Pathom – Cha Am	80.600
Hat Yai - Sadao border	30.500

Dual track rail Baht Billion

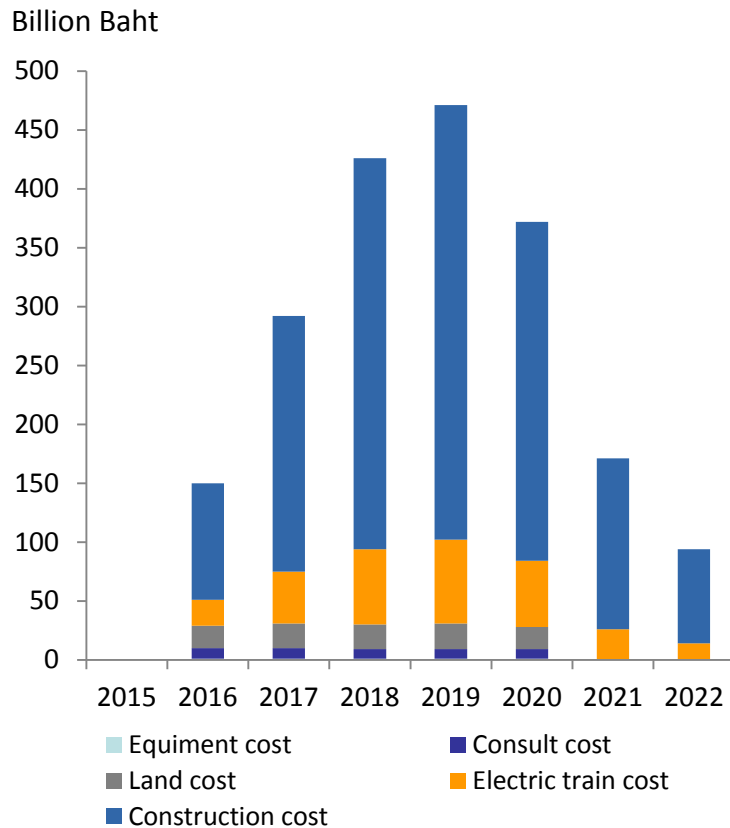
Red Line: Taling Chan – Siriraj	19.04
Taling Chan - Salaya	
Red Line: Rangsit - Thammasat	7.60
Blue Line: Bang Kae - Phutthamonthon Sai 4	21.12
Orange Line: Taling Chan - Thailand Cultural Centre	85.29
Green Line: Samut Prakan – Bang Pu	9.53
Green Line: Khukhot - Luke Lam	9.24
Airport Link: Phayathai – Bang Sue - Don Muang	31.14
Phuket Monorail	19.06



Note: Total amount of 20 Action Plan Project in 2017
Source: www.bangkokbiznews.com

Infrastructure Projects Budget

Government expect to fetch **Baht 261 billion** at auction in **2016^{/1}**

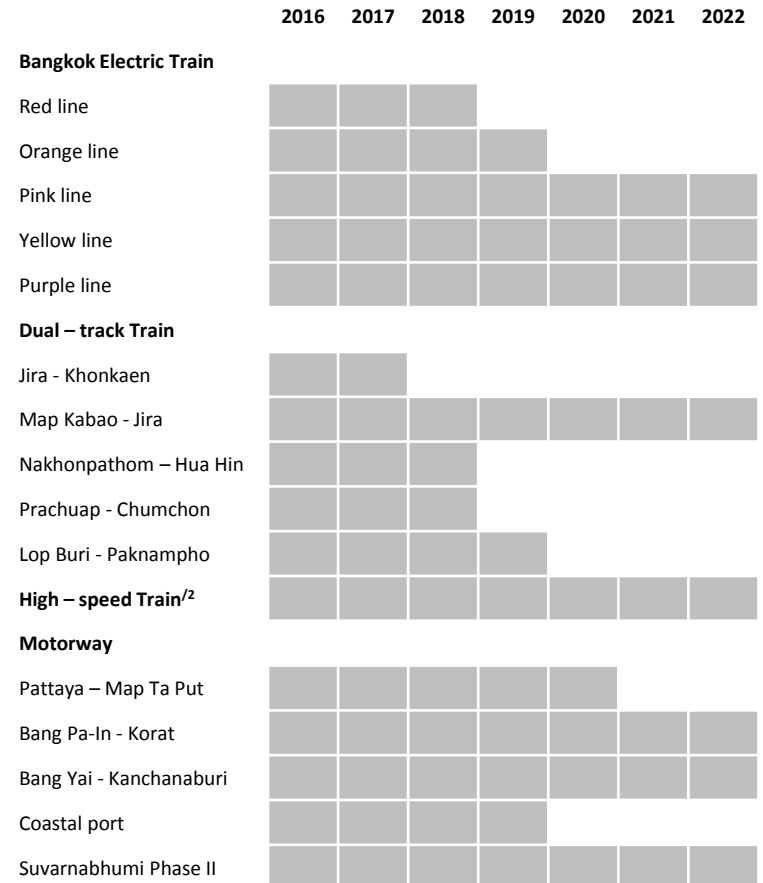


Source: Ministry of Transport, Ministry of Finance

^{/1} as of June 2016

^{/2} Bangkok – Rayong, Bangkok – Chiangmai, Bangkok – Kanchanburi, Bangkok – Nakhon Ratchasima, Nakhon Ratchasima – Nong Khai

20 Transport Infrastructure Projects planned to complete in



■ The year that the projects are expected to complete

Thailand in Transition

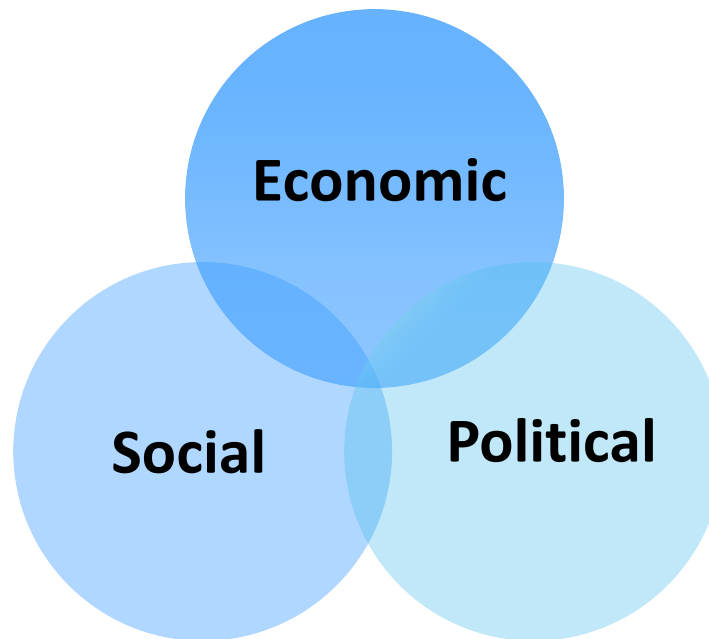
Multi Faceted Reforms for Future Growth

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

National e-Payment Master Plan

PromptPay



To enable e-Payments using alternative ID

Quicker and easier transactions by using mobile phone numbers or citizen ID numbers instead of bank account numbers to receive funds

EDC & Card Usage Expansion



To expand the number of card-receiving machines & promote debit card usage

E-Tax



To increase tax collection efficiency

e-Withholding Tax, e-Tax Invoice & e-Receipt, e-Filing

Government E-Payments



To integrate social welfare database & promote e-Payments for government transactions

Market Education



To educate the public about the e-Payment system & promote incentives


Source: www.epayment.go.th

Opportunities from Regionalization & Urbanization

1,151 domestic branches/¹

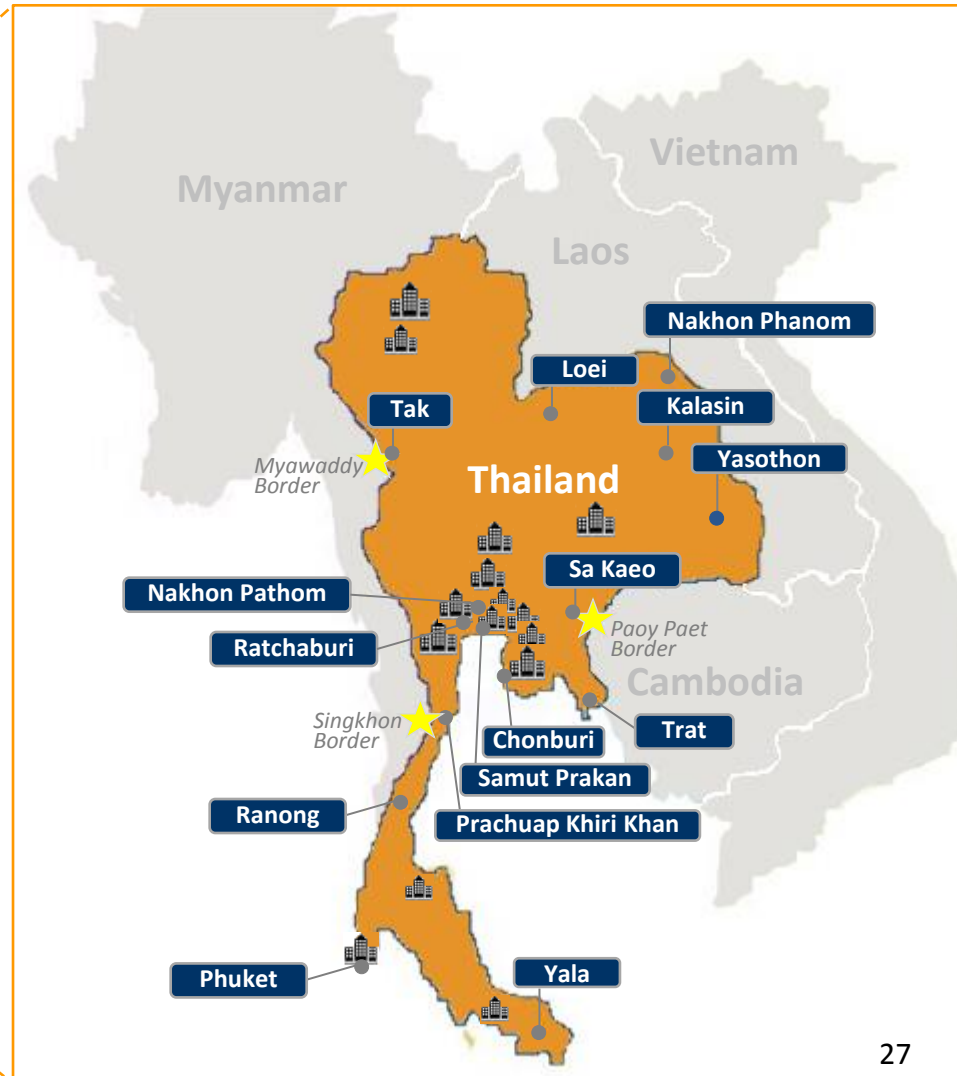
32 international branches in **15** economies



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

 Border crossing point  Trade Finance Center

¹ As at September 2016, Branches excluded 96 self-service outlet



Long-standing International Presence

UK

Branches: 1
Number of Years: 59

Cayman Island

Branches: 1
Number of Years: 1

USA

Branches: 1
Number of Years: 51

Laos

Branches: 2
Number of Years: 23

Myanmar

Branches: 1
Number of Years: 21

Malaysia^{/1}

Branches: 5
Number of Years: 57

Singapore

Branches: 1
Number of Years: 59

Note: As at September 2016
/1 Wholly-owned subsidiaries
Source: Bangkok Bank filings



Vietnam

Branches: 2
Number of Years: 24

China^{/1}

Branches: 6
Number of Years: 30

Japan

Branches: 2
Number of Years: 61

Philippines

Branches: 1
Number of Years: 21

Taiwan

Branches: 3
Number of Years: 51

Hong Kong

Branches: 2
Number of Years: 62

Cambodia

Branches: 1
Number of Years: 1

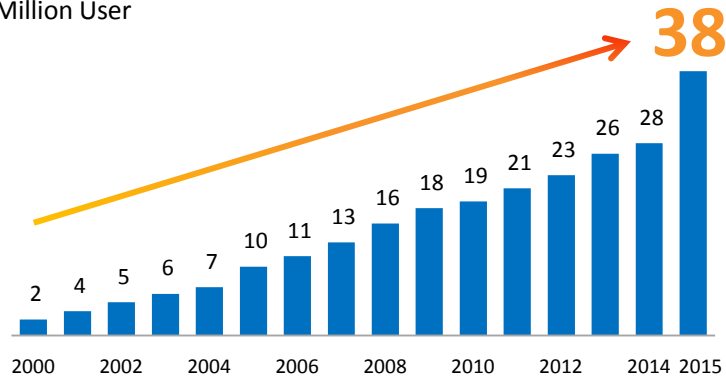
Indonesia

Branches: 3
Number of Years: 43

Digitalization Trend

Thailand Internet Users

Million User



Source: Division of Telecommunication Economics Research and Information Center

Use of Smartphones access internet average

6.2 hrs/day



Source: Thailand internet user profile 2016, ETDA

Mobile penetration

Y2015

126%



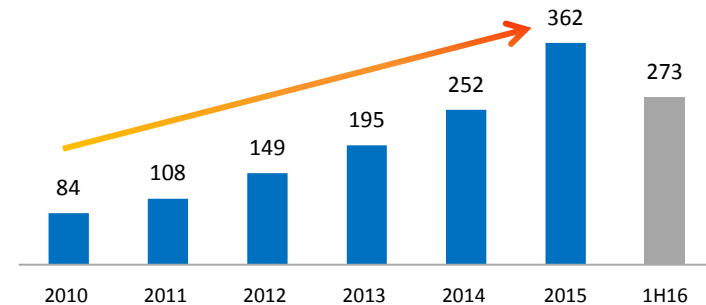
Y2016(e)

131%

Source: Division of Telecommunication Economics Research and Information Center

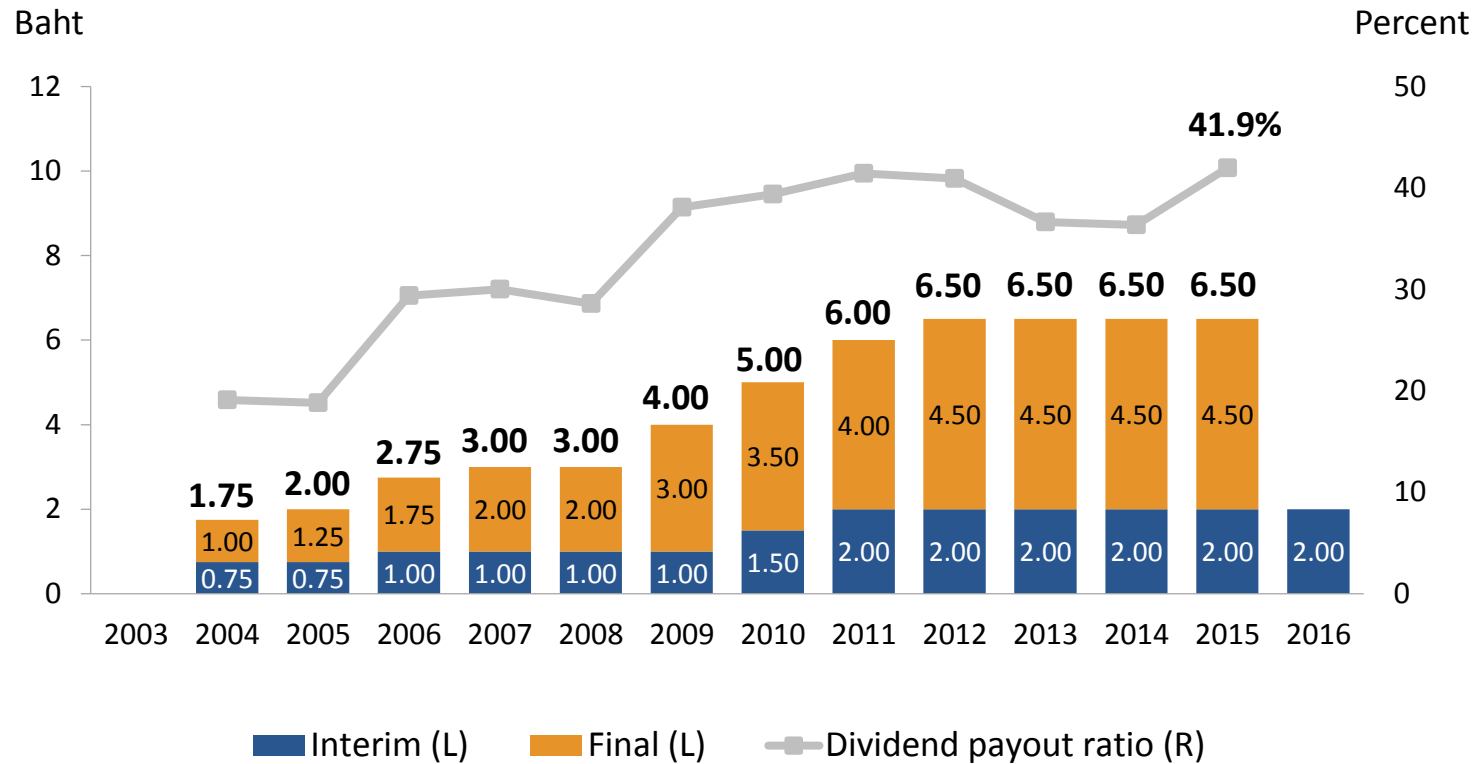
Funds transfer and purchasing goods and services through internet and mobile

Million Transaction



Source: Bank of Thailand

Dividends and Payout Ratio



Financial Position – September 2016

Baht mn

	2015	Jun-16	Sep-16	Growth (%)	
				QoQ	YTD
Loans ^{/1}	1,868,903	1,906,936	1,901,900	-0.3%	1.8%
Deposits	2,090,965	2,154,256	2,106,870	-2.2%	0.8%
LDR	89.4%	88.5%	90.3%	1.8%	0.9%
NPL	56,226	67,995	73,187	7.6%	30.2%
NPL ratio	2.8%	3.1%	3.4%	0.3%	0.6%
LLR to NPL	185%	165%	160%	-5%	-25%
LLR to loans	5.6%	5.9%	6.1%	0.2%	0.5%
Liquid assets ^{/2}	906,648	967,284	921,249	-4.8%	1.6%
Liquid asset to total assets	32%	33%	32%	-1%	0%
CET1/Tier 1 ratio ^{/3}	16.2%	16.7%	17.3%	0.6%	1.1%
CAR ^{/3}	18.3%	18.6%	19.2%	0.6%	0.9%

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 – 9M16

Baht mn

	9M15	9M16	Growth (%) YoY
Net interest income	41,893	47,695	13.8%
Net fee income	17,833	18,237	2.3%
Non-interest income	34,430	30,796	-10.6%
Total income	76,323	78,491	2.8%
Operating expenses	32,904	37,536	14.1%
Provisioning expenses	10,773	12,132	12.6%
Net profit ^{/1}	26,499	23,547	-11.1%
EPS ^{/1} (Baht per share)	13.88	12.34	-1.54
NIM	2.11%	2.33%	0.22%
Net fee income ratio	23.4%	23.2%	-0.2%
Cost to income ratio	43.1%	47.8% ^{/2}	4.7%
ROA ^{/1}	1.3%	1.1%	-0.2%
ROE ^{/1}	10.4%	8.5%	-1.9%

Note:

/1 Attributable to the Bank

/2 Caused mainly by the provisions for contingencies

Financial Performance – 3Q16

Baht mn

	3Q15	2Q16	3Q16	Growth (%)	
				QoQ	YoY
Net interest income	14,441	15,596	16,066	3.0%	11.3%
Net fee income	6,013	5,976	6,157	3.0%	2.4%
Non-interest income	12,299	9,250	10,887	17.7%	-11.5%
Total income	26,740	24,846	26,953	8.5%	0.8%
Operating expenses	10,948	12,599	12,095	-4.0%	10.5%
Provisioning expenses	4,872	3,542	4,946	39.6%	1.5%
Net profit ^{/1}	9,057	7,169	8,061	12.4%	-11.0%
EPS ^{/1} (Baht per share)	4.74	3.76	4.22	0.46	-0.52
NIM	2.14%	2.27%	2.33%	0.06%	0.19%
Net fee income ratio	22.5%	24.1%	22.8%	-1.3%	0.3%
Cost to income ratio	40.9%	50.7% ^{/2}	44.9%	-5.8%	4.0%
ROA ^{/1}	1.3%	1.0%	1.1%	0.1%	-0.2%
ROE ^{/1}	10.2%	7.8%	8.7%	0.9%	-1.5%

Note:

/1 Attributable to the Bank

/2 Caused mainly by the provisions for contingencies

For Further Information

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