



Summary of Operating Results for the Bank and its Subsidiaries**Quarter and Six Months Ended June 30, 2018**

The Thai economy in the second quarter of 2018 continued to grow on the back of expansion of Thailand's exports and tourism. The domestic economy started to show more visible signs of recovery with solid growth in both private consumption and private investment. Private consumption rose moderately due to the continued growth of the economy, mainly driven by non-agricultural households, especially those with medium to high incomes. In line with the solid expansion of Thai exports, those industries benefiting from growing exports have begun to invest to expand their production capacity, resulting in increased private investment. This was coupled with visible signs of government investment in infrastructure projects as well as the Eastern Economic Corridor Development Plan, which is helping to increase confidence in the business sector, improve the investment climate and attract more foreign investment. However, the Thai economy has also been impacted by external risks, stemming from the effects of severe countertrade measures between the US and other major economies, and volatility in financial markets following the movement of interest rates and currencies.

Against this backdrop, Bangkok Bank has continued 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 second quarter of 2018, Bangkok Bank and its subsidiaries have reported a net profit attributable to owners of the Bank of Baht 9.2 billion, an increase of 14.3 percent from the second quarter of last year. Net interest income amounted to Baht 17.6 billion, an increase of 6.1 percent, and a net interest margin of 2.33 percent. Non-interest income was Baht 13.7 billion, an increase of 19.1 percent, due predominantly to an increase in gains on trading and foreign exchange transactions, gains on investments, and net fees and service income mainly attributed to a rise in fee income from bancassurance and mutual funds. The Bank's operating expenses were Baht 13.4 billion, an increase of 4.1 percent, while the ratio of expenses to operating income was 42.8 percent.

At the end of June 2018, the Bank's loans amounted to Baht 2,065.5 billion, an increase of 3.1 percent from the end of 2017, due to loans to large corporates and loans made through the Bank's international network. The ratio of non-performing loan (NPL) was 3.5 percent. In line with the prudent approach of setting aside adequate provisioning expenses, the Bank's total allowances for doubtful accounts amounted to Baht 147.2 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 ending June 30, 2018, 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 18.0 percent, 16.5 percent and 16.5 percent, respectively. These capital adequacy ratios are above the Bank of Thailand's minimum capital requirements. Shareholders' equity attributable to owners of the Bank as of June 30, 2018, amounted to Baht 399.9 billion. The book value per share was Baht 209.47.

Overall Picture of the Bank and its Subsidiaries

Million Baht

Item	Quarter			Change (%)		H1		Change (%)
	2/2018	1/2018	2/2017	1/2018	2/2017	2018	2017	
Net profit *	9,194	9,005	8,047	2.1%	14.3%	18,199	16,352	11.3%
Earnings per share (Baht)	4.82	4.72	4.22	2.1%	14.3%	9.53	8.57	11.3%
Net interest margin	2.33%	2.34%	2.31%	(0.01)%	0.02%	2.34%	2.33%	0.01%
Net fees and service income to operating income ratio	21.3%	24.1%	22.7%	(2.8)%	(1.4)%	22.7%	23.7%	(1.0)%
Expense to operating income ratio	42.8%	39.9%	45.8%	2.9%	(3.0)%	41.4%	43.3%	(1.9)%
Return on average assets *	1.16%	1.17%	1.07%	(0.01)%	0.09%	1.17%	1.10%	0.07%
Return on average equity *	9.16%	9.05%	8.38%	0.11%	0.78%	9.12%	8.61%	0.51%

* Attributable to owners of the Bank

Million Baht

Item	June 2018	March 2018	December 2017	Change (%)	
				March 2018	December 2017
Loans **	2,065,487	1,978,511	2,003,989	4.4%	3.1%
Deposits	2,349,857	2,334,078	2,310,743	0.7%	1.7%
Loan to deposit ratio	87.9%	84.8%	86.7%	3.1%	1.2%
Non-performing loan (NPL)	83,478	92,165	87,419	(9.4)%	(4.5)%
Ratio of NPL to total loans	3.5%	3.8%	3.9%	(0.3)%	(0.4)%
Ratio of loan loss reserves to NPL	176.3%	159.3%	160.2%	17.0%	16.1%
Total capital adequacy ratio	17.2%	18.0%	18.2%	(0.8)%	(1.0)%

** Less deferred revenue

Operating Income and Expenses of the Bank and its Subsidiaries

Million Baht

Item	Quarter			Change (%)		H1		Change (%)
	2/2018	1/2018	2/2017	1/2018	2/2017	2018	2017	
Net interest income	17,573	17,123	16,568	2.6%	6.1%	34,696	32,845	5.6%
Non-interest income	13,667	14,414	11,472	(5.2)%	19.1%	28,081	22,408	25.3%
Operating expenses	13,376	12,594	12,846	6.2%	4.1%	25,970	23,925	8.5%
Impairment loss of loans and debt securities	6,533	7,322	5,688	(10.8)%	14.9%	13,854	11,494	20.5%
Operating profit before tax	11,331	11,621	9,506	(2.5)%	19.2%	22,953	19,834	15.7%
Income tax expenses	2,041	2,522	1,388	(19.1)%	47.0%	4,563	3,339	36.7%
Net profit	9,290	9,099	8,118	2.1%	14.4%	18,390	16,495	11.5%
Net profit *	9,194	9,005	8,047	2.1%	14.3%	18,199	16,352	11.3%
Total comprehensive income *	2,738	3,738	6,967	(26.8)%	(60.7)%	6,476	13,862	(53.3)%

* Attributable to owners of the Bank

In terms of operating results for the second quarter of 2018, compared with the first quarter of 2018, Bangkok Bank and its subsidiaries reported a net profit attributable to owners of the Bank of Baht 9.2 billion, an increase of Baht 189 million or 2.1 percent. Net interest income rose by Baht 450 million or 2.6 percent, mainly driven by an increase in interest income from loans and interbank and money market items. Non-interest income fell by Baht 747 million or 5.2 percent due predominantly to lower gains on investments and net fees and service income, partly due to lower fee income from transaction services caused by the exemption of transaction fees via digital channels, combined with declines in fee income from loan-related services and securities business, whereas dividend income and gains on tradings and foreign exchange transactions increased. Operating expenses rose by Baht 782 million from higher premises and equipment expenses. Impairment loss of loans and debt securities declined by Baht 789 million or 10.8 percent.

Compared with the second quarter of 2017, net profit attributable to owners of the Bank rose by Baht 1.1 billion or 14.3 percent due to an increase of Baht 1.0 billion or 6.1 percent in net interest income. The increase in net interest income was mainly due to 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 and the maturity of foreign-currency-denominated senior unsecured debentures in March 2018. Non-interest income rose by Baht 2.2 billion or 19.1 percent, due largely to higher gains on tradings and foreign exchange transactions, gains on investments, dividend income, and net fees and service income, mainly from bancassurance and mutual funds, and securities business. Impairment loss of loans and debt securities rose by Baht 845 million and operating expenses rose by Baht 530 million or 4.1 percent from higher other expenses and personnel expenses.

In the first half of 2018, net profit attributable to owners of the Bank amounted to Baht 18.2 billion, an increase of Baht 1.8 billion or 11.3 percent from the first half of 2017. Net interest income rose by Baht 1.9 billion or 5.6 percent from the first half of 2017, due mainly to higher interest income from loans, combined with lower interest expenses on debt issued and borrowings from the early redemption of subordinated debentures No. 1/2012 in December 2017 and the maturity of foreign-currency-denominated senior unsecured debentures in March 2018. Non-interest income rose by Baht 5.7 billion or 25.3 percent, mainly driven by higher gains on investments and net fees and service income from bancassurance and mutual fund, and securities business. Operating expenses rose by Baht 2.0 billion or 8.5 percent from higher other expenses and personnel expenses and impairment loss on loans and debt securities rose by Baht 2.4 billion or 20.5 percent.

Net Interest Income

Million Baht

Item	Quarter			Change (%)		H1		Change (%)
	2/2018	1/2018	2/2017	1/2018	2/2017	2018	2017	
Interest Income								
Loans	23,012	22,366	22,166	2.9%	3.8%	45,378	43,994	3.1%
Interbank and money market items	2,306	2,057	2,045	12.1%	12.8%	4,363	3,772	15.7%
Investments	2,150	2,160	2,003	(0.5)%	7.3%	4,310	4,097	5.2%
Total interest income	27,468	26,583	26,214	3.3%	4.8%	54,051	51,863	4.2%
Interest expenses								
Deposits	5,442	5,288	5,326	2.9%	2.2%	10,730	10,428	2.9%
Interbank and money market items	676	405	242	66.9%	179.3%	1,080	499	116.4%
Contributions to the Deposit Protection Agency and Financial Institutions Development Fund	2,498	2,440	2,415	2.4%	3.4%	4,939	4,746	4.1%
Debt issued and borrowings	1,279	1,327	1,663	(3.6)%	(23.1)%	2,606	3,345	(22.1)%
Total interest expenses	9,895	9,460	9,646	4.6%	2.6%	19,355	19,018	1.8%
Net interest income	17,573	17,123	16,568	2.6%	6.1%	34,696	32,845	5.6%
Yield on earning assets	3.64%	3.64%	3.66%	-	(0.02)%	3.65%	3.68%	(0.03)%
Cost of funds	1.50%	1.48%	1.54%	0.02%	(0.04)%	1.49%	1.54%	(0.05)%
Net interest margin	2.33%	2.34%	2.31%	(0.01)%	0.02%	2.34%	2.33%	0.01%

Net interest income in the second quarter of 2018 amounted to Baht 17.6 billion, an increase of Baht 450 million or 2.6 percent from the first quarter of 2018, from an increase of Baht 885 million or 3.3 percent in interest income largely due to an increase of Baht 646 million or 2.9 percent in interest income from loans, in line with an increase in loan volume. Interest income from interbank and money market items rose by Baht 249 million or 12.1 percent from higher yield and transaction volume. Interest expenses rose by Baht 435 million or 4.6 percent, mainly attributed to an increase of Baht 271 million or 66.9 percent in interest expenses from interbank and money market items due to higher costs, and an increase of Baht 154 million or 2.9 percent in interest expenses from deposits partly due to an increase in deposit volume. The net interest margin fell from the previous quarter, by 0.01 percent to 2.33 percent.

Compared with the second quarter of 2017, net interest income rose by Baht 1.0 billion or 6.1 percent, due to an increase of Baht 1.3 billion or 4.8 percent in interest income. Significant items included an increase of Baht 846 million or 3.8 percent in interest income from loans due to an expansion in lending volume, coupled with an increase of Baht 261 million or 12.8 percent in interest income from interbank and money market items following a rise in transaction volume. Interest expenses rose by Baht 249 million or 2.6 percent mainly from an increase of Baht 434 million or 179.3 percent in interest expenses from interbank and money market items due to higher costs. Interest expenses on deposits rose by Baht 116 million or 2.2 percent due to an increase in deposit volume; as a result, contributions to the Deposit Protection Agency and Financial Institutions Development Fund rose. Interest expenses on debt issued and borrowings declined by Baht 384 million or 23.1 percent from the early redemption of Subordinated Debentures No. 1/2012 in December 2017 and the maturity of foreign-currency-denominated senior unsecured debentures totaling USD 400 million in March 2018. The net interest margin rose by 0.02 percent from the same quarter last year due mainly to a lower cost of deposits following an expansion of low-cost deposits in savings and current accounts.

In the first half of 2018, net interest income amounted to Baht 34.7 billion, an increase of Baht 1.9 billion or 5.6 percent from the first half of 2017, due predominantly to an increase of Baht 2.2 billion or 4.2 percent in interest income which contributed by an increase of Baht 1.4 billion or 3.1 percent in interest income from loans in line with the expansion of loan volume. Interest expenses rose by Baht 337 million or 1.8 percent. Significant items included an increase of Baht 581 million or 116.4 percent in interest expenses from interbank and money market items due to the increases in costs and transaction volume, coupled with an increase of Baht 302 million or 2.9 percent in interest expenses on deposits due to an increase in deposit volume; consequently, contributions to the Deposit Protection Agency and Financial Institutions Development Fund rose. Interest expenses on debt issued and borrowings declined by Baht 739 million or 22.1 percent largely due to the redemption of aforementioned debentures, and the net interest margin rose by 0.01 percent from the same period last year due to a lower cost of deposits following an expansion of low-cost deposits in savings and current accounts.

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 (%)		H1		Million Baht	
	2/2018	1/2018	2/2017	1/2018	2/2017	2018	2017	Change (%)
Fees and service income	8,994	10,013	8,501	(10.2)%	5.8%	19,007	17,531	8.4%
<u>Less</u> Fees and service expenses	2,339	2,411	2,129	(3.0)%	9.9%	4,750	4,440	7.0%
Net fees and service income	6,655	7,602	6,372	(12.5)%	4.4%	14,257	13,091	8.9%
Gains on tradings and foreign exchange transactions	2,187	1,654	1,399	32.2%	56.3%	3,841	3,029	26.8%
Gains on investments	2,309	3,527	1,633	(34.5)%	41.4%	5,836	2,962	97.0%
Share of profit from investment for using equity method	45	35	54	28.6%	(16.7)%	80	136	(41.2)%
Gains on disposal of assets	339	349	585	(2.9)%	(42.1)%	688	789	(12.8)%
Dividend income	1,857	592	1,316	213.7%	41.1%	2,449	2,185	12.1%
Other operating income	275	655	113	(58.0)%	143.4%	930	216	330.6%
Total other operating income	7,012	6,812	5,100	2.9%	37.5%	13,824	9,317	48.4%
Total non-interest income	13,667	14,414	11,472	(5.2)%	19.1%	28,081	22,408	25.3%
Net fees and service income to operating income ratio	21.3%	24.1%	22.7%	(2.8)%	(1.4)%	22.7%	23.7%	(1.0)%

Non-interest income in the second quarter of 2018 amounted to Baht 13.7 billion, a decrease of Baht 747 million or 5.2 percent from the first quarter of 2018, due mainly to a decrease of Baht 1.2 billion in gains on investment and a decrease of Baht 947 million in net fees and service income, due to lower fee income from transaction services cause by the exemption of transaction fees via digital channels, combined with declines in fee income from loan-related services and securities business. Dividend income rose by Baht 1.3 billion and gains on tradings and foreign exchange transactions rose by Baht 533 million. Consequently, the ratio of net fees and service income to operating income stood at 21.3 percent, 2.8 percent lower than the previous quarter.

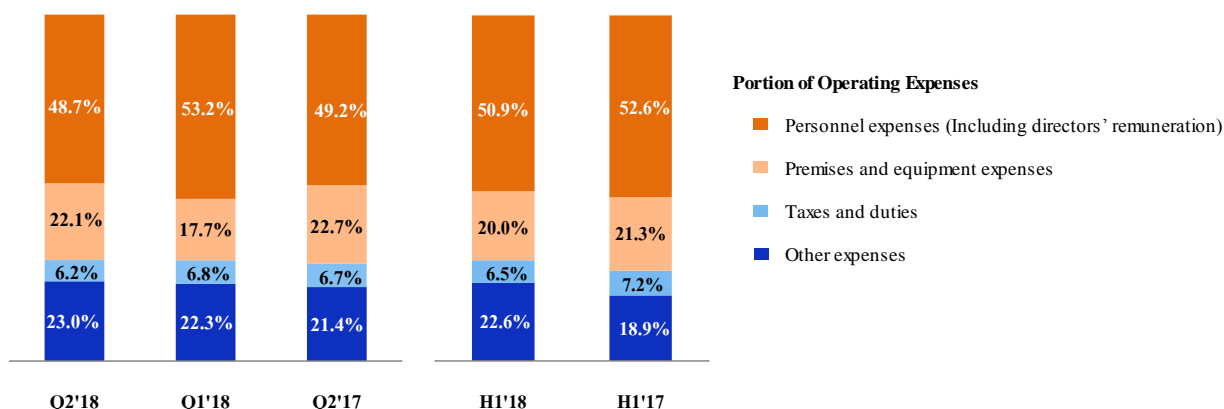
Compared with the second quarter of 2017, non-interest income rose by Baht 2.2 billion or 19.1 percent due mainly to the increases of Baht 788 million in gains on tradings and foreign exchange transactions, Baht 676 million in gains on investments, Baht 541 million in dividend income and Baht 283 million in net fees and service income, mainly driven by bancassurance and mutual funds, and securities business.

In the first half of 2018, non-interest income amounted to Baht 28.1 billion, an increase of Baht 5.7 billion or 25.3 percent from the first half of 2017, due to an increase in gains on investments of Baht 2.9 billion. Net fees and service income rose by Baht 1.2 billion, due predominantly to the increase in fee income from bancassurance and mutual funds, securities business and loan-related services. Gains on tradings and foreign exchange transactions rose by Baht 812 million, while other operating income rose by Baht 714 million, due mainly to the recognition of profit sharing from the management of impaired assets by Thai Asset Management Corporation (TAMC).

Operating Expenses

Million Baht

Item	Quarter			Change (%)		H1		Change (%)
	2/2018	1/2018	2/2017	1/2018	2/2017	2018	2017	
Personnel expenses	6,463	6,670	6,273	(3.1)%	3.0%	13,133	12,492	5.1%
Directors' remuneration	46	35	46	31.4%	-	81	80	1.3%
Premises and equipment expenses	2,960	2,223	2,916	33.2%	1.5%	5,183	5,107	1.5%
Taxes and duties	833	862	863	(3.4)%	(3.5)%	1,694	1,727	(1.9)%
Other expenses	3,074	2,804	2,748	9.6%	11.9%	5,879	4,519	30.1%
Total operating expenses	13,376	12,594	12,846	6.2%	4.1%	25,970	23,925	8.5%
Expense to operating income ratio	42.8%	39.9%	45.8%	2.9%	(3.0)%	41.4%	43.3%	(1.9)%



Operating expenses in the second quarter of 2018 amounted to Baht 13.4 billion, an increase of Baht 782 million or 6.2 percent from the first quarter of 2018 due largely to an increase of Baht 737 million in premises and equipment expenses, partly due to expenses related to system development and improvements in operational efficiency. Personnel expenses declined by Baht 207 million.

Compared with the second quarter of 2017, operating expenses increased by Baht 530 million or 4.1 percent. Other expenses increased by Baht 326 million partly from marketing expenses. Personnel expenses increased by Baht 190 million.

In the first half of 2018, operating expenses amounted to Baht 26.0 billion, an increase of Baht 2.0 billion or 8.5 percent from the first half of 2017, due predominantly to an increase of Baht 1.4 billion in other expenses and an increase of Baht 641 million in personnel expenses.

Impairment Loss of Loans and Debt Securities

Item	Million Baht							
	Quarter		Change (%)		H1		Change (%)	
	2/2018	1/2018	2/2017	1/2018	2/2017	2018		2017
Bad debt and doubtful accounts	2,846	7,369	5,779	(61.4)%	(50.8)%	10,214	11,637	(12.2)%
Loss on debt restructuring (reversal)	3,687	(47)	(91)	7,944.7%	4,151.6%	3,640	(143)	2,645.5%
Total	6,533	7,322	5,688	(10.8)%	14.9%	13,854	11,494	20.5%

Impairment loss of loans and debt securities in the second quarter of 2018 was Baht 6.5 billion, compared to Baht 7.3 billion in the first quarter of 2018 and Baht 5.7 billion in the second quarter of 2017. In the first half of 2018, impairment loss of loans and debt securities amounted to Baht 13.9 billion, compared to Baht 11.5 billion in the first half of the previous year.

Significant Items in the Financial Position

Assets

Item	Million Baht				
	June 2018	March 2018	December 2017	Change (%)	
				March 2018	December 2017
Net interbank and money market items	494,489	634,237	437,738	(22.0)%	13.0%
Net investments	587,788	523,259	591,720	12.3%	(0.7)%
Net investments in associates	1,409	1,495	1,460	(5.8)%	(3.5)%
Loans *	2,065,487	1,978,511	2,003,989	4.4%	3.1%
Net properties for sale	10,357	10,546	11,415	(1.8)%	(9.3)%
Total assets	3,175,340	3,173,916	3,076,310	0.0%	3.2%

* Less deferred revenue

Total assets as of June 30, 2018, amounted to Baht 3,175.3 billion, an increase of Baht 1.4 billion from the end of March 2018. Significant items included loans of Baht 2,065.5 billion, an increase of Baht 87.0 billion or 4.4 percent, and net investments of Baht 587.8 billion, an increase of Baht 64.5 billion or 12.3 percent due to an increase in the investment in available-for-sale securities; while net interbank and money market items of Baht 494.5 billion, decreased by Baht 139.7 billion or 22.0 percent, mainly attributed to a decrease in lending.

Compared with the end of December 2017, total assets rose by Baht 99.0 billion. Significant items included an increase of Baht 61.5 billion or 3.1 percent in loans, and an increase of Baht 56.8 billion or 13.0 percent in net interbank and money market items due to an increase in lending.

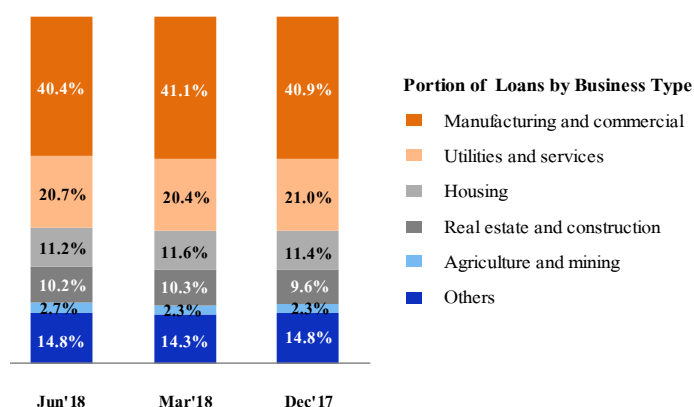
Loans

Loans as of June 30, 2018, amounted to Baht 2,065.5 billion, an increase of Baht 87.0 billion or 4.4 percent from the end of March 2018 due to large corporate, medium-sized business and consumer loans, as well as loans made through the Bank's international network. Compared with the end of December 2017, loans rose by Baht 61.5 billion or 3.1 percent from an increase in loans to large corporate and loans made through the Bank's international network.

Loans by Business Type *	June 2018	March 2018	December 2017	Change (%)	
				March 2018	December 2017
Manufacturing and commercial	833,563	813,319	819,338	2.5%	1.7%
Utilities and services	427,909	404,036	421,595	5.9%	1.5%
Housing	231,346	229,441	228,146	0.8%	1.4%
Real estate and construction	211,382	203,566	191,176	3.8%	10.6%
Agriculture and mining	55,199	46,242	46,658	19.4%	18.3%
Others	306,088	281,907	297,076	8.6%	3.0%
Total	2,065,487	1,978,511	2,003,989	4.4%	3.1%

Million Baht

* Less deferred revenue



The highest portion of lending was to the manufacturing and commercial sector, at 40.4 percent, followed by 20.7 percent to utilities and services sector, 11.2 percent to housing sector, and 10.2 percent to real estate and construction sector. The main increase in loans from the end of March 2018 was mainly to "others" sector, utilities sector and manufacturing and commercial sector, while the increase from the end of December 2017 was mainly to real estate and construction sector, and manufacturing and commercial 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		
	June 2018	March 2018	December 2017	June 2018	March 2018	December 2017
Normal	1,954,459	1,853,402	1,875,782	15,952	14,550	14,983
Special mentioned	32,710	37,711	45,815	490	452	591
Substandard	14,259	12,077	11,760	7,261	6,737	5,275
Doubtful	16,801	15,080	19,012	7,751	8,505	10,387
Doubtful of loss	52,437	65,092	56,681	29,017	41,044	36,471
Total	2,070,666	1,983,362	2,009,050	60,471	71,288	67,707
<u>Add</u> Excess allowance for doubtful accounts				80,755	73,268	70,004
Total allowance for doubtful accounts from loan classification				141,226	144,556	137,711
<u>Add</u> Revaluation allowance for debt restructuring				5,938	2,251	2,310
Total allowance for doubtful accounts				147,164	146,807	140,021

* Less deferred revenue

Million Baht

Item	June 2018	March 2018	December 2017	Change (%)	
				March 2018	December 2017
NPL before allowance for doubtful accounts	83,478	92,165	87,419	(9.4)%	(4.5)%
Ratio of NPL to total loans	3.5%	3.8%	3.9%	(0.3)%	(0.4)%
NPL after allowance for doubtful accounts (net NPL)	28,206	27,166	26,576	3.8%	6.1%
Ratio of net NPL to net total loans	1.2%	1.2%	1.2%	-	-
Ratio of loan loss reserves to minimum required provisioning	221.6%	199.6%	200.0%	22.0%	21.6%
Ratio of loan loss reserves to NPL	176.3%	159.3%	160.2%	17.0%	16.1%

Non-performing loan (NPL) at the end of June 2018 amounted to Baht 83.5 billion, a decrease of Baht 3.9 billion or 4.5 percent from the end of December 2017. The ratio of NPL to total loans stood at 3.5 percent.

Total allowance for doubtful accounts at the end of June 2018 was Baht 147.2 billion or 221.6 percent of the minimum amount of Baht 66.4 billion required by the Bank of Thailand (BOT). The ratio of loan loss reserves to NPL at the end of June 2018 was 176.3 percent.

Net Investments

Net investments as of June 30, 2018 amounted to Baht 587.8 billion, an increase of Baht 64.5 billion or 12.3 percent from the end of March 2018, due mainly to available-for-sale securities. Net investments declined by Baht 3.9 billion from the end of December 2017 due to a decrease in available-for-sale securities whilst increases in trading securities and held-to-maturity debt securities.

Investments by Investment Holding	Million Baht				
	June 2018	March 2018	December 2017	Change (%)	
				March 2018	December 2017
Trading securities	20,817	17,880	15,113	16.4%	37.7%
Available-for-sale securities	521,204	463,842	533,651	12.4%	(2.3)%
Held-to-maturity debt securities	15,326	10,752	11,233	42.5%	36.4%
General investments	30,441	30,785	31,723	(1.1)%	(4.0)%
Total net investments	587,788	523,259	591,720	12.3%	(0.7)%

Most of the net investments were in government and state-enterprise securities. As of June 30, 2018, these amounted to Baht 317.1 billion, accounting for 53.9 percent of total investments. The remaining net investments were foreign debt securities of Baht 97.1 billion, private enterprise debt securities of Baht 56.9 billion, and net equity securities of Baht 108.1 billion.

Investments by Maturity *	Million Baht							
	June 2018		March 2018		December 2017		Change (%)	
	Amount	Portion	Amount	Portion	Amount	Portion	March 2018	December 2017
Up to one year	107,579	18.3%	81,259	15.5%	71,982	12.1%	32.4%	49.5%
Between one and five years	354,140	60.1%	307,531	58.6%	375,910	63.4%	15.2%	(5.8)%
Over five years	21,524	3.6%	23,531	4.5%	24,597	4.2%	(8.5)%	(12.5)%
No maturity	105,954	18.0%	112,433	21.4%	120,691	20.3%	(5.8)%	(12.2)%
Total net investments	589,197	100.0%	524,754	100.0%	593,180	100.0%	12.3%	(0.7)%

* Including net investments in associates

The remaining maturity of net investments (including net investments in associates) as of June 30, 2018 were categorized into securities with less than one year to maturity of Baht 107.6 billion, securities with one-to-five years to maturity of Baht 354.1 billion, securities with remaining maturity of more than five years of Baht 21.5 billion, and securities with no maturity of Baht 106.0 billion.

Liabilities and Shareholders' Equity

Million Baht

Item	June 2018	March 2018	December 2017	Change (%)	
				March 2018	December 2017
Deposits	2,349,857	2,334,078	2,310,743	0.7%	1.7%
Interbank and money market items	204,367	213,009	133,584	(4.1)%	53.0%
Debt issued and borrowings	95,766	89,777	107,190	6.7%	(10.7)%
Total liabilities	2,775,166	2,768,225	2,674,303	0.3%	3.8%
Shareholders' equity *	399,850	405,462	401,724	(1.4)%	(0.5)%

* Attributable to owners of the Bank

Total liabilities as of June 30, 2018 amounted to Baht 2,775.2 billion, an increase of Baht 6.9 billion or 0.3 percent from the end of March 2018, due largely to an increase of Baht 15.8 billion or 0.7 percent in deposits and an increase of Baht 6.0 billion or 6.7 percent in debt issued and borrowings. Interbank and money market items fell by Baht 8.6 billion or 4.1 percent from borrowings under repurchase agreement.

Compared with the end of December 2017, total liabilities rose by Baht 100.9 billion or 3.8 percent, mostly from an increase of Baht 70.8 billion or 53.0 percent in interbank and money market items due mainly to higher borrowings under repurchase agreements and borrowing transactions. Deposits rose by Baht 39.1 billion or 1.7 percent whereas debt issued and borrowings fell by Baht 11.4 billion or 10.7 percent.

Deposits

Million Baht

Deposits Classified by Product Type	June 2018		March 2018		December 2017		Change (%)	
	Amount	Portion	Amount	Portion	Amount	Portion	March 2018	December 2017
Current	102,856	4.4%	110,531	4.7%	106,184	4.6%	(6.9)%	(3.1)%
Savings	1,111,254	47.3%	1,089,645	46.7%	1,065,928	46.1%	2.0%	4.3%
Fixed *	1,135,747	48.3%	1,133,902	48.6%	1,138,631	49.3%	0.2%	(0.3)%
Total	2,349,857	100.0%	2,334,078	100.0%	2,310,743	100.0%	0.7%	1.7%
Loan to deposit ratio		87.9%		84.8%		86.7%	3.1%	1.2%

* Including negotiable certificates of deposit

Total deposits as of June 30, 2018 amounted to Baht 2,349.9 billion, an increase of Baht 15.8 billion or 0.7 percent from the end of March 2018. Savings deposits rose by 2.0 percent due to an ongoing increase in the proportion of low-cost deposits.

Compared with the end of December 2017, total deposits rose by Baht 39.1 billion or 1.7 percent due to an increase of 4.3 percent in savings deposits.

Debt Issued and Borrowings

Million Baht

Debt Issued and Borrowings Classified by Type of Instruments	June 2018		March 2018		December 2017		Change (%)	
	Amount	Portion	Amount	Portion	Amount	Portion	March 2018	December 2017
Senior unsecured notes	86,231	84.9%	81,219	84.9%	98,003	86.6%	6.2%	(12.0)%
Unsecured subordinated notes	14,916	14.7%	14,049	14.7%	14,692	13.0%	6.2%	1.5%
Bills of exchange	25	0.1%	26	0.1%	26	0.1%	(3.8)%	(3.8)%
Others	391	0.3%	334	0.3%	384	0.3%	17.1%	1.8%
Total (before less discount on borrowings)	101,563	100.0%	95,628	100.0%	113,105	100.0%	6.2%	(10.2)%
<u>Less</u> Discount on borrowings	5,797		5,851		5,915		(0.9)%	(2.0)%
Total	95,766		89,777		107,190		6.7%	(10.7)%

Total debt issued and borrowings as of June 30, 2018 amounted to Baht 95.8 billion, an increase of Baht 6.0 billion from the end of March 2018 due to an increase in the value of foreign-currency-denominated debentures as a result of the Baht's depreciation. Compared with the end of December 2017, total debt issued and borrowings fell by Baht 11.4 billion mainly due to the maturity of USD 400 million senior unsecured debentures on March 28, 2018.

Shareholders' Equity

Shareholders' equity attributable to owners of the Bank as of June 30, 2018 amounted to Baht 399.9 billion, a decrease of Baht 1.9 billion or 0.5 percent from the end of 2017, mainly attributed to the net profit attributable to owners of the Bank for the first half of 2018 of Baht 18.2 billion net of dividend payment of Baht 8.4 billion (Baht 4.50 per share) following the resolution of the shareholders' meeting dated April 12, 2018, while revaluation gains on available-for-sale investments decreased by Baht 11.6 billion.

Contingent Liabilities

Million Baht

Item	June 2018	March 2018	December 2017	Change (%)	
				March 2018	December 2017
Avals to bills	7,620	8,169	8,187	(6.7)%	(6.9)%
Guarantees of loans	26,325	19,650	20,445	34.0%	28.8%
Liability under unmatured import bills	17,681	15,307	16,394	15.5%	7.9%
Letters of credit	35,857	34,226	31,803	4.8%	12.7%
Other commitments					
Underwriting commitments	249	1,199	1,098	(79.2)%	(77.3)%
Amount of unused bank overdrafts	173,813	173,600	174,083	0.1%	(0.2)%
Other guarantees	260,047	261,731	259,314	(0.6)%	0.3%
Others	101,232	113,920	88,622	(11.1)%	14.2%
Total	622,824	627,802	599,946	(0.8)%	3.8%

Contingent liabilities as of June 30, 2018 amounted to Baht 622.8 billion, a decrease of Baht 5.0 billion or 0.8 percent from the end of March 2018, due to a decrease in others (under other commitments), while guarantees of loans increased.

Compared with the end of December 2017, contingent liabilities rose by Baht 22.9 billion, due predominantly to increases in others (under other commitments) and guarantees of loans.

Sources and Utilization of Funds

The primary sources of funds as of June 30, 2018 were Baht 2,349.9 billion or 74.0 percent in deposits, Baht 399.9 billion or 12.6 percent in shareholders' equity attributable to owners of the Bank, Baht 204.4 billion or 6.4 percent in interbank and money market liabilities, and Baht 95.8 billion or 3.0 percent in debt issued and borrowings.

The utilization of funds comprised Baht 2,065.5 billion or 65.0 percent in loans, Baht 494.5 billion or 15.6 percent in net interbank and money market assets, and Baht 589.2 billion or 18.6 percent in net investments (including net investments in associates).

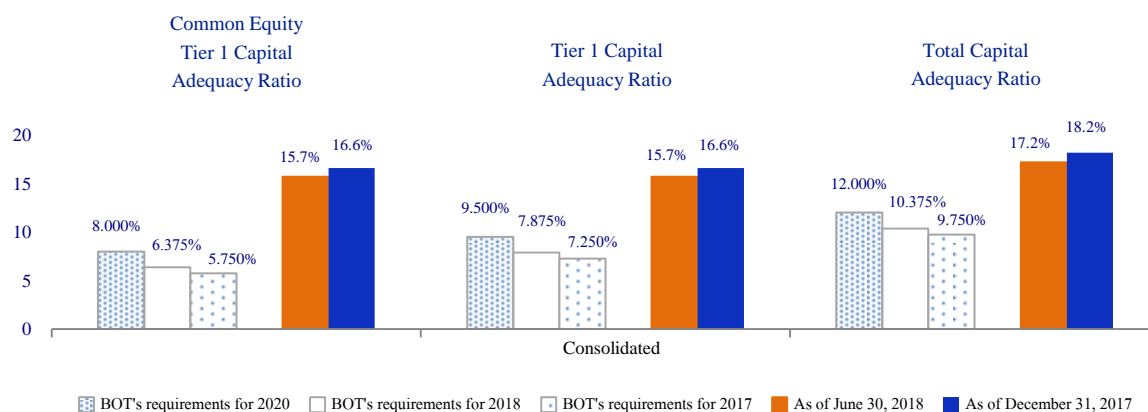
Capital Reserves and Capital Adequacy Ratio

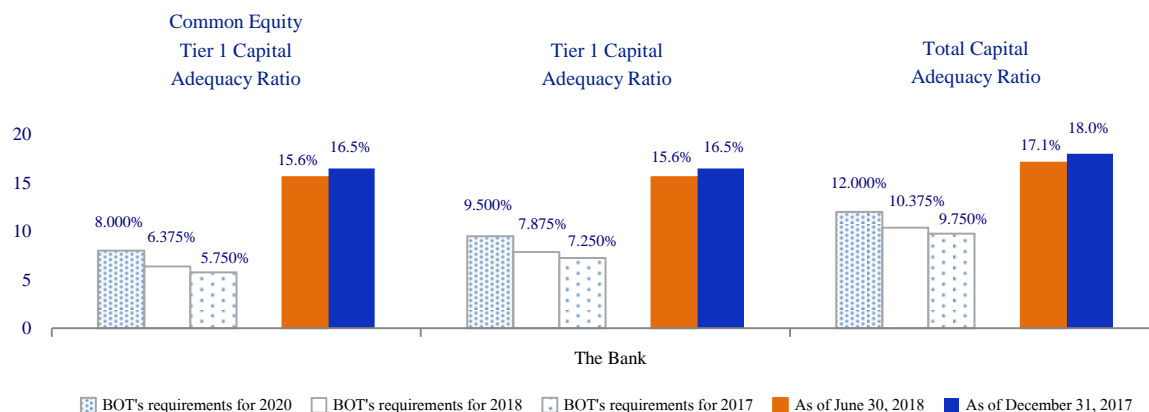
Consolidated

Item	Capital			Capital Adequacy Ratio		
	June 2018	March 2018	December 2017	June 2018	March 2018	December 2017
Total capital	412,875	412,920	419,580	17.2%	18.0%	18.2%
Tier 1 capital	376,407	377,563	383,942	15.7%	16.4%	16.6%
Common Equity Tier 1 capital	376,348	377,512	383,841	15.7%	16.4%	16.6%

The Bank

Item	Capital			Capital Adequacy Ratio		
	June 2018	March 2018	December 2017	June 2018	March 2018	December 2017
Total capital	397,219	398,084	404,226	17.1%	17.9%	18.0%
Tier 1 capital	361,544	363,436	369,261	15.6%	16.3%	16.5%
Common Equity Tier 1 capital	361,544	363,436	369,261	15.6%	16.3%	16.5%





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 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 June 30, 2018, the regulatory capital position was Baht 412.9 billion, Common Equity Tier 1 capital was Baht 376.3 billion, and Tier 1 capital was Baht 376.4 billion. The total capital adequacy ratio was 17.2 percent, the Common Equity Tier 1 capital adequacy ratio was 15.7 percent, and the Tier 1 capital adequacy ratio was 15.7 percent. With the inclusion of net profit for the six months ending June 30, 2018, the total capital adequacy ratio, the Common Equity Tier 1 capital adequacy ratio and the Tier 1 capital adequacy ratio would be 18.0 percent, 16.5 percent and 16.5 percent, respectively.

Liquid Assets

Item	June 2018	March 2018	December 2017
Liquid assets (Million Baht)	1,092,475	1,173,948	1,051,982
Liquid assets/Total assets (%)	34.4	37.0	34.2
Liquid assets/Deposits (%)	46.5	50.3	45.5

Liquid assets consisted of cash, net interbank and money market items, claims on securities, trading securities and available-for-sale securities. As of June 30, 2018, liquid assets totaled Baht 1,092.5 billion, a decrease of Baht 81.5 billion or 6.9 percent from the end of March 2018, due mainly to a decrease of Baht 139.7 billion in net interbank and money market items, whereas available-for-sale securities rose by Baht 57.4 billion.

Compared with the end of December 2017, liquid assets rose by Baht 40.5 billion or 3.8 percent. Significant items included an increase of Baht 56.8 billion in interbank and money market items and an increase of Baht 5.7 billion in trading securities, while available-for-sale securities declined by Baht 12.4 billion and cash declined by Baht 9.5 billion.

Credit Ratings

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

Credit Rating Agency *	June 30, 2018	March 31, 2018	December 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.