



Ref. KTB.FIR. 186 /2017

January 19 , 2017

Singapore Exchange Securities Trading Limited

2 Shenton Way

#19-00 SGX Centre 1

Singapore 068804

Attn: Market Control Department

Dear Sir,

Re : Submission of the Unaudited Financial Statements

Krung Thai Bank Public Company Limited hereby submits the unaudited financial statements for the year ended December 31, 2016 compared with various time intervals of the financial statements previously reports.

1. Consolidated and the Bank's statements of financial position as of 31 December 2016, compared with as of 31 December 2015.
2. Consolidate and the Bank's statements of profit or loss and other comprehensive income for the year ended 31 December 2016, compared with 2015.
3. Management Discussion and Analysis for the year ended 31 December 2016.

Please be informed accordingly.

Sincerely yours,

Payong Srivanich

President

Financial Institutions & Investor Relations Department Tel. +66 2 208 3668-9

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2016

(Thousand Baht)

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	DECEMBER 31, 2016	DECEMBER 31, 2015	DECEMBER 31, 2016	DECEMBER 31, 2015
	(UNAUDITED)	(AUDITED)	(UNAUDITED)	(AUDITED)
ASSETS				
CASH	72,106,416	71,470,113	71,929,866	71,294,408
INTERBANK AND MONEY MARKET ITEMS, NET	431,638,413	397,357,971	431,350,214	397,061,378
CLAIMS ON SECURITIES	21,421,700	13,494,400	21,421,700	13,494,400
DERIVATIVES ASSETS	30,063,046	34,039,142	30,084,832	34,088,515
INVESTMENTS, NET	226,954,571	247,081,663	226,693,145	246,811,058
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	15,310,646	14,650,374	10,664,593	10,664,593
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET				
LOANS TO CUSTOMERS	1,907,821,949	2,033,250,476	1,837,243,223	1,969,827,420
ACCRUED INTEREST RECEIVABLES	5,270,682	5,900,902	4,774,560	5,462,813
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES	1,913,092,631	2,039,151,378	1,842,017,783	1,975,290,233
LESS DEFERRED REVENUE	(3,733,253)	(5,810,002)	(122,922)	(165,766)
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	(110,719,616)	(85,823,934)	(102,859,894)	(77,221,061)
LESS REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING	(61,619)	(132,627)	(61,619)	(132,627)
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	1,798,578,143	1,947,384,815	1,738,973,348	1,897,770,779
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES	45,949	1,567,806	45,949	1,567,806
PROPERTIES FOR SALE, NET	35,743,634	30,008,144	35,668,551	29,909,856
PREMISES AND EQUIPMENT, NET	27,312,663	26,354,526	25,239,008	21,376,845
OTHER INTANGIBLE ASSETS, NET	4,210,901	4,571,604	870,720	897,367
DEFERRED TAX ASSETS	4,500,544	6,996,109	2,321,669	5,020,583
ACCRUED INCOME	2,853,616	3,788,212	2,589,233	3,578,869
OTHER ASSETS, NET	18,706,742	16,564,767	16,945,112	15,071,377
TOTAL ASSETS	2,689,446,984	2,815,329,646	2,614,797,940	2,748,607,834
LIABILITIES AND EQUITY				
DEPOSITS	1,972,403,533	2,135,498,511	1,975,157,675	2,137,446,488
INTERBANK AND MONEY MARKET ITEMS, NET	203,166,312	194,242,842	193,711,003	177,701,199
LIABILITIES PAYABLE ON DEMAND	5,082,471	6,121,116	5,082,471	6,121,116
LIABILITIES TO DELIVER SECURITIES	21,421,700	13,494,400	21,421,700	13,494,400
DERIVATIVES LIABILITIES	31,516,693	37,232,572	31,516,693	37,234,793
DEBT ISSUED AND BORROWINGS	120,690,859	116,240,463	79,267,859	86,937,975
BANK'S LIABILITIES UNDER ACCEPTANCES	45,949	1,567,806	45,949	1,567,806
PROVISIONS	11,152,260	14,424,688	10,163,418	13,634,737
OTHER LIABILITIES	44,825,194	46,209,922	37,976,431	39,997,788
TOTAL LIABILITIES	2,410,304,971	2,565,032,320	2,354,343,199	2,514,136,302

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER, 2016

(Thousand Baht)

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	DECEMBER 31, 2016	DECEMBER 31, 2015	DECEMBER 31, 2016	DECEMBER 31, 2015
	(UNAUDITED)	(AUDITED)	(UNAUDITED)	(AUDITED)
LIABILITIES AND EQUITY (CONTINUED)				
EQUITY				
SHARE CAPITAL				
AUTHORIZED SHARE CAPITAL				
5,500,000 PREFERRED SHARES OF BAHT 5.15 EACH	28,325	28,325	28,325	28,325
13,976,061,250 ORDINARY SHARES OF BAHT 5.15 EACH	71,976,715	71,976,715	71,976,715	71,976,715
ISSUED AND PAID-UP SHARE CAPITAL				
5,500,000 PREFERRED SHARES OF BAHT 5.15 EACH	28,325	28,325	28,325	28,325
13,976,061,250 ORDINARY SHARES OF BAHT 5.15 EACH	71,976,715	71,976,715	71,976,715	71,976,715
PREMIUM ON SHARE CAPITAL				
PREMIUM ON ORDINARY SHARE	20,833,734	20,833,734	20,833,734	20,833,734
OTHER COMPONENTS OF EQUITY	17,748,818	10,643,441	13,729,430	6,407,413
RETAINED EARNINGS				
APPROPRIATED				
LEGAL RESERVE	7,200,504	7,200,504	7,200,504	7,200,504
UNAPPROPRIATED	156,136,308	135,200,033	146,686,033	128,024,841
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	273,924,404	245,882,752	260,454,741	234,471,532
NON-CONTROLLING INTEREST	5,217,609	4,414,574		
TOTAL EQUITY	279,142,013	250,297,326	260,454,741	234,471,532
TOTAL LIABILITIES AND EQUITY	2,689,446,984	2,815,329,646	2,614,797,940	2,748,607,834

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Payong Srivanich
PAYONG SRIVANICH
PRESIDENT

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016

	(Thousand Baht)			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2016	2015	2016	2015
	(UNAUDITED)	(AUDITED)	(UNAUDITED)	(AUDITED)
INTEREST INCOME	129,229,887	132,525,324	116,257,345	120,559,061
INTEREST EXPENSES	42,264,056	51,657,469	40,784,204	49,994,241
INTEREST INCOME, NET	86,965,831	80,867,855	75,473,141	70,564,820
FEES AND SERVICE INCOME	25,947,541	24,223,837	21,260,651	19,934,377
FEES AND SERVICE EXPENSES	3,905,552	2,880,428	2,482,700	2,178,256
FEES AND SERVICE INCOME, NET	22,041,989	21,343,409	18,777,951	17,756,121
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS, NET	6,827,507	6,700,615	6,802,133	6,738,334
GAINS ON INVESTMENTS, NET	694,573	648,130	694,573	(150,635)
SHARE OF PROFIT FROM INVESTMENTS FOR USING EQUITY METHOD	3,083,147	3,038,174	-	-
DIVIDEND INCOME	481,744	407,648	3,561,154	3,591,414
OTHER OPERATING INCOME	4,573,050	3,601,542	1,626,956	858,764
TOTAL OPERATING INCOME	124,667,841	116,607,373	106,935,908	99,358,818
OTHER OPERATING EXPENSES				
EMPLOYEES' EXPENSES	27,952,647	27,373,533	22,726,102	22,229,945
DIRECTORS' REMUNERATION	105,924	114,938	78,196	82,700
PREMISES AND EQUIPMENT EXPENSES	8,829,528	9,294,196	5,101,364	5,244,695
TAXES AND DUTIES	4,526,003	5,044,995	4,072,890	4,642,603
OTHERS	9,223,561	9,091,991	11,714,621	11,693,669
TOTAL OTHER OPERATING EXPENSES	50,637,663	50,919,653	43,693,173	43,893,612
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	33,429,379	30,541,508	26,996,155	23,999,849
OPERATING PROFIT BEFORE INCOME TAX EXPENSES	40,600,799	35,146,212	36,246,580	31,465,357
INCOME TAX EXPENSES	7,061,865	5,604,746	6,278,794	4,991,609
NET PROFIT	33,538,934	29,541,466	29,967,786	26,473,748

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	(Thousand Baht)			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2016	2015	2016	2015
	(UNAUDITED)	(AUDITED)	(UNAUDITED)	(AUDITED)
OTHER COMPREHENSIVE INCOME				
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS				
GAINS (LOSSES) ON REMEASURING AVAILABLE-FOR-SALE INVESTMENTS	6,724,383	(3,447,861)	6,724,383	(3,447,861)
GAINS (LOSSES) ARISING FROM TRANSLATING THE FINANCIAL STATEMENTS OF FOREIGN OPERATIO	(79,909)	(38,408)	(79,909)	(38,408)
SHARE OF OTHER COMPREHENSIVE INCOME OF ASSOCIATES (EQUITY METHOD)				
FOR ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(216,640)	999,703	-	-
RELATED INCOME TAX EXPENSES				
FOR ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(1,344,876)	689,572	(1,344,876)	689,572
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS				
CHANGES IN REVALUATION SURPLUS ON ASSETS	2,528,024	(3,403)	2,528,024	(3,403)
ACTUARIAL GAINS (LOSSES) ON DEFINED BENEFIT PLANS	(936,608)	(214,146)	(849,697)	(342,100)
RELATED INCOME TAX EXPENSES				
FOR ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOS	(318,284)	43,510	(335,665)	69,101
OTHER COMPREHENSIVE INCOME, NET	6,356,090	(1,971,033)	6,642,260	(3,073,099)
TOTAL COMPREHENSIVE INCOME	39,895,024	27,570,433	36,610,046	23,400,649
NET PROFIT ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	32,278,096	28,493,773	29,967,786	26,473,748
NON-CONTROLLING INTEREST	1,260,838	1,047,693		
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	38,668,489	26,522,284	36,610,046	23,400,649
NON-CONTROLLING INTEREST	1,226,535	1,048,149		
EARNINGS PER SHARE OF PARENT COMPANY				
BASIC EARNINGS PER SHARE (BAHT)	2.31	2.04	2.14	1.89
DILUTED EARNINGS PER SHARE (BAHT)	2.31	2.04	2.14	1.89

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Payong Srivanich
PAYONG SRIVANICH
PRESIDENT

Management Discussion and Analysis

This report discusses principal changes in the unaudited consolidated financial statements for the year ended December 31, 2016.

In 2016, Thai economy continued to expand. Public spending of both government consumption and investment continued to expand well and remained an important economic growth driver. Capital spending expanded on the back of transportation projects. Tourism sector expanded despite the slowdown at end of the year. Exports significantly rose as reflected by improvement of external demand for certain products ie. integrated circuits, electrical appliance as well as some temporary factors.

I. The Bank and Its Subsidiaries' Performance

■ Performance for the year ended December 31, 2016

A) Operating Profit before Tax and Net Profit

KTB's consolidated pre-provision profit was Bt 74,030 m, increased by Bt 8,343 m (12.70%) compared to 2015. After deducting the Bt 33,429 m impairment loss on loans and debt securities and the Bt 7,062 m income tax expense, net profit for 2016 was Bt 33,539 m, showing an increase of Bt 3,998 m (13.53%) compared to 2015. Net profit, attributable to equity holders of the Bank, was Bt 32,278 m, showing an increase of Bt 3,784 m (13.28%) as a result of the expansion of net interest income and non-interest income along with the flat operating expenses.

Unit : Million Baht				
	Y2016	Y2015	Change (Y2016/Y2015)	
			Amount	(%)
Pre-provision profit*	74,030	65,687	8,343	12.70
Operating profit before tax	40,601	35,146	5,455	15.52
Income tax expense	7,062	5,605	1,457	25.99
Net profit	33,539	29,541	3,998	13.53
Net profit (attributable to equity holders of the Bank)	32,278	28,494	3,784	13.28
*Pre-provision profit before Impairment loss of loans and debt securities				

B) Net Interest Income

KTB's consolidated net interest income equaled Bt 86,966 m, showing an increase of Bt 6,098 m (7.54%) from 2015 due to the maturity of high-cost fixed deposit as well as appropriate funding cost management. Consequently, Net Interest Margin (NIM) rose to 3.30% from 3.02% in 2015

Unit : Million Baht				
	Y2016	Y2015	Change (Y2016/Y2015)	
			Amount	(%)
Interest income	129,230	132,525	(3,295)	(2.49)
- Interbank and money market items	11,213	12,092	(879)	(7.27)
- Investments and trading transactions	137	319	(182)	(57.05)
- Investment in debt securities	4,585	4,963	(378)	(7.62)
- Loans	110,298	111,438	(1,140)	(1.02)
- Hire purchase and financial lease	2,957	3,679	(722)	(19.62)
- Others	40	34	6	17.65
Less Interest expense	42,264	51,657	(9,393)	(18.18)
- Deposits	24,770	33,762	(8,992)	(26.63)
- Interbank and money market items	2,719	2,579	140	5.43
- Contributions to BOT and DPA	9,658	10,057	(399)	(3.97)
- Debts issued	5,061	5,214	(153)	(2.93)
Debenture	4,726	4,716	10	0.21
B/E	335	498	(163)	(32.73)
-Borrowings	29	27	2	7.41
- Others	27	18	9	50.00
Net interest income	86,966	80,868	6,098	7.54
Net interest margin [based on earning assets]				
(%)	3.30	3.02		

	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015
Policy Interest Rate (%)	1.50%	1.50%	1.50%	1.50%	1.50%
Deposit Rate (%)					
- Saving Rate	0.50%	0.50%	0.50%	0.50%	0.50%
- 3 Months Fixed Rate	0.90%	0.90%	0.90%	0.90%	0.90%
- 6 Months Fixed Rate	1.15%-1.35%	1.35%	1.35%	1.35%	1.35%
- 12 Months Fixed Rate	1.30%	1.40%	1.40%	1.50%	1.50%
Loan Rate (%)					
- MLR	6.275%	6.275%	6.275%	6.525%	6.525%
- MOR	7.120%	7.120%	7.120%	7.375%	7.375%
- MRR	7.620%	7.620%	7.620%	7.875%	7.875%

C) Net Fee and Service Income

KTB's consolidated net fee and service income in 2016 amounted to Bt 22,042 m, increased by Bt 699 m (3.28%) 2015 in response to the expansion of ATM related business as well as electronic banking service fees.

Unit : Million Baht

	Y2016	Y2015	Change (Y2016/Y2015)	
			Amount	(%)
Fee and service income	25,948	24,224	1,724	7.12
Less Fee and service expense	3,906	2,881	1,025	35.58
Net fee and service income*	22,042	21,343	699	3.28

D) Total Other Operating Income

KTB's consolidated total other operating income 2016 amounted to Bt 15,660 m, increased by Bt 1,264 m (8.78%) from 2015. The main reason was the expansion of other income and net gain on trading and foreign exchange transactions.

Unit : Million Baht

	Y2016	Y2015	Change (Y2016/Y2015)	
			Amount	(%)
Gain (loss) on trading and foreign exchange transactions, net	6,827	6,701	126	1.88
Gain (loss) on investments, net	695	648	47	7.25
Share of profit (loss) from investments on equity	3,083	3,038	45	1.48
Dividend income	482	408	74	18.14
Other income	4,573	3,601	972	26.99
Total other operating income	15,660	14,396	1,264	8.78

E) Other Operating Expenses

The Bank's consolidated other operating expenses were Bt 50,638 m, decreased by Bt 282 m (0.55%) compared to 2015, mainly from the reduction of taxes and duties by Bt 519 m (10.29%) and the decrease in the premises and equipment expenses by Bt 465 m (5.00%). As the contraction of other operating expenses and increase in Bt 124,668 m of total operating income by Bt 8,061 m (6.91%) from 2015, the Cost-to-Income Ratio decrease to 40.62% from 43.67% in 2015

Unit : Million Baht				
	Y2016	Y2015	Change (Y2016/Y2015)	
			Amount	(%)
Personnel expenses	27,953	27,374	579	2.12
Directors' remuneration	106	115	(9)	(7.83)
Premises and equipment expenses	8,829	9,294	(465)	(5.00)
Taxes and duties	4,526	5,045	(519)	(10.29)
Others	9,224	9,092	132	1.45
Total other operating expenses	50,638	50,920	(282)	(0.55)
Cost-to-income ratio (%)	40.62	43.67		

F) Impairment Loss of Loans and Debt Securities

The Bank and its subsidiaries set aside Bt 33,429 m provision for impairment loss of loans and debt securities, increased by Bt 2,888 m (9.46%) compared to 2015. Since 2016, the Bank's monthly normalized provision increased from Bt 700 m to Bt 1,000 m to be suitable to the Bank's outstanding loans while the additional provision was slightly lower.

The Banks and its subsidiaries' coverage ratio was 121.57%, showing the increase from 112.55% as at December 31, 2015. (The Bank's coverage ratio was 121.30%, increased from 110.54% as at December 31, 2015)

Unit : Million Baht				
	Y2016	Y2015	Change (Y2016/Y2015)	
			Amount	(%)
Impairment loss of loans and debt securities	33,429	30,541	2,888	9.46

II. The Bank and Its Subsidiaries' Financial Status - as at the period ended December 31, 2016

A) Loans to Customers

The Bank's consolidated total loans to customers (less deferred revenue) was Bt 1,904,089 m, reduced by Bt 123,351 m (6.08%) from end of year 2015, as a consequence of the contraction of loan from all sectors especially the repayment from government sector and some SME clients as well as stringent underwriting standard resulting in the decrease of total asset by Bt 125,883 m (4.47%) to be Bt 2,689,447 m.

■ Loan portfolio breakdown by borrowers

Unit : Million Baht

The Bank's Financial Statements	31 Dec 2016		31 Dec 2015		Change
	Amount	(%)	Amount	(%)	(%)
Private Corporate	677,339	36.87	685,253	34.79	(1.15)
Government and State Enterprise	81,513	4.44	129,865	6.59	(37.23)
SMEs*	368,291	20.05	429,125	21.78	(14.18)
Retail	709,642	38.63	725,122	36.81	(2.13)
Others	458	0.02	462	0.02	(0.81)
Total loans	1,837,243	100.00	1,969,827	100.00	(6.73)
Less Deferred revenue	123		166		(25.90)
Total	1,837,120		1,969,661		(6.73)

*SMEs were private companies that have employee no. less than/equal to 200 people and fixed asset (excluding land) less than/equal to Bt 200 m.

■ Loan portfolio breakdown by industry

Unit : Million Baht

	31 Dec 2016		31 Dec 2015		Change
	Amount	(%)	Amount	(%)	(%)
Agriculture and mining	40,799	2.14	40,082	1.98	1.79
Manufacturing and commerce	574,205	30.16	577,718	28.49	(0.61)
Real estate and construction	127,181	6.68	146,830	7.24	(13.38)
Public utilities and services	264,001	13.86	394,721	19.47	(33.12)
Housing loans	361,770	19.00	381,950	18.84	(5.28)
Others	536,133	28.16	486,139	23.98	10.28
Total loans	1,904,089	100.00	2,027,440	100.00	(6.08)

B) Investments

KTB's consolidated net investments as of December 31, 2016 totaled Bt 242,265 m, declined by Bt 19,467 m (7.44%) from the end of last year as a result of the reduction of investment in debt securities.

Unit : Million Baht

	31 Dec 2016		31 Dec 2015		Change
	Amount	(%)	Amount	(%)	(%)
Investments, net	226,954	93.68	247,082	94.40	(8.15)
Investments in subsidiaries and associates, net	15,311	6.32	14,650	5.60	4.51
Total investments, net	242,265	100.00	261,732	100.00	(7.44)

C) Total Assets

KTB's consolidated total assets as at December 31, 2016 was Bt 2,689,447 m, decreased by Bt 125,883m (4.47%) from December 31, 2015, owing to the contraction of loans to customers and net investment.

D) Liabilities

The Bank's consolidated deposits was Bt 1,972,404 m, decreased by Bt 163,094 m (7.64%) from December 31, 2015 due to the maturity of short and long term deposits, consistent with the contraction of loans. The Bank's consolidated loans to customers (less deferred revenue) -to-deposits ratio was 96.54%, increased from the end of year 2015 at 94.94%. Meanwhile, the net interbank and money market item was Bt 203,166 m, increased by Bt 8,923 m (4.59%). Thus, the Bank's consolidated total liabilities were Bt 2,410,305 m, decreased by Bt 154,727m (6.03%) compared to December 31, 2015

The Bank redeemed its US dollar Perpetual Non-Cumulative Tier 1 Securities in whole, in an amount of US\$189.5m (Bt 7,112.5m) on October 10, 2016 and its Thai Bath Perpetual Non-Cumulative Subordinated Hybrid Tier 1 Debentures, in an amount of Bt 1,440 m on November 28, 2016, resulting in the contraction of Bank's debt issued and borrowings in 2016. However, in 2016, Bank's subsidiary increased its borrowings bringing about an increase of the Bank's consolidated debt issued and borrowings by Bt 4,451 m (3.83%) to be Bt 120,691 m in 2016.

Unit : Million Baht

	31 Dec 2016		31 Dec 2015		Change
	Amount	(%)	Amount	(%)	(%)
Demand deposits	92,574	4.69	126,974	5.95	(27.09)
Savings deposits	1,221,292	61.92	1,147,811	53.75	(6.40)
Time deposits	658,538	33.39	860,713	40.30	(23.49)
Total Deposits	1,972,404	100.00	2,135,498	100.00	(7.64)
B/E	8,006		6,735		18.87

E) Equity

The total equity (Equity holders of the Bank) as at December 31, 2016 amounted to Bt 273,924 m, showing an increase of Bt 28,041 m (11.40%) from December 31, 2015.

Book value per share (Equity holders of the Bank) was Bt 19.59, raised from Bt 17.59 as at December 31, 2015.

F) Sources and Uses of Funds

As of December 31, 2016, 73.34% of the Bank's source of funds was deposits; the rests were interbank borrowings, debt issued and borrowings, and equity. The Bank's use of funds comprised of 70.80% loans to customers (less deferred revenue), 16.05% net interbank and money market items, and 9.01% net investments and net investments in subsidiaries and associates.

Unit : Million Baht

	31 Dec 2016		31 Dec 2015		Change
	Amount	(%)	Amount	(%)	(%)
Deposits	1,972,404	73.34	2,135,498	75.85	(7.64)
Interbank and money market items, net	203,166	7.55	194,243	6.90	4.59
Debt issued and borrowings	120,691	4.49	116,240	4.13	3.83
Others	114,044	4.24	119,051	4.23	(4.21)
Total equity					
- Equity holders of the Bank	273,924	10.19	245,883	8.73	11.40
- Non-controlling interest	5,218	0.19	4,415	0.16	18.19
Total	2,689,447	100.00	2,815,330	100.00	(4.47)

Unit : Million Baht

Loans and deposits classified by remaining maturity The Bank's Financial Statements	31 Dec 2016		31 Dec 2015		Change
	Amount	(%)	Amount	(%)	(%)
Loans					
- ≤ 1 year	621,906	33.85	652,664	33.14	(4.71)
- > 1 year	1,215,337	66.16	1,317,163	66.87	(7.73)
Less Unearned Discounts	123	0.01	166	0.01	(25.90)
Total loans *	1,837,120	100.00	1,969,661	100.00	(6.73)
Deposits					
- ≤ 1 year	1,831,142	92.71	1,946,713	91.08	(5.94)
- > 1 year	144,016	7.29	190,733	8.92	(24.49)
Total deposits	1,975,158	100.00	2,137,446	100.00	(7.59)

* Excluding accrued interest receivable and interbank loans and money market item.

G) Statutory Capital Fund

As of December 31, 2016, Bank's Common Equity Tier 1 capital and Tier I capital were Bt 243,254 m (12.98% of its risk-weighted assets (RWA)). Total capital was Bt 316,295 m (16.88% of its RWA), increased from 15.22% as at December 31, 2015. The increase of capital ratio was due to the appropriation of first half of 2016 net profit for capital, along with the weakening of loan. The calculation was in line with BOT's regulations regarding Basel III compliance.

Unit : Million Baht

The Bank's Financial Statements	31 Dec 2016			31 Dec 2015		
	Amount	(%)	The minimum rate*	Amount	(%)	The minimum rate required
Common Equity Tier 1 capital	243,254	12.98	5.125	217,646	11.06	4.50
Tier 1 capital	243,254	12.98	6.625	225,092	11.43	6.00
Tier 2 capital	73,041			74,529		
Total capital fund	316,295	16.88	9.125	299,621	15.22	8.50
Risk-weighted assets	1,873,373			1,968,708		

* According to BOT's regulation, the minimum capital ratios of Commercial Banks in Thailand will be increased to absorb Capital conversation buffer at 0.625 percent starting from January 1, 2016 until reaches 2.50 percent by January 1, 2019.

H) Asset Quality - Non-Performing Loans

The Bank' consolidated NPLs as at December 31, 2016 was Bt 91,128 m, rose by Bt 14,757 m (19.32%) from December 31, 2015. The gross NPLs ratio and net NPL ratio were 3.97% and 1.81 % respectively. The increase of gross NPL ratio from 3.20% as at December 31, 2015 was from increasing in NPLs from SME clients combined with the contraction of loan to customer. From the progress of the rehabilitation plan for a steel corporate client in 4Q2016, the Bank reclassified the client's loan from Non-Performing Loan to Special-Mention Loan. To be more careful, in 4Q2016, the revision of the loan classification procedure, together with some vulnerable group of customers resulted in the increase of Non-performing loan and special mention loan (Non-performing loan increased from 2.56% at the end of 2015 to 3.68% of total loan including financial institutions)

The Bank has tightened the underwriting standard to cope with its deteriorated asset quality, focused on the fasten collection process with teamwork as well as conducted appropriated debt restructuring.

Unit : Million Baht

	31 Dec 2016		31 Dec 2015		Change
	Amount	(%)	Amount	(%)	(%)
1. Loans					
Pass	1,742,882	91.53	1,899,234	93.68	(8.23)
Special Mention	70,079	3.68	51,835	2.56	35.20
Sub-Standard	14,154	0.74	18,722	0.92	(24.40)
Doubtful	17,059	0.90	19,004	0.94	(10.23)
Doubtful of loss	59,915	3.15	38,645	1.90	55.04
Total Loans	1,904,089	100.00	2,027,440	100.00	(6.08)
2. NPLs gross ⁽¹⁾	91,128	3.97	76,371	3.20	0.77
NPLs net ⁽¹⁾	40,758	1.81	40,612	1.73	0.08
3. Actual provisioning for loan loss ⁽²⁾	110,782		85,956		
Coverage Ratio		121.57		112.55	

(1) NPLs Ratio (gross) and NPLs Ratio (net) from BOT definition

(2) Allowance for doubtful accounts and revaluation allowance for debt restructuring

Unit : Million Baht

NPLs (gross) breakdown by industry	31 Dec 2016		31 Dec 2015		Change
	Amount	(%)	Amount	(%)	Amount
Agriculture and mining	1,590	1.74	1,220	1.60	30.33
Manufacturing and commerce	39,276	43.10	33,835	44.30	16.08
Real estate and construction	10,988	12.06	11,573	15.15	(5.05)
Public utilities and services	11,335	12.44	8,056	10.55	40.70
Housing loans	17,236	18.91	12,629	16.54	36.48
Others	10,703	11.75	9,058	11.86	18.16
Total non-performing loans	91,128	100.00	76,371	100.00	19.32

III. Credit Ratings

Bank's credit ratings rated by Standard and Poor's, Moody's Investors Service and Fitch Ratings were as follows:

Standard & Poor's		December 2016	December 2015
▪ Long-term/ Short-term	Long-term/ Short-term	BBB / A-2	BBB / A-2
▪ Outlook		Stable	Stable
▪ Stand-Alone Credit Profile (SACP)		bb+	bb+
Moody's Investors Service		December 2016	December 2015
▪ Long-term/ Short-term		Baa1 / P-2	Baa1 / P-2
▪ Outlook		Stable	Stable
▪ Baseline Credit Assessment (BCA)		ba1	ba1
Fitch Ratings		December 2016	December 2015
Foreign Currency Credit Ratings			
▪ Long-term/ Short-term		BBB / F3	BBB / F3
▪ Outlook		Stable	Stable
▪ Viability Rating		bbb-	bbb-
▪ Subordinated Debt (USD)		BBB-	BBB-
National Credit Ratings			
▪ Long-term/ Short-term		AA+(tha) / F1+ (tha)	AA+(tha) / F1+ (tha)
▪ Outlook		Stable	Stable
▪ Subordinated Debt (Baht)		AA(tha)	AA(tha)

IV. Y2017 estimated financial targets

In 2016, The Bank's performance showed the contraction of the total asset as a result of its loan contraction, however, we determinate on sustaining its business by targeting on the growth of total asset in year 2017. The estimated financial targets show as follows:

The Bank's Financial Statements	2017 Estimated Financial Target
GDP Growth(Forecast)	3.4%
Loan Growth	4 - 6%
Fee Income Growth	3 - 5%
NPLs Ratio (gross)	Maintain
ROA	Maintain
ROE	Maintain