

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS

BANGKOK BANK PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of Bangkok Bank Public Company Limited and subsidiaries (the “Bank and subsidiaries”) and the Bank’s statement of financial position of Bangkok Bank Public Company Limited (the “Bank”) as at March 31, 2020, 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 three-month period then ended, and the condensed notes to the financial statements. The Bank’s management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and the Bank of Thailand’s regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with Thai Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and the Bank of Thailand’s regulations.

**Deloitte Touche Tohmatsu Jaiyos Audit**

ดีลอยท์ ทูช โทมัทสึ ไชยยศ สอบบัญชี

**Emphasis of matter**

We draw attention to the Note 3 to the interim financial statements, the Bank and subsidiaries have adopted the new accounting policy regarding the financial instruments which is in accordance with group of Financial Instruments Standards and recognized the cumulative effect of initially applying such Standards as an adjustment to the beginning balance of retained earnings and other reserves as at January 1, 2020, which are presented in the aforementioned note to the interim financial statements, to be in accordance with the new accounting policy. Our conclusion is not modified in respect of this matter.

BANGKOK  
May 12, 2020

Nisakorn Songmanee  
Certified Public Accountant (Thailand)  
Registration No. 5035  
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2020

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		March 31, 2020 (Unaudited)	December 31, 2019	March 31, 2020 (Unaudited)	December 31, 2019
<b>ASSETS</b>					
CASH		72,794,840	58,090,112	72,754,322	58,012,561
INTERBANK AND MONEY MARKET ITEMS, NET		505,155,836	472,349,351	478,995,413	442,584,108
FINANCIAL ASSETS MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	6.2	71,634,419	-	67,820,952	-
DERIVATIVES ASSETS		59,124,666	49,807,012	58,976,819	49,687,316
INVESTMENTS, NET	6.3	615,787,980	647,696,626	575,231,385	610,535,400
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.4	1,750,424	1,737,450	38,414,900	38,414,900
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	6.5	1,955,202,281	1,891,046,281	1,901,024,153	1,836,721,735
CUSTOMER'S LIABILITY UNDER ACCEPTANCES		-	1,626,872	-	103,722
PROPERTIES FOR SALE, NET		9,503,474	9,362,849	8,515,183	8,368,141
PREMISES AND EQUIPMENT, NET		45,428,666	40,753,955	43,630,367	39,504,853
OTHER INTANGIBLE ASSETS, NET		1,719,866	1,760,117	1,626,709	1,673,358
DEFERRED TAX ASSETS		9,218,933	4,542,443	7,971,337	3,360,374
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES		28,170,432	17,506,277	28,086,082	17,419,107
OTHER ASSETS, NET		19,798,265	20,463,750	12,924,175	16,975,764
<b>TOTAL ASSETS</b>		<b>3,395,290,082</b>	<b>3,216,743,095</b>	<b>3,295,971,797</b>	<b>3,123,361,339</b>

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT MARCH 31, 2020

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		March 31, 2020 (Unaudited)	December 31, 2019	March 31, 2020 (Unaudited)	December 31, 2019
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
DEPOSITS		2,514,330,947	2,370,792,167	2,460,442,007	2,316,034,607
INTERBANK AND MONEY MARKET ITEMS		108,594,933	134,346,323	106,934,697	129,277,274
LIABILITY PAYABLE ON DEMAND		4,563,127	5,523,288	4,557,252	5,488,403
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	6.6	21,045,983	-	20,114,243	-
DERIVATIVES LIABILITIES		71,559,624	37,837,421	71,029,154	37,370,815
DEBT ISSUED AND BORROWINGS		147,693,187	144,680,567	147,480,511	144,315,507
BANK'S LIABILITY UNDER ACCEPTANCES		-	1,626,872	-	103,722
PROVISIONS		23,993,299	18,701,528	23,225,966	18,428,103
DEFERRED TAX LIABILITIES		-	2,364,416	-	2,158,732
OTHER LIABILITIES		88,203,854	72,754,204	58,151,639	51,721,099
TOTAL LIABILITIES		<u>2,979,984,954</u>	<u>2,788,626,786</u>	<u>2,891,935,469</u>	<u>2,704,898,262</u>
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
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		<u>39,983,450</u>	<u>39,983,450</u>	<u>39,983,450</u>	<u>39,983,450</u>
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		20,247,776	34,471,457	24,787,590	40,383,596
RETAINED EARNINGS					
Appropriated					
Legal reserve	6.8	24,500,000	24,000,000	24,500,000	24,000,000
Others		106,500,000	106,500,000	106,500,000	106,500,000
Unappropriated		188,166,095	187,345,092	172,814,077	172,144,820
TOTAL BANK'S EQUITY		<u>414,848,532</u>	<u>427,751,210</u>	<u>404,036,328</u>	<u>418,463,077</u>
NON-CONTROLLING INTEREST		456,596	365,099	-	-
TOTAL SHAREHOLDERS' EQUITY		<u>415,305,128</u>	<u>428,116,309</u>	<u>404,036,328</u>	<u>418,463,077</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>3,395,290,082</u>	<u>3,216,743,095</u>	<u>3,295,971,797</u>	<u>3,123,361,339</u>

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

(Mr. Chartsiri Sophonpanich)  
President

(Mr. Suvann Thansathit)  
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020  
(Unaudited)

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2020	2019	2020	2019
INTEREST INCOME	6.15	28,625,157	28,365,067	27,586,599	27,160,651
INTEREST EXPENSES	6.16	8,805,355	10,065,661	8,412,821	9,599,981
NET INTEREST INCOME		19,819,802	18,299,406	19,173,778	17,560,670
FEES AND SERVICE INCOME	6.17	9,082,977	9,586,961	7,423,061	8,434,514
FEES AND SERVICE EXPENSES	6.17	2,729,081	2,746,630	2,680,675	2,689,541
NET FEES AND SERVICE INCOME		6,353,896	6,840,331	4,742,386	5,744,973
LOSSES ON FINANCIAL INSTRUMENTS					
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		(1,689,429)	-	(1,202,097)	-
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS		-	1,758,556	-	1,810,177
GAINS ON INVESTMENTS		1,150,513	774,674	1,150,509	319,448
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		12,127	44,197	-	-
GAINS ON DISPOSAL OF ASSETS		58,144	155,839	48,137	147,419
DIVIDEND INCOME		485,967	637,152	485,967	609,476
OTHER OPERATING INCOME		203,473	117,295	134,071	96,299
TOTAL OPERATING INCOME		26,394,493	28,627,450	24,532,751	26,288,462
OTHER OPERATING EXPENSES					
Employee's expenses		6,836,054	6,562,675	6,221,518	5,955,359
Directors' remuneration		33,274	34,157	14,850	14,800
Premises and equipment expenses		2,295,767	2,738,130	2,113,285	2,518,404
Taxes and duties		780,823	816,504	768,959	804,936
Others		1,431,385	2,050,037	1,229,171	1,835,371
TOTAL OTHER OPERATING EXPENSES		11,377,303	12,201,503	10,347,783	11,128,870
EXPECTED CREDIT LOSS	6.18	5,087,268	-	4,952,846	-
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6.18	-	5,078,319	-	5,136,035
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		9,929,922	11,347,628	9,232,122	10,023,557
INCOME TAX EXPENSES		2,168,655	2,224,469	2,035,606	2,006,213
NET PROFIT		7,761,267	9,123,159	7,196,516	8,017,344

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020  
(Unaudited)

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2020	2019	2020	2019
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Losses on investments in debt instruments at fair value					
through other comprehensive income		(152,159)	-	(274,060)	-
Gains on remeasuring available-for-sale investment		-	5,290,780	-	5,240,144
Losses on cash flow hedges		(88,623)	-	(88,623)	-
Gains (losses) arising from translating the financial statements of					
foreign operations		4,130,323	(802,461)	2,349,648	(773,462)
Share of other comprehensive income of associate		-	314	-	-
Income tax relating to components of other comprehensive					
income (losses)		107,735	(1,077,535)	132,965	(1,066,038)
Items that will not be reclassified subsequently to profit or loss					
Losses on investment in equity instruments designates at					
fair value through other comprehensive income		(23,516,952)	-	(22,677,077)	-
Gains on financial liabilities designated at fair value					
through profit or loss		2,012,358	-	2,012,358	-
Actuarial gains (losses) on defined benefit plans		(2,296)	4,433	(2,296)	3,356
Share of other comprehensive income of associate		847	-	-	-
Income tax relating to components of other comprehensive					
income (losses)		4,322,017	(2,081)	4,153,655	(1,866)
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)		<u>(13,186,750)</u>	<u>3,413,450</u>	<u>(14,393,430)</u>	<u>3,402,134</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSSES)</b>		<u><b>(5,425,483)</b></u>	<u><b>12,536,609</b></u>	<u><b>(7,196,914)</b></u>	<u><b>11,419,478</b></u>
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		7,670,508	9,028,296	7,196,516	8,017,344
Non-controlling interest		90,759	94,863	-	-
		<u>7,761,267</u>	<u>9,123,159</u>	<u>7,196,516</u>	<u>8,017,344</u>
TOTAL COMPREHENSIVE INCOME (LOSSES) ATTRIBUTABLE					
Owners of the Bank		(5,515,659)	12,441,746	(7,196,914)	11,419,478
Non-controlling interest		90,176	94,863	-	-
		<u>(5,425,483)</u>	<u>12,536,609</u>	<u>(7,196,914)</u>	<u>11,419,478</u>
BASIC EARNINGS PER SHARE (BAHT)		4.02	4.73	3.77	4.20
WEIGHTED AVERAGE NUMBER					
OF ORDINARY 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 interim financial statements

(Mr. Chartsiri Sophonpanich)  
President

(Mr. Suvarn Thansathit)  
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020  
(Unaudited)

Baht : '000

	CONSOLIDATED													Total Equity Attributable to the Bank's Shareholders	Non-controlling Interest	Total
	Notes	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves						Retained Earnings		Unappropriated				
				Land Appraisal Surplus	Premises Appraisal Surplus	Revaluation Surplus on Investments	Cash flow Hedge Reserve	Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Others	Appropriated					
											Legal Reserve		Others			
<b>Balance as at January 1, 2019</b>	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	
Total comprehensive income	-	-	-	-	4,213,308	-	-	(802,461)	251	-	-	9,030,648	12,441,746	94,863	12,536,609	
Transfer to retained earnings	-	-	-	(232,366)	-	-	-	-	-	-	-	232,366	-	-	-	
<b>Balance as at March 31, 2019</b>	<b>19,088,429</b>	<b>56,346,232</b>	<b>16,829,619</b>	<b>6,308,792</b>	<b>34,068,883</b>	<b>-</b>	<b>-</b>	<b>(11,186,516)</b>	<b>721</b>	<b>23,000,000</b>	<b>101,500,000</b>	<b>179,299,834</b>	<b>425,255,994</b>	<b>439,506</b>	<b>425,695,500</b>	
<b>Balance as at January 1, 2020 as previously reported</b>	19,088,429	56,346,232	16,824,012	5,600,324	28,135,072	-	-	(16,089,996)	2,045	24,000,000	106,500,000	187,345,092	427,751,210	365,099	428,116,309	
Impact of adopting new financial reporting standard No.9	-	-	-	-	1,043,207	356,384	(2,196,285)	-	-	-	-	2,953,889	2,157,195	1,321	2,158,516	
<b>Restated balance as at January 1, 2020 after adjustment</b>	<b>19,088,429</b>	<b>56,346,232</b>	<b>16,824,012</b>	<b>5,600,324</b>	<b>29,178,279</b>	<b>356,384</b>	<b>(2,196,285)</b>	<b>(16,089,996)</b>	<b>2,045</b>	<b>24,000,000</b>	<b>106,500,000</b>	<b>190,298,981</b>	<b>429,908,405</b>	<b>366,420</b>	<b>430,274,825</b>	
Appropriation for previous year																
Dividend paid	6.8	-	-	-	-	-	-	-	-	-	-	(9,544,214)	(9,544,214)	-	(9,544,214)	
Legal reserve	6.8	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-	
Total comprehensive income	-	-	-	-	(18,855,039)	(70,898)	1,609,887	4,130,323	678	-	-	7,669,390	(5,515,659)	90,176	(5,425,483)	
Transfer to retained earnings	-	-	-	(234,674)	(7,264)	-	-	-	-	-	-	241,938	-	-	-	
<b>Balance as at March 31, 2020</b>	<b>19,088,429</b>	<b>56,346,232</b>	<b>16,824,012</b>	<b>5,365,650</b>	<b>10,315,976</b>	<b>285,486</b>	<b>(586,398)</b>	<b>(11,959,673)</b>	<b>2,723</b>	<b>24,500,000</b>	<b>106,500,000</b>	<b>188,166,095</b>	<b>414,848,532</b>	<b>456,596</b>	<b>415,305,128</b>	

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020  
(Unaudited)

Baht : '000

	Notes	THE BANK										Total	
		Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves						Retained Earnings			Unappropriated
				Land Appraisal Surplus	Premises Appraisal Surplus	Revaluation Surplus on Investments	Cash flow Hedge Reserve	Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Appropriated			
										Legal Reserve	Others		
<b>Balance as at January 1, 2019</b>		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
Total comprehensive income		-	-	-	-	4,174,106	-	-	(773,462)	-	-	8,018,834	11,419,478
Transfer to retained earnings		-	-	-	(231,480)	-	-	-	-	-	-	231,480	-
<b>Balance as at March 31, 2019</b>		<u>19,088,429</u>	<u>56,346,232</u>	<u>16,765,473</u>	<u>6,280,748</u>	<u>33,945,857</u>	<u>-</u>	<u>-</u>	<u>(7,668,373)</u>	<u>23,000,000</u>	<u>101,500,000</u>	<u>164,120,569</u>	<u>413,378,935</u>
<b>Balance as at January 1, 2020 as previously reported</b>		19,088,429	56,346,232	16,759,866	5,574,824	28,036,451	-	-	(9,987,545)	24,000,000	106,500,000	172,144,820	418,463,077
Impact of adopting new financial reporting standard No.9		-	-	-	-	877,277	356,384	(2,196,285)	-	-	-	3,277,003	2,314,379
<b>Balance as at January 1, 2020 after adjustment</b>		<u>19,088,429</u>	<u>56,346,232</u>	<u>16,759,866</u>	<u>5,574,824</u>	<u>28,913,728</u>	<u>356,384</u>	<u>(2,196,285)</u>	<u>(9,987,545)</u>	<u>24,000,000</u>	<u>106,500,000</u>	<u>175,421,823</u>	<u>420,777,456</u>
Appropriation for previous year													
Dividend paid	6.8	-	-	-	-	-	-	-	-	-	-	(9,544,214)	(9,544,214)
Legal reserve	6.8	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Total comprehensive income		-	-	-	-	(18,280,949)	(70,898)	1,609,887	2,349,648	-	-	7,195,398	(7,196,914)
Transfer to retained earnings		-	-	-	(233,806)	(7,264)	-	-	-	-	-	241,070	-
<b>Balance as at March 31, 2020</b>		<u>19,088,429</u>	<u>56,346,232</u>	<u>16,759,866</u>	<u>5,341,018</u>	<u>10,625,515</u>	<u>285,486</u>	<u>(586,398)</u>	<u>(7,637,897)</u>	<u>24,500,000</u>	<u>106,500,000</u>	<u>172,814,077</u>	<u>404,036,328</u>

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

(Mr. Chartsiri Sophonpanich)  
President

(Mr. Suvarn Thansathit)  
Senior Executive Vice President



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CASH FLOWS  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020  
(Unaudited)

Baht : '000

	Note	CONSOLIDATED		THE BANK	
		2020	2019	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit from operating before income tax expenses		9,929,922	11,347,628	9,232,122	10,023,557
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities					
Depreciation and amortization expenses		1,198,255	1,057,964	1,104,447	971,062
Expected credit loss		5,087,268	-	4,952,846	-
Bad debt and doubtful accounts		-	4,437,448	-	4,495,164
Loss on debt restructuring		-	640,871	-	640,871
(Gain) loss on foreign exchange of long-term borrowings		11,379,482	(2,305,036)	11,379,482	(2,305,036)
Amortization of premium on investment in debt securities		101,152	142,944	108,457	188,754
Unrealized losses on financial instruments measured at fair value through profit or loss		6,945,306	-	6,949,969	-
Unrealized (gain) loss on revaluation of trading securities		-	(99,987)	-	752
Gains on financial instruments measured at fair value through other comprehensive income		(1,150,518)	-	(1,150,509)	-
Gain on disposal of securities for investments		-	(1,203,690)	-	(748,465)
Loss on impairment of investments		-	429,016	-	429,017
Share of profit from investment using equity method		(12,127)	(44,197)	-	-
Loss on impairment of properties for sale		68,021	51,722	68,021	51,722
Gain on disposal of premises and equipment		(2,189)	(37,825)	(2,262)	(37,918)
Loss on impairment of other assets (reversal)		(12,449)	(6,646)	(11,912)	(6,646)
Provision expenses (reversal)		(7,657)	273,115	(15,951)	246,579
Net interest income		(19,819,802)	(18,299,406)	(19,173,778)	(17,560,670)
Dividend income		(485,967)	(637,152)	(485,967)	(609,476)
Proceeds from interest income		26,407,476	27,680,679	25,441,431	26,522,745
Interest expenses paid		(11,889,655)	(11,648,304)	(11,713,709)	(11,251,086)
Proceeds from dividend income		129,905	246,331	129,905	218,655
Income tax paid		(514,691)	(524,191)	(428,749)	(413,569)
Increase in other accrued receivables		(120,703)	(235,473)	(136,636)	(242,258)
Decrease in other accrued expenses		(2,008,825)	(1,850,697)	(1,555,667)	(1,465,320)
Profit from operating before changes in operating assets and liabilities		25,222,204	9,415,114	24,691,540	9,148,434
(Increase) decrease in operating assets					
Interbank and money market items		(32,322,847)	(69,966,086)	(36,069,617)	(78,963,300)
Financial assets measured at fair value through profit or loss		(25,456,877)	-	(26,608,976)	-
Investment in short-term securities		-	(2,473,056)	-	(1,460,293)
Loans to customers		(64,018,453)	53,260,527	(64,198,586)	52,647,070
Properties for sale		181,669	220,212	175,251	208,004
Other assets		(18,260,698)	(4,722,589)	(14,793,868)	(5,373,628)

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

**BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**  
(Unaudited)

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2020	2019	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>					
Increase (decrease) in operating liabilities					
Deposits		143,538,780	14,508,963	144,407,400	18,822,085
Interbank and money market items		(25,751,390)	9,370,254	(22,342,577)	12,148,613
Liability payable on demand		(960,161)	530,783	(931,151)	542,953
Short-term borrowings		(153,634)	20,625	(1,250)	(14,541)
Other liabilities		46,108,660	(1,328,773)	35,410,501	(2,973,761)
Net cash from operating activities		<u>48,127,253</u>	<u>8,835,974</u>	<u>39,738,667</u>	<u>4,731,636</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investment securities measured at fair value					
through other comprehensive income		(105,289,213)	-	(100,505,349)	-
Purchase of available-for-sale securities		-	(130,957,078)	-	(125,677,942)
Proceeds from disposal of investment securities					
measured at FVOCI		85,079,510	-	84,158,985	-
Proceeds from disposal of available-for-sale securities		-	122,099,751	-	119,745,551
Purchase of investment securities measured at amortized cost		(29,536,780)	-	(419,538)	-
Purchase of held-to-maturity debt securities		-	(23,372,429)	-	(2,242,782)
Proceeds from redemption of investment securities					
measured at amortized cost		26,354,431	-	1,758,625	-
Proceeds from redemption of held-to-maturity debt securities		-	22,363,531	-	2,326,831
Purchase of general investments		-	(2,491,813)	-	(2,439,578)
Proceeds from disposal of general investments		-	218,685	-	218,685
Purchase of premises and equipment		(292,769)	(483,325)	(280,266)	(446,982)
Proceeds from disposal of premises and equipment		9,932	38,638	2,268	38,131
Net cash from investing activities		<u>(23,674,889)</u>	<u>(12,584,040)</u>	<u>(15,285,275)</u>	<u>(8,478,086)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Increase in long-term borrowings	6.1	5,579	43,414	5,579	43,414
Cash paid for lease liabilities		(306,526)	-	(268,292)	-
Dividend paid		(9,544,214)	-	(9,544,214)	-
Net cash from financing activities		<u>(9,845,161)</u>	<u>43,414</u>	<u>(9,806,927)</u>	<u>43,414</u>
Effect on cash due to changes in the exchange rates		97,525	(37,704)	95,296	(37,661)
Net increase (decrease) in cash		14,704,728	(3,742,356)	14,741,761	(3,740,697)
Cash as at January 1,		58,090,112	62,394,091	58,012,561	62,329,288
<b>Cash as at March 31,</b>		<u><u>72,794,840</u></u>	<u><u>58,651,735</u></u>	<u><u>72,754,322</u></u>	<u><u>58,588,591</u></u>

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

(Mr. Chatsiri Sophonpanich)  
President

(Mr. Suvarn Thansathit)  
Senior Executive Vice President

**BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**  
**(UNAUDITED)**

	CONTENT	PAGE
<b>NOTES</b>		
1.	GENERAL INFORMATION AND REGULATORY REQUIREMENTS	12
2.	BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	12
3.	SIGNIFICANT ACCOUNTING POLICIES	15
4.	FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE	35
5.	CAPITAL FUND	36
6.	ADDITIONAL INFORMATION	38
6.1	Supplementary disclosures of cash flow information	38
6.2	Financial assets measured at fair value through profit or loss	38
6.3	Investments, net	39
6.4	Investments in subsidiaries and associates, net	42
6.5	Loans to customers and accrued interest receivables, net	43
6.6	Financial liabilities measured at fair value through profit and loss	44
6.7	Share capital	45
6.8	The appropriation of the profit and the dividend payments	46
6.9	Assets pledged as collateral and under restriction	47
6.10	Contingent liabilities	48
6.11	Litigation	48
6.12	Related party transactions	48
6.13	Events after the reporting period	53
6.14	Operating segments	53
6.15	Interest income	56
6.16	Interest expenses	56
6.17	Net fees and service income	57
6.18	Expected credit loss / Impairment loss of loans and debt securities	57
6.19	The Coronavirus Disease 2019 Pandemic (COVID-19)	57
6.20	Approval of the financial statements	58

**BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**  
**(UNAUDITED)**

**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 March 31, 2020 and December 31, 2019, 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 interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 regarding Interim Financial Reporting; 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 October 31, 2018, which is required to apply to the financial statements beginning on or after January 1, 2020 onwards. The consolidated and the Bank's financial statements for the year ended December 31, 2019, which are the comparative figures are still presented in the format as announced by 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, therefore cannot compare with the consolidated and the Bank's financial statements of the year 2020.

Certain financial information which is normally included in financial statements prepared in accordance with Thai Financial Reporting Standards, but which is not required for interim reporting purposes, has been omitted. The aforementioned interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2019.

The consolidated and the Bank's statements of financial position as at December 31, 2019, presented herein for comparison, had been derived from the consolidated and the Bank's financial statements for the year then ended which had been audited.

The results of operations for the three-month period ended March 31, 2020 are not necessarily indicative of the operating results anticipated for the full year.

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.

## 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, 2020 onward, with no material impact on the Bank and subsidiaries' financial statements.

For the new Thai Financial Reporting Standards to be adopted, such as Group of Financial Instruments Standards and Thai Financial Reporting Standard No. 16 regarding Leases, the effects are disclosed in Note 3 Significant accounting policies.

2.2.2 The Federation of Accounting Professions has announced 2 Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020, with the following details :

- 1) Accounting Treatment Guidance on "The temporary relief measures for entities supporting their debtors who are effected from the situations that affected Thailand's economy"

This Accounting Treatment Guidance is intended to be temporary that provides assistance to debtors who are effected by the situations that affected the Thailand's economy by providing assistance to the debtor during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance with such changes.

In this regard, the application of Accounting Treatment Guidance is disclosed in the note 6.19 the Coronavirus Disease 2019 Pandemic (COVID-19).

- 2) Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This Accounting Treatment Guidance provides an alternative for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Due to the preparation of financial statements during the period of high uncertainty at the end of the during COVID-19 situation, may result in the management of the Bank using the critical judgment in the estimation or the measurement and recognition of accounting transactions. The objective of this Accounting Treatment Guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The Bank can apply this Accounting Treatment Guidance for the preparation of financial statements with the reporting period from January 1, 2020 to December 31, 2020.

The Bank has not adopted such Accounting Treatment Guidance in the preparation of the interim financial statements for the three-month period ended March 31, 2020.

- 2.3 The consolidated interim financial statements for the three-month periods ended March 31, 2020 and 2019, and the consolidated statement of financial position as at December 31, 2019, 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 interim financial statements for the three-month periods ended March 31, 2020 and 2019 and the consolidated statement of financial position as at December 31, 2019, also included BBL Nominees (Tempatan) Sdn. Bhd, the 100.00% owned subsidiary of Bangkok Bank Berhad and Bangkok Capital Asset Management Company Limited, the 100.00% 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 interim financial statements for the three-month periods ended March 31, 2020 and 2019, and the Bank's statement of financial position as at December 31, 2019 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

The Bank applies accounting policies and calculation methods to the interim financial statements consistent with those used in the financial statements for the year ended December 31, 2019. Except for the adoption of the new Thai Financial Reporting standards in Group of Financial Instruments Standards and the Thai Financial Reporting Standard No. 16 Leases to be applied the following significant accounting policies.

3.1 Group of Financial Instruments Standards, which are Thai Accounting Standards No.32 Financial Instruments : Presentation, Thai Financial Reporting Standards No.7 Financial Instruments : Disclosures and No.9 Financial Instruments and Thai Financial Reporting Interpretations No.16 Hedges of a Net Investment in a Foreign Operation and No.19 Extinguishing Financial Liabilities with Equity Instruments.

#### 1. Recognition of income

*Applied from January 1, 2020*

The Bank recognizes interest income by using the Effective Interest Rate (EIR) method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR.

The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired, the Bank calculates interest income by applying the effective interest rate to the net carrying amount of the financial asset. If the asset is no longer credit-impaired, the Bank reverts to calculating interest income on a gross carrying amount.

For Purchased or Originated Credit-Impaired (POCI) financial assets, the Bank calculates interest income by calculating the credit-adjusted EIR and applying that rate to the net carrying amount of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the net carrying amount of the POCI assets.

Fee income

Unless included in the EIR calculation, the Bank recognizes fee income on an accrual basis when the service has been provided or upon satisfaction of performance obligations.

*Applied before January 1, 2020*

The Bank recognizes interest and fee income 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.

## 2. Recognition of expenses

*Applied from January 1, 2020*

The Bank recognizes interest expenses by using the effective interest method. Unless included in the effective interest calculation, fee expenses are recognized on an accrual basis.

*Applied before January 1, 2020*

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

## 3. Financial instruments

*Applied from January 1, 2020*

The Bank applied the classification and measurement requirements for financial instruments under TFRS 9 "Financial instruments" for the year ended December 31, 2020. The 2019 comparative period was not restated, and the requirements under the previous accounting standards were applied. The key changes are the classification and impairment requirements.

### 1) Recognition of financial instruments

The Bank recognizes financial assets or financial liabilities when the Bank becomes a party to the contractual provisions of the instrument, which is generally on settlement date. Loans and receivables are recognized when cash is advanced (or settled) to the borrowers.

### 2) Classification of financial assets

Financial assets - Debt instruments

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 :



- Financial assets 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. These financial assets are initially recognized at fair value and subsequently measured at amortized cost. The measurement of credit impairment is based on the expected credit loss model described in Impairment of financial assets.
  
- 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.

These financial assets are initially recognized at fair value and subsequently measured 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 instruments will be recognized as gain or losses in income statement. The measurement of credit impairment is based on the expected credit loss model

- 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.

These financial assets are initially recognized at fair value and are subsequently measured at fair value. Unrealized gain and losses from change in fair value, and gains and losses on disposal of instruments are recognized as gains (losses) on financial instruments measured at fair value through profit or loss

#### Investments in equity instruments

All equity investments are measured at fair value in the statement of financial position. The Bank has classified equity investments that not held for trading but held for strategic purposes or for securities with potential for high market volatility as the financial asset measured at FVOCI, where an irrevocable election has been made by the management. Such classification is determined on an instrument-by-instrument basis. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss except for dividends.

### 3) Classification of financial liabilities

The Bank measures financial liabilities, other than loan commitments and financial guarantees, at amortized cost or at FVTPL when they are held for trading or the fair value designation is applied.

Financial liabilities measured at amortized cost are initially recognized at fair value and subsequently measured at amortized cost.

The Bank classifies financial liabilities as held for trading when they have been issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held for trading liabilities are initially recognized at fair value, with transaction costs recognized in the statement of profit or loss as incurred. Subsequently, they are measured at fair value and any gains and losses are recognized in the statement of profit or loss as they arise.

Financial liabilities may be designated as FVTPL under of the following criteria :

- The designation eliminates or significantly reduces an accounting mismatch
- A group of financial liabilities or financial assets and liabilities is managed and its performance is evaluated on a fair value basis
- The liabilities contain one or more embedded derivatives

Change in the liability's credit risk is presented separately in other comprehensive income as an own credit reserve except it would create or enlarge an accounting mismatch in profit or loss. All changes in fair value on that liability, including the effects of changes in the credit risk are presented in 'Gains (losses) on financial instruments measured at fair value through profit or loss'.

The movement in fair value attributable to changes in own credit risk is calculated from the difference between the current fair value and the difference between the current and initial credit risk.

Amounts presented in the own credit reserve will not be subsequently transferred to profit or loss. When these instruments are derecognized, the related cumulative amount in the own credit reserve is transferred to retained earnings.

#### 4) Derivatives

Derivatives are initially recorded at fair value at the date on which a derivative contract is entered into (Trade Date) and are classified as trading except where they are designated as a part of an effective hedge relationship and classified as hedging derivatives. Derivatives are subsequently measured at fair value. The change in fair value are recognized as gains (losses) on financial instrument measured at fair value through profit or loss unless hedge accounting is applied.

##### Embedded derivatives

Embedded derivatives are component of hybrid or combined instruments that consist of non-derivative host contracts. For derivatives embedded in financial asset host contracts, the entire hybrid contract, including all embedded features, are classified in accordance with the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For derivatives embedded in financial liabilities and non-financial host contracts, embedded derivatives will be separated from the host contract and accounted for as derivatives if all of the following criteria are met :

- Their economic characteristics and risks are not closely related to those of the host contract
- When separated from the host contract would still meet the definition of derivative and
- The hybrid contract is not recognized and measured at fair value through profit or loss.

#### 5) Modifications of financial instrument not measured at fair value

##### a) Financial assets

If the terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are different from the original financial assets significantly. The original financial asset is derecognized and a new financial asset is recognized at fair value. The difference between the carrying amount of the financial asset extinguished and the new financial asset is recognized in profit or loss as a part of impairment loss.

If the cash flows of the modified asset carried at amortized cost are not substantially different, the Bank recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss which is presented as impairment losses.

b) Financial liabilities

The Bank derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. A new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability is recognized in profit or loss.

If the cash flows of the modified liability are not substantially different, the carrying amount of the liability is adjusted to reflect the net present value of the revised cash flows discounted at the original effective interest rate and recognizes the amount arising from adjusting the carrying amount as a modification gain or loss.

6) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when the Bank has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

7) Derecognition of financial instruments

The Bank derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Bank, is recognized separately as asset or liability.

A financial liability is derecognized from the statement of financial position when the Bank has discharged its obligation or the contract is cancelled or expires.

8) Write-off

Debts that are determined to be irrecoverable are written off (either partially or in full) in the period in which the decision is taken. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Bank's procedures for recovery of amount due.

**4. Impairment of financial assets**

The Bank's accounting policy for impairment of financial assets changed significantly under TFRS 9, and the expected credit loss model was applied for the financial year ended December 31, 2020, replacing the

methodology stipulated by Bank of Thailand ('BOT')'s guidelines. The comparative financial statement was not restated upon adoption of TFRS 9.

*Applied from January 1, 2020*

For impairment of financial assets the Bank applies Expected Credit Losses ('ECL') model and management overlay for the factors which are not captured by the model for debt financial assets, together with loan commitments and financial guarantee contracts, measured at amortized cost and FVOCI by classifying financial assets into three stages based on the change in credit risk since initial recognition.

a) Stage 1 : Performing

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the Bank recognizes portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. The 12-month ECL allowance is calculated based on a forecast Exposure At Default (EAD) multiplied by the Possibility of a Default (PD) occurring in the 12 months.

b) Stage 2 : Under-performing

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized.

c) Stage 3 : Non-performing

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognized.

Determining the stage for impairment

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Bank considers reasonable and supportable information. The Bank gives importance to the consideration of indicator that will significantly reduce the ability to pay the debt or the increase in credit risk. This includes quantitative and qualitative information and also, forward-looking analysis both events that have already occurred and may occur in the future. The Bank uses its internal credit risk rating system, external credit risk grading and forecast information to assess deterioration in credit quality of a financial asset.

The Bank assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk rating, the date of initial recognition, manufacturing, geographical location of the borrower and other relevant factors.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, the Bank will classify it as performing assets.

#### Measurement of ECL

The expected credit loss is the present value of the entire amount that is not expected to be received throughout the expected life of the financial asset, weighted with a probable discount at the original effective interest rate at the starting date, which is calculated from the estimation of risk positions in the event of default, multiplied by the probability of default and the percentage of damage that may occur when there is a default, discounted by the original effective interest rate at the start date, calculated under each possible situation.

- Probability of Default (PD) : Estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.
- Loss Given Default (LGD) : Estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Bank would expect to receive, including from the realisation of any collateral.
- Exposure at Default (EAD) : Estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments or the amount that is expected to be drawdowns on the remaining of committed facilities.

In measuring of ECL, the Bank considers its historical loss experience and adjusts this for current observable data. In addition, the Bank uses reasonable and supportable forecasts of future economic conditions including experienced judgement to estimate the amount of an expected impairment loss, use of macroeconomic factors which major are include, but is not limited to, gross domestic product, unemployment rate and property price index, and an evaluation of both the current and forecast direction of the economic cycle.

In the case of debt instruments measured at FVOCI, the Bank recognizes impairment charge in profit and loss as expected credit loss and the allowance for impairment with the corresponding amount in other comprehensive income, whereas the carrying amount of the investment in debt securities in the statement of financial position still present at fair value.

The measurement of ECL for financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

The measurement of ECL for loan commitments is the present value difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive.

*Applied before January 1, 2020*

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.

## 5. Hedge accounting

*Applied from January 1, 2020*

The Bank makes use of derivatives to manage exposures arising from assets, liabilities, off-balance sheet items, net position or cash flow. Upon meeting specified criteria for hedge accounting, the Bank applies hedge accounting for the aforementioned derivatives. The Bank designates certain derivatives as :

- Hedges of the fair value of recognized assets or liabilities or firm commitments.
- Hedges of highly probable future cash flows attributable to a recognized asset or liability, or a highly probable forecast transaction.
- Hedges of net investments in foreign operations.

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 applies an accrual basis for open portfolio hedge.

1) Fair value hedges

Subsequent to initial designation, the cumulative changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any cumulative changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The movement in fair value of the hedged item attributable to the hedged risk is made as an adjustment to the carrying value of the hedged asset or liability.

When a hedging instrument expires or is sold, terminated or exercised, or when a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortized to the income statement on an effective yield basis (the recalculated EIR at the date when the amortization begins). Where the hedged item is derecognized from the statement of financial position, the unamortized fair value adjustment is immediately recognized in the income statement.

2) Cash flow hedges

The effective portion of the cumulative changes in the fair value of derivatives that are designated and qualify as cash flow hedges are directly recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. The reserve for cash flow hedges in equity are transferred to the income statement in the period(s) in which the hedged item affects the income statement (e.g. when the forecast hedged variable cash flows are recognized in the income statement).

When a hedging instrument expires or is sold, terminated or exercised, or when a hedge no longer meets the criteria for hedge accounting, the reserve for cash flow hedges in equity at that time remains in equity and is recognized in the income statement when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss existing in equity at that time is immediately transferred to the income statement.

3) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in the foreign currency translation reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Gains and losses accumulated in equity are transferred to the income statement when the foreign operation is disposed.



The following table shows the impact on the consolidated financial assets and financial liabilities as at December 31, 2019 and January 1, 2020:

Million Baht										
	Note	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	CONSOLIDATED Reclassification (to) from			Carrying amount after reclassification	Re- measurement	TFRS 9 carrying amount as at January 1, 2020
					FVTPL	FVOCI	Amortized cost / Cost			
<b>Assets</b>										
Cash		Amortized cost	Amortized cost	58,090	-	-	-	58,090	-	58,090
Interbank and money market items, net		Amortized cost	Amortized cost	472,349	-	-	-	472,349	1,092	473,441
Financial assets measured at FVTPL	1), 2), 3)	-	FVTPL	-	48,591	-	-	48,591	9,177	57,768
Derivative assets	4), 5), 6)	FVTPL / Accrual	FVTPL / Accrual	49,807	607	-	-	50,414	545	50,959
Investments, net		FVTPL	-	13,613	(10,993)	(2,620)	-	-	-	-
	7), 8), 10), 11), 12)	FVOCI	FVOCI	574,168	(7,931)	8,453	-	574,690	2,697	577,387
	9)	Amortized cost	Amortized cost	59,916	(30,274)	(5,833)	-	23,809	(8)	23,801
Investments in subsidiaries and associates, net				1,737	-	-	-	1,737	-	1,737
Loans to customers and accrued interest receivables, net		Amortized cost	Amortized cost	1,891,046	-	-	-	1,891,046	5,284	1,896,330

Million Baht

Note	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	CONSOLIDATED Reclassification (to) from			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020
				FVTPL	FVOCI	Amortized cost / Cost			
	On-Balance Sheet	Off-Balance Sheet	1,627	-	-	(1,627)	-	-	-
			9,363	-	-	-	9,363	-	9,363
			40,754	-	-	-	40,754	-	40,754
			1,760	-	-	-	1,760	-	1,760
			4,542	-	-	-	4,542	2,947	7,489
			17,507	-	-	-	17,507	-	17,507
			20,464	-	-	-	20,464	-	20,464
			3,216,743	-	-	(1,627)	3,215,116	21,734	3,236,850

Million Baht

	Note	CONSOLIDATED			Reclassification (to) from			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020
		Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	FVTPL	FVOCI	Amortized cost / Cost			
<b>Liabilities</b>										
Deposits		Amortized cost	Amortized cost	2,370,792	-	-	-	2,370,792	-	2,370,792
Interbank and money market items		Amortized cost	Amortized cost	134,347	-	-	-	134,347	-	134,347
Liabilities payable on Demand		Amortized cost	Amortized cost	5,523	-	-	-	5,523	-	5,523
Financial liabilities measured at FVTPL	13)	-	FVTPL	-	8,930	-	-	8,930	11,176	20,106
Derivatives liabilities	4)	FVTPL / Accrual	FVTPL / Accrual	37,837	-	-	-	37,837	1,599	39,436
Debt issued and Borrowing		Amortized cost	Amortized cost	144,681	(8,227)	-	-	136,454	-	136,454
Bank's liability under Acceptances		On-Balance Sheet	Off-Balance Sheet	1,627	-	-	(1,627)	-	-	-
Provisions				18,702	-	-	-	18,702	5,758	24,460
Deferred tax liabilities				2,364	-	-	-	2,364	1,042	3,406
Other liabilities				72,754	(703)	-	-	72,051	-	72,051
<b>Total liabilities</b>				<b>2,788,627</b>	<b>-</b>	<b>-</b>	<b>(1,627)</b>	<b>2,787,000</b>	<b>19,575</b>	<b>2,806,575</b>

Million Baht

	Note	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	CONSOLIDATED Reclassification (to) from			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020
					FVTPL	FVOCI	Amortized cost / Cost			
<b>Shareholders' equity</b>										
Issued and paid-up share capital				19,088	-	-	-	19,088	-	19,088
Premium on common share				56,346	-	-	-	56,346	-	56,346
Other reserves				34,472	(1,852)	112	-	32,732	943	33,675
<b>Retained earning</b>										
<b>Appropriate</b>										
Legal reserve				24,000	-	-	-	24,000	-	24,000
Others				106,500	-	-	-	106,500	-	106,500
Unappropriated				187,345	1,852	(112)	-	189,085	1,214	190,299
<b>Total Bank's equity</b>				<b>427,751</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>427,751</b>	<b>2,157</b>	<b>429,908</b>
Non-controlling interest				365	-	-	-	365	2	367
<b>Total shareholders' equity</b>				<b>428,116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>428,116</b>	<b>2,159</b>	<b>430,275</b>
<b>Total Liabilities and Shareholder' Equity</b>										
				3,216,743	-	-	(1,627)	3,215,116	21,734	3,236,850

Million Baht

	Note	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	The Bank Reclassification (to) from			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020
					FVTPL	FVOCI	Amortized cost / Cost			
<b>Assets</b>										
Cash		Amortized cost	Amortized cost	58,013	-	-	-	58,013	-	58,013
Interbank and money market items, net		Amortized cost	Amortized cost	442,584	-	-	-	442,584	946	443,530
Financial assets measured at FVTPL	1), 2), 3)	-	FVTPL	-	43,324	-	-	43,324	9,483	52,807
Derivative assets	4), 5), 6)	FVTPL / Accrual	FVTPL/ Accrual	49,687	607	-	-	50,294	545	50,839
Investments, net	7), 8), 10), 11)	FVTPL	-	8,518	(8,518)	-	-	-	-	-
	9)	FVOCI	FVOCI	556,797	(6,239)	5,817	-	556,375	2,619	558,994
		Amortized cost	Amortized cost	45,220	(29,174)	(5,817)	-	10,229	(6)	10,223
Investments in subsidiaries and associates, net				38,415	-	-	-	38,415	-	38,415
Loans to customers and accrued interest receivables, net		Amortized cost	Amortized cost	1,836,722	-	-	-	1,836,722	4,951	1,841,673
Customer's liability under acceptances		On-Balance Sheet	Off-Balance Sheet	104	-	-	(104)	-	-	-

Million Baht

Note	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	The Bank Reclassification (to) from			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020
				FVTPL	FVOCI	Amortized cost / Cost			
	Properties for sale, net		8,368	-	-	-	8,368	-	8,368
	Premises and equipment, net		39,505	-	-	-	39,505	-	39,505
	Other intangible assets, net		1,673	-	-	-	1,673	-	1,673
	Deferred tax assets		3,360	-	-	-	3,360	2,886	6,246
	Collateral placed with financial counterparties		17,419	-	-	-	17,419	-	17,419
	Other assets		16,976	-	-	-	16,976	-	16,976
	<b>Total assets</b>		<b>3,123,361</b>	<b>-</b>	<b>-</b>	<b>(104)</b>	<b>3,123,257</b>	<b>21,424</b>	<b>3,144,681</b>

Million Baht

Note	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	The Bank Reclassification (to) from			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020		
				FVTPL	FVOCI	Amortized cost / Cost					
<b>Liabilities</b>											
	Deposits	Amortized cost	Amortized cost	2,316,035	-	-	-	2,316,035	-	2,316,035	
	Interbank and money market items	Amortized cost	Amortized cost	129,277	-	-	-	129,277	-	129,277	
	Liabilities payable on demand	Amortized cost	Amortized cost	5,488	-	-	-	5,488	-	5,488	
	Financial liabilities measured at FVTPL	13)	-	FVTPL	-	8,227	-	8,227	11,176	19,403	
	Derivatives liabilities	4)	FVTPL / Accrual	FVTPL / Accrual	37,371	-	-	-	37,371	1,599	38,970
	Debt issued and borrowing		Amortized cost	Amortized cost	144,316	(8,227)	-	-	136,089	-	136,089
	Bank's liability under acceptances		On-Balance Sheet	Off-Balance Sheet	104	-	-	(104)	-	-	
	Provisions				18,428	-	-	-	18,428	5,291	23,719
	Deferred tax liabilities				2,158	-	-	-	2,158	1,043	3,201
	Other liabilities				51,721	-	-	-	51,721	-	51,721
	<b>Total liabilities</b>				2,704,898	-	-	(104)	2,704,794	19,109	2,723,903

Million Baht

Note	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	The Bank Reclassification (to) from			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020
				FVTPL	FVOCI	Amortized cost / Cost			
Shareholders' equity									
Issued and paid-up share									
	capital		19,088	-	-	-	19,088	-	19,088
Premium on common									
	share		56,346	-	-	-	56,346	-	56,346
	Other reserves		40,384	(1,817)	-	-	38,567	854	39,421
Retained earning									
Appropriate									
	Legal reserve		24,000	-	-	-	24,000	-	24,000
	Others		106,500	-	-	-	106,500	-	106,500
	Unappropriated		172,145	1,817	-	-	173,962	1,461	175,423
	<b>Total Bank's equity</b>		<b>418,463</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>418,463</b>	<b>2,315</b>	<b>420,778</b>
	<b>Total shareholders' equity</b>		<b>3,123,361</b>	<b>-</b>	<b>-</b>	<b>(104)</b>	<b>3,123,257</b>	<b>21,424</b>	<b>3,144,681</b>



Note :

- 1) Investment in debt securities and certain marketable equity securities that classified as trading investment under TFRS 9 have business model to realise through sale in the short term classified as measured at FVTPL.
- 2) Investment in debt securities and certain investments that classified as AFS equity securities or general investment have been reclassified as debt securities under TAS 32 which failed SPPI test and required to measure at FVTPL under TFRS 9.
- 3) Investments in non-marketable equity securities classified as general investments under TFRS 9, which will be classified as FVTPL.
- 4) Comprises of derivatives held for risk management previously measured on an accrual method for which these instruments will be classified and measured at FVTPL under TFRS 9.
- 5) Comprises of warrants that were previously classified as AFS equity securities. They have been reclassified to derivative assets and measured at FVTPL because they meet the definition of derivatives under TFRS 9.
- 6) Comprises of warrants that were previously classified as general investment under TFRS 9, which is derivative assets and measured at FVTPL.
- 7) Investment in debt securities that classified as an AFS under TFRS 9 were assessed to have a business model whose objective is achieved by both collecting contractual cash flows and selling. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest. Accordingly, these instruments are classified at FVOCI.
- 8) Certain investments in equity securities that classified as general investment have been reclassified as debt securities under TAS 32 and under TFRS 9, which is a business model of holding to collect contractual cash flows and sell. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest. Accordingly, these instruments will be accounted for at FVOCI.
- 9) Investments in debt securities that classified as HTM under TFRS 9, which is a business model of holding to collect contractual cash flows which comprise of solely payments of principal and interest. Accordingly, these instruments will be classified at amortized cost.
- 10) Investments in marketable equity securities classified as AFS under TFRS 9 for which the Bank has elected to apply the FVOCI.
- 11) Investments in non-marketable equity securities classified as general investments under TFRS 9 for which the Bank has elected to apply the FVOCI.
- 12) Investments in marketable equity securities that classified as trading under TFRS 9 choose to measure the fair value through other comprehensive income.
- 13) Debt securities issued under TFRS 9 are determined to be measured at fair value through profit or loss. In order to reduce the impact of inconsistent accounting measurement.

The impact of transition to TFRS 9 on other reserves and retained earnings is, as follows :

	CONSOLIDATED			Million Baht
	Revaluation surplus on investments	Other Reserves		Retained earnings
		Cash flow	Own credit risk	
		hedge reserve	revaluation reserve	
Balance as at December 31, 2019	28,135	-	-	317,845
Impact as a result of reclassification and measurement	2,027	-	(2,745)	360
Impact as a result of applying hedge accounting	(1,505)	445	-	1,060
Recognition of expected credit losses for				
debt financial assets at FVOCI	610	-	-	-
Deferred tax in relation to the above	(89)	(89)	549	1,534
Balance as at January 1, 2020	<u>29,178</u>	<u>356</u>	<u>(2,196)</u>	<u>320,799</u>

	THE BANK			Million Baht
	Revaluation surplus on investments	Other Reserves		Retained earnings
		Cash flow	Own credit risk	
		hedge reserve	revaluation reserve	
Balance as at December 31, 2019	28,036	-	-	302,645
Impact as a result of reclassification and measurement	1,852	-	(2,745)	764
Impact as a result of applying hedge accounting	(1,505)	445	-	1,060
Recognition of expected credit losses for				
debt financial assets at FVOCI	600	-	-	-
Deferred tax in relation to the above	(70)	(89)	549	1,454
Balance as at January 1, 2020	<u>28,913</u>	<u>356</u>	<u>(2,196)</u>	<u>305,923</u>

3.2 Thai Financial Reporting Standard No. 16 Leases (TFRS 16), replace the existing lease accounting under Thai Accounting Standard No. 17.

#### Leases

*Applied from January 1, 2020*

The Bank as tenants recognizes liabilities under rental contracts at the present value of the obligations under the lease agreements, and recognizes right-of-use assets with the value of lease liabilities plus the initial direct costs and the right-of-use is amortized over the straight-line method throughout the lease term.

The Bank and subsidiaries have increased in total assets and liabilities due to the recognition of leasehold rights and liabilities for the consolidated in the amount of Baht 4,733 million and Baht 4,236 million respectively, and the separate financial statements in the amount of Baht 4,152 million and Baht 3,737 million respectively.

#### 4. FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT FAIR 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 March 31, 2020 and December 31, 2019.

	Million Baht							
	CONSOLIDATED							
	March 31, 2020			December 31, 2019				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Items measured at fair value :								
Financial assets								
Financial assets measured								
at FVTPL	2,412	29,700	39,523	71,635	-	-	-	-
Derivatives	467	58,042	22	58,531	-	50,315	-	50,315
Investments, net	76,450	503,704	8,668	588,822	85,478	502,855	-	588,333
Financial liabilities								
Financial liabilities								
measured at FVTPL	932	20,114	-	21,046	-	-	-	-
Derivatives	402	71,559	-	71,961	361	39,052	-	39,413

	Million Baht							
	THE BANK							
	March 31, 2020			December 31, 2019				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Items measured at fair value :								
Financial assets								
Financial assets measured								
at FVTPL	1,302	27,819	38,700	67,821	-	-	-	-
Derivatives	467	58,391	22	58,880	-	50,201	-	50,201
Investments, net	74,375	483,398	8,658	566,431	80,384	484,931	-	565,315
Financial liabilities								
Financial liabilities								
measured at FVTPL	-	20,114	-	20,114	-	-	-	-
Derivatives	-	71,432	-	71,432	-	38,958	-	38,958

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

The following methods and assumptions were used by the Bank in estimating the fair value of financial instruments measured at fair value.

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.
- Investment in unit trusts are stated at fair value based on redemption value at the reporting date.

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.

## 5. 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	
	March 31, 2020	December 31, 2019
Common Equity Tier 1 ratio	More than 8.0	More than 7.5
Tier 1 capital ratio	More than 9.5	More than 9.0
Total capital fund ratio	More than 12.0	More than 11.5

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

As at March 31, 2020 and December 31, 2019, 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	
	Percentage		Percentage	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Common Equity Tier 1 capital to risk assets ratio	15.67	17.01	15.72	17.14
Tier 1 capital to risk assets ratio	15.67	17.01	15.72	17.14
Total capital to risk assets ratio	18.48	20.04	18.58	20.20

	CONSOLIDATED		THE BANK	
	Million Baht		Million Baht	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
<b>Tier 1 capital</b>	392,914	406,529	383,530	399,842
Common Equity Tier 1 capital	392,840	406,463	383,530	399,842
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	24,500	24,000	24,500	24,000
Reserves appropriated from net profit	106,500	106,500	106,500	106,500
Net profit after appropriation	177,301	170,789	162,101	157,182
Other comprehensive income	20,044	33,678	24,593	39,600
Deductions from Common Equity				
Tier 1 capital	(10,939)	(3,938)	(9,598)	(2,874)
Additional Tier 1 capital	74	66	-	-
<b>Tier 2 capital</b>	70,385	72,211	69,738	71,420
<b>Total capital fund</b>	463,299	478,740	453,268	471,262

As at March 31, 2020 and December 31, 2019, the Bank has no capital add-on arising from Single Lending Limit.

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 April 30, 2020

Information as of December 31, 2019

## 6. ADDITIONAL INFORMATION

### 6.1 Supplementary disclosures of cash flow information

Significant non-cash items for the three-month periods ended March 31, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Unrealized gains on investments in shareholders' equity increase (decrease)	(18,855)	4,213	(18,281)	4,174
Properties for sale increased from loans payment/inactive assets	390	281	390	281
Unrealized increment per premises appraisal transferred to retained earnings	235	232	234	231
Changes in non-cash items of debt issued and borrowing				
Gain (loss) on foreign exchange	(11,379)	2,305	(11,379)	2,305
Amortization on discount	8	65	8	65

### 6.2 Financial assets measured at fair value through profit or loss

6.2.1 Trading financial assets as at March 31, 2020 consisted of the following :

	Million Baht	
	CONSOLIDATED	THE BANK
	March 31, 2020	March 31, 2020
Thai government and state enterprise securities	26,682	26,682
Private enterprise debt securities	380	380
Domestic marketable equity securities	1,111	-
Others	94	-
<b>Total</b>	<u><u>28,267</u></u>	<u><u>27,062</u></u>

6.2.2 Others as at March 31, 2020 consisted of the following :

	CONSOLIDATED March 31, 2020	Million Baht THE BANK March 31, 2020
Investment in debt securities	35,183	32,974
Investment in equity securities	8,184	7,785
<b>Total</b>	<b><u>43,367</u></b>	<b><u>40,759</u></b>

### 6.3 Investments, net

6.3.1 Investments as at March 31, 2020 and December 31, 2019 consisted of the following :

	CONSOLIDATED March 31, 2020 Amortized Cost	Million Baht THE BANK March 31, 2020 Amortized Cost
Debt investment securities - measured at amortized cost		
Thai government and state enterprise securities	24,442	7,031
Foreign debt securities	2,535	1,777
<b>Total</b>	<b><u>26,977</u></b>	<b><u>8,808</u></b>
Less: Allowance for expected credit loss	(11)	(8)
<b>Total investments - measured at amortized cost</b>	<b><u>26,966</u></b>	<b><u>8,800</u></b>

	CONSOLIDATED March 31, 2020 Fair Value	Million Baht THE BANK March 31, 2020 Fair Value
Debt investment securities - measured at FVOCI		
Thai government and state enterprise securities	334,266	334,266
Private enterprise debt securities	64,590	64,590
Foreign debt securities	120,371	100,154
Others	7,631	7,631
<b>Total debt investment securities - measured at FVOCI</b>	<b><u>526,858</u></b>	<b><u>506,641</u></b>
<b>Allowance for expected credit loss</b>	<b><u>879</u></b>	<b><u>849</u></b>

	CONSOLIDATED March 31, 2020 Fair Value	Million Baht THE BANK March 31, 2020 Fair Value
Equity investment securities - designated at FVOCI		
Domestic marketable equity securities	40,474	38,398
Foreign marketable equity securities	11,204	11,204
Others	10,286	10,188
<b>Total equity investment securities - designated at FVOCI</b>	<b><u>61,964</u></b>	<b><u>59,790</u></b>
<b>Investments, net</b>	<b><u>615,788</u></b>	<b><u>575,231</u></b>

	CONSOLIDATED December 31, 2019 Fair Value	Million Baht THE BANK December 31, 2019 Fair Value
Trading securities		
Thai government and state enterprise securities	8,320	8,320
Private enterprise debt securities	198	198
Domestic marketable equity securities	5,095	-
<b>Total</b>	<u>13,613</u>	<u>8,518</u>

	CONSOLIDATED December 31, 2019 Fair Value	Million Baht THE BANK December 31, 2019 Fair Value
Available-for-sale securities		
Thai government and state enterprise securities	327,327	327,327
Private enterprise debt securities	66,072	65,520
Foreign debt securities	113,747	98,068
Domestic marketable equity securities	47,141	47,141
Foreign marketable equity securities	9,844	9,844
Others	10,589	8,897
<b>Total</b>	<u>574,720</u>	<u>556,797</u>

	CONSOLIDATED December 31, 2019 Cost/ Amortized Cost	Million Baht THE BANK December 31, 2019 Cost/ Amortized Cost
Held-to-maturity debt securities		
Thai government and state enterprise securities	19,328	7,032
Foreign debt securities	3,929	3,197
<b>Total</b>	<u>23,257</u>	<u>10,229</u>

	CONSOLIDATED December 31, 2019 Cost	Million Baht THE BANK December 31, 2019 Cost
General investments		
Domestic non-marketable equity securities	8,689	7,839
Foreign non-marketable equity securities	36,029	35,763
<b>Total</b>	44,718	43,602
<u>Less</u> Allowance for impairment	(8,611)	(8,611)
<b>Total</b>	<u>36,107</u>	<u>34,991</u>
<b>Total investments, net</b>	<u>647,697</u>	<u>610,535</u>



As at March 31, 2020 and December 31, 2019, the Bank has investments in 30 companies and 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 March 31, 2020 and December 31, 2019, 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 March 31, 2020 and December 31, 2019, the Bank had outstanding balances of other liabilities from such transaction amounting to Baht 328 million.

6.3.2 As at March 31, 2020 and December 31, 2019, 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	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
	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>2,291</u>	<u>2,243</u>	<u>2,291</u>	<u>2,243</u>
<b>Total</b>	<u><u>2,531</u></u>	<u><u>2,483</u></u>	<u><u>2,531</u></u>	<u><u>2,483</u></u>

#### 6.4 Investments in subsidiaries and associates, net

As at March 31, 2020 and December 31, 2019, the Bank had investments in subsidiaries and associates, net as follows :

									Million Baht
Company	Type of Business	Type of Shares	CONSOLIDATED						
			Direct and Indirect Shareholding (%)		Investment (Cost Method)		Investment (Equity Method)		
			March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	
<b>Associates</b>									
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118	105	109	
BSL Leasing Co., Ltd.	Finance	Common share	35.88	35.88	201	201	818	820	
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15	462	441	
National ITMX Co., Ltd.	Service	Common share	14.26	14.26	13	13	291	273	
Thai Payment Network Co., Ltd.	Service	Common share	69.08	69.08	362	362	74	94	
Total					709	709	1,750	1,737	
<u>Less</u> Allowance for impairment					(2)	(2)	-	-	
<b>Investments in associates, net</b>					<u>707</u>	<u>707</u>	<u>1,750</u>	<u>1,737</u>	

									Million Baht
Company	Type of Business	Type of Shares	THE BANK						
			Direct and Indirect Shareholding (%)		Investment (Cost Method)				
			March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	
<b>Subsidiaries</b>									
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	Common share	100.00	100.00	1,500	1,500			
<b>Company</b>									
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			
<b>Associates</b>									
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	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	14.26	13	13			
Thai Payment Network Co., Ltd.	Service	Common share	69.08	69.08	362	362			
Total							38,512	38,512	
<u>Less</u> Allowance for impairment							(97)	(97)	
<b>Investments in subsidiaries and associates, net</b>							<u>38,415</u>	<u>38,415</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%.

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

	Million Baht	
	FOR THE THREE-MONTH PERIODS ENDED	
	March 31, 2020	March 31, 2019
Net profit	242	202
Total comprehensive income	242	202

#### 6.5 Loans to customers and accrued interest receivables, net

##### 6.5.1 Classified by product type as at March 31, 2020 and December 31, 2019 :

	CONSOLIDATED		THE BANK	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Overdrafts	100,881	103,798	100,278	103,048
Loans	1,597,344	1,545,217	1,545,956	1,493,427
Bills	416,230	410,616	410,208	404,930
Others	<u>1,495</u>	<u>1,678</u>	<u>1,495</u>	<u>1,678</u>
Loans to customers	2,115,950	2,061,309	2,057,937	2,003,083
<u>Add</u> Accrued interest receivables and undue interest receivables	<u>5,311</u>	<u>4,013</u>	<u>5,162</u>	<u>3,894</u>
Loans to customers and accrued interest receivables	2,121,261	2,065,322	2,063,099	2,006,977
<u>Less</u> Allowance for expected credit loss	(166,059)	-	(162,075)	-
<u>Less</u> Allowance for doubtful accounts and revaluation allowance for debt restructuring	<u>-</u>	<u>(174,276)</u>	<u>-</u>	<u>(170,255)</u>
<b>Total loans to customers and accrued interest receivables, net</b>	<b><u><u>1,955,202</u></u></b>	<b><u><u>1,891,046</u></u></b>	<b><u><u>1,901,024</u></u></b>	<b><u><u>1,836,722</u></u></b>

6.5.2 Classified by business type as at March 31, 2020 and December 31, 2019 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Agriculture and mining	62,654	61,569	60,407	59,421
Manufacturing and commercial	801,718	755,979	773,469	729,176
Real estate and construction	205,235	200,736	197,577	192,628
Utilities and services	495,693	470,159	487,007	460,719
Housing loans	249,845	251,197	249,826	251,179
Others	<u>300,805</u>	<u>321,669</u>	<u>289,651</u>	<u>309,960</u>
<b>Total</b>	<u><u>2,115,950</u></u>	<u><u>2,061,309</u></u>	<u><u>2,057,937</u></u>	<u><u>2,003,083</u></u>

6.5.3 Loans to customers are classified as at March 31, 2020 :

	Loans and Interbank and Money Market items	
	Million Baht	
	CONSOLIDATED	THE BANK
	March 31, 2020	March 31, 2020
Performing and Under-performing	2,536,194	2,453,403
Non-performing	<u>85,240</u>	<u>83,941</u>
<b>Total</b>	<u><u>2,621,434</u></u>	<u><u>2,537,344</u></u>

As at March 31, 2020, impaired loans with restructured loans amounted to Baht 6,500 million.

6.5.4 As at March 31, 2020 and December 31, 2019, the Bank and subsidiaries had non-performing loans (NPLs), including interbank and money market items but excluding accrued interest receivable, as follows:

	Million Baht			
	CONSOLIDATED		THE BANK	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
NPLs before allowance for expected credit loss	85,240	79,149	83,941	78,093
NPLs as percentage of total loans	3.48	3.39	3.51	3.44
Net NPLs after allowance for expected credit loss	36,245	28,368	35,806	28,203
Net NPLs as percentage of net total loans	1.51	1.24	1.53	1.27

6.6 Financial liabilities measured at fair value through profit or loss

The Bank had financial liabilities measured at fair value through profit or loss. It is a financial liability that is determined to be measured at fair value through profit or loss amounting to Baht 20,114 million. The cumulative effect of changes in fair value resulting from changes in credit risk recognized in other comprehensive income of amounting to Baht 733 million, and the difference between the book value and the contract value that must be paid when due amounting to Baht 5,410 million.

The subsidiary had financial liabilities measured at fair value through profit or loss is a trading financial liability of Baht 932 million.

## 6.7 Share capital

The Bank's share capital consists of :

- Ordinary 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 March 31, 2020 and December 31, 2019, the Bank had registered share capital of Baht 40,000,000,000 divided into ordinary 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	
	March 31, 2020	December 31, 2019
Ordinary shares	3,998,345,000	3,998,345,000
Class A preferred shares	655,000	655,000
Class B preferred shares	<u>1,000,000</u>	<u>1,000,000</u>
<b>Total</b>	<b><u>4,000,000,000</u></b>	<b><u>4,000,000,000</u></b>

As at March 31, 2020 and December 31, 2019, the Bank had 1,908,842,894 issued ordinary shares and 2,039,502,106 unissued ordinary 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 ordinary shares, the Bank will follow the resolutions of the 12<sup>th</sup> ordinary shareholders' meeting convened on April 12, 2005, as per the following details :

1. Allocation of 1,339,502,106 ordinary shares as follows :
  - 1.1) Allocation of 459,502,106 ordinary 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 ordinary 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 ordinary shares for offer and sale to the existing shareholders and the beneficial owners of the ordinary shares in proportion to their shareholdings.
2. Allocation of 50,000,000 ordinary 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 ordinary 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 ordinary shares to be reserved for the exercise of right to purchase ordinary 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.  
  
Allocation of 1,000,000 Class B preferred shares for offer and sale in foreign markets and/or domestic
6. 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.

#### 6.8 The appropriation of the profit and the dividend payments

On April 12, 2019, the 26<sup>th</sup> 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.

On February 23, 2020, the Meeting of Board of Director approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2019 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 2019 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, 2019), and the amount to be appropriated for the period of July - December 2019 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 7.00 per ordinary share, totaling Baht 13,266 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,722 million on September 20, 2019, and the remaining amount will be paid on April 30, 2020 at the rate of Baht 5.00 per share amounting to Baht 9,544 million.

According to the BOT's letter BOT. SorNorSor. (23) Wor. 395/2563 dated March 31, 2020 regarding the waiver of compliance with the rules of the Bank of Thailand during the COVID-19 situation, it has allowed banks to bring profits that passed the resolution of the Board of Directors' meeting to be allocated as capital funds and when the bank is able to hold annual shareholders' meetings count the capital in accordance with the resolution of the shareholders' meeting.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 3,722 million on April 30, 2020.

#### 6.9 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 March 31, 2020 and December 31, 2019 amounted to Baht 4,128 million and Baht 26,597 million, respectively.

## 6.10 Contingent liabilities

As at March 31, 2020 and December 31, 2019, the Bank and subsidiaries had contingent liabilities as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Avals to bills	5,826	7,598	5,826	7,598
Guarantees of loans	31,737	27,513	20,969	18,907
Liability under unmatured import bills	20,753	17,745	16,857	15,045
Letters of credit	25,414	22,116	24,386	21,189
Other commitments				
Amount of unused bank overdraft	165,637	165,562	164,758	164,845
Other guarantees	243,939	247,490	241,441	245,045
Others	219,746	137,867	203,511	140,385
<b>Total</b>	<u>713,052</u>	<u>625,891</u>	<u>677,748</u>	<u>613,014</u>

## 6.11 Litigation

As at March 31, 2020 and December 31, 2019, 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.

## 6.12 Related party transactions

As at March 31, 2020 and December 31, 2019, 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 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
<b>Placement</b>				
Subsidiaries				
Bangkok Bank Berhad	-	-	2,131	2,116
Bangkok Bank (China) Co., Ltd.	-	-	822	1
<b>Total</b>	<u>-</u>	<u>-</u>	<u>2,953</u>	<u>2,117</u>
<b>Loans</b>				
Associate				
BSL Leasing Co., Ltd.	150	120	150	120
Other related parties	16	54	15	19
<b>Total</b>	<u>166</u>	<u>174</u>	<u>165</u>	<u>139</u>
<b>Allowance for expected credit loss /</b>				
<b>Allowance for doubtful account</b>				
Associate				
BSL Leasing Co., Ltd.	2	2	2	2
<b>Total</b>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Other assets</b>				
Subsidiaries				
Bangkok Bank Berhad	-	-	2	3
BBL Asset Management Co., Ltd.	-	-	363	382
Bualuang Securities PCL.	-	-	1	1
Associates				
Processing Center Co., Ltd.	3	17	3	17
Thai Payment Network Co., Ltd.	9	7	9	7
Other related parties	4	6	-	-
<b>Total</b>	<u>16</u>	<u>30</u>	<u>378</u>	<u>410</u>

Million Baht

	CONSOLIDATED		THE BANK	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
<b>Deposits</b>				
Subsidiaries				
BBL (Cayman) Limited	-	-	791	726
Bangkok Bank Berhad	-	-	101	76
Sinnsuptawee Asset Management Co., Ltd.	-	-	6	14
BBL Asset Management Co., Ltd.	-	-	356	77
Bualuang Securities PCL.	-	-	3,339	113
Bangkok Bank (China) Co., Ltd.	-	-	91	93
Bualuang Venture Co., Ltd.	-	-	476	575
Bangkok Capital Asset Management Co., Ltd.*	-	-	63	116
Associates				
BSL Leasing Co., Ltd.	40	41	40	41
Processing Center Co., Ltd.	165	204	165	204
National ITMX Co., Ltd.	89	88	89	88
Thai Payment Network Co., Ltd.	57	66	57	66
BCI (Thailand) Co., Ltd.	43	53	43	53
Other related parties	<u>9,565</u>	<u>8,572</u>	<u>9,565</u>	<u>8,572</u>
<b>Total</b>	<b><u>9,959</u></b>	<b><u>9,024</u></b>	<b><u>15,182</u></b>	<b><u>10,814</u></b>
<b>Borrowings</b>				
Subsidiary				
Bangkok Bank (China) Co., Ltd.	<u>-</u>	<u>-</u>	<u>163</u>	<u>-</u>
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>163</u></b>	<b><u>-</u></b>
<b>Other liabilities</b>				
Subsidiaries				
BBL (Cayman) Limited	-	-	4	4
Sinnsuptawee Asset Management Co., Ltd.	-	-	329	328
Bualuang Securities PCL.	-	-	2	1
Bualuang Venture Co., Ltd.	-	-	1	-
Associates				
Processing Center Co., Ltd.	1	1	1	1
National ITMX Co., Ltd.	11	11	11	11
BCI (Thailand) Co., Ltd.	1	-	1	-
Other related parties	<u>34</u>	<u>31</u>	<u>28</u>	<u>23</u>
<b>Total</b>	<b><u>47</u></b>	<b><u>43</u></b>	<b><u>377</u></b>	<b><u>368</u></b>

\* Holding by Bualuang Securities PCL.

	CONSOLIDATED		THE BANK	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
	Million Baht			
<b>Commitments</b>				
Subsidiaries				
Bangkok Bank Berhad	-	-	47	32
Bualuang Securities PCL.	-	-	26	-
Bangkok Bank (China) Co., Ltd.	-	-	2,740	2,064
Associates				
BSL Leasing Co., Ltd.	5	-	5	-
National ITMX Co., Ltd.	1	-	1	-
Other related parties	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
<b>Total</b>	<u><u>10</u></u>	<u><u>4</u></u>	<u><u>2,823</u></u>	<u><u>2,100</u></u>

For the three-month period ended March 31, 2020, the Bank and subsidiaries charged interest at rates between 1.00% and 13.00% on loans to these related parties depending on the types of loans and collateral.

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.

In the consolidated and the Bank's financial statements, investments in subsidiaries and associates as at March 31, 2020 and December 31, 2019 are shown in Note 6.4.

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 THREE-MONTH		FOR THE THREE-MONTH	
	PERIODS ENDED		PERIODS ENDED	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Million Baht				
<b>Interest and discount received</b>				
Subsidiaries				
Bangkok Bank Berhad	-	-	12	35
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	11
Bangkok Bank (China) Co., Ltd.	-	-	-	3
Associate				
BSL Leasing Co., Ltd.	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>Total</b>	<u><b>1</b></u>	<u><b>1</b></u>	<u><b>13</b></u>	<u><b>50</b></u>
<b>Fees and service income</b>				
Subsidiaries				
BBL Asset Management Co., Ltd.	-	-	521	542
Bualuang Securities PCL.	-	-	9	5
Associate				
Processing Center Co., Ltd.	2	2	2	2
Other related parties	<u>20</u>	<u>16</u>	<u>-</u>	<u>1</u>
<b>Total</b>	<u><b>22</b></u>	<u><b>18</b></u>	<u><b>532</b></u>	<u><b>550</b></u>
<b>Dividend income</b>				
Subsidiary				
BBL Asset Management Co., Ltd.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other income</b>				
Subsidiaries				
Bualuang Securities PCL.	-	-	1	4
Bangkok Bank (China) Co., Ltd.	-	-	32	29
Associates				
National ITMX Co., Ltd.	1	1	1	1
Thai Payment Network Co., Ltd.	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
<b>Total</b>	<u><b>4</b></u>	<u><b>4</b></u>	<u><b>37</b></u>	<u><b>37</b></u>
<b>Interest paid</b>				
Subsidiaries				
BBL (Cayman) Limited	-	-	4	5
BBL Asset Management Co., Ltd.	-	-	-	1
Bualuang Securities PCL.	-	-	2	-
Bangkok Bank (China) Co., Ltd.	-	-	3	3
Bualuang Venture Co., Ltd.	-	-	1	1
Other related parties	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
<b>Total</b>	<u><b>16</b></u>	<u><b>16</b></u>	<u><b>26</b></u>	<u><b>26</b></u>
<b>Commission paid</b>				
Other related parties	<u>14</u>	<u>16</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><b>14</b></u>	<u><b>16</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

	Million Baht			
	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Other expenses</b>				
Subsidiary				
Bangkok Bank (China) Co., Ltd.	-	-	-	-
Associates				
Processing Center Co., Ltd.	1	1	1	1
National ITMX Co., Ltd.	30	29	30	29
BCI (Thailand) Co., Ltd.	1	-	1	-
Other related parties	<u>35</u>	<u>32</u>	<u>33</u>	<u>30</u>
<b>Total</b>	<u><u>67</u></u>	<u><u>62</u></u>	<u><u>65</u></u>	<u><u>60</u></u>

#### 6.13 Events after the reporting period

On April 20, 2020, the Bank entered into an agreement with Standard Chartered Bank ("Standard Chartered") and PT Astra International Tbk ("Astra"), as the Sellers, to amend the term of condition share purchase agreement (the CSPA). In this regard, the counterparty agreed to amend the share purchase agreement. The Parties to the transaction have agreed to amend the CSPA to revise the purchase price for the transaction from a 1.77 to a 1.63 times multiple of Permata's book value as at March 31, 2020, subject to the transaction closing on or prior to June 30, 2020. However, the transaction remains subject to certain conditions, including necessary approvals from the regulatory authorities in Indonesia.

#### 6.14 Operating segments

##### 6.14.1 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 three-month periods ended March 31, 2020 and 2019 are as follows :

	CONSOLIDATED					Million Baht
	FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020					
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	18,304	3,492	2,368	2,231	(1)	26,394
Total operating expenses before credit losses	<u>(7,890)</u>	<u>(960)</u>	<u>(224)</u>	<u>(2,304)</u>	<u>1</u>	<u>(11,377)</u>
Profit from operating before credit losses and income tax expenses	<u>10,414</u>	<u>2,532</u>	<u>2,144</u>	<u>(73)</u>	<u>-</u>	<u>15,017</u>

	CONSOLIDATED					Million Baht
	FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019					
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	19,371	3,333	2,588	3,335	-	28,627
Total operating expenses before credit losses	<u>(7,643)</u>	<u>(1,098)</u>	<u>(192)</u>	<u>(3,268)</u>	<u>-</u>	<u>(12,201)</u>
Profit from operating before credit losses and income tax expenses	<u>11,728</u>	<u>2,235</u>	<u>2,396</u>	<u>67</u>	<u>-</u>	<u>16,426</u>

The financial position of operating segments as at March 31, 2020 and December 31, 2019 are as follows :

	CONSOLIDATED					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
<b>Total assets</b>						
As at March 31, 2020	1,633,952	648,928	1,297,604	217,598	(402,792)	3,395,290
As at December 31, 2019	1,622,097	788,248	1,206,275	148,726	(548,603)	3,216,743

#### 6.14.2 Geographical Segments

The operating results classified by geographical areas for the three-month periods ended March 31, 2020 and 2019 are as follows :

	CONSOLIDATED						Million Baht
	FOR THE THREE-MONTH PERIODS ENDED						
	March 31, 2020			March 31, 2019			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Total operating income	22,266	4,128	26,394	24,106	4,521	28,627	
Total operating expenses*	(8,428)	(8,036)	(16,464)	(15,474)	(1,805)	(17,279)	
Profit from operating							
before income tax expenses	13,838	(3,908)	9,930	8,632	2,716	11,348	

The financial position classified by geographical areas as at March 31, 2020 and December 31, 2019 are as follows :

	CONSOLIDATED						Million Baht
	March 31, 2020			December 31, 2019			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Non-current assets**	39,740	7,409	47,149	36,036	6,478	42,514	
Total assets	2,842,220	553,070	3,395,290	2,679,118	537,625	3,216,743	

\* Including credit losses.

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

## 6.15 Interest income

Interest income for the three-month periods ended March 31, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Interbank and money market items	1,685	2,307	1,522	2,002
Investments and trading transactions	56	44	56	44
Investment in debt securities	2,472	2,304	2,292	2,149
Loans	24,369	23,696	23,674	22,952
Others	<u>43</u>	<u>14</u>	<u>43</u>	<u>14</u>
<b>Total interest income</b>	<u><u>28,625</u></u>	<u><u>28,365</u></u>	<u><u>27,587</u></u>	<u><u>27,161</u></u>

For the three-month period ended March 31, 2020, the Bank and subsidiaries have total interest income on financial assets that are measured at amortized cost and at FVOCI for the consolidated amounting to Baht 26,215 million and Baht 2,353 million, respectively and for the Bank's financial statement amounting to Baht 25,306 million and amounting to Baht 2,225 million, respectively.

## 6.16 Interest expenses

Interest expenses for the three-month periods ended March 31, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deposits	5,596	5,526	5,237	5,112
Interbank and money market items	368	521	336	472
Contributions to the Deposit Protection Agency	1,314	2,453	1,313	2,450
Debt issued bonds and subordinated notes	1,520	1,530	1,520	1,530
Others	<u>7</u>	<u>36</u>	<u>7</u>	<u>36</u>
<b>Total interest expenses</b>	<u><u>8,805</u></u>	<u><u>10,066</u></u>	<u><u>8,413</u></u>	<u><u>9,600</u></u>



## 6.17 Net fees and service income

Net fees and service income for the three-month periods ended March 31, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Fees and service income				
Acceptances, aval and guarantees of loans	201	39	182	29
Debit card, credit card and electronic services	4,394	4,821	4,393	4,808
Others	<u>4,488</u>	<u>4,727</u>	<u>2,848</u>	<u>3,598</u>
Total fees and service income	9,083	9,587	7,423	8,435
Fees and service expenses	<u>2,729</u>	<u>2,747</u>	<u>2,681</u>	<u>2,690</u>
<b>Net fees and service income</b>	<u><u>6,354</u></u>	<u><u>6,840</u></u>	<u><u>4,742</u></u>	<u><u>5,745</u></u>

## 6.18 Expected credit loss / Impairment loss of loans and debt securities

Expected credit loss / Impairment loss of loans and debt securities for the three-month periods ended March 31, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Loans to customers and accrued interest receivables	4,396	-	4,292	-
Others	691	-	661	-
Impairment loss of loans and debt securities	<u>-</u>	<u>5,078</u>	<u>-</u>	<u>5,136</u>
<b>Total Expected credit loss / Impairment loss of loans and debt securities</b>	<u><u>5,087</u></u>	<u><u>5,078</u></u>	<u><u>4,953</u></u>	<u><u>5,136</u></u>

## 6.19 The Coronavirus Disease 2019 Pandemic (COVID-19)

The Coronavirus Disease 2019 Pandemic (COVID-19) is continuing to evolve, resulting in the economic slowdown and impacting most business and industries. This situation may bring uncertainties and have an impact on the environment in which the Bank operates.

In the classification, the bank adheres to Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who are affected from the situations that affected Thailand’s economy”. The debt classification which has no credit impairment is a class that does not have a significant increase in credit risk (Stage 1 Performing) immediately after analyzing the status and business of the debtor that the debtor is able to comply with the debt restructuring agreement. As for debt that has credit impairment but still has the potential to operate business, the Bank can classify the debt as a class that does not have a

significant increase in credit risk (Stage 1 Performing) if the debtor has made a payment under the new debt restructuring agreement for 3 consecutive months or 3 payment periods, whichever is longer.

As for the reserve, the Bank adheres to the Financial Reporting Standards No. 9 Financial instruments, which specifies the Expected Credit Loss by considering the past, present and future economic conditions under various assumptions and situations due to the transmission problem of COVID-19 being transmitted impact on the Thai economy and the broad global economy. The situation of the outbreak still cannot be controlled, causing the economic activity to have a severe slowdown especially the tourism, service and industry sectors that may lead to economic recession. Therefore, in estimating the credit losses that are expected to occur the Bank therefore considers future economic factors that reflect the effects of the pandemic of COVID-19, both in the short and long term, including considering the management's discretion to reserve more (Management Overlay) from the values obtained from the model to another level so that the bank's reserves are able to sufficiently cope with the increase in default payments of loan receivables affected by this situation.

#### 6.20 Approval of the financial statements

On May 12, 2020, the Audit Committee and the Board of Executive Directors have authorized to issue these interim financial statements.