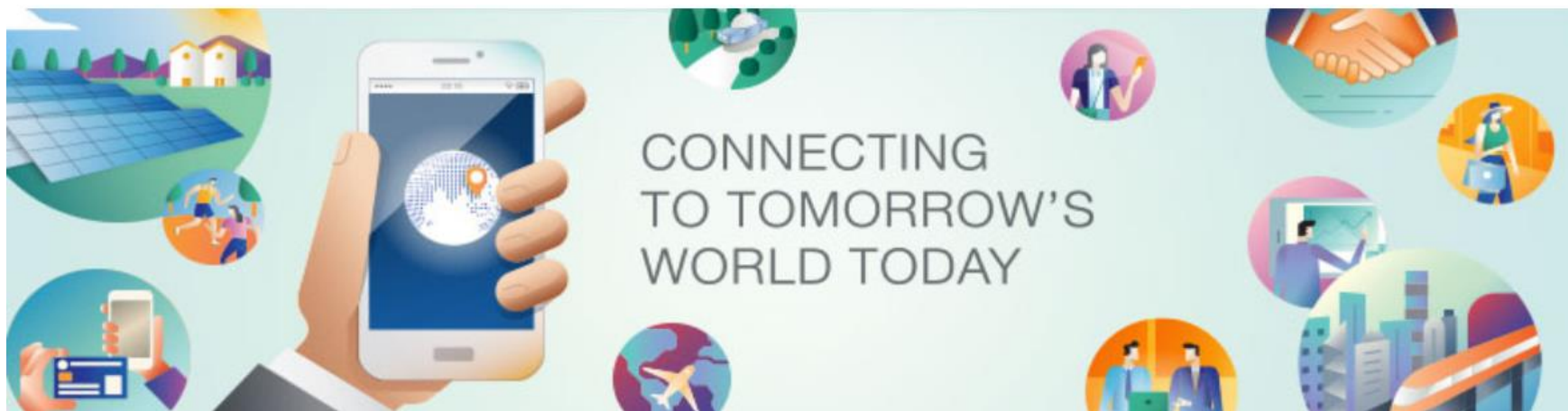




# Investor Presentation

## For 2Q17



# Bangkok Bank

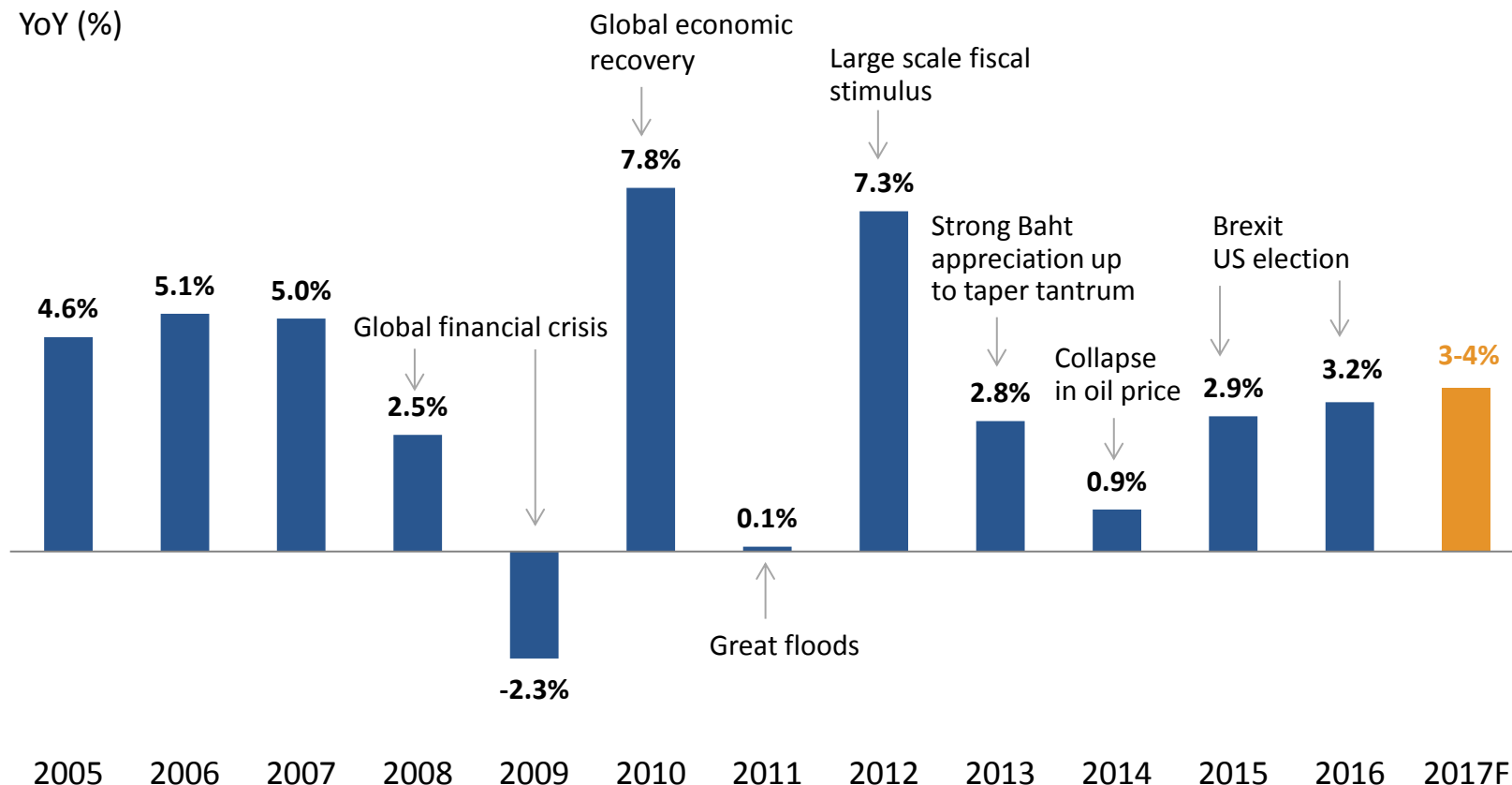
---

- 1. Operating Environment**
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# The Thai Economy: Steady Trend of Moderate Recovery

## GDP growth

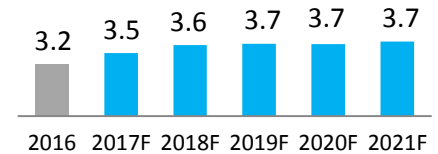
YoY (%)



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

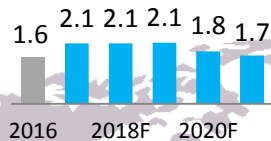
# With Moderate Global Growth, ASEAN Presents Major Opportunities Going Forward

## World Population : 7.4 bn



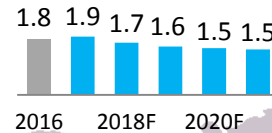
### US

Population : 323 mn



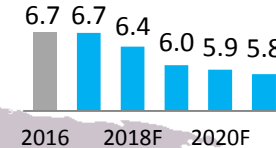
### Euro area

Population : 341 mn



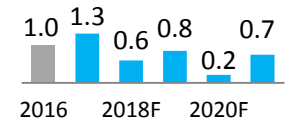
### China

Population : 1,379 mn



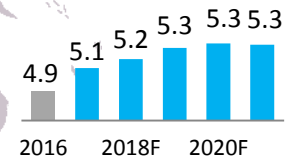
### Japan

Population : 127mn



### ASEAN\*

Population : 639 mn



Note: Population as of 2016

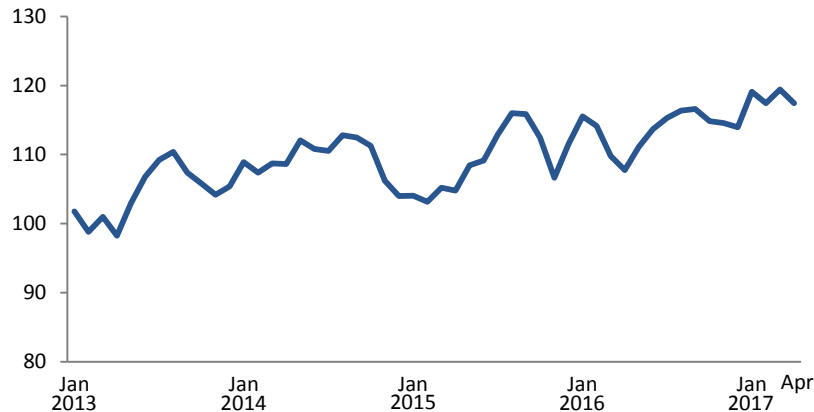
\* Composed of 5 countries: Indonesia, Malaysia, Philippines, Thailand, and Vietnam

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

# Exports and Government Spending underpin Growth

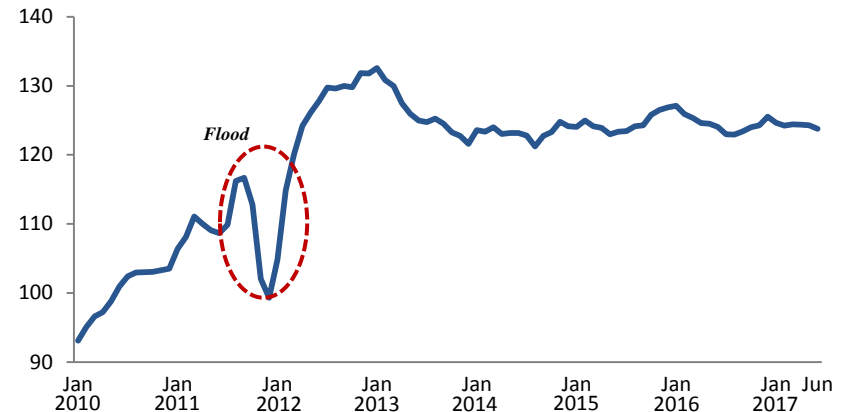
## Exports

Index Jan 2013 = 100, 3mma



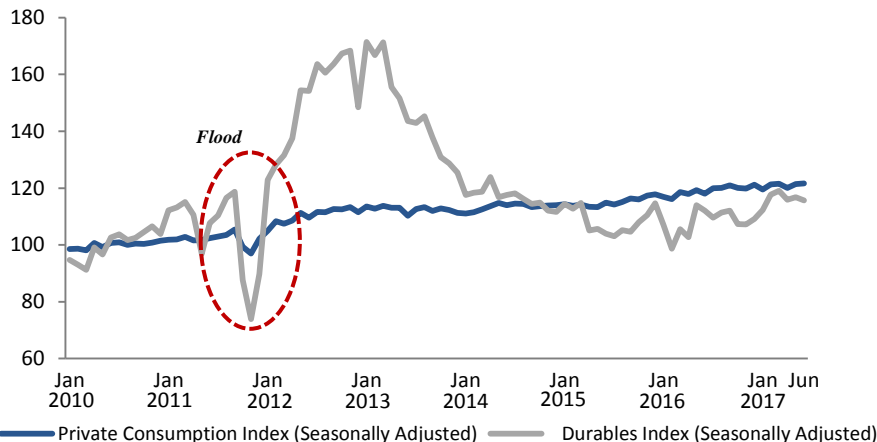
## Private Investment

Monthly Index Jan 2010 = 100



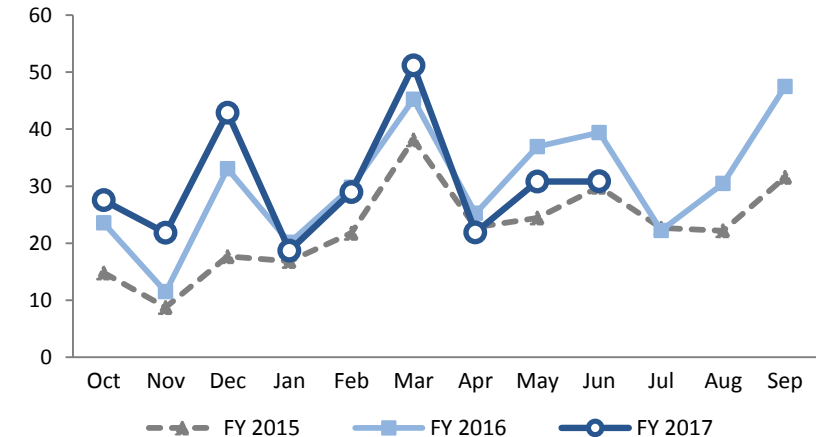
## Private Consumption

Monthly Index Jan 2010 = 100



## Government Investment Expenditure

Billion Baht



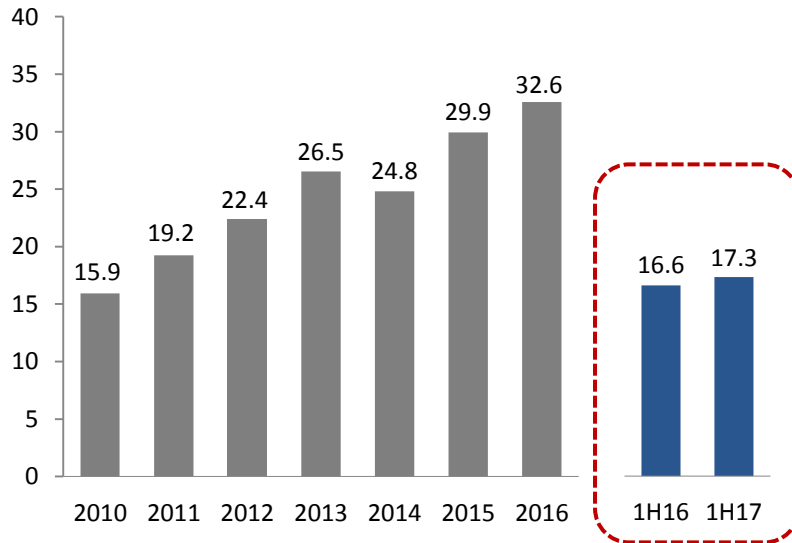
Source: Bank of Thailand, The Office of Industrial Economics, Center for Economic and Business Forecasting, Bureau of Budget and Fiscal Policy Office

# Bright Spots in 2017:

## Tourism and Motor Vehicle Sales

### Visitor Arrivals

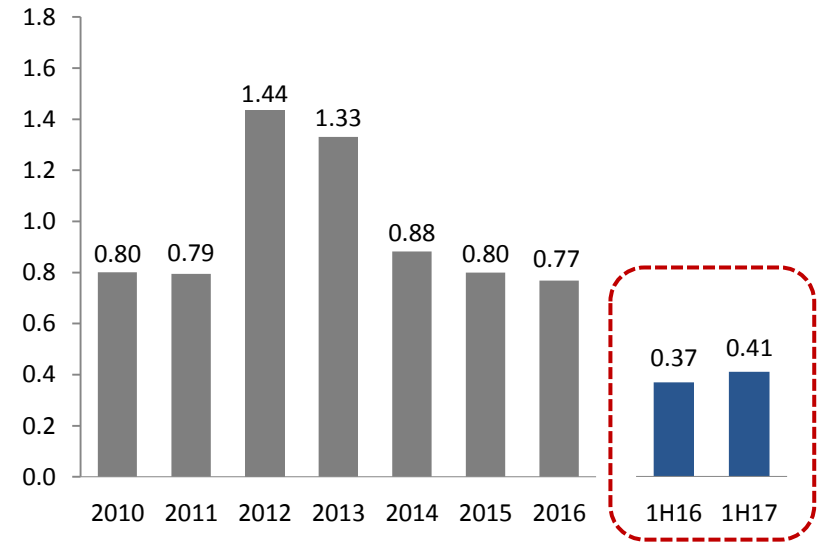
Number of Foreign Tourists (in million)



Source: Department of Tourism, Ministry of Tourism and Sports

### Motor Vehicle Sales

No of units (in million)



Source: CEIC

# 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
- Approved by the cabinet: 5 projects
- To be proposed to the cabinet: 7 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  
Pattaya-Map ta Phut
- Under procurement: Rama 3-Dao Khanong –Outer Ring Road west Bangkok

### ▶ Air Transport

- Under construction: Suvarnabhumi Phase II

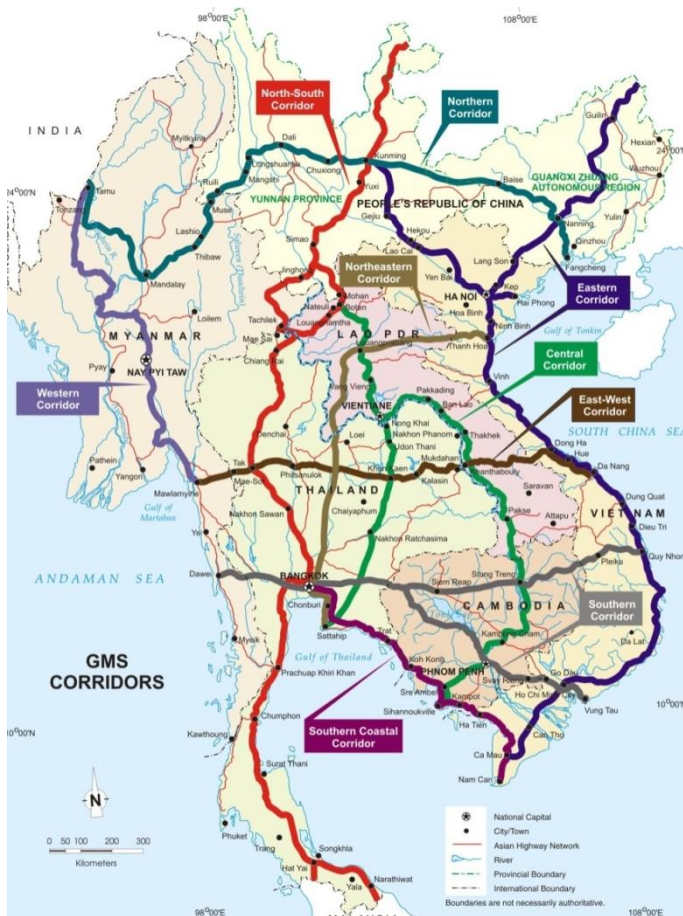
### ▶ Other Projects

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

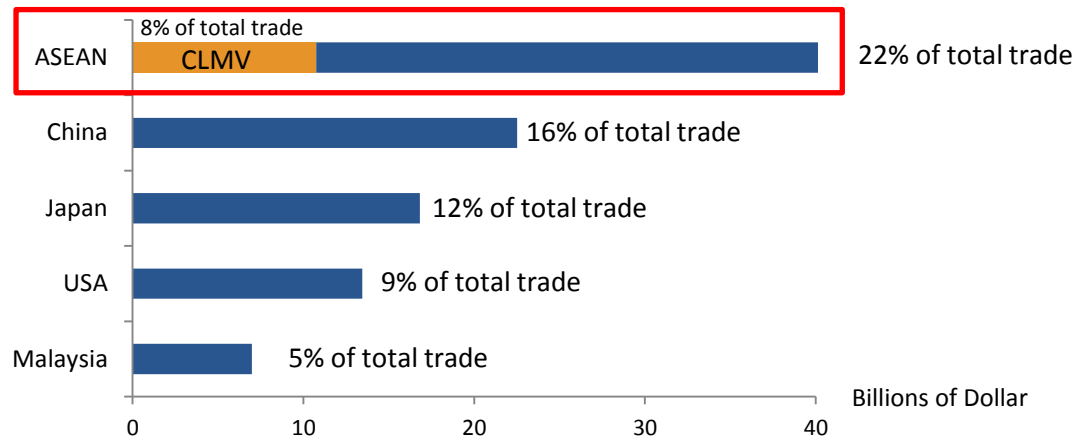
Source: Office of Transport and Traffic Policy and Planning, Ministry of Transport

# Opportunities from Regionalization & Urbanization

## Higher Connectivity in the AEC



## Thailand's Top 5 Trading Partners

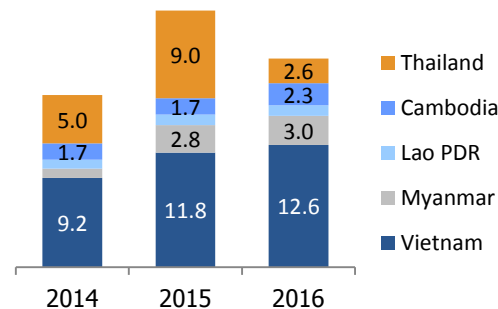


Note: Trading value during January – June 2017

Source: Ministry of Commerce

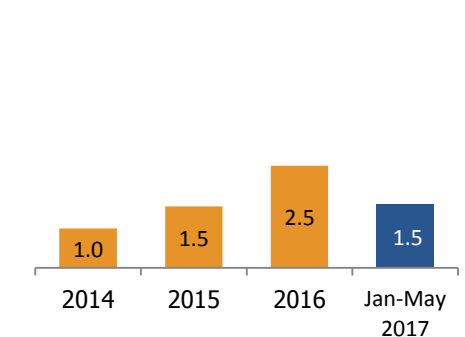
## FDI into Thailand and CLMV

Billions of Dollar



## Thailand's Investment in CLMV

Billions of Dollar



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



# Thailand's New Engine of Growth



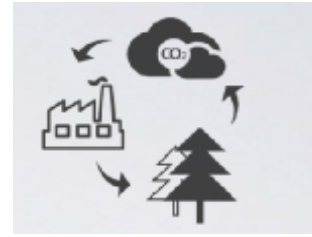
Next-Generation  
Automotive



Smart Electronics



Affluent, Medical &  
Wellness Tourism

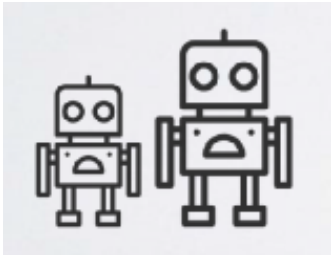


Agriculture &  
Biotechnology



Food for the Future

## 10 Target Industries



Robotics



Aviation & Logistics



Biofuels & Biochemicals

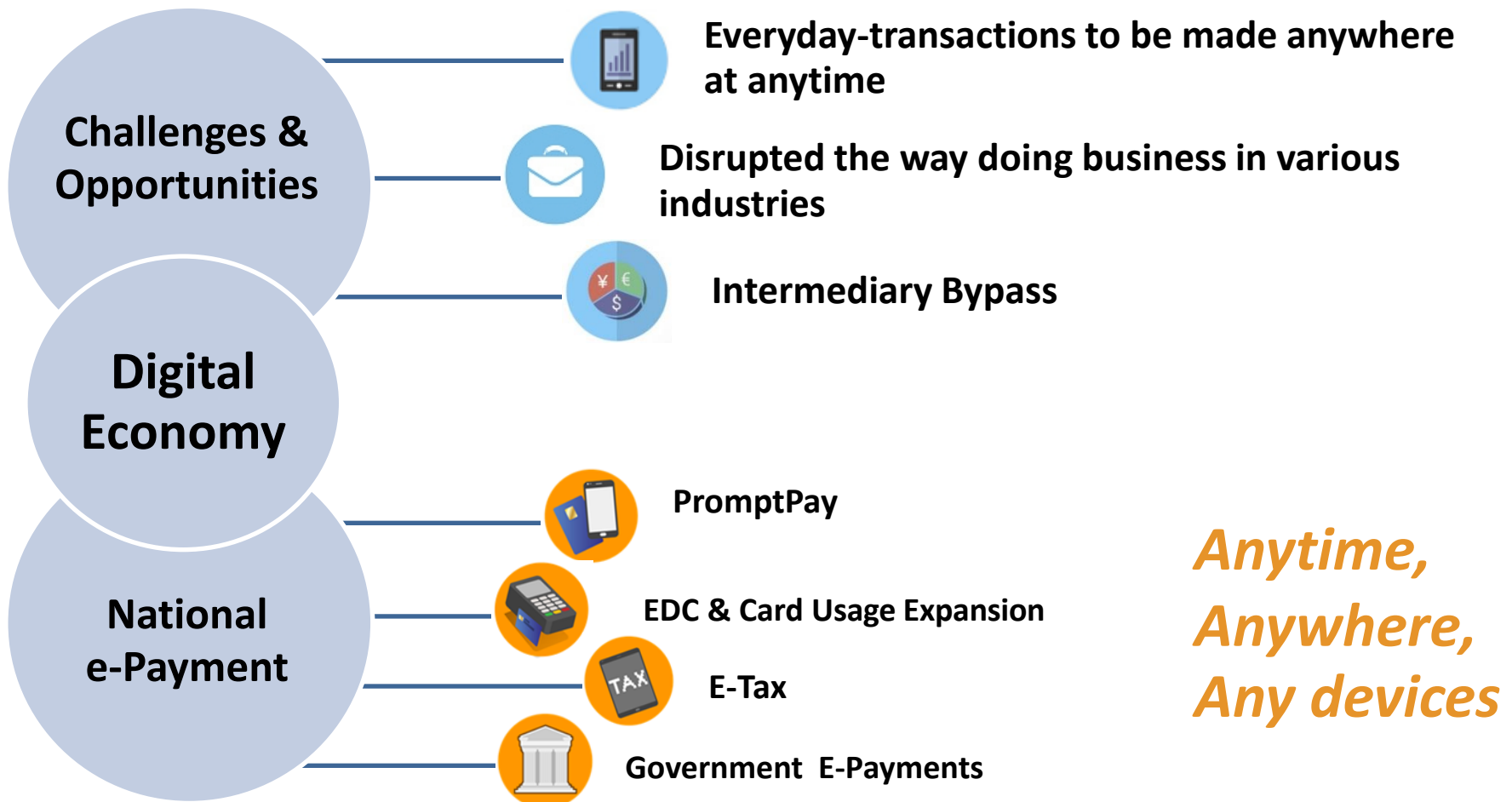


Digital



Medical Hub

# Digitalization



# Bangkok Bank

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1. Operating Environment
- 2. Bangkok Bank's Position**
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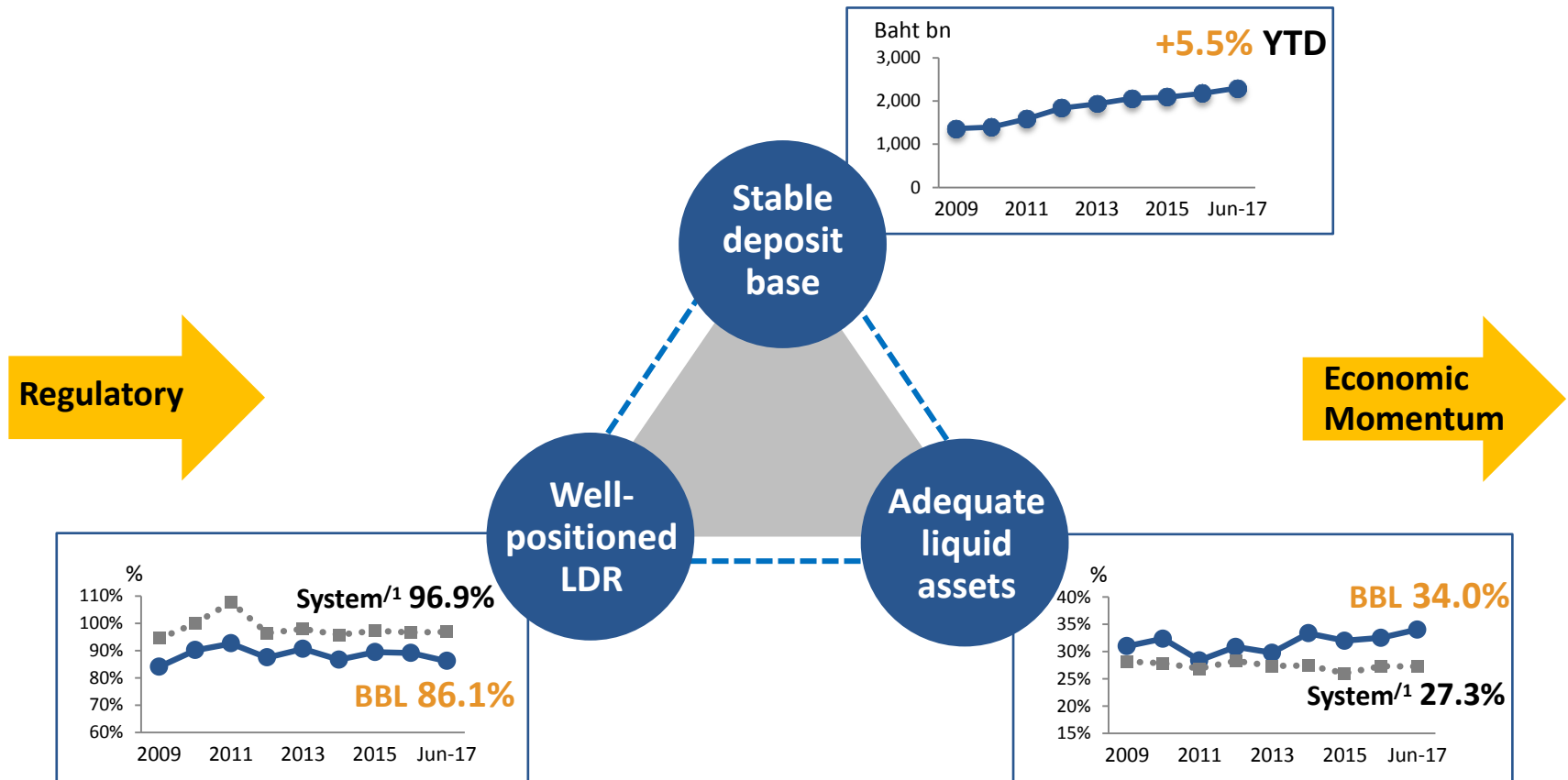
# Scale and Franchise Leadership

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



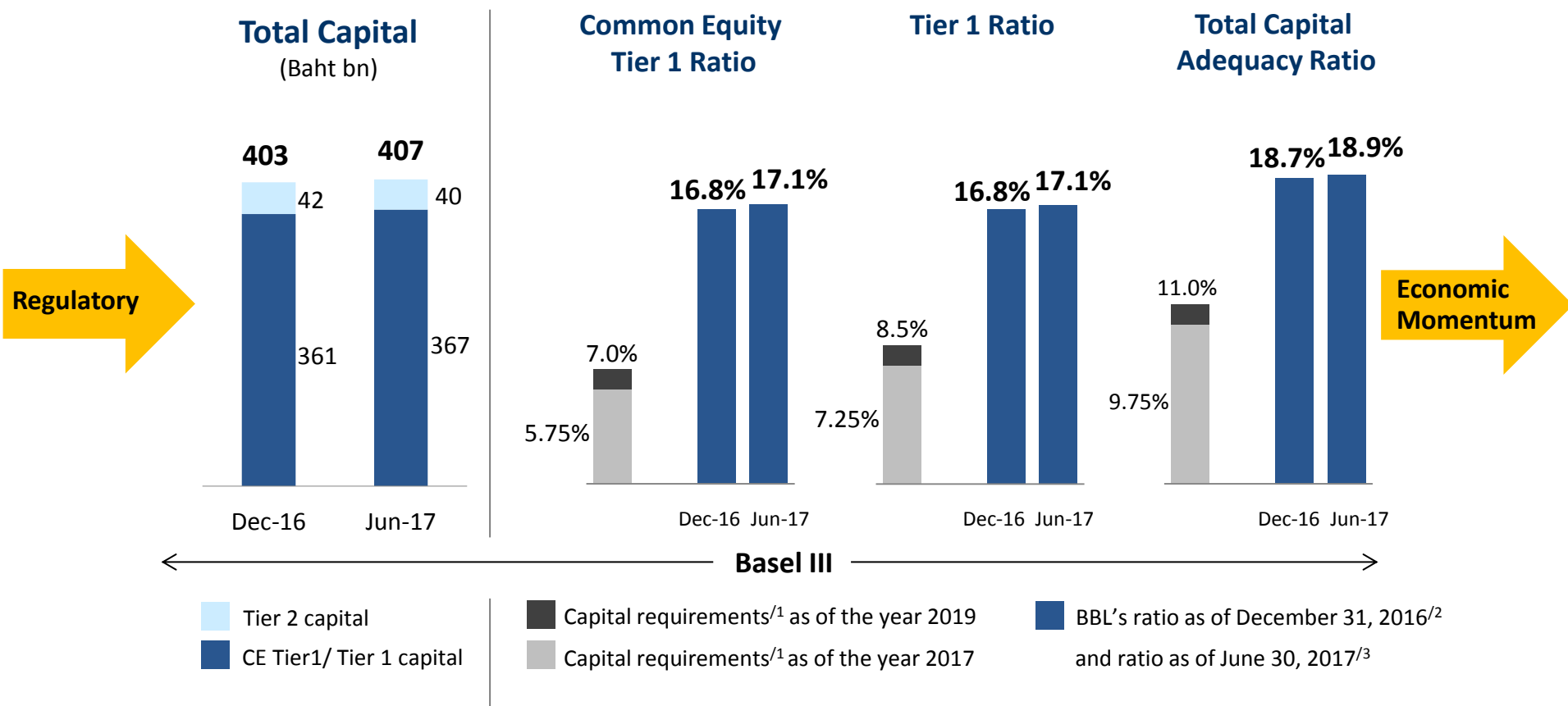
Note: Data as at June 2017

/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

/3 The ratios include net profit for the first half of 2017

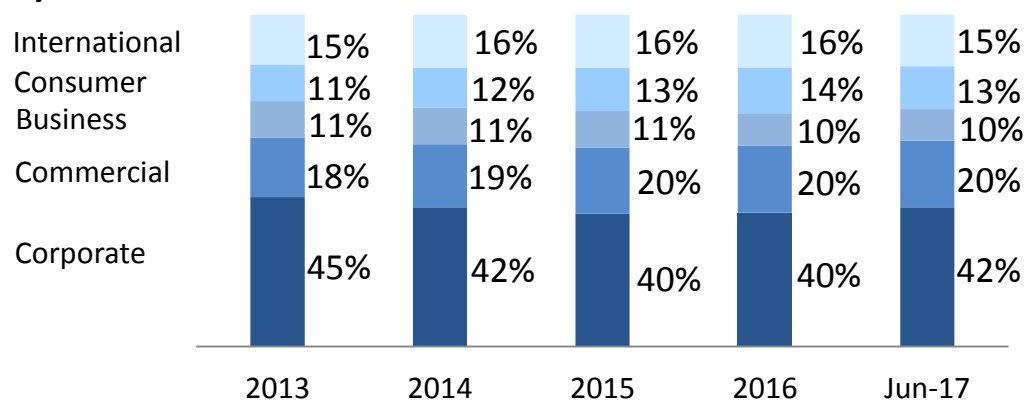
# Resilient Position Across Business Cycle

Diversification supports earning stability

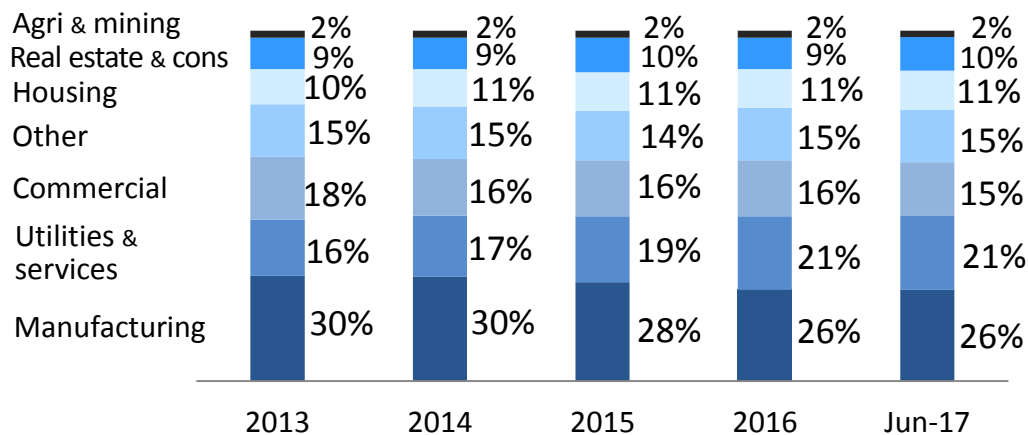
## Loan breakdown

Percentage of composition

### By business unit

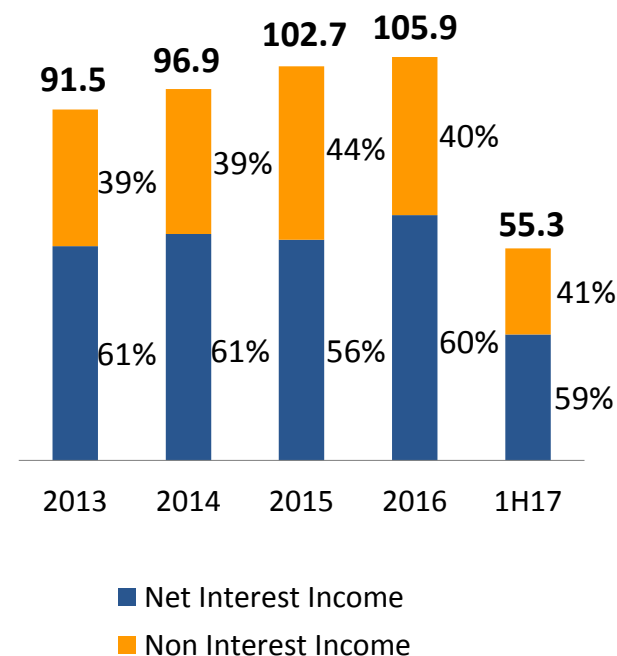


### By Industry



## Income breakdown

Baht bn, Percentage of composition

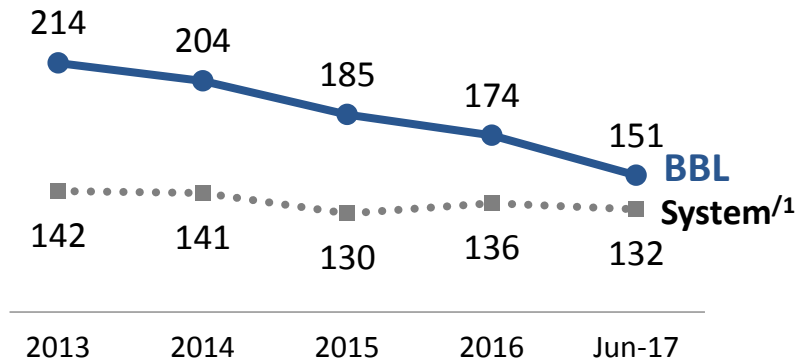


# Resilient Position Across Business Cycle

Sound loan asset quality reflects our conservative stance

## Coverage ratio

Percentage

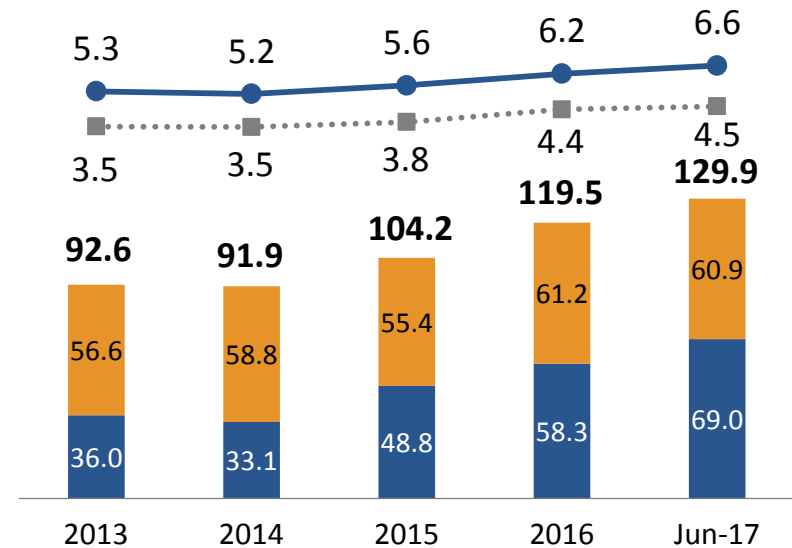


Note: /1 System refers to all commercial bank in Thailand.

Source: Bangkok Bank Analysis

## Loan loss reserves, LLR/Loan

Billion Baht, Percentage



- BBL's Excess reserves over BOT requirement (Bn Baht)
- BBL's Required Reserve by BOT (Bn Baht)
- BBL's LLR/Loans (%)
- System<sup>/1</sup>'s LLR/Loans (%)



# Bangkok Bank

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1. Operating Environment
2. Bangkok Bank's Position
- 3. Our Key Focus & Strategy**
4. Our Financial Results 2Q17

# 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

# Bangkok Bank

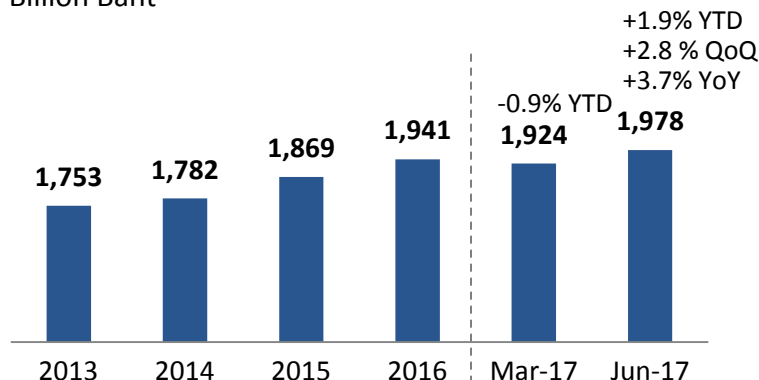
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1. Operating Environment
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# Overall Financial Positions

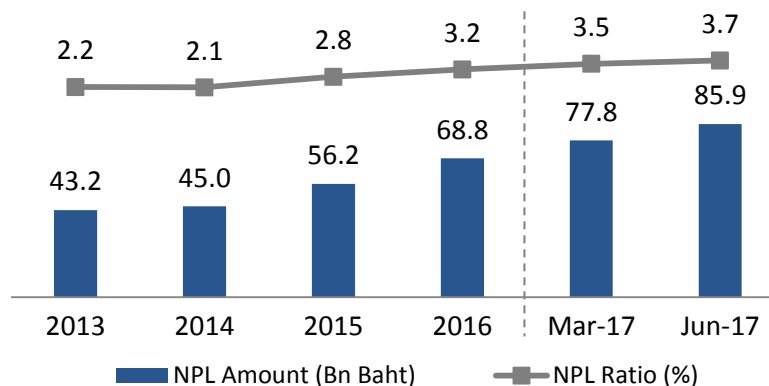
## Loans

Billion Baht



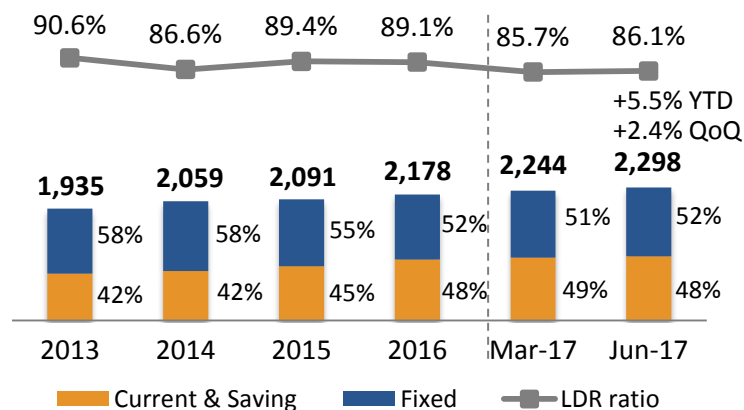
## NPL amount, NPL ratio

Billion Baht, Percentage



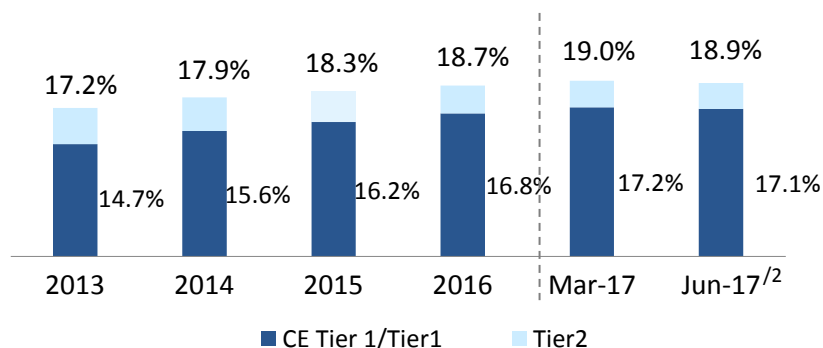
## Deposit

Baht bn, Percentage of composition



## CE Tier1, Capital Ratio<sup>/1</sup>

Percentage

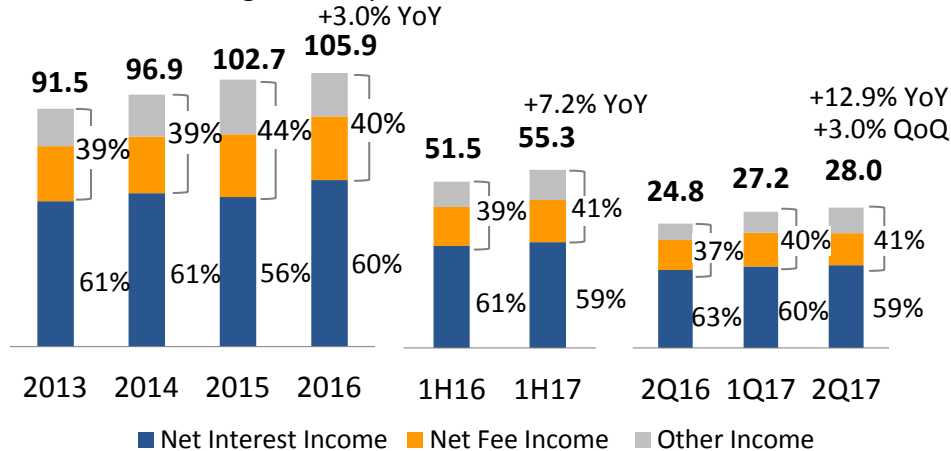


Note: <sup>/1</sup> For 2013-Mar-17, the ratios include net profit and deducted dividend  
<sup>/2</sup> For Jun-17, the ratios include net profit for the first half of the year 2017

# Total Income and Operating Expenses

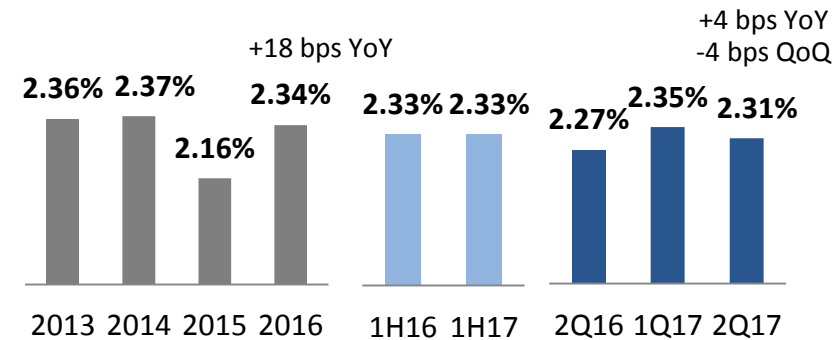
## Income breakdown

Baht bn, Percentage of composition



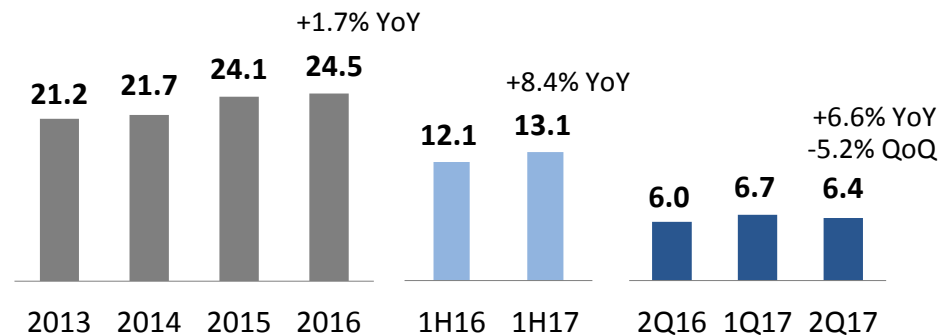
## NIM

Percentage



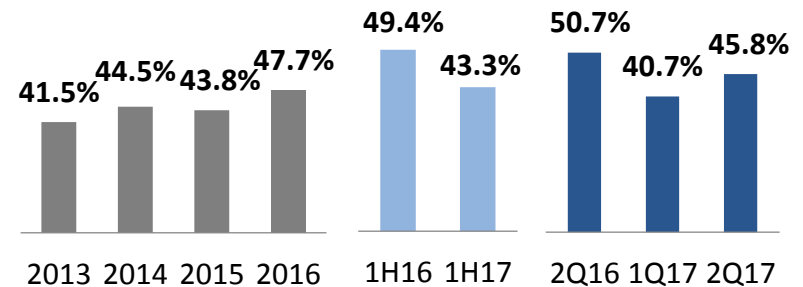
## Net fee income

Baht bn



## Cost-to-income ratio

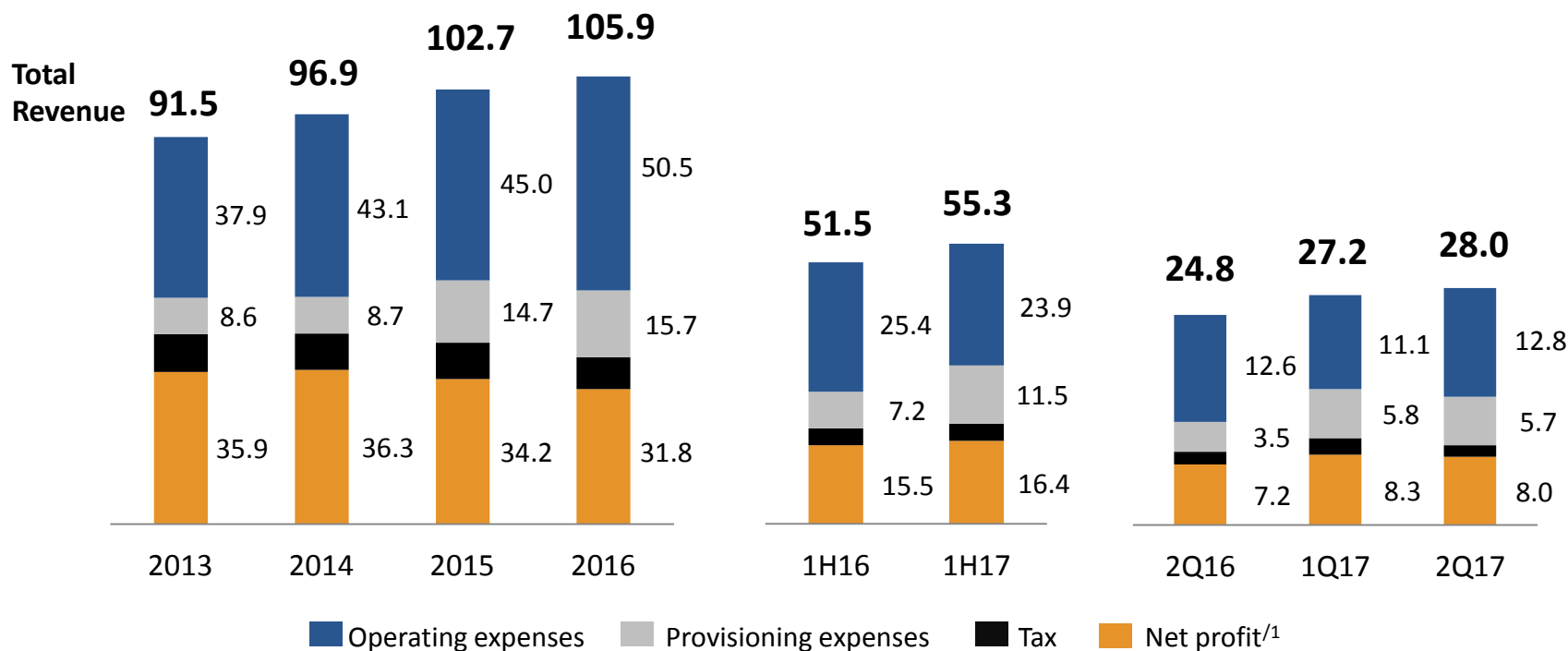
Percentage



# Overall Profitability

## Profitability drivers

Billion Baht



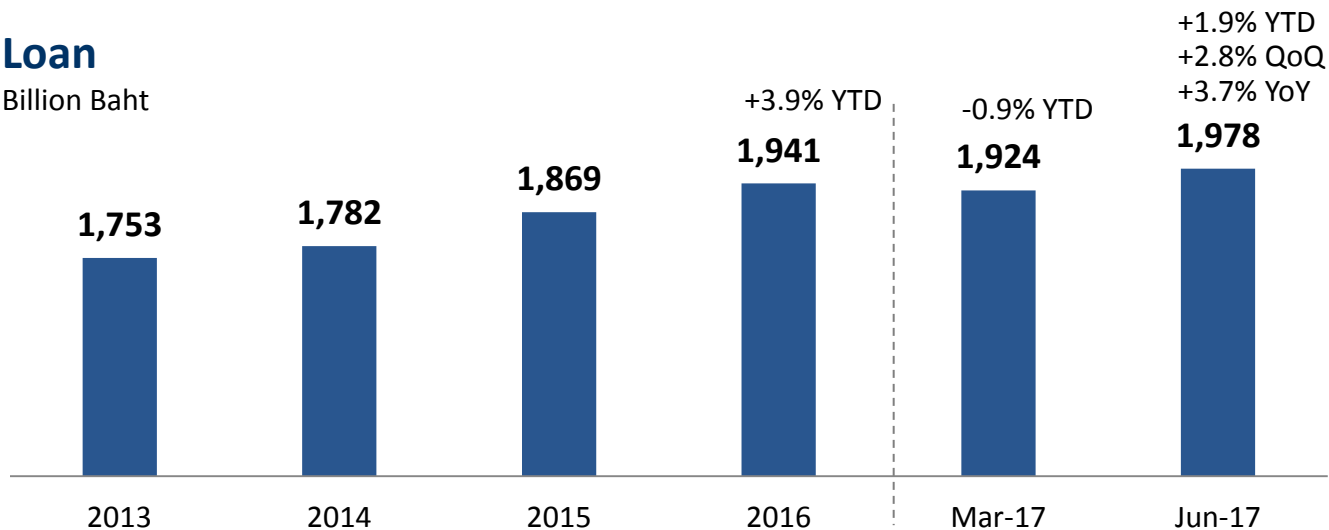
Note: /1 Owners of the Bank

# Appendix

# Loan Growth and Composition

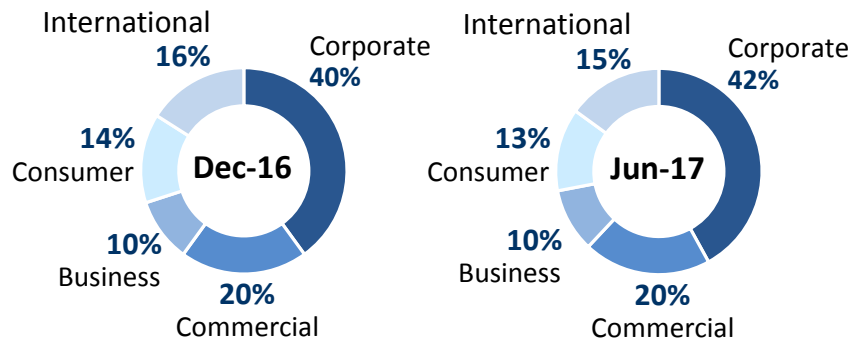
## Loan

Billion Baht



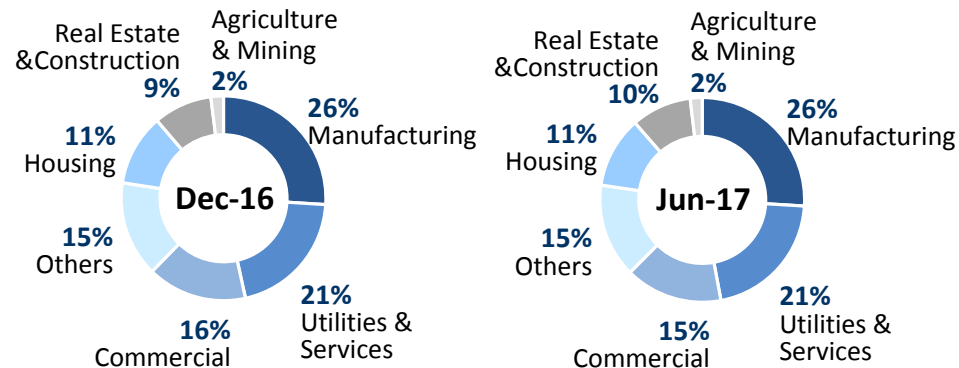
## Loan by Business Unit

Percentage of composition



## Loan by Industry

Percentage of composition

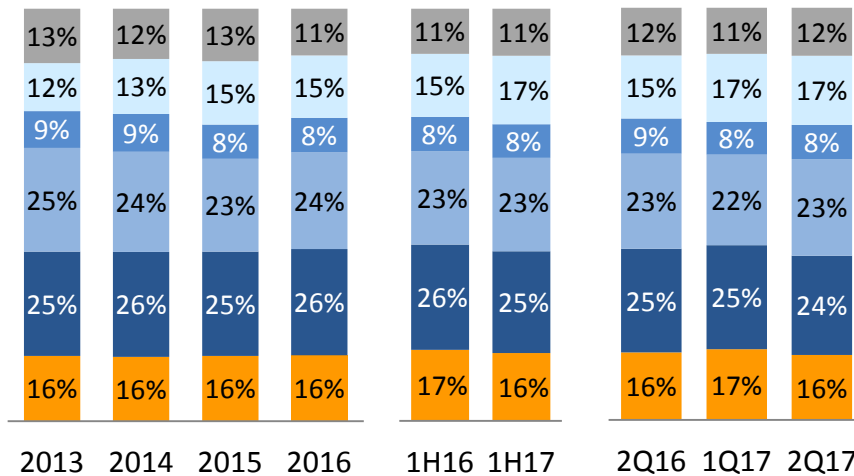




# Fee Income

## Fee income breakdown

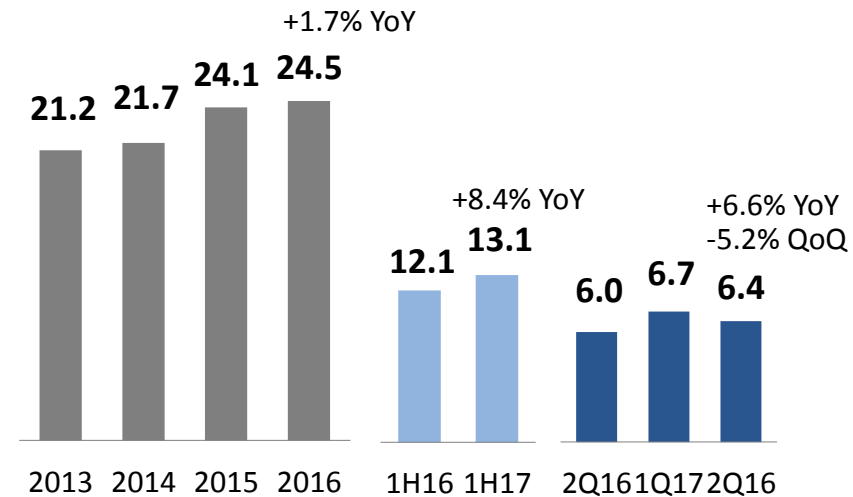
Percentage of composition



- Other Fees and Commissions
- Bancassurance and Mutual Funds
- Global market services
- Transaction services
- Credit Card business
- Loan related fee

## Net fee income

Baht bn



# Financial Position

Baht mn

	Dec-13	Dec-14	Dec-15	Dec-16	Growth %YTD	Jun-17	Growth %QoQ %YTD	
Loans <sup>/1</sup>	1,752,667	1,782,233	1,868,903	1,941,093	3.9%	1,978,391	2.8%	1.9%
Deposits	1,935,272	2,058,779	2,090,965	2,178,141	4.2%	2,297,918	2.4%	5.5%
LDR	90.6%	86.6%	89.4%	89.1%	-0.3%	86.1%	0.4%	-3.0%
NPL	43,228	45,046	56,226	68,841	22.4%	85,947	10.5%	24.8%
NPL ratio	2.2%	2.1%	2.8%	3.2%	0.4%	3.7%	0.2%	0.5%
LLR to NPL	214%	204%	185%	174%	-11%	151%	-9%	-23%
LLR to loans	5.3%	5.2%	5.6%	6.2%	0.6%	6.6%	0.1%	0.4%
Liquid assets <sup>/2</sup>	772,733	920,034	906,648	956,847	5.5%	1,034,447	0.03%	8.1%
Liquid asset to total assets	29.8%	33.3%	32.0%	32.5%	0.5%	34.0%	-0.5%	1.5%
CET1/Tier 1 ratio <sup>/3</sup>	14.7%	15.6%	16.2%	16.8%	0.6%	17.1%	-0.1%	0.3%
CAR <sup>/3</sup>	17.2%	17.9%	18.3%	18.7%	0.4%	18.9%	-0.1%	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 For 2013-2016, the ratios include net profit and deducted dividend. For Jun-17, the ratios include net profit for the first half of the year 2017.

# Financial Performance – 2Q17

Baht mn

	2Q16	1Q17	2Q17	Growth (%)	
				QoQ	YoY
Net interest income	15,596	16,277	16,568	1.8%	6.2%
Net fee income	5,976	6,719	6,372	-5.2%	6.6%
Non-interest income	9,250	10,939	11,472	4.9%	24.0%
Total income	24,846	27,216	28,040	3.0%	12.9%
Operating expenses	12,599	11,082	12,846	15.9%	2.0%
Provisioning expenses	3,542	5,806	5,688	-2.0%	60.6%
Net profit <sup>/1</sup>	7,169	8,305	8,047	-3.1%	12.2%
EPS <sup>/1</sup> (Baht per share)	3.76	4.35	4.22	-3.1%	12.2%
NIM	2.27%	2.35%	2.31%	-0.04%	0.04%
Net fee income ratio	24.1%	24.7%	22.7%	-2.0%	-1.4%
Cost to income ratio	50.7%	40.7%	45.8%	5.1%	-4.9%
ROA <sup>/1</sup>	0.98%	1.13%	1.07%	-0.06%	0.09%
ROE <sup>/1</sup>	7.80%	8.81%	8.38%	-0.43%	0.58%

Note:

/1 Attributable to the Bank

# Financial Performance – 1H17

Baht mn

	1H15	1H16	1H17	Growth (%) YoY
Net interest income	27,452	31,629	32,845	3.8%
Net fee income	11,820	12,079	13,091	8.4%
Non-interest income	22,135	19,916	22,408	12.5%
Total income	49,587	51,545	55,253	7.2%
Operating expenses	21,959	25,448	23,925	-6.0%
Provisioning expenses	5,901	7,186	11,494	59.9%
Net profit <sup>/1</sup>	17,442	15,487	16,352	5.6%
EPS <sup>/1</sup> (Baht per share)	9.14	8.11	8.57	5.6%
NIM	2.08%	2.33%	2.33%	0.00%
Net fee income ratio	23.8%	23.4%	23.7%	0.3%
Cost to income ratio	44.3%	49.4%	43.3%	-6.1%
ROA <sup>/1</sup>	1.25%	1.07%	1.10%	0.03%
ROE <sup>/1</sup>	10.48%	8.48%	8.61%	0.13%

Note:

/1 Attributable to the Bank

# Financial Performance – Year

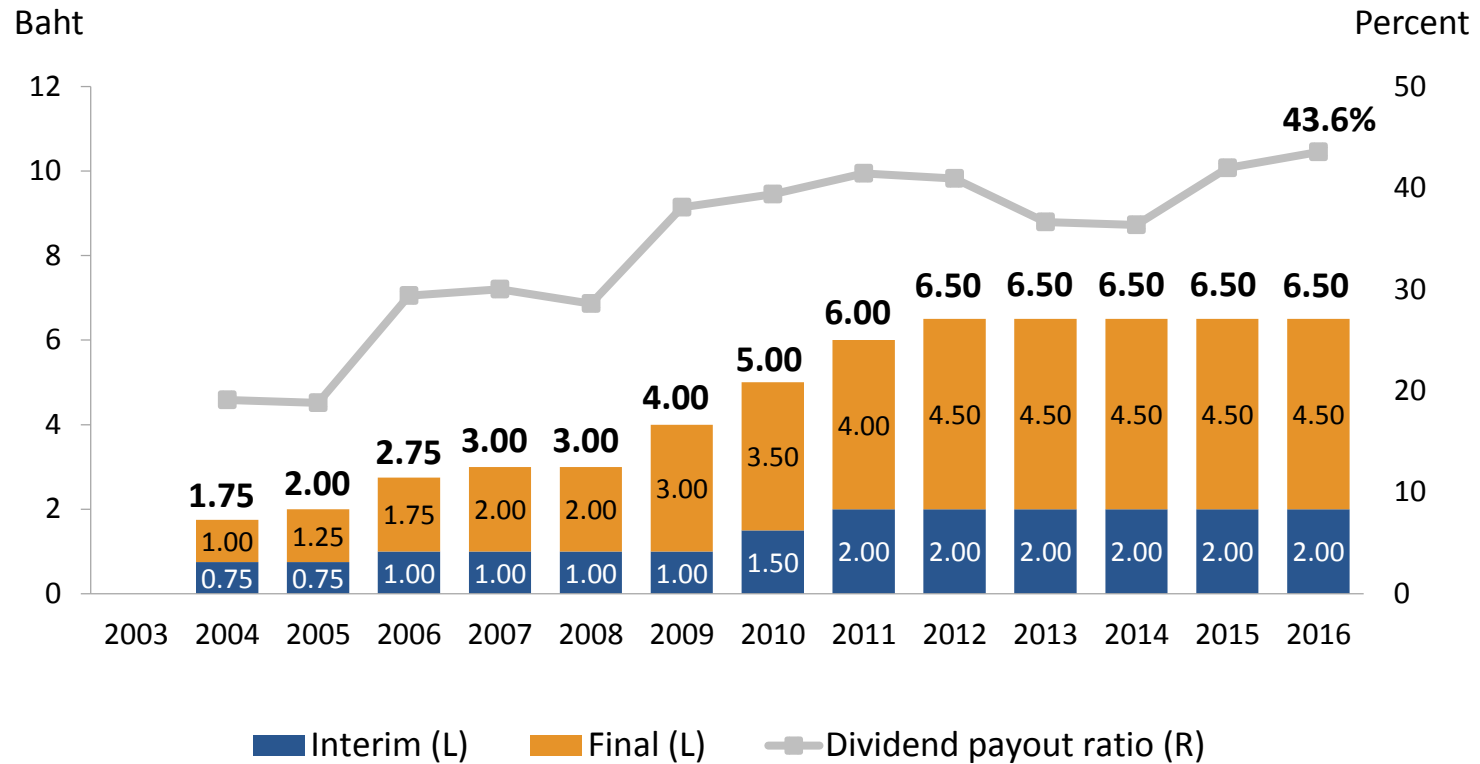
Baht mn

	2013	2014	2015	2016	Growth (%) YoY
Net interest income	55,879	58,997	57,510	63,998	11.3%
Net fee income	21,239	21,726	24,071	24,492	1.7%
Non-interest income	35,579	37,860	45,219	41,860	-7.4%
Total income	91,457	96,857	102,728	105,858	3.0%
Operating expenses	37,947	43,087	45,045	50,505	12.1%
Provisioning expenses	8,593	8,687	14,654	15,728	7.3%
Net profit/ <sup>1</sup>	35,906	36,332	34,181	31,815	-6.9%
EPS/ <sup>1</sup> (Baht per share)	18.81	19.03	17.91	16.67	-6.9%
NIM	2.36%	2.37%	2.16%	2.34%	0.18%
Net fee income ratio	23.2%	22.4%	23.4%	23.1%	-0.3%
Cost to income ratio	41.5%	44.5%	43.8%	47.7%	3.9%
ROA/ <sup>1</sup>	1.45%	1.39%	1.21%	1.09%	-0.12%
ROE/ <sup>1</sup>	12.62%	11.66%	9.91%	8.59%	-1.32%

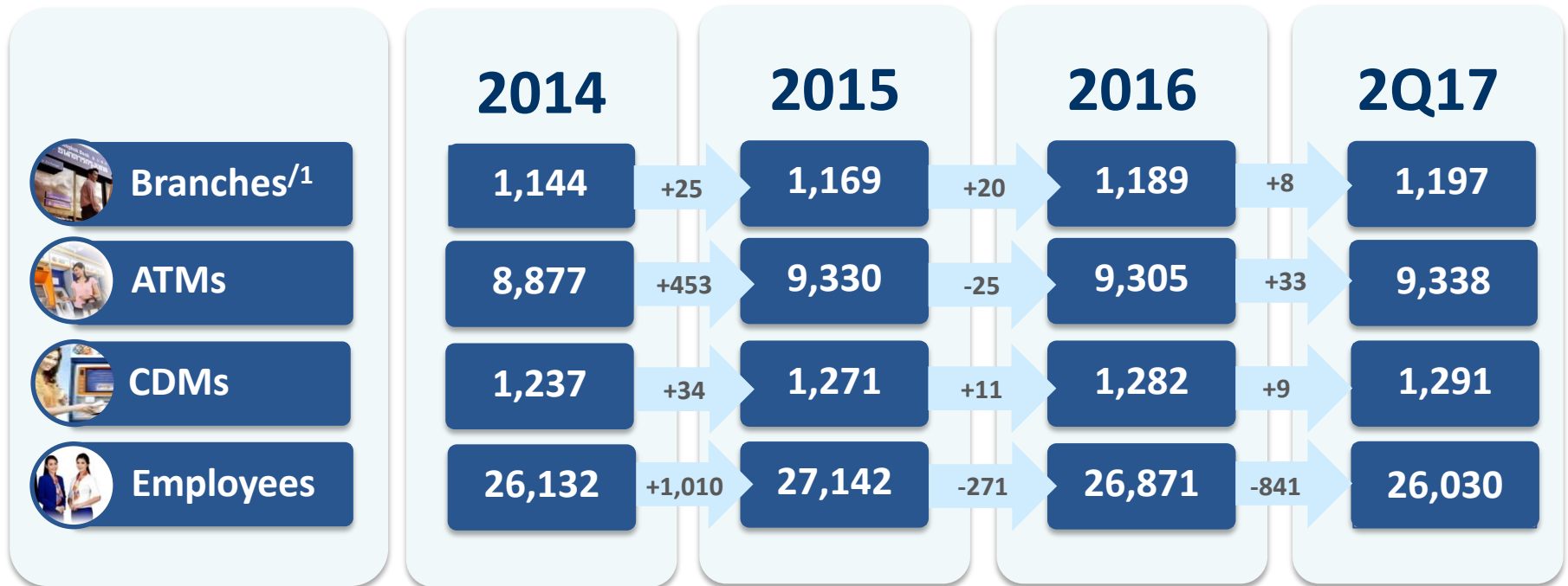
Note:

/1 Attributable to the Bank

# Dividends and Payout Ratio



# Networks



Note: Consolidated

/1 Including domestic and international branches, excluding self-services outlets

# Long-standing International Presence

**UK**  
Branches: 1  
Number of Years: 60

**32 international locations**  
in **15 economies**

**Cayman Island**  
Branches: 1  
Number of Years: 1

**USA**  
Branches: 1  
Number of Years: 52

**Laos**  
Branches: 2  
Number of Years: 23

**Myanmar**  
Branches: 1  
Number of Years: 22

**Malaysia<sup>/1</sup>**  
Branches: 5  
Number of Years: 58

**Singapore**  
Branches: 1  
Number of Years: 60

**Vietnam**  
Branches: 2  
Number of Years: 24

**China<sup>/1</sup>**  
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: 52

**Hong Kong**  
Branches: 2  
Number of Years: 63

**Cambodia**  
Branches: 1  
Number of Years: 2

**Indonesia**  
Branches: 3  
Number of Years: 44

Note: As at June 2017  
/1 Wholly-owned subsidiaries  
Source: Bangkok Bank filings



# 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**

**Fax (66) 2 231 4890**

**Email: IR@bbl.co.th**

**Bangkok Bank Website**

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

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