



**BANGKOK BANK BERHAD**  
**(299740-W)**  
**(Incorporated in Malaysia)**

**Statement by Directors and Interim Condensed**  
**Financial Statements**  
**30 June 2015**

**299740-W**

**Bangkok Bank Berhad  
(Incorporated in Malaysia)**

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**Bangkok Bank Berhad  
(Incorporated in Malaysia)**

**Performance review for the financial period ended 30 June 2015 and  
commentary on the prospects**

Bangkok Bank Berhad (“BBB”) registered a profit before tax of RM4.35 million for the first half of 2015 which was marginally lower than the RM5.84 million recorded during the previous comparative period. The marginally lower profit was mainly from higher loan impairment charges by RM6.90 million.

Net interest income improved by 22.5% from RM32.01 million in the first half of 2014 to RM39.21 million in the first half of 2015 mainly due to expanded lending business and investment portfolio.

Gross loan outstanding grew from RM2.91 billion at the end of December 2014 to RM2.98 billion at the first half ended 30 June 2015. The increase was due to new loans granted and utilisation of lending facilities.

Deposits from customers dropped by 1.04% from RM3.11 billion at the end of December 2014 to RM3.08 billion at the first half ended 30 June 2015.

Impaired loans increased from end of December 2014 of RM116.0 million to RM142.0 million at end of June 2015. This was mainly due to newly corporate and SME customers being classified as impaired loans totalling RM31.5 million during the first half of 2015. Net impaired loans ratio increased from 1.73% at the end of December 2014 to 2.13% at end of June 2015.

The Bank will continue to grow its core lending business in selected niche areas and focus on maintaining its current liquidity position.

**Bangkok Bank Berhad**  
(Incorporated in Malaysia)

**Interim condensed statements of financial position as at 30 June 2015**

	Note	Group		Bank	
		30.6.2015 RM'000	31.12.2014 RM'000	30.6.2015 RM'000	31.12.2014 RM'000
<b>Assets</b>					
Cash and short-term funds		329,515	698,076	329,431	697,994
Deposits and placements with banks		77,410	40,000	77,410	40,000
Securities held-for-trading	12	9,904	49,970	9,904	49,970
Securities available-for-sale	13	1,071,361	1,117,435	1,071,361	1,117,435
Securities held-to-maturity	14	13	13	13	13
Loans, advances and financing	15	2,825,265	2,781,245	2,825,265	2,781,245
Derivative assets	27	6,744	21,337	6,744	21,337
Other assets	16	29,754	17,969	29,753	17,969
Statutory deposit with Bank Negara Malaysia		108,000	89,000	108,000	89,000
Investment in subsidiary		-	-	10	10
Property and equipment	17	147,676	132,674	147,676	132,674
Intangible assets		447	686	447	686
Deferred tax assets		12,308	12,809	12,308	12,809
<b>Total assets</b>		<b>4,618,397</b>	<b>4,961,214</b>	<b>4,618,322</b>	<b>4,961,142</b>
<b>Liabilities and shareholder's equity</b>					
Deposits from customers	18	3,082,523	3,114,986	3,082,523	3,114,986
Deposits and placements of banks and other financial institutions	19	419,812	958,939	419,812	958,939
Bills and acceptances payable		298,259	72,831	298,259	72,831
Derivative liabilities	27	6,907	5,282	6,907	5,282
Other liabilities	20	39,712	43,230	39,709	43,227
<b>Total liabilities</b>		<b>3,847,213</b>	<b>4,195,268</b>	<b>3,847,210</b>	<b>4,195,265</b>
Share capital		600,000	600,000	600,000	600,000
Statutory reserve		146,482	146,482	146,472	146,472
Revaluation reserve		(360)	(2,523)	(360)	(2,523)
Retained profits		25,062	21,987	25,000	21,928
<b>Shareholder's equity</b>		<b>771,184</b>	<b>765,946</b>	<b>771,112</b>	<b>765,877</b>
<b>Total liabilities and shareholder's equity</b>		<b>4,618,397</b>	<b>4,961,214</b>	<b>4,618,322</b>	<b>4,961,142</b>
<b>Commitments and contingencies</b>	26	<b>2,962,570</b>	<b>2,898,077</b>	<b>2,962,570</b>	<b>2,898,077</b>

*The Interim Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

**Bangkok Bank Berhad**  
**(Incorporated in Malaysia)**

**Interim condensed income statements**  
**For the financial period ended 30 June 2015**

	Note	Group			
		Current Quarter		Cumulative Quarter	
		3 months ended		6 months ended	
		1.4.2015	1.4.2014	1.1.2015	1.1.2014
		to	to		
		30.6.2015	30.6.2014	30.6.2015	30.6.2014
		RM'000	RM'000	RM'000	RM'000
Interest income	21	49,700	38,946	99,254	76,563
Interest expense	22	(30,305)	(22,984)	(60,042)	(44,549)
Net interest income		19,395	15,962	39,212	32,014
Non-interest income	24	3,699	3,674	6,831	7,366
Net income		23,094	19,636	46,043	39,380
Overhead expenses	25	(10,373)	(10,040)	(20,511)	(19,263)
		12,721	9,596	25,532	20,117
Loan impairment charges, net	23	(9,912)	(1,765)	(21,180)	(14,279)
Profit before taxation		2,809	7,831	4,352	5,838
Taxation		(480)	(1,889)	(1,277)	(1,248)
Net profit for the period		2,329	5,942	3,075	4,590
Earnings per share (sen)					
- basic		0.39	1.49	0.51	1.15
- diluted		0.39	1.49	0.51	1.15

*The Interim Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

**Bangkok Bank Berhad**  
(Incorporated in Malaysia)

**Interim condensed income statements**  
**For the financial period ended 30 June 2015 (cont'd.)**

	Note	Bank			
		Current Quarter		Cumulative Quarter	
		3 months ended		6 months ended	
		1.4.2015 to 30.6.2015 RM'000	1.4.2014 to 30.6.2014 RM'000	1.1.2015 to 30.6.2015 RM'000	1.1.2014 to 30.6.2014 RM'000
Interest income	21	49,700	38,946	99,254	76,563
Interest expense	22	(30,305)	(22,984)	(60,042)	(44,549)
Net interest income		19,395	15,962	39,212	32,014
Non-interest income	24	3,697	3,672	6,826	7,360
Net income		23,092	19,634	46,038	39,374
Overhead expenses	25	(10,371)	(10,039)	(20,509)	(19,262)
		12,721	9,595	25,529	20,112
Loan impairment charges, net	23	(9,912)	(1,765)	(21,180)	(14,279)
Profit before taxation		2,809	7,830	4,349	5,833
Taxation		(481)	(1,889)	(1,277)	(1,247)
Net profit for the period		2,328	5,941	3,072	4,586
Earnings per share (sen)					
- basic		0.39	1.49	0.51	1.15
- diluted		0.39	1.49	0.51	1.15

*The Interim Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

**Bangkok Bank Berhad**  
**(Incorporated in Malaysia)**

**Interim condensed statements of comprehensive income**  
**For the financial period ended 30 June 2015**

	Group			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2015	1.4.2014	1.1.2015	1.1.2014
	to	to	to	to
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	RM'000	RM'000	RM'000	RM'000
<b>Net profit for the period</b>	2,329	5,942	3,075	4,590
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit or loss subsequently :</b>				
Net gain/(loss) on securities available-for-sale	828	(186)	2,885	152
Income tax relating to components of other comprehensive income	(208)	46	(722)	(38)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	620	(140)	2,163	114
<b>Total comprehensive income for the period, net of tax</b>	2,949	5,802	5,238	4,704

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**Bangkok Bank Berhad**  
(Incorporated in Malaysia)

**Interim condensed statements of comprehensive income**  
**For the financial period ended 30 June 2015 (cont'd.)**

	Bank			
	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	1.4.2015 to 30.6.2015 RM'000	1.4.2014 to 30.6.2014 RM'000	1.1.2015 to 30.6.2015 RM'000	1.1.2014 to 30.6.2014 RM'000
<b>Net profit for the period</b>	2,328	5,941	3,072	4,586
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit or loss subsequently :</b>				
Net gain/(loss) on securities available-for-sale	828	(186)	2,885	152
Income tax relating to components of other comprehensive income	(208)	46	(722)	(38)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	620	(140)	2,163	114
<b>Total comprehensive income for the period, net of tax</b>	2,948	5,801	5,235	4,700

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**Bangkok Bank Berhad**  
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**Interim condensed statements of changes in equity**  
**For the financial period ended 30 June 2015**

	<----- Group ----->				
	Share capital RM'000	<---Non-distributable---> Statutory reserve RM'000	Revaluation reserve RM'000	Distributable: Retained profits RM'000	Total RM'000
<b>At 1 January 2014</b>	400,000	146,482	(2,668)	28,555	572,369
Total comprehensive income	-	-	114	4,590	4,704
<b>At 30 June 2014</b>	<u>400,000</u>	<u>146,482</u>	<u>(2,554)</u>	<u>33,145</u>	<u>577,073</u>
<b>At 1 January 2015</b>	600,000	146,482	(2,523)	21,987	765,946
Total comprehensive income	-	-	2,163	3,075	5,238
<b>At 30 June 2015</b>	<u>600,000</u>	<u>146,482</u>	<u>(360)</u>	<u>25,062</u>	<u>771,184</u>

*The Interim Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

**Bangkok Bank Berhad**  
(Incorporated in Malaysia)

**Interim condensed statements of changes in equity**  
**For the financial period ended 30 June 2015 (cont'd.)**

	<----- Bank ----->				
	Share capital RM'000	<---Non-distributable---> Statutory reserve RM'000	Revaluation reserve RM'000	Distributable: Retained profits RM'000	Total RM'000
<b>At 1 January 2014</b>	400,000	146,472	(2,668)	28,510	572,314
Total comprehensive income	-	-	114	4,586	4,700
<b>At 30 June 2014</b>	<u>400,000</u>	<u>146,472</u>	<u>(2,554)</u>	<u>33,096</u>	<u>577,014</u>
<b>At 1 January 2015</b>	600,000	146,472	(2,523)	21,928	765,877
Total comprehensive income	-	-	2,163	3,072	5,235
<b>At 30 June 2015</b>	<u>600,000</u>	<u>146,472</u>	<u>(360)</u>	<u>25,000</u>	<u>771,112</u>

*The Interim Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

**Bangkok Bank Berhad**  
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**Interim condensed statements of cash flows**  
**For the financial period ended 30 June 2015**

	Note	Group		Bank	
		1.1.2015 to 30.6.2015 RM'000	1.1.2014 to 30.6.2014 RM'000	1.1.2015 to 30.6.2015 RM'000	1.1.2014 to 30.6.2014 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		4,352	5,838	4,349	5,833
Adjustments for:					
Depreciation	25	1,121	855	1,121	855
Amortisation of intangible assets	25	241	241	241	241
Allowance for losses on loans, advances and financing, net	23	21,199	14,308	21,199	14,308
Property and equipment written off		-	9	-	9
Write back of impairment losses of securities held-to-maturity	24	(29)	(36)	(29)	(36)
Unrealised loss on foreign exchange forward contracts	24	16,217	918	16,217	918
Net gain on revaluation of securities held-for-trading	24	(9)	(59)	(9)	(59)
Net gain on disposal of securities held-for-trading	24	(53)	(59)	(53)	(59)
Net gain on disposal of securities available-for-sale	24	(214)	-	(214)	-
Accretion of discount net of amortisation of premium	21	(2,283)	(237)	(2,283)	(237)
Gross dividend from securities available-for-sale	24	(55)	(55)	(55)	(55)
Operating profit before working capital changes		40,487	21,723	40,484	21,718
Increase in loans, advances and financing		(65,219)	(58,969)	(65,219)	(58,969)
Increase in other assets		(9,156)	(1,601)	(9,156)	(1,601)
Increase in statutory deposit with Bank Negara Malaysia		(19,000)	(10,000)	(19,000)	(10,000)
(Decrease)/increase in deposits from customers		(32,463)	284,728	(32,463)	284,728

*The Interim Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

**Bangkok Bank Berhad**  
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**Interim condensed statements of cash flows**  
**For the financial period ended 30 June 2015 (cont'd.)**

	<b>Group</b>		<b>Bank</b>	
	<b>1.1.2015 to 30.6.2015 RM'000</b>	<b>1.1.2014 to 30.6.2014 RM'000</b>	<b>1.1.2015 to 30.6.2015 RM'000</b>	<b>1.1.2014 to 30.6.2014 RM'000</b>
<b>Cash flows from operating activities (cont'd)</b>				
Decrease in deposits and placements of banks and other financial institutions	(539,127)	(44,400)	(539,127)	(44,400)
Increase in bills and acceptances payable	225,428	81,368	225,428	81,368
Decrease in other liabilities	(3,518)	(3,777)	(3,518)	(3,777)
Cash (used in)/generated from operations	(402,568)	269,072	(402,571)	269,067
Taxes paid	(4,127)	(4,793)	(4,126)	(4,791)
Taxes refunded	-	3,195	-	3,195
Net cash (used in)/generated from operating activities	(406,695)	267,474	(406,697)	267,471
<b>Cash flows from investing activities</b>				
Purchase of property and equipment	(16,124)	(28,245)	(16,124)	(28,245)
Purchase of intangible assets	(1)	(24)	(1)	(24)
Purchase of securities held-for-trading	(139,799)	(178,207)	(139,799)	(178,207)
Purchase of securities available-for-sale	(1,408,295)	(288,746)	(1,408,295)	(288,746)
Proceeds from sale of securities held-for-trading	179,959	188,128	179,959	188,128
Proceeds from sale of securities available-for-sale	69,720	-	69,720	-
Proceeds from maturity of securities available-for-sale	1,390,000	160,000	1,390,000	160,000
Proceeds from partial redemption of securities held-to-maturity	29	36	29	36
Dividend received	55	55	55	55
Net cash generated from/(used in) investing activities	75,544	(147,003)	75,544	(147,003)

*The Interim Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

**Bangkok Bank Berhad**  
**(Incorporated in Malaysia)**

**Interim condensed statements of cash flows**  
**For the financial period ended 30 June 2015 (cont'd.)**

	<b>Group</b>		<b>Bank</b>	
	<b>1.1.2015 to 30.6.2015 RM'000</b>	<b>1.1.2014 to 30.6.2014 RM'000</b>	<b>1.1.2015 to 30.6.2015 RM'000</b>	<b>1.1.2014 to 30.6.2014 RM'000</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(331,151)	120,471	(331,153)	120,468
<b>Cash and cash equivalents at beginning of financial period</b>	738,076	295,570	737,994	295,502
<b>Cash and cash equivalents at end of financial period</b>	<u>406,925</u>	<u>416,041</u>	<u>406,841</u>	<u>415,970</u>
Cash and cash equivalents comprise:				
Cash and short-term funds	329,515	316,041	329,431	315,970
Deposits and placements with banks	77,410	100,000	77,410	100,000
	<u>406,925</u>	<u>416,041</u>	<u>406,841</u>	<u>415,970</u>

*The Interim Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

**Bangkok Bank Berhad  
(Incorporated in Malaysia)**

**Notes to the interim condensed financial statements - 30 June 2015**

**1. Corporate information**

The principal activities of Bangkok Bank Berhad ("the Bank") are banking and related financial services. The principal activity of its subsidiary is provision of nominees services to local clients of the Bank. There have been no significant changes in the nature of the principal activities during the financial period.

The Bank is a public limited liability licensed bank, incorporated and domiciled in Malaysia. The principal place of business of the Bank is located at 105, Jalan Tun H.S. Lee, 50000 Kuala Lumpur.

The Bank is a wholly-owned subsidiary of its holding company, Bangkok Bank Public Company Limited, a bank incorporated in Thailand.

**2. Basis of preparation of the financial statements**

**2.1 Basis of preparation**

The interim condensed financial statements have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair value: securities held-for-trading, securities available-for-sale and derivatives.

The interim condensed financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"). These interim condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2014.

**2.2 Changes in Accounting Policies**

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments and improvements to Malaysian Financial Reporting Standards ("MFRS"):

**For the financial period beginning 1 July 2014**

Amendments to MFRS 119: *Employee Benefits (Defined Benefit Plans):*

*Employee Contributions*

Annual Improvements to MFRSs 2010-2012 Cycle

Annual Improvements to MFRSs 2011-2013 Cycle

The adoption of the above amendments and improvements to MFRS did not have any financial impact to the Group and the Bank.

**Bangkok Bank Berhad  
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**2. Basis of preparation of the financial statements (cont'd.)**

**2.3 Standards issued but not yet effective**

As at the date of authorisation of these financial statements, the following Standards, Amendments and Interpretations Committee ("IC") Interpretations have been issued by the MASB but are not yet effective and have not been adopted by the Group and the Bank.

**MFRSs, Interpretations and Amendments effective for annual period beginning on or after 1 January 2016**

MFRS 14: *Regulatory Deferral Accounts*  
Amendments to MFRS 116 and MFRS 138: *Property, Plant and Equipment and Intangible Assets*  
Amendments to MFRS 11: *Accounting for Acquisitions Interests of Joint Operations*  
Amendments to MFRS 116 and MFRS 141: *Agriculture: Bearer Plants*  
Amendments to MFRS 127: *Equity Method in Separate Financial Statements*  
Amendments to MFRS 10 and MFRS 128: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*  
Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2012–2014 Cycle"

**MFRSs, Interpretations and amendments effective for annual period beginning on or after 1 January 2017**

MFRS 15: *Revenue from Contracts with Customers*

**MFRSs, Interpretations and amendments effective for annual period beginning on or after 1 January 2018**

MFRS 9: *Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014)*

The Bank plans to adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are expected to have no significant impact to the financial statements of the Group and the Bank upon their initial application other than MFRS 9.

MFRS 9 replaces MFRS 139 on the classification and measurement of financial assets and financial liabilities, impairment methodology and hedge accounting.

The Bank is in the midst of analysing the requirements of the standard and its impact.

**Bangkok Bank Berhad  
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**2. Basis of preparation of the financial statements (cont'd.)**

**2.4 Significant accounting judgements and estimates**

In the process of applying the Group's and the Bank's accounting policies, management has exercised judgements and estimates in determining the amounts recognised in the financial statements. The most significant uses of judgements and estimates are as follows:

**(i) Impairment losses on loans, advances and financing**

The Group and the Bank review their individually significant loans, advances and financing at each reporting date to assess whether an impairment loss should be recorded in the income statements. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group and the Bank make judgement about the borrower's financial situation and the net realisable value of collateral. These estimates are based on the assumptions on a number of factors and actual results may differ, resulting in future changes in the allowance.

The Group and the Bank review their remaining loans, advances and financing collectively and estimate probability of default and loss given default based on historical data, parent bank data, rating agencies' data, etc.

The impairment loss on loans, advances and financing is disclosed in more detail in Note 15(vii).

**(ii) Impairment of available-for-sale investments**

The Group and the Bank review the debt securities classified as available-for-sale investments at each reporting date to assess whether they are impaired. This requires similar judgement as applied to the individual assessment of loans, advances and financing.

The Group and the Bank also record impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group and the Bank evaluate, among other factors, historical share price movements and duration and audited financial information of the equity investments to assess the extent to which the fair value of an investment is less than its cost, if any.



**Bangkok Bank Berhad  
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**2. Basis of preparation of the financial statements (cont'd.)**

**2.4 Significant accounting judgements and estimates (cont'd.)**

**(iii) Deferred tax assets**

Deferred tax assets are recognised in respect of any tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

**3. Auditors' report on preceding annual financial statements**

The auditors' report on the audited annual financial statements for the year ended 31 December 2014 was not subject to any qualification.

**4. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group and the Bank during the financial period ended 30 June 2015.

**5. Comments about seasonal or cyclical factors**

The business operations of the Group and the Bank are not materially affected by any seasonal or cyclical factors.

**6. Changes in estimates**

There were no significant changes in estimates of amounts reported in prior financial periods that have a material effect on the financial results and position of the Group and the Bank for the financial period ended 30 June 2015.

**7. Debt and equity securities**

There were no issuances, repurchases and repayments of debt and equity securities during the financial period ended 30 June 2015.

**8. Subsequent events**

There were no material events subsequent to the end of the current period that require disclosure or adjustments to the interim condensed financial statements.

**9. Changes in composition of the group**

There were no changes in the composition of the Group during the reporting period.

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**10. Dividends paid**

No dividend was declared or paid during the financial period ended 30 June 2015.

**11. Segmental information**

As the Group does not have foreign operations, the Group is not required to present separate identifiable geographical segments.

**12. Securities held-for-trading**

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
In Malaysia:		
<b>At fair value</b>		
Money market instruments:		
Malaysian Government Securities	9,904	-
Bank Negara Monetary Notes	-	49,970
	<u>9,904</u>	<u>49,970</u>

**13. Securities available-for-sale**

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
In Malaysia:		
<b>At fair value</b>		
Money market instruments:		
Government Investment Issues	540,976	149,325
Malaysian Government Securities	180,647	149,027
Negotiable Instruments of Deposit	100,000	250,000
Malaysian Treasury Bills	58,762	-
Cagamas Bonds	49,907	49,783
Bank Negara Monetary Notes	-	378,391
Unquoted securities in Malaysia:		
Private debt securities	140,197	140,037
	<u>1,070,489</u>	<u>1,116,563</u>
<b>At cost</b>		
Unquoted securities:		
Shares	872	872
	<u>1,071,361</u>	<u>1,117,435</u>

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**14. Securities held-to-maturity**

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
In Malaysia:		
<b>At amortised cost</b>		
Unquoted securities:		
Private debt securities	13	13
	<u>13</u>	<u>13</u>

**15. Loans, advances and financing**

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
Overdrafts	190,869	196,349
Term loans		
- Housing loans	4,898	4,749
- Syndicated term loan	122,798	40,588
- Other term loans	989,973	797,758
Revolving credits	605,555	621,273
Bills receivables	13,517	12,054
Trust receipts	123,870	200,177
Bankers' acceptances	931,748	1,045,655
Other financing	303	1,100
Staff loans	1,390	1,601
	<u>2,984,921</u>	<u>2,921,304</u>
Unearned interest	(6,513)	(8,115)
Gross loans, advances and financing	<u>2,978,408</u>	<u>2,913,189</u>
Less: Allowances for impaired loans and financing		
- Individual impairment allowance	(80,140)	(66,739)
- Collective impairment allowance	(73,003)	(65,205)
Net loans, advances and financing	<u>2,825,265</u>	<u>2,781,245</u>

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**15. Loans, advances and financing (cont'd.)**

- (i) The maturity structure of gross loans, advances and financing are as follows:

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturing within one year	1,944,559	2,140,563
One year to three years	91,536	35,057
Three years to five years	544,408	394,414
Over five years	397,905	343,155
	<u>2,978,408</u>	<u>2,913,189</u>

- (ii) Gross loans, advances and financing according to purpose are as follows:

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of transport vehicles	617	507
Purchase of residential properties	6,802	7,021
Purchase of non-residential properties	82,781	75,010
Purchase of fixed assets other than land and building	40,125	38,701
Personal use	15,169	15,425
Construction	290,068	230,045
Mergers and acquisitions	57,370	64,243
Working capital	2,190,748	2,273,448
Others	294,728	208,789
	<u>2,978,408</u>	<u>2,913,189</u>

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**15. Loans, advances and financing (cont'd.)**

(iii) Gross loans, advances and financing according to type of customer are as follows:

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic non-bank financial institutions	286,807	308,900
Domestic business enterprises		
- Small medium enterprises	677,255	754,463
- Others	1,967,253	1,809,449
Individuals	47,093	40,377
	<u>2,978,408</u>	<u>2,913,189</u>

(iv) Gross loans, advances and financing according to interest/profit rate sensitivity are as follows:

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Variable rate		
- BLR plus	473,800	541,150
- Cost-plus	2,421,392	2,207,055
- Other variable rates	83,216	164,984
	<u>2,978,408</u>	<u>2,913,189</u>

(v) All loans, advances and financing of the Group and of the Bank are to customers in Malaysia.

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**15. Loans, advances and financing (cont'd.)**

(vi) Movements in impaired loans, advances and financing are as follows:

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January	116,032	27,485
Classified as impaired during the period/year	31,455	102,751
Reclassified as non-impaired during the period/year	(4)	(535)
Amount recovered	(5,507)	(8,605)
Amount written off	-	(5,064)
Balance as at end of period/year	<u>141,976</u>	<u>116,032</u>
Individual impairment allowance	<u>(80,140)</u>	<u>(66,739)</u>
Net impaired loans, advances and financing	<u>61,836</u>	<u>49,293</u>
Ratio of net impaired loans, advances and financing to gross loans, advances and financing less individual impairment allowance	<u>2.13%</u>	<u>1.73%</u>

(vii) Movements in the impairment allowances are as follows:

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Individual impairment allowance</b>		
Balance as at 1 January	66,739	20,882
Allowance made during the period/year (Note 23)	13,583	52,259
Amount written back (Note 23)	(182)	(1,337)
Amount written off	-	(5,065)
Balance as at end of period/year	<u>80,140</u>	<u>66,739</u>
<b>Collective impairment allowance</b>		
Balance as at 1 January as previously stated	65,205	63,282
Allowance made during the year period/year (Note 23)	7,798	1,923
Balance as at end of period/year	<u>73,003</u>	<u>65,205</u>
Collective impairment allowance as % of gross loans, advances and financing less individual impairment allowance	<u>2.52%</u>	<u>2.29%</u>

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**15. Loans, advances and financing (cont'd.)**

(vii) Movements in the impairment allowances (cont'd.)

The Bank performs individual impairment assessment based on certain obligatory and judgmental triggers that may indicate potential impairment. Loans and overdrafts are classified as impaired when repayments are in arrears for three (3) months or more from the first day of default. Trade bills, bankers acceptances and trust receipts are classified as impaired when they are due and unpaid for three (3) months from the first day of default. All impaired accounts are selected for individual impairment review on a quarterly basis. The Bank also performs quarterly individual impairment reviews for:

- Special Mention accounts that are in arrears between 1 to 3 months, whether or not there had been any rescheduling or restructuring of payment terms; and
- Watchlist accounts that had been monitored as Special Mention accounts for more than 3 times in the last 6 months.

(viii) Impaired loans, advances and financing according to purpose are as follows:

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of residential properties	1,843	2,095
Construction	11,574	-
Working capital	128,559	113,937
	<u>141,976</u>	<u>116,032</u>

All impaired loan, advances and financing of the Bank are attributable to customers in Malaysia.

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**16. Other assets**

	<b>Group</b>		<b>Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other receivables, deposits and prepayments	16,780	7,624	16,780	7,624
Tax recoverable	12,974	10,345	12,973	10,345
	<u>29,754</u>	<u>17,969</u>	<u>29,753</u>	<u>17,969</u>

**17. Property and equipment**

During the six-month period ended 30 June 2015, the Group and the Bank acquired assets with a cost of RM16,124,710 (31.12.2014: RM55,794,000).

**18. Deposits from customers**

- (i) By type of deposit

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	1,979,866	1,930,764
Negotiable instruments of deposits	560,000	640,000
Current accounts	234,943	215,217
Savings deposits	12,294	12,520
Short term deposits	295,420	316,485
	<u>3,082,523</u>	<u>3,114,986</u>



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**18. Deposits from customers (cont'd.)**

- (ii) The maturity structure of fixed deposits, negotiable instruments of deposits and short term deposits is as follows:

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	2,663,670	2,766,006
Six months to one year	156,477	104,420
One year to three years	12,800	15,613
Over three years	2,339	1,210
	<u>2,835,286</u>	<u>2,887,249</u>

- (iii) The deposits are sourced from the following customers:

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic financial institutions	460,000	540,000
Government	100,000	100,000
Business enterprises	2,229,731	2,127,859
Individuals	292,792	345,052
Others	-	2,075
	<u>3,082,523</u>	<u>3,114,986</u>

- (iv) All the deposits from customers are unsecured.

**19. Deposits and placements of banks and other financial institutions**

	<b>Group and Bank</b>	
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	419,510	957,843
Other financial institutions	302	1,096
	<u>419,812</u>	<u>958,939</u>

All the deposits and placements of banks and other financial institutions are unsecured.

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**20. Other liabilities**

	Group		Bank	
	30.6.2015 RM'000	31.12.2014 RM'000	30.6.2015 RM'000	31.12.2014 RM'000
Accruals	3,744	2,224	3,744	2,224
Interest payables	13,860	16,302	13,860	16,302
Other payables	22,108	24,704	22,105	24,701
	<u>39,712</u>	<u>43,230</u>	<u>39,709</u>	<u>43,227</u>

**21. Interest income**

	Group and Bank			
	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	1.4.2015 to 30.6.2015 RM'000	1.4.2014 to 30.6.2014 RM'000	1.1.2015 to 30.6.2015 RM'000	1.1.2014 to 30.6.2014 RM'000
Interest income from loans, advances and financing				
- Interest income other than recoveries from impaired loans	36,431	29,378	71,493	59,092
- Recoveries from impaired loans	-	-	-	-
- Interest income from impaired loans	1,023	680	2,105	1,030
Deposits and placements with banks and other financial institutions	3,267	2,963	8,184	5,331
Securities held-for-trading	68	15	68	45
Securities available-for-sale	9,017	5,071	15,121	9,969
Securities held-to-maturity	-	427	-	859
	<u>49,806</u>	<u>38,534</u>	<u>96,971</u>	<u>76,326</u>
Amortisation of premium net of accretion of discount				
- Securities held-for-trading	(1)	1	31	-
- Securities available-for-sale	(105)	438	2,252	290
- Securities held-to-maturity	-	(27)	-	(53)
	<u>49,700</u>	<u>38,946</u>	<u>99,254</u>	<u>76,563</u>

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**22. Interest expense**

	<b>Group and Bank</b>			
	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>1.4.2015</b>	<b>1.4.2014</b>	<b>1.1.2015</b>	<b>1.1.2014</b>
	<b>to</b>	<b>to</b>	<b>to</b>	
	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>30.6.2015</b>	<b>30.6.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers	26,598	20,442	52,176	39,909
Deposits and placements of banks and other financial institutions	3,707	2,542	7,866	4,640
	<u>30,305</u>	<u>22,984</u>	<u>60,042</u>	<u>44,549</u>

**23. Loan impairment charges, net**

	<b>Group and Bank</b>			
	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>1.4.2015</b>	<b>1.4.2014</b>	<b>1.1.2015</b>	<b>1.1.2014</b>
	<b>to</b>	<b>to</b>	<b>to</b>	
	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>30.6.2015</b>	<b>30.6.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for impaired loans, advances and financing				
Individual impairment:				
- made during the period (Note 15(vii))	6,511	861	13,583	18,415
- written back (Note 15(vii))	(60)	(302)	(182)	(512)
Collective impairment, net (Note 15(vii))	3,471	1,216	7,798	(3,595)
Impaired loans, advances and financing recovered	(10)	(10)	(19)	(29)
	<u>9,912</u>	<u>1,765</u>	<u>21,180</u>	<u>14,279</u>

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**24. Non-interest income**

	Group			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2015 to 30.6.2015 RM'000	1.4.2014 to 30.6.2014 RM'000	1.1.2015 to 30.6.2015 RM'000	1.1.2014 to 30.6.2014 RM'000
Fee income:				
Commission	996	1,181	1,975	2,426
Service charges and fees	773	448	1,385	831
Guarantee fees	491	729	908	1,315
	<u>2,260</u>	<u>2,358</u>	<u>4,268</u>	<u>4,572</u>
Investment income:				
Net gain on sale of investments:				
- Securities held-for-trading	13	24	53	59
- Securities available-for-sale	-	-	214	-
Net gain on revaluation of securities held-for-trading	11	-	9	59
Writeback of impairment losses on securities held-to-maturity	26	-	29	36
Gross dividend from securities available-for-sale	55	-	55	55
	<u>105</u>	<u>24</u>	<u>360</u>	<u>209</u>
Foreign exchange gain	3,956	2,880	18,237	3,288
Unrealised loss on foreign exchange forward contracts	(2,713)	(1,687)	(16,217)	(918)
Rental income	87	92	171	201
Gain on disposal of property	4	7	12	14
	<u>1,334</u>	<u>1,292</u>	<u>2,203</u>	<u>2,585</u>
	<u>3,699</u>	<u>3,674</u>	<u>6,831</u>	<u>7,366</u>

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**24. Non-interest income (cont'd.)**

	Bank			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2015 to 30.6.2015 RM'000	1.4.2014 to 30.6.2014 RM'000	1.1.2015 to 30.6.2015 RM'000	1.1.2014 to 30.6.2014 RM'000
Fee income:				
Commission	994	1,179	1,970	2,420
Service charges and fees	773	448	1,385	831
Guarantee fees	491	729	908	1,315
	<u>2,258</u>	<u>2,356</u>	<u>4,263</u>	<u>4,566</u>
Investment income:				
Net gain on sale of investments:				
- Securities held-for-trading	13	24	53	59
- Securities available-for-sale	-	-	214	-
Net gain on revaluation of securities held-for-trading	11	-	9	59
Writeback of impairment losses on securities held-to-maturity	26	-	29	36
Gross dividend from securities available-for-sale	55	-	55	55
	<u>105</u>	<u>24</u>	<u>360</u>	<u>209</u>
Foreign exchange gain	3,956	2,880	18,237	3,288
Unrealised loss on foreign exchange forward contracts	(2,713)	(1,687)	(16,217)	(918)
Rental income	87	92	171	201
Gain on disposal of property	4	7	12	14
	<u>1,334</u>	<u>1,292</u>	<u>2,203</u>	<u>2,585</u>
	<u>3,697</u>	<u>3,672</u>	<u>6,826</u>	<u>7,360</u>

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**25. Overhead expenses**

	<b>Group</b>			
	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>1.4.2015</b>	<b>1.4.2014</b>	<b>1.1.2015</b>	<b>1.1.2014</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>30.6.2015</b>	<b>30.6.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Personnel costs</b>				
Salaries, allowances and bonuses	4,471	5,044	9,764	10,064
Defined Contribution Plan				
- Employees Provident Fund	622	749	1,431	1,489
Others	886	608	1,620	1,180
	<u>5,979</u>	<u>6,401</u>	<u>12,815</u>	<u>12,733</u>
<b>Establishment costs</b>				
Depreciation	554	417	1,121	855
Amortisation of intangible assets	120	117	241	241
Repair and maintenance	572	196	747	351
Computerisation costs	292	421	522	606
Rental expenses	214	215	429	429
Others	461	427	872	839
	<u>2,213</u>	<u>1,793</u>	<u>3,932</u>	<u>3,321</u>
<b>Marketing costs</b>				
Advertising and publicity	30	46	131	132
Others	21	17	33	38
	<u>51</u>	<u>63</u>	<u>164</u>	<u>170</u>

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**25. Overhead expenses (cont'd.)**

	<b>Group</b>			
	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>1.4.2015</b>	<b>1.4.2014</b>	<b>1.1.2015</b>	<b>1.1.2014</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>30.6.2015</b>	<b>30.6.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Administration and general costs				
Communication expenses	281	274	568	546
Subscriptions	255	231	511	454
Professional fees	497	218	675	401
Auditors remunerations	128	137	231	235
Non-executive directors' remuneration	233	186	409	352
Insurance	305	66	368	131
Travelling	125	48	226	101
Others	306	623	612	819
	<u>2,130</u>	<u>1,783</u>	<u>3,600</u>	<u>3,039</u>
<b>Total</b>	<u>10,373</u>	<u>10,040</u>	<u>20,511</u>	<u>19,263</u>

The above expenses include the following statutory disclosures:

	<b>Group</b>			
	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>1.4.2015</b>	<b>1.4.2014</b>	<b>1.1.2015</b>	<b>1.1.2014</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>30.6.2015</b>	<b>30.6.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Directors' fee and remuneration	1,296	499	1,296	1,177
Hire of equipment	30	28	58	58
Auditors' remuneration				
- Statutory audit	71	66	97	94
- Other regulated related services	3	3	27	26
- Other services	52	82	105	115
	<u>52</u>	<u>82</u>	<u>105</u>	<u>115</u>

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**25. Overhead expenses (cont'd.)**

	<b>Bank</b>			
	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>1.4.2015</b>	<b>1.4.2014</b>	<b>1.1.2015</b>	<b>1.1.2014</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>30.6.2015</b>	<b>30.6.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Personnel costs</b>				
Salaries, allowances and bonuses	4,471	5,044	9,764	10,064
Defined Contribution Plan				
- Employees Provident Fund	622	749	1,431	1,489
Others	886	608	1,620	1,180
	<u>5,979</u>	<u>6,401</u>	<u>12,815</u>	<u>12,733</u>
<b>Establishment costs</b>				
Depreciation	554	417	1,121	855
Amortisation of intangible assets	120	117	241	241
Repair and maintenance	572	196	747	351
Computerisation costs	292	421	522	606
Rental expenses	214	215	429	429
Others	461	427	872	839
	<u>2,213</u>	<u>1,793</u>	<u>3,932</u>	<u>3,321</u>
<b>Marketing costs</b>				
Advertising and publicity	30	46	131	132
Others	21	17	33	38
	<u>51</u>	<u>63</u>	<u>164</u>	<u>170</u>



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**25. Overhead expenses (cont'd.)**

	<b>Bank</b>			
	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>1.4.2015</b>	<b>1.4.2014</b>	<b>1.1.2015</b>	<b>1.1.2014</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>30.6.2015</b>	<b>30.6.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Administration and general costs				
Communication expenses	281	274	568	546
Subscriptions	255	231	511	454
Professional fees	497	218	675	401
Auditors remunerations	126	136	229	234
Non-executive directors' remuneration	233	186	409	352
Insurance	305	66	368	131
Travelling	125	48	226	101
Others	306	623	612	819
	<u>2,128</u>	<u>1,782</u>	<u>3,598</u>	<u>3,038</u>
<b>Total</b>	<u>10,371</u>	<u>10,039</u>	<u>20,509</u>	<u>19,262</u>

The above expenses include the following statutory disclosures:

	<b>Bank</b>			
	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>1.4.2015</b>	<b>1.4.2014</b>	<b>1.1.2015</b>	<b>1.1.2014</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>30.6.2015</b>	<b>30.6.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Directors' fee and remuneration	1,296	499	1,296	1,177
Hire of equipment	58	28	58	58
Auditors' remuneration				
- Statutory audit	71	65	97	93
- Other regulated related services	3	3	27	26
- Other services	52	82	105	115
	<u>52</u>	<u>82</u>	<u>105</u>	<u>115</u>

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**26. Commitments and contingencies**

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The Group and the Bank do not enter into repo-style transactions and credit derivative contracts booked in its trading and banking books. The involvement of the Group and the Bank in derivatives are only restricted to foreign forward exchange contracts.

Risk weighted exposures of the Group and the Bank as at the reporting date are as below:

<b>Group and Bank</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Amount RM'000</b>
<b>30 June 2015</b>				
Direct credit substitutes	3,731	-	3,731	3,063
Transaction-related contingent items	204,522	-	102,261	97,644
Short-term self-liquidating trade-related contingencies	41,523	-	8,305	8,229
Forward foreign exchange contracts				
- less than one year	567,381	6,744	14,187	10,361
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	80,265	-	40,133	39,488
- maturity less than one year	2,027,990	-	405,598	405,034
Any commitment that are unconditionally cancelled at any time without prior notice	37,158	-	-	-
<b>Total</b>	<b>2,962,570</b>	<b>6,744</b>	<b>574,215</b>	<b>563,819</b>

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**26. Commitments and contingencies (cont'd.)**

<b>Group and Bank</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Amount RM'000</b>
<b>31 December 2014</b>				
Direct credit substitutes	9,915	-	9,915	9,257
Transaction-related contingent items	188,313	-	94,156	91,536
Short-term self-liquidating trade-related contingencies	66,688	-	13,338	13,033
Forward foreign exchange contracts				
- less than one year	743,742	21,337	29,147	12,486
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	25,462	-	12,731	12,727
- maturity less than one year	1,811,893	-	362,379	361,340
Any commitment that are unconditionally cancelled at any time without prior notice	52,064	-	-	-
<b>Total</b>	<b>2,898,077</b>	<b>21,337</b>	<b>521,666</b>	<b>500,379</b>

The credit equivalent amount and risk-weighted amount are arrived at using the credit conversion factors as defined in Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework: Standardised Approach (Basel II).

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**27. Fair value hierarchy**

The Group and the Bank use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly;

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the analysis of financial instruments recorded and disclosed at their fair values by level of hierarchy:

<b>Group and Bank</b>	<b>Note</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30 June 2015</b>		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM '000</b>
<u>Securities held-for-trading</u>	12				
Money market instruments:					
Malaysian Government Securities		-	9,904	-	9,904
		-	9,904	-	9,904
<u>Securities available-for-sale</u>	13				
Money market instruments:					
Malaysian Government Securities			180,647		180,647
Cagamas Bonds		-	49,907	-	49,907
Government Investment Issue			540,976	-	540,976
BNM Monetary Notes		-	-	-	-
Negotiable Instruments of Deposit		-	100,000	-	100,000
Unquoted securities in Malaysia:			58,762		58,762
Private debt securities		-	140,197	-	140,197
		-	1,070,489	-	1,070,489
<u>Derivatives</u>					
Derivative financial assets					
Unrealised gain on derivatives		-	6,744	-	6,744
Derivative financial liabilities					
Unrealised loss on derivatives		-	(6,907)	-	(6,907)
		-	(163)	-	(163)

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**27. Fair value hierarchy (cont'd.)**

<b>Group and Bank</b>	<b>Note</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 December 2014</b>		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Securities held-for-trading</u>	12				
Money market instruments:					
BNM Monetary Notes		-	49,970	-	49,970
		-	49,970	-	49,970
<u>Securities available-for-sale</u>	13				
Money market instruments:					
Malaysian Government					
Securities		-	149,027	-	149,027
Cagamas Bonds		-	49,783	-	49,783
Government Investment Issue		-	149,325	-	149,325
BNM Monetary Notes		-	378,391	-	378,391
Negotiable Instruments of Deposit		-	250,000	-	250,000
Unquoted securities in Malaysia:					
Private debt securities		-	140,037	-	140,037
		-	1,116,563	-	1,116,563
<u>Derivatives</u>					
Derivative financial assets					
Unrealised gain on derivatives		-	21,337	-	21,337
Derivative financial liabilities					
Unrealised loss on derivatives		-	(5,282)	-	(5,282)
		-	16,055	-	16,055

**Valuation methods and assumptions**

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(i) Securities held-for-trading, available-for-sale and held-to-maturity

The fair value of the securities available-for-sale is estimated based on broker/dealer price quotations.

(ii) Derivative financial instruments

Derivative products valued using valuation technique with significant market observable inputs which are mainly currency swaps and forward exchange contracts.

The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.

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**27. Fair value hierarchy (cont'd.)**

**Valuation methods and assumptions (cont'd)**

(ii) Derivative financial instruments (cont'd)

The models incorporate various inputs including the credit quality of counterparties, foreign exchange and forward rates and interest rate curves.

**28. Capital adequacy**

- (i) Capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's revised Risk Weighted Capital Adequacy Framework ("RWCAF"): Standardised Approach for Credit Risk and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II).

The implementation of Basel III in Malaysia has commenced with effect from 1 January 2013 under the new Basel III rules released on 28 November 2012 by Bank Negara Malaysia ("BNM"). Under the new Basel III rules, banking institutions are required to maintain higher minimum quantity and quality of capital but the requirements will be subject to a service of the transitional arrangements and be phased-in over a period of time commencing 2013 and to be fully effective by 2019. BNM is also expected to introduce additional capital buffer requirements which will comprise of capital conservation buffer of 2.5% of total risk-weighted asstes ("RWA") and countercyclical capital buffer ranging between 0% - 2.5% of total RWA. Further guidance on the capital buffer requirements will be announced by BNM before 2016.

- (ii) The capital adequacy ratios of the Bank as at the reporting date, are as follows:

	<b>30.6.2015</b>	<b>31.12.2014</b>
Common equity tier-1 capital ratio	19.63%	19.93%
Total capital ratio	<u>20.83%</u>	<u>21.14%</u>

- (iii) The components of common equity tier-1 and tier-2 capital (excluding deferred tax assets) of the Bank are as follows:

	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Common Equity Tier-1 Capital</b>		
Paid-up share capital	600,000	600,000
Statutory reserve	146,472	146,472
Unrealised losses on available-for-sale financial instruments	(360)	(2,523)
Retained profits	25,000	21,928
Less: Deferred tax assets (excluding those from revaluation reserve)	<u>(12,188)</u>	<u>(11,967)</u>
Total Common Equity Tier-1 Capital	<u>758,924</u>	<u>753,910</u>

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**28. Capital adequacy (cont'd.)**

	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Tier-2 Capital</b>		
Collective impairment (only those attributable to non-impaired loan, advances and financing)	46,483	45,542
Total Tier-2 Capital	<u>46,483</u>	<u>45,542</u>
<b>Total capital</b>		
Tier-1 Capital	758,924	753,910
Tier-2 Capital	46,483	45,542
Less: Investment in subsidiary	(10)	(10)
Total Capital	<u>805,397</u>	<u>799,442</u>

- (iv) The breakdown of risk-weighted assets (excluding deferred tax assets) of the Bank in the various categories of risk-weights are as follows:

	<b>Principal</b>	<b>Risk-weighted</b>	<b>Principal</b>	<b>Risk-weighted</b>
	<b>30.6.2015</b>	<b>assets</b>	<b>31.12.2014</b>	<b>assets</b>
	<b>RM'000</b>	<b>30.6.2015</b>	<b>RM'000</b>	<b>31.12.2014</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
0%	1,006,390	-	1,138,892	-
20%	560,888	112,178	798,393	159,679
35%	2,852	998	3,365	1,178
50%	42,233	21,117	30,564	15,281
100%	3,533,287	3,533,286	3,396,120	3,396,120
150%	34,030	<u>51,045</u>	47,402	<u>71,103</u>
Total risk-weighted assets for credit risk		3,718,624		3,643,361
Total risk-weighted assets for market risk		9,579		9,277
Total risk-weighted assets for operational risk		<u>137,858</u>		<u>129,484</u>
Total risk-weighted assets		<u>3,866,061</u>		<u>3,782,122</u>

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**29. Significant related party disclosures**

Significant transactions between the Group and the Bank and their related parties are as follows:

	<b>Group and Bank</b>			
	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>1.4.2015</b>	<b>1.4.2014</b>	<b>1.1.2015</b>	<b>1.1.2014</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>30.6.2015</b>	<b>30.6.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Income</b>				
Interest on advances to the holding company and its branches	1	-	1	1
<b>Expenditure</b>				
Interest on advances from the holding company and its branches	367	313	860	656
<b>Group and Bank</b>				
<b>30.6.2015</b>				
<b>31.12.2014</b>				
<b>RM'000</b>				
<b>RM'000</b>				
<b>Amount due to</b>				
Deposits and placements from the holding company and its branches			367,006	570,872
<b>Amount due from</b>				
Cash and short-term funds placed with the holding company and its branches			5,630	5,580

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.



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**Statement by directors**

We, Chris Chia Woon Liat and Lee Khee Joo @ Lee Ying Chong, being two of the directors of Bangkok Bank Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 2 to 38 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Bank as at 30 June 2015 and of the results and the cash flows of the Group and of the Bank for the six-month period then ended.

Signed on behalf of the Board in accordance with a resolution of the directors.

Chris Chia Woon Liat

Lee Khee Joo @ Lee Ying Chong

Kuala Lumpur, Malaysia