



Summary of Operating Results for the Bank and its Subsidiaries**Quarter Ended March 31, 2018**

The Thai economy continued to expand primarily due to growth in the export and tourism sectors, consistent with an increase in global demand. The structure of the Thai economy is transitioning into an innovative driven economy while the government's infrastructure development program will support Thailand's position as a logistics hub for the Southeast Asia region. These developments serve to strengthen three major trends which have been guiding Bangkok Bank's business direction in recent years, namely regionalization, urbanization and digitalization and, given the Bank's business philosophy to be "puan koo kit mit koo baan" (a trusted partner and reliable close friend), the Bank stands ready to support our customers in a rapidly changing world. Against this backdrop, Bangkok Bank continues 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 first quarter of 2018, Bangkok Bank and its subsidiaries' net interest income amounted to Baht 17.1 billion, an increase of 5.2 percent from the first quarter in 2017, with a net interest margin of 2.34 percent. Non-interest income was Baht 14.4 billion, an increase of 31.8 percent, due predominantly to an increase in net fees and service income and gains on investments. The increase in net fees and service income was mainly attributed to a rise in fee income from mutual funds and loan-related services. The Bank's operating expenses were Baht 12.6 billion, an increase of 13.6 percent, while the ratio of expenses to operating income dropped to 39.9 percent. Consequently, net profit attributable to owners of the Bank was Baht 9.0 billion, an increase of 8.4 percent from the first quarter of last year.

At the end of March 2018, the Bank's loans amounted to Baht 1,978.5 billion, a decrease of 1.3 percent from the end of 2017, due to business and consumer loans, as well as loans made through the Bank's international network. The ratio of non-performing loan (NPL) was 3.8 percent. In line with the prudent approach of setting aside adequate provisioning expenses, the Bank's total allowances for doubtful accounts amounted to Baht 146.8 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 from July to December 2017 and of net profit for the first quarter of 2018 minus the May 2018 dividend payment, 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 18.7 percent, 17.2 percent and 17.2 percent, respectively. These capital adequacy ratios are above the Bank of Thailand's minimum capital requirements. Shareholders' equity as of March 31, 2018, amounted to Baht 405.5 billion. The book value per share was Baht 212.41, an increase of Baht 1.96 from the end of 2017.

Overall Picture of the Bank and its Subsidiaries

Million Baht

Item	Quarter			Change (%)	
	1/2018	4/2017	1/2017	4/2017	1/2017
Net profit *	9,005	8,496	8,305	6.0%	8.4%
Earnings per share (Baht)	4.72	4.45	4.35	6.0%	8.4%
Net interest margin	2.34%	2.31%	2.35%	0.03%	(0.01)%
Net fees and service income to operating income ratio	24.1%	27.3%	24.7%	(3.2)%	(0.6)%
Expense to operating income ratio	39.9%	45.5%	40.7%	(5.6)%	(0.8)%
Return on average assets *	1.17%	1.10%	1.13%	0.07%	0.04%
Return on average equity *	9.05%	8.48%	8.81%	0.57%	0.24%

* Attributable to owners of the Bank

Million Baht

Item	March 2018	December 2017	March 2017	Change (%)	
				December 2017	March 2017
Loans **	1,978,511	2,003,989	1,923,953	(1.3)%	2.8%
Deposits	2,334,078	2,310,743	2,244,032	1.0%	4.0%
Loan to deposit ratio	84.8%	86.7%	85.7%	(1.9)%	(0.9)%
Non-performing loan (NPL)	92,165	87,419	77,772	5.4%	18.5%
Ratio of NPL to total loans	3.8%	3.9%	3.5%	(0.1)%	0.3%
Ratio of loan loss reserves to NPL	159.3%	160.2%	160.0%	(0.9)%	(0.7)%
Total capital adequacy ratio	18.0%	18.2%	18.3%	(0.2)%	(0.3)%

** Less deferred revenue

Operating Income and Expenses of the Bank and its Subsidiaries

Million Baht

Item	Quarter			Change (%)	
	1/2018	4/2017	1/2017	4/2017	1/2017
Net interest income	17,123	16,955	16,277	1.0%	5.2%
Non-interest income	14,414	11,789	10,939	22.3%	31.8%
Operating expenses	12,594	13,089	11,082	(3.8)%	13.6%
Impairment loss of loans and debt securities	7,322	4,617	5,806	58.6%	26.1%
Operating profit before tax	11,621	11,038	10,328	5.3%	12.5%
Income tax expenses	2,522	2,457	1,951	2.6%	29.3%
Net profit	9,099	8,581	8,377	6.0%	8.6%
Net profit *	9,005	8,496	8,305	6.0%	8.4%
Total comprehensive income *	3,738	8,705	6,895	(57.1)%	(45.8)%

* Attributable to owners of the Bank

In terms of operating results for the first quarter of 2018, compared with the fourth quarter of 2017, Bangkok Bank and its subsidiaries reported an increase of Baht 168 million or 1.0 percent in net interest income. The increase was mainly the result of a decrease in interest expenses on deposit due mainly to a decline in cost and volume of fixed deposits, and a decrease in interest expenses on debt issued and borrowings from the early redemption of Subordinated Debentures No. 1/2012 in December 2017. Non-interest income rose by Baht 2.6 billion or 22.3 percent due mainly to an increase in gains on investments, while dividend income and net fees and service income decreased. Operating expenses decreased by Baht 495 million, due to a decline in premises and equipment expenses. Impairment loss of loans and debt securities rose by Baht 2.7 billion or 58.6 percent. Consequently, net profit attributable to owners of the Bank in the first quarter of 2018 amounted to Baht 9.0 billion, an increase of Baht 509 million or 6.0 percent from the fourth quarter of 2017.

Compared with the first quarter of 2017, net interest income rose by Baht 846 million or 5.2 percent mainly because of an increase in interest income from loans and interbank and money market items. This was coupled with a decline in interest expenses on debt issued and borrowings from the early redemption of Subordinated Debentures No. 1/2012 in December 2017. Non-interest income rose by Baht 3.5 billion or 31.8 percent, due mainly to increases in gains on investments and net fees and service income from mutual funds and loan-related services. Impairment loss of loans and debt securities rose by Baht 1.5 billion and operating expenses rose by Baht 1.5 billion or 13.6 percent due to increases in other expenses and personnel expenses. Consequently, net profit attributable to owners of the Bank rose by Baht 700 million or 8.4 percent compared with the first quarter of 2017.

Net Interest Income

Million Baht

Item	Quarter			Change (%)	
	1/2018	4/2017	1/2017	4/2017	1/2017
Interest Income					
Loans	22,366	22,465	21,828	(0.4)%	2.5%
Interbank and money market items	2,057	2,237	1,727	(8.0)%	19.1%
Investments	2,160	2,158	2,094	0.1%	3.2%
Total interest income	26,583	26,860	25,649	(1.0)%	3.6%
Interest expenses					
Deposits	5,288	5,616	5,102	(5.8)%	3.6%
Interbank and money market items	405	310	257	30.6%	57.6%
Contributions to the Deposit Protection Agency and Financial Institutions Development Fund	2,440	2,429	2,331	0.5%	4.7%
Debt issued and borrowings	1,327	1,550	1,682	(14.4)%	(21.1)%
Total interest expenses	9,460	9,905	9,372	(4.5)%	0.9%
Net interest income	17,123	16,955	16,277	1.0%	5.2%
Yield on earning assets	3.64%	3.66%	3.70%	(0.02)%	(0.06)%
Cost of funds	1.48%	1.54%	1.54%	(0.06)%	(0.06)%
Net interest margin	2.34%	2.31%	2.35%	0.03%	(0.01)%

Net interest income in the first quarter of 2018 amounted to Baht 17.1 billion, an increase of Baht 168 million or 1.0 percent from the fourth quarter of 2017, due to a reduction of Baht 445 million or 4.5 percent in interest expenses, mainly from a decrease of Baht 328 million or 5.8 percent in interest expenses from deposits from a decrease in cost and volume of fixed deposits and an expansion of low-cost deposits in savings and current accounts. Interest expenses on debt issued and borrowings declined by Baht 223 million due to the early redemption of Subordinated Debentures No. 1/2012 in December 2017. Interest expenses from interbank and money market items rose by Baht 95 million, in line with an increase in transaction volume and costs. Interest income declined by Baht 277 million or 1.0 percent, due mainly to a decrease of Baht 180 million or 8.0 percent in interest income from interbank and money market items from a lower yield. Interest income from loans fell by Baht 99 million or 0.4 percent. The net interest margin rose by 0.03 percent from the previous quarter to 2.34 percent as cost of funds fell from lower costs of deposits.

Compared with the first quarter of 2017, net interest income rose by Baht 846 million or 5.2 percent, due to an increase of Baht 934 million or 3.6 percent in interest income. Significant items included an increase of Baht 538 million or 2.5 percent in interest income from loans due to a rise in lending volume, and an increase of Baht 330 million or 19.1 percent in interest income from interbank and money market items following a rise in transaction volume. Interest expenses rose by Baht 88 million or 0.9 percent mainly from an increase of Baht 186 million or 3.6 percent in interest expenses on deposits due to an increase in deposit volume, as a result, contributions to the Deposit Protection Agency and Financial Institutions Development Fund rose. Interest expenses from interbank and money market items rose by Baht 148 million following a rise in transaction volume. Interest expenses on debt issued and borrowings declined by Baht 355 million or 21.1 percent from the early redemption of Subordinated Debentures No. 1/2012 in December 2017. The net interest margin decreased by 0.01 percent from the same quarter last year.

Bangkok Bank Interest Rate	May 16, 2017	Apr 25, 2016
Loans (%)		
MOR	7.125	7.375
MRR	7.125	7.625
MLR	6.250	6.250
Deposits (%)		
Savings	0.500-0.625	0.500-0.625
3-month Fixed	1.000	1.000
6-month Fixed	1.250	1.250
12-month Fixed	1.500	1.500
		Apr 29, 2015
Bank of Thailand Policy Rate (%)	1.500	

Non-Interest Income

Item	Quarter		Change (%)		
	1/2018	4/2017	1/2017	4/2017	1/2017
Fees and service income	10,013	10,121	9,030	(1.1)%	10.9%
<u>Less</u> Fees and service expenses	2,411	2,285	2,311	5.5%	4.3%
Net fees and service income	7,602	7,836	6,719	(3.0)%	13.1%
Gains on trading and foreign exchange transactions	1,654	1,736	1,630	(4.7)%	1.5%
Gains on investments	3,527	965	1,329	265.5%	165.4%
Share of profit from investment for using equity method	35	16	82	118.8%	(57.3)%
Gains on disposal of assets	349	209	204	67.0%	71.1%
Dividend income	592	892	869	(33.6)%	(31.9)%
Other operating income	655	135	106	385.2%	517.9%
Total other operating income	6,812	3,953	4,220	72.3%	61.4%
Total non-interest income	14,414	11,789	10,939	22.3%	31.8%
Net fees and service income to operating income ratio	24.1%	27.3%	24.7%	(3.2)%	(0.6)%

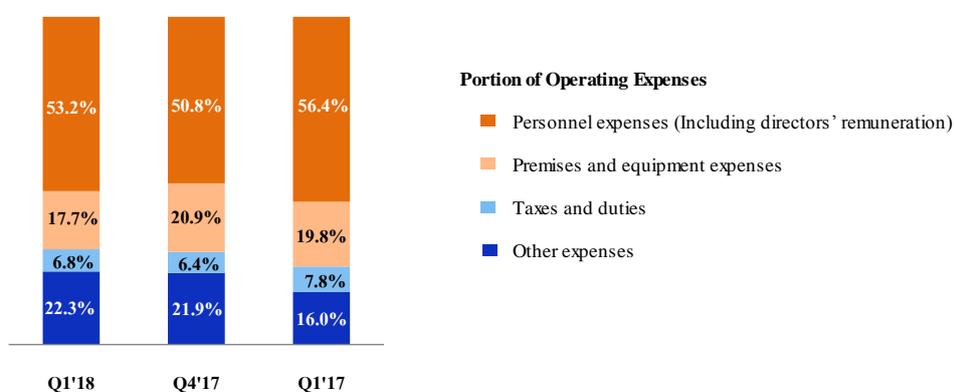
Non-interest income in the first quarter of 2018 amounted to Baht 14.4 billion, an increase of Baht 2.6 billion or 22.3 percent from the fourth quarter of 2017, due mainly to an increase of Baht 2.6 billion in gains on investments and Baht 520 million in other operating income as the Bank recognized a profit sharing from the management of the impaired assets by Thai Asset Management Corporation (TAMC). Dividend income declined by Baht 300 million and net fees and service income declined by Baht 234 million due to a decrease in fee income from loan-related services, credit card and underwriting services, while fee income from transaction services and securities business increased. Consequently, the ratio of net fees and service income to operating income stood at 24.1 percent, 3.2 percent lower than the previous quarter.

Compared with the first quarter of 2017, non-interest income rose by Baht 3.5 billion or 31.8 percent due mainly to an increase of Baht 2.2 billion in gains on investments and an increase of Baht 883 million in net fees and service income driven by mutual funds, securities business, loan-related services and transaction services. Other operating income rose by Baht 549 million as the Bank recognized a profit sharing from the management of the impaired assets by TAMC.

Operating Expenses

Million Baht

Item	Quarter		Change (%)		
	1/2018	4/2017	1/2017	4/2017	1/2017
Personnel expenses	6,670	6,602	6,219	1.0%	7.2%
Directors' remuneration	35	46	33	(23.9)%	6.1%
Premises and equipment expenses	2,223	2,736	2,191	(18.8)%	1.5%
Taxes and duties	862	840	864	2.6%	(0.2)%
Other expenses	2,804	2,865	1,775	(2.1)%	58.0%
Total operating expenses	12,594	13,089	11,082	(3.8)%	13.6%
Expense to operating income ratio	39.9%	45.5%	40.7%	(5.6)%	(0.8)%



Operating expenses in the first quarter of 2018 amounted to Baht 12.6 billion, a decrease of Baht 495 million or 3.8 percent from the fourth quarter of 2017 due mainly to a decrease of Baht 513 million in premises and equipment expenses.

Compared with the first quarter of 2017, operating expenses increased by Baht 1.5 billion or 13.6 percent. Other expenses increased by Baht 1.0 billion and personnel expenses increased by Baht 451 million due mainly to the annual salary adjustment.

Impairment Loss of Loans and Debt Securities

Million Baht

Item	Quarter		Change (%)		
	1/2018	4/2017	1/2017	4/2017	1/2017
Bad debt and doubtful accounts	7,369	4,654	5,859	58.3%	25.8%
Loss on debt restructuring (reversal)	(47)	(37)	(53)	(27.0)%	11.3%
Total	7,322	4,617	5,806	58.6%	26.1%

Impairment loss of loans and debt securities in the first quarter of 2018 was Baht 7.3 billion, compared to Baht 4.6 billion in the fourth quarter of 2017 and Baht 5.8 billion in the first quarter of 2017.

Significant Items in the Financial Position

Assets

Item	March 2018	December 2017	March 2017	Change (%)	
				December 2017	March 2017
Net interbank and money market items	634,237	437,738	504,369	44.9%	25.7%
Net investments	523,259	591,720	525,639	(11.6)%	(0.5)%
Net investments in associates	1,495	1,460	1,410	2.4%	6.0%
Loans *	1,978,511	2,003,989	1,923,953	(1.3)%	2.8%
Net properties for sale	10,546	11,415	12,004	(7.6)%	(12.1)%
Total assets	3,173,916	3,076,310	2,995,623	3.2%	6.0%

* Less deferred revenue

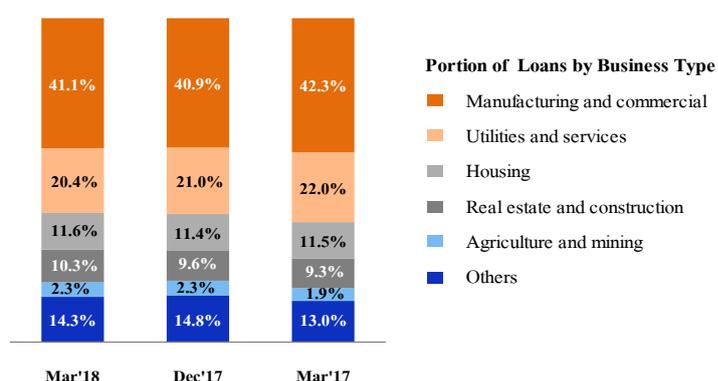
Total assets as of March 31, 2018, amounted to Baht 3,173.9 billion, an increase of Baht 97.6 billion from the end of December 2017. Significant items included net interbank and money market items of Baht 634.2 billion, an increase of Baht 196.5 billion or 44.9 percent mainly from an increase in lending, net investments of Baht 523.3 billion, a decrease of Baht 68.5 billion or 11.6 percent from a reduction in the investment in available-for-sale securities, and loans of Baht 1,978.5 billion, a decrease of Baht 25.5 billion or 1.3 percent.

Loans

Loans as of March 31, 2018 amounted to Baht 1,978.5 billion, a decrease of Baht 25.5 billion or 1.3 percent from the end of December 2017 due to business and consumer loans, as well as loans made through the Bank's international network.

Loans by Business Type *	March 2018	December 2017	March 2017	Change (%)	
				December 2017	March 2017
Manufacturing and commercial	813,319	819,338	814,365	(0.7)%	(0.1)%
Utilities and services	404,036	421,595	424,143	(4.2)%	(4.7)%
Housing	229,441	228,146	220,250	0.6%	4.2%
Real estate and construction	203,566	191,176	179,036	6.5%	13.7%
Agriculture and mining	46,242	46,658	36,825	(0.9)%	25.6%
Others	281,907	297,076	249,334	(5.1)%	13.1%
Total	1,978,511	2,003,989	1,923,953	(1.3)%	2.8%

* Less deferred revenue



The highest portion of lending was the manufacturing and commercial sector, at 41.1 percent, followed by 20.4 percent to utilities and services sector, 11.6 percent to housing sector, and 10.3 percent to real estate and construction sector. The main decrease in loans from the end of December 2017 was mainly to utilities and services sector and others sector.

Classified Loans and Allowance for Doubtful Accounts

Million Baht

Item	Loans & Accrued Interest Receivables *			Allowance for Doubtful Accounts Classified to Bank of Thailand Criteria		
	March 2018	December 2017	March 2017	March 2018	December 2017	March 2017
Normal	1,853,402	1,875,782	1,801,607	14,550	14,983	13,986
Special mentioned	37,711	45,815	48,377	452	591	593
Substandard	12,077	11,760	12,188	6,737	5,275	5,852
Doubtful	15,080	19,012	16,341	8,505	10,387	8,724
Doubtful of loss	65,092	56,681	49,296	41,044	36,471	32,247
Total	1,983,362	2,009,050	1,927,809	71,288	67,707	61,402
<u>Add</u> Excess allowance for doubtful accounts				73,268	70,004	60,430
Total allowance for doubtful accounts from loan classification				144,556	137,711	121,832
<u>Add</u> Revaluation allowance for debt restructuring				2,251	2,310	2,614
Total allowance for doubtful accounts				146,807	140,021	124,446

* Less deferred revenue

Million Baht

Item	March 2018	December 2017	March 2017	Change (%)	
				December 2017	March 2017
NPL before allowance for doubtful accounts	92,165	87,419	77,772	5.4%	18.5%
Ratio of NPL to total loans	3.8%	3.9%	3.5%	(0.1)%	0.3%
NPL after allowance for doubtful accounts (net NPL)	27,166	26,576	22,799	2.2%	19.2%
Ratio of net NPL to net total loans	1.2%	1.2%	1.1%	-	0.1%
Ratio of loan loss reserves to minimum required provisioning	199.6%	200.0%	194.4%	(0.4)%	5.2%
Ratio of loan loss reserves to NPL	159.3%	160.2%	160.0%	(0.9)%	(0.7)%

Non-performing loan (NPL) at the end of March 2018 amounted to Baht 92.2 billion and the ratio of NPL to total loans was 3.8 percent.

Total allowance for doubtful accounts at the end of March 2018 was Baht 146.8 billion or 199.6 percent of the minimum amount required by the Bank of Thailand (BOT) of Baht 73.5 billion. The ratio of loan loss reserves to NPL at the end of March 2018 was 159.3 percent.

Net Investments

Net investments as of March 31, 2018 amounted to Baht 523.3 billion, a decrease of Baht 68.5 billion or 11.6 percent from the end of December 2017, due mainly to available-for-sale securities.

Investments by Investment Holding	March 2018	December 2017	March 2017	Change (%)	
				December 2017	March 2017
Trading securities	17,880	15,113	22,180	18.3%	(19.4)%
Available-for-sale securities	463,842	533,651	452,056	(13.1)%	2.6%
Held-to-maturity debt securities	10,752	11,233	19,125	(4.3)%	(43.8)%
General investments	30,785	31,723	32,278	(3.0)%	(4.6)%
Total net investments	523,259	591,720	525,639	(11.6)%	(0.5)%

Million Baht

Most of the net investments were in government and state-enterprise securities. As of March 31, 2018, these amounted to Baht 247.8 billion, accounting for 47.4 percent of total investments. The remaining net investments were foreign debt securities of Baht 99.7 billion, private enterprise debt securities of Baht 50.4 billion, and net equity securities of Baht 116.7 billion.

Investments by Maturity *	March 2018		December 2017		March 2017		Change (%)	
	Amount	Portion	Amount	Portion	Amount	Portion	December 2017	March 2017
Up to one year	81,259	15.5%	71,982	12.1%	88,365	16.8%	12.9%	(8.0)%
Between one and five years	307,531	58.6%	375,910	63.4%	300,560	57.0%	(18.2)%	2.3%
Over five years	23,531	4.5%	24,597	4.2%	32,469	6.2%	(4.3)%	(27.5)%
No maturity	112,433	21.4%	120,691	20.3%	105,655	20.0%	(6.8)%	6.4%
Total net investments	524,754	100.0%	593,180	100.0%	527,049	100.0%	(11.5)%	(0.4)%

Million Baht

* Including net investments in associates

The remaining maturity of net investments (including net investments in associates) as of March 31, 2018 were categorized into securities with less than one year to maturity of Baht 81.3 billion, securities with one-to-five years to maturity of Baht 307.5 billion, securities with remaining maturity of more than five years of Baht 23.5 billion, and securities with no maturity of Baht 112.4 billion.

Liabilities and Shareholders' Equity

Million Baht

Item	March 2018		December 2017		March 2017		Change (%)	
	Amount	Portion	Amount	Portion	Amount	Portion	December 2017	March 2017
Deposits	2,334,078		2,310,743		2,244,032		1.0%	4.0%
Interbank and money market items	213,009		133,584		117,580		59.5%	81.2%
Debt issued and borrowings	89,777		107,190		133,236		(16.2)%	(32.6)%
Total liabilities	2,768,225		2,674,303		2,609,526		3.5%	6.1%
Shareholders' equity *	405,462		401,724		385,910		0.9%	5.1%

* Attributable to owners of the Bank

Total liabilities as of March 31, 2018 amounted to Baht 2,768.2 billion, an increase of Baht 93.9 billion or 3.5 percent from the end of December 2017, due largely to an increase of Baht 79.4 billion or 59.5 percent in interbank and money market items and an increase of Baht 23.3 billion or 1.0 percent in deposits while debt issued and borrowings decreased by Baht 17.4 billion or 16.2 percent.

Deposits

Million Baht

Deposits Classified by Product Type	March 2018		December 2017		March 2017		Change (%)	
	Amount	Portion	Amount	Portion	Amount	Portion	December 2017	March 2017
Current	110,531	4.7%	106,184	4.6%	96,643	4.3%	4.1%	14.4%
Savings	1,089,645	46.7%	1,065,928	46.1%	991,774	44.2%	2.2%	9.9%
Fixed *	1,133,902	48.6%	1,138,631	49.3%	1,155,615	51.5%	(0.4)%	(1.9)%
Total	2,334,078	100.0%	2,310,743	100.0%	2,244,032	100.0%	1.0%	4.0%
Loan to deposit ratio		84.8%		86.7%		85.7%	(1.9)%	(0.9)%

* Including negotiable certificates of deposit

Total deposits as of March 31, 2018 amounted to Baht 2,334.1 billion, an increase of Baht 23.3 billion or 1.0 percent from the end of December 2017. Current deposits rose by 4.1 percent and savings deposits rose by 2.2 percent due to an ongoing increase in the proportion of low-cost deposits, while fixed deposits fell by 0.4 percent.

Debt Issued and Borrowings

Million Baht

Debt Issued and Borrowings Classified by Type of Instruments	March 2018		December 2017		March 2017		Change (%)	
	Amount	Portion	Amount	Portion	Amount	Portion	December 2017	March 2017
Senior unsecured notes	81,219	84.9%	98,003	86.6%	103,379	74.2%	(17.1)%	(21.4)%
Unsecured subordinated notes	14,049	14.7%	14,692	13.0%	35,497	25.5%	(4.4)%	(60.4)%
Bills of exchange	26	0.1%	26	0.1%	74	0.1%	-	(64.9)%
Others	334	0.3%	384	0.3%	378	0.2%	(13.0)%	(11.6)%
Total (before less discount on borrowings)	95,628	100.0%	113,105	100.0%	139,328	100.0%	(15.5)%	(31.4)%
<u>Less</u> Discount on borrowings	5,851		5,915		6,092		(1.1)%	(4.0)%
Total	89,777		107,190		133,236		(16.2)%	(32.6)%

Total debt issued and borrowings as of March 31, 2018 amounted to Baht 89.8 billion, a decrease of Baht 17.4 billion from the end of December 2017 as a result of a decline in the value of foreign-denominated debentures mainly due to the maturity of USD 400 million senior unsecured debentures on March 28, 2018 and partly to the Baht's appreciation.

Shareholders' Equity

Shareholders' equity attributable to owners of the Bank as of March 31, 2018 amounted to Baht 405.5 billion, an increase of Baht 3.7 billion or 0.9 percent from the end of 2017, due mainly to the net profit attributable to owners of the Bank for the first quarter of 2018 of Baht 9.0 billion. Losses from conversion of the financial statements of foreign operations rose by Baht 2.5 billion due to the Baht's appreciation while revaluation gains on available-for-sale investments decreased by Baht 2.8 billion.

Contingent Liabilities

Item	March 2018	December 2017	March 2017	Change (%)	
				December 2017	March 2017
Avals to bills	8,169	8,187	6,619	(0.2)%	23.4%
Guarantees of loans	19,650	20,445	17,788	(3.9)%	10.5%
Liability under unmatured import bills	15,307	16,394	19,610	(6.6)%	(21.9)%
Letters of credit	34,226	31,803	35,400	7.6%	(3.3)%
Other commitments					
Underwriting commitments	1,199	1,098	1,950	9.2%	(38.5)%
Amount of unused bank overdrafts	173,600	174,083	175,078	(0.3)%	(0.8)%
Other guarantees	261,731	259,314	272,948	0.9%	(4.1)%
Others	113,920	88,622	151,080	28.5%	(24.6)%
Total	627,802	599,946	680,473	4.6%	(7.7)%

Contingent liabilities as of March 31, 2018 amounted to Baht 627.8 billion, an increase of Baht 27.9 billion or 4.6 percent from the end of December 2017, with increases in other guarantees and others (under other commitments).

Sources and Utilization of Funds

The primary sources of funds as of March 31, 2018 were Baht 2,334.1 billion or 73.5 percent in deposits, Baht 405.5 billion or 12.8 percent in shareholders' equity attributable to owners of the Bank, Baht 213.0 billion or 6.7 percent in interbank and money market liabilities, and Baht 89.8 billion or 2.8 percent in debt issued and borrowings.

The utilization of funds comprised Baht 1,978.5 billion or 62.3 percent in loans, Baht 634.2 billion or 20.0 percent in net interbank and money market assets, and Baht 524.8 billion or 16.5 percent in net investments (including net investments in associates).

Capital Reserves and Capital Adequacy Ratio

Consolidated

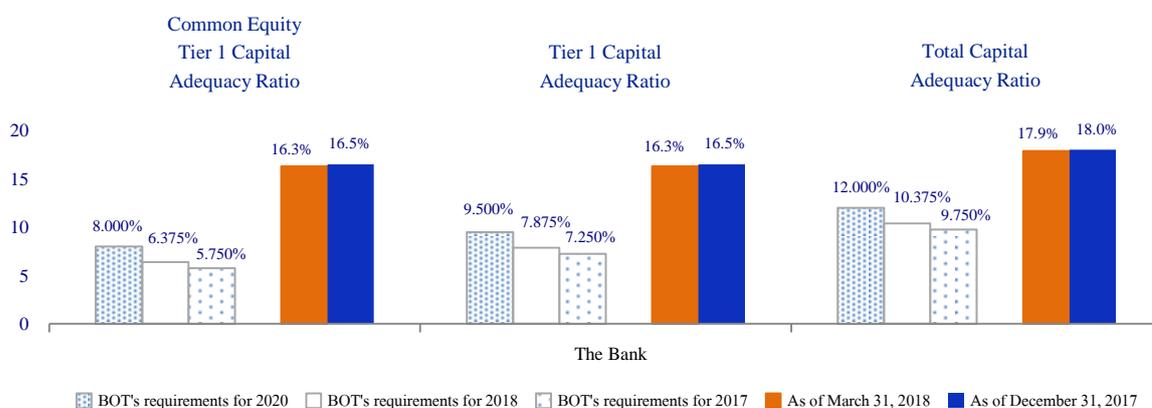
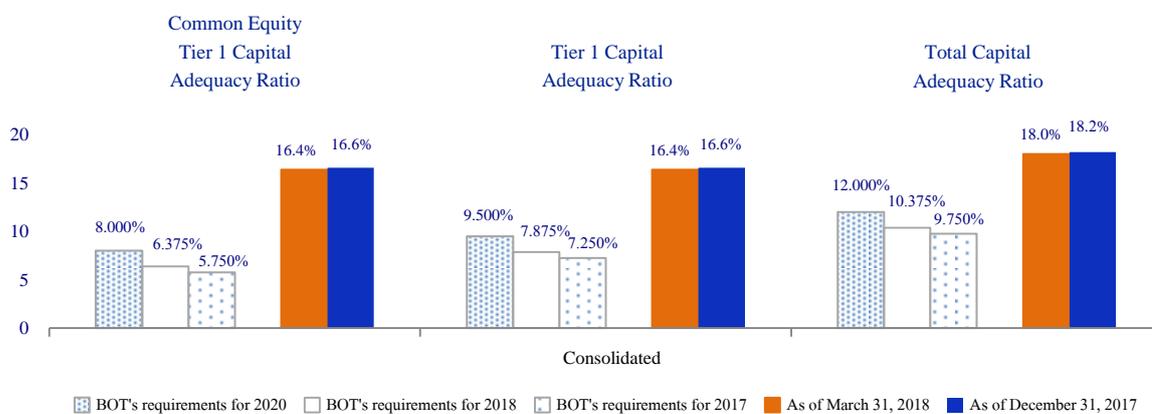
Million Baht

Item	Capital			Capital Adequacy Ratio		
	March 2018	December 2017	March 2017	March 2018	December 2017	March 2017
Total capital	412,920	419,580	398,844	18.0%	18.2%	18.3%
Tier 1 capital	377,563	383,942	359,432	16.4%	16.6%	16.5%
Common Equity Tier 1 capital	377,512	383,841	359,364	16.4%	16.6%	16.5%

The Bank

Million Baht

Item	Capital			Capital Adequacy Ratio		
	March 2018	December 2017	March 2017	March 2018	December 2017	March 2017
Total capital	398,084	404,226	385,734	17.9%	18.0%	18.1%
Tier 1 capital	363,436	369,261	347,000	16.3%	16.5%	16.3%
Common Equity Tier 1 capital	363,436	369,261	347,000	16.3%	16.5%	16.3%



Under the principles of Basel III, the Bank of Thailand (BOT) requires commercial banks registered in Thailand and members of their financial groups to maintain minimum levels of capital adequacy as measured by three ratios, including the Common Equity Tier 1 ratio at no less than 4.50 percent, the Tier 1 ratio at no less than 6.00 percent, and the total capital ratio at no less than 8.50 percent – measured as a percentage of total risk-weighted assets. It also requires a capital conservation buffer in addition to minimum capital adequacy ratios, phasing in an additional capital ratio of more than 0.625 percent p.a. starting January 1, 2016 until completion of the increment to more than 2.50 percent from January 1, 2019 onwards. To satisfy the minimum levels and capital buffer requirements of the BOT, in 2018 the Bank was required to maintain the Common Equity Tier 1 ratio at more than 6.375 percent, the Tier 1 ratio at more than 7.875 percent, and the total capital ratio at more than 10.375 percent – measured as percentages of total risk-weighted assets. The BOT also announced the guidelines for identifying and regulating Domestic Systemically Important Banks (D-SIBs). Bangkok Bank, which is classified as a D-SIB, is required by the BOT to hold additional capital for Higher Loss Absorbency (HLA) by gradually increasing its additional capital ratio by an increment of 0.50 percent p.a. from January 1, 2019 until completion of the increment to 1.00 percent from January 1, 2020 onwards.

As of March 31, 2018, regulatory capital position was Baht 412.9 billion, Common Equity Tier 1 capital was Baht 377.5 billion, and Tier 1 capital was Baht 377.6 billion. The total capital adequacy ratio was 18.0 percent, the Common Equity Tier 1 capital adequacy ratio was 16.4 percent, and the Tier 1 capital adequacy ratio was 16.4 percent. With the inclusion of net profit from July to December 2017 and net profit for the first quarter of 2018 minus the dividend payment in May 2018, the total capital adequacy ratio, the Common Equity Tier 1 capital adequacy ratio and the Tier 1 capital adequacy ratio would be 18.7 percent, 17.2 percent and 17.2 percent, respectively.

Liquid Assets

Item	March 2018	December 2017	March 2017
Liquid assets (Million Baht)	1,173,948	1,051,982	1,034,151
Liquid assets/Total assets (%)	37.0	34.2	34.5
Liquid assets/Deposits (%)	50.3	45.5	46.1

Liquid assets consisted of cash, net interbank and money market items, claims on securities, trading securities and available-for-sale securities. As of March 31, 2018, liquid assets totaled Baht 1,173.9 billion, an increase of Baht 122.0 billion or 11.6 percent from the end of December 2017, due mainly to an increase of Baht 196.5 billion in net interbank and money market items, while available-for-sale securities declined by Baht 69.8 billion.

Credit Ratings

At the end of March 2018, credit-rating agencies maintained the Bank's credit ratings from the end of 2017 and the end of March 2017. Details of the Bank's credit ratings are as follows:

Credit Rating Agency *	March 31, 2018	December 31, 2017	March 31, 2017
Moody's Investors Service			
Long-term Deposit	Baa1	Baa1	Baa1
Short-term Deposit	P-2	P-2	P-2
Senior Unsecured Debt Instrument	Baa1	Baa1	Baa1
Subordinated Debt Instrument	Baa3	Baa3	Baa3
Financial Strength (BCA)	baa2	baa2	baa2
Outlook	Stable	Stable	Stable
Standard & Poor's			
Long-term Counterparty Credit Rating	BBB+	BBB+	BBB+
Short-term Counterparty Credit Rating	A-2	A-2	A-2
Senior Unsecured Debt Instrument	BBB+	BBB+	BBB+
Subordinated Debt Instrument	BBB	BBB	BBB
Financial Strength (SACP)	bbb	bbb	bbb
Outlook	Stable	Stable	Stable
Fitch Ratings			
International Rating			
Long-term Issuer Default Rating	BBB+	BBB+	BBB+
Short-term Issuer Default Rating	F2	F2	F2
Senior Unsecured Debt Instrument	BBB+	BBB+	BBB+
Subordinated Debt Instrument	BBB	BBB	BBB
Financial Strength (VR)	bbb+	bbb+	bbb+
Outlook	Stable	stable	stable
National Rating			
Long-term	AA+(tha)	AA+(tha)	AA+(tha)
Short-term	F1+(tha)	F1+(tha)	F1+(tha)
Outlook	Stable	Stable	Stable

* Long-term credit ratings classified as investment grade by Moody's Investors Service, Standard & Poor's and Fitch Ratings are Baa3, BBB- and BBB-, or higher, respectively. Short-term credit ratings classified as investment grade by Moody's Investors Service, Standard & Poor's and Fitch Ratings are P-3, A-3 and F3, or higher, respectively.