



## **Summary of Operating Results for the Bank and its Subsidiaries For the Quarter Ended March 31, 2017**

In the first quarter of 2017, the Thai economy expanded at a modest rate, driven by a pickup in public spending and investment as well as exports, while private consumption and investment continued to expand at a gradual pace. However, the Thai economy is, to some degrees, influenced by the recovery of the global economy, despite having a better outlook, which still faces a considerable degree of uncertainty. Against this backdrop, the Bank continues its prudent approach on financial management, maintaining liquidity and capital reserves at levels sufficient to cope with uncertainties that may arise, and to support future business expansion to ensure the Bank's financial sustainability.

Bangkok Bank and its subsidiaries have reported a net profit for the first quarter 2017 of Baht 8.3 billion, a similar level to the first quarter of last year, with net interest income of Baht 16.3 billion, an increase of 1.5 percent, and a net interest margin of 2.35 percent. Non-interest income amounted to Baht 10.9 billion, an increase of 2.5 percent, due predominately to an increase of 10.1 percent in net fees and service income from the increase in fee income from mutual funds, bancassurance, electronic services and remittances. Meanwhile, gains on trading and foreign exchange transactions and gains on investments decreased. Operating expenses were Baht 11.1 billion, a decrease of 13.8 percent, due to the decline in provisions for contingencies.

The Bank's loans at the end of March 2017 amounted to Baht 1,924.0 billion, a decrease of 0.9 percent from the end of 2016, which decreased in loans to medium-sized and small businesses, consumer sector and loans made through the Bank's international network. Non-performing loans (NPLs) at the end of March 2017 amounted to Baht 77.8 billion with the ratio of NPLs to total loans at 3.5 percent due to the slow economic recovery impacting the solvency of businesses. Nevertheless, the Bank continues to closely monitor its loan quality and set aside appropriate provisioning expenses. In this quarter, provisioning expenses amounted to Baht 5.8 billion, consequently total allowances for doubtful accounts were at Baht 124.4 billion or 6.5 percent of loans.

In terms of capital, with the inclusion of net profit for the six months between July – December, 2016 and of net profit for the first quarter of 2017 minus the May 2017 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 19.0 percent, 17.2 percent and 17.2 percent, respectively. Shareholders' equity as of March 31, 2017, amounted to Baht 385.9 billion or 12.9 percent of total assets. The book value per share was Baht 202.17, an increase of Baht 3.61 from the end of 2016.

## Overall Picture of the Bank and its Subsidiaries

Million Baht

Item	Quarter			Change (%)	
	1/2017	4/2016	1/2016	4/2016	1/2016
Net profit *	<b>8,305</b>	8,267	8,317	0.5%	(0.1)%
Earnings per share (Baht)	<b>4.35</b>	4.33	4.36	0.5%	(0.1)%
Net interest margin	<b>2.35%</b>	2.36%	2.37%	(0.01)%	(0.02)%
Net fees and service income to operating income ratio	<b>24.7%</b>	22.9%	22.9%	1.8%	1.8%
Expense to operating income ratio	<b>40.7%</b>	47.4%	48.1%	(6.7)%	(7.4)%
Return on average assets *	<b>1.13%</b>	1.13%	1.16%	-	(0.03)%
Return on average equity *	<b>8.81%</b>	8.77%	9.14%	0.04%	(0.33)%

\* Attributable to the Bank

Million Baht

Item				Change (%)	
	March 2017	December 2016	March 2016	December 2016	March 2016
Loans **	<b>1,923,953</b>	1,941,093	1,874,924	(0.9)%	2.6%
Deposits	<b>2,244,032</b>	2,178,141	2,149,333	3.0%	4.4%
Loan to deposit ratio	<b>85.7%</b>	89.1%	87.2%	(3.4)%	(1.5)%
Non-performing loans (NPLs)	<b>77,772</b>	68,841	61,841	13.0%	25.8%
Ratio of NPLs to total loans	<b>3.5%</b>	3.2%	2.9%	0.3%	0.6%
Ratio of loan loss reserves to NPLs	<b>160.0%</b>	173.6%	174.4%	(13.6)%	(14.4)%
Total capital adequacy ratio	<b>18.3%</b>	18.3%	17.7%	-	0.6%

\*\* Less deferred revenue

## Operating Income and Expenses of the Bank and its Subsidiaries

Million Baht

Item	Quarter			Change (%)	
	1/2017	4/2016	1/2016	4/2016	1/2016
Net interest income	<b>16,277</b>	16,303	16,034	(0.2)%	1.5%
Non-interest income	<b>10,939</b>	11,063	10,672	(1.1)%	2.5%
Operating expenses	<b>11,082</b>	12,968	12,856	(14.5)%	(13.8)%
Impairment loss of loans and debt securities	<b>5,806</b>	3,596	3,644	61.5%	59.3%
Operating profit before tax	<b>10,328</b>	10,802	10,206	(4.4)%	1.2%
Income tax expenses	<b>1,951</b>	2,469	1,828	(21.0)%	6.7%
Net profit	<b>8,377</b>	8,333	8,378	0.5%	(0.0)%
Net profit *	<b>8,305</b>	8,267	8,317	0.5%	(0.1)%
Total comprehensive income *	<b>6,895</b>	8,128	8,685	(15.2)%	(20.6)%

\* Attributable to the Bank

Net profit in the first quarter of 2017 amounted to Baht 8.3 billion, an increase of Baht 38 million or 0.5 percent from the fourth quarter of 2016, due largely to an increase of Baht 464 million or 7.4 percent in net fees and service income, due partly to an increase in fee income from lending. Gains on investments increased by Baht 107 million or 8.8 percent, and operating expenses declined by Baht 1.9 billion, mainly due to the decline in provisions for contingencies. Impairment loss of loans and debt securities rose by Baht 2.2 billion.

Compared with the first quarter of 2016, net profit decreased by Baht 12 million or 0.1 percent, with an increase of Baht 2.2 billion in impairment loss of loans and debt securities. Net interest income rose by Baht 243 million or 1.5 percent, due to a decline in interest expenses from deposits given the lower costs of fixed deposits. Non-interest income rose by Baht 267 million or 2.5 percent, due predominately to an increase in net fees and service income resulting largely from fee income from mutual funds and bancassurance, and electronic services and remittances. Operating expenses declined by Baht 1.8 billion due to the decline in provisions for contingencies.

### Net Interest Income

Million Baht

Item	Quarter		Change (%)		
	1/2017	4/2016	1/2016	4/2016	1/2016
<b>Interest Income</b>					
Loans	21,828	21,967	22,376	(0.6)%	(2.4)%
Interbank and money market items	1,727	1,499	1,359	15.2%	27.1%
Investments	2,094	2,055	2,108	1.9%	(0.7)%
<b>Total interest income</b>	<b>25,649</b>	<b>25,521</b>	<b>25,843</b>	<b>0.5%</b>	<b>(0.8)%</b>
<b>Interest expenses</b>					
Deposits	5,102	4,992	5,543	2.2%	(8.0)%
Interbank and money market items	257	235	278	9.4%	(7.6)%
Contributions to the Deposit Protection Agency and Financial Institutions Development Fund	2,331	2,277	2,280	2.4%	2.2%
Debt issued and borrowings	1,682	1,714	1,708	(1.9)%	(1.5)%
<b>Total interest expenses</b>	<b>9,372</b>	<b>9,218</b>	<b>9,809</b>	<b>1.7%</b>	<b>(4.5)%</b>
<b>Net interest income</b>	<b>16,277</b>	<b>16,303</b>	<b>16,034</b>	<b>(0.2)%</b>	<b>1.5%</b>
Yield on earning assets	3.70%	3.69%	3.83%	0.01%	(0.13)%
Cost of funds	1.54%	1.52%	1.64%	0.02%	(0.10)%
Net interest margin	2.35%	2.36%	2.37%	(0.01)%	(0.02)%

Net interest income in the first quarter of 2017 amounted to Baht 16.3 billion, a decrease of Baht 26 million or 0.2 percent from the fourth quarter of 2016, due to a decrease of Baht 139 million or 0.6 percent in interest income from loans and an increase of Baht 110 million or 2.2 percent in interest expenses from deposits as a result of an increase in deposits volume. Interest income from interbank and money market items rose by Baht 228 million or 15.2 percent, from an increase in transaction volume. The net interest margin decreased by 0.01 percent from the previous quarter to 2.35 percent.

Compared with the first quarter of 2016, net interest income rose by Baht 243 million or 1.5 percent, mainly due to a decrease of Baht 441 million or 8.0 percent in interest expenses on deposits as high-rate fixed deposits gradually mature, and an increase of Baht 368 million or 27.1 percent in interest income from interbank and money market items from an increase in transaction volume. Interest income from loans fell by Baht 548 million or 2.4 percent due to the decrease in yield resulting from the Bank's loan interest rate being cut by 0.25 percent in April 2016, as a result, yield on earning assets decreased by 0.13 percent. The net interest margin fell by 0.02 percent from the same quarter last year to 2.35 percent.

Bangkok Bank Interest Rates	Apr 25, '16	Apr 6, '16	May 26, '15
<b>Loans (%)</b>			
MOR	7.375	7.375	7.375
MRR	7.625	7.875	7.875
MLR	6.250	6.250	6.500
<b>Deposits (%)</b>			
Savings	0.500-0.625	0.500-0.625	0.500-0.625
Fixed 3 months	1.000	1.000	1.000
Fixed 6 months	1.250	1.250	1.250
Fixed 12 months	1.500	1.500	1.500
		<b>Apr 29, '15</b>	<b>Mar 11, '15</b>
<b>Bank of Thailand Policy Rates (%)</b>		1.500	1.750

### *Non-Interest Income*

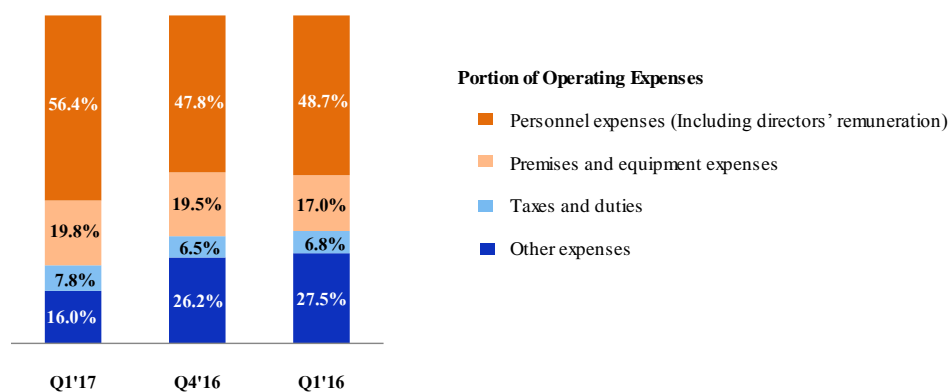
Item	Quarter		Change (%)		
	1/2017	4/2016	1/2016	4/2016	1/2016
Fees and service income	9,030	8,478	8,257	6.5%	9.4%
<u>Less fees and service expenses</u>	2,311	2,223	2,154	4.0%	7.3%
<b>Net fees and service income</b>	<b>6,719</b>	<b>6,255</b>	<b>6,103</b>	<b>7.4%</b>	<b>10.1%</b>
Gains on trading and foreign exchange transactions	1,630	2,026	1,955	(19.5)%	(16.6)%
Gains on investments	1,329	1,222	1,531	8.8%	(13.2)%
Share of profit from investment for using equity method	82	41	61	100.0%	34.4%
Gains on disposal of assets	204	542	100	(62.4)%	104.0%
Dividend income	869	784	788	10.8%	10.3%
Other operating income	106	193	134	(45.1)%	(20.9)%
<b>Total other operating income</b>	<b>4,220</b>	<b>4,808</b>	<b>4,569</b>	<b>(12.2)%</b>	<b>(7.6)%</b>
<b>Total non-interest income</b>	<b>10,939</b>	<b>11,063</b>	<b>10,672</b>	<b>(1.1)%</b>	<b>2.5%</b>
Net fees and service income to operating income ratio	24.7%	22.9%	22.9%	1.8%	1.8%

Non-interest income in the first quarter of 2017 amounted to Baht 10.9 billion, a decrease of Baht 124 million or 1.1 percent from the fourth quarter of 2016 mainly due to a decrease of Baht 396 million in gains on trading and foreign exchange transactions. Gains on disposal of assets decreased by Baht 338 million while net fees and service income rose by Baht 464 million, with the main sources of fee income from lending, mutual funds and bancassurance, and electronic services and remittances. Consequently, the ratio of net fees and service income to operating income stood at 24.7 percent, higher than the previous quarter.

Compared with the first quarter of 2016, non-interest income rose by Baht 267 million or 2.5 percent. Significant items included an increase of Baht 616 million in net fees and service income due to an increase in fee income from mutual funds and bancassurance, electronic services and remittances, the securities business, and trade services. Gains on trading and foreign exchange transactions decreased by Baht 325 million and gains on investments fell by Baht 202 million.

### Operating Expenses

Item	Quarter		Change (%)		
	1/2017	4/2016	1/2016	4/2016	1/2016
Personnel expenses	6,219	6,157	6,238	1.0%	(0.3)%
Directors' remuneration	33	43	19	(23.3)%	73.7%
Premises and equipment expenses	2,191	2,535	2,185	(13.6)%	0.3%
Taxes and duties	864	838	881	3.1%	(1.9)%
Other expenses	1,775	3,395	3,533	(47.7)%	(49.8)%
<b>Total operating expenses</b>	<b>11,082</b>	<b>12,968</b>	<b>12,856</b>	<b>(14.5)%</b>	<b>(13.8)%</b>
Expense to operating income ratio	<b>40.7%</b>	47.4%	48.1%	(6.7)%	(7.4)%



Operating expenses in the first quarter of 2017 amounted to Baht 11.1 billion, a decrease of Baht 1.9 billion or 14.5 percent from the fourth quarter of 2016. Significant items included other expenses, which decreased by Baht 1.6 billion due to the decline in provisions for contingencies, and expenses relating to premises and equipment decreased by Baht 344 million.

Compared with the first quarter of 2016, operating expenses decreased by Baht 1.8 billion or 13.8 percent, mainly due to a decline in other expenses by Baht 1.8 billion, caused by lower provisions for contingencies.

### *Impairment Loss of Loans and Debt Securities*

Million Baht

Item	Quarter		Change (%)		
	1/2017	4/2016	1/2016	4/2016	1/2016
Bad debt and doubtful accounts	5,859	2,792	3,991	109.8%	46.8%
Loss on debt restructuring (reversal)	(53)	804	(347)	(106.6)%	84.7%
<b>Total</b>	<b>5,806</b>	<b>3,596</b>	<b>3,644</b>	<b>61.5%</b>	<b>59.3%</b>

In the first quarter of 2017, impairment loss of loans and debt securities was Baht 5.8 billion, compared with Baht 3.6 billion in the fourth quarter of 2016 and Baht 3.6 billion in the first quarter of 2016.

### **Significant Items in the Financial Position**

#### *Assets*

Million Baht

Item	March 2017	December 2016	March 2016	Change (%)	
				December 2016	March 2016
Net interbank and money market items	504,369	394,612	455,144	27.8%	10.8%
Net investments	525,639	546,614	541,050	(3.8)%	(2.8)%
Net investments in associates	1,410	1,327	1,341	6.3%	5.1%
Loans *	1,923,953	1,941,093	1,874,924	(0.9)%	2.6%
Net properties for sale	12,004	12,262	13,436	(2.1)%	(10.7)%
<b>Total assets</b>	<b>2,995,623</b>	<b>2,944,230</b>	<b>2,940,726</b>	<b>1.7%</b>	<b>1.9%</b>

\* Less deferred revenue

Total assets as of March 31, 2017, amounted to Baht 2,995.6 billion, an increase of Baht 51.4 billion from the end of December 2016. Significant items included net interbank and money market items of Baht 504.4 billion, an increase of Baht 109.8 billion or 27.8 percent, mainly from the increase in lending volume. Net investments amounted to Baht 525.6 billion, a decrease of Baht 21.0 billion or 3.8 percent, and a decrease of Baht 17.1 billion or 0.9 percent in loans.

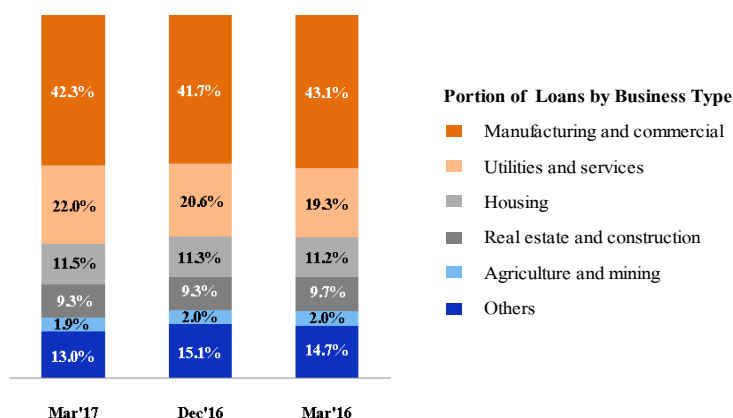
#### *Loans*

Loans as of March 31, 2017, amounted to Baht 1,924.0 billion, a decrease of Baht 17.1 billion or 0.9 percent from the end of December 2016, due to the reduction in loans to medium-sized and small businesses, consumer sector and loans made through the Bank's international network.

Million Baht

Loans by Business Type *	March	December	March	Change (%)	
	2017	2016	2016	December 2016	March 2016
Manufacturing and commercial	<b>814,365</b>	810,335	807,411	0.5%	0.9%
Utilities and services	<b>424,143</b>	399,372	361,829	6.2%	17.2%
Housing	<b>220,250</b>	219,365	210,706	0.4%	4.5%
Real estate and construction	<b>179,036</b>	179,973	182,063	(0.5)%	(1.7)%
Agriculture and mining	<b>36,825</b>	38,541	37,109	(4.5)%	(0.8)%
Others	<b>249,334</b>	293,507	275,806	(15.1)%	9.6%
<b>Total</b>	<b>1,923,953</b>	1,941,093	1,874,924	(0.9)%	2.6%

\* Less deferred revenue



The highest portion of lending was to various industries in the manufacturing and commercial sectors, at 42.3 percent, followed by 22.0 percent to utilities and services, 11.5 percent to housing, and 9.3 percent to real estate and construction. The main decrease in loans from the end of December 2016 was 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		
	March 2017	December 2016	March 2016	March 2017	December 2016	March 2016
Normal	<b>1,801,607</b>	1,830,827	1,769,793	<b>13,986</b>	14,502	13,646
Special mentioned	<b>48,377</b>	46,058	46,832	<b>593</b>	548	528
Substandard	<b>12,188</b>	9,495	8,420	<b>5,852</b>	2,589	3,590
Doubtful	<b>16,341</b>	16,050	14,249	<b>8,724</b>	10,140	7,434
Doubtful of loss	<b>49,296</b>	43,316	39,260	<b>32,247</b>	27,815	24,748
<b>Total</b>	<b>1,927,809</b>	1,945,746	1,878,554	<b>61,402</b>	55,594	49,946
<u>Plus</u> excess allowance for doubtful accounts				<b>60,430</b>	61,214	55,929
<b>Total allowance for doubtful accounts from loan classification</b>				<b>121,832</b>	116,808	105,875
<u>Plus</u> revaluation allowance for debt restructuring				<b>2,614</b>	2,710	1,986
<b>Total allowance for doubtful accounts</b>				<b>124,446</b>	119,518	107,861

\* Less deferred revenue



Million Baht

Item	March 2017	December 2016	March 2016	Change (%)	
				December 2016	March 2016
NPLs before allowance for doubtful accounts	77,772	68,841	61,841	13.0%	25.8%
Ratio of NPLs to total loans	3.5%	3.2%	2.9%	0.3%	0.6%
NPLs after allowance for doubtful accounts (net NPLs)	22,799	19,156	18,477	19.0%	23.4%
Ratio of net NPLs to net total loans	1.1%	0.9%	0.9%	0.2%	0.2%
Ratio of loan loss reserves to minimum required provisioning	194.4%	205.0%	207.7%	(10.6)%	(13.3)%
Ratio of loan loss reserves to NPLs	160.0%	173.6%	174.4%	(13.6)%	(14.4)%

Non-performing loans (NPLs) at the end of March 2017 amounted to Baht 77.8 billion and the ratio of NPLs to total loans was 3.5 percent.

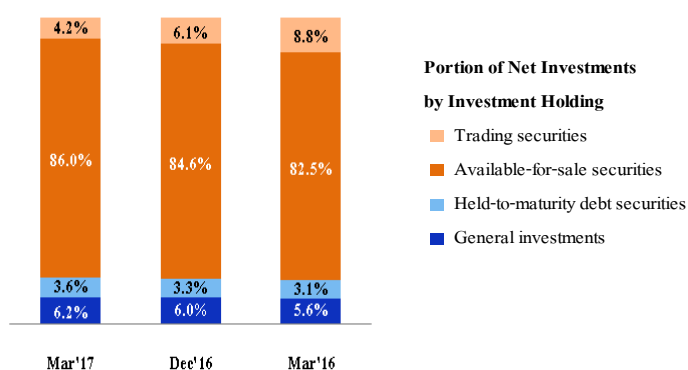
Total allowance for doubtful accounts at the end of March 2017 was Baht 124.4 billion, However, the minimum required by the Bank of Thailand (BOT) was Baht 64.0 billion or 194.4 percent. The ratio of loan loss reserves to NPLs was 160.0 percent.

### Net Investments

Net investments as of March 31, 2017, amounted to Baht 525.6 billion, a decrease of Baht 21.0 billion or 3.8 percent from the end of December 2016, due mainly to a decrease in investment from trading securities and available-for-sale securities.

Million Baht

Investments by Investment Holding	March 2017	December 2016	March 2016	Change (%)	
				December 2016	March 2016
Trading securities	22,180	33,148	47,773	(33.1)%	(53.6)%
Available-for-sale securities	452,056	462,742	446,333	(2.3)%	1.3%
Held-to-maturity debt securities	19,125	18,121	16,910	5.5%	13.1%
General investments	32,278	32,603	30,034	(1.0)%	7.5%
<b>Total net investments</b>	<b>525,639</b>	<b>546,614</b>	<b>541,050</b>	<b>(3.8)%</b>	<b>(2.8)%</b>



Most of the net investments were in government and state-enterprise securities. As of March 31, 2017, these amounted to Baht 298.2 billion, accounting for 56.7 percent of total investments. Foreign debt securities were Baht 95.9 billion, private enterprise debt securities Baht 25.1 billion, and net equity securities Baht 105.7 billion.

Million Baht

Investments by Maturity *	March 2017		December 2016		March 2016 **		Change (%)	
	Amount	Portion	Amount	Portion	Amount	Portion	December 2016	March 2016
Up to one year	88,365	16.8%	87,347	15.9%	124,301	22.9%	1.2%	(28.9)%
Between one and five years	300,560	57.0%	317,650	58.0%	274,452	50.6%	(5.4)%	9.5%
Over five years	32,469	6.2%	37,631	6.9%	44,105	8.1%	(13.7)%	(26.4)%
No maturity	105,655	20.0%	105,313	19.2%	99,533	18.4%	0.3%	6.2%
<b>Total net investments</b>	<b>527,049</b>	<b>100.0%</b>	<b>547,941</b>	<b>100.0%</b>	<b>542,391</b>	<b>100.0%</b>	<b>(3.8)%</b>	<b>(2.8)%</b>

\* Including net investments in associates

\*\* The Bank has changed the way it presents the comparison to be in accordance with the current end-of-quarter presentation

The remaining terms of the net investments (including net investments in associates) as of March 31, 2017, were categorized into securities with less than one year to maturity of Baht 88.4 billion, securities with one-to-five years to maturity of Baht 300.6 billion, securities with remaining maturities of more than five years of Baht 32.5 billion, and securities with no maturity of Baht 105.7 billion.

### Liabilities and Shareholders' Equity

Million Baht

Item	March 2017	December 2016	March 2016	Change (%)	
				December 2016	March 2016
Deposits	2,244,032	2,178,141	2,149,333	3.0%	4.4%
Interbank and money market items	117,580	130,928	162,867	(10.2)%	(27.8)%
Debt issued and borrowings	133,236	137,815	135,513	(3.3)%	(1.7)%
<b>Total liabilities</b>	<b>2,609,526</b>	<b>2,564,985</b>	<b>2,570,054</b>	<b>1.7%</b>	<b>1.5%</b>
<b>Shareholders' equity *</b>	<b>385,910</b>	<b>379,016</b>	<b>370,518</b>	<b>1.8%</b>	<b>4.2%</b>

\* Attributable to the Bank

Total liabilities as of March 31, 2017, amounted to Baht 2,609.5 billion, an increase of Baht 44.5 billion or 1.7 percent from the end of December 2016, due mainly to an increase of Baht 65.9 billion in deposits, while interbank and money market items fell by Baht 13.3 billion or 10.2 percent, due to deposit transactions and repurchase agreements.

### Deposits

Million Baht

Deposits Classified by Product Type	March 2017		December 2016		March 2016		Change (%)	
	Amount	Portion	Amount	Portion	Amount	Portion	December 2016	March 2016
Current	96,643	4.3%	95,810	4.4%	92,142	4.3%	0.9%	4.9%
Savings	991,774	44.2%	958,150	44.0%	901,195	41.9%	3.5%	10.1%
Fixed *	1,155,615	51.5%	1,124,181	51.6%	1,155,996	53.8%	2.8%	(0.0)%
<b>Total</b>	<b>2,244,032</b>	<b>100.0%</b>	<b>2,178,141</b>	<b>100.0%</b>	<b>2,149,333</b>	<b>100.0%</b>	<b>3.0%</b>	<b>4.4%</b>
Loan to deposit ratio		<b>85.7%</b>		89.1%		87.2%	(3.4)%	(1.5)%

\* Including negotiable certificates of deposit

Total deposits as of March 31, 2017, amounted to Baht 2,244.0 billion, an increase of Baht 65.9 billion or 3.0 percent due to the increase in all types of deposits, mostly from savings deposits which rose by 3.5 percent and fixed deposits which rose by 2.8 percent.

### Debt Issued and Borrowings

Million Baht

Debt Issued and Borrowings Classified by Type of Instruments	March 2017		December 2016		March 2016		Change (%)	
	Amount	Portion	Amount	Portion	Amount	Portion	December 2016	March 2016
Senior unsecured notes	103,379	74.2%	107,556	74.7%	105,740	74.5%	(3.9)%	(2.2)%
Unsecured subordinated notes	35,497	25.5%	36,123	25.1%	35,850	25.3%	(1.7)%	(1.0)%
Bills of exchange	74	0.1%	74	0.1%	74	0.1%	-	-
Others	378	0.2%	213	0.1%	149	0.1%	77.5%	153.7%
<b>Total (before less discount on borrowings)</b>	<b>139,328</b>	<b>100.0%</b>	<b>143,966</b>	<b>100.0%</b>	<b>141,813</b>	<b>100.0%</b>	<b>(3.2)%</b>	<b>(1.8)%</b>
<u>Less</u> discount on borrowings	<b>6,092</b>		6,151		6,300		(1.0)%	(3.3)%
<b>Total</b>	<b>133,236</b>		<b>137,815</b>		<b>135,513</b>		<b>(3.3)%</b>	<b>(1.7)%</b>

Total debt issued and borrowings as of March 31, 2017, amounted to Baht 133.2 billion, a decrease of Baht 4.6 billion from the end of December 2016, due to a decrease in the value of foreign-denominated debentures as a result of the Baht's appreciation.

### Shareholders' Equity

Shareholders' equity as of March 31, 2017, amounted to Baht 385.9 billion, an increase of Baht 6.9 billion or 1.8 percent from the end of 2016, due mainly to the net profit for the first quarter of 2017 of Baht 8.3 billion and an increase of Baht 1.1 billion in revaluation gains on available-for-sale investments. Loss on translation of the financial statements of foreign operations rose by Baht 2.5 billion due to the Baht's appreciation.

### Contingent Liabilities

Million Baht

Item	March 2017	December 2016	March 2016	Change (%)	
				December 2016	March 2016
Avals to bills	6,619	5,529	6,588	19.7%	0.5%
Guarantees of loans	17,788	18,001	11,901	(1.2)%	49.5%
Liability under unmatured import bills	19,610	17,921	19,884	9.4%	(1.4)%
Letters of credit	35,400	35,623	27,130	(0.6)%	30.5%
Other commitments					
Underwriting commitments	1,950	-	498	100.0%	291.6%
Amount of unused bank overdrafts	175,078	175,893	178,372	(0.5)%	(1.8)%
Other guarantees	272,948	267,989	230,883	1.9%	18.2%
Others	151,080	82,088	109,900	84.0%	37.5%
<b>Total</b>	<b>680,473</b>	<b>603,044</b>	<b>585,156</b>	<b>12.8%</b>	<b>16.3%</b>

Contingent liabilities as of March 31, 2017, amounted to Baht 614.0 billion, an increase of Baht 11.0 billion or 1.8 percent from the end of December 2016, with an increase in others (under other commitments) and other guarantees.

### *Sources and Utilization of Funds*

The primary sources of funds as of March 31, 2017, were Baht 2,244.0 billion or 74.9 percent in deposits, Baht 385.9 billion or 12.9 percent in shareholders' equity, Baht 133.2 billion or 4.4 percent in debt issued and borrowings, and Baht 117.6 billion or 3.9 percent in interbank and money market liabilities.

The utilization of funds comprised Baht 1,924.0 billion or 64.2 percent in loans, Baht 527.0 billion or 17.6 percent in net investments (including net investments in associates), and Baht 504.4 billion or 16.8 percent in net interbank and money market assets.

### *Capital Reserves and Capital Adequacy Ratio*

#### *Consolidated*

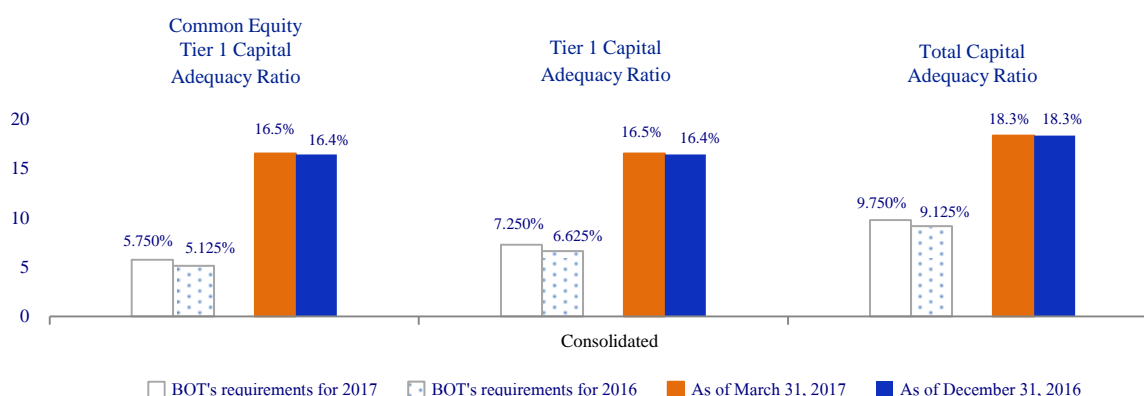
Million Baht

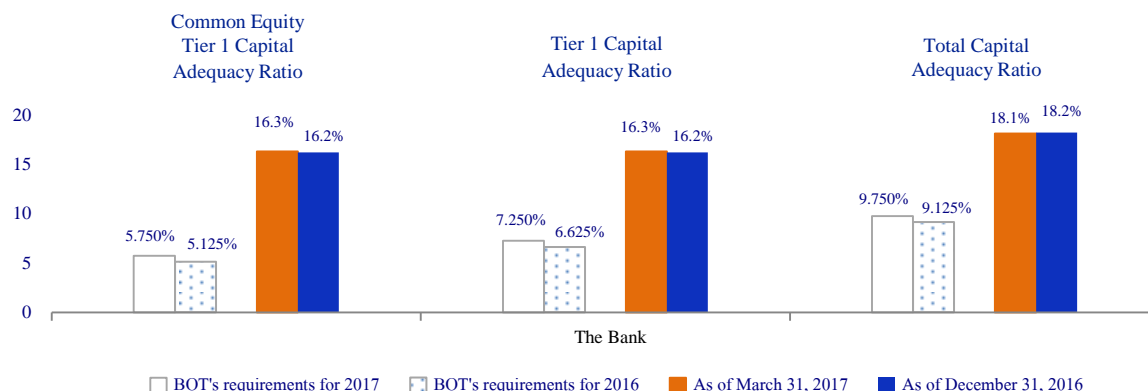
Item	Capital			Capital Adequacy Ratio		
	March 2017	December 2016	March 2016	March 2017	December 2016	March 2016
<b>Total capital</b>	<b>398,844</b>	403,068	383,765	<b>18.3%</b>	18.3%	17.7%
Tier 1 capital	<b>359,432</b>	360,818	341,618	<b>16.5%</b>	16.4%	15.7%
Common equity Tier 1 capital	<b>359,364</b>	360,702	341,537	<b>16.5%</b>	16.4%	15.7%

#### *The Bank*

Million Baht

Item	Capital			Capital Adequacy Ratio		
	March 2017	December 2016	March 2016	March 2017	December 2016	March 2016
<b>Total capital</b>	<b>385,734</b>	388,788	373,407	<b>18.1%</b>	18.2%	17.8%
Tier 1 capital	<b>347,000</b>	347,373	332,044	<b>16.3%</b>	16.2%	15.8%
Common equity Tier 1 capital	<b>347,000</b>	347,373	332,044	<b>16.3%</b>	16.2%	15.8%





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 on January 1, 2019. To satisfy the minimum requirements and capital buffer, in 2017 the Bank is required to maintain the Common Equity Tier 1 ratio at more than 5.75 percent, the Tier 1 ratio at more than 7.25 percent, and the total capital ratio at more than 9.75 percent – measured as percentages of total risk-weighted assets.

As of March 31, 2017, legal capital funds were Baht 398.8 billion, common equity Tier 1 capital was Baht 359.4 billion, and Tier 1 capital was Baht 359.4 billion. The total capital adequacy ratio was 18.3 percent, the common equity Tier 1 capital adequacy ratio was 16.5 percent, and the Tier 1 capital adequacy ratio was 16.5 percent. With the inclusion of net profit for the six months ending December 31, 2016 and net profit for the first quarter of 2017 minus the dividend payment in May 2017, the total capital adequacy ratio, the common equity Tier 1 capital adequacy ratio and the Tier 1 capital adequacy ratio would be 19.0 percent, 17.2 percent and 17.2 percent, respectively.

### Liquid Assets

Item	March 2017	December 2016	March 2016
Liquid assets (Million Baht)	<b>1,034,151</b>	956,847	1,003,089
Liquid assets/total assets (%)	<b>34.5</b>	32.5	34.1
Liquid assets/deposits (%)	<b>46.1</b>	43.9	46.7

Liquid assets consisted of cash, interbank and money market items, claims on securities, trading securities and available-for-sale securities. As of March 31, 2017, liquid assets totaled Baht 1,034.2 billion, an increase of Baht 77.3 billion or 8.1 percent from the end of December 2016, due mainly to an increase of Baht 109.8 billion in interbank and money market items, while trading securities decreased by Baht 11.0 billion, cash decreased by Baht 10.8 billion, and available-for-sale securities decreased by Baht 10.7 billion.

## Credit Ratings

At the end of March 2017, Moody's Investors Service and Standard & Poor's maintained the Bank's credit ratings from the end of 2016 and the end of March 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 *	March 31, 2017	December 31, 2016	March 31, 2016
<b>Moody's Investors Service</b>			
Long term - Deposits	<b>Baa1</b>	Baa1	Baa1
Short term - Debt instruments / deposits	<b>P-2 / P-2</b>	P-2 / P-2	P-2 / P-2
Senior unsecured debt instruments	<b>Baa1</b>	Baa1	Baa1
Subordinated debt instruments	<b>Baa3</b>	Baa3	Baa3
Outlook	<b>Stable</b>	Stable	Stable
Financial strength (BCA)	<b>baa2</b>	baa2	baa2
Financial strength outlook	<b>Stable</b>	Stable	Stable
<b>Standard &amp; Poor's</b>			
Long term - Debt instruments	<b>BBB+</b>	BBB+	BBB+
- Deposits	<b>BBB+</b>	BBB+	BBB+
Short term - Debt instruments / deposits	<b>A-2 / A-2</b>	A-2 / A-2	A-2 / A-2
Senior unsecured debt instruments	<b>BBB+</b>	BBB+	BBB+
Subordinated debt instruments	<b>BBB</b>	BBB	BBB
Financial strength (SACP)	<b>bbb</b>	bbb	bbb
Support	<b>+1</b>	+1	+1
Outlook	<b>Stable</b>	Stable	Stable
ASEAN Regional Ratings (Long term / Short term)	<b>axA+ / axA-1</b>	axA+ / axA-1	axA+ / axA-1
<b>Fitch Ratings</b>			
<b>International ratings</b>			
Long term - Debt instruments	<b>BBB+</b>	BBB+	BBB+
Short term - Debt instruments	<b>F2</b>	F2	F2
Senior unsecured debt instruments	<b>BBB+</b>	BBB+	BBB+
Subordinated debt instruments	<b>BBB</b>	BBB	BBB
Financial strength (Viability)	<b>bbb+</b>	bbb+	bbb+
Support	<b>2</b>	2	2
Outlook	<b>Stable</b>	Stable	Stable
<b>National ratings</b>			
Long term - Debt instruments	<b>AA+(th)</b>	AA+(th)	AA(th)
Short term - Debt instruments	<b>F1+(th)</b>	F1+(th)	F1+(th)
Subordinated debt instruments	<b>AA(th)</b>	AA(th)	AA-(th)
Outlook	<b>Stable</b>	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.