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Bangkok Bank reports 2017 net profit of Baht 33.0 billion

In 2017, the Thai economy continued to expand, primarily due to higher growth in exports and tourism as well as a recovery in overseas demand from the global economy, which expanded by a better than expected pace. However, the diverging monetary policies of the world's major central banks and the political environment in important trading partners may result in an environment of global financial and trade uncertainty. Against this backdrop, Bangkok Bank has continued its prudent approach to financial management by maintaining liquidity and capital positions at sufficient levels to support future business expansion and cope with uncertainties, to ensure financially sustainable business expansion.

Bangkok Bank and its subsidiaries' net interest income amounted to Baht 66.6 billion, an increase of 4.1 percent from 2016, with a net interest margin of 2.32 percent. Non-interest income was Baht 45.8 billion, an increase of 9.5 percent due predominantly to the increase in net fees and service income and gains on investments. The increase in net fees and service income caused by the increase in fee income from bancassurance and mutual funds, and loan-related fees. The Bank's operating expenses were Baht 48.9 billion, a decrease of 3.1 percent, with a ratio of expense to operating income of 43.5 percent. Consequently, net profit (attributable to the Bank) for 2017 was Baht 33.0 billion, an increase of 3.8 percent from last year.

At the end of December 2017, the Bank's loans were Baht 2,004.0 billion, an increase of 3.2 percent from the end of 2016. The ratio of non-performing loans (NPLs) to total loans was 3.9 percent, while the total allowances for doubtful accounts were Baht 140.0 billion with the ratio of loan loss reserves to NPLs at 160.2 percent.

In terms of capital, the Bank of Thailand (BOT) announced the guidelines for identifying and regulating Domestic Systemically Important Banks (D-SIBs) in September 2017. Bangkok Bank, which is classified as a D-SIB, is required by the BOT to hold additional capital for the Higher Loss Absorbency (HLA), which gradually increasing the required common equity Tier 1 capital ratio, by an increment of 0.5 percent from January 1, 2019 until completion of the increment of 1.0 percent from January 1, 2020 onwards. For the Bank, with the inclusion of net profit from July to December 2017, 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 18.9 percent, 17.4 percent and 17.4 percent, respectively. These capital adequacy ratios are adequate to support the additional capital adequacy ratios specified in the guidelines on D-SIBs. Shareholders' equity as of December 31, 2017, amounted to Baht 401.7 billion. The book value per share was Baht 210.45, an increase of Baht 11.90 from the end of 2016.

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