
Summary of Operating Results for the Bank and its Subsidiaries

Quarter and Year Ended December 31, 2016

Bangkok Bank and its subsidiaries have reported a net profit for 2016 of Baht 31.8 billion, compared with Baht 34.2 billion in the previous year, against the backdrop of the Thai economy's slow recovery. Going forward, the Thai economy is expected to continue to grow, driven by government spending and investment. However, uncertainties from the global economy will persist, while domestic private consumption and investment are likely to remain lackluster. The Bank continues its prudent approach by consistently setting aside further provisioning expenses, maintaining non-performing loans at an appropriate level, sustaining a good level of capital reserves to accommodate future business expansion in order to ensure financial stability and sustainability.

At the end of December 2016, the Bank's loans amounted to Baht 1,941.1 billion, a rise of Baht 72.2 billion or 3.9 percent from the end of 2015, due to the increase in loans to large corporates and medium-sized businesses, consumer sector, and loans made through the Bank's international network. Despite the increase in loans, the Bank continued to maintain its loan-to-deposit ratio at 89.1 percent, a similar level to last year. In terms of non-performing loans (NPLs), NPLs at the end of 2016 were Baht 68.8 billion or 3.2 percent of total loans, reflecting the impact of the slow domestic economic recovery on the business sector, which needs time to adapt. Meanwhile, the Bank continues to closely monitor its loan quality and set aside appropriate provisioning expenses. Total allowances for doubtful accounts at the end of December 2016 were at a high level of Baht 119.5 billion or 6.2 percent of loans, with provisioning expenses of Baht 15.7 billion.

Net profit in 2016 was Baht 31.8 billion, a decrease of Baht 2.4 billion or 6.9 percent from 2015. Net interest income rose by Baht 6.5 billion or 11.3 percent from 2015 to Baht 64.0 billion, and the net interest margin increased to 2.34 percent as a result of managing the low-cost of deposits. Non-interest income was Baht 41.9 billion, a decrease of Baht 3.4 billion or 7.4 percent, due largely to a decline in gains on disposal of assets and gains on investments. Net fees and service income rose by Baht 421 million, due mainly to an increase in fee income from electronic services and remittances, the securities business, loan-related services and securities services. Operating expenses were Baht 50.5 billion, an increase of Baht 5.5 billion or 12.1 percent, with significant items including an increase in other expenses from provisions for contingencies and personnel expenses.

The Bank maintained its capital reserves at a good level to support future business expansion. After the inclusion of net profit from July to December 2016, the total capital adequacy ratio, Tier 1 capital ratio and Common Equity Tier 1 ratio of the Bank and its subsidiaries would be approximately 19.1 percent, 17.2 percent and 17.2 percent, respectively. Shareholders' equity as of December 31, 2016 amounted to Baht 379.0 billion or 12.9 percent of total assets. The book value per share was Baht 198.56, an increase of Baht 9.00 from the end of 2015.

Overall Picture of the Bank and its Subsidiaries

Million Baht

Item	Quarter		Change (%)		Year		Change (%)	
	4/2016	3/2016	4/2015	3/2016	4/2015	2016		2015
Net profit *	8,267	8,061	7,681	2.6%	7.6%	31,815	34,181	(6.9)%
Earnings per share (Baht)	4.33	4.22	4.02	2.6%	7.6%	16.67	17.91	(6.9)%
Net interest margin	2.36%	2.33%	2.33%	0.03%	0.03%	2.34%	2.16%	0.18%
Net fees and service income to operating income ratio	22.9%	22.8%	23.6%	0.1%	(0.7)%	23.1%	23.4%	(0.3)%
Expense to operating income ratio	47.4%	44.9%	46.0%	2.5%	1.4%	47.7%	43.8%	3.9%
Return on average assets *	1.13%	1.10%	1.08%	0.03%	0.05%	1.09%	1.21%	(0.11)%
Return on average equity *	8.77%	8.67%	8.50%	0.10%	0.27%	8.59%	9.91%	(1.32)%

* Attributable to the Bank

Million Baht

Item	December 2016	September 2016	December 2015	Change (%)	
				September 2016	December 2015
Loans **	1,941,093	1,901,900	1,868,903	2.1%	3.9%
Deposits	2,178,141	2,106,870	2,090,965	3.4%	4.2%
Loan to deposit ratio	89.1%	90.3%	89.4%	(1.2)%	(0.3)%
Non-performing loans (NPLs)	68,841	73,187	56,226	(5.9)%	22.4%
Ratio of NPLs to total loans	3.2%	3.4%	2.8%	(0.2)%	0.4%
Ratio of loan loss reserves to NPLs	173.6%	159.5%	185.3%	14.1%	(11.7)%
Total capital adequacy ratio	18.3%	18.8%	17.9%	(0.5)%	0.4%

** Less deferred revenue

Operating Income and Expenses of the Bank and its Subsidiaries

Million Baht

Item	Quarter			Change (%)		Year		Change (%)
	4/2016	3/2016	4/2015	3/2016	4/2015	2016	2015	
Net interest income	16,303	16,066	15,617	1.5%	4.4%	63,998	57,510	11.3%
Non-interest income	11,063	10,887	10,793	1.6%	2.5%	41,860	45,219	(7.4)%
Operating expenses	12,968	12,095	12,146	7.2%	6.8%	50,505	45,045	12.1%
Impairment loss of loans and debt securities	3,596	4,946	3,880	(27.3)%	(7.3)%	15,728	14,654	7.3%
Operating profit before tax	10,802	9,912	10,384	9.0%	4.0%	39,625	43,030	(7.9)%
Income tax expenses	2,469	1,786	2,643	38.2%	(6.6)%	7,556	8,630	(12.4)%
Net profit	8,333	8,126	7,741	2.5%	7.6%	32,069	34,400	(6.8)%
Net profit *	8,267	8,061	7,681	2.6%	7.6%	31,815	34,181	(6.9)%
Total comprehensive income *	8,128	5,502	6,784	47.7%	19.8%	29,205	50,749	(42.5)%

* Attributable to the Bank

Net profit in the fourth quarter of 2016 amounted to Baht 8.3 billion, an increase of Baht 206 million or 2.6 percent from the third quarter of 2016. Significant items included an increase of Baht 237 million or 1.5 percent in net interest income due to a decrease in cost of fixed deposits, an increase of Baht 176 million in non-interest income due mainly to gains on disposal of assets, and a decrease of Baht 1.4 billion in impairment loss of loans and debt securities. Operating expenses rose by Baht 873 million due to an increase in provisions for contingencies.

Compared with the fourth quarter of 2015, net profit increased by Baht 587 million or 7.6 percent. Significant items included an increase of Baht 686 million or 4.4 percent in net interest income, in line with a decline in costs of fixed deposits, and an increase of Baht 270 million or 2.5 percent in non-interest income due mainly to gains on disposal of assets and gains on investments. Operating expenses rose by Baht 822 million due mainly to provisions for contingencies and personnel expenses.

In 2016, net profit amounted to Baht 31.8 billion, a decrease of Baht 2.4 billion or 6.9 percent from the previous year. Significant items included an increase of Baht 5.5 billion or 12.1 percent in operating expenses, mainly from provisions for contingencies, and a decrease of Baht 3.4 billion or 7.4 percent in non-interest income, resulting from a decrease in gains on disposal of assets and gains on investments. Net interest income rose by Baht 6.5 billion or 11.3 percent due to an expansion of low-cost deposits in savings and current accounts and the lower costs of fixed deposits. Impairment losses on loans and debt securities rose by Baht 1.1 billion. Total comprehensive income decreased by Baht 21.5 billion which was largely attributable to a surplus from the revaluation of lands and premises in 2015.

Net Interest Income

Million Baht

Item	Quarter			Change (%)		Year		Change (%)
	4/2016	3/2016	4/2015	3/2016	4/2015	2016	2015	
Interest Income								
Loans	21,967	21,940	22,200	0.1%	(1.0)%	88,079	87,458	0.7%
Interbank and money market items	1,499	1,578	1,604	(5.0)%	(6.5)%	6,122	9,515	(35.7)%
Investments	2,055	1,983	1,870	3.6%	9.9%	8,242	6,841	20.5%
Total interest income	25,521	25,501	25,674	0.1%	(0.6)%	102,443	103,814	(1.3)%
Interest expenses								
Deposits	4,992	5,225	5,819	(4.5)%	(14.2)%	21,410	28,905	(25.9)%
Interbank and money market items	235	266	271	(11.7)%	(13.3)%	1,104	1,374	(19.7)%
Contributions to the Deposit Protection Agency and Financial Institutions Development Fund	2,277	2,265	2,223	0.5%	2.4%	9,127	9,060	0.7%
Debt issued and borrowings	1,714	1,679	1,744	2.1%	(1.7)%	6,804	6,965	(2.3)%
Total interest expenses	9,218	9,435	10,057	(2.3)%	(8.3)%	38,445	46,304	(17.0)%
Net interest income	16,303	16,066	15,617	1.5%	4.4%	63,998	57,510	11.3%
Yield on earning assets	3.69%	3.70%	3.83%	(0.01)%	(0.14)%	3.74%	3.90%	(0.16)%
Cost of funds	1.52%	1.56%	1.70%	(0.04)%	(0.18)%	1.59%	1.96%	(0.37)%
Net interest margin	2.36%	2.33%	2.33%	0.03%	0.03%	2.34%	2.16%	0.18%

Net interest income in the fourth quarter of 2016 amounted to Baht 16.3 billion, an increase of Baht 237 million or 1.5 percent from the third quarter of 2016, due to a decrease of Baht 233 million or 4.5 percent in interest expenses from deposits as a result of the reduced costs of fixed deposits, and an increase of Baht 72 million or 3.6 percent in interest income from investments. Interest income from interbank and money market items fell by Baht 79 million or 5.0 percent, from the decrease in transaction volume. The net interest margin increased by 0.03 percent from the previous quarter to 2.36 percent.

Compared with the fourth quarter of 2015, net interest income rose by Baht 686 million or 4.4 percent; as a result, the net interest margin rose by 0.03 percent to 2.36 percent, mainly due to a decrease of Baht 827 million or 14.2 percent in interest expenses on deposits as high-rate fixed deposits are gradually maturing, while interest income from lending fell by Baht 233 million or 1.0 percent due to the decrease in yield resulting from the Bank's loan interest rate being cut by 0.25 percent in April 2016.

In 2016, net interest income amounted to Baht 64.0 billion, an increase of Baht 6.5 billion or 11.3 percent from 2015, due predominantly to a decrease of Baht 7.5 billion or 25.9 percent in interest expenses on deposits, resulting from an expansion of low-cost deposits in savings and current accounts and a decrease in the cost of fixed deposits, and interest income from investments increased by Baht 1.4 billion or 20.5 percent. Interest income from interbank and money market items fell by Baht 3.4 billion or 35.7 percent, due to the decrease in business volume and yield, in line with market yield. The net interest margin rose by 0.18 percent from the previous year to 2.34 percent.

Bangkok Bank Interest Rates	Apr 25, '16	Apr 6, '16	May 26, '15	May 12, '15	Mar 16, '15	Sep 22, '14
Loans (%)						
MOR	7.375	7.375	7.375	7.500	7.500	7.500
MRR	7.625	7.875	7.875	8.125	8.125	8.125
MLR	6.250	6.250	6.500	6.625	6.625	6.750
Deposits (%)						
Savings	0.500-0.625	0.500-0.625	0.500-0.625	0.500-0.625	0.500-0.750	0.500-1.250
Fixed 3 months	1.000	1.000	1.000	1.000	1.000	1.125-1.250
Fixed 6 months	1.250	1.250	1.250	1.250	1.250	1.375
Fixed 12 months	1.500	1.500	1.500	1.500	1.500	1.750
		Apr 29, '15		Mar 11, '15		Mar 12, '14
Bank of Thailand Policy Rates (%)		1.500		1.750		2.000

Non-Interest Income

Item	Quarter		Change (%)		Year		Change (%)	
	4/2016	3/2016	4/2015	3/2016	4/2015	2016		2015
Fees and service income	8,478	8,227	8,292	3.1%	2.3%	32,936	32,083	2.7%
<u>Less</u> fees and service expenses	2,223	2,070	2,055	7.4%	8.2%	8,444	8,012	5.4%
Net fees and service income	6,255	6,157	6,237	1.6%	0.3%	24,492	24,071	1.7%
Gains on tradings and foreign exchange transactions	2,026	1,924	1,978	5.3%	2.4%	7,459	7,774	(4.1)%
Gains on investments	1,222	1,468	1,070	(16.8)%	14.2%	4,272	5,836	(26.8)%
Share of profit from investment for using equity method	41	50	38	(18.0)%	7.9%	97	192	(49.5)%
Gains on disposal of assets	542	136	373	298.5%	45.3%	999	3,008	(66.8)%
Dividend income	784	1,014	920	(22.7)%	(14.8)%	3,966	3,737	6.1%
Other operating income	193	138	177	39.9%	9.0%	575	601	(4.3)%
Total other operating income	4,808	4,730	4,556	1.6%	5.5%	17,368	21,148	(17.9)%
Total non-interest income	11,063	10,887	10,793	1.6%	2.5%	41,860	45,219	(7.4)%
Net fees and service income to operating income ratio	22.9%	22.8%	23.6%	0.1%	(0.7)%	23.1%	23.4%	(0.3)%

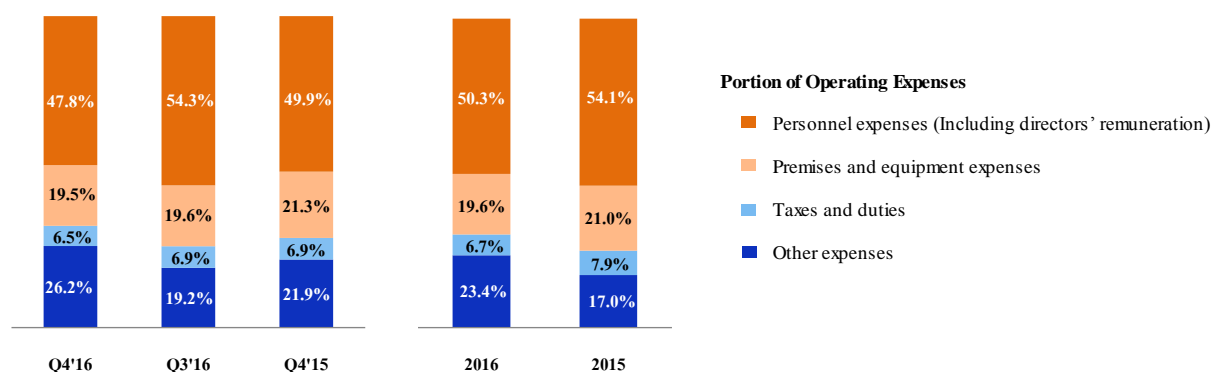
Non-interest income in the fourth quarter of 2016 amounted to Baht 11.1 billion, an increase of Baht 176 million or 1.6 percent from the third quarter of 2016 mainly due to an increase of Baht 406 million in gains on disposal of assets, an increase of Baht 102 million in gains on tradings and foreign exchange transactions, and an increase of Baht 98 million in net fees and service income partly due to fee income from investment banking transactions, credit card transactions, international trade transactions and loan-related services. While gains on investments fell by 246 million, and dividend income decreased by Baht 230 million. Consequently, the ratio of net fees and service income to operating income stood at 22.9 percent, slightly higher than the previous quarter.

Compared with the fourth quarter of 2015, non-interest income rose by Baht 270 million or 2.5 percent. Significant items included an increase of Baht 169 million in gains on disposal of assets and an increase of Baht 152 million in gains on investments. Net fees and service income rose slightly from the same period last year due to an increase in fee income from the securities business, and electronic services and remittances.

In 2016, non-interest income amounted to Baht 41.9 billion, a decrease of Baht 3.4 billion or 7.4 percent from 2015, with gains on disposal of assets declining by Baht 2.0 billion and gains on investments declining by Baht 1.6 billion. Net fees and service income rose by Baht 421 million, due mainly to increases in fee income from electronic services and remittances, the securities business, loan-related services and securities services.

Operating Expenses

Item	Quarter		Change (%)		Year		Change (%)	
	4/2016	3/2016	4/2015	3/2016	2016	2015		
Personnel expenses	6,157	6,552	6,015	(6.0)%	2.4%	25,247	24,227	4.2%
Directors' remuneration	43	20	43	115.0%	-	125	138	(9.4)%
Premises and equipment expenses	2,535	2,368	2,588	7.1%	(2.0)%	9,909	9,458	4.8%
Taxes and duties	838	832	836	0.7%	0.2%	3,388	3,555	(4.7)%
Other expenses	3,395	2,323	2,664	46.1%	27.4%	11,836	7,667	54.4%
Total operating expenses	12,968	12,095	12,146	7.2%	6.8%	50,505	45,045	12.1%
Expense to operating income ratio	47.4%	44.9%	46.0%	2.5%	1.4%	47.7%	43.8%	3.9%



Operating expenses in the fourth quarter of 2016 amounted to Baht 13.0 billion, an increase of Baht 873 million or 7.2 percent from the third quarter of 2016. Significant items included other expenses, which increased by Baht 1.1 billion due to provisions for contingencies, and expenses on premises and equipment, which increased by Baht 167 million, while personnel expenses, which decreased by Baht 395 million.

Compared with the fourth quarter of 2015, operating expenses rose by Baht 822 million or 6.8 percent. Significant items included other expenses, which increased by Baht 731 million due to provisions for contingencies and personnel expenses which rose by Baht 142 million.

In 2016, operating expenses amounted to Baht 50.5 billion, an increase of Baht 5.5 billion or 12.1 percent from 2015. Significant items included an increase of Baht 4.2 billion in other expenses due predominantly to provisions for contingencies, an increase of Baht 1.0 billion in personnel expenses due to annual salary adjustments, and an increase in the number of employees.

Impairment Loss of Loans and Debt Securities

Million Baht

Item	Quarter		Change (%)		Year		Change (%)	
	4/2016	3/2016	4/2015	3/2016	4/2015	2016		2015
Bad debt and doubtful accounts	2,792	5,023	3,423	(44.4)%	(18.4)%	15,351	14,716	4.3%
Loss on debt restructuring (reversal)	804	(77)	457	1,144.2%	75.9%	377	(62)	708.1%
Total	3,596	4,946	3,880	(27.3)%	(7.3)%	15,728	14,654	7.3%

In the fourth quarter of 2016, impairment loss of loans and debt securities was Baht 3.6 billion, compared with Baht 4.9 billion in the third quarter of 2016 and Baht 3.9 billion in the fourth quarter of 2015. In 2016, impairment loss of loans and debt securities amounted to Baht 15.7 billion, compared with Baht 14.7 billion in 2015.

Significant Items in the Financial Position

Assets

Million Baht

Item	December 2016	September 2016	December 2015	Change (%)	
				September 2016	December 2015
Net interbank and money market items	394,612	421,451	372,007	(6.4)%	6.1%
Net investments	546,614	497,645	519,525	9.8%	5.2%
Net investments in associates	1,327	1,286	1,280	3.2%	3.7%
Loans *	1,941,093	1,901,900	1,868,903	2.1%	3.9%
Net properties for sale	12,262	13,079	13,579	(6.2)%	(9.7)%
Total assets	2,944,230	2,875,539	2,835,852	2.4%	3.8%

* Less deferred revenue

Total assets, as of December 31, 2016, amounted to Baht 2,944.2 billion, an increase of Baht 68.7 billion from the end of September 2016. Significant items included net investments of Baht 546.6 billion, an increase of Baht 49.0 billion or 9.8 percent mainly from available-for-sale securities and trading securities, and an increase of Baht 39.2 billion or 2.1 percent in loans. Net interbank and money market items amounted to Baht 394.6 billion, a decrease of Baht 26.8 billion or 6.4 percent.

Compared with the end of December 2015, total assets rose by Baht 108.4 billion. Significant items included an increase of Baht 72.2 billion or 3.9 percent in loans, an increase of Baht 27.1 billion or 5.2 percent in net investments mainly from available-for-sale securities, and an increase of Baht 22.6 billion or 6.1 percent in net interbank and money market items.

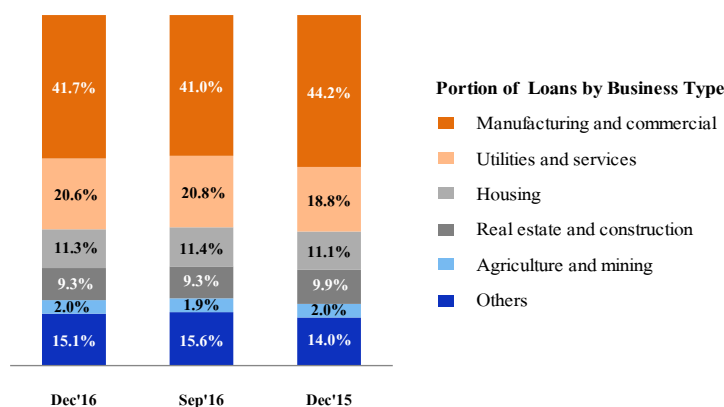
Loans

Loans, as of December 31, 2016, amounted to Baht 1,941.1 billion, an increase of Baht 39.2 billion or 2.1 percent from the end of September 2016, due to an increase in loans to medium-sized businesses, consumer sector and loans made through the Bank's international network. Compared with the end of December 2015, loans rose by Baht 72.2 billion or 3.9 percent, due to an increase in loans to large corporates and medium-sized businesses, consumer sector and loans made through the Bank's international network.

Million Baht

Loans by Business Type *	December 2016	September 2016	December 2015	Change (%)	
				September 2016	December 2015
Manufacturing and commercial	810,335	778,952	825,913	4.0%	(1.9)%
Utilities and services	399,372	395,881	351,791	0.9%	13.5%
Housing	219,365	216,539	207,847	1.3%	5.5%
Real estate and construction	179,973	177,592	184,058	1.3%	(2.2)%
Agriculture and mining	38,541	36,575	38,013	5.4%	1.4%
Others	293,507	296,361	261,281	(1.0)%	12.3%
Total	1,941,093	1,901,900	1,868,903	2.1%	3.9%

* Less deferred revenue



The highest portion of lending was to various industries in the manufacturing and commercial sectors, at 41.7 percent, followed by 20.6 percent to utilities and services, 11.3 percent to housing, and 9.3 percent to real estate and construction. The main increase in loans from the end of September 2016 was to the manufacturing and commercial sector, while the increase from the end of December 2015 was to the utilities and services sector, and to 'others'.

Classified Loans and Allowance for Doubtful Accounts

Million Baht

Item	Loans & Accrued Interest Receivables *			Allowance for Doubtful Accounts Classified to Bank of Thailand Criteria		
	December 2016	September 2016	December 2015	December 2016	September 2016	December 2015
Normal	1,830,827	1,779,332	1,773,357	14,502	13,795	13,788
Special mentioned	46,058	53,065	43,504	548	623	501
Substandard	9,495	8,315	9,650	2,589	1,842	3,975
Doubtful	16,050	21,460	13,725	10,140	12,767	7,197
Doubtful of loss	43,316	43,439	32,946	27,815	27,069	20,935
Total	1,945,746	1,905,611	1,873,182	55,594	56,096	46,396
<u>Plus</u> excess allowance for doubtful accounts				61,214	58,756	55,379
Total allowance for doubtful accounts from loan classification				116,808	114,852	101,775
<u>Plus</u> revaluation allowance for debt restructuring				2,710	1,905	2,412
Total allowance for doubtful accounts				119,518	116,757	104,187

* Less deferred revenue

Million Baht

Item	December 2016	September 2016	December 2015	Change (%)	
				September 2016	December 2015
NPLs before allowance for doubtful accounts	68,841	73,187	56,226	(5.9)%	22.4%
Ratio of NPLs to total loans	3.2%	3.4%	2.8%	(0.2)%	0.4%
Net NPLs after allowance for doubtful accounts	19,156	22,149	16,622	(13.5)%	15.2%
Ratio of net NPLs to net total loans	0.9%	1.1%	0.8%	(0.2)%	0.1%
Ratio of loan loss reserves to minimum required provisioning	205.0%	201.3%	213.5%	3.7%	(8.5)%
Ratio of loan loss reserves to NPLs	173.6%	159.5%	185.3%	14.1%	(11.7)%

Non-performing loans (NPLs) at the end of December 2016 amounted to Baht 68.8 billion and the ratio of NPLs to total loans was 3.2 percent.

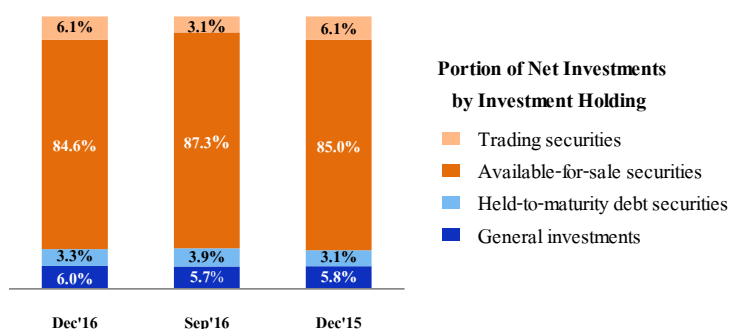
Total allowance for doubtful accounts at the end of December 2016 was Baht 119.5 billion, 205.0 percent of the minimum required by the Bank of Thailand (BOT) of Baht 58.3 billion. The ratio of loan loss reserves to NPLs was 173.6 percent.

Net Investments

Net investments as of December 31, 2016 amounted to Baht 546.6 billion, an increase of Baht 49.0 billion or 9.8 percent from the end of September 2016, due mainly to an increase in investment from available-for-sale securities and trading securities, while net investments increased by Baht 27.1 billion or 5.2 percent from the end of December 2015, due mainly to available-for-sale securities.

Million Baht

Investments by Investment Holding	December 2016	September 2016	December 2015	Change (%)	
				September 2016	December 2015
Trading securities	33,148	15,513	31,685	113.7%	4.6%
Available-for-sale securities	462,742	434,348	441,497	6.5%	4.8%
Held-to-maturity debt securities	18,121	19,404	16,213	(6.6)%	11.8%
General investments	32,603	28,380	30,130	14.9%	8.2%
Total net investments	546,614	497,645	519,525	9.8%	5.2%



Most of the net investments were in government and state-enterprise securities. As of December 31, 2016, these amounted to Baht 339.5 billion, accounting for 62.1 percent of total investments. Foreign debt securities were Baht 82.8 billion, private enterprise debt securities Baht 18.9 billion, and net equity securities Baht 104.7 billion.

Million Baht

Investments by Maturity *	December 2016		September 2016		December 2015		Change (%)	
	Amount	Portion	Amount	Portion	Amount	Portion	September 2016	December 2015
Up to one year	88,491	16.1%	72,036	14.4%	101,774	19.5%	22.8%	(13.1)%
Between one and five years	317,650	58.0%	283,366	56.8%	302,433	58.1%	12.1%	5.0%
Over five years	37,631	6.9%	45,913	9.2%	18,567	3.6%	(18.0)%	102.7%
No maturity	104,169	19.0%	97,616	19.6%	98,031	18.8%	6.7%	6.3%
Total net investments	547,941	100.0%	498,931	100.0%	520,805	100.0%	9.8%	5.2%

* Including net investments in associates

The remaining terms of the net investments (including net investments in associates) as of December 31, 2016 were categorized into securities with less than one year to maturity of Baht 88.5 billion, securities with one-to-five years to maturity of Baht 317.7 billion, securities with remaining maturities of more than five years of Baht 37.6 billion, and securities with no maturity of Baht 104.2 billion.

Liabilities and Shareholders' Equity

Million Baht

Item	December 2016	September 2016	December 2015	Change (%)	
				September 2016	December 2015
Deposits	2,178,141	2,106,870	2,090,965	3.4%	4.2%
Interbank and money market items	130,928	144,797	128,681	(9.6)%	1.7%
Debt issued and borrowings	137,815	133,678	138,402	3.1%	(0.4)%
Total liabilities	2,564,985	2,504,482	2,473,821	2.4%	3.7%
Shareholders' equity *	379,016	370,887	361,832	2.2%	4.7%

* Attributable to the Bank

Total liabilities as of December 31, 2016 amounted to Baht 2,565.0 billion, an increase of Baht 60.5 billion or 2.4 percent from the end of September 2016, due mainly to an increase of Baht 71.3 billion in deposits. Interbank and money market items fell by Baht 13.9 billion or 9.6 percent due to the reduction in repurchase agreements.

Compared with the end of December 2015, total liabilities rose by Baht 91.2 billion or 3.7 percent, mostly from deposits which rose by Baht 87.2 billion or 4.2 percent. Interbank and money market items rose by Baht 2.2 billion or 1.7 percent, due mainly to borrowing transactions.

Deposits

Million Baht

Deposits Classified by Product Type	December 2016		September 2016		December 2015		Change (%)	
	Amount	Portion	Amount	Portion	Amount	Portion	September 2016	December 2015
Current	95,810	4.4%	92,254	4.4%	86,797	4.1%	3.9%	10.4%
Savings	958,150	44.0%	928,554	44.1%	850,689	40.7%	3.2%	12.6%
Fixed *	1,124,181	51.6%	1,086,062	51.5%	1,153,479	55.2%	3.5%	(2.5)%
Total	2,178,141	100.0%	2,106,870	100.0%	2,090,965	100.0%	3.4%	4.2%
Loan to deposit ratio		89.1%		90.3%		89.4%	(1.2)%	(0.3)%

* Including negotiable certificates of deposit

Total deposits, as of December 31, 2016, amounted to Baht 2,178.1 billion, an increase of Baht 71.3 billion or 3.4 percent due to the increase in all types of deposits.

Compared with the end of December 2015, total deposits rose by Baht 87.2 billion or 4.2 percent, mostly from savings deposits which rose by 12.6 percent, while fixed deposits fell by 2.5 percent as a result of managing the cost of deposits by increasing the proportion of low-cost deposits.

Debt Issued and Borrowings

Million Baht

Debt Issued and Borrowings Classified by Type of Instruments	December 2016		September 2016		December 2015		Change (%)	
	Amount	Portion	Amount	Portion	Amount	Portion	September 2016	December 2015
Senior unsecured notes	107,556	74.7%	104,085	74.4%	108,335	74.8%	3.3%	(0.7)%
Unsecured subordinated notes	36,123	25.1%	35,602	25.4%	36,238	25.0%	1.5%	(0.3)%
Bills of exchange	74	0.1%	74	0.1%	74	0.1%	-	-
Others	213	0.1%	115	0.1%	107	0.1%	85.2%	99.1%
Total (before less discount on borrowings)	143,966	100.0%	139,876	100.0%	144,754	100.0%	2.9%	(0.5)%
Less discount on borrowings	6,151		6,198		6,352		(0.8)%	(3.2)%
Total	137,815		133,678		138,402		3.1%	(0.4)%

Total debt issued and borrowings as of December 31, 2016 amounted to Baht 137.8 billion, an increase of Baht 4.1 billion from the end of September 2016 due to an increase in the value of foreign-denominated debentures worth USD 3.5 billion as a result of the Baht's depreciation, and a slight decrease of Baht 587 million from the end of December 2015.

Shareholders' Equity

Shareholders' equity as of December 31, 2016 amounted to Baht 379.0 billion, an increase of Baht 17.2 billion or 4.7 percent from the end of 2015, due mainly to the net profit for 2016 of Baht 31.8 billion, net of two dividend payments during 2016 totaling Baht 12.0 billion. These consisted of the final dividend payment for 2015 performance of Baht 8.3 billion (Baht 4.50 per share) following the resolution of the shareholders' meeting dated April 12, 2016, the interim dividend payment made from the net profit from operations in the first half of 2016 (January to June) of Baht 3.7 billion (Baht 2.00 per share), and appropriation of the profit as legal reserves and

as other reserves amounting to Baht 6.0 billion in total. Loss on translation of the financial statements of foreign operations rose by Baht 2.1 billion due to the Baht's appreciation, surplus on revaluation of premises decreased by Baht 947 million, and unrealized gains on available-for-sales investments decreased by Baht 620 million.

Contingent Liabilities

Item	December 2016	September 2016	December 2015	Change (%)	
				September 2016	December 2015
Avals to bills	5,529	5,860	6,808	(5.6)%	(18.8)%
Guarantees of loans	18,001	13,378	11,788	34.6%	52.7%
Liability under unmatured import bills	17,921	16,179	18,487	10.8%	(3.1)%
Letters of credit	35,623	27,802	29,192	28.1%	22.0%
Other commitments					
Amount of unused bank overdrafts	175,893	175,576	178,698	0.2%	(1.6)%
Other guarantees	267,989	262,153	220,602	2.2%	21.5%
Others	82,088	102,892	90,449	(20.2)%	(9.2)%
Total	603,044	603,840	556,024	(0.1)%	8.5%

Contingent liabilities, as of December 31, 2016, amounted to Baht 603.0 billion, similar to the end of September 2016 with a decrease in other commitments and an increase in letters of credit and other guarantees.

Compared with the end of December 2015, contingent liabilities rose by Baht 47.0 billion, due predominantly to an increase in other guarantees.

Sources and Utilization of Funds

The primary sources of funds, as of December 31, 2016, were Baht 2,178.1 billion or 74.0 percent in deposits, Baht 379.0 billion or 12.9 percent in shareholders' equity, Baht 137.8 billion or 4.7 percent in debt issued and borrowings, and Baht 130.9 billion or 4.4 percent in interbank and money market liabilities.

The utilization of funds comprised Baht 1,941.1 billion or 65.9 percent in loans, Baht 547.9 billion or 18.6 percent in net investments (including net investments in associates), and Baht 394.6 billion or 13.4 percent in net interbank and money market assets.

Capital Reserves and Capital Adequacy Ratio

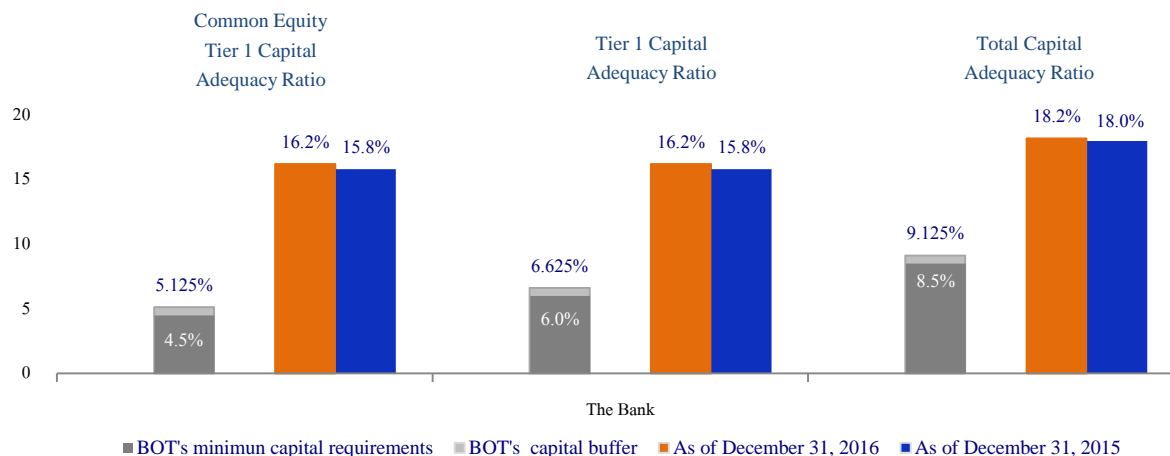
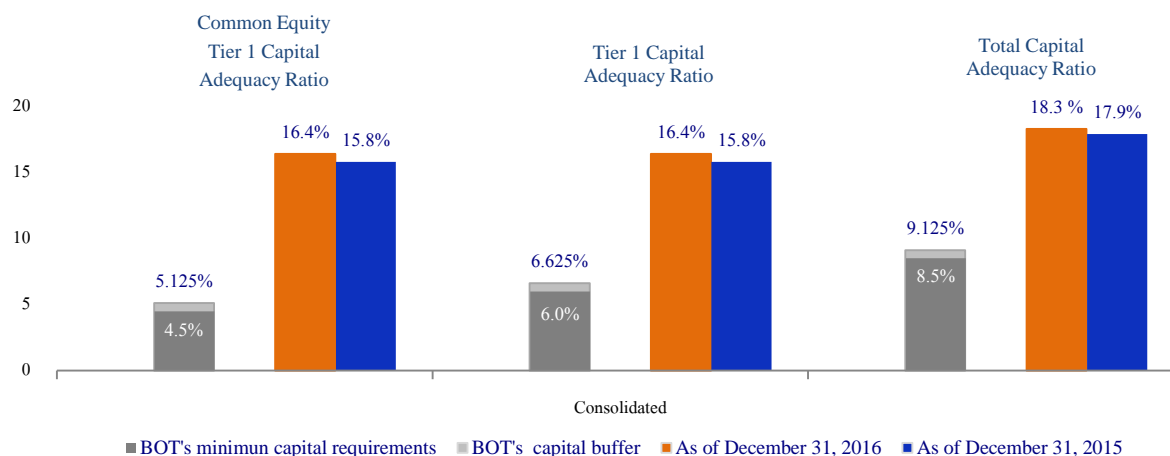
Consolidated

Item	Capital			Capital Adequacy Ratio		
	December 2016	September 2016	December 2015	December 2016	September 2016	December 2015
Total capital	403,068	402,835	386,653	18.3%	18.8%	17.9%
Tier 1 capital	360,818	360,987	341,564	16.4%	16.9%	15.8%
Common equity Tier 1 capital	360,702	360,898	341,431	16.4%	16.9%	15.8%

The Bank

Million Baht

Item	Capital			Capital Adequacy Ratio		
	December 2016	September 2016	December 2015	December 2016	September 2016	December 2015
Total capital	388,788	388,511	376,265	18.2%	18.6%	18.0%
Tier 1 capital	347,373	347,174	332,058	16.2%	16.7%	15.8%
Common equity Tier 1 capital	347,373	347,174	332,058	16.2%	16.7%	15.8%



Remark: 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% on January 1, 2019.

Under the principles of Basel III, the Bank of Thailand (BOT) requires commercial banks registered in Thailand and their groups to maintain 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 on January 1, 2019. For the minimum requirements and capital buffer, in 2016, the Bank is required to maintain the Common Equity Tier 1 ratio at more than 5.125 percent, the requirement for the Tier 1 ratio at more than 6.625 percent, and the requirement for the total capital ratio at more than 9.125 percent – measured as percentages of total risk-weighted assets.

As of December 31, 2016, legal capital funds were Baht 403.1 billion, common equity Tier 1 capital Baht 360.7 billion, and Tier 1 capital Baht 360.8 billion. The total capital adequacy ratio was 18.3 percent, while 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 for the six months from July to December 2016, the total capital adequacy ratio, the common equity Tier 1 capital adequacy ratio and the Tier 1 capital adequacy ratio would be 19.1 percent, 17.2 percent and 17.2 percent, respectively. The Bank maintained capital reserves at a good level to support future business expansion.

Liquid Assets

Item	December 2016	September 2016	December 2015
Liquid assets (Million Baht)	956,847	921,249	906,648
Liquid assets/total assets (%)	32.5	32.0	32.0
Liquid assets/deposits (%)	43.9	43.7	43.4

Liquid assets consisted of cash, interbank and money market items, claims on securities, trading securities and available-for-sale securities. As of December 31, 2016, liquid assets totaled Baht 956.8 billion, an increase of Baht 35.6 billion or 3.9 percent from the end of September 2016, due predominantly to an increase of Baht 28.4 billion in available-for-sale securities and an increase of Baht 17.6 billion in trading securities, while interbank and money market items decreased by Baht 26.8 billion.

Compared with the end of December 2015, liquid assets rose by Baht 50.2 billion or 5.5 percent. Significant items included an increase of Baht 22.6 billion in interbank and money market items and an increase of Baht 21.2 billion in available-for-sale securities.

Credit Ratings

At the end of December 2016, Moody's Investors Service and Standard & Poor's maintained the Bank's credit ratings from the end of 2015 and the end of September 2016. Fitch Ratings, in August 2016, announced the upgrade of the Bank's national long-term credit ratings from AA(th) to AA+(th) and its subordinated debt instruments rating from AA-(th) to AA(th), while the outlook for the Bank's rating remained at Stable. Details of the Bank's credit ratings are as follows:

Credit Rating Agency *	December 31, 2016	September 30, 2016	December 31, 2015
Moody's Investors Service			
Long term - Deposits	Baa1	Baa1	Baa1
Short term - Debt instruments / deposits	P-2 / P-2	P-2 / P-2	P-2 / P-2
Senior unsecured debt instruments	Baa1	Baa1	Baa1
Subordinated debt instruments	Baa3	Baa3	Baa3
Outlook	Stable	Stable	Stable
Financial strength (BCA)	baa2	baa2	baa2
Financial strength outlook	Stable	Stable	Stable

Credit Rating Agency *	December 31, 2016	September 30, 2016	December 31, 2015
Standard & Poor's			
Long term - Debt instruments	BBB+	BBB+	BBB+
- Deposits	BBB+	BBB+	BBB+
Short term - Debt instruments / deposits	A-2 / A-2	A-2 / A-2	A-2 / A-2
Senior unsecured debt instruments	BBB+	BBB+	BBB+
Subordinated debt instruments	BBB	BBB	BBB
Financial strength (SACP)	bbb	bbb	bbb
Support	+1	+1	+1
Outlook	Stable	Stable	Stable
ASEAN Regional Ratings (Long term / Short term)	axA+ / axA-1	axA+ / axA-1	axA+ / axA-1
Fitch Ratings			
International ratings			
Long term - Debt instruments	BBB+	BBB+	BBB+
Short term - Debt instruments	F2	F2	F2
Senior unsecured debt instruments	BBB+	BBB+	BBB+
Subordinated debt instruments	BBB	BBB	BBB
Financial strength (Viability)	bbb+	bbb+	bbb+
Support	2	2	2
Outlook	Stable	Stable	Stable
National ratings			
Long term - Debt instruments	AA+(tha)	AA+(tha)	AA(thai)
Short term - Debt instruments	F1+(tha)	F1+(tha)	F1+(tha)
Subordinated debt instruments	AA(thai)	AA(thai)	AA-(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.