

April 19, 2018

**Bangkok Bank reports first quarter 2018 net profit of Baht 9.0 billion**

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.

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