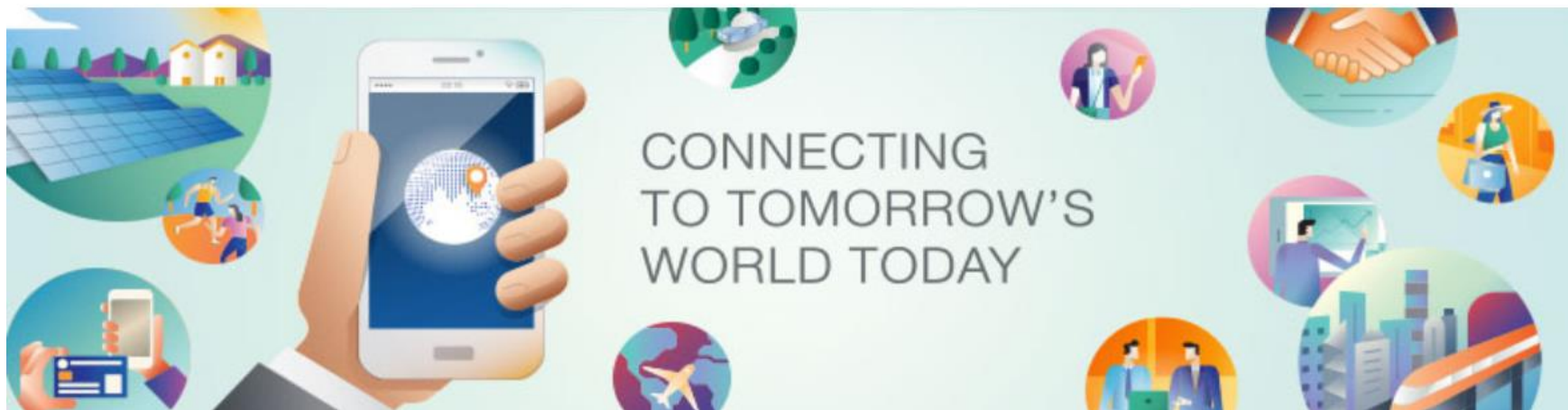


# Investor Presentation

## For 2016



# Bangkok Bank

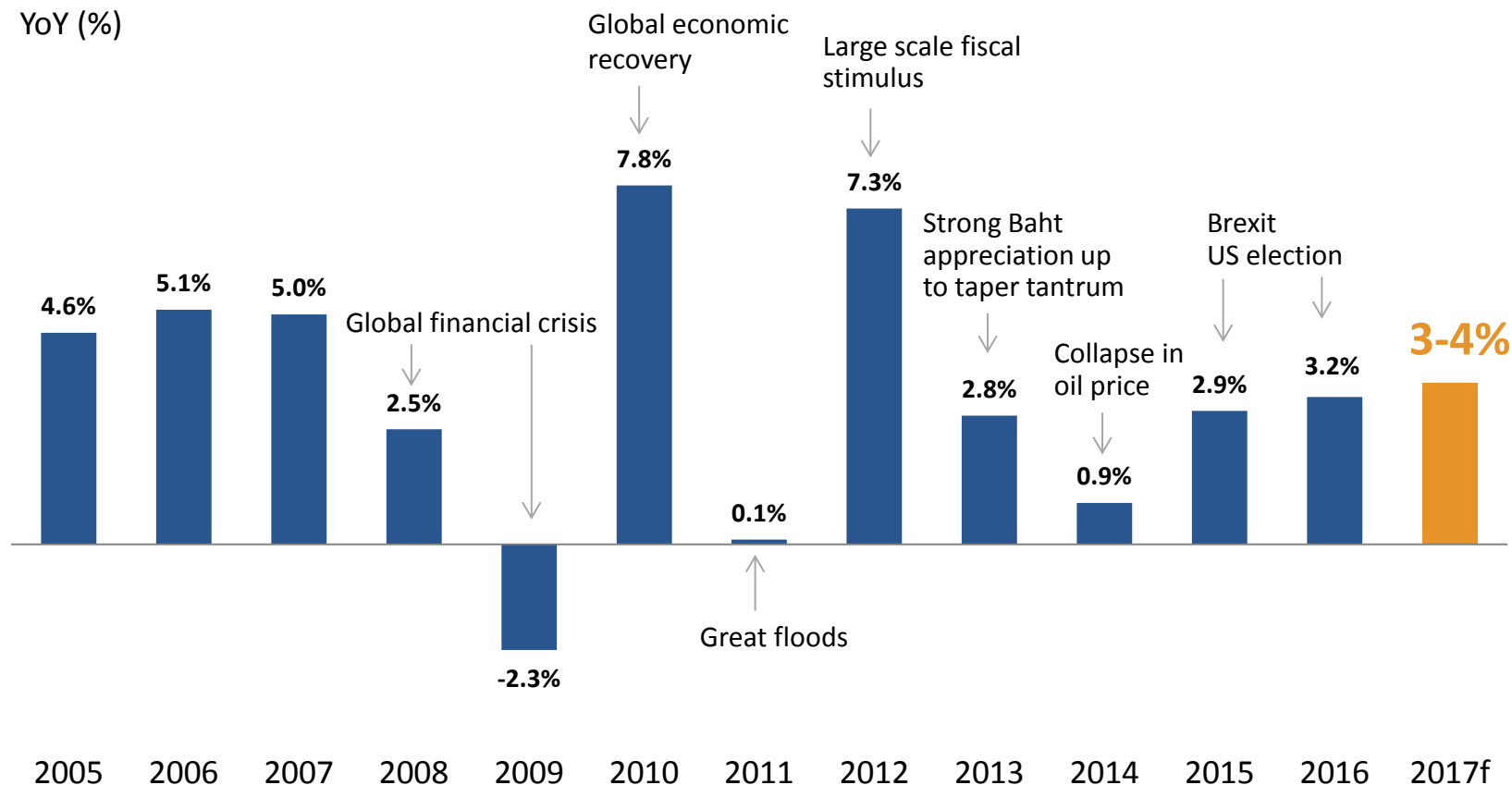
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# The Thai Economy: Steady Trend of Moderate Recovery

## GDP growth

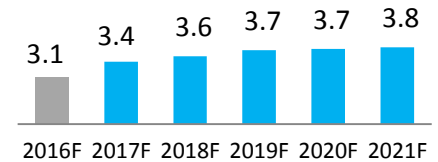
YoY (%)



Source: National Economic and Social Development Board of Thailand and Bank of Thailand  
2017f GDP forecast by Bangkok Bank  
Since 2012 GDP Revised by Chain Volume Measures

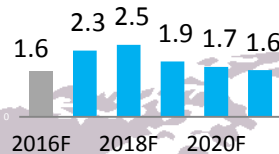
# With Fragile Global Economic Recovery, ASEAN Presents Major Opportunities Going Forward

## World Population : 7.3 bn



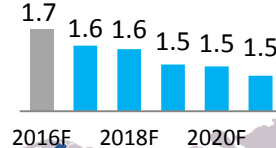
## US

Population : 321 mn



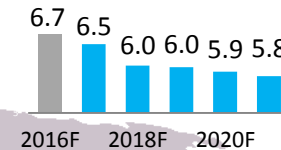
## Euro area

Population : 339 mn



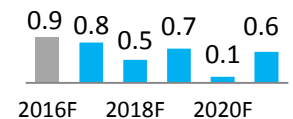
## China

Population : 1,371 mn



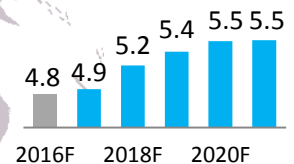
## Japan

Population : 127mn



## ASEAN\*

Population : 631 mn



Note: Population as of 2015

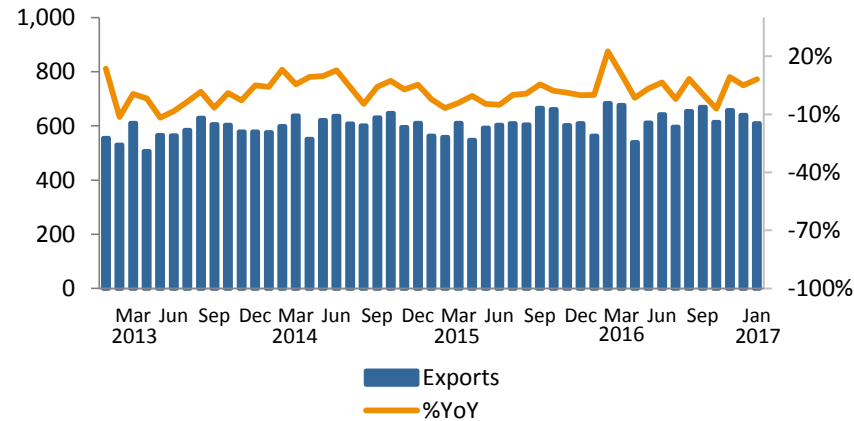
\* Composed of 5 countries: Indonesia, Malaysia, Philippines, Thailand, and Vietnam

Source: International Monetary Fund, World Economic Outlook update January 2017, The World Bank

# Fiscal Policy Supporting Thailand's Recovery

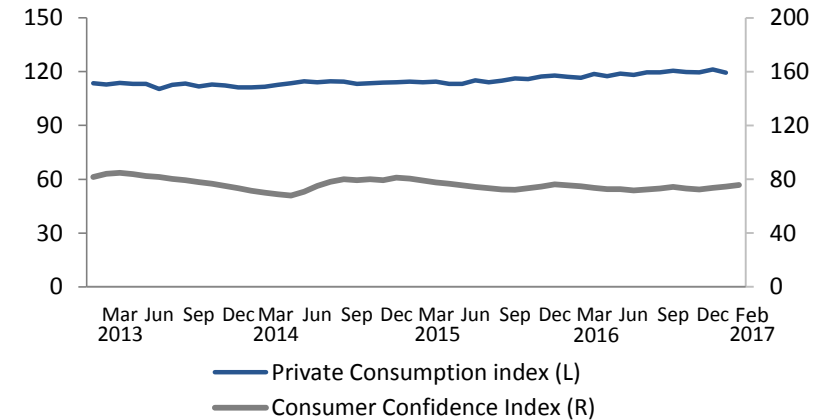
## Exports

Billion Baht



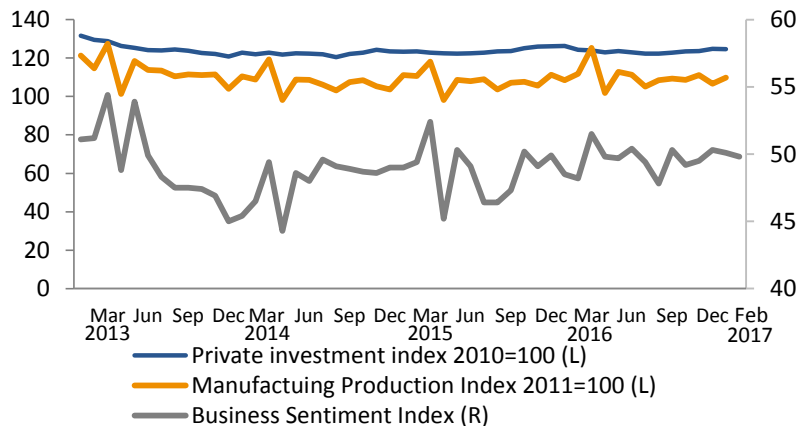
## Consumption indicators

Index (2010=100)



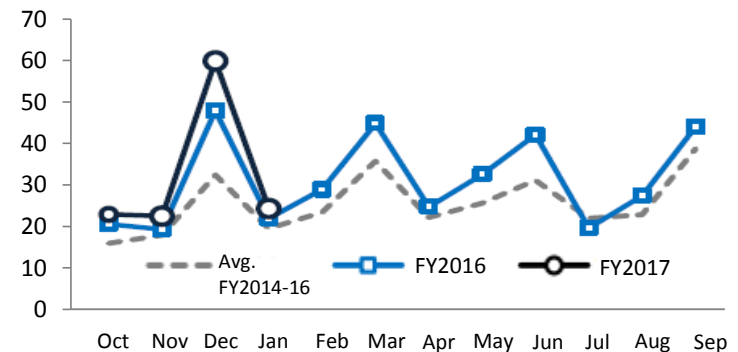
## Investment indicators

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 & 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**



## 2017 Transport Action Plan

**36 Projects, 896 Billion Baht**

### ▶ Inter-city rail network

- Under construction: Chira-Khonkhaen  
Mapkabao-Chacherngsao
- Approved by the cabinet: 2 projects
- To be proposed to the cabinet: 4 projects

### ▶ Transportation in Bangkok & vicinity

- Under procurement: Yellow/Pink/Orange Lines
- Proposal development: 7 lines

### ▶ Highway network

- Under construction: Bang Pa In-Korat  
Bang Yai-Kanchanaburi  
Bangkok-Rayong

### ▶ Air Transport

- Under construction: Suvarnabhumi Phase II

### ▶ Other Projects

- High-speed trains: Bangkok-Korat, Bangkok-Rayong
- Eastern Economic Corridor

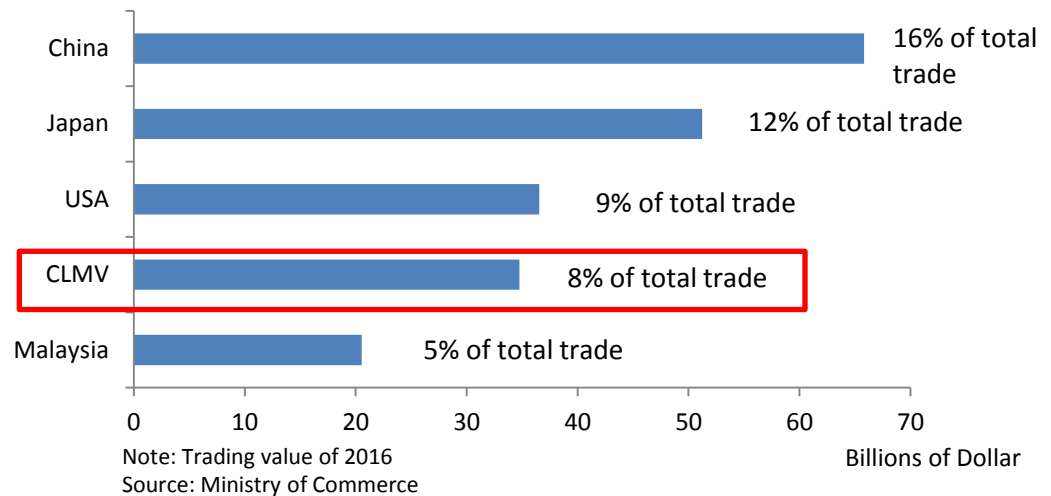
Source: Office of Transport and Traffic Policy and Planning, Ministry of Transport

# Opportunities from Regionalization & Urbanization

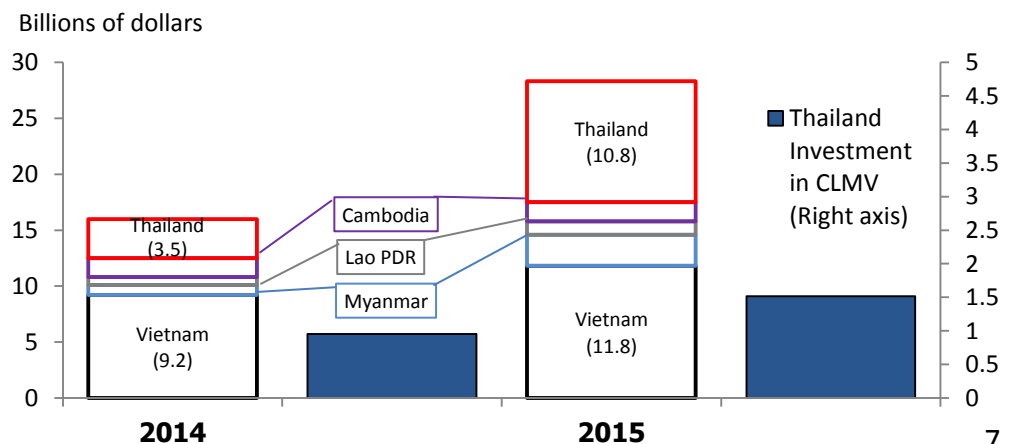
## Higher Connectivity in the AEC



## Thailand's Top 5 Trading Partners



## FDI into Thailand & CLMV and Thailand's Investment in CLMV

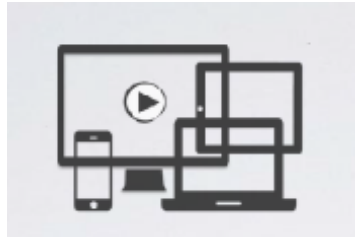


Source: ASEAN Secretariat, ASEAN FDI database, Bank of Thailand

# Thailand's New Engine of Growth



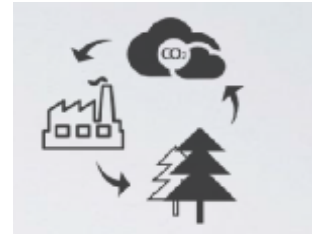
Next-Generation  
Automotive



Smart Electronics



Affluent, Medical &  
Wellness Tourism

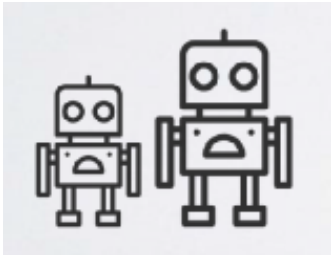


Agriculture &  
Biotechnology



Food for the Future

## 10 Target Industries



Robotics



Aviation & Logistics



Biofuels & Biochemicals



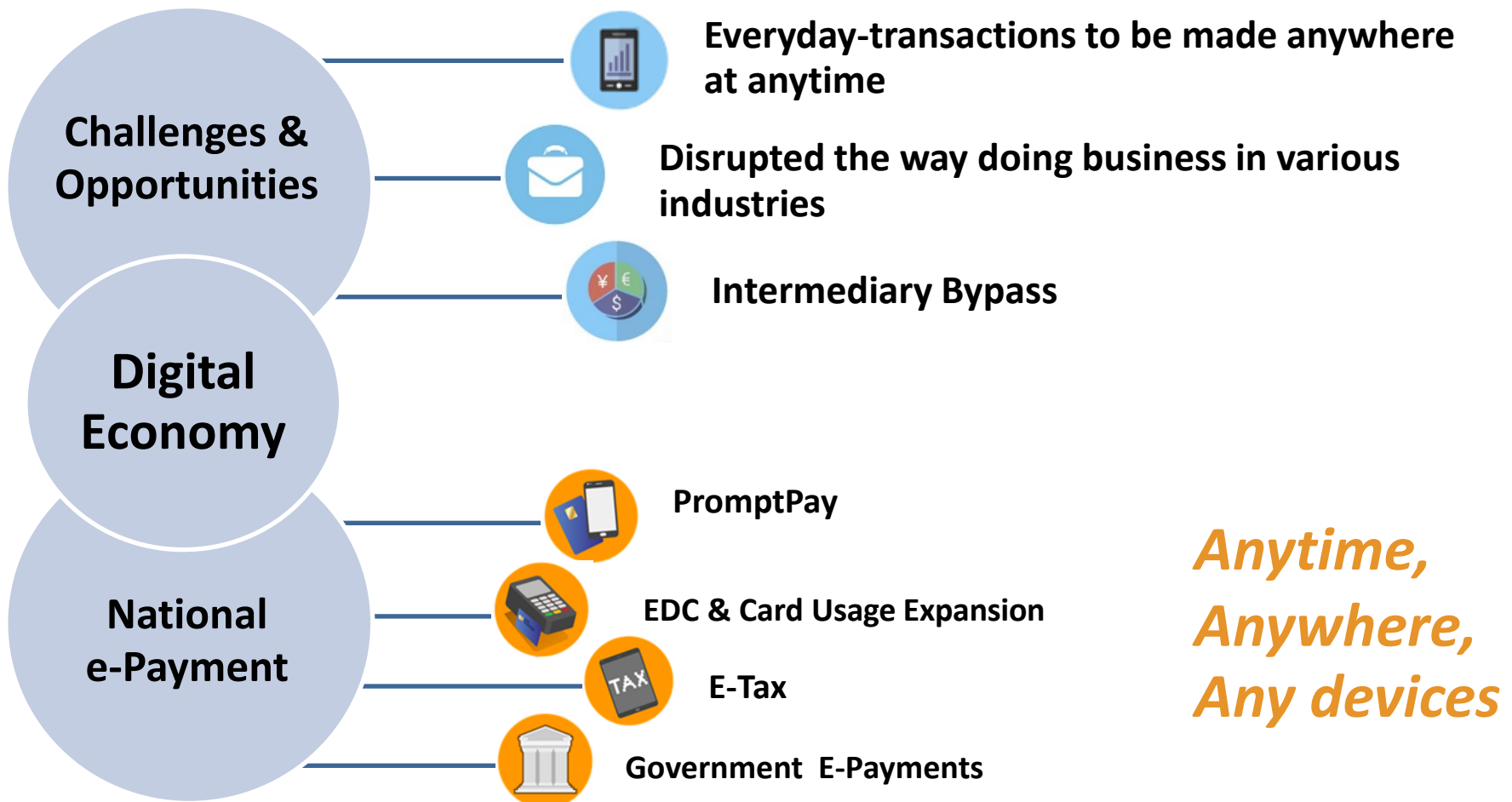
Digital



Medical Hub



# Digitalization



# Bangkok Bank

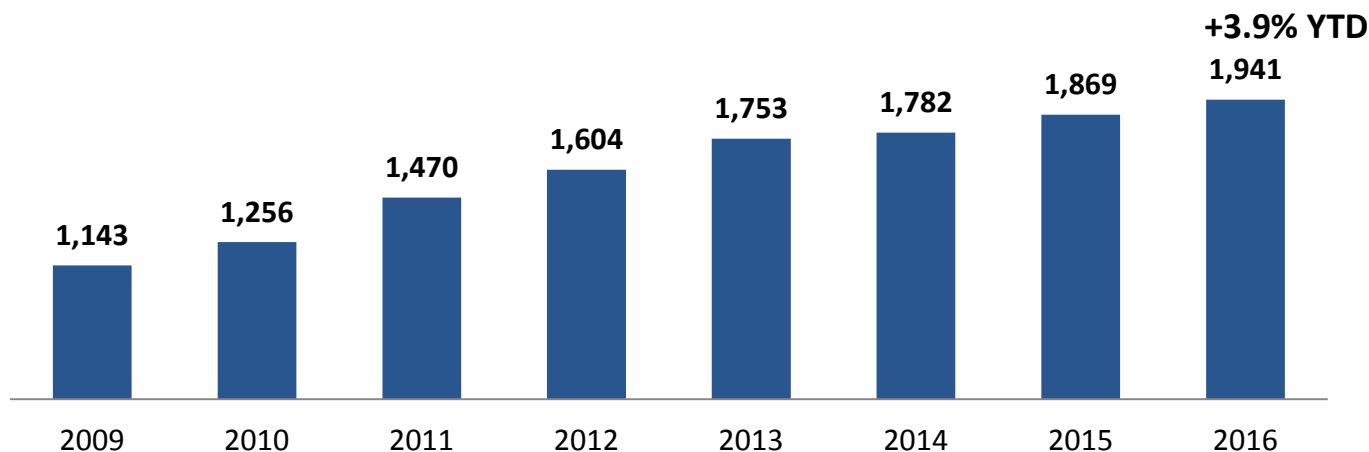
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# Loan Growth and Composition

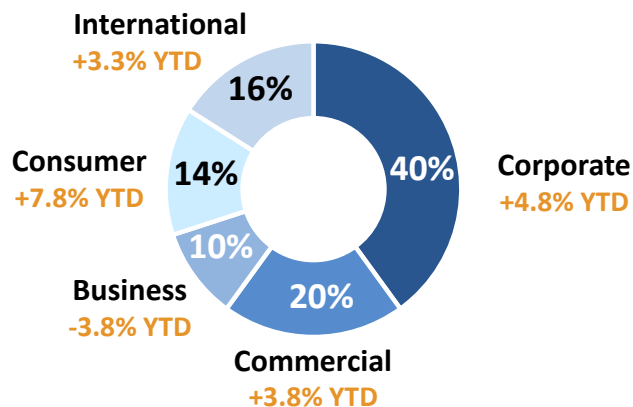
## Loan

Billion Baht



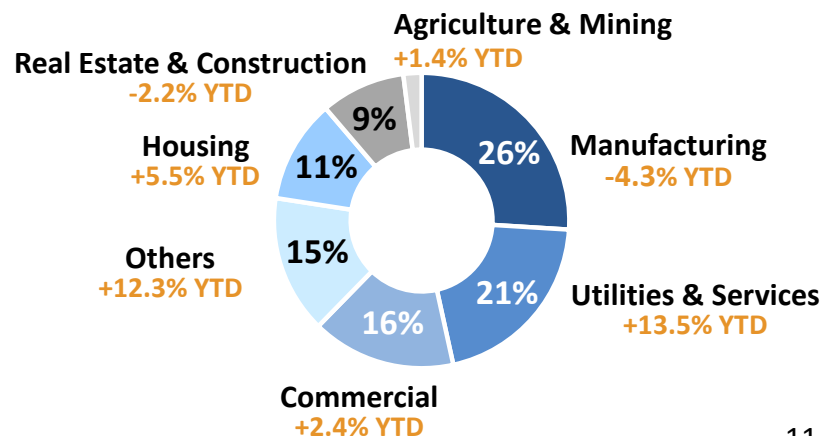
## Loan by Business Unit

As at December 2016



## Loan by Industry

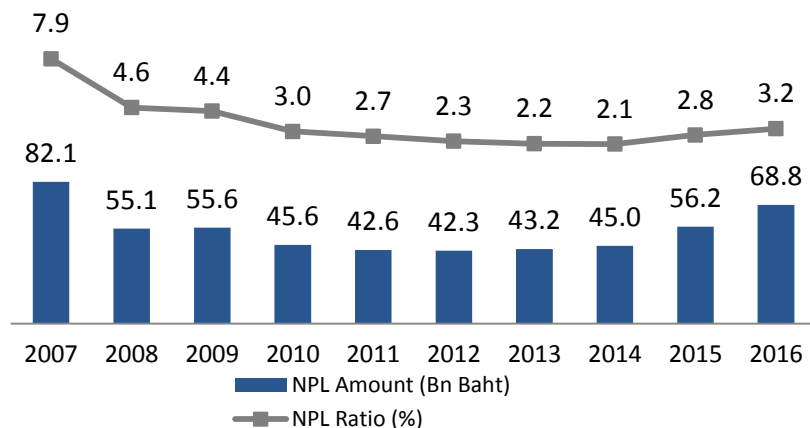
As at December 2016



# Asset Quality and Loan Loss Reserves

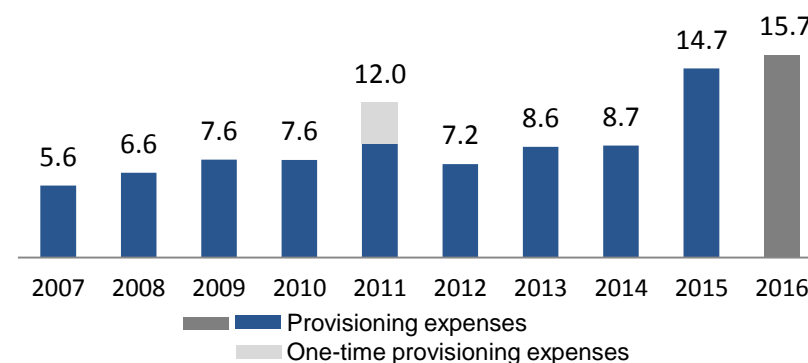
## NPL amount, NPL ratio

Billion Baht, Percentage



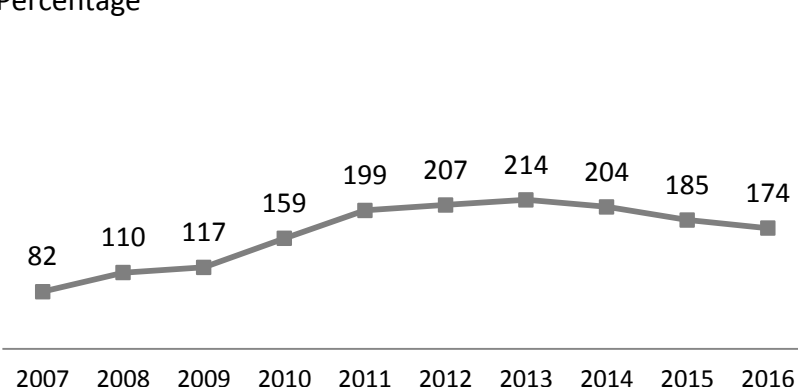
## Provisioning expenses

Billion Baht



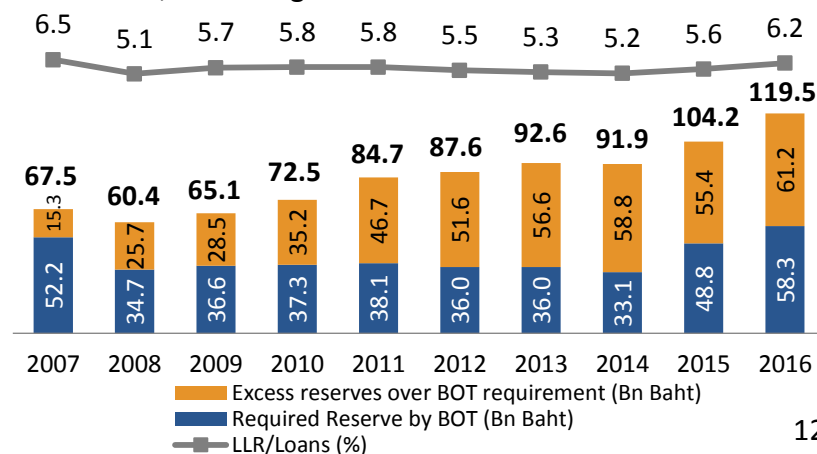
## Coverage ratio

Percentage



## Loan loss reserves, LLR/Loan

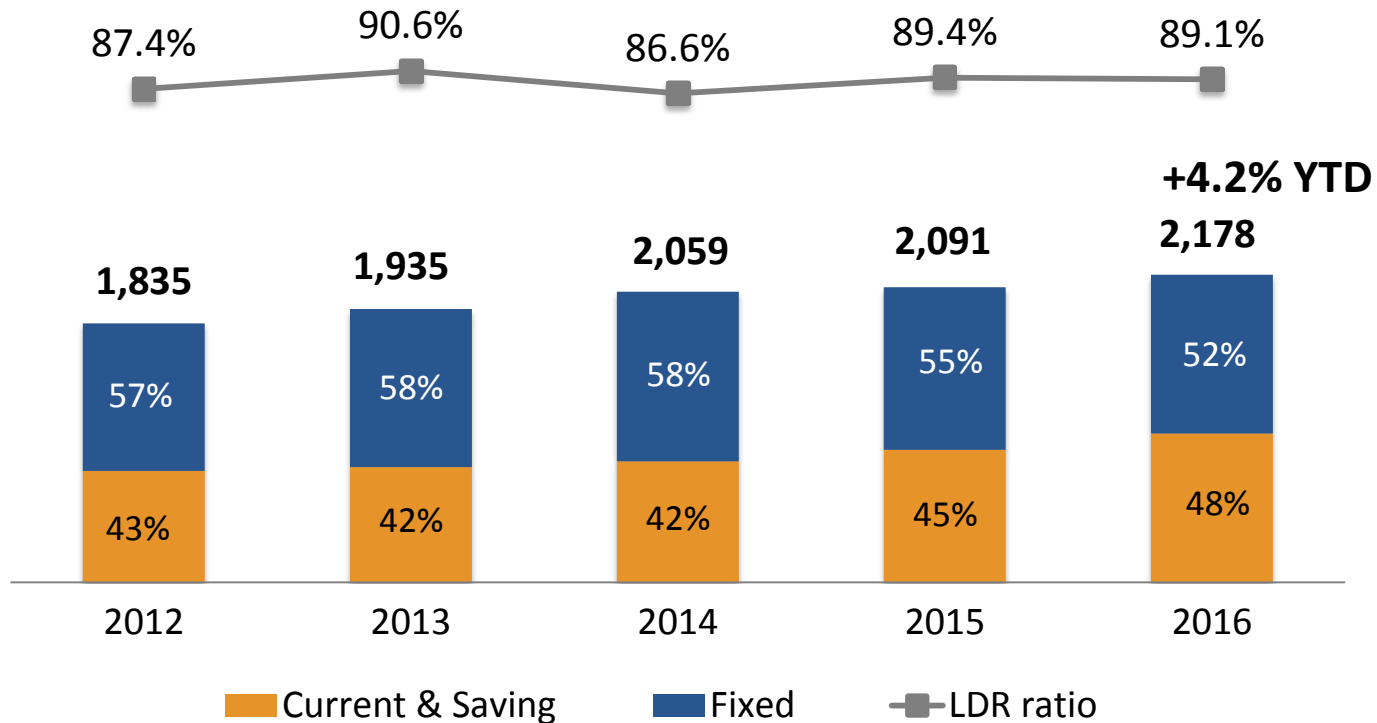
Billion Baht, Percentage



# Funding Growth with Improving Deposit Mix

## Deposit

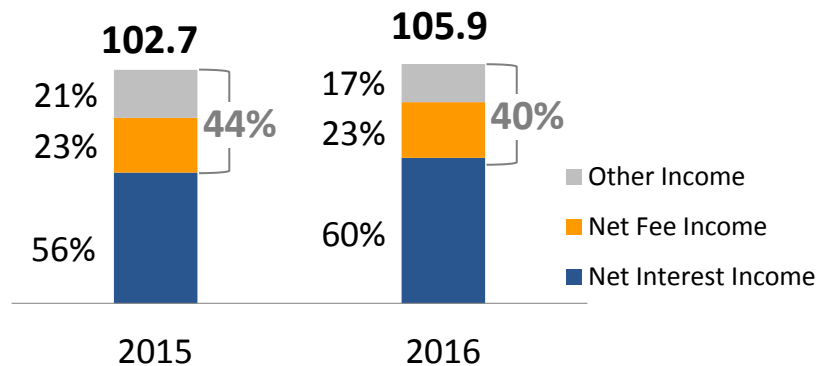
Baht bn, Percentage of composition



# Total Income and Operating Expenses

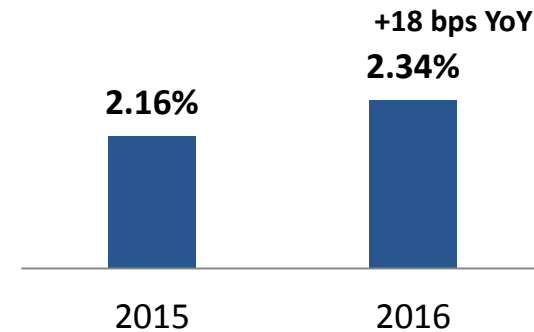
## Income breakdown

Baht bn, Percentage of composition



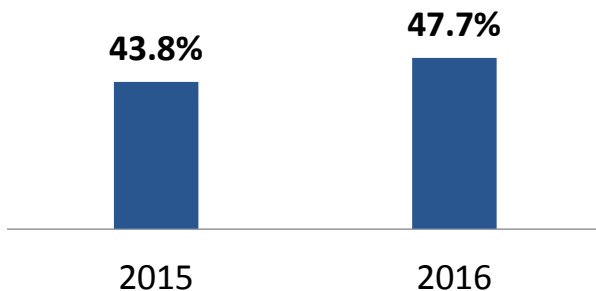
## NIM

Percentage



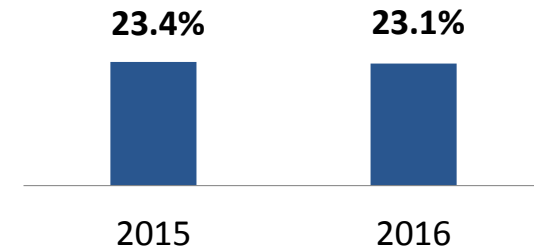
## Cost-to-income ratio

Percentage



## Net fee income ratio

Percentage

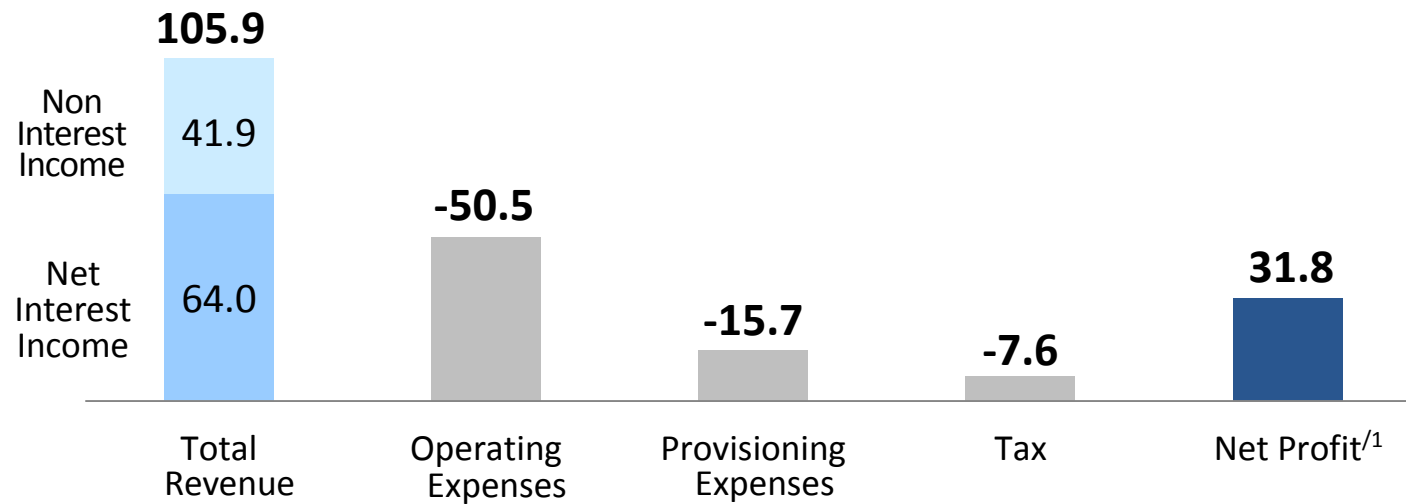


# Overall Profitability

## Profitability drivers

For 2016

Billion Baht



Note: /1 Owners of the Bank

# Bangkok Bank

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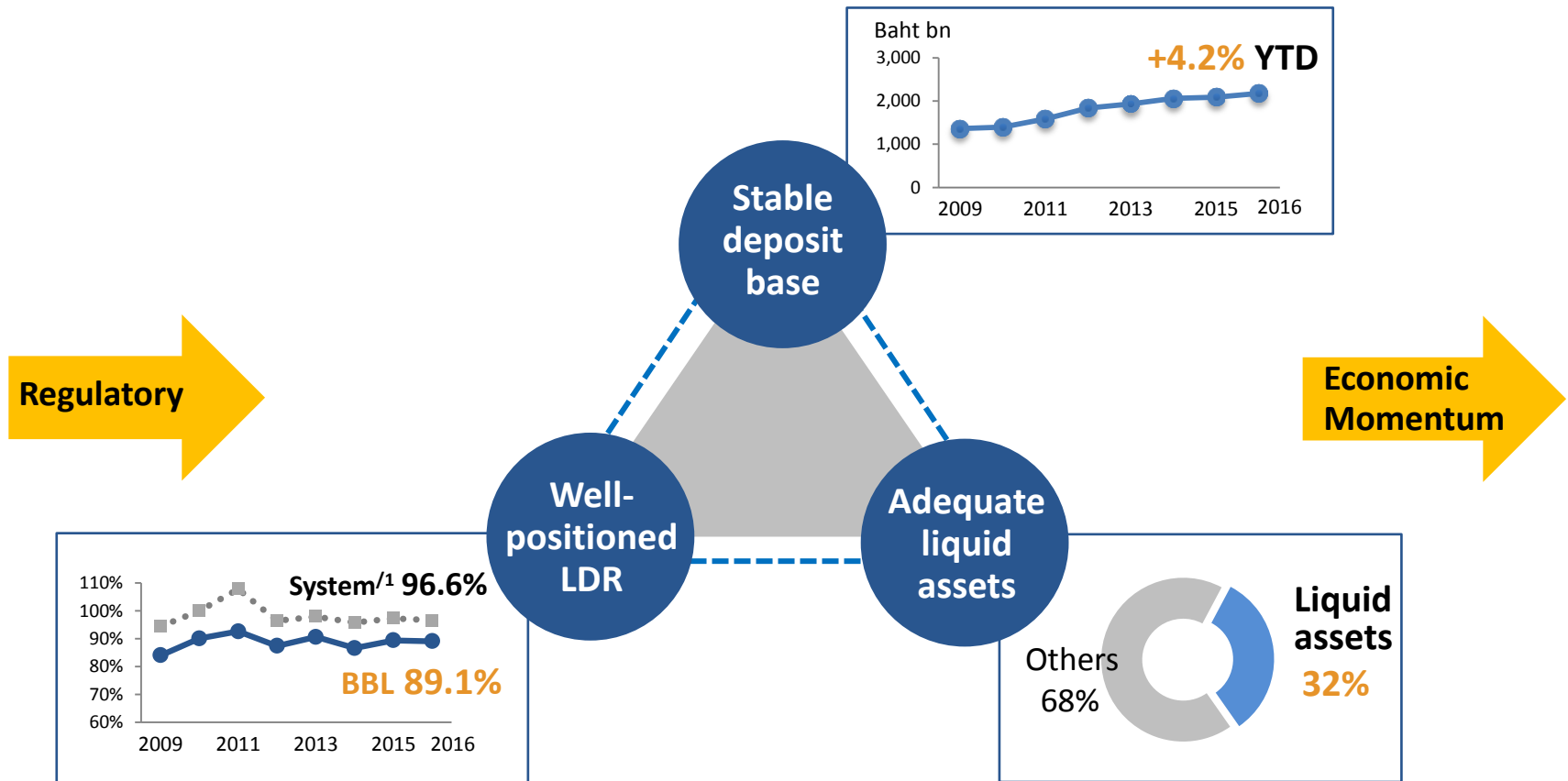
# Scale and Franchise Leadership

Our strong, long-standing relationships and extensive regional network position us to benefit from the opportunities provided by current market trends



# Sustainable Liquidity and Funding

Our respectable liquidity ratio is supported by diversified customer base in Thailand



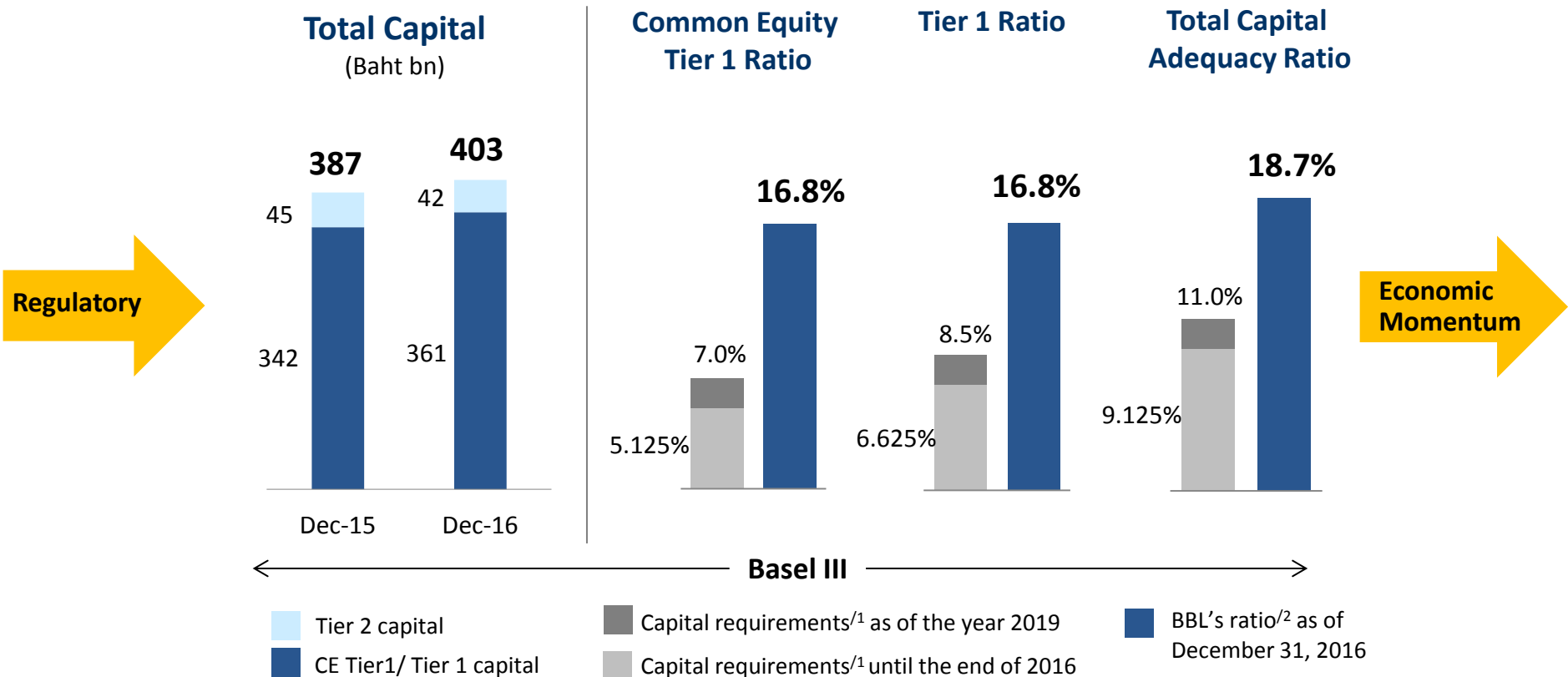
Note: Data as at December 2016

/1 System refers to all commercial bank in Thailand

Source: Bank of Thailand, Bangkok Bank Analysis

# Strong Capital Position

Our prudent policy of capital and liquidity enable us to capture future business opportunities while meeting the challenges of regulatory requirements



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

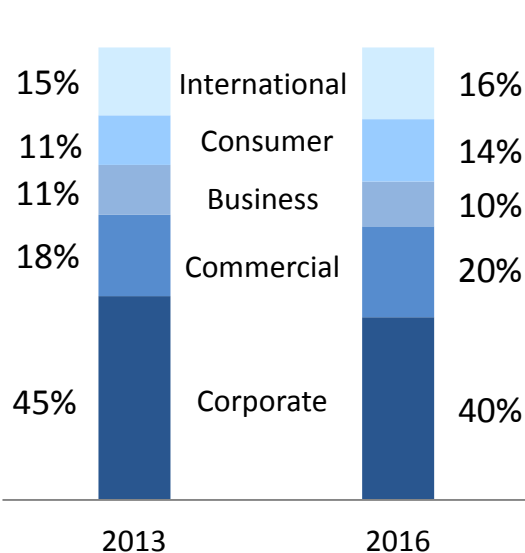
/2 The ratios include net profit for the second half of 2016 and the deduction of dividends to be paid in May 2017

# Resilient Position Across Business Cycle

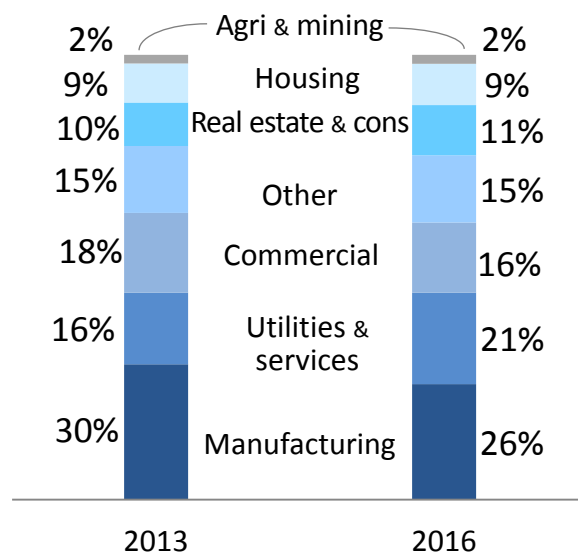
Diversification supports earning stability

## Loan breakdown

Percentage of composition



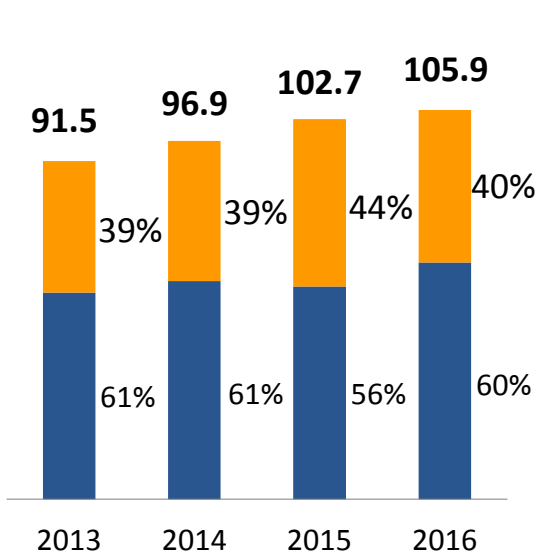
By business unit



By Industry

## Income breakdown

Baht bn, Percentage of composition



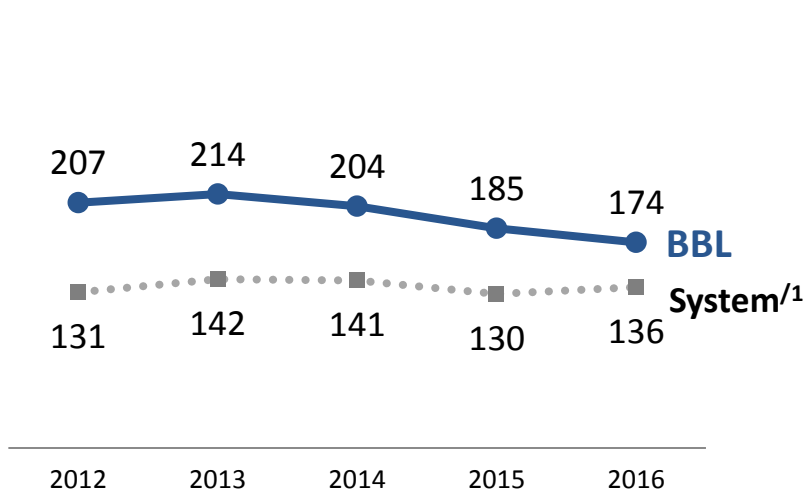
■ Non Interest Income  
■ Net Interest Income

# Resilient Position Across Business Cycle

Sound loan asset quality reflects our conservative stance

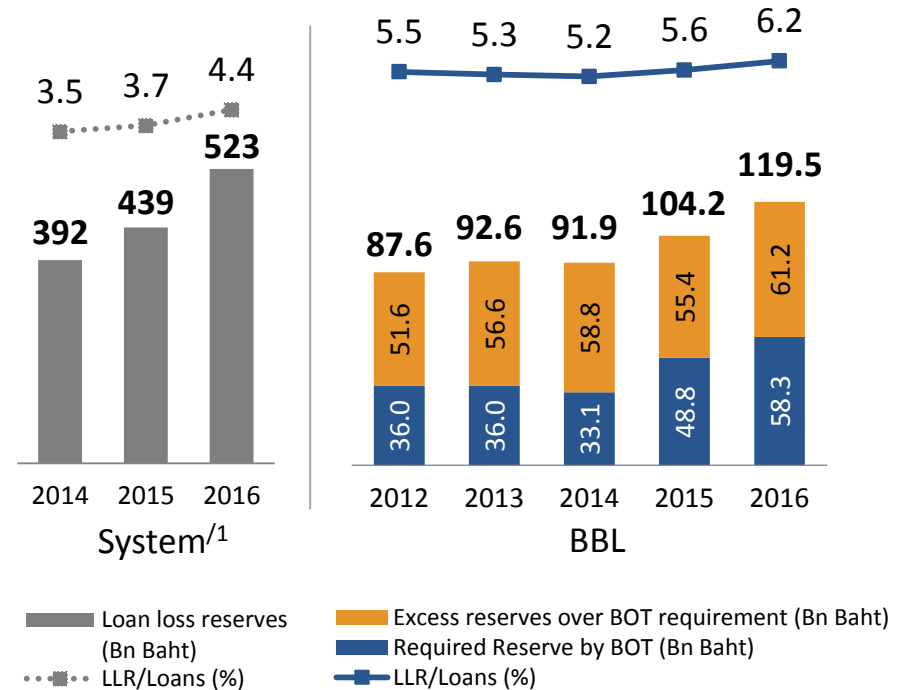
## Coverage ratio

Percentage



## Loan loss reserves, LLR/Loan

Billion Baht, Percentage



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

Source: Bank of Thailand, Bangkok Bank Analysis

# Bangkok Bank

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# Our Key Focus & Strategy

## Short-term

Go through transition period together with customers

**Leverage our scale and franchise leadership**

- ▶ Utilize our extensive network, long-term relationships and full range of products & services
- ▶ Support customers to reach out to new markets

## Long-term

Sustainability growth

**Tailor products and services to customer needs**

- ▶ Offer total solutions with full suite of best-in-class financial solutions
- ▶ Support customers in adapting to rapidly evolving sector dynamics

**Digital capabilities**

- ▶ Continue to improve customer experience by further developing digital technology
- ▶ Capture new trends and digital practices

# Appendix



# Financial Position – 2016

Baht mn

	Dec-14	Dec-15	Sep-16	Dec-16	Growth(%)	
					QoQ	YTD
Loans <sup>/1</sup>	1,782,233	1,868,903	1,901,900	1,941,093	2.1%	3.9%
Deposits	2,058,779	2,090,965	2,106,870	2,178,141	3.4%	4.2%
LDR	86.6%	89.4%	90.3%	89.1%	-1.2%	-0.3%
NPL	45,046	56,226	73,187	68,841	-5.9%	22.4%
NPL ratio	2.1%	2.8%	3.4%	3.2%	-0.2%	0.4%
LLR to NPL	204%	185%	160%	174%	14%	-11%
LLR to loans	5.2%	5.6%	6.1%	6.2%	0.1%	0.6%
Liquid assets <sup>/2</sup>	920,034	906,648	921,249	956,847	3.9%	5.5%
Liquid asset to total assets	33.3%	32.0%	32.0%	32.5%	0.5%	0.5%
CET1/Tier 1 ratio <sup>/3</sup>	15.6%	16.2%	17.3%	16.8%	-0.5%	0.6%
CAR <sup>/3</sup>	17.9%	18.3%	19.2%	18.7%	-0.5%	0.4%

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 for Dec-14 Dec-15 and Dec-16 were included net profit and deducted dividend, for Sep-16, the ratios were included net profit

# Financial Performance – 2016

Baht mn

	2014	2015	2016	Growth (%)
				YoY
Net interest income	58,997	57,510	63,998	11.3%
Net fee income	21,726	24,071	24,492	1.7%
Non-interest income	37,860	45,219	41,860	-7.4%
Total income	96,857	102,728	105,858	3.0%
Operating expenses	43,087	45,045	50,505	12.1%
Provisioning expenses	8,687	14,654	15,728	7.3%
Net profit/ <sup>1</sup>	36,332	34,181	31,815	-6.9%
EPS/ <sup>1</sup> (Baht per share)	19.03	17.91	16.67	-6.9%
NIM	2.37%	2.16%	2.34%	0.18%
Net fee income ratio	22.4%	23.4%	23.1%	-0.3%
Cost to income ratio	44.5%	43.8%	47.7% <sup>2</sup>	3.9%
ROA/ <sup>1</sup>	1.39%	1.21%	1.09%	-0.12%
ROE/ <sup>1</sup>	11.66%	9.91%	8.59%	-1.32%

Note:

/1 Attributable to the Bank

/2 Caused mainly by the provisions for contingencies

# Financial Performance – 4Q16

Baht mn

	4Q15	3Q16	4Q16	Growth (%)	
				QoQ	YoY
Net interest income	15,617	16,066	16,303	1.5%	4.4%
Net fee income	6,238	6,157	6,255	1.6%	0.3%
Non-interest income	10,793	10,887	11,063	1.6%	2.5%
Total income	26,410	26,953	27,366	1.5%	3.6%
Operating expenses	12,146	12,095	12,968	7.2%	6.8%
Provisioning expenses	3,880	4,946	3,596	-27.3%	-7.3%
Net profit <sup>/1</sup>	7,681	8,061	8,267	2.6%	7.6%
EPS <sup>/1</sup> (Baht per share)	4.02	4.22	4.33	2.6%	7.6%
NIM	2.33%	2.33%	2.36%	0.03%	0.03%
Net fee income ratio	23.6%	22.8%	22.9%	0.1%	-0.7%
Cost to income ratio	46.0%	44.9%	47.4%	2.5%	1.4%
ROA <sup>/1</sup>	1.08%	1.10%	1.13%	0.03%	0.05%
ROE <sup>/1</sup>	8.50%	8.67%	8.77%	0.10%	0.27%

Note:

/1 Attributable to the Bank

/2 Caused mainly by the provisions for contingencies

# 2017 Financial Targets

Consolidated	2017 Financial Targets
Loan growth	4-6%
NPL ratio (gross)	Slightly increase
Net interest margin (NIM)	Maintain
Net fee income growth	Up to 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

## Contact:

**Investor Relations Team**

**Tel (66) 2 626 4981-2**

**Fax (66) 2 231 4890**

**Email: [IR@bbl.co.th](mailto:IR@bbl.co.th)**

**Bangkok Bank Website**

**[www.bangkokbank.com](http://www.bangkokbank.com)**

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