

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
BANGKOK BANK PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Bangkok Bank Public Company Limited and subsidiaries (the “Bank and subsidiaries”) and the Bank’s financial statements of Bangkok Bank Public Company Limited (the “Bank”), which comprise the consolidated and Bank’s statements of financial position as at December 31, 2019, and the related consolidated and Bank’s statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and Bank’s financial statements present fairly, in all material respects, the financial position of Bangkok Bank Public Company Limited and subsidiaries and of Bangkok Bank Public Company Limited as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Bank’s Financial Statements section of our report. We are independent of the Bank and subsidiaries in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and Bank’s financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated and Bank's financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and Bank's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	Audit Responses
<p>Allowance for doubtful accounts</p> <p>Because allowance for doubtful accounts requires the use of various assumptions and judgment, the recognition of allowance for doubtful accounts in accordance with TFRSs and also the Bank of Thailand's notifications, which includes the consideration of objective evidence indicating an adverse change in the ability of the borrowers to repay loans, the estimated cash flows from the collateral, the estimated future cash flows to be received from the borrowers, the timing of future cash flows, the potential of additional future loss and the economic conditions that may have an impact on the loan default rate. We focused our audit on the following areas of allowance for doubtful accounts specifically relating to:</p> <ul style="list-style-type: none"> ● The classification of quality category of customer which included the qualitative reviews to set up the allowance for doubtful accounts on a customer basis. ● The key assumptions and judgements made by the management that underlied the calculation of models which were set up by using the historical loss data and current observable data together with recovery amount from customers. ● The allowance for doubtful accounts of loans having similar credit risk characteristics. ● The calculation and the recognition of allowance for doubtful accounts. <p>Accounting policy for allowance for doubtful accounts and detail of allowance for doubtful accounts were disclosed in Notes 3.7 and 6.8 to the financial statements, respectively.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> ● Assessing and testing the design and operating effectiveness of the controls over allowance for doubtful accounts data and calculations. These controls testing included the understanding the accounting policies and procedures regarding allowance for doubtful accounts, loan classification, collateral value and loan credit review. We tested the controls over the end to end business process including monitoring process, the validation process and the Board of Executive Directors' and the Board of Directors' approvals. ● Performing detailed testing on samples of new and existing customers used to calculate allowance for doubtful accounts. This test was varied by product type, which typically included the re-performance of the calculation for all product types. ● Testing samples of loans to ascertain whether the loss event (that is the point at which impairment is recognized) had been identified on a timely manner, where allowance for doubtful accounts had been identified. ● Testing the forecasts of customers' future cash flows prepared by the Bank's management to support its calculation of the allowance for doubtful accounts including review of the assumptions and comparing estimates to available external information. ● Assessing allowance for doubtful accounts which has not been identified by management as specific allowance for doubtful accounts using external evidences in forming our own judgment.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and Bank's financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and Bank's financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Bank.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Bank's Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and Bank's financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and Bank's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and Bank's financial statements, management is responsible for assessing the Bank and subsidiaries' and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Bank's Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and Bank's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and Bank's financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and Bank's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and subsidiaries' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and subsidiaries' and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and subsidiaries and the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and Bank's financial statements, including the disclosures, and whether the consolidated and Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and Bank's financial statements of the current period and are therefore the key audit matter. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Dr. Suphamit Techamontrikul

Certified Public Accountant (Thailand)

Registration No. 3356

BANGKOK

February 18, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
ASSETS					
CASH	6.1	58,090,112	62,394,091	58,012,561	62,329,288
INTERBANK AND MONEY MARKET ITEMS, NET	6.3	472,349,351	450,699,724	442,584,108	404,378,243
DERIVATIVES ASSETS	6.4	49,807,012	28,649,605	49,687,316	28,334,423
INVESTMENTS, NET	6.5	647,696,626	556,787,522	610,535,400	525,694,808
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.6	1,737,450	1,607,844	38,414,900	37,290,633
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	6.7				
Loans to customers		2,061,834,834	2,083,702,949	2,003,587,326	2,026,148,551
Accrued interest receivables		4,013,148	5,623,746	3,894,040	5,487,524
Total loans to customers and accrued interest receivables		2,065,847,982	2,089,326,695	2,007,481,366	2,031,636,075
<u>Less</u> Deferred revenue		(525,909)	(542,891)	(503,999)	(499,799)
<u>Less</u> Allowance for doubtful accounts	6.8	(167,765,534)	(147,588,430)	(163,745,374)	(144,326,155)
<u>Less</u> Revaluation allowance for debt restructuring	6.9	(6,510,258)	(5,414,669)	(6,510,258)	(5,414,669)
Total loans to customers and accrued interest receivables, net		1,891,046,281	1,935,780,705	1,836,721,735	1,881,395,452
CUSTOMER'S LIABILITY UNDER ACCEPTANCES		1,626,872	1,577,698	103,722	87,709
PROPERTIES FOR SALE, NET	6.10	9,362,849	10,603,892	8,368,141	8,742,836
PREMISES AND EQUIPMENT, NET	6.11	40,753,955	42,567,441	39,504,853	41,180,182
OTHER INTANGIBLE ASSETS, NET	6.12	1,760,117	1,080,011	1,673,358	990,727
DEFERRED TAX ASSETS	6.13	4,542,443	4,091,264	3,360,374	2,947,919
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES		17,506,277	3,324,390	17,419,107	3,149,620
OTHER ASSETS, NET		20,463,750	17,586,037	16,975,764	11,720,218
TOTAL ASSETS		3,216,743,095	3,116,750,224	3,123,361,339	3,008,242,058

Notes to the financial statements form an integral part of these financial statements

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2019

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS	6.15	2,370,792,167	2,326,469,540	2,316,034,607	2,262,490,378
INTERBANK AND MONEY MARKET ITEMS	6.16	134,346,323	136,862,124	129,277,274	128,394,405
LIABILITY PAYABLE ON DEMAND		5,523,288	7,223,141	5,488,403	7,199,386
DERIVATIVES LIABILITIES	6.4	37,837,421	22,338,039	37,370,815	21,854,408
DEBT ISSUED AND BORROWINGS	6.17	144,680,567	116,348,334	144,315,507	116,221,332
BANK'S LIABILITY UNDER ACCEPTANCES		1,626,872	1,577,698	103,722	87,709
PROVISIONS	6.21	18,701,528	16,518,913	18,428,103	16,311,378
DEFERRED TAX LIABILITIES	6.13	2,364,416	1,399,378	2,158,732	1,187,304
OTHER LIABILITIES		72,754,204	74,854,166	51,721,099	52,536,301
TOTAL LIABILITIES		2,788,626,786	2,703,591,333	2,704,898,262	2,606,282,601
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	6.23				
Registered share capital					
1,655,000 preferred shares of Baht 10 each		16,550	16,550	16,550	16,550
3,998,345,000 common shares of Baht 10 each		39,983,450	39,983,450	39,983,450	39,983,450
Issued and paid-up share capital					
1,908,842,894 common shares of Baht 10 each		19,088,429	19,088,429	19,088,429	19,088,429
PREMIUM ON COMMON SHARES		56,346,232	56,346,232	56,346,232	56,346,232
OTHER RESERVES		34,471,457	42,842,767	40,383,596	46,154,541
RETAINED EARNINGS					
Appropriated	6.25 , 6.26				
Legal reserve		24,000,000	23,000,000	24,000,000	23,000,000
Others		106,500,000	101,500,000	106,500,000	101,500,000
Unappropriated		187,345,092	170,036,820	172,144,820	155,870,255
TOTAL BANK'S EQUITY		427,751,210	412,814,248	418,463,077	401,959,457
NON-CONTROLLING INTEREST		365,099	344,643	-	-
TOTAL SHAREHOLDERS' EQUITY		428,116,309	413,158,891	418,463,077	401,959,457
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,216,743,095	3,116,750,224	3,123,361,339	3,008,242,058

Notes to the financial statements form an integral part of these financial statements

(Mr. Deja Tulananda)

Chairman of the Board of Executive Directors

(Mr. Suvarn Thansathit)

Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
INTEREST INCOME	6.35	112,565,219	110,780,806	108,129,726	106,032,995
INTEREST EXPENSES	6.36	41,493,764	39,405,148	39,874,777	37,503,469
NET INTEREST INCOME		71,071,455	71,375,658	68,254,949	68,529,526
FEES AND SERVICE INCOME	6.37	39,280,197	37,437,166	33,873,573	32,045,654
FEES AND SERVICE EXPENSES	6.37	10,775,642	9,847,296	10,581,567	9,682,127
NET FEES AND SERVICE INCOME		28,504,555	27,589,870	23,292,006	22,363,527
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS	6.38	7,847,526	8,300,443	7,251,972	7,499,069
GAINS ON INVESTMENTS	6.39	19,764,691	8,008,787	19,102,850	4,350,040
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		92,582	77,695	-	-
GAINS ON DISPOSAL OF ASSETS		2,134,552	1,048,631	1,031,659	764,837
DIVIDEND INCOME		3,769,070	3,781,176	6,632,283	12,200,147
OTHER OPERATING INCOME		561,599	1,218,024	406,089	965,278
TOTAL OPERATING INCOME		133,746,030	121,400,284	125,971,808	116,672,424
OTHER OPERATING EXPENSES					
Employee's expenses		26,725,848	28,773,505	24,141,378	26,094,945
Directors' remuneration		166,742	154,466	126,540	114,985
Premises and equipment expenses		11,788,808	10,466,827	11,053,997	9,743,108
Taxes and duties		3,364,301	3,367,073	3,313,109	3,281,363
Others		12,917,335	12,402,779	11,584,279	10,961,787
TOTAL OTHER OPERATING EXPENSES		54,963,034	55,164,650	50,219,303	50,196,188
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6.40	32,351,077	21,964,530	31,744,338	21,151,692
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		46,431,919	44,271,104	44,008,167	45,324,544
INCOME TAX EXPENSES	6.41	10,219,204	8,554,435	9,220,175	6,933,173
NET PROFIT		36,212,715	35,716,669	34,787,992	38,391,371

Notes to the financial statements form an integral part of these financial statements

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Gains (losses) on remeasuring available-for-sale investment					
Net change in fair value		17,852,906	(3,839,418)	17,183,875	(7,457,054)
Net amount transferred to profit or loss		(20,061,380)	(7,877,645)	(19,414,825)	(4,218,966)
Losses arising from translating the financial statements of foreign operations					
		(5,705,941)	(3,179,645)	(3,092,634)	(1,509,033)
Share of other comprehensive income of associate		1,969	346	-	-
Income tax relating to components of other comprehensive income (losses)					
		487,574	2,399,421	495,650	2,392,714
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains (losses) on defined benefit plans		(1,695,259)	399,452	(1,703,714)	401,353
Income tax relating to components of other comprehensive income (losses)					
		337,942	(75,866)	339,678	(76,246)
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)		<u>(8,782,189)</u>	<u>(12,173,355)</u>	<u>(6,191,970)</u>	<u>(10,467,232)</u>
TOTAL COMPREHENSIVE INCOME		<u>27,430,526</u>	<u>23,543,314</u>	<u>28,596,022</u>	<u>27,924,139</u>
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		35,816,094	35,329,972	34,787,992	38,391,371
Non-controlling interest		396,621	386,697	-	-
		<u>36,212,715</u>	<u>35,716,669</u>	<u>34,787,992</u>	<u>38,391,371</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		27,029,364	23,156,620	28,596,022	27,924,139
Non-controlling interest		401,162	386,694	-	-
		<u>27,430,526</u>	<u>23,543,314</u>	<u>28,596,022</u>	<u>27,924,139</u>
BASIC EARNINGS PER SHARE (BAHT)		18.76	18.51	18.22	20.11
WEIGHTED AVERAGE NUMBER OF COMMON SHARES (THOUSAND SHARES)					
		1,908,843	1,908,843	1,908,843	1,908,843

Notes to the financial statements form an integral part of these financial statements

(Mr. Deja Tulananda)
Chairman of the Board of Executive Directors

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

Baht : '000

	Notes	CONSOLIDATED											Total Equity Attributable to the Bank's Shareholders	Non-controlling Interest	Total
		Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves					Retained Earnings		Unappropriated				
				Unrealized Increment per Land Appraisal	Unrealized Increment per Premises Appraisal	Unrealized Gains on Investments	Foreign Exchange Adjustment	Others	Appropriated						
									Legal Reserve	Others					
Balance as at January 1, 2018		19,088,429	56,346,232	16,829,619	7,484,078	39,173,146	(7,204,410)	193	22,000,000	96,500,000	151,506,327	401,723,614	283,422	402,007,036	
Appropriation for previous year															
Dividend paid	6.26	-	-	-	-	-	-	-	-	-	(8,350,349)	(8,350,349)	(150,470)	(8,500,819)	
Legal reserve	6.25 , 6.26	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-	
Appropriation for current year															
Dividend paid	6.26	-	-	-	-	-	-	-	-	-	(3,715,637)	(3,715,637)	(175,003)	(3,890,640)	
Legal reserve	6.25 , 6.26	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-	
Others	6.25 , 6.26	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-	
Total comprehensive income		-	-	-	-	(9,317,571)	(3,179,645)	277	-	-	35,653,559	23,156,620	386,694	23,543,314	
Transfer to retained earnings		-	-	-	(942,920)	-	-	-	-	-	942,920	-	-	-	
Balance as at December 31, 2018		<u>19,088,429</u>	<u>56,346,232</u>	<u>16,829,619</u>	<u>6,541,158</u>	<u>29,855,575</u>	<u>(10,384,055)</u>	<u>470</u>	<u>23,000,000</u>	<u>101,500,000</u>	<u>170,036,820</u>	<u>412,814,248</u>	<u>344,643</u>	<u>413,158,891</u>	
Balance as at January 1, 2019		19,088,429	56,346,232	16,829,619	6,541,158	29,855,575	(10,384,055)	470	23,000,000	101,500,000	170,036,820	412,814,248	344,643	413,158,891	
Appropriation for previous year															
Dividend paid	6.26	-	-	-	-	-	-	-	-	-	(8,370,248)	(8,370,248)	(200,703)	(8,570,951)	
Legal reserve	6.25 , 6.26	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-	
Appropriation for current year															
Dividend paid	6.26	-	-	-	-	-	-	-	-	-	(3,722,154)	(3,722,154)	(180,003)	(3,902,157)	
Legal reserve	6.25 , 6.26	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-	
Others	6.25 , 6.26	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-	
Total comprehensive income		-	-	-	-	(1,720,503)	(5,705,941)	1,575	-	-	34,454,233	27,029,364	401,162	27,430,526	
Transfer to retained earnings		-	-	(5,607)	(940,834)	-	-	-	-	-	946,441	-	-	-	
Balance as at December 31, 2019		<u>19,088,429</u>	<u>56,346,232</u>	<u>16,824,012</u>	<u>5,600,324</u>	<u>28,135,072</u>	<u>(16,089,996)</u>	<u>2,045</u>	<u>24,000,000</u>	<u>106,500,000</u>	<u>187,345,092</u>	<u>427,751,210</u>	<u>365,099</u>	<u>428,116,309</u>	

Notes to the financial statements form an integral part of these financial statements

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

Baht : '000

	Notes	THE BANK								Total	
		Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves				Retained Earnings			
				Unrealized Increment per Land Appraisal	Unrealized Increment per Premises Appraisal	Unrealized Gains on Investments	Foreign Exchange Adjustment	Appropriated			Unappropriated
								Legal Reserve	Others		
Balance as at January 1, 2018		19,088,429	56,346,232	16,765,473	7,451,476	39,055,057	(5,385,878)	22,000,000	96,500,000	134,280,515	386,101,304
Appropriation for previous year											
Dividend paid	6.26	-	-	-	-	-	-	-	-	(8,350,349)	(8,350,349)
Legal reserve	6.25 , 6.26	-	-	-	-	-	-	500,000	-	(500,000)	-
Appropriation for current year											
Dividend paid	6.26	-	-	-	-	-	-	-	-	(3,715,637)	(3,715,637)
Legal reserve	6.25 , 6.26	-	-	-	-	-	-	500,000	-	(500,000)	-
Others	6.25 , 6.26	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-
Total comprehensive income		-	-	-	-	(9,283,306)	(1,509,033)	-	-	38,716,478	27,924,139
Transfer to retained earnings		-	-	-	(939,248)	-	-	-	-	939,248	-
Balance as at December 31, 2018		<u>19,088,429</u>	<u>56,346,232</u>	<u>16,765,473</u>	<u>6,512,228</u>	<u>29,771,751</u>	<u>(6,894,911)</u>	<u>23,000,000</u>	<u>101,500,000</u>	<u>155,870,255</u>	<u>401,959,457</u>
Balance as at January 1, 2019		19,088,429	56,346,232	16,765,473	6,512,228	29,771,751	(6,894,911)	23,000,000	101,500,000	155,870,255	401,959,457
Appropriation for previous year											
Dividend paid	6.26	-	-	-	-	-	-	-	-	(8,370,248)	(8,370,248)
Legal reserve	6.25 , 6.26	-	-	-	-	-	-	500,000	-	(500,000)	-
Appropriation for current year											
Dividend paid	6.26	-	-	-	-	-	-	-	-	(3,722,154)	(3,722,154)
Legal reserve	6.25 , 6.26	-	-	-	-	-	-	500,000	-	(500,000)	-
Others	6.25 , 6.26	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-
Total comprehensive income		-	-	-	-	(1,735,300)	(3,092,634)	-	-	33,423,956	28,596,022
Transfer to retained earnings		-	-	(5,607)	(937,404)	-	-	-	-	943,011	-
Balance as at December 31, 2019		<u>19,088,429</u>	<u>56,346,232</u>	<u>16,759,866</u>	<u>5,574,824</u>	<u>28,036,451</u>	<u>(9,987,545)</u>	<u>24,000,000</u>	<u>106,500,000</u>	<u>172,144,820</u>	<u>418,463,077</u>

Notes to the financial statements form an integral part of these financial statements

(Mr. Deja Tulananda)
Chairman of the Board of Executive Directors

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		46,431,919	44,271,104	44,008,167	45,324,544
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities					
Depreciation and amortization expenses		4,127,314	3,356,325	3,924,659	3,201,752
Bad debt and doubtful accounts		31,208,166	18,358,031	30,601,427	17,545,193
Loss on debt restructuring		1,142,911	3,606,499	1,142,911	3,606,499
Gain on foreign exchange of long-term borrowings		(9,038,049)	(866,826)	(9,038,049)	(866,826)
Amortization of premium on investment in debt securities		208,974	890,939	368,642	1,026,743
Unrealized (gain) loss on revaluation of trading securities		(270,285)	219,138	(17,068)	857
Unrealized loss on transfer of investments		-	66,340	-	66,340
Gain on disposal of securities for investments		(20,272,149)	(10,684,693)	(19,610,308)	(7,025,946)
Loss on impairment of investments		507,458	2,675,906	507,458	2,675,906
Share of profit from investment using equity method		(92,582)	(77,695)	-	-
Loss on impairment of properties for sale		909,267	1,058,423	514,489	429,783
Gain on disposal of premises and equipment		(64,089)	(3,272)	(64,280)	(2,304)
Loss on impairment of other assets (reversal)		(46,722)	91,824	(46,751)	91,824
Provision expenses		984,145	3,482,337	906,373	3,457,027
Net interest income		(71,071,455)	(71,375,658)	(68,254,949)	(68,529,526)
Dividend income		(3,769,070)	(3,781,176)	(6,632,283)	(12,200,147)
Proceeds from interest income		113,718,086	110,767,001	109,327,492	106,001,571
Interest expenses paid		(40,865,236)	(39,083,462)	(39,015,108)	(37,279,290)
Proceeds from dividend income		3,767,549	3,898,498	3,592,262	3,672,659
Income tax paid		(9,630,583)	(12,134,523)	(8,040,620)	(10,716,622)
Increase in other accrued receivables		(637,904)	(85,964)	(657,998)	(114,409)
Increase (decrease) in other accrued expenses		101,084	85,574	(44,177)	29,384
Profit from operating before changes in operating assets and liabilities		47,348,749	54,734,670	43,472,289	50,395,012
(Increase) decrease in operating assets					
Interbank and money market items		(20,810,795)	(14,357,978) *	(37,778,031)	(19,836,032)
Investment in short-term securities		373,514	6,289,689	2,704,971	4,092,866
Loans to customers		10,715,732	(88,376,984)	11,443,470	(80,419,545)
Properties for sale		1,803,018	1,692,313	1,331,449	1,296,501
Other assets		(38,638,815)	(876,447)	(41,367,622)	(2,391,024)
Increase (decrease) in operating liabilities					
Deposits		44,322,627	15,726,256	53,544,229	10,069,378
Interbank and money market items		(2,515,800)	3,278,257	882,869	1,181,868
Liability payable on demand		(1,699,853)	(28,599)	(1,710,983)	(10,984)
Short-term borrowings		223,516	(102,183)	(14,541)	(3,081)
Other liabilities		15,068,983	(1,621,895)	17,563,391	1,303,152
Net cash from operating activities		56,190,876	(23,642,901)	50,071,491	(34,321,889)

* The Bank made changes on the presentation of 2018 for comparison in accordance with the current year presentations.

Notes to the financial statements form an integral part of these financial statements

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of available-for-sale securities		(580,621,168)	(406,898,932)	(565,635,275)	(396,232,943)
Proceeds from disposal of available-for-sale securities		507,543,770	438,671,785	497,030,202	421,540,961
Purchase of held-to-maturity debt securities		(87,451,141)	(61,740,676)	(10,352,832)	(10,550,169)
Proceeds from redemption of held-to-maturity debt securities		84,472,790	52,854,424	5,723,379	9,647,827
Purchase of general investments		(9,304,111)	(3,388,875)	(8,357,583)	(3,144,206)
Proceeds from disposal of general investments		2,242,534	5,373,981	2,137,272	5,373,981
Purchase of investment in subsidiaries and associates		(124,267)	(200,001)	(1,124,267)	(200,001)
Proceeds from dividend income					
from subsidiaries and associates		89,212	130,287	3,038,500	8,644,809
Purchase of premises, equipment and leasehold		(1,715,299)	(1,686,958)	(1,582,812)	(1,586,272)
Proceeds from disposal of premises and equipment		100,007	4,833	76,499	2,704
Net cash from investing activities		<u>(84,767,673)</u>	<u>23,119,868</u>	<u>(79,046,917)</u>	<u>33,496,691</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from issuance of senior unsecured notes	6.2	-	38,847,808	-	38,847,808
Cash paid for senior unsecured notes extinguishment	6.2	-	(29,131,439)	-	(29,131,439)
Cash received from issuance of subordinated notes	6.2	36,727,413	-	36,727,413	-
Increase in borrowings	6.2	143,207	171,254	143,207	171,254
Dividend paid		(12,092,402)	(12,065,986)	(12,092,402)	(12,065,986)
Dividend paid to non-controlling interest		(380,706)	(325,473)	-	-
Net cash from financing activities		<u>24,397,512</u>	<u>(2,503,836)</u>	<u>24,778,218</u>	<u>(2,178,363)</u>
Effect on cash due to changes in the exchange rates		<u>(124,694)</u>	<u>(51,842)</u>	<u>(119,519)</u>	<u>(49,850)</u>
Net decrease in cash		<u>(4,303,979)</u>	<u>(3,078,711)</u>	<u>(4,316,727)</u>	<u>(3,053,411)</u>
Cash as at January 1,		<u>62,394,091</u>	<u>65,472,802</u>	<u>62,329,288</u>	<u>65,382,699</u>
Cash as at December 31,	6.1	<u><u>58,090,112</u></u>	<u><u>62,394,091</u></u>	<u><u>58,012,561</u></u>	<u><u>62,329,288</u></u>

Notes to the financial statements form an integral part of these financial statements

(Mr. Deja Tulananda)
Chairman of the Board of Executive Directors

(Mr. Suvam Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

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BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. GENERAL INFORMATION AND REGULATORY REQUIREMENTS

Bangkok Bank Public Company Limited is a public company limited registered in the Kingdom of Thailand and registered in the Stock Exchange of Thailand with its head office located at 333 Silom Road, Bangrak, Bangkok. The Bank's main business is commercial banking and the Bank conducts its businesses through a network of branches covering all parts of Thailand and some major parts of the world.

The Bank is subject to various capital and regulatory requirements administered by the Bank of Thailand ("BOT"). Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must satisfy specific capital guidelines that involve quantitative measurements of the Bank's assets, liabilities and certain off-balance sheet items calculated in accordance with regulatory requirements. The Bank's capital amounts and classification are also subject to qualitative judgment by the BOT about components, risk weightings and other factors. The Bank believes that as at December 31, 2019 and 2018, the Bank complied with all capital adequacy requirements. However, these capital and regulatory requirements are subject to change by the BOT.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

2.1 The consolidated and the Bank's statutory financial statements are in the Thai language and prepared in accordance with Thai Financial Reporting Standards, accounting treatment guidance promulgated by the Federation of Accounting Professions ("TFAC"), accounting practices generally accepted in Thailand including the Regulations of The Securities and Exchange Commission, The Stock Exchange of Thailand and relevant BOT's Notifications.

The consolidated and the Bank's financial statements are prepared in accordance with Thai Accounting Standard No. 1 (Revised 2018) regarding Presentation of Financial Statements; and relevant official regulations, and presented in accordance with the BOT's Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups dated December 4, 2015.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards also requires the Bank to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. The actual results may differ from those estimates. The use of accounting judgments and estimates that are of significance are disclosed in Note 5. Further information about methods and key assumptions are set out in the relevant notes.

2.2 New or Revised Thai Financial Reporting Standards

2.2.1 The Bank and subsidiaries have adopted the new or revised Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and Thai Financial Reporting Interpretations, issued by the TFAC and announced in the Royal Gazette, applying for the financial statements of the periods beginning on or after January 1, 2019 onward, including Thai Financial Reporting Standard No. 15 Revenue from Contracts with Customers. The Bank and subsidiaries determine revenue except interest income by performance obligation which is not different than revenue recognition in the previous year, with no material impact on the Bank and subsidiaries' financial statements.

2.2.2 The Federation of Accounting Professions had issued the Notification of Federation of Accounting Professions regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and Thai Financial Reporting Interpretations which had been announced in the Royal Gazette, which are relevant to the Bank but not yet effective in 2019 as follows :

Thai Financial Reporting Standards		Effective date
Thai Financial Reporting Standards (TFRS)		
TFRS 16	Leases	January 1, 2020
Financial Instruments Standards		
Thai Accounting Standards (TAS)		
TAS 32	Financial Instruments: Presentation	January 1, 2020
Thai Financial Reporting Standards (TFRS)		
TFRS 7	Financial Instruments: Disclosures	January 1, 2020
TFRS 9	Financial Instruments	January 1, 2020
Thai Financial Reporting Interpretations (TFRIC)		
TFRIC 16	Hedges of a Net Investment in a Foreign Operation	January 1, 2020
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	January 1, 2020

New or revised Thai Financial Reporting Standards which are significantly changed can be summarized as follows :

- Thai Financial Reporting Standard No. 16 Leases

Replace the existing lease accounting under Thai Accounting Standard No. 17 by introducing a single lessee accounting model which requires the lessee to recognize all long-term leases into the statement of financial position as a right-of-use asset and lease liability. However, there is no impact to lessor accounting as a lessor continues to account the leases as finance lease or operating lease. The Bank has considered the impact of the above Thai Financial Reporting Standards and determined that they will not have any material impact on the Bank's financial statements.

- A pack of Standards in relation to financial instruments includes

- Guidance on the classification and measurement of financial instruments at either fair value or amortized cost based on determination the type of financial instruments, the contractual cash flow characteristics and the business model.
- Impairment assessment using the expected credit loss approach. The instruments that are in the scope of impairment requirement are loan receivable and financial assets which are debt instruments that are not measured at fair value through profit and loss, loan commitment and financial guarantee contract. The expected credit loss and its movement shall be recognized to reflect the change of credit risk since initial recognition.
- Hedge accounting which determines the type of transactions eligible for hedge accounting requirement, the types of instruments that qualify for hedging instruments and hedged items, and effectiveness testing which is more aligned with risk management strategy.
- Principle for presentation of hybrid instruments, financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities.
- Disclosure requirement that enable the users of financial statements to evaluate how significant financial instrument may have on the financial position and performance. The disclosure also includes the nature and extent of risks arising from the financial instruments and how such risks are managed.

Adoption of a pack of Standards in relation to financial instruments results to have the following changes to the financial statements and accounting policies of the Bank for the periods beginning on or after 1 January 2020 :

Classification of financial assets

Financial assets - Debt instrument

The Bank has classified its financial assets - debt instrument as subsequently measured at either amortized cost or fair value in accordance with the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows:

- A financial asset measured at Amortized Cost (AMC) only if both following conditions are met: the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A financial asset measured at Fair Value through Other Comprehensive Income (FVOCI) if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A financial asset measured at Fair Value Through Profit or Loss (FVTPL) unless the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset may be designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Investment in equity instrument

All equity investments are measured at fair value in the statement of financial position. The Bank has classified equity investments as the financial asset measured at FVOCI, except for those equity investments measured at FVTPL in accordance with the Bank's Investment Policy.

The significant changes can be summarized as follows :

- The held-to-maturity (HTM) and available-for-sale (AFS) investment in debt securities as well as available-for-sale and general investment in equity securities are removed.
- Classify the whole HTM debt securities to be financial asset measured at AMC.
- Classify almost AFS debt securities to be financial asset measured at FVOCI.
- Classify almost investment in equity securities to be financial asset measured at FVOCI except for some that are classified to be financial assets measured at FVTPL in accordance with the Bank's Investment Policy, or some items that are classified as 'Debt' in accordance with the financial

reporting standards and their contractual cash flows are not solely payments of principal and interest on the principal amount outstanding.

- The investment in equity securities which are elected to be measured at FVOCI cannot be subsequently revoked. All gains and losses are presented in other comprehensive income except for dividend which is recognized in profit or loss.

Classification of financial liabilities

Classification of financial liabilities mainly remain unchanged for the Bank. Majority of financial liabilities continue to be measured at amortized cost. The criteria for designating a financial liability to be measured at fair value through profit and loss are as follows:

- Eliminates or significantly reduces an accounting mismatch.
- A group of financial instruments is managed and their performance is managed on a fair value basis.

Impairment of financial assets

The TFRS 9 impairment requirements are based on an expected credit loss model from the model and management overlay for the factors which are not captured by the model. TFRS 9 requires the Bank to record an allowance for expected credit loss (ECLs) for all loans and investment in debt securities which are not measured at FVTPL, together with loan commitments and financial guarantee contracts. The allowance is measured basing on the ECLs associated with the probability of default in the next twelve months except for the case that there has been a significant increase in credit risk since origination and credit impaired, the allowance is based on the ECLs associated with the probability of default over the expected life of the financial instrument. Overall, impairment under TFRS 9 results in earlier recognition of credit losses than under the previous practice.

Hedge accounting

The general hedge accounting requirements aim to align the accounting with risk management strategy, permitting to have a greater variety of hedging instruments and risks being hedged, However they do not explicitly address hedge accounting for Dynamic Risk Management, as a result included an accounting policy choice to remain with the existing accounting practice.

Transition

Changes in accounting policies resulting from the adoption of a pack of Thai Financial Reporting Standards in relation to financial Instruments will be applied retrospectively, except for the alternative treatments the Thai Financial Reporting Standards permit which the Bank will adopt as described below.

- Comparative periods will not be restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of a pack of Thai Financial Reporting Standards in relation to financial instruments will be recognized in retained earnings and other reserves as at January 1, 2020. Accordingly, the information presented for 2019 does not reflect the requirement of a pack of Thai Financial Reporting Standards in relation to financial instruments and therefore is not comparable to the information presented for 2020.
- Reclassify financial assets and financial liabilities according to the business model and asset and liability management of the Bank in accordance with facts and existing circumstances at the date of initial adoption.

The financial impact from adoption is in the assessment process.

2.2.3 Thai Financial Reporting Standards (Revised 2019)

37 numbers of Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standards Interpretation (Revised 2019) have been announced in the Royal Gazette on September 24, 2019 and November 26, 2019 without material change in key concept, which are relevant to the Bank and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

- 2.3 The consolidated financial statements for the years ended December 31, 2019 and 2018, included the accounts of the head office and all branches of the Bank and its subsidiaries, by eliminating significant business transactions and outstanding balances between the Bank and its subsidiaries, and included equity interest in associates. The subsidiaries consist of BBL (Cayman) Limited, Bangkok Bank Berhad, Sinnsuptawee Asset Management Company Limited, BBL Asset Management Company Limited, Bualuang Securities Public Company Limited, Bangkok Bank (China) Company Limited and Bualuang Ventures Limited.

In addition, the consolidated financial statements for the years ended December 31, 2019 and 2018, included BBL Nominees (Tempatan) Sdn. Bhd, the 100% owned subsidiary of Bangkok Bank Berhad and Bangkok Capital Asset Management Company Limited, the 100% owned subsidiary of Bualuang Securities Public Company Limited.

All subsidiaries of the Bank were incorporated in the Kingdom of Thailand except for BBL (Cayman) Limited which was incorporated in the Cayman Islands British West Indies, Bangkok Bank Berhad which was incorporated in Malaysia and Bangkok Bank (China) Company Limited which was incorporated in the People's Republic of China. For associates, all were incorporated in the Kingdom of Thailand.

- 2.4 The Bank's financial statements for the years ended December 31, 2019 and 2018, included the accounts of the head office and all branches of the Bank. Investments in subsidiaries and associates were accounted for using the cost method, net of valuation allowance for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of income

The Bank recognizes interest on an accrual basis, except for interest from lending which was accrued over three months, such interest is recognized when received. The Bank reverses all accrued interest income for items which are no longer on an accrual basis.

The Bank recognizes fee income on an accrual basis when the service has been provided or upon satisfaction of performance obligations.

3.2 Recognition of expenses

The Bank recognizes interest and fee expenses on an accrual basis.

3.3 Cash

Cash consists of cash on hand and cash in transit.

3.4 Derivatives

Derivatives are initially recorded at fair value at the date on which a derivative contract is entered into (Trade Date) and are subsequently measured at fair value. The changes in fair value are recognized as gains (losses) on tradings and foreign exchange transactions.

The Bank makes use of derivatives to manage exposures arising from assets, liabilities, off-balance sheet items, net positions or cash flow. Upon meeting specified criteria for hedge accounting, the Bank applies hedge accounting for the aforementioned derivatives and the same basis (accrual basis) of accounting for the hedged items.

In hedging, the Bank takes into consideration the relationship between derivatives and the hedged item, including the nature of the risk, the objective and strategy for undertaking the hedge as well as the effectiveness of the hedging relationship.

The Bank discontinues using hedge accounting when a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting. Derivative is then remeasured at fair value and the difference between the carrying value under accrual method and the fair value of derivative is amortized and recognized in profit or loss in line with the hedged items.

An embedded derivative is a component of a hybrid or combined instrument that consists of a non-derivative host contract. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to the specified variable. The Bank recognizes, classifies and accounts for the embedded derivative in accordance with the BOT's Notification. An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following criteria are met, namely that the embedded derivative has economic characteristics and risks that are not closely related to that of the host contract, and which when separated from the host contract would still meet the definition of a derivative, and where the hybrid instrument is not measured and recognized at fair value with changes in fair value recognized in profit or loss. An embedded derivative that is separated from the host contract is classified as held for trading and is presented at fair value with changes in fair value recognized as gains (losses) on tradings and foreign exchange transactions. The related host contract is recognized, classified and measured according to the related accounting policy. An embedded derivative in a hybrid instrument which does not meet the aforementioned criteria is accounted for under the host contract.

3.5 Investments

The Bank and its subsidiaries classify debt securities, equity securities and investments in receivables as trading investments, available-for-sale investments, held-to-maturity debt securities, general investments and investments in subsidiaries and associates.

Investments are initially recognized on the settlement date at fair value.

Investments in debt securities or marketable equity securities with readily determinable market values that are acquired with the intent to hold for a short period of time in order to take advantage of anticipated changes in market values are classified as trading investments and carried at fair value. Unrealized gains and losses from changes in their fair value, and gains and losses on disposal of investments are recognized as gains (losses) on tradings and foreign exchange transactions.

Debt securities for which the Bank has the intent and the ability to hold until maturity are classified as held-to-maturity debt securities and carried at the amortized cost, net of valuation allowances for impairment (if any).

Debt securities, investments in receivables and marketable equity securities with readily determinable market values that are not classified as either held-to-maturity debt securities, or trading investments or investments in subsidiaries and associates are classified as available-for-sale investments and carried at fair value. The unrealized gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realized, after which such gains or losses on disposal of the investments will be recognized as gains (losses) on investments.

Non-marketable equity securities and listed securities with restriction on trading price are classified as general investments and carried at cost, net of valuation allowances for impairment (if any).

Subsidiaries are entities over which the Bank has the power to control the financial and operating policy in order to manage the relevant activities so as to obtain return on the Bank's interest.

Associates are entities over which the Bank has, directly or indirectly, the voting power of the entity which the Bank has significant influence, but not control, over the financial and operating policy decisions.

Investments in subsidiaries and associates in the Bank's financial statements are presented under the cost method, net of valuation allowances for impairment (if any). Investments in associates in the consolidated financial statements are presented under the equity method, net of valuation allowances for impairment (if any).

The Bank presents its investments transferred to a subsidiary as securities transferred to subsidiary, classified as available-for-sale investments. Cash received from the aforementioned transfer is presented as other liabilities in accordance with accounting treatment guidance for transfers and accept transfers of financial assets.

Cost of debt and equity securities disposed is computed based on the weighted-average method. Interest income on debt securities is recognized on an accrual basis. The amortization of premiums and accretion of discounts uses methods that produce a level yield and presents as interest income. Dividend is recognized on an accrual basis as other operating income.

Valuation allowances for impairment are established by recognizing an unrealized loss upon impairment of investments as per the Bank and its subsidiaries' assessment. The impairment loss for equity securities is reported as gains (losses) on investments and the impairment loss for debt securities is reported as impairment loss of loans and debt securities.

3.6 Loans to customers

The Bank recognizes loans to customers at cost when cash is advanced to a borrower and derecognizes when receiving repayment or writing off.

Overdrafts are carried at the drawn amounts including interest. Other loans to customers are carried at the principal amounts (See Note 6.7).

3.7 Allowance for doubtful accounts

The BOT allows banks to classify loans and set up the allowance for doubtful accounts on an account-by-account basis or on a customer basis. In this respect, the Bank has chosen to classify loans and set up the allowance for doubtful accounts on a customer basis, such that all loans extended to a customer are classified at the lowest quality category of such customer and the allowance for doubtful accounts is determined according to the loan classification. The Bank also performs qualitative reviews of loans and commitments in accordance with the guidelines of the BOT.

The Bank had set up the minimum allowance for doubtful accounts in accordance with the BOT's Notification regarding the Basis for Classification and Allowance of Financial Institutions dated June 10, 2016.

The Bank had set up the allowance for doubtful accounts for non-performing loans in an amount equal to the difference between the book value of the outstanding loan and the present value of estimated future cash flows from the debtor, or the difference between the book value of the outstanding loan and the present value of estimated future cash flows from the disposal of collateral. For the allowance for doubtful accounts for performing loans, the Bank had set up the allowance in accordance with the minimum percentage of the BOT's guidelines. For loans having similar credit risk characteristics, the Bank may set up the allowance in an amount of collective impairment by using the historical loss data including current observable data (See Note 6.7.1). Furthermore, the Bank had set aside an additional allowance for doubtful accounts in excess of the minimum BOT's requirement by taking into consideration the potential additional loss arising from changes in economic and legal environment and other factors that may impact the ability of the debtors in meeting their obligations under the loan agreements.

Debts that are determined to be irrecoverable are written off in the period in which the decision is taken. Bad debts recovered are recorded as an increase in allowance for doubtful accounts.

In the event of a loss on debt restructuring, the Bank will reduce bad debt and doubtful accounts and allowance for doubtful accounts by either the loss on debt restructuring or the allowance for doubtful accounts for that debtor, whichever is the lower.

3.8 Troubled debt restructurings

The Bank's restructuring methodology includes reduction of principal and/or accrued interest receivables, asset transfer, debt-equity conversion, and modification of payment schedule.

For debt repayment through asset transfer or debt-equity conversion according to debt restructuring contract, the Bank recognizes the transferred asset or equity conservatively at the lower of recorded loan amount or asset fair value, the effect of which is not materially different from recording the transfer at the fair value following Thai Accounting Standard regarding Accounting for Troubled Debt Restructuring.

For debt restructuring using modification of payment schedule, the Bank calculates the fair value of loans based on the present value of the expected future cash flows discounted by the market rate. The Bank applies lending interest rate (MLR) published by the Bank and in force at the time of restructuring as the discount rate in calculating the resulting future loss, and recognizes this loss on restructuring as expense immediately upon restructuring. Subsequently, the Bank recalculates the above-mentioned future loss periodically using the lending interest rate published by the Bank and in force as at the reporting date as the discount rate and recognizes the change of the above-mentioned future loss as an increase or a decrease in expense in loss on restructuring accounts.

3.9 Properties for sale

Properties for sale consist of immovable and movable properties which are stated at the lower of cost or market value at the date of acquisition. In the event where the Bank considers that there is a decline in net realizable value, the impairment is recognized as other operating expense.

Net realizable value is estimated based on the appraised value together with other factors which can affect the realizable value such as related selling expenses and future discounts expenses.

Gains or losses on disposal of such properties for sale are recognized as other operating income or expense on the date of disposal.

The Bank had complied with the BOT's Notification regarding the Immovable Properties for Sale, and the Rules of the Purchase and Holding of Immovable Properties to be used as Premises for Business of Commercial Banks or as Facilities for its Officers and Employees dated December 11, 2009 and the Accounting Rules for Financial Institutions in relation to the Sales of Properties for Sale dated December 4, 2015.

3.10 Premises, equipment and depreciation

Land is stated at the new appraised value. Premises are stated at the new appraised value net of accumulated depreciation and allowance for impairment (if any). Equipment is stated at cost net of accumulated depreciation and allowance for impairment (if any).

The land and premises reappraisal is done by independent appraisers according to the guidelines established by the BOT based on the market value method for land and the replacement cost method net of accumulated depreciation for premises, and such value is subject to review by price-approval committee. The increment resulting from the appraisal is recognized as part of shareholders' equity as unrealized increment per land and premises appraisal. Depreciation of the increment per premises appraisal is recognized as other operating expense and the unrealized increment per premises appraisal is amortized by transferring directly to retained earnings in an amount equal to such depreciation. Land and premises appraisal decrease is charged directly against any prior appraisal increase for the particular asset. The residual appraisal decrease is recognized as other operating expense. Upon disposal, any remaining related revaluation surplus of the land and premises is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets, as follows :

Premises-reappraised	20 - 30 years
Premises-newly constructed	20 years
Equipment	3 - 5 years

Depreciation of premises and equipment in foreign countries is at the legal rates applicable in each locality.

When land, premises and equipment become impaired, the allowance for impairment is recorded to recognize loss on impairment as other operating expenses.

Gains or losses on disposal of land, premises and equipment are recognized as other operating income or expenses upon disposal.

3.11 Intangible assets and amortization

Intangible assets are stated at cost net of accumulated amortization and allowance for impairment (if any).

Amortization is calculated by the straight-line method, based on the estimated useful lives of the assets. For computer software, the estimated useful lives are between 3 - 5 years.

Amortization of intangible assets in foreign countries is at the legal rates applicable in each locality.

When intangible assets become impaired, the allowance for impairment is recorded to recognize loss on impairment as other operating expenses.

Gains or losses on disposal of intangible assets are recognized as other operating income or expenses upon disposal.

3.12 Leaseholds

Leaseholds are stated at cost less amortization. Amortization charge is calculated by the straight-line method, based on the lease period, which ranges between 2 - 30 years.

3.13 Provisions

The Bank recognizes provisions in the statements of financial position when the Bank has obligations as a result of a past event and where it is probable that there will be an outflow of economic benefits to settle such obligations. The provisions, such as the provisions for off-balance sheet contingencies, the provision for the post-employment benefits (See Note 6.22), the probable loss on legal indemnity, and other provisions, have been recognized in the statements of financial position.

The Bank recognizes the provisions as other operating expenses and as provisions in the statements of financial position.

The Bank reviews the provisions on a regular basis, and recognizes the changes in the provisions as increase or decrease in other operating expenses.

3.14 Assets and liabilities in foreign currencies

3.14.1 Functional currency and presentation currency

Items in the financial statements of foreign operations are recorded at their functional currency.

The consolidated and the Bank's financial statements are presented in Baht as the presentation currency.

3.14.2 Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the transaction dates.

At the reporting date, balances of monetary assets and liabilities are translated at the exchange rate as of the reporting date. Balances of non-monetary assets and liabilities are translated at the exchange rate prevailing at the transaction dates or exchange rate at the date when the fair value was determined.

Gains and losses on foreign currency trading and foreign currency translation are presented as gains (losses) on tradings and foreign exchange transactions.

3.14.3 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank's financial statements, the Bank translates the items in the statement of financial position of the foreign operation which its functional currency is other than Baht by using the reference rates of BOT as of the reporting date and translates the items in the statement of profit or loss and other comprehensive income by using the reference rates of BOT at the end of each month.

Gains or losses on translation of the financial statements of foreign operations are recognized as a component of shareholders' equity through other comprehensive income.

3.15 Post-employment benefits

3.15.1 Defined contribution plans

The Bank and its domestic subsidiaries have the provident funds, which are managed by external fund managers, for their employees in accordance with the Provident Fund Act B.E. 2530 (1987). The Bank, its domestic subsidiaries and their employees contribute to the funds at the determined rates. The employees are entitled to benefits according to the Fund regulations.

The provident funds for overseas branches and overseas subsidiaries are established in accordance with each country's legal requirement and any withdrawal is made in compliance therewith.

The provident funds are considered defined contribution plans. The Bank and subsidiaries recognize their contributions to the provident funds as personnel expenses upon receiving the service from employees.

3.15.2 Defined benefit plans

The Bank and its subsidiaries provide the defined benefit plans for their employees under the employment agreements. The provision for the employee benefits is assessed by an actuary using the actuarial techniques called the Projected Unit Credit Method to determine the present value of

cash flows of employee benefits to be paid in the future. Under this method, the determination is based on actuarial calculations which include the employee's salaries, turnover rate, mortality rate, years of service and other factors.

The Bank and its subsidiaries recognize the provision for defined benefit plans in the statements of financial position with the net total of the present value of defined benefits obligations minus the fair value of plan assets. The expense for defined benefit plans is recognized as personnel expenses in the statements of profit or loss and other comprehensive income. The actuarial gains (losses) are recognized in other comprehensive income.

3.16 Income taxes

Income taxes comprise of current tax and deferred tax.

Current tax is recognized at the amount expected to be paid or recovered from the tax authorities by calculating from taxable profit or loss for the period and using tax rates enacted or substantively enacted by the reporting date.

Deferred tax is recognized on temporary differences arising between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss (tax base). The Bank recognized deferred tax assets and liabilities arising from such temporary differences at the amount of expected benefit to be received from the assets or paid for the liabilities in profit or loss except to the extent that it relates to items recognized in equity, which it is recognized directly in equity.

Deferred tax assets and liabilities are offset, if the Bank has a legally enforceable right to offset current tax assets and current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be sufficiently available to allow the temporary differences to be utilized. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that the related tax benefit will be realized.

3.17 Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to the Bank by the average number of common shares outstanding and issued during the period, weighted by the time and amount paid.

Diluted earnings per share are computed from adjusting the net income attributable to common shares and adjusting the number of common shares by the effect of dilutive potential common shares.

4. RISK MANAGEMENT

4.1 Risk information of the Bank

The Bank's Risk Oversight Committee plays a significant role in prescribing the risk management policy, reviewing the sufficiency of the risk management policy and system, defining the strategy for risk management, and monitoring the Bank's risk to an appropriate level, in compliance with the Bank's risk management policy which has been approved by the Board of Directors based on the Risk Oversight Committee's recommendation. The objectives are to manage the relevant risks within designated boundaries, in particular the maintenance of capital in accordance with the revised capital adequacy requirements under the Basel III guidelines and to achieve an appropriate rate of return.

Important processes in the risk management system comprise the identification of significant risks which may potentially impact the Bank's business operations, the assessment of each type of risk, the monitoring of risks to be at an appropriate level under the Bank's policy, and the reporting of the status of each type of risk to relevant parties so as to enable them to manage and/or handle the risks in a timely manner.

The key principle of the risk management system is that business units shall be responsible for continuously managing their risk exposures in order to ensure that the risk is within the specified limits and in compliance with the overall risk management policy approved by the Board of Directors, while the Risk Management unit is responsible for monitoring and controlling the risks on a regular basis.

4.1.1 Credit risk

Credit Risk is the risk that borrowers or counterparties fail to fulfill their obligations under contractual agreements arising from lending, investment and other contractual activities, such as the borrowers' failure to repay principal or interest as agreed in the contract, etc. The Bank's maximum exposure to credit risk is the net carrying amount of the financial assets or the amount which the Bank could have to pay if counterparties cannot meet such contractual obligations.

The Bank has established comprehensive credit underwriting processes which include the formulation of the credit policy, procedures for the assessment of credit risk ratings for customers, and the establishment of various levels of credit approval authority, based on the type of business and/or the size of the credit facilities. In general, credit facilities are extended based on the capacity to repay, which is assessed by evaluating the purpose of the loan, the projected operating cash flows, business feasibility and the capability of management. Collateral coverage is also taken into consideration as a contingency measure. Credit reviews including reviews of the credit risk ratings are undertaken on a regular basis. Furthermore, the Bank also has established limits to be used as a tool to monitor and control credit risk.

4.1.2 Interest rate risk

Interest rate risk is the risk that arises from the potential change in interest rates which may have an adverse effect on the net interest income of the Bank in the current reporting period, and/or in future periods. Interest rate risk arises from the structure and characteristics of the Bank's assets and liabilities, and in the mismatch in repricing dates of its assets and liabilities.

The Bank assesses, monitors, and controls interest rate risk to be at an acceptable level and to comply with the policy set by the Asset-Liability Management Committee (ALCO) and the Risk Oversight Committee (ROC). The Bank manages interest rate risk in order to achieve business return targets and control the potential impact on capital to be within a specified limit. The Bank thus deploys derivatives to hedge its interest rate risk.

The Bank has significant financial assets and financial liabilities categorized by the earlier of contractual repricing or maturity dates as at December 31, 2019 and 2018 as follows :

	Million Baht							
	CONSOLIDATED 2019							
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total
Financial Assets								
Interbank and money market items*	343,179	44,549	8,221	1,831	-	75,381	-	473,161
Investments in debt securities	15,970	68,444	118,420	267,228	76,436	-	-	546,498
Loans	1,329,475	379,513	202,063	66,461	3,378	9,444	70,975	2,061,309
Financial Liabilities								
Deposits	1,354,988	316,140	566,950	21,950	-	110,764	-	2,370,792
Interbank and money market items	78,124	23,494	11,533	8,810	650	11,735	-	134,346
Liabilities payable on demand	5,523	-	-	-	-	-	-	5,523
Debt issued and borrowings	8	57	24,433	57,711	62,472	-	-	144,681

* Excluding allowance for doubtful accounts and accrued interest receivables.

	CONSOLIDATED								Million Baht
	2018								
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total	
Financial Assets									
Interbank and money market items*	345,208	33,266	11,762	2,949	-	59,166	-	452,351	
Investments in debt securities	21,774	21,621	102,222	282,729	17,871	-	-	446,217	
Loans	1,349,860	346,953	222,873	76,381	5,925	9,742	71,426	2,083,160	
Financial Liabilities									
Deposits	1,317,049	339,575	548,030	21,628	-	100,188	-	2,326,470	
Interbank and money market items	78,339	23,005	6,938	8,973	3,484	16,123	-	136,862	
Liabilities payable on demand	7,223	-	-	-	-	-	-	7,223	
Debt issued and borrowings	9	140	-	68,359	47,840	-	-	116,348	

	THE BANK								Million Baht
	2019								
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total	
Financial Assets									
Interbank and money market items*	331,050	35,956	3,827	1,831	-	70,672	-	443,336	
Investments in debt securities	15,970	54,733	110,346	259,754	76,436	-	-	517,239	
Loans	1,291,748	365,647	196,634	66,461	3,378	9,444	69,771	2,003,083	
Financial Liabilities									
Deposits	1,335,184	309,233	547,958	12,893	-	110,767	-	2,316,035	
Interbank and money market items	76,893	22,685	8,297	8,810	650	11,942	-	129,277	
Liabilities payable on demand	5,488	-	-	-	-	-	-	5,488	
Debt issued and borrowings	8	-	24,125	57,711	62,472	-	-	144,316	

* Excluding allowance for doubtful accounts and accrued interest receivables.

	Million Baht							
	THE BANK 2018							
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total
Financial Assets								
Interbank and money market items*	324,393	21,734	3,764	3,126	-	52,541	-	405,558
Investments in debt securities	7,908	20,397	98,519	277,136	17,871	-	-	421,831
Loans	1,326,713	334,597	212,825	69,682	1,634	9,742	70,456	2,025,649
Financial Liabilities								
Deposits	1,294,711	331,899	520,195	15,497	-	100,188	-	2,262,490
Interbank and money market items	72,102	19,922	6,938	9,619	3,484	16,329	-	128,394
Liabilities payable on demand	7,199	-	-	-	-	-	-	7,199
Debt issued and borrowings	9	14	-	68,358	47,840	-	-	116,221

Basic information concerning fixed interest rate versus floating interest rate of domestic loans as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Fixed interest rate	379,048	408,637	379,048	408,637
Floating interest rate	<u>1,346,862</u>	<u>1,328,908</u>	<u>1,343,248</u>	<u>1,326,718</u>
Total	<u><u>1,725,910</u></u>	<u><u>1,737,545</u></u>	<u><u>1,722,296</u></u>	<u><u>1,735,355</u></u>

The interest-earning financial assets and interest-bearing financial liabilities for the years ended December 31, 2019 and 2018 are as follows :

Million Baht						
CONSOLIDATED						
FOR THE YEARS ENDED DECEMBER 31,						
	Average	2019	Average	Average	2018	Average
	Balance	Interest	Rate (%)	Balance	Interest	Rate (%)
		Income /	Per Annum		Expense	Per Annum
		Expense				
Interest-earning Financial Assets						
Interbank and money market items	500,364	8,995	1.80	481,103	8,397	1.75
Investments in debt securities	493,014	10,309	2.09	460,149	9,199	2.00
Loans	<u>2,030,107</u>	<u>93,155</u>	4.59	<u>2,025,402</u>	<u>93,131</u>	4.60
Total	<u>3,023,485</u>	<u>112,459</u>		<u>2,966,654</u>	<u>110,727</u>	
Interest-bearing Financial Liabilities						
Deposits	2,347,185	23,044	0.98	2,318,609	21,762	0.94
Interbank and money market items	139,224	1,981	1.42	158,312	2,142	1.35
Debt issued and borrowings	<u>122,983</u>	<u>6,397</u>	5.20	<u>104,552</u>	<u>5,561</u>	5.32
Total	<u>2,609,392</u>	<u>31,422</u>		<u>2,581,473</u>	<u>29,465</u>	

Million Baht						
THE BANK						
FOR THE YEARS ENDED DECEMBER 31,						
	Average	2019	Average	Average	2018	Average
	Balance	Interest	Rate (%)	Balance	Interest	Rate (%)
		Income /	Per Annum		Expense	Per Annum
		Expense				
Interest-earning Financial Assets						
Interbank and money market items	467,546	8,106	1.73	432,982	6,826	1.58
Investments in debt securities	464,385	9,625	2.07	440,597	8,737	1.98
Loans	<u>1,973,033</u>	<u>90,293</u>	4.58	<u>1,971,807</u>	<u>90,411</u>	4.59
Total	<u>2,904,964</u>	<u>108,024</u>		<u>2,845,386</u>	<u>105,974</u>	
Interest-bearing Financial Liabilities						
Deposits	2,290,934	21,544	0.94	2,259,501	20,123	0.89
Interbank and money market items	134,977	1,870	1.39	152,055	1,885	1.24
Debt issued and borrowings	<u>122,570</u>	<u>6,397</u>	5.22	<u>104,370</u>	<u>5,561</u>	5.33
Total	<u>2,548,481</u>	<u>29,811</u>		<u>2,515,926</u>	<u>27,569</u>	

4.1.3 Foreign exchange risk

Foreign exchange risk is the risk that arises when the Bank deals in foreign currency transactions which lead to overbought or oversold positions in any individual foreign currency positions. The Bank may incur gains or losses as a result of changes in foreign exchange rates.

The Bank manages its foreign currency positions in compliance with regulatory guidelines and the internal risk limits set by ALCO and ROC.

4.1.4 Equity price risk

Equity price risk is the risk associated with equity price changes and resulting in the deterioration of investment value or profit (loss) fluctuations.

The Bank invests in equity securities within the regulatory guidelines and its investment policy.

4.1.5 Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet financial obligations when they fall due. The purpose of the Bank's liquidity risk management is to maintain sufficient funds to meet present and future financial obligations while managing the use of the funds to generate an appropriate return in line with prevailing market conditions.

The Bank manages liquidity risk in accordance with policies and guidelines established by ALCO and the liquidity reserve requirement as well as other relevant regulatory requirements. Treasury Division is in charge of managing the Bank's liquidity, while the Market Risk unit of the Risk Management unit is responsible for identifying, assessing, monitoring, reporting and controlling risks to be within the specified limits and reports to ALCO on a regular basis.

The Bank has diversified funding sources. Its major funding source is customer deposits which are well-diversified in different deposit types and maturities. Moreover, the Bank manages its liquidity through domestic money and capital markets including swap and repurchase markets, and through international money and capital markets in currencies such as the US dollar and the Euro. The Bank aims to balance the cost of liquidity against liquidity risks as deemed appropriate based on market conditions and acceptable risk levels. The Bank also closely manages short-term and long-term liquidity positions, taking into consideration foreign short-term and long-term borrowings to meet customers' foreign currency loan demands in both domestic and overseas operations as well as planning for capital fund raising as market conditions permit. In addition to funding diversification, the Bank maintains high-quality liquid assets which can be liquidated or realized as needed in order to meet its financial obligations under both business-as-usual and crisis situations.

The Bank has financial assets and financial liabilities categorized by maturity profile as at December 31, 2019 and 2018 as follows :

	CONSOLIDATED					Million Baht
	2019					
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	471,330	1,831	-	-	-	473,161
Derivatives	11,845	17,179	20,783	-	-	49,807
Investments	191,545	278,064	76,889	102,936	-	649,434
Loans	861,179	700,311	428,939	-	70,880	2,061,309
Financial Liabilities						
Deposits	2,348,842	21,950	-	-	-	2,370,792
Interbank and money market items	120,376	13,320	650	-	-	134,346
Liabilities payable on demand	5,523	-	-	-	-	5,523
Derivatives	5,894	12,400	19,543	-	-	37,837
Debt issued and borrowings	24,498	57,711	62,472	-	-	144,681
	CONSOLIDATED					Million Baht
	2018					
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	449,402	2,949	-	-	-	452,351
Derivatives	10,381	7,806	10,463	-	-	28,650
Investments	145,295	284,505	18,037	110,559	-	558,396
Loans	884,806	734,445	393,163	-	70,746	2,083,160
Financial Liabilities						
Deposits	2,304,842	21,628	-	-	-	2,326,470
Interbank and money market items	122,142	11,236	3,484	-	-	136,862
Liabilities payable on demand	7,223	-	-	-	-	7,223
Derivatives	7,621	4,834	9,883	-	-	22,338
Debt issued and borrowings	150	68,358	47,840	-	-	116,348

* Excluding allowance for doubtful accounts and accrued interest receivables.

	THE BANK 2019					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	441,505	1,831	-	-	-	443,336
Derivatives	11,725	17,179	20,783	-	-	49,687
Investments	169,760	270,590	76,889	131,711	-	648,950
Loans	823,739	686,962	422,611	-	69,771	2,003,083
Financial Liabilities						
Deposits	2,303,142	12,893	-	-	-	2,316,035
Interbank and money market items	115,307	13,320	650	-	-	129,277
Liabilities payable on demand	5,488	-	-	-	-	5,488
Derivatives	5,428	12,400	19,543	-	-	37,371
Debt issued and borrowings	24,133	57,711	62,472	-	-	144,316

	THE BANK 2018					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	402,432	3,126	-	-	-	405,558
Derivatives	10,066	7,806	10,462	-	-	28,334
Investments	123,957	278,911	18,038	142,080	-	562,986
Loans	844,998	722,915	387,280	-	70,456	2,025,649
Financial Liabilities						
Deposits	2,246,993	15,497	-	-	-	2,262,490
Interbank and money market items	113,674	11,236	3,484	-	-	128,394
Liabilities payable on demand	7,199	-	-	-	-	7,199
Derivatives	7,137	4,834	9,883	-	-	21,854
Debt issued and borrowings	23	68,358	47,840	-	-	116,221

* Excluding allowance for doubtful accounts and accrued interest receivables.

4.2 Fair value of financial instruments

The following table presents the carrying amount and estimated fair value of financial instruments as at December 31, 2019 and 2018 :

	CONSOLIDATED			
	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Million Baht				
Financial Assets				
Cash	58,090	58,090	62,394	62,394
Interbank and money market items, net	472,349	472,349	450,700	450,700
Derivatives	49,807	50,315	28,650	28,581
Investments, net	649,434	651,479	558,396	635,701
Loans to customers and accrued interest receivables, net	<u>1,891,046</u>	<u>1,891,046</u>	<u>1,935,781</u>	<u>1,935,781</u>
Total	<u><u>3,120,726</u></u>	<u><u>3,123,279</u></u>	<u><u>3,035,921</u></u>	<u><u>3,113,157</u></u>
Financial Liabilities				
Deposits	2,370,792	2,370,792	2,326,470	2,326,470
Interbank and money market items	134,346	134,346	136,862	136,862
Liabilities payable on demand	5,523	5,523	7,223	7,223
Derivatives	37,837	39,413	22,338	22,828
Debt issued	144,208	162,138	116,019	128,669
Borrowings	<u>473</u>	<u>473</u>	<u>329</u>	<u>329</u>
Total	<u><u>2,693,179</u></u>	<u><u>2,712,685</u></u>	<u><u>2,609,241</u></u>	<u><u>2,622,381</u></u>

	Million Baht			
	THE BANK			
	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	58,013	58,013	62,329	62,329
Interbank and money market items, net	442,584	442,584	404,378	404,378
Derivatives	49,687	50,201	28,334	28,266
Investments, net	648,950	660,685	562,986	601,919
Loans to customers and accrued interest receivables, net	<u>1,836,722</u>	<u>1,836,722</u>	<u>1,881,395</u>	<u>1,881,395</u>
Total	<u><u>3,035,956</u></u>	<u><u>3,048,205</u></u>	<u><u>2,939,422</u></u>	<u><u>2,978,287</u></u>
Financial Liabilities				
Deposits	2,316,035	2,316,035	2,262,490	2,262,490
Interbank and money market items	129,277	129,277	128,394	128,394
Liabilities payable on demand	5,488	5,488	7,199	7,199
Derivatives	37,371	38,958	21,854	22,344
Debt issued	143,843	161,773	115,892	128,542
Borrowings	<u>473</u>	<u>473</u>	<u>329</u>	<u>329</u>
Total	<u><u>2,632,487</u></u>	<u><u>2,652,004</u></u>	<u><u>2,536,158</u></u>	<u><u>2,549,298</u></u>

For cash, deposits, interbank and money market items (liabilities), liabilities payable on demand, and borrowings, the carrying amounts in the statements of financial position approximate the fair value of the items.

The fair value for loans to customers and interest receivables, net and interbank and money market items, net (assets) is based on the carrying value of the loans to customers and interest receivables, net of the allowance for doubtful accounts as presented in the statement of financial position.

The following methods and assumptions were used by the Bank in estimating the fair value of financial instruments as disclosed herein :

The fair values of interbank and money market items, net (assets), loans to customers and interest receivables, net, deposits, interbank and money market items (liabilities), liabilities payable on demand, and borrowings are determined by discounting cash flows using the relevant market interest rates.

The fair value of derivatives is derived from market price or valuation techniques which are based on the market prices of instruments with similar characteristics and maturities or the valuation quoted by a reliable institution.

The fair value determination of investments in debt securities

- For domestic debt securities listed in the Thai Bond Market Association, the fair value is determined by using the market yield of debt securities published by the Thai Bond Market Association. For such debt securities that are not listed in the Thai Bond Market Association, the average bid yield from three reliable financial institutions will be used.
- For foreign debt securities, the value quoted by reliable international financial institutions will be used.

The fair value determination of investments in equity securities

- For marketable equity securities with readily determinable market values, the fair value is determined by the last bid price on The Stock Exchange of Thailand on the last business day of the reporting date. If the last bid price is not available, the last closing price will be used.
- Investments in unit trusts are stated at fair value based on redemption value at the reporting date.
- For general investments, the fair value is determined by using appropriate valuation techniques with price and/or variables from the market and consideration to limitation of sale, liquidation, and discount rate to adjust such fair value. The valuation techniques include the use of recent arm's length transactions, reference to current fair value of other investments that have similar characteristics, discounted cash flows, and market multiples.

The fair value for debt issued is based on the market value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market, or in the absence, the most advantageous market, where is accessible to by the Bank. The fair value of instruments that are quoted in active markets is determined using the quoted prices. A market is regarded as active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If the market is not active, or an asset or a liability is not traded in an active market, the Bank uses valuation techniques to determine fair value by using the assumptions that market participants would use when pricing the asset or liability. Where applicable, a valuation adjustment is applied to arrive at the fair value.

The following table shows an analysis of financial assets and financial liabilities by level of the fair value hierarchy as at December 31, 2019 and 2018.

	Million Baht							
	CONSOLIDATED							
	2019			Total	2018			Total
Level 1	Level 2	Level 3	Level 1		Level 2	Level 3		
Items measured at fair value :								
Financial assets								
Derivatives	-	50,315	-	50,315	-	28,581	-	28,581
Investments, net	85,478	502,855	-	588,333	92,491	412,863	-	505,354
Financial liabilities								
Derivatives	361	39,052	-	39,413	300	22,528	-	22,828
Items not measured at fair value :								
Financial assets	3,117	20,374	39,655	63,146				
Investments, net					2,676	66,623	61,048	130,347
Financial liabilities								
Debt issued	-	162,138	-	162,138	-	128,669	-	128,669

	Million Baht							
	THE BANK							
	2019			Total	2018			Total
Level 1	Level 2	Level 3	Level 1		Level 2	Level 3		
Items measured at fair value :								
Financial assets								
Derivatives	-	50,201	-	50,201	-	28,266	-	28,266
Investments, net	80,384	484,931	-	565,315	89,945	399,067	-	489,012
Financial liabilities								
Derivatives	-	38,958	-	38,958	-	22,344	-	22,344
Items not measured at fair value :								
Financial assets								
Investments, net	3,117	7,317	84,936	95,370	2,676	2,857	107,374	112,907
Financial liabilities								
Debt issued	-	161,773	-	161,773	-	128,542	-	128,542

Fair values are determined according to the following hierarchy :

- Level 1 - quoted prices in active market for identical assets or liabilities
- Level 2 - value derived from valuation techniques for which the significant input used for the fair value measurement is directly or indirectly observable in the market
- Level 3 - value derived from valuation techniques for which the significant input used for the fair value measurement is unobservable in the market

When using valuation techniques, the valuation adjustments are adopted, when the Bank considers that there are additional factors that would be considered by a market participant but are not incorporated within the valuation measurements. The considering factors are such as bid-offer spread, counterparty credit and liquidity, etc.

4.3 Capital fund

It is the Bank's policy to maintain an adequate level of capital to support growth strategies under an acceptable risk framework taking into consideration regulatory requirements and market expectations. The Bank regularly assesses its capital adequacy under various scenarios in order to anticipate capital requirements for the purpose of its capital planning and management process.

The guideline on capital fund based on the Basel III guidelines of the BOT requires the Bank to maintain a capital conservation buffer in addition to minimum capital adequacy ratios which sets out to phasing in 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. In September 2017, the BOT has announced the guideline to identify and regulate Domestic Systemically Important Banks (D-SIBs). The BOT requires the Bank, classified as D-SIBs, must have additional capital requirement for Higher Loss Absorbency (HLA) requirement by increasing the Common Equity Tier 1 ratio at 1 percent, beginning at 0.5 percent from January 1, 2019 and increasing to be 1 percent from January 1, 2020 onwards. The minimum capital adequacy and a capital conservation buffer ratios to risk-weighted assets is as follows :

Capital Fund Ratio	Percentage	
	2019	2018
Common Equity Tier 1 ratio	More than 7.5	More than 6.375
Tier 1 capital ratio	More than 9.0	More than 7.875
Total capital fund ratio	More than 11.5	More than 10.375

Moreover, the BOT may require to maintain additional capital for countercyclical buffer at maximum of 2.50 percent.

As at December 31, 2019 and 2018, the Bank maintained capital adequacy ratios to risk assets and capital fund in accordance with the BOT's Notification relating to the Basel III guidelines as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Common Equity Tier 1 capital to risk assets ratio	17.01	16.43	17.14	16.24
Tier 1 capital to risk assets ratio	17.01	16.43	17.14	16.24
Total capital to risk assets ratio	20.04	17.96	20.20	17.78

	CONSOLIDATED		Million Baht THE BANK	
	2019	2018	2019	2018
Tier 1 capital	406,529	390,369	399,842	374,633
Common Equity Tier 1 capital	406,463	390,309	399,842	374,633
Paid-up share capital	19,088	19,088	19,088	19,088
Premium on share capital	56,346	56,346	56,346	56,346
Legal reserve	24,000	23,000	24,000	23,000
Reserves appropriated from net profit	106,500	101,500	106,500	101,500
Net profit after appropriation	170,789	152,107	157,182	132,089
Other comprehensive income	33,678	42,039	39,600	45,361
Deductions from Common Equity				
Tier 1 capital	(3,938)	(3,771)	(2,874)	(2,751)
Additional Tier 1 capital	66	60	-	-
Tier 2 capital	72,211	36,194	71,420	35,312
Total capital fund	478,740	426,563	471,262	409,945

As at December 31, 2019 and 2018, the Bank has no capital add-on arising from Single Lending Limit.

As at December 31, 2019, the Bank has the subordinated notes (See Note 6.18) which the BOT had approved to include in Tier 2 capital on September 25, 2019.

Disclosure of capital maintenance information of the Bank and the Financial Holding Group under the BOT's Notification regarding the disclosure of the capital requirement of commercial banks, regarding the disclosure of the capital requirement of the Financial Holding Group and regarding liquidity coverage ratio disclosure standards.

Location of disclosure [www.bangkokbank.com/Investor Relations/Financial Information/Basel III - Pillar 3](http://www.bangkokbank.com/Investor%20Relations/Financial%20Information/Basel%20III%20-%20Pillar%203)

Date of disclosure October 31, 2019

Information as of June 30, 2019

5. SIGNIFICANT USE OF ACCOUNTING JUDGMENTS AND ESTIMATES

5.1 Impairment of investments in securities

The Bank assesses the impairment of investments in securities where objective evidence of impairment exists and determines that the investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires the Bank's judgment. In making this judgment, the Bank evaluates the volatility in the investment's fair value and other factors which include the estimated future cash flows, the deterioration in the financial position of the issuer of the securities and the operating environment in the industry sector of the issuer.

5.2 Allowance for doubtful accounts

The determination of the allowance for doubtful accounts requires the use of various assumptions and judgments by the Bank, which includes the consideration of objective evidence indicating an adverse change in the capacity of the borrowers to repay loans, the estimated future cash flows to be received from the borrowers, the estimated cash flows from the collateral, the timing of future cash flows, the potential of additional future loss and the economic conditions that may have an impact on the loan default rate. The Bank reviews these estimates and assumptions on a regular basis.

5.3 Provisions

The determination of the provisions on the statement of financial position requires the use of various assumptions and judgments by the Bank, taking into consideration the nature of transactions and the circumstances requiring the provisions, the probability of the outflow of economic benefits to settle such obligations and the estimate of the net future cash outflows. The consideration is based on the experience and information that is available at the time that the financial statements are being prepared. The provisions are reviewed regularly. However, the actual results may differ from the estimates.

For the estimation of the provision for the defined benefit plans under the post-employment benefits, the estimation is calculated by an actuary by using the actuarial techniques which requires actuarial assumptions on financial variables such as discount rate, future salaries and benefits etc., and demographic variables such as employee mortality and turnover etc. The past service cost as a result of post-employee benefit plan amendment is recognized as the expense in profit and loss when the plan is amended using the judgment that the obligation is certainly arisen if the new law will be enacted as draft.

5.4 Fair value of financial instruments

Where assets and liabilities are not traded in active markets, the Bank determines fair value by using valuation techniques commonly used by market participants including the reference to the fair value of another instrument of a similar nature, the discounted cash flow analysis and pricing models.

The Bank uses its best judgment in estimating the fair values of financial instruments. However, estimation methodologies and assumptions used to estimate fair values are inherently subjective. Accordingly, the use of different estimation methodologies and/or market assumptions may have a significant effect on the estimated fair values.

6. ADDITIONAL INFORMATION

6.1 Cash

Cash as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Cash	58,010	62,300	57,933	62,235
Cash received in advance from e-Money and electronic money transfer service	<u>80</u>	<u>94</u>	<u>80</u>	<u>94</u>
Total	<u>58,090</u>	<u>62,394</u>	<u>58,013</u>	<u>62,329</u>

6.2 Supplementary disclosures of cash flow information

Significant non-cash items for the years ended December 31, 2019 and 2018 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2019	2018	2019	2018
Unrealized gains on investments in shareholders' equity decrease	(1,721)	(9,318)	(1,735)	(9,283)
Properties for sale increased from loans payment/inactive assets	1,471	1,940	1,471	1,940
Unrealized increment per premises appraisal transferred to retained earnings	946	943	943	939
Changes in non-cash items of debt issued and borrowings				
Gain on foreign exchange	9,038	867	9,038	867
Amortization on discount	276	240	276	240

6.3 Interbank and money market items, net (assets)

Interbank and money market items, net (assets) as at December 31, 2019 and 2018 consisted of the following :

	CONSOLIDATED						Million Baht
	Demand	2019 Time	Total	Demand	2018 Time	Total	
Domestic items							
Bank of Thailand and							
Financial Institutions							
Development Fund	30,087	232,410	262,497	19,483	220,027	239,510	
Commercial banks	1,109	23,749	24,858	3,021	7,285	10,306	
Other financial institutions	1,913	12,702	14,615	1,079	19,408	20,487	
Total	<u>33,109</u>	<u>268,861</u>	<u>301,970</u>	<u>23,583</u>	<u>246,720</u>	<u>270,303</u>	
<u>Add</u> Accrued interest							
receivables	-	97	97	-	148	148	
<u>Less</u> Allowance for							
doubtful accounts	<u>(27)</u>	<u>(1,029)</u>	<u>(1,056)</u>	<u>(17)</u>	<u>(1,360)</u>	<u>(1,377)</u>	
Total domestic items	<u>33,082</u>	<u>267,929</u>	<u>301,011</u>	<u>23,566</u>	<u>245,508</u>	<u>269,074</u>	
Foreign items							
USD	19,810	84,517	104,327	20,851	76,534	97,385	
JPY	15,678	3,608	19,286	6,454	7,071	13,525	
EUR	554	7,673	8,227	1,132	3,780	4,912	
Others	12,229	27,122	39,351	11,243	54,983	66,226	
Total	<u>48,271</u>	<u>122,920</u>	<u>171,191</u>	<u>39,680</u>	<u>142,368</u>	<u>182,048</u>	
<u>Add</u> Accrued interest							
receivables	-	354	354	2	265	267	
<u>Less</u> Allowance for							
doubtful accounts	<u>-</u>	<u>(207)</u>	<u>(207)</u>	<u>-</u>	<u>(689)</u>	<u>(689)</u>	
Total foreign items	<u>48,271</u>	<u>123,067</u>	<u>171,338</u>	<u>39,682</u>	<u>141,944</u>	<u>181,626</u>	
Total domestic and							
foreign items	<u><u>81,353</u></u>	<u><u>390,996</u></u>	<u><u>472,349</u></u>	<u><u>63,248</u></u>	<u><u>387,452</u></u>	<u><u>450,700</u></u>	

Million Baht

	THE BANK					
	Demand	2019 Time	Total	Demand	2018 Time	Total
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	30,087	232,410	262,497	19,483	220,027	239,510
Commercial banks	-	18,150	18,150	6	3,300	3,306
Other financial institutions	1,913	12,702	14,615	1,079	19,408	20,487
Total	32,000	263,262	295,262	20,568	242,735	263,303
<u>Add</u> Accrued interest						
receivables	-	66	66	-	134	134
<u>Less</u> Allowance for						
doubtful accounts	(27)	(1,029)	(1,056)	(17)	(1,360)	(1,377)
Total domestic items	31,973	262,299	294,272	20,551	241,509	262,060
Foreign items						
USD	19,543	81,119	100,662	20,172	74,140	94,312
JPY	15,678	3,608	19,286	6,454	7,071	13,525
EUR	548	7,673	8,221	1,119	3,780	4,899
Others	7,523	12,382	19,905	5,307	24,212	29,519
Total	43,292	104,782	148,074	33,052	109,203	142,255
<u>Add</u> Accrued interest						
receivables	-	283	283	-	132	132
<u>Less</u> Allowance for						
doubtful accounts	-	(45)	(45)	-	(69)	(69)
Total foreign items	43,292	105,020	148,312	33,052	109,266	142,318
Total domestic and foreign items	75,265	367,319	442,584	53,603	350,775	404,378

6.4 Derivatives

The fair values and the notional amounts classified by type of risk as at December 31, 2019 and 2018 are as follows :

Type of risk	CONSOLIDATED					Million Baht
	2019		Notional Amount	2018		Notional Amount
	Fair Value/Readjustment Based on an Accrual Basis			Fair Value/Readjustment Based on an Accrual Basis		
	Assets	Liabilities	Assets	Liabilities		
Foreign exchange rate	32,164	17,245	1,091,796	20,522	11,924	1,403,260
Interest rate	17,638	20,231	1,064,586	8,126	10,114	961,569
Others	<u>5</u>	<u>361</u>	<u>9,887</u>	<u>2</u>	<u>300</u>	<u>10,372</u>
Total	<u>49,807</u>	<u>37,837</u>	<u>2,166,269</u>	<u>28,650</u>	<u>22,338</u>	<u>2,375,201</u>

Type of risk	THE BANK					Million Baht
	2019		Notional Amount	2018		Notional Amount
	Fair Value/Readjustment Based on an Accrual Basis			Fair Value/Readjustment Based on an Accrual Basis		
	Assets	Liabilities	Assets	Liabilities		
Foreign exchange rate	32,049	17,140	1,077,158	20,208	11,740	1,383,684
Interest rate	<u>17,638</u>	<u>20,231</u>	<u>1,064,585</u>	<u>8,126</u>	<u>10,114</u>	<u>961,569</u>
Total	<u>49,687</u>	<u>37,371</u>	<u>2,141,743</u>	<u>28,334</u>	<u>21,854</u>	<u>2,345,253</u>

The proportion of derivative transactions classified by type of counterparty based on the notional amounts as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED		THE BANK		Percentage
	2019	2018	2019	2018	
Financial Institutions	80.74	76.42	81.14	76.87	
Group companies	-	-	0.10	-	
External entities	<u>19.26</u>	<u>23.58</u>	<u>18.76</u>	<u>23.13</u>	
Total	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	

Derivative is a financial instrument whose value changes in response to the change in an underlying variable such as interest rate, foreign exchange rate, index of prices or rates, or underlying asset price etc. Notional amounts of derivatives reflect the extent of the Bank's involvement in particular classes of derivatives but do not reflect market risk and credit risk. The Bank's derivatives are as follows :

Forward foreign exchange derivatives

- Forward foreign exchange contracts are contracts that effectively fix a future foreign exchange rate. The contract provides that, at a predetermined future date, a cash delivery will be made between the parties at a specified contract rate.
- Currency swaps are contracts which involve the exchange of principal and interest in two different currencies with counterparty for a specified period.

Interest rate derivatives

Interest rate swaps are contracts which involve the exchange of interest with counterparties for a specified period in the same currency of principal without the exchange of the underlying principal.

6.5 Investments, net

6.5.1 Investments as at December 31, 2019 and 2018 consisted of the following :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
	Fair Value	Fair Value	Fair Value	Fair Value
Trading securities				
Government and state enterprise securities	8,320	4,950	8,320	4,950
Private enterprise debt securities	198	56	198	56
Domestic marketable equity securities	5,095	2,510	-	-
Total	13,613	7,516	8,518	5,006

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
	Fair Value	Fair Value	Fair Value	Fair Value
Available-for-sale securities				
Government and state enterprise securities	327,327	293,834	327,327	293,834
Private enterprise debt securities	66,072	37,328	65,520	36,788
Foreign debt securities	113,747	82,707	98,068	73,352
Domestic marketable equity securities	47,141	60,160	47,141	60,160
Foreign marketable equity securities	9,844	11,531	9,844	11,531
Others	10,589	12,278	8,897	8,341
Total	574,720	497,838	556,797	484,006

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost
Held-to-maturity debt securities				
Government and state enterprise securities	19,328	15,757	7,032	2,046
Foreign debt securities	<u>3,929</u>	<u>4,092</u>	<u>3,197</u>	<u>3,312</u>
Total	<u>23,257</u>	<u>19,849</u>	<u>10,229</u>	<u>5,358</u>

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
	Cost	Cost	Cost	Cost
General investments				
Domestic non-marketable equity securities	8,689	6,878	7,839	6,729
Foreign non-marketable equity securities	<u>36,029</u>	<u>32,941</u>	<u>35,763</u>	<u>32,830</u>
Total	44,718	39,819	43,602	39,559
<u>Less</u> Allowance for impairment	<u>(8,611)</u>	<u>(8,234)</u>	<u>(8,611)</u>	<u>(8,234)</u>
Total	<u>36,107</u>	<u>31,585</u>	<u>34,991</u>	<u>31,325</u>
Total investments, net	<u>647,697</u>	<u>556,788</u>	<u>610,535</u>	<u>525,695</u>

Investments classified in accordance with the Notification of the BOT as at December 31, 2019 and 2018 are presented in Note 6.14.

As at December 31, 2019 and 2018, the Bank has investments in 32 companies with cost values of Baht 256 million, which are companies whose prospects as a going concern are uncertain or are unlisted companies but whose financial positions and operations would fall under the SET delisting criteria, which the Bank had set aside allowance for impairment of these investments amounting to Baht 256 million and these companies had net book value totaling Baht 0 million.

As at December 31, 2019 and 2018, the Bank has investments in 3 listed companies that are under the SET delisting criteria, amounting to Baht 4 million, with the fair value of Baht 0 million, which the Bank had set aside allowance for impairment of these investments amounting to Baht 4 million.

On December 30, 2004, the Bank entered into a transaction to transfer certain investments classified as available-for-sale securities received from debt restructuring to Sinnsuptawee Asset Management Co., Ltd., a subsidiary of the Bank, at the closing price on December 28, 2004 quoted on The Stock Exchange of Thailand in the amount of Baht 3,323 million. The proceeds from the aforementioned transfer were recorded as other liabilities and the related securities were recorded as securities transferred to subsidiary under available-for-sale securities in accordance with accounting treatment guidance for Transfer and Transferred Financial Assets. As at December 31, 2019 and 2018,

the Bank had outstanding balances of other liabilities from such transaction amounting to Baht 328 million and Baht 372 million, respectively.

6.5.2 As at December 31, 2019 and 2018, the Bank and subsidiaries had investments in other companies of 10% and upwards of the paid-up capital of the respective companies but which are not considered to be investments in subsidiaries and associates. The classification is as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
	Million Baht			
Manufacturing and commercial	12	12	12	12
Real estate and construction	187	187	187	187
Utilities and services	41	41	41	41
Others	<u>2,243</u>	<u>2,039</u>	<u>2,243</u>	<u>2,039</u>
Total	<u><u>2,483</u></u>	<u><u>2,279</u></u>	<u><u>2,483</u></u>	<u><u>2,279</u></u>

6.6 Investments in subsidiaries and associates, net

As at December 31, 2019 and 2018, the Bank had investments in subsidiaries and associates, net as follows :

Company	Type of Business	Type of Shares	CONSOLIDATED		Million Baht			
			Direct and Indirect Shareholding (%)		Investment (Cost Method)		Investment (Equity Method)	
			2019	2018	2019	2018	2019	2018
Associates								
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	-	118	-	109	-
BSL Leasing Co., Ltd.	Finance	Common share	35.88	35.88	201	201	820	748
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15	441	468
National ITMX Co., Ltd.	Service	Common share	14.26	13.84	13	7	273	226
Thai Payment Network Co., Ltd.	Service	Common share	69.08	69.08	<u>362</u>	<u>362</u>	<u>94</u>	<u>166</u>
Total					709	585	1,737	1,608
<u>Less</u> Allowance for impairment					<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Investments in associates, net					<u><u>707</u></u>	<u><u>583</u></u>	<u><u>1,737</u></u>	<u><u>1,608</u></u>

Company	Type of Business	Type of Shares	THE BANK		Million Baht	
			Direct and Indirect Shareholding (%)		Investment (Cost Method)	
			2019	2018	2019	2018
Subsidiaries						
BBL (Cayman) Limited	Finance	Common share	100.00	100.00	2	2
Bangkok Bank Berhad	Banking	Common share	100.00	100.00	9,261	9,261
Sinnsuptawee Asset Management Co., Ltd.	Asset Management	Common share	100.00	100.00	2,500	2,500
Bangkok Bank (China) Co., Ltd.	Banking	Common share	100.00	100.00	19,585	19,585
Bualuang Ventures Ltd.	Venture Capital Company	Common share	100.00	100.00	1,500	500
BBL Asset Management Co., Ltd.	Finance	Common share	75.00	75.00	183	183
Bualuang Securities PCL.	Securities	Common share	99.91	99.91	4,772	4,772
Associates						
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	-	118	-
BSL Leasing Co., Ltd.	Finance	Common share	35.88	35.88	201	201
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15
National ITMX Co., Ltd.	Service	Common share	14.26	13.84	13	7
Thai Payment Network Co., Ltd.	Service	Common share	69.08	69.08	<u>362</u>	<u>362</u>
Total					38,512	37,388
<u>Less</u> Allowance for impairment					<u>(97)</u>	<u>(97)</u>
Investments in subsidiaries and associates, net					<u><u>38,415</u></u>	<u><u>37,291</u></u>

In September 2018, the Bank has purchased the issued 2,000,000 common shares in Thai Payment Network Co., Ltd. in the amount of Baht 200,000,000, resulting in an increase of the Bank's shareholding to be 69.08%. However, the Bank continued to classify it as an investment in associate since the Bank has only the power to participate in management but is not control. In addition, the Bank also intend to sell 1,000,000 shares in the amount of Baht 100,000,000 of such additionally purchased back to the existing shareholders after its increase in the investment is approved by the regulator, in order to maintain the existing shareholding at 49.99%.

Bualuang Ventures Limited is a subsidiary of the Bank. The company has a total registered capital of Baht 2,000 million, with the common shares of 200,000,000 shares, par Baht 10. On June 22, 2016, the company called up the first paid-up capital of Baht 2.50 per share, amounting to Baht 500 million. In May 2019, the company called up the additional paid-up capital of Baht 5 per share, amounting to Baht 1,000 million. As a result, the company has a total paid-up capital of Baht 1,500 million, with a full payment by the Bank. Currently, the Bank has a 100% stake in the company.

The aggregated financial information of associates that are not individually material is as follows :

	Million Baht	
	FOR THE YEARS	
	ENDED DECEMBER 31,	
	2019	2018
Net profit	578	696
Total comprehensive income	578	696

6.7 Loans to customers and accrued interest receivables, net

6.7.1 Classified by product type as at December 31, 2019 and 2018 :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Overdrafts	103,798	108,023	103,048	107,200
Loans	1,545,259	1,544,772	1,493,469	1,492,223
Bills	411,100	428,747	405,392	424,566
Others	1,678	2,161	1,678	2,160
<u>Less</u> Deferred revenue	<u>(526)</u>	<u>(543)</u>	<u>(504)</u>	<u>(500)</u>
Loans to customers after deferred revenue, net	2,061,309	2,083,160	2,003,083	2,025,649
<u>Add</u> Accrued interest receivables	<u>4,013</u>	<u>5,624</u>	<u>3,894</u>	<u>5,487</u>
Loans to customers and accrued interest receivables after deferred revenue, net	2,065,322	2,088,784	2,006,977	2,031,136
<u>Less</u> Allowance for doubtful accounts				
Minimum provision according to the BOT's requirement				
- Individual approach	(48,329)	(52,568)	(47,083)	(51,729)
- Collective approach	(6,343)	(6,052)	(6,343)	(6,052)
Excess provision	<u>(113,094)</u>	<u>(88,968)</u>	<u>(110,319)</u>	<u>(86,545)</u>
Total	(167,766)	(147,588)	(163,745)	(144,326)
<u>Less</u> Revaluation allowance for debt restructuring	<u>(6,510)</u>	<u>(5,415)</u>	<u>(6,510)</u>	<u>(5,415)</u>
Total loans to customers, net	<u><u>1,891,046</u></u>	<u><u>1,935,781</u></u>	<u><u>1,836,722</u></u>	<u><u>1,881,395</u></u>

6.7.2 As at December 31, 2019 and 2018, the Bank and subsidiaries had non-performing loans (NPLs), defined according to the BOT's Notification as loans classified as substandard, doubtful and doubtful of loss including interbank and money market items but excluding accrued interest receivables, as follows :

	CONSOLIDATED		THE BANK		Million Baht
	2019	2018	2019	2018	
	NPLs before allowance for doubtful accounts	79,149	80,137	78,093	79,279
NPLs as percentage of total loans	3.39	3.42	3.44	3.48	
Net NPLs after allowance for doubtful accounts	28,368	26,412	28,203	26,171	
Net NPLs as percentage of net total loans	1.24	1.15	1.27	1.18	

6.7.3 Classified by currency and customer's residence as at December 31, 2019 and 2018 :

	CONSOLIDATED						Million Baht
	2019		Total	2018		Total	
	Domestic	Foreign		Domestic	Foreign		
BAHT	1,498,727	31,355	1,530,082	1,482,750	32,512	1,515,262	
USD	61,917	260,218	322,135	67,763	248,330	316,093	
Others	15,866	193,226	209,092	50,280	201,525	251,805	
Total	1,576,510	484,799	2,061,309	1,600,793	482,367	2,083,160	

	THE BANK						Million Baht
	2019		Total	2018		Total	
	Domestic	Foreign		Domestic	Foreign		
BAHT	1,495,113	31,355	1,526,468	1,483,271	32,512	1,515,783	
USD	61,917	254,381	316,298	67,763	241,818	309,581	
Others	15,866	144,451	160,317	50,280	150,005	200,285	
Total	1,572,896	430,187	2,003,083	1,601,314	424,335	2,025,649	

6.7.4 Classified by business type and in accordance with the Notification of the BOT as at December 31, 2019 and 2018 :

	CONSOLIDATED 2019					Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	58,829	2,045	207	93	395	61,569
Manufacturing and commercial	676,883	30,670	2,483	8,372	37,571	755,979
Real estate and construction	186,640	7,089	2,088	1,257	3,662	200,736
Utilities and services	441,639	20,759	2,800	625	4,336	470,159
Housing loans	237,949	2,589	1,865	3,039	5,755	251,197
Others	312,919	4,149	283	1,136	3,182	321,669
Total	1,914,859	67,301	9,726	14,522	54,901	2,061,309

	CONSOLIDATED 2018					Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	50,061	705	288	178	266	51,498
Manufacturing and commercial	743,379	21,312	1,932	12,626	40,232	819,481
Real estate and construction	188,864	6,410	1,032	1,422	4,872	202,600
Utilities and services	438,322	12,476	182	1,301	3,688	455,969
Housing loans	229,928	2,351	1,799	1,703	4,266	240,047
Others	306,353	2,862	183	3,654	513	313,565
Total	1,956,907	46,116	5,416	20,884	53,837	2,083,160

	THE BANK 2019					Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	56,733	1,993	207	93	395	59,421
Manufacturing and commercial	651,232	30,458	2,483	7,904	37,099	729,176
Real estate and construction	178,564	7,067	2,088	1,257	3,652	192,628
Utilities and services	432,199	20,759	2,800	625	4,336	460,719
Housing loans	237,943	2,588	1,865	3,039	5,744	251,179
Others	301,457	3,997	283	1,042	3,181	309,960
Total	1,858,128	66,862	9,726	13,960	54,407	2,003,083

THE BANK 2018						Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	47,808	705	288	178	266	49,245
Manufacturing and commercial	712,232	21,312	1,927	12,600	39,524	787,595
Real estate and construction	180,899	6,410	1,032	1,422	4,861	194,624
Utilities and services	429,337	12,474	182	1,301	3,688	446,982
Housing loans	229,919	2,350	1,797	1,702	4,257	240,025
Others	300,265	2,659	183	3,559	512	307,178
Total	<u>1,900,460</u>	<u>45,910</u>	<u>5,409</u>	<u>20,762</u>	<u>53,108</u>	<u>2,025,649</u>

6.7.5 As at December 31, 2019 and 2018, the Bank and subsidiaries had classified loans and allowance for doubtful accounts in accordance with the Notification of the BOT as follows :

CONSOLIDATED 2019					Million Baht
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank	
Minimum provision according to the BOT's requirement					
Normal	1,918,520	1,267,640	1	16,119	
Special mentioned	67,596	33,359	2	848	
Substandard	9,783	1,358	100	1,359	
Doubtful	14,522	6,259	100	6,259	
Doubtful of loss	54,901	30,087	100	30,087	
Excess provision according to the BOT's requirement					113,094
Total	<u>2,065,322</u>	<u>1,338,703</u>			<u>167,766</u>

	CONSOLIDATED 2018			Million Baht
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank
Minimum provision according to the BOT's requirement				
Normal	1,962,102	1,291,067	1	16,215
Special mentioned	46,501	22,387	2	591
Substandard	5,460	1,018	100	1,018
Doubtful	20,884	10,574	100	10,608
Doubtful of loss	53,837	30,188	100	30,188
Excess provision according to the BOT's requirement				88,968
Total	<u><u>2,088,784</u></u>	<u><u>1,355,234</u></u>		<u><u>147,588</u></u>

	THE BANK 2019			Million Baht
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank
Minimum provision according to the BOT's requirement				
Normal	1,861,672	1,223,874	1	15,716
Special mentioned	67,155	33,154	2	844
Substandard	9,783	1,358	100	1,359
Doubtful	13,960	5,696	100	5,696
Doubtful of loss	54,407	29,811	100	29,811
Excess provision according to the BOT's requirement				110,319
Total	<u><u>2,006,977</u></u>	<u><u>1,293,893</u></u>		<u><u>163,745</u></u>

	THE BANK 2018			Million Baht
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank
Minimum provision according to the BOT's requirement				
Normal	1,905,518	1,247,164	1	15,798
Special mentioned	46,295	22,184	2	587
Substandard	5,453	1,018	100	1,018
Doubtful	20,762	10,480	100	10,513
Doubtful of loss	53,108	29,865	100	29,865
Excess provision according to the BOT's requirement				86,545
Total	<u>2,031,136</u>	<u>1,310,711</u>		<u>144,326</u>

As at December 31, 2019 and 2018, the consolidated and the Bank's financial statements included the allowance for doubtful accounts amounting to Baht 6,343 million and Baht 6,052 million, respectively, on a collective approach, for loans classified as normal and special mentioned.

6.7.6 Troubled debt restructurings

Details of the restructured debts of the Bank for the years ended December 31, 2019 and 2018, classified by the restructuring methods, are as follows :

	THE BANK FOR THE YEAR ENDED DECEMBER 31, 2019			Million Baht
Restructuring Method	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Asset transfer	21	910	Land, building, machinery	910
Debt restructuring in various forms	6,118	68,274	-	-
Total	<u>6,139</u>	<u>69,184</u>		

The weighted average tenure of the above-mentioned restructuring is 5 years; and the total debt outstanding after debt restructuring at the restructuring contract date is Baht 69,184 million.

Million Baht				
THE BANK				
FOR THE YEAR ENDED DECEMBER 31, 2018				
Restructuring Method	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Asset transfer	10	278	Land, building, equity securities	278
Debt restructuring in various forms	<u>6,213</u>	<u>53,490</u>	-	-
Total	<u><u>6,223</u></u>	<u><u>53,768</u></u>		

The weighted average tenure of the above-mentioned restructuring is 6 years; and the total debt outstanding after debt restructuring at the restructuring contract date is Baht 53,768 million.

For the years ended December 31, 2019 and 2018, the Bank recognized interest income from restructured debts amounting to Baht 3,036 million and Baht 3,075 million, respectively.

As at December 31, 2019 and 2018, the Bank had outstanding balances of loans to restructured debtors amounting to Baht 102,958 million and Baht 92,337 million, respectively.

Disclosures for the consolidated financial statements for troubled debt restructurings which occurred during the years ended December 31, 2019 and 2018 have not been provided, as such information is not significantly different from the above disclosures for the Bank's financial statements.

6.8 Allowance for doubtful accounts

Allowance for doubtful accounts consisted of the following as at December 31, 2019 and 2018 :

Million Baht							
CONSOLIDATED							
2019							
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balances	16,215	591	1,018	10,608	30,188	88,968	147,588
Doubtful accounts	(96)	257	341	(4,349)	9,515	26,324	31,992
Bad debt recovered	-	-	-	-	1,516	-	1,516
Bad debt written off	-	-	-	-	(11,132)	-	(11,132)
Others	-	-	-	-	-	(2,198)	(2,198)
Ending balances	<u><u>16,119</u></u>	<u><u>848</u></u>	<u><u>1,359</u></u>	<u><u>6,259</u></u>	<u><u>30,087</u></u>	<u><u>113,094</u></u>	<u><u>167,766</u></u>

	CONSOLIDATED 2018						Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balances	14,983	591	5,275	10,387	36,471	70,004	137,711
Doubtful accounts	1,232	-	(4,257)	221	354	19,567	17,117
Bad debt recovered	-	-	-	-	1,121	-	1,121
Bad debt written off	-	-	-	-	(7,758)	-	(7,758)
Others	-	-	-	-	-	(603)	(603)
Ending balances	16,215	591	1,018	10,608	30,188	88,968	147,588

	THE BANK 2019						Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balances	15,798	587	1,018	10,513	29,865	86,545	144,326
Doubtful accounts	(82)	257	341	(4,817)	9,549	25,691	30,939
Bad debt recovered	-	-	-	-	1,456	-	1,456
Bad debt written off	-	-	-	-	(11,059)	-	(11,059)
Others	-	-	-	-	-	(1,917)	(1,917)
Ending balances	15,716	844	1,359	5,696	29,811	110,319	163,745

	THE BANK 2018						Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balances	14,688	585	5,272	10,293	35,648	68,025	134,511
Doubtful accounts	1,110	2	(4,254)	220	376	18,986	16,440
Bad debt recovered	-	-	-	-	1,102	-	1,102
Bad debt written off	-	-	-	-	(7,261)	-	(7,261)
Others	-	-	-	-	-	(466)	(466)
Ending balances	15,798	587	1,018	10,513	29,865	86,545	144,326

As at December 31, 2019 and 2018, the Bank and subsidiaries had the allowance for doubtful accounts in the consolidated financial statements of Baht 167,766 million and Baht 147,588 million, and in the Bank's financial statements of Baht 163,745 million and Baht 144,326 million, respectively.

As at December 31, 2019 and 2018, the Bank and subsidiaries recorded allowances for doubtful accounts in excess of the allowances as per the BOT's requirement in the consolidated financial statements of Baht 113,094 million and Baht 88,968 million, and in the Bank's financial statements of Baht 110,319 million and Baht 86,545 million, respectively (See Note 3.7).

6.9 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
	Million Baht			
Beginning balances	5,415	2,310	5,415	2,310
Increase during the years	2,642	3,614	2,642	3,614
Write off/decrease during the years	(1,547)	(509)	(1,547)	(509)
Ending balances	6,510	5,415	6,510	5,415

6.10 Properties for sale, net

Properties for sale consisted of the following as at December 31, 2019 and 2018 :

Type of Properties for Sale	CONSOLIDATED			Ending Balance
	Beginning Balance	Additions	Disposals	
Million Baht				
Assets from debt repayment				
Immovable assets	16,830	1,568	(2,488)	15,910
Movable assets	158	2	(91)	69
Total	16,988	1,570	(2,579)	15,979
Others	53	-	(53)	-
Total properties for sale	17,041	1,570	(2,632)	15,979
<u>Less</u> Allowance for impairment	(6,437)	(909)	730	(6,616)
Total properties for sale, net	10,604	661	(1,902)	9,363

Type of Properties for Sale	Beginning Balance	CONSOLIDATED 2018		Ending Balance
		Additions	Disposals	Million Baht
Assets from debt repayment				
Immovable assets	16,859	1,988	(2,017)	16,830
Movable assets	<u>134</u>	<u>24</u>	<u>-</u>	<u>158</u>
Total	16,993	2,012	(2,017)	16,988
Others	<u>65</u>	<u>-</u>	<u>(12)</u>	<u>53</u>
Total properties for sale	17,058	2,012	(2,029)	17,041
<u>Less</u> Allowance for impairment	<u>(5,643)</u>	<u>(1,058)</u>	<u>264</u>	<u>(6,437)</u>
Total properties for sale, net	<u>11,415</u>	<u>954</u>	<u>(1,765)</u>	<u>10,604</u>

As at December 31, 2019, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 15,910 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 11,025 million and appraised by internal appraisers in the amount of Baht 4,885 million.

As at December 31, 2018, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 16,830 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 12,102 million and appraised by internal appraisers in the amount of Baht 4,728 million.

Type of Properties for Sale	Beginning Balance	THE BANK 2019		Ending Balance
		Additions	Disposals	Million Baht
Assets from debt repayment				
Immovable assets	12,873	1,568	(1,610)	12,831
Movable assets	<u>158</u>	<u>2</u>	<u>(91)</u>	<u>69</u>
Total	13,031	1,570	(1,701)	12,900
Others	<u>53</u>	<u>-</u>	<u>(53)</u>	<u>-</u>
Total properties for sale	13,084	1,570	(1,754)	12,900
<u>Less</u> Allowance for impairment	<u>(4,341)</u>	<u>(515)</u>	<u>324</u>	<u>(4,532)</u>
Total properties for sale, net	<u>8,743</u>	<u>1,055</u>	<u>(1,430)</u>	<u>8,368</u>

Type of Properties for Sale	THE BANK 2018			Million Baht
	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	12,416	1,988	(1,531)	12,873
Movable assets	134	24	-	158
Total	12,550	2,012	(1,531)	13,031
Others	65	-	(12)	53
Total properties for sale	12,615	2,012	(1,543)	13,084
<u>Less</u> Allowance for impairment	<u>(4,085)</u>	<u>(429)</u>	<u>173</u>	<u>(4,341)</u>
Total properties for sale, net	<u>8,530</u>	<u>1,583</u>	<u>(1,370)</u>	<u>8,743</u>

As at December 31, 2019, the Bank had immovable assets from debt repayment in the amount of Baht 12,831 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 8,452 million and appraised by internal appraisers in the amount of Baht 4,379 million.

As at December 31, 2018, the Bank had immovable assets from debt repayment in the amount of Baht 12,873 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 8,994 million and appraised by internal appraisers in the amount of Baht 3,879 million.

Classified properties for sale in accordance with the Notification of the BOT as at December 31, 2019 and 2018 are presented in Note 6.14.

The Bank had disclosed transactions according to the BOT's Notification regarding the Accounting Rules for Financial Institutions in relations to the Sale of Properties for Sale, dated December 4, 2015. The transactions of the Bank and subsidiaries are as follows :

Type of Sale of Properties for Sale	Income Recognition Method	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,						Million Baht
		Deferred Profit on Sale of Properties for Sale	2019 Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	2018 Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	
Sale to public	Per Installment	10	-	-	11	1	-	
Sale to public	Per cost recovery	-	2,120	(50)	-	1,074	(23)	

Million Baht

THE BANK							
FOR THE YEARS ENDED DECEMBER 31,							
2019				2018			
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	10	-	-	11	1	-
Sale to public	Per cost recovery	-	1,012	(45)	-	784	(22)

6.11 Premises and equipment, net

Premises and equipment consisted of the following as at December 31, 2019 and 2018 :

CONSOLIDATED											
2019											
	Cost				Ending Balance	Accumulated Depreciation					Premises and Equipment (Net)
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others		Depre- Citation	Disposal/ Transfer	Others	Ending Balance		
Land											
Cost	7,612	-	(2)	(105)	7,505	-	-	-	-	-	7,505
Appraisal increase (year 2015)	20,823	-	(7)	(155)	20,661	-	-	-	-	-	20,661
Appraisal decrease (year 2015)	(704)	-	-	28	(676)	-	-	-	-	-	(676)
Premises											
Cost	3,519	35	(178)	(119)	3,257	727	421	(178)	(22)	948	2,309
Appraisal increase (year 2015)	12,338	-	-	(64)	12,274	4,228	1,177	-	(10)	5,395	6,879
Appraisal decrease (year 2015)	(217)	-	-	10	(207)	(48)	(14)	-	3	(59)	(148)
Equipment											
	22,503	1,683	(1,436)	(76)	22,674	19,046	1,516	(1,425)	(68)	19,069	3,605
Others											
	646	1,112	(1,136)	(3)	619	-	-	-	-	-	619
Total	<u>66,520</u>	<u>2,830</u>	<u>(2,759)</u>	<u>(484)</u>	<u>66,107</u>	<u>23,953</u>	<u>3,100</u>	<u>(1,603)</u>	<u>(97)</u>	<u>25,353</u>	<u>40,754</u>

Million Baht

CONSOLIDATED
2018

	Cost				Ending Balance	Accumulated Depreciation				Ending Balance	Premises and Equipment (Net)
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others		Beginning Balance	Depre- ciation	Disposal/ Transfer	Others		
Land											
Cost	7,640	-	-	(28)	7,612	-	-	-	-	-	7,612
Appraisal increase (year 2015)	20,919	-	-	(96)	20,823	-	-	-	-	-	20,823
Appraisal decrease (year 2015)	(705)	-	-	1	(704)	-	-	-	-	-	(704)
Premises											
Cost	3,553	25	(9)	(50)	3,519	544	196	(9)	(4)	727	2,792
Appraisal increase (year 2015)	12,376	-	-	(38)	12,338	3,054	1,179	-	(5)	4,228	8,110
Appraisal decrease (year 2015)	(216)	-	-	(1)	(217)	(34)	(14)	-	-	(48)	(169)
Equipment	21,852	1,296	(611)	(34)	22,503	18,315	1,366	(605)	(30)	19,046	3,457
Others	294	625	(273)	-	646	-	-	-	-	-	646
Total	<u>65,713</u>	<u>1,946</u>	<u>(893)</u>	<u>(246)</u>	<u>66,520</u>	<u>21,879</u>	<u>2,727</u>	<u>(614)</u>	<u>(39)</u>	<u>23,953</u>	<u>42,567</u>

The Bank has the land and premises appraised. The appraisal value defined by independent appraisers is categorized as Level 3 in the fair value hierarchy. (Determination of level of the fair value hierarchy are shown in Note 4.2.)

As at December 31, 2019 and 2018, the Bank and subsidiaries had equipment which are fully depreciated but still in use at the original costs amounting to Baht 15,761 million and Baht 15,903 million, respectively.

Million Baht

THE BANK
2019

	Cost				Ending Balance	Accumulated Depreciation				Ending Balance	Premises and Equipment (Net)
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others		Beginning Balance	Depre- ciation	Disposal/ Transfer	Others		
Land											
Cost	7,607	-	(2)	(106)	7,499	-	-	-	-	-	7,499
Appraisal increase (year 2015)	20,766	-	(7)	(151)	20,608	-	-	-	-	-	20,608
Appraisal decrease (year 2015)	(704)	-	-	28	(676)	-	-	-	-	-	(676)
Premises											
Cost	2,404	32	(178)	(44)	2,214	614	347	(178)	(10)	773	1,441
Appraisal increase (year 2015)	12,291	-	-	(61)	12,230	4,211	1,172	-	(9)	5,374	6,856
Appraisal decrease (year 2015)	(217)	-	-	10	(207)	(48)	(14)	-	3	(59)	(148)
Equipment	21,391	1,589	(1,388)	(55)	21,537	18,205	1,417	(1,378)	(47)	18,197	3,340
Others	624	1,071	(1,109)	(1)	585	-	-	-	-	-	585
Total	<u>64,162</u>	<u>2,692</u>	<u>(2,684)</u>	<u>(380)</u>	<u>63,790</u>	<u>22,982</u>	<u>2,922</u>	<u>(1,556)</u>	<u>(63)</u>	<u>24,285</u>	<u>39,505</u>

Million Baht

	THE BANK 2018										
	Beginning Balance	Cost Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Depreciation Depre- ciation	Disposal/ Transfer	Others	Ending Balance	Premises and Equipment (Net)
Land											
Cost	7,635	-	-	(28)	7,607	-	-	-	-	-	7,607
Appraisal increase (year 2015)	20,861	-	-	(95)	20,766	-	-	-	-	-	20,766
Appraisal decrease (year 2015)	(705)	-	-	1	(704)	-	-	-	-	-	(704)
Premises											
Cost	2,401	25	(9)	(13)	2,404	458	165	(8)	(1)	614	1,790
Appraisal increase (year 2015)	12,328	-	-	(37)	12,291	3,042	1,174	-	(5)	4,211	8,080
Appraisal decrease (year 2015)	(216)	-	-	(1)	(217)	(34)	(14)	-	-	(48)	(169)
Equipment	20,789	1,206	(588)	(16)	21,391	17,536	1,267	(584)	(14)	18,205	3,186
Others	278	593	(247)	-	624	-	-	-	-	-	624
Total	<u>63,371</u>	<u>1,824</u>	<u>(844)</u>	<u>(189)</u>	<u>64,162</u>	<u>21,002</u>	<u>2,592</u>	<u>(592)</u>	<u>(20)</u>	<u>22,982</u>	<u>41,180</u>

The Bank has the land and premises appraised. The appraisal value defined by independent appraisers is categorized as Level 3 in the fair value hierarchy. (Determination of level of the fair value hierarchy are shown in Note 4.2.)

As at December 31, 2019 and 2018, the Bank had equipment which is fully depreciated but still in use at the original costs amounting to Baht 15,115 million, and Baht 15,304 million, respectively.

6.12 Other intangible assets, net

Other intangible assets consisted of the following as at December 31, 2019 and 2018 :

	CONSOLIDATED 2019										
	Beginning Balance	Cost Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Amortization Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	2,728	8,918	(50)	(7,744)	3,852	2,229	688	(36)	(13)	2,868	984
Others	581	203	(7)	(1)	776	-	-	-	-	-	776
Total	<u>3,309</u>	<u>9,121</u>	<u>(57)</u>	<u>(7,745)</u>	<u>4,628</u>	<u>2,229</u>	<u>688</u>	<u>(36)</u>	<u>(13)</u>	<u>2,868</u>	<u>1,760</u>

Million Baht

Million Baht

CONSOLIDATED											
2018											
	Cost				Accumulated Amortization						
	Beginning Balance	Additions/Transfer	Disposal/Transfer	Others	Ending Balance	Beginning Balance	Amortization	Disposal/Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	2,644	176	(83)	(9)	2,728	1,959	323	(44)	(9)	2,229	499
Others	347	277	(43)	-	581	-	-	-	-	-	581
Total	2,991	453	(126)	(9)	3,309	1,959	323	(44)	(9)	2,229	1,080

Million Baht

THE BANK											
2019											
	Cost				Accumulated Amortization						
	Beginning Balance	Additions/Transfer	Disposal/Transfer	Others	Ending Balance	Beginning Balance	Amortization	Disposal/Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	2,407	8,881	(35)	(7,733)	3,520	1,997	664	(35)	(3)	2,623	897
Others	581	203	(7)	(1)	776	-	-	-	-	-	776
Total	2,988	9,084	(42)	(7,734)	4,296	1,997	664	(35)	(3)	2,623	1,673

Million Baht

THE BANK											
2018											
	Cost				Accumulated Amortization						
	Beginning Balance	Additions/Transfer	Disposal/Transfer	Others	Ending Balance	Beginning Balance	Amortization	Disposal/Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	2,340	109	(40)	(2)	2,407	1,734	304	(40)	(1)	1,997	410
Others	346	277	(42)	-	581	-	-	-	-	-	581
Total	2,686	386	(82)	(2)	2,988	1,734	304	(40)	(1)	1,997	991

6.13 Deferred tax assets and liabilities

Deferred tax assets and liabilities as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Deferred tax assets	4,542	4,091	3,361	2,948
Deferred tax liabilities	2,364	1,399	2,159	1,187
Deferred tax assets, net	2,178	2,692	1,202	1,761

Movements in total deferred tax assets and liabilities during the years are as follows :

	CONSOLIDATED 2019				Million Baht
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	3,458	63	245	-	3,766
Loans to customers and accrued interest receivables	9,298	(1,172)	-	(216)	7,910
Properties for sale	1,288	36	-	-	1,324
Premises and equipment	241	(8)	-	34	267
Provisions	3,363	84	338	(3)	3,782
Others	3,639	3,817	-	(4)	7,452
Total	<u>21,287</u>	<u>2,820</u>	<u>583</u>	<u>(189)</u>	<u>24,501</u>
Deferred tax liabilities					
Investments	8,590	13	(243)	-	8,360
Loans to customers and accrued interest receivables	132	38	-	-	170
Premises and equipment	5,886	(235)	-	-	5,651
Others	3,987	4,155	-	-	8,142
Total	<u>18,595</u>	<u>3,971</u>	<u>(243)</u>	<u>-</u>	<u>22,323</u>
Net	<u><u>2,692</u></u>	<u><u>(1,151)</u></u>	<u><u>826</u></u>	<u><u>(189)</u></u>	<u><u>2,178</u></u>

Million Baht

	CONSOLIDATED 2018				Ending Balance
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	
Deferred tax assets					
Investments	2,716	386	356	-	3,458
Loans to customers and accrued interest receivables	7,955	1,498	-	(155)	9,298
Properties for sale	1,129	159	-	-	1,288
Premises and equipment	222	(6)	-	25	241
Provisions	2,761	681	(75)	(4)	3,363
Others	3,642	1	-	(4)	3,639
Total	<u>18,425</u>	<u>2,719</u>	<u>281</u>	<u>(138)</u>	<u>21,287</u>
Deferred tax liabilities					
Investments	10,631	2	(2,043)	-	8,590
Loans to customers and accrued interest receivables	-	132	-	-	132
Properties for sale	2	(2)	-	-	-
Premises and equipment	6,116	(229)	-	(1)	5,886
Others	3,742	245	-	-	3,987
Total	<u>20,491</u>	<u>148</u>	<u>(2,043)</u>	<u>(1)</u>	<u>18,595</u>
Net	<u>(2,066)</u>	<u>2,571</u>	<u>2,324</u>	<u>(137)</u>	<u>2,692</u>

	THE BANK 2019				Million Baht
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	3,451	67	247	-	3,765
Loans to customers and accrued interest receivables	8,569	(1,258)	-	(152)	7,159
Properties for sale	868	38	-	-	906
Premises and equipment	241	(8)	-	34	267
Provisions	3,321	70	340	(3)	3,728
Others	3,612	3,781	-	(3)	7,390
Total	<u>20,062</u>	<u>2,690</u>	<u>587</u>	<u>(124)</u>	<u>23,215</u>
Deferred tax liabilities					
Investments	8,333	-	(249)	-	8,084
Loans to customers and accrued interest receivables	132	39	-	-	171
Premises and equipment	5,865	(244)	-	-	5,621
Others	3,971	4,166	-	-	8,137
Total	<u>18,301</u>	<u>3,961</u>	<u>(249)</u>	<u>-</u>	<u>22,013</u>
Net	<u><u>1,761</u></u>	<u><u>(1,271)</u></u>	<u><u>836</u></u>	<u><u>(124)</u></u>	<u><u>1,202</u></u>

	THE BANK 2018				Million Baht
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,701	386	364	-	3,451
Loans to customers and accrued interest receivables	7,334	1,352	-	(117)	8,569
Properties for sale	817	51	-	-	868
Premises and equipment	222	(6)	-	25	241
Provisions	2,725	676	(76)	(4)	3,321
Others	3,557	56	-	(1)	3,612
Total	<u>17,356</u>	<u>2,515</u>	<u>288</u>	<u>(97)</u>	<u>20,062</u>
Deferred tax liabilities					
Investments	10,363	(1)	(2,029)	-	8,333
Loans to customers and accrued interest receivables	-	132	-	-	132
Properties for sale	2	(2)	-	-	-
Premises and equipment	6,093	(228)	-	-	5,865
Others	3,739	232	-	-	3,971
Total	<u>20,197</u>	<u>133</u>	<u>(2,029)</u>	<u>-</u>	<u>18,301</u>
Net	<u>(2,841)</u>	<u>2,382</u>	<u>2,317</u>	<u>(97)</u>	<u>1,761</u>

6.14 Classified assets in accordance with the Notification of the BOT

As at December 31, 2019 and 2018, classified assets in accordance with the Notification of the BOT are as follows :

	CONSOLIDATED 2019				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,918,520	-	-	-	1,918,520
Special mentioned	67,596	-	-	-	67,596
Substandard	9,783	-	-	-	9,783
Doubtful	14,522	-	-	-	14,522
Doubtful of loss	54,901	14,481	1,963	1,227	72,572
Total	2,065,322	14,481	1,963	1,227	2,082,993

	CONSOLIDATED 2018				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,962,102	-	-	-	1,962,102
Special mentioned	46,501	-	-	-	46,501
Substandard	5,460	-	-	-	5,460
Doubtful	20,884	-	-	-	20,884
Doubtful of loss	53,837	13,811	1,885	1,277	70,810
Total	2,088,784	13,811	1,885	1,277	2,105,757

	THE BANK 2019				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,861,672	-	-	-	1,861,672
Special mentioned	67,155	-	-	-	67,155
Substandard	9,783	-	-	-	9,783
Doubtful	13,960	-	-	-	13,960
Doubtful of loss	54,407	14,512	378	1,225	70,522
Total	2,006,977	14,512	378	1,225	2,023,092

	THE BANK 2018				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,905,518	-	-	-	1,905,518
Special mentioned	46,295	-	-	-	46,295
Substandard	5,453	-	-	-	5,453
Doubtful	20,762	-	-	-	20,762
Doubtful of loss	53,108	13,733	389	1,275	68,505
Total	2,031,136	13,733	389	1,275	2,046,533

6.15 Deposits

6.15.1 Classified by product type as at December 31, 2019 and 2018 :

	CONSOLIDATED		THE BANK		Million Baht
	2019	2018	2019	2018	
Demand	113,067	101,557	110,767	100,188	
Savings	1,145,106	1,117,522	1,135,203	1,105,667	
Fixed	1,109,151	1,104,812	1,067,329	1,054,837	
Negotiable certificates of deposit	3,468	2,579	2,736	1,798	
Total	2,370,792	2,326,470	2,316,035	2,262,490	

6.15.2 Classified by currency and customer's residence as at December 31, 2019 and 2018 :

	CONSOLIDATED						Million Baht
	2019			2018			
	Domestic	Foreign	Total	Domestic	Foreign	Total	
BAHT	1,990,674	125,212	2,115,886	1,952,933	124,747	2,077,680	
USD	36,793	53,203	89,996	34,827	57,452	92,279	
Others	21,716	143,194	164,910	21,839	134,672	156,511	
Total	2,049,183	321,609	2,370,792	2,009,599	316,871	2,326,470	

	THE BANK						Million Baht
	2019			2018			
	Domestic	Foreign	Total	Domestic	Foreign	Total	
BAHT	1,991,263	125,201	2,116,464	1,953,231	124,733	2,077,964	
USD	36,768	52,068	88,836	34,796	57,069	91,865	
Others	14,811	95,924	110,735	13,587	79,074	92,661	
Total	2,042,842	273,193	2,316,035	2,001,614	260,876	2,262,490	

6.16 Interbank and money market items (liabilities)

Interbank and money market items (liabilities) consisted of the following as at December 31, 2019 and 2018 :

	CONSOLIDATED					Million Baht
	Demand	2019 Time	Total	Demand	2018 Time	Total
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	100	-	100	657	-	657
Commercial banks	1,100	41,360	42,460	1,091	25,950	27,041
Special purpose financial institutions	118	18,934	19,052	105	21,200	21,305
Other financial institutions	<u>9,291</u>	<u>851</u>	<u>10,142</u>	<u>12,377</u>	<u>659</u>	<u>13,036</u>
Total domestic items	<u>10,609</u>	<u>61,145</u>	<u>71,754</u>	<u>14,230</u>	<u>47,809</u>	<u>62,039</u>
Foreign items						
USD	1,958	25,866	27,824	2,257	30,884	33,141
JPY	2	13,355	13,357	2	7,005	7,007
EUR	900	279	1,179	204	3,141	3,345
Others	<u>5,752</u>	<u>14,480</u>	<u>20,232</u>	<u>7,535</u>	<u>23,795</u>	<u>31,330</u>
Total foreign items	<u>8,612</u>	<u>53,980</u>	<u>62,592</u>	<u>9,998</u>	<u>64,825</u>	<u>74,823</u>
Total domestic and foreign items	<u>19,221</u>	<u>115,125</u>	<u>134,346</u>	<u>24,228</u>	<u>112,634</u>	<u>136,862</u>

	THE BANK					Million Baht
	Demand	2019 Time	Total	Demand	2018 Time	Total
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	100	-	100	657	-	657
Commercial banks	1,099	41,360	42,459	1,091	25,950	27,041
Special purpose financial institutions	118	18,934	19,052	105	21,200	21,305
Other financial institutions	<u>9,598</u>	<u>851</u>	<u>10,449</u>	<u>12,707</u>	<u>689</u>	<u>13,396</u>
Total domestic items	<u>10,915</u>	<u>61,145</u>	<u>72,060</u>	<u>14,560</u>	<u>47,839</u>	<u>62,399</u>
Foreign items						
USD	1,996	24,815	26,811	2,294	29,723	32,017
JPY	34	13,355	13,389	31	7,005	7,036
EUR	929	279	1,208	270	3,141	3,411
Others	<u>5,822</u>	<u>9,987</u>	<u>15,809</u>	<u>7,588</u>	<u>15,943</u>	<u>23,531</u>
Total foreign items	<u>8,781</u>	<u>48,436</u>	<u>57,217</u>	<u>10,183</u>	<u>55,812</u>	<u>65,995</u>
Total domestic and foreign items	<u>19,696</u>	<u>109,581</u>	<u>129,277</u>	<u>24,743</u>	<u>103,651</u>	<u>128,394</u>

6.17 Debt issued and borrowings

6.17.1 Classified by type of instruments and source of fund as at December 31, 2019 and 2018 :

	Million Baht					
	CONSOLIDATED					
	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Senior unsecured notes	-	99,530	99,530	-	107,027	107,027
Subordinated notes	-	49,757	49,757	-	14,587	14,587
Bills of exchange	8	-	8	23	-	23
Others	838	-	838	456	-	456
<u>Less</u> Discount on borrowings	-	(5,452)	(5,452)	-	(5,745)	(5,745)
Total	846	143,835	144,681	479	115,869	116,348

	Million Baht					
	THE BANK					
	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Senior unsecured notes	-	99,530	99,530	-	107,027	107,027
Subordinated notes	-	49,757	49,757	-	14,587	14,587
Bills of exchange	8	-	8	23	-	23
Others	473	-	473	329	-	329
<u>Less</u> Discount on borrowings	-	(5,452)	(5,452)	-	(5,745)	(5,745)
Total	481	143,835	144,316	352	115,869	116,221

6.17.2 Classified by type of instruments, currency, maturity and interest rate as at December 31, 2019 and 2018 :

Type	Currency	Maturity	Interest Rate	Million Baht	
				CONSOLIDATED	
				2019	2018
Senior unsecured notes	USD	2020 - 2028	3.875% - 5.00%	99,530	107,027
Subordinated notes	USD	2029 - 2034	3.733% - 9.025%	49,757	14,587
Bills of exchange	THB	2020	0.00% - 1.00%	8	23
Others	THB	2020 - 2024	0.00% - 1.40%	838	456
<u>Less</u> Discount on borrowings				(5,452)	(5,745)
Total				144,681	116,348

Type	Currency	Maturity	Interest Rate	THE BANK	
				Amount	
				2019	2018
Senior unsecured notes	USD	2020 - 2028	3.875% - 5.00%	99,530	107,027
Subordinated notes	USD	2029 - 2034	3.733% - 9.025%	49,757	14,587
Bills of exchange	THB	2020	0.00% - 1.00%	8	23
Others	THB	2021 - 2024	0.00%	473	329
<u>Less Discount on borrowings</u>				<u>(5,452)</u>	<u>(5,745)</u>
Total				<u>144,316</u>	<u>116,221</u>

6.18 Subordinated notes

On January 28, 1999, the Bank issued and offered USD 450 million of subordinated notes with a maturity of 30 years, to be due in 2029, at a coupon rate of 9.025% p.a. for sale to foreign investors in exchange for the Bank's existing USD 150 million of subordinated notes to be due in 2016 at a coupon rate of 8.25% p.a. and USD 300 million of subordinated notes to be due in 2027 at a coupon rate of 8.375% p.a., which were redeemed before their maturities and already obtained the approval from the BOT. As this transaction was a redemption of the existing notes at their market values, which were lower than the par values, the Bank recorded the book value of the subordinated notes to be due in 2029 at the amount of USD 259 million (Baht 9,535 million). The difference between the book value and the redemption value of the notes will be amortized on a monthly basis throughout the life of the notes.

On December 7, 2012, the Bank issued and offered Baht 20,000 million of subordinated notes with a maturity of 10 years, to be due in 2022 with the issuer's early redemption right, at a coupon rate of 4.375% p.a. for sale to general investors, high net worth investors and institutional investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007. On December 7, 2017, the Bank redeemed all subordinated notes of Baht 20,000 million of with a maturity of 10 years, at a coupon rate of 4.375% p.a. before their maturity, which has been approved by the BOT.

On September 25, 2019, the Bank issued and offered USD 1,200 million of subordinated notes qualified to be included in Tier 2 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof, with a maturity of 15 years, at a coupon rate of 3.733% p.a. for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007. The Bank received net proceeds from the sale of subordinated notes amounting to USD 1,200 million, which the BOT had approved to include in Tier 2 capital on September 25, 2019.

6.19 Bonds

On April 12, 2005, the shareholders reconsidered the resolutions of the shareholders' meeting, convened on April 9, 2004, approving to issue bonds of the Bank and passed a resolution for the Bank to issue and offer subordinated bonds and/or unsubordinated bonds and/or perpetual bonds, both subordinated and unsubordinated, and/or subordinated convertible bonds and/or convertible bonds (together the "Bonds") in an amount not exceeding USD 3,000 million or its equivalent in other currencies, offered and sold in foreign markets and/or domestic markets to general public and/or institutional investors or investors with specific characteristics defined in the Notification of the Securities and Exchange Commission. The Bank may issue different types of Bonds in one issue simultaneously or in several issues at different times. The non-perpetual bonds shall have a maturity of not exceeding 100 years. The subordinated convertible bonds and/or convertible bonds shall have a maturity of not exceeding 30 years, and the amount of not exceeding USD 1,000 million or its equivalent in other currencies. The Board of Directors or the Executive Board of Directors shall be empowered to consider terms and conditions and other details for the issue and offering of the bonds. The shareholders also approved the allocation of 500 million common shares to accommodate the conversion right of the subordinated convertible bonds and/or convertible bonds (See Note 6.23).

On November 17, 2006, the Bank obtained approval from the Office of the Securities and Exchange Commission (SEC) to issue and offer for sale short-term bonds in an amount not exceeding Baht 30,000 million with no limit on the number of issues. The Bank issued 5 series of short-term bonds totaling Baht 7,863 million which were gradually redeemed up to the full amount as at September 2007.

On April 12, 2007, the shareholders passed a resolution for the issuance of bonds, whether subordinated or unsubordinated and/or secured or unsecured, including but not limited to short-term bonds, derivative bonds and non-cumulative hybrid debt instruments with non-payment of interest in the years where the Bank does not report any profit (together the "Bonds") in the amount not exceeding Baht 150,000 million or its equivalent in other currencies to be offered for sale in domestic markets and/or in foreign markets to the general public, and/or institutional investors or investors with specific characteristics as defined in the Notification of the Securities and Exchange Commission. At any point in time, the Bank may offer for sale Bonds in an amount within such limit less the amount of Bonds already issued under such limit but not yet redeemed at that point in time. The Bank may issue and offer for sale different types of Bonds simultaneously in one issue at the same time or in several issues at different times and/or as a program and/or on a revolving basis and may issue and offer for sale Bonds in conjunction with or at the same time with other securities, provided that the Bonds, other than perpetual bonds, shall have a maturity of not exceeding 100 years. The Bank may be granted the right to redeem the Bonds prior to their maturities, and/or the bondholders may be granted the right to call the Bank to redeem the Bonds prior to their maturities, in accordance with the condition of the Bonds. The Board

of Directors or the Board of Executive Directors shall be empowered to consider terms and conditions and other details for the issue and offering of the bonds.

On October 18, 2010, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 12th Annual Ordinary Meeting of Shareholders convened on April 12, 2005 consisting of senior unsecured notes with a maturity of 5 years at a coupon of 3.25% p.a., amounting to USD 400 million and senior unsecured notes with a maturity of 10 years at a coupon of 4.80% p.a., amounting to USD 800 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 1,196 million. On October 19, 2015, the Bank redeemed senior unsecured notes with a maturity of 5 years at a coupon of 3.25% p.a., amounting to USD 400 million.

On September 27, 2012, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 12th Annual Ordinary Meeting of Shareholders convened on April 12, 2005 consisting of senior unsecured notes with a maturity of 5.5 years at a coupon of 2.75% p.a., amounting to USD 400 million and senior unsecured notes with a maturity of 10 years at a coupon of 3.875% p.a., amounting to USD 800 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 1,194 million. On March 27, 2018, the Bank redeemed senior unsecured notes with a maturity of 5.5 years at a coupon of 2.75% p.a., amounting to USD 400 million.

On April 12, 2013, the shareholders passed a resolution for the issuance of bonds, whether subordinated or unsubordinated and/or secured or unsecured, including but not limited to short-term bonds, derivative bonds, perpetual bonds and non-cumulative hybrid debt instruments with non-payment of interest in the years where the Bank does not report any profit (together the "Bonds") in the amount not exceeding Baht 150,000 million or its equivalent in other currencies to be offered for sale in domestic markets and/or in foreign markets to the general public, and/or institutional investors or investors with specific characteristics as defined in the Notification of the Securities and Exchange Commission. At any point in time, the Bank may offer for sale Bonds in an amount within such limit less the amount of Bonds already issued under such limit but not yet redeemed at that point in time. The Bank may issue and offer for sale different types of Bonds simultaneously in one issue at the same time or in several issues at different times and/or as a program and/or on a revolving basis and may issue and offer for sale Bonds in conjunction with or at the same time with other securities, provided that the Bonds, other than perpetual bonds, shall have a maturity of not exceeding 100 years. The Bank may be granted the right to redeem the Bonds prior to their maturities, and/or the bondholders may be granted the right to call the Bank to redeem the Bonds prior to their maturities, in accordance with the terms and conditions of the Bonds. The Board of Directors or the Board of Executive Directors shall be empowered to consider conditions and other details for the issue and offering of the bonds.

On October 3, 2013, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007 consisting of senior unsecured notes with a maturity of 5 years at a coupon of 3.30% p.a., amounting to USD 500 million and senior unsecured notes with a maturity of 10 years at a coupon of 5.00% p.a., amounting to USD 500 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 999 million. On October 3, 2018, the Bank redeemed senior unsecured notes with a maturity of 5 years at a coupon of 3.30% p.a., amounting to USD 500 million.

On September 19, 2018, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007 consisting of senior unsecured notes with a maturity of 5.5 years at a coupon of 4.05% p.a., amounting to USD 600 million and senior unsecured notes with a maturity of 10 years at a coupon of 4.45% p.a., amounting to USD 600 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 1,198 million.

6.20 The Issuance of Bonds under the Medium Term Note Program

On March 26, 1997, the shareholders passed a resolution for the Bank to issue and offer bonds including subordinated bonds and unsubordinated bonds under the Medium Term Note Program in an amount of not exceeding USD 1,500 million or its equivalent in other currencies. The bonds shall have a maturity of not exceeding 30 years and be offered and sold in foreign markets and/or domestic markets. The Bank may be given the right to redeem the bonds prior to their maturity and/or the bondholders may be given the right to call the Bank to redeem the bonds prior to their maturity in accordance with the condition of the bonds. The Board of Directors was authorized to proceed with the issue. As at December 31, 2019, the Bank had not yet issued bonds according to the aforementioned resolution.

6.21 Provisions

As at December 31, 2019 and 2018 provisions are as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Beginning balances	16,519	13,504	16,311	13,323
Increase during the years	3,958	4,834	3,880	4,806
Written off/reversal during the years	<u>(1,775)</u>	<u>(1,819)</u>	<u>(1,763)</u>	<u>(1,818)</u>
Ending balances	<u><u>18,702</u></u>	<u><u>16,519</u></u>	<u><u>18,428</u></u>	<u><u>16,311</u></u>

6.22 Post-employment benefits

6.22.1 Defined contribution plans

For the years ended December 31, 2019 and 2018, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements, amounting to Baht 1,247 million and Baht 1,240 million, and in the Bank's financial statements amounting to Baht 1,127 million and Baht 1,113 million, respectively.

6.22.2 Defined benefit plans

As at December 31, 2019 and 2018, the Bank and its local subsidiaries have unfunded defined benefit plans but some overseas branches have funded defined benefit plans. The reconciliation of the defined benefit obligations, both funded and unfunded, and plan assets to the amounts recognized in the financial statements are as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
				Million Baht
The present value of the funded defined benefit plans	788	811	788	811
The fair value of plan assets	<u>(611)</u>	<u>(571)</u>	<u>(611)</u>	<u>(571)</u>
	177	240	177	240
The present value of the unfunded defined benefit plans	<u>13,087</u>	<u>10,698</u>	<u>12,814</u>	<u>10,491</u>
Liabilities, net	<u><u>13,264</u></u>	<u><u>10,938</u></u>	<u><u>12,991</u></u>	<u><u>10,731</u></u>

The following table presents the reconciliations of the present value of defined benefit obligations, both funded and unfunded, under the post-employment benefits as at December 31, 2019 and 2018 :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
				Million Baht
Beginning balances	11,509	8,916	11,302	8,735
Current service costs	742	3,114	669	3,093
Interest costs	348	271	343	267
Benefit paid during the years	(381)	(339)	(378)	(338)
Actuarial losses (gains) on obligations				
from changes in financial assumptions	1,960	51	1,982	50
from changes in demographic assumptions	9	(297)	-	(308)
from experience	(270)	(157)	(274)	(147)
Unrealized gains on exchanges	<u>(42)</u>	<u>(50)</u>	<u>(42)</u>	<u>(50)</u>
Ending balances	<u><u>13,875</u></u>	<u><u>11,509</u></u>	<u><u>13,602</u></u>	<u><u>11,302</u></u>

On April 5, 2019, the new Labor Protection Act was published in the Royal Gazette after the National Legislative Assembly passed it on December 13, 2018. This new Labor Protection Act amend the amount of severance pay for an employee who has worked at least 20 years in accordance with the Bank's working rules and regulations to be increased to 400 days at the employee's last wage rate. The Bank determined that such revision to Labor Act was the post-employee benefit plan amendment which become effective to the post employment benefit obligation as at December 31, 2018. The Bank therefore already recognized the increase of such severance pay as the expense for the year 2018 amounting to Baht 2,523 million.

The following table presents the reconciliations of the fair value of plan assets related to the funded defined benefit plans as at December 31, 2019 and 2018 :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
	Million Baht			
Beginning balances	571	552	571	552
Interest income	21	20	21	20
Contributions	39	62	39	62
Benefit paid during the years	(2)	(23)	(2)	(23)
Actuarial gains (losses) on plan assets	4	(4)	4	(4)
Unrealized losses on exchanges	<u>(22)</u>	<u>(36)</u>	<u>(22)</u>	<u>(36)</u>
Ending balances	<u><u>611</u></u>	<u><u>571</u></u>	<u><u>611</u></u>	<u><u>571</u></u>

Significant actuarial assumptions used to calculate the defined benefit obligations and plan assets, average per each plan, and the sensitivity analysis for each significant actuarial assumptions which reflect increasing in the obligations if the assumptions change by 1% as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED		Percentage	
	Significant actuarial assumptions	Increase in defined benefit obligations	2019	2018
	2019	2018	2019	2018
Discount rate	0.70 - 8.10	0.70 - 8.10	14.12	12.84
Average future salary increases	2.00 - 15.00	2.00 - 15.00	12.69	11.47

	THE BANK		Percentage	
	Significant actuarial assumptions	Increase in defined benefit obligations	2019	2018
	2019	2018	2019	2018
Discount rate	0.70 - 8.10	0.70 - 8.10	14.19	12.88
Average future salary increases	2.00 - 15.00	2.00 - 15.00	12.70	11.47

6.23 Share capital

The Bank's share capital consists of :

- Common shares
- Class A and Class B preferred shares, the holders of which have rights according to Article 3 of the Bank's Articles of Association.

As at December 31, 2019 and 2018, the Bank had registered share capital of Baht 40,000,000,000 divided into common shares and preferred shares totaling 4,000,000,000 shares, with par value of Baht 10 each, details of which are as follows :

Type	Number of Registered Shares	
	2019	2018
Common shares	3,998,345,000	3,998,345,000
Class A preferred shares	655,000	655,000
Class B preferred shares	1,000,000	1,000,000
Total	<u>4,000,000,000</u>	<u>4,000,000,000</u>

As at December 31, 2019 and 2018, the Bank had 1,908,842,894 issued common shares and 2,039,502,106 unissued common shares and 655,000 Class A unissued preferred shares and 1,000,000 Class B unissued preferred shares. In relation to the allocation of the unissued common shares, the Bank will follow the resolutions of the 12th ordinary shareholders' meeting convened on April 12, 2005, as per the following details :

1. Allocation of 1,339,502,106 common shares as follows :
 - 1.1) Allocation of 459,502,106 common shares for offer and sale to the general public, including the existing shareholders and the beneficial owners of the shares held by custodian or by any other similar arrangements.
 - 1.2) Allocation of 440,000,000 common shares for offer and sale to institutional investors or investors with specific characteristics prescribed in the Notification of the Securities and Exchange Commission.
 - 1.3) Allocation of 440,000,000 common shares for offer and sale to the existing shareholders and the beneficial owners of the common shares in proportion to their shareholdings.
2. Allocation of 50,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds issued by the Bank and offered for sale in 1999 as part of the Capital Augmented Preferred Securities (CAPS).
3. Allocation of 500,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds and/or convertible bonds that may further be issued in the future by the Bank.

4. Allocation of 200,000,000 common shares to be reserved for the exercise of right to purchase common shares by holders of warrants that may further be issued in the future by the Bank.
5. Allocation of 655,000 Class A preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds.
6. Allocation of 1,000,000 Class B preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds and/or unsubordinated bonds and/or subordinated convertible bonds and/or convertible bonds.

The offer and sale of the Bank's securities shall comply with the regulations prescribed by the Securities and Exchange Commission.

6.24 The establishment of Special Purpose Vehicle to issue capital securities

On April 21, 1998, the shareholders passed a resolution for the Bank to establish Special Purpose Vehicle (SPV) to issue capital securities in the amount not exceeding USD 1,000 million or its equivalent in other currencies, to be offered in private placement and/or to institutional investors in accordance with the rules and guidelines of the Securities and Exchange Commission. The Bank may issue capital securities in whole amount or in lots. The Board of Directors was authorized to proceed with the establishment of the SPV.

Such capital securities may be perpetual, non-cumulative, and redeemable by the SPV or may be guaranteed by the Bank. The terms and conditions in the offering of the capital securities may state that upon specific conditions, the Bank must or may issue other securities in exchange for the capital securities.

Upon the issuance of capital securities by the SPV, the Bank may issue securities which may be subordinated; secured; convertible into common shares or other securities of the Bank; or any other securities in the amount not exceeding USD 1,100 million or its equivalent in other currencies to the SPV. The Board of Directors has been authorized to proceed with the issuance of the capital securities by the SPV and those securities that the Bank may have to issue to the SPV. The terms and conditions of the offering of the capital securities by the SPV may include dividend payment or other kind of payment as determined by the Board of Directors and such payment may be related to payment of dividend or other payment on other securities of the Bank.

On March 18, 1999, the shareholders passed a resolution for the Bank to establish or to invest in a subsidiary or SPV for the purpose of raising fund of the Bank, by issuing preferred shares and/or bonds to the subsidiary or SPV, or the Bank may issue the preferred shares and/or bonds to a mutual fund or a juristic entity that is established for investing mainly in the Bank's preferred shares and/or bonds; and the Bank is authorized to enter into Trust Agreement or Master Investment Agreement between the Bank and the subsidiary or SPV or

mutual fund or any other juristic entity. As at December 31, 2019, the Bank had not yet established the SPV as it had not issued the instrument for fund raising via SPV according to the above-mentioned resolution.

6.25 Legal reserve and other reserves

6.25.1 Under the Public Limited Companies Act, the Bank is required to allocate to a reserve fund at least 5% of its net profit after accumulated losses brought forward (if any) until the reserve fund is not less than 10% of the registered capital. However, the Bank's Articles of Association require that the Bank shall allocate to the reserve fund at least 10% of its net profit after accumulated losses brought forward (if any) until the reserve fund is not less than 25% of the registered capital. The reserve fund is not available for dividend distribution.

6.25.2 The Bank appropriated annual profit as other reserves, which are treated as general reserve with no specific purpose.

6.26 The appropriation of the profit and the dividend payments

On April 12, 2018, the 25th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2017 as follows :

- The appropriation as legal reserve and as other reserves amounting to Baht 1,000 million and Baht 5,000 million, respectively, with the amount to be appropriated for the period of January - June 2017 amounting to Baht 500 million as legal reserve and Baht 5,000 million as other reserves (all of which had already been appropriated as stated in the financial statements for the year ended December 31, 2017), and the amount to be appropriated for the period of July - December 2017 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 6.50 per common share, totaling Baht 12,060 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,710 million on September 22, 2017, and the remaining amount will be paid on May 11, 2018 at the rate of Baht 4.50 per share amounting to Baht 8,350 million.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 8,350 million on May 11, 2018.

On August 30, 2018, the meeting of the Board of Directors of the Bank No. 8/2018 approved the resolutions regarding the appropriation of the profit and the payment of interim dividend as follows :

- The appropriation as legal reserve and as other reserves for the period of January - June 2018 amounting to Baht 500 million and Baht 5,000 million, respectively.
- The payment of interim dividend at the rate of Baht 2.00 per common share amounting to Baht 3,716 million on September 28, 2018.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 3,716 million on September 28, 2018.

On April 12, 2019, the 26th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2018 as follows :

- The appropriation as legal reserve and as other reserves amounting to Baht 1,000 million and Baht 5,000 million, respectively, with the amount to be appropriated for the period of January - June 2018 amounting to Baht 500 million as legal reserve and Baht 5,000 million as other reserves (all of which had already been appropriated as stated in the financial statements for the year ended December 31, 2018), and the amount to be appropriated for the period of July - December 2018 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 6.50 per common share, totaling Baht 12,086 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,716 million on September 28, 2018, and the remaining amount will be paid on May 10, 2019 at the rate of Baht 4.50 per share amounting to Baht 8,370 million.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 8,370 million on May 10, 2019.

On August 22, 2019, the meeting of the Board of Directors of the Bank No. 8/2019 approved the resolutions regarding the appropriation of the profit and the payment of interim dividend as follows :

- The appropriation as legal reserve and as other reserves for the period of January - June 2019 amounting to Baht 500 million and Baht 5,000 million, respectively.
- The payment of interim dividend at the rate of Baht 2.00 per common share amounting to Baht 3,722 million on September 20, 2019.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 3,722 million on September 20, 2019.

6.27 Assets pledged as collateral and under restriction

The Bank had investments in government securities and state enterprise securities which had been pledged as collateral for repurchase agreements and for commitments with government agencies. The book values of such securities, net of valuation allowances for impairment, as at December 31, 2019 and 2018 amounted to Baht 26,597 million and Baht 16,207 million, respectively.

6.28 Contingent liabilities

As at December 31, 2019 and 2018, the Bank and subsidiaries had contingent liabilities as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
				Million Baht
Avals to bills	7,598	5,800	7,598	5,800
Guarantees of loans	27,513	32,236	18,907	20,525
Liability under unmatured import bills	17,745	19,041	15,045	15,329
Letters of credit	22,116	35,822	21,189	34,486
Other commitments				
Amount of unused bank overdraft	165,562	170,329	164,845	169,326
Other guarantees	247,490	270,320	245,045	267,795
Others	137,867	120,182	140,385	123,426
Total	625,891	653,730	613,014	636,687

6.29 Litigation

As at December 31, 2019 and 2018, a number of civil proceedings have been brought against the Bank and subsidiaries in the ordinary course of business. The Bank and subsidiaries believe that such proceedings, when resolved, will not materially affect the Bank and subsidiaries's financial position and result of operations.

6.30 Related party transactions

As at December 31, 2019 and 2018, related parties of the Bank consisted of subsidiaries, associates, key management personnel that are directors, executives at the level of executive vice president and higher or equal, any parties related to key management personnel, including the entities in which key management personnel and any parties related which are controlled or significantly influenced.

The Bank and subsidiaries had significant assets, liabilities and commitments with related parties as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Million Baht				
Placement				
Subsidiaries				
Bangkok Bank Berhad	-	-	2,116	2,767
Bangkok Bank (China) Co., Ltd.	-	-	1	2,078
Total	<u>-</u>	<u>-</u>	<u>2,117</u>	<u>4,845</u>
Loans				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	2,710
Associate				
BSL Leasing Co., Ltd.	120	80	120	80
Other related parties	54	72	19	38
Total	<u>174</u>	<u>152</u>	<u>139</u>	<u>2,828</u>
Allowance for doubtful accounts				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	33
Associate				
BSL Leasing Co., Ltd.	2	1	2	1
Total	<u>2</u>	<u>1</u>	<u>2</u>	<u>34</u>
Other assets				
Subsidiaries				
Bangkok Bank Berhad	-	-	3	3
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	2
BBL Asset Management Co., Ltd.	-	-	382	378
Bualuang Securities PCL.	-	-	1	1
Bangkok Bank (China) Co., Ltd.	-	-	-	1
Associates				
Processing Center Co., Ltd.	17	38	17	38
Thai Payment Network Co., Ltd.	7	13	7	13
Other related parties	6	6	-	-
Total	<u>30</u>	<u>57</u>	<u>410</u>	<u>436</u>

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Million Baht				
Deposits				
Subsidiaries				
BBL (Cayman) Limited	-	-	726	765
Bangkok Bank Berhad	-	-	76	56
Sinnsuptawee Asset Management Co., Ltd.	-	-	14	11
BBL Asset Management Co., Ltd.	-	-	77	113
Bualuang Securities PCL.	-	-	113	113
Bangkok Bank (China) Co., Ltd.	-	-	93	130
Bualuang Venture Co., Ltd.	-	-	575	288
Bangkok Capital Asset Management Co., Ltd.*	-	-	116	134
Associates				
BSL Leasing Co., Ltd.	41	30	41	30
Processing Center Co., Ltd.	204	99	204	99
National ITMX Co., Ltd.	88	80	88	80
Thai Payment Network Co., Ltd.	66	145	66	145
BCI (Thailand) Co., Ltd.	53	-	53	-
Other related parties	<u>8,572</u>	<u>7,730</u>	<u>8,572</u>	<u>7,730</u>
Total	<u><u>9,024</u></u>	<u><u>8,084</u></u>	<u><u>10,814</u></u>	<u><u>9,694</u></u>
Borrowings				
Subsidiary				
Bangkok Bank (China) Co., Ltd.	<u>-</u>	<u>-</u>	<u>-</u>	<u>519</u>
Total	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>519</u></u>
Other liabilities				
Subsidiaries				
BBL (Cayman) Limited	-	-	4	1
Sinnsuptawee Asset Management Co., Ltd.	-	-	328	372
Bualuang Securities PCL.	-	-	1	1
Associates				
Processing Center Co., Ltd.	1	1	1	1
National ITMX Co., Ltd.	11	10	11	10
Other related parties	<u>31</u>	<u>73</u>	<u>23</u>	<u>12</u>
Total	<u><u>43</u></u>	<u><u>84</u></u>	<u><u>368</u></u>	<u><u>397</u></u>

* Holding by Bualuang Securities PCL.

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Million Baht				
Commitments				
Subsidiaries				
Bangkok Bank Berhad	-	-	32	72
Bangkok Bank (China) Co., Ltd.	-	-	2,064	-
Associate				
BSL Leasing Co., Ltd.	-	19	-	19
Other related parties	<u>4</u>	<u>3</u>	<u>4</u>	<u>3</u>
Total	<u><u>4</u></u>	<u><u>22</u></u>	<u><u>2,100</u></u>	<u><u>94</u></u>

For the year ended December 31, 2019, the Bank and subsidiaries charged interest at rates between 1.75% and 13.00% on loans to these related parties depending on the types of loans and collateral.

For the year ended December 31, 2018, the Bank and subsidiaries charged interest at rates between 1.62% and 13.00% on loans to these related parties depending on the types of loans and collateral and charged interest at rate of 1.62% on loans to Sinnsuptawee Asset Management Co., Ltd.

The Bank follows the BOT guidelines in estimating the minimum allowance for doubtful accounts on loans to related parties similar to loans to normal debtors.

In the consolidated and the Bank's financial statements, investments in subsidiaries and associates as at December 31, 2019 and 2018 are shown in Note 6.6. On December 19, 2019, the Bank sold its investments in equity securities, which is registered in the Stock Exchange of Thailand, to the specific investors and/or the Thai and foreign institutional investors, in accordance with the book building under the overnight placement transaction. In this regard, Bualuang Securities PCL. purchased the securities with the same price for other investors, by amounting to Baht 2,480 million. As of December 31, 2019, the subsidiary has classified such investments as the trading securities.

Significant accounting transactions between the Bank and subsidiaries, associates and other related parties were transacted under normal business practices. The prices, interest rates, commission charges, terms and conditions are determined on an arm's length basis.

The Bank and subsidiaries had significant income and expenses with related parties as follows :

	CONSOLIDATED		THE BANK	
	FOR THE YEARS		FOR THE YEARS	
	ENDED DECEMBER 31,		ENDED DECEMBER 31,	
	2019	2018	2019	2018
Million Baht				
Interest and discount received				
Subsidiaries				
Bangkok Bank Berhad	-	-	92	47
Sinnsuptawee Asset Management Co., Ltd.	-	-	21	43
Bualuang Securities PCL.	-	-	-	2
Bangkok Bank (China) Co., Ltd.	-	-	3	19
Associate				
BSL Leasing Co., Ltd.	3	4	3	4
Other related parties	2	1	2	1
Total	5	5	121	116
Fees and service income				
Subsidiaries				
Bangkok Bank Berhad	-	-	2	1
BBL Asset Management Co., Ltd.	-	-	2,206	2,242
Bualuang Securities PCL.	-	-	34	24
Associate				
Processing Center Co., Ltd.	8	10	8	10
Other related parties	59	73	1	1
Total	67	83	2,251	2,278
Dividend income				
Subsidiaries				
Sinnsuptawee Asset Management Co., Ltd.	-	-	1,000	7,000
BBL Asset Management Co., Ltd.	-	-	1,140	975
Bualuang Securities PCL.	-	-	809	540
Associates				
BSL Leasing Co., Ltd.	18	18	18	18
Processing Center Co., Ltd.	60	109	60	109
National ITMX Co., Ltd.	11	3	11	3
Total	89	130	3,038	8,645
Other income				
Subsidiaries				
Bualuang Securities PCL.	-	-	80	17
Bangkok Bank (China) Co., Ltd.	-	-	113	123
Associates				
National ITMX Co., Ltd.	6	5	6	5
Thai Payment Network Co., Ltd.	10	10	10	10
Total	16	15	209	155

	CONSOLIDATED		THE BANK	
	FOR THE YEARS		FOR THE YEARS	
	ENDED DECEMBER 31,		ENDED DECEMBER 31,	
	2019	2018	2019	2018
Million Baht				
Interest paid				
Subsidiaries				
BBL (Cayman) Limited	-	-	17	14
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	2
BBL Asset Management Co., Ltd.	-	-	2	2
Bualuang Securities PCL.	-	-	4	3
Bangkok Bank (China) Co., Ltd.	-	-	8	12
Bualuang Venture Co., Ltd.	-	-	3	3
Bangkok Capital Asset Management Co., Ltd.*	-	-	1	1
Associates				
Processing Center Co., Ltd.	1	1	1	1
Thai Payment Network Co., Ltd.	1	-	1	-
Other related parties	68	75	68	75
Total	70	76	106	113
Commission paid				
Subsidiary				
Bualuang Securities PCL.	-	-	-	19
Other related parties	64	64	-	-
Total	64	64	-	19
Other expenses				
Subsidiaries				
Bangkok Bank Berhad	-	-	-	3
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	1
Bualuang Securities PCL.	-	-	4	-
Bangkok Bank (China) Co., Ltd.	-	-	2	4
Associates				
Processing Center Co., Ltd.	5	57	5	57
National ITMX Co., Ltd.	126	91	126	91
Thai Payment Network Co., Ltd.	1	-	1	-
BCI (Thailand) Co., Ltd.	5	-	5	-
Other related parties	127	115	114	103
Total	264	263	258	259

Compensation of key management personnel for the years ended December 31, 2019 and 2018 consisted of the following :

	CONSOLIDATED		THE BANK	
	FOR THE YEARS		FOR THE YEARS	
	ENDED DECEMBER 31,		ENDED DECEMBER 31,	
	2019	2018	2019	2018
Million Baht				
Short-term employee benefits	1,923	1,759	1,405	1,262
Post-employment benefits	88	76	76	68
Total	2,011	1,835	1,481	1,330

* Holding by Bualuang Securities PCL.

6.31 Other benefits to directors and persons with managing authority

The Bank has not extended the extraordinary monetary and/or non-monetary benefits to the Banks' directors, executives at the level of executive vice president and higher, other than the ordinary benefits.

6.32 Disclosure of the statement of cash flows of the Asset Management Company (AMC)

In accordance with the BOT's regulations, the Bank is required to disclose the statement of cash flows of the AMC of the Bank in the notes to the financial statements. The statement of cash flows of Sinnsuptawee Asset Management Co., Ltd. are as follows :

SINNSUPTAWEE ASSET MANAGEMENT COMPANY LIMITED		
STATEMENT OF CASH FLOWS		
FOR THE YEAR ENDED DECEMBER 31, 2019		
	2019	2018
	Million Baht	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from operating before income tax expenses	1,297	3,369
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities		
Net gains on disposal of securities	(564)	(3,628)
Loss on impairment of properties for sale	395	628
Provision expenses	-	1
Net interest expenses	20	41
Dividend income	(41)	(87)
Interest received	1	1
Proceeds from dividend income	41	87
Interest expenses paid	(21)	(43)
Income tax paid	(556)	(398)
Profit (loss) from operating before changes in operating assets and liabilities	572	(29)
Operating assets decrease		
Properties for sale	472	396
Other assets	1	-
Operating liabilities increase (decrease)		
Deposits	(100)	(121)
Other liabilities	-	1
Net cash from operating activities	945	247
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale securities	(1,431)	(5,450)
Proceeds from disposal of available-for-sale securities	4,201	12,206
Net cash from investing activities	2,770	6,756
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	(1,000)	(7,000)
Cash paid for loan from the parent company	(2,710)	-
Net cash from financing activities	(3,710)	(7,000)
Net increase in cash and cash equivalents	5	3
Cash and cash equivalents as at January 1,	9	6
Cash and cash equivalents as at December 31,	14	9

6.33 Long-term leases

Long-term leases as at December 31, 2019 and 2018 consisted of the following :

		Million Baht			
		REMAINING RENTAL EXPENSES CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
Type of lease	Period				
Land and/or premises	1 Year	47	63	47	63
Land and/or premises	Over 1 Year to 5 Years	134	156	134	156
Land and/or premises	Over 5 Years	150	178	150	178
Total		<u>331</u>	<u>397</u>	<u>331</u>	<u>397</u>

6.34 Operating segments

6.34.1 Operating segments

Operating segments are reported measured on a basis that is consistent with internal reporting. Amounts for each operating segment are shown after the allocation of centralized costs and transfer pricing.

Transactions between operating segments are recorded within the segment as if they were third party transactions and are eliminated on consolidated financial statement.

The Bank is organized into segments based on products and services as follows :

Domestic banking

Domestic banking provides financial services in domestic. The main products and services are loans, deposits, trade finance, remittances and payments, electronic services, credit cards, debit cards and related other financial services.

International banking

International banking provides financial services through overseas branches and subsidiaries. The main products and services are loans, deposits, foreign exchange services, international fund transfers and payments, and export and import services.

Investment banking

Investment banking provides project services, corporate finance services, financial advisory services, securities business services, business strategic management by trading financial instruments including liquidity management of the Bank.

Others

Segments other than banking and investment banking business provide fund management services, securities services, assets management services and others, including operating expenses not allocated to operating segments.

The operating results of operating segments for the years ended December 31, 2019 and 2018 are as follows :

	CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2019					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	75,620	14,332	29,740	14,055	(1)	133,746
Total operating expenses before credit losses	<u>(30,791)</u>	<u>(4,387)</u>	<u>(789)</u>	<u>(18,997)</u>	<u>1</u>	<u>(54,963)</u>
Profit from operating before credit losses and income tax expenses	<u>44,829</u>	<u>9,945</u>	<u>28,951</u>	<u>(4,942)</u>	<u>-</u>	<u>78,783</u>

	CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2018					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	77,255	13,749	15,880	14,518	(1)	121,401
Total operating expenses before credit losses	<u>(30,843)</u>	<u>(4,320)</u>	<u>(762)</u>	<u>(19,241)</u>	<u>1</u>	<u>(55,165)</u>
Profit from operating before credit losses and income tax expenses	<u>46,412</u>	<u>9,429</u>	<u>15,118</u>	<u>(4,723)</u>	<u>-</u>	<u>66,236</u>

The financial position of operating segments as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total assets						
As at December 31, 2019	1,622,097	788,248	1,206,275	148,726	(548,603)	3,216,743
As at December 31, 2018	1,659,254	825,697	1,107,633	149,941	(625,775)	3,116,750

6.34.2 Geographical segments

The operating results classified by geographical areas for the years ended December 31, 2019 and 2018 are as follows :

	CONSOLIDATED						Million Baht
	FOR THE YEARS ENDED DECEMBER 31,						
	2019			2018			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Total operating income	115,822	17,924	133,746	104,303	17,098	121,401	
Total operating expenses*	(78,242)	(9,072)	(87,314)	(67,792)	(9,338)	(77,130)	
Profit from operating							
before income tax expenses	37,580	8,852	46,432	36,511	7,760	44,271	

The financial position classified by geographical areas as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED						Million Baht
	FOR THE YEARS ENDED DECEMBER 31,						
	2019			2018			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Non-current assets**	36,036	6,478	42,514	36,668	6,979	43,647	
Total assets	2,679,118	537,625	3,216,743	2,565,708	551,042	3,116,750	

6.35 Interest income

Interest income for the years ended December 31, 2019 and 2018 are as follows :

	CONSOLIDATED				THE BANK				Million Baht
	FOR THE YEARS				FOR THE YEARS				
	ENDED DECEMBER 31,		ENDED DECEMBER 31,		ENDED DECEMBER 31,		ENDED DECEMBER 31,		
	2019	2018	2019	2018	2019	2018	2019	2018	
Interbank and money market items	8,995	8,397	8,106	6,826					
Investments and trading transactions	221	245	221	243					
Investment in debt securities	10,088	8,954	9,404	8,494					
Loans	93,155	93,131	90,293	90,411					
Others	106	54	106	59					
Total interest income	<u>112,565</u>	<u>110,781</u>	<u>108,130</u>	<u>106,033</u>					

* Including credit losses.

** Consisting of premises and equipment, net and other intangible assets, net.

6.36 Interest expenses

Interest expenses for the years ended December 31, 2019 and 2018 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS		THE BANK FOR THE YEARS	
	ENDED DECEMBER 31, 2019	2018	ENDED DECEMBER 31, 2019	2018
Deposits	23,044	21,762	21,544	20,123
Interbank and money market items	1,981	2,142	1,870	1,885
Contributions to the Deposit Protection Agency	9,953	9,864	9,945	9,858
Debt issued bonds and subordinated notes	6,397	5,561	6,397	5,561
Others	119	76	119	76
Total interest expenses	<u>41,494</u>	<u>39,405</u>	<u>39,875</u>	<u>37,503</u>

6.37 Net fees and service income

Net fees and service income for the years ended December 31, 2019 and 2018 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS		THE BANK FOR THE YEARS	
	ENDED DECEMBER 31, 2019	2018	ENDED DECEMBER 31, 2019	2018
Fees and service income				
Acceptances, aval and guarantees of loans	182	199	146	158
Debit card, credit card and electronic services	18,882	18,783	18,881	18,679
Others	<u>20,216</u>	<u>18,455</u>	<u>14,847</u>	<u>13,209</u>
Total fees and service income	39,280	37,437	33,874	32,046
Fees and service expenses	<u>10,776</u>	<u>9,847</u>	<u>10,582</u>	<u>9,682</u>
Net fees and service income	<u>28,504</u>	<u>27,590</u>	<u>23,292</u>	<u>22,364</u>

6.38 Gains (losses) on tradings and foreign exchange transactions

Gains (losses) on tradings and foreign exchange transactions for the years ended December 31, 2019 and 2018 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS		THE BANK FOR THE YEARS	
	ENDED DECEMBER 31, 2019	2018	ENDED DECEMBER 31, 2019	2018
Gains (losses) on tradings and foreign exchange transactions				
Foreign exchanges and derivatives	8,041	7,798	7,824	7,351
Interest rate derivatives	(842)	265	(842)	265
Debt securities	274	(114)	270	(117)
Equity securities	375	351	-	-
Total gains on tradings and foreign exchange transactions	<u>7,848</u>	<u>8,300</u>	<u>7,252</u>	<u>7,499</u>

6.39 Gains (losses) on investments

Gains (losses) on investments for the years ended December 31, 2019 and 2018 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS		THE BANK FOR THE YEARS	
	ENDED DECEMBER 31, 2019	2018	ENDED DECEMBER 31, 2019	2018
Gains on investments				
Available-for-sale securities	20,149	7,879	19,502	4,220
General investment	123	2,806	108	2,806
Total	<u>20,272</u>	<u>10,685</u>	<u>19,610</u>	<u>7,026</u>
Losses on impairment				
Available-for-sale securities	(87)	(2)	(87)	(2)
General investment	(420)	(2,674)	(420)	(2,674)
Total	<u>(507)</u>	<u>(2,676)</u>	<u>(507)</u>	<u>(2,676)</u>
Total gains on investments	<u>19,765</u>	<u>8,009</u>	<u>19,103</u>	<u>4,350</u>

6.40 Impairment loss of loans and debt securities

Impairment loss of loans and debt securities for the years ended December 31, 2019 and 2018 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2019	2018	2019	2018
Interbank and money market items (reversal)	(784)	1,241	(338)	1,105
Loans to customers	31,992	17,117	30,939	16,440
Loss on debt restructuring	1,143	3,607	1,143	3,607

6.41 Income tax expenses

6.41.1 Income tax recognized in profit or loss for the years ended December 31, 2019 and 2018 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2019	2018	2019	2018
Current tax	9,068	11,125	7,949	9,315
Deferred tax	1,151	(2,571)	1,271	(2,382)
Total income tax expenses	<u>10,219</u>	<u>8,554</u>	<u>9,220</u>	<u>6,933</u>

6.41.2 Income tax recognized in component of other comprehensive income for the years ended December 31, 2019 and 2018 are as follows :

	Million Baht					
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,					
	2019			2018		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
Gains (losses) on remeasuring available-for-sale investment	(2,209)	488	(1,721)	(11,717)	2,400	(9,317)
Losses arising from translating the financial statements of foreign operations	(5,706)	-	(5,706)	(3,180)	-	(3,180)
Share of other comprehensive income of associate	2	-	2	-	-	-
Actuarial gains (losses) on defined benefit plans	(1,695)	338	(1,357)	400	(76)	324
Total	<u>(9,608)</u>	<u>826</u>	<u>(8,782)</u>	<u>(14,497)</u>	<u>2,324</u>	<u>(12,173)</u>

Million Baht						
THE BANK						
FOR THE YEARS ENDED DECEMBER 31,						
	2019			2018		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
Gains (losses) on remeasuring available-for-sale investment	(2,231)	496	(1,735)	(11,676)	2,393	(9,283)
Losses arising from translating the financial statements of foreign operations	(3,093)	-	(3,093)	(1,509)	-	(1,509)
Actuarial gains (losses) on defined benefit plans	(1,704)	340	(1,364)	401	(76)	325
Total	<u>(7,028)</u>	<u>836</u>	<u>(6,192)</u>	<u>(12,784)</u>	<u>2,317</u>	<u>(10,467)</u>

6.41.3 Reconciliation of effective tax rates for the years ended December 31, 2019 and 2018 are as follows :

Million Baht				
CONSOLIDATED				
FOR THE YEARS ENDED DECEMBER 31,				
	2019		2018	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	46,432		44,271	
Income tax calculated at statutory tax rate	9,286	20.00	8,854	20.00
Overseas tax	1,996		1,251	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(1,557)		(2,524)	
Others	494		973	
Total income tax expenses	<u>10,219</u>	22.01	<u>8,554</u>	19.32

Million Baht				
THE BANK				
FOR THE YEARS ENDED DECEMBER 31,				
	2019		2018	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	44,008		45,325	
Income tax calculated at statutory tax rate	8,802	20.00	9,065	20.00
Overseas tax	1,958		1,204	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(1,511)		(2,544)	
Others	(29)		(792)	
Total income tax expenses	<u>9,220</u>	20.95	<u>6,933</u>	15.30

6.42 Entering into a Share Purchase Agreement for the Acquisition of a Majority Shareholding in PT Bank Permata Tbk

On December 12, 2019, the Bank entered into a conditional share purchase agreement (“the SPA”) with Standard Chartered Bank (“Standard Chartered”) and PT Astra International Tbk (“Astra”) in respect of the proposed purchase by the Bank from Standard Chartered and Astra of 24,991,429,332 Series B shares in total in PT Bank Permata Tbk (“Permata”), representing 89.12% of the total issued and outstanding shares in Permata (“the Transaction”) in accordance with the resolution of the Board of Directors’ Meeting No. 12/2019, given on December 11, 2019. Each of Standard Chartered and Astra respectively will sell 12,495,714,666 Series B shares, representing 44.56% of the total issued and outstanding shares in Permata, to the Bank. The completion of such share purchase is still subject to a number of conditions precedent under the SPA being fulfilled. Those conditions precedent include, without limitation, receipt of (i) the approval of general meeting of shareholders and approval of the Bank of Thailand for the Bank’s acquisition of Permata and (ii) approvals from the Otoritas Jasa Keuangan (“the OJK”) in relation to the Transaction, including fit and proper approval of the Bank as a controlling shareholder of Permata and the OJK’s approval of the proposed acquisition structure. Subject to the satisfaction of the conditions precedent under the SPA, the Bank expects the completion of the Transaction to take place within 2020. The Bank anticipates conducting a mandatory tender offer for the remaining 10.88% stake in Permata at the same purchase price following completion of the Transaction.

6.43 Approval of the financial statements

On February 18, 2020, the Audit Committee and the Board of Executive Directors have authorized to issue these financial statements.