

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 its subsidiaries and the Bank's statement of financial position of Bangkok Bank Public Company Limited as at March 31, 2017, 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". 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".

BANGKOK
May 11, 2017

Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand)
Registration No. 3356
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		March 31, 2017 (Unaudited)	December 31, 2016	March 31, 2017 (Unaudited)	December 31, 2016
ASSETS					
CASH		55,536,479	66,338,317	55,452,182	66,261,272
INTERBANK AND MONEY MARKET ITEMS, NET		504,369,335	394,612,287	453,344,382	342,757,301
CLAIMS ON SECURITY		10,043	7,449	-	-
DERIVATIVES ASSETS		25,451,401	24,471,159	25,249,714	24,040,842
INVESTMENTS, NET	6.2	525,639,234	546,613,858	495,356,909	518,115,767
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.3	1,409,417	1,327,421	36,861,921	33,680,877
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	6.4				
Loans to customers		1,924,595,427	1,941,586,291	1,876,651,930	1,893,632,507
Accrued interest receivables		3,855,937	4,652,521	3,743,510	4,536,487
Total loans to customers and accrued interest receivables		1,928,451,364	1,946,238,812	1,880,395,440	1,898,168,994
<u>Less</u> Deferred revenue		(642,100)	(493,063)	(605,823)	(450,949)
<u>Less</u> Allowance for doubtful accounts		(121,831,538)	(116,808,546)	(118,425,825)	(113,368,416)
<u>Less</u> Revaluation allowance for debt restructuring		(2,614,232)	(2,709,754)	(2,614,232)	(2,709,754)
Total loans to customers and accrued interest receivables, net		1,803,363,494	1,826,227,449	1,758,749,560	1,781,639,875
CUSTOMER'S LIABILITY UNDER ACCEPTANCES		866,648	686,373	115,064	116,245
PROPERTIES FOR SALE, NET		12,004,072	12,262,492	8,535,112	8,776,512
PREMISES AND EQUIPMENT, NET		44,759,323	45,230,550	43,303,390	43,767,374
OTHER INTANGIBLE ASSETS, NET		765,005	828,594	700,988	774,276
DEFERRED TAX ASSETS		3,341,144	3,347,566	2,278,186	2,355,259
SECURITIES BUSINESS RECEIVABLES - CASH ACCOUNTS		4,705,087	3,541,325	-	-
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES		2,398,014	4,366,690	2,331,806	4,328,555
OTHER ASSETS, NET		11,004,686	14,368,259	9,813,216	12,184,928
TOTAL ASSETS		2,995,623,382	2,944,229,789	2,892,092,430	2,838,799,083

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, 2017

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		March 31, 2017 (Unaudited)	December 31, 2016	March 31, 2017 (Unaudited)	December 31, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS		2,244,031,740	2,178,140,784	2,186,708,569	2,116,658,689
INTERBANK AND MONEY MARKET ITEMS		117,579,934	130,927,972	108,494,422	122,899,921
LIABILITY PAYABLE ON DEMAND		12,502,636	12,326,299	12,479,768	12,305,367
LIABILITY TO DELIVER SECURITY		497,102	272,400	-	-
DERIVATIVES LIABILITIES		20,840,710	26,713,721	20,411,432	26,153,232
DEBT ISSUED AND BORROWINGS	6.6	133,235,684	137,815,211	132,887,383	137,624,479
BANK'S LIABILITY UNDER ACCEPTANCES		866,648	686,373	115,064	116,245
PROVISIONS		12,837,527	12,941,250	12,670,702	12,777,872
DEFERRED TAX LIABILITIES		6,235,675	5,702,331	5,985,085	5,468,140
OTHER LIABILITIES		60,898,659	59,458,565	40,274,510	40,453,713
TOTAL LIABILITIES		2,609,526,315	2,564,984,906	2,520,026,935	2,474,457,658
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	6.7				
Authorized share capital					
1,655,000 preferred shares of Baht 10 each		16,550	16,550	16,550	16,550
3,998,345,000 common shares of Baht 10 each		39,983,450	39,983,450	39,983,450	39,983,450
Issued and paid-up share capital					
1,908,842,894 common shares of Baht 10 each		19,088,429	19,088,429	19,088,429	19,088,429
PREMIUM ON COMMON SHARES		56,346,232	56,346,232	56,346,232	56,346,232
OTHER RESERVES		53,596,601	55,239,381	55,587,598	56,354,551
RETAINED EARNINGS					
Appropriated	6.8				
Legal reserve		21,000,000	21,000,000	21,000,000	21,000,000
Others		91,500,000	91,500,000	91,500,000	91,500,000
Unappropriated		144,379,166	135,841,529	128,543,236	120,052,213
TOTAL BANK'S EQUITY		385,910,428	379,015,571	372,065,495	364,341,425
NON-CONTROLLING INTEREST		186,639	229,312	-	-
TOTAL SHAREHOLDERS' EQUITY		386,097,067	379,244,883	372,065,495	364,341,425
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,995,623,382	2,944,229,789	2,892,092,430	2,838,799,083

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

(Mr. Chartsiri Soponpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017
(Unaudited)

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2017	2016	2017	2016
INTEREST INCOME	6.16	25,649,377	25,843,061	24,598,003	24,830,973
INTEREST EXPENSES	6.17	9,372,017	9,809,594	8,931,397	9,380,405
NET INTEREST INCOME		16,277,360	16,033,467	15,666,606	15,450,568
FEEs AND SERVICE INCOME	6.18	9,030,201	8,257,378	7,986,901	7,372,162
FEEs AND SERVICE EXPENSES	6.18	2,310,756	2,153,866	2,281,335	2,128,703
NET FEEs AND SERVICE INCOME		6,719,445	6,103,512	5,705,566	5,243,459
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS		1,629,333	1,955,351	1,548,371	1,884,263
GAINS ON INVESTMENTS		1,328,786	1,530,636	1,328,786	603,505
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		81,996	60,836	-	-
GAINS ON DISPOSAL OF ASSETS		203,953	100,464	197,556	99,196
DIVIDEND INCOME		868,641	787,482	1,194,013	1,059,410
OTHER OPERATING INCOME		106,319	134,120	74,258	111,026
TOTAL OPERATING INCOME		27,215,833	26,705,868	25,715,156	24,451,427
OTHER OPERATING EXPENSES					
Employee's expenses		6,218,865	6,238,192	5,621,862	5,690,487
Directors' remuneration		33,215	19,164	14,700	14,700
Premises and equipment expenses		2,190,823	2,185,141	2,010,371	2,002,015
Taxes and duties		864,523	880,624	848,068	851,332
Others		1,774,705	3,532,928	1,587,544	3,376,344
TOTAL OTHER OPERATING EXPENSES		11,082,131	12,856,049	10,082,545	11,934,878
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6.19	5,805,674	3,644,165	5,519,109	3,621,761
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		10,328,028	10,205,654	10,113,502	8,894,788
INCOME TAX EXPENSES		1,951,349	1,828,202	1,854,515	1,517,303
NET PROFIT		8,376,679	8,377,452	8,258,987	7,377,485
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Gains on remeasuring available-for-sale investment		1,459,609	1,001,478	1,422,424	1,051,518
Losses arising from translating the financial statements of foreign operations		(2,539,323)	(424,512)	(1,634,886)	(405,567)
Income tax relating to components of other comprehensive income (losses)		(330,351)	(209,056)	(322,491)	(219,768)
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains on defined benefit plans		226	-	226	-
Income tax relating to components of other comprehensive income (losses)		(190)	-	(190)	-
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)		(1,410,029)	367,910	(534,917)	426,183
TOTAL COMPREHENSIVE INCOME		6,966,650	8,745,362	7,724,070	7,803,668
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		8,304,700	8,317,185	8,258,987	7,377,485
Non-controlling interest		71,979	60,267	-	-
		8,376,679	8,377,452	8,258,987	7,377,485
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		6,894,670	6,885,141	7,724,070	7,803,668
Non-controlling interest		71,980	60,221	-	-
		6,966,650	8,745,362	7,724,070	7,803,668
BASIC EARNINGS PER SHARE (BAHT)		4.35	4.36	4.33	3.86
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, 2017
(Unaudited)

Baht : '000

	CONSOLIDATED											Total Equity Attributable to the Bank's Shareholders	Non-controlling Interest	Total
	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves					Retained Earnings						
			Unrealized Increment per Land Appraisal	Unrealized Increment per Premises Appraisal	Unrealized Gains on Investments	Foreign Exchange Adjustment	Unrealized Gains on net investment of subsidiaries	Appropriated		Unappropriated				
								Legal Reserve	Others					
Balance as at January 1, 2016	19,088,429	56,346,232	16,829,619	9,375,349	32,787,731	(68,945)	-	20,000,000	86,500,000	120,973,954	361,832,369	198,655	362,031,024	
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(105,002)	(105,002)	
Total comprehensive income	-	-	-	-	792,468	(424,512)	-	-	-	8,317,185	8,685,141	60,221	8,745,362	
Transfer to retained earnings	-	-	-	(235,796)	-	-	-	-	-	235,796	-	-	-	
Balance as at March 31, 2016	19,088,429	56,346,232	16,829,619	9,139,553	33,580,199	(493,457)	-	20,000,000	86,500,000	129,526,935	370,517,510	153,874	370,671,384	
Balance as at January 1, 2017	19,088,429	56,346,232	16,829,619	8,427,878	32,168,135	(2,186,251)	-	21,000,000	91,500,000	135,841,529	379,015,571	229,312	379,244,883	
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(112,502)	(112,502)	
Total comprehensive income	-	-	-	-	1,129,257	(2,539,323)	-	-	-	8,304,736	6,894,670	71,980	6,966,650	
Transfer to retained earnings	-	-	-	(232,901)	-	-	-	-	-	232,901	-	-	-	
Changes in ownership interests in subsidiaries that did not result in loss of control	-	-	-	-	-	-	187	-	-	-	187	(2,151)	(1,964)	
Balance as at March 31, 2017	19,088,429	56,346,232	16,829,619	8,194,977	33,297,392	(4,725,574)	187	21,000,000	91,500,000	144,379,166	385,910,428	186,639	386,097,067	

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, 2017
(Unaudited)

Baht : '000

	THE BANK									Total
	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves				Retained Earnings		Unappropriated	
			Unrealized Increment per Land Appraisal	Unrealized Increment per Premises Appraisal	Unrealized Gains on Investments	Foreign Exchange Adjustment	Appropriated			
							Legal Reserve	Others		
Balance as at January 1, 2016	19,088,429	56,346,232	16,765,473	9,335,667	32,842,553	(979,392)	20,000,000	86,500,000	108,523,902	348,422,864
Total comprehensive income	-	-	-	-	831,750	(405,567)	-	-	7,377,485	7,803,668
Transfer to retained earnings	-	-	-	(234,812)	-	-	-	-	234,812	-
Balance as at March 31, 2016	19,088,429	56,346,232	16,765,473	9,100,855	33,674,303	(1,384,959)	20,000,000	86,500,000	116,136,199	356,226,532
Balance as at January 1, 2017	19,088,429	56,346,232	16,765,473	8,391,652	32,149,678	(952,252)	21,000,000	91,500,000	120,052,213	364,341,425
Total comprehensive income	-	-	-	-	1,099,933	(1,634,886)	-	-	8,259,023	7,724,070
Transfer to retained earnings	-	-	-	(232,000)	-	-	-	-	232,000	-
Balance as at March 31, 2017	19,088,429	56,346,232	16,765,473	8,159,652	33,249,611	(2,587,138)	21,000,000	91,500,000	128,543,236	372,065,495

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, 2017
(Unaudited)

Baht : '000

	Note	CONSOLIDATED		THE BANK	
		2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		10,328,028	10,205,654	10,113,502	8,894,788
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities					
Depreciation and amortization expenses		839,055	844,129	801,924	797,462
Bad debt and doubtful accounts		5,764,441	3,991,445	5,477,876	3,969,041
Loss on debt restructuring (reversal)		(52,369)	(347,280)	(52,369)	(347,280)
(Gain) loss on foreign exchange		282,060	(1,494,328)	169,583	(1,481,878)
Amortization of premium on investment in debt securities		293,392	683,862	331,332	696,515
Unrealized gain on revaluation of trading securities		(2,509)	(57,421)	(3,563)	(31,212)
Unrealized (gain) loss on transfer of investments		926	(49,081)	926	(49,081)
Gain on disposal of securities for investments		(1,328,786)	(1,519,991)	(1,328,786)	(592,860)
Loss on impairment of investments (revesal)		93,601	(10,645)	93,601	(10,645)
Share of profit from investment using equity method		(81,996)	(60,836)	-	-
Loss on impairment of properties for sale		16,712	37,280	16,712	37,280
(Gain) loss on disposal of premises and equipment		(206)	18	(212)	18
Loss on impairment of other assets (reversal)		(61,206)	(83,330)	(61,206)	(83,330)
Provision expenses		223,032	2,149,539	215,385	2,143,564
Net interest income		(16,277,360)	(16,033,467)	(15,666,606)	(15,450,568)
Dividend income		(868,641)	(787,482)	(1,194,013)	(1,059,410)
Proceeds from interest income		26,722,977	26,090,881	25,653,468	25,084,857
Interest expenses paid		(9,865,687)	(11,739,735)	(9,622,407)	(11,382,801)
Proceeds from dividend income		530,120	431,599	517,994	388,529
Income tax paid		(374,020)	(391,302)	(297,633)	(323,921)
(Increase) decrease in other accrued receivables		(4,646)	4,035	(26,061)	(9,923)
Decrease in other accrued expenses		(1,734,106)	(1,107,620)	(1,318,116)	(793,394)
Profit from operating before changes in operating assets and liabilities		14,442,812	10,755,924	13,821,331	10,395,751
(Increase) decrease in operating assets					
Interbank and money market items		(110,904,107)	(84,749,040)	(110,658,394)	(87,526,129)
Investment in short-term securities		(2,953,652)	(32,001,961)	(2,500,931)	(29,906,780)
Loans to customers		17,073,189	(5,879,579)	17,175,171	(5,444,700)
Properties for sale		378,812	206,925	361,791	206,804
Other assets		3,012,599	(5,788,326)	3,088,481	(3,212,328)
Increase (decrease) in operating liabilities					
Deposits		65,890,956	58,368,489	70,049,880	60,530,308
Interbank and money market items		(13,348,038)	34,185,469	(14,405,499)	32,461,900
Liability payable on demand		176,337	2,244,712	174,401	2,247,920
Short-term borrowings		157,569	52,119	-	-
Other liabilities		(9,499,001)	1,438,654	(10,769,705)	(2,068,991)
Net cash from operating activities		(35,572,524)	(21,166,614)	(33,663,474)	(22,316,245)

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, 2017
(Unaudited)

Baht : '000

	Note	CONSOLIDATED		THE BANK	
		2017	2016	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of available-for-sale securities		(67,360,072)	(129,114,607)	(66,188,124)	(127,214,771)
Proceeds from disposal of available-for-sale securities		91,593,598	142,612,797	91,204,001	140,403,377
Purchase of held-to-maturity debt securities		(14,133,977)	(14,846,054)	(1,447,901)	(2,063,164)
Proceeds from redemption of held-to-maturity debt securities		13,062,223	14,180,265	1,357,223	4,008,271
Purchase of general investments		(747,415)	(603,221)	(747,415)	(603,221)
Proceeds from disposal of general investments		1,738,269	343,677	1,738,269	343,677
Purchase of investments in subsidiaries		(1,964)	-	(3,181,044)	-
Proceeds from dividend income					
from subsidiaries and associates		-	-	337,498	314,998
Purchase of premises, equipment and leasehold		(231,541)	(498,527)	(173,234)	(465,226)
Proceeds from disposal of premises and equipment		537	326	602	219
Net cash from investing activities		<u>23,919,658</u>	<u>12,074,656</u>	<u>22,899,875</u>	<u>14,724,160</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase (decrease) in borrowings		3,922	(13,049)	3,922	(13,049)
Dividend paid to non-controlling interest		(112,502)	(105,002)	-	-
Net cash from financing activities		<u>(108,580)</u>	<u>(118,051)</u>	<u>3,922</u>	<u>(13,049)</u>
Effect on cash due to changes in the exchange rates		<u>(51,547)</u>	<u>(329)</u>	<u>(49,413)</u>	<u>(8,818)</u>
Net decrease in cash and cash equivalents		(11,812,993)	(9,210,338)	(10,809,090)	(7,613,952)
Cash and cash equivalents as at January 1,		70,137,679	65,384,722	66,261,272	61,299,466
Cash and cash equivalents as at March 31,	6.1.1	<u>58,324,686</u>	<u>56,174,384</u>	<u>55,452,182</u>	<u>53,685,514</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
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017
(UNAUDITED)

	CONTENT	PAGE
NOTES		
1.	GENERAL INFORMATION AND REGULATORY REQUIREMENTS	10
2.	BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	10
3.	SIGNIFICANT ACCOUNTING POLICIES	12
4.	FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE	12
5.	CAPITAL FUND	14
6.	ADDITIONAL INFORMATION	15
6.1	Supplementary disclosures of cash flow information	15
6.2	Investments, net	16
6.3	Investments in subsidiaries and associates, net	19
6.4	Loans to customers and accrued interest receivables, net	20
6.5	Classified assets in accordance with the notification of the BOT	25
6.6	Debt issued and Borrowings	26
6.7	Share capital	27
6.8	The appropriation of the profit and the dividend payments	29
6.9	Assets pledged as collateral and under restriction	30
6.10	Contingent liabilities	30
6.11	Litigation	30
6.12	Related party transactions	30
6.13	Disclosure of the statements of cash flows of the Asset Management Company (AMC)	35
6.14	Events after the reporting period	36
6.15	Operating segments	36
6.16	Interest income	38
6.17	Interest expenses	39
6.18	Net fees and service income	39
6.19	Impairment loss of loans and debt securities	39
6.20	Approval of the financial statements	40

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017
(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 judgement by the BOT about components, risk weightings and other factors. The Bank believes that as at March 31, 2017 and December 31, 2016, 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 ("FAP"), 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 (Revised 2016) 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 December 4, 2015.

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, 2016.

The consolidated and the Bank's statements of financial position as at December 31, 2016, 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, 2017 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

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 FAP and announced in the Royal Gazette, applying for the financial statements of the periods beginning on or after January 1, 2017 onward with no material impact on the Bank and subsidiaries' financial statements.

2.3 The consolidated interim financial statements for the three-month periods ended March 31, 2017 and 2016, and the consolidated statement of financial position as at December 31, 2016, 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, 2017 and 2016 and the consolidated statement of financial position as at December 31, 2016, 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, 2017 and 2016, and the Bank's statement of financial position as at December 31, 2016 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, 2016. This includes the application of the new or revised Thai financial reporting standards as mentioned in Note 2.2.

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, 2017 and December 31, 2016.

	Million Baht							
	March 31, 2017				December 31, 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Items measured at fair value :								
Financial assets								
Derivatives	-	25,794	-	25,794	-	24,606	-	24,606
Investments, net	81,510	392,726	-	474,236	78,520	417,370	-	495,890
Financial liabilities								
Derivatives	329	20,758	-	21,087	342	26,544	-	26,886

	Million Baht							
	THE BANK							
	March 31, 2017			December 31, 2016				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Items measured at fair value :								
Financial assets								
Derivatives	-	25,594	-	25,594	-	24,175	-	24,175
Investments, net	79,081	377,001	-	456,082	76,630	401,870	-	478,500
Financial liabilities								
Derivatives	-	20,682	-	20,682	-	26,348	-	26,348

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 in January 1, 2019. The minimum capital adequacy and a capital conservation buffer ratios to risk assets is as follows :

Capital fund ratio	Percentage	
	March 31, 2017	December 31, 2016
Common equity Tier 1 ratio	More than 5.75	More than 5.125
Tier 1 capital ratio	More than 7.25	More than 6.625
Total capital fund ratio	More than 9.75	More than 9.125

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

As at March 31, 2017 and December 31, 2016, 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 :

	PERCENTAGE			
	CONSOLIDATED		THE BANK	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Common equity Tier 1 capital to risk assets ratio	16.45	16.40	16.31	16.23
Tier 1 capital to risk assets ratio	16.45	16.40	16.31	16.23
Total capital to risk assets ratio	18.26	18.32	18.13	18.17

	CONSOLIDATED		THE BANK	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
				Million Baht
Tier 1 capital	359,432	360,818	347,000	347,373
Common Equity Tier 1 capital	359,364	360,702	347,000	347,373
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	21,000	21,000	21,000	21,000
Reserves appropriated from net profit	91,500	91,500	91,500	91,500
Net profit after appropriation	118,911	118,911	104,926	104,926
Other comprehensive income	53,131	54,354	54,701	54,977
Deductions from Common Equity				
Tier 1 capital	(612)	(497)	(561)	(464)
Additional Tier 1 capital	68	116	-	-
Tier 2 capital	39,412	42,250	38,734	41,415
Total capital fund	398,844	403,068	385,734	388,788

As at March 31, 2017 and December 31, 2016, 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 and regarding the disclosure of the capital requirement of the Financial Holding Group.

Location of disclosure www.bangkokbank.com

Date of disclosure April 28, 2017

Information as of December 31, 2016

6. ADDITIONAL INFORMATION

6.1 Supplementary disclosures of cash flow information

6.1.1 Cash and cash equivalents are cash on hand and cash in transit including subsidiaries' cash at bank and short-term investments with a maturity of less than or equal to three months from the acquisition date and without any obligations.

Cash and cash equivalents as at March 31, 2017 and 2016 are as follows :

	CONSOLIDATED		THE BANK	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Million Baht			
Cash	55,537	53,785	55,452	53,686
Cash equivalents				
Cash at Bank - current and saving account	207	974	-	-
Fixed deposit and notes with a maturity less than or equal to three months	<u>2,581</u>	<u>1,415</u>	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>58,325</u>	<u>56,174</u>	<u>55,452</u>	<u>53,686</u>

6.1.2 Significant non-cash items for the three-month periods ended March 31, 2017 and 2016 are as follows :

	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Million Baht				
Unrealized gains on investments in shareholders' equity increase	1,129	792	1,100	832
Properties for sale increased from loans payment/inactive assets	137	101	137	101
Unrealized increment per premises appraisal transferred to retained earnings	233	236	232	235

6.2 Investments, net

6.2.1 Investments as at March 31, 2017 and December 31, 2016 consisted of the following :

	CONSOLIDATED		THE BANK	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
	Million Baht			
	Fair Value	Fair Value	Fair Value	Fair Value
Trading securities				
Government and state enterprise securities	9,440	28,228	9,440	28,228
Private enterprise debt securities	1,479	201	1,479	201
Foreign debt securities	8,947	2,942	8,947	2,860
Domestic marketable equity securities	<u>2,314</u>	<u>1,777</u>	<u>-</u>	<u>-</u>
Total	<u>22,180</u>	<u>33,148</u>	<u>19,866</u>	<u>31,289</u>

	CONSOLIDATED		THE BANK	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
	Fair Value	Fair Value	Fair Value	Fair Value
Available-for-sale securities				
Government and state enterprise securities	273,105	296,653	273,105	296,653
Private enterprise debt securities	23,608	18,704	23,608	18,704
Foreign debt securities	83,523	76,347	73,270	66,376
Domestic marketable equity securities	60,153	59,750	60,073	59,672
Foreign marketable equity securities	2,035	1,812	2,035	1,812
Others	9,632	9,476	4,125	3,994
Total	452,056	462,742	436,216	447,211

	CONSOLIDATED		THE BANK	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost
Held-to-maturity debt securities				
Government and state enterprise securities	15,665	14,646	3,553	3,553
Foreign debt securities	3,460	3,475	3,460	3,475
Total	19,125	18,121	7,013	7,028

	CONSOLIDATED		THE BANK	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
	Cost	Cost	Cost	Cost
General investments				
Domestic non-marketable equity securities	6,631	6,481	6,622	6,473
Foreign non-marketable equity securities	29,202	29,838	29,195	29,831
Total	35,833	36,319	35,817	36,304
<u>Less</u> Allowance for impairment	(3,555)	(3,716)	(3,555)	(3,716)
Total	32,278	32,603	32,262	32,588
Total investments, net	525,639	546,614	495,357	518,116

Investments classified in accordance with the notification of the BOT as at March 31, 2017 and December 31, 2016 are presented in Note 6.5.

As at March 31, 2017 and December 31, 2016, the Bank has investments in 31 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, 2017 and December 31, 2016, 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 2 million, which the Bank had set aside allowance for impairment of these investments amounting to Baht 2 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 recorded as securities transferred to subsidiary under available-for-sale securities in accordance with accounting treatment guidance for transfers and accept transfers of financial assets. As at March 31, 2017 and December 31, 2016, the Bank had outstanding balances of other liabilities from such transaction amounting to Baht 720 million.

6.2.2 As at March 31, 2017 and December 31, 2016, 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 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Manufacturing and commercial	12	12	12	12
Real estate and construction	187	187	187	187
Utilities and services	41	41	41	41
Others	<u>1,596</u>	<u>1,457</u>	<u>1,596</u>	<u>1,457</u>
Total	<u><u>1,836</u></u>	<u><u>1,697</u></u>	<u><u>1,836</u></u>	<u><u>1,697</u></u>

6.3 Investments in subsidiaries and associates, net

As at March 31, 2017 and December 31, 2016, the Bank had investments in subsidiaries and associates, net as follows :

		CONSOLIDATED						Million Baht	
Company	Type of Business	Type of Shares	Direct and Indirect Shareholding (%)		Investment (Cost Method)		Investment (Equity Method)		
			March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	
Associates									
BSL Leasing Co., Ltd.	Finance	Ordinary share	35.88	35.88	43	43	701	662	
Processing Center Co., Ltd.	Service	Ordinary share	30.00	30.00	15	15	432	387	
National ITMX Co., Ltd.	Service	Ordinary share	16.91	16.91	9	9	243	235	
Thai Payment Network Co., Ltd.	Service	Ordinary share	49.99	49.99	90	90	33	43	
Total					157	157	1,409	1,327	
<u>Less Allowance for impairment</u>					(2)	(2)	-	-	
Investments in associates, net					<u>155</u>	<u>155</u>	<u>1,409</u>	<u>1,327</u>	

		THE BANK						Million Baht	
Company	Type of Business	Type of Shares	Direct and Indirect Shareholding (%)		Investment (Cost Method)				
			March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	
Subsidiaries									
BBL (Cayman) Limited	Finance	Ordinary share	100.00	100.00	2	2			
Bangkok Bank Berhad	Banking	Ordinary share	100.00	100.00	9,261	6,082			
Sinnsuptawee Asset Management Co., Ltd.	Asset management	Ordinary share	100.00	100.00	2,500	2,500			
Bangkok Bank (China) Co., Ltd.	Banking	Ordinary share	100.00	100.00	19,585	19,585			
Bualuang Ventures Ltd.	Venture Capital	Ordinary share	100.00	100.00	500	500			
Company									
Bualuang Securities PCL.	Securities	Ordinary share	99.91	99.89	4,771	4,769			
BBL Asset Management Co., Ltd.	Finance	Ordinary share	75.00	75.00	183	183			
Associates									
BSL Leasing Co., Ltd.	Finance	Ordinary share	35.88	35.88	43	43			
Processing Center Co., Ltd.	Service	Ordinary share	30.00	30.00	15	15			
National ITMX Co., Ltd.	Service	Ordinary share	16.91	16.91	9	9			
Thai Payment Network Co., Ltd.	Service	Ordinary share	49.99	49.99	90	90			
Total							36,959	33,778	
<u>Less Allowance for impairment</u>							(97)	(97)	
Investments in subsidiaries and associates, net							<u>36,862</u>	<u>33,681</u>	

In January 2017, Bangkok Bank Berhad which is a subsidiary of the Bank increased its authorized share capital from 600 million shares to 1,000 million shares and increased fully paid-up capital from 600 million shares in the amount of Baht 6,082 million to 1,000 million shares in the amount of Baht 9,261 million. The Bank has purchased all the issued ordinary shares. As a result, the proportion of the Bank's equity interest remains at 100%.

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

	Million Baht	
	FOR THE THREE-MONTH PERIODS ENDED	
	March 31, 2017	March 31, 2016
Net profit	237	199
Total comprehensive income	237	199

6.4 Loans to customers and accrued interest receivables, net

6.4.1 As at March 31, 2017 and December 31, 2016, the Bank and subsidiaries had classified loans and allowance for doubtful accounts in accordance with the notification of the BOT as follows :

	Million Baht			
	CONSOLIDATED			
	March 31, 2017			
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank
Minimum provision according to the BOT's requirement				
Normal	1,801,607	1,166,231	1	13,986
Special mentioned	48,377	23,843	2	593
Substandard	12,188	5,772	100	5,852
Doubtful	16,341	8,710	100	8,724
Doubtful of loss	49,296	32,240	100	32,247
Excess provision according to the BOT's requirement				60,430
Total	<u><u>1,927,809</u></u>	<u><u>1,236,796</u></u>		<u><u>121,832</u></u>

	CONSOLIDATED December 31, 2016			Million Baht
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank
Minimum provision according to the BOT's requirement				
Normal	1,830,827	1,196,786	1	14,502
Special mentioned	46,058	21,314	2	548
Substandard	9,495	2,597	100	2,589
Doubtful	16,050	10,138	100	10,140
Doubtful of loss	43,316	27,815	100	27,815
Excess provision according to the BOT's requirement				61,214
Total	<u><u>1,945,746</u></u>	<u><u>1,258,650</u></u>		<u><u>116,808</u></u>

	THE BANK March 31, 2017			Million Baht
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank
Minimum provision according to the BOT's requirement				
Normal	1,757,285	1,137,022	1	13,717
Special mentioned	46,528	22,746	2	570
Substandard	11,397	5,648	100	5,729
Doubtful	16,247	8,615	100	8,630
Doubtful of loss	48,333	31,874	100	31,881
Excess provision according to the BOT's requirement				57,899
Total	<u><u>1,879,790</u></u>	<u><u>1,205,905</u></u>		<u><u>118,426</u></u>

	THE BANK			Million Baht
	December 31, 2016			
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank
Minimum provision according to the BOT's requirement				
Normal	1,786,783	1,169,068	1	14,246
Special mentioned	43,394	19,450	2	510
Substandard	9,364	2,588	100	2,588
Doubtful	15,955	10,043	100	10,045
Doubtful of loss	42,222	27,341	100	27,341
Excess provision according to the BOT's requirement				58,638
Total	<u>1,897,718</u>	<u>1,228,490</u>		<u>113,368</u>

As at March 31, 2017 and December 31, 2016, the consolidated and the Bank's financial statements included the allowance for doubtful accounts amounting to Baht 4,854 million and Baht 5,156 million, respectively, on a collective approach, for loans classified as normal and special mentioned.

6.4.2 As at March 31, 2017 and December 31, 2016, the Bank and subsidiaries had non-performing loans (NPLs), defined according to the BOT's notification as loans classified as substandard, doubtful and doubtful of loss including interbank and money market items but excluding accrued interest receivable, as follows :

	CONSOLIDATED		THE BANK	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
NPLs before allowance for doubtful accounts	77,772	68,841	75,932	67,520
NPLs as percentage of total loans	3.51	3.22	3.52	3.24
Net NPLs after allowance for doubtful accounts	22,799	19,156	22,020	18,790
Net NPLs as percentage of net total loans	1.06	0.92	1.05	0.92

6.4.3 As at March 31, 2017 and December 31, 2016, the Bank and subsidiaries had loans and accrued interest receivables due from companies experiencing financial difficulties as defined in the SET's guidelines dated July 8, 1998 regarding the disclosure of asset quality and related party transactions, for which the Bank and subsidiaries had provided an allowance for doubtful accounts, as follows :

			Million Baht		
		CONSOLIDATED March 31, 2017			
	No. of Companies	Outstanding Balance	Loans Net of Collateral/Present Value of Future Cash Flows According to the BOT	Provision Required by the BOT	Provision Recorded by the Bank
Financial institutions ordered closed	-	-	-	-	-
Listed companies identified for delisting	1	373	373	373	373
Total	1	373	373	373	373

			Million Baht		
		CONSOLIDATED December 31, 2016			
	No. of Companies	Outstanding Balance	Loans Net of Collateral/Present Value of Future Cash Flows According to the BOT	Provision Required by the BOT	Provision Recorded by the Bank
Financial institutions ordered closed	-	-	-	-	-
Listed companies identified for delisting	1	373	373	373	373
Total	1	373	373	373	373

			Million Baht		
		THE BANK March 31, 2017			
	No. of Companies	Outstanding Balance	Loans Net of Collateral/Present Value of Future Cash Flows According to the BOT	Provision Required by the BOT	Provision Recorded by the Bank
Financial institutions ordered closed	-	-	-	-	-
Listed companies identified for delisting	1	373	373	373	373
Total	1	373	373	373	373

	Million Baht				
	THE BANK				
	December 31, 2016				
	No. of Companies	Outstanding Balance	Loans Net of Collateral/Present Value of Future Cash Flows According to the BOT	Provision Required by the BOT	Provision Recorded by the Bank
Financial institutions ordered closed	-	-	-	-	-
Listed companies identified for delisting	1	373	373	373	373
Total	1	373	373	373	373

6.4.4 Troubled debt restructurings

Details of the restructured debts of the Bank for the three-month periods ended March 31, 2017 and 2016, classified by the restructuring methods are as follows :

	Million Baht			
	THE BANK			
	FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017			
Restructuring Method	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Asset transfer	3	15	Land	15
Debt restructuring in various forms	1,343	10,144	-	-
Total	1,346	10,159		

The weighted average tenure of the above-mentioned restructuring is 5 years; and the total debt outstanding after debt restructuring at the restructuring contract date is Baht 10,159 million.

	Million Baht			
	THE BANK			
	FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016			
Restructuring Method	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Debt restructuring in various forms	1,300	12,257	-	-
Total	1,300	12,257		

The weighted average tenure of the above-mentioned restructuring is 5 years; and the total debt outstanding after debt restructuring at the restructuring contract date is Baht 12,257 million.

For the three-month periods ended March 31, 2017 and 2016, the Bank recognized interest income from restructured debts amounting to Baht 822 million and Baht 749 million, respectively.

As at March 31, 2017 and December 31, 2016, the Bank had outstanding balances of loans to restructured debtors amounting to Baht 72,572 million and Baht 73,565 million, respectively.

Disclosures for the consolidated financial statements for troubled debt restructurings which occurred during the three-month periods ended March 31, 2017 and 2016 have not been provided, as such information is not significantly different from the above disclosures for the Bank's financial statements.

6.5 Classified assets in accordance with the notification of the BOT

As at March 31, 2017 and December 31, 2016, classified assets in accordance with the notification of the BOT are as follows :

	CONSOLIDATED March 31, 2017				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,801,607	-	-	-	1,801,607
Special mentioned	48,377	-	-	-	48,377
Substandard	12,188	-	-	-	12,188
Doubtful	16,341	-	-	-	16,341
Doubtful of loss	49,296	5,859	1,632	1,054	57,841
Total	1,927,809	5,859	1,632	1,054	1,936,354

	CONSOLIDATED December 31, 2016				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,830,827	-	-	-	1,830,827
Special mentioned	46,058	-	-	-	46,058
Substandard	9,495	-	-	-	9,495
Doubtful	16,050	-	-	-	16,050
Doubtful of loss	43,316	6,453	1,638	1,115	52,522
Total	1,945,746	6,453	1,638	1,115	1,954,952

					Million Baht
THE BANK					
March 31, 2017					
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,757,285	-	-	-	1,757,285
Special mentioned	46,528	-	-	-	46,528
Substandard	11,397	-	-	-	11,397
Doubtful	16,247	-	-	-	16,247
Doubtful of loss	48,333	5,907	608	1,048	55,896
Total	<u>1,879,790</u>	<u>5,907</u>	<u>608</u>	<u>1,048</u>	<u>1,887,353</u>

					Million Baht
THE BANK					
December 31, 2016					
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,786,783	-	-	-	1,786,783
Special mentioned	43,394	-	-	-	43,394
Substandard	9,364	-	-	-	9,364
Doubtful	15,955	-	-	-	15,955
Doubtful of loss	42,222	6,486	612	1,110	50,430
Total	<u>1,897,718</u>	<u>6,486</u>	<u>612</u>	<u>1,110</u>	<u>1,905,926</u>

6.6 Debt issued and Borrowings

6.6.1 Classified by type of instruments and source of fund as at March 31, 2017 and December 31, 2016 :

							Million Baht
CONSOLIDATED							
March 31, 2017			December 31, 2016				
	Domestic	Foreign	Total	Domestic	Foreign	Total	
Senior unsecured notes	-	103,379	103,379	-	107,556	107,556	
Unsecured subordinated notes	20,000	15,497	35,497	20,000	16,123	36,123	
Bills of exchange	74	-	74	74	-	74	
Others	378	-	378	213	-	213	
<u>Less Discount on borrowings</u>	-	(6,092)	(6,092)	-	(6,151)	(6,151)	
Total	<u>20,452</u>	<u>112,784</u>	<u>133,236</u>	<u>20,287</u>	<u>117,528</u>	<u>137,815</u>	

Million Baht						
THE BANK						
	March 31, 2017			December 31, 2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Senior unsecured notes	-	103,379	103,379	-	107,556	107,556
Unsecured subordinated notes	20,000	15,497	35,497	20,000	16,123	36,123
Bills of exchange	74	-	74	74	-	74
Others	29	-	29	22	-	22
<u>Less</u> Discount on borrowings	<u>-</u>	<u>(6,092)</u>	<u>(6,092)</u>	<u>-</u>	<u>(6,151)</u>	<u>(6,151)</u>
Total	<u>20,103</u>	<u>112,784</u>	<u>132,887</u>	<u>20,096</u>	<u>117,528</u>	<u>137,624</u>

6.6.2 Classified by type of instruments, currency, maturity and interest rate as at March 31, 2017 and December 31, 2016 :

Million Baht						
CONSOLIDATED						
Type	Currency	Maturity	Interest Rate	Amount		
				March 31, 2017	December 31, 2016	
Senior unsecured notes	USD	2018 - 2023	2.75% - 5.00%	103,379	107,556	
Unsecured subordinated notes	USD	2029	9.025%	15,497	16,123	
Unsecured subordinated notes	THB	2022	4.375%	20,000	20,000	
Bills of exchange	THB	2017	1.00%	74	74	
Others	THB	2017 - 2022	0.00% - 0.50%	378	213	
<u>Less</u> Discount on borrowings				<u>(6,092)</u>	<u>(6,151)</u>	
Total				<u>133,236</u>	<u>137,815</u>	

Million Baht						
THE BANK						
Type	Currency	Maturity	Interest Rate	Amount		
				March 31, 2017	December 31, 2016	
Senior unsecured notes	USD	2018 - 2023	2.75% - 5.00%	103,379	107,556	
Unsecured subordinated notes	USD	2029	9.025%	15,497	16,123	
Unsecured subordinated notes	THB	2022	4.375%	20,000	20,000	
Bills of exchange	THB	2017	1.00%	74	74	
Others	THB	2017 - 2022	0.50%	29	22	
<u>Less</u> Discount on borrowings				<u>(6,092)</u>	<u>(6,151)</u>	
Total				<u>132,887</u>	<u>137,624</u>	

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, 2017 and December 31, 2016, 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, 2017	December 31, 2016
Ordinary shares	3,998,345,000	3,998,345,000
Class A preferred shares	655,000	655,000
Class B preferred shares	1,000,000	1,000,000
Total	<u>4,000,000,000</u>	<u>4,000,000,000</u>

As at March 31, 2017 and December 31, 2016, 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 12th 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 by 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.

6. Allocation of 1,000,000 Class B preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds and/or unsubordinated bonds and/or subordinated convertible bonds and/or convertible bonds.

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

6.8 The appropriation of the profit and the dividend payments

On April 12, 2016, the 23rd Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2015 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 2015 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, 2015), and the amount to be appropriated for the period of July - December 2015 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 6.50 per ordinary share, totaling Baht 12,128 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,818 million on September 25, 2015, and the remaining amount will be paid on May 11, 2016 at the rate of Baht 4.50 per share amounting to Baht 8,310 million.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 8,310 million on May 11, 2016.

On August 25, 2016, the meeting of the Board of Directors of the Bank No. 8/2016 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 2016 amounting to Baht 500 million and Baht 5,000 million, respectively.
- The payment of interim dividend at the rate of Baht 2.00 per ordinary share amounting to Baht 3,712 million on September 23, 2016.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 3,712 million on September 23, 2016.

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, 2017 and December 31, 2016 amounted to Baht 13,237 million and Baht 18,724 million, respectively.

6.10 Contingent liabilities

As at March 31, 2017 and December 31, 2016, the Bank and subsidiaries had contingent liabilities as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Avals to bills	6,619	5,529	6,619	5,529
Guarantees of loans	17,788	18,001	7,625	7,711
Liability under unmatured import bills	19,610	17,921	17,977	15,699
Letters of credit	35,400	35,623	34,558	34,512
Other commitments				
Underwriting commitment	1,950	-	1,950	-
Amount of unused bank overdraft	175,078	175,893	173,849	174,753
Other guarantees	272,948	267,989	271,745	266,820
Others	<u>151,080</u>	<u>82,088</u>	<u>154,635</u>	<u>85,871</u>
Total	<u><u>680,473</u></u>	<u><u>603,044</u></u>	<u><u>668,958</u></u>	<u><u>590,895</u></u>

6.11 Litigation

As at March 31, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017	December 31, 2016	March 31, 2017	December 31, 2016
PLACEMENT				
Subsidiaries				
Bangkok Bank Berhad	-	-	3,237	3,163
Bangkok Bank (China) Co., Ltd.	-	-	5,637	6,468
Total	<u>-</u>	<u>-</u>	<u>8,874</u>	<u>9,631</u>
LOANS				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	2,710	2,710
Associate				
BSL Leasing Co., Ltd.	645	145	645	145
Other related parties	69	7	49	7
Total	<u>714</u>	<u>152</u>	<u>3,404</u>	<u>2,862</u>
ALLOWANCE FOR DOUBTFUL ACCOUNTS				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	33	33
Associate				
BSL Leasing Co., Ltd.	8	1	8	1
Total	<u>8</u>	<u>1</u>	<u>41</u>	<u>34</u>
OTHER ASSETS				
Subsidiaries				
Bangkok Bank Berhad	-	-	6	7
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	1
BBL Asset Management Co., Ltd.	-	-	293	271
Bualuang Securities PCL.	-	-	3	2
Bangkok Bank (China) Co., Ltd.	-	-	13	9
Associates				
BSL Leasing Co., Ltd.	4	-	4	-
Processing Center Co., Ltd.	10	31	10	31
Thai Payment Network Co., Ltd.	9	7	9	7
Other related parties	4	6	-	-
Total	<u>27</u>	<u>44</u>	<u>338</u>	<u>328</u>

Million Baht

	CONSOLIDATED		THE BANK	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
DEPOSITS				
Subsidiaries				
BBL (Cayman) Limited	-	-	791	821
Bangkok Bank Berhad	-	-	85	91
Sinnsuptawee Asset Management Co., Ltd.	-	-	82	5
BBL Asset Management Co., Ltd.	-	-	68	87
Bualuang Securities PCL.	-	-	43	45
Bangkok Bank (China) Co., Ltd.	-	-	55	138
Bualuang Venture Co., Ltd.	-	-	489	500
Bangkok Capital Asset Management Co., Ltd.*	-	-	85	102
Associates				
BSL Leasing Co., Ltd.	69	62	69	62
Processing Center Co., Ltd.	94	94	94	94
National ITMX Co., Ltd.	39	32	39	32
Thai Payment Network Co., Ltd.	2	1	2	1
Other related parties	<u>9,187</u>	<u>5,505</u>	<u>9,187</u>	<u>5,505</u>
Total	<u>9,391</u>	<u>5,694</u>	<u>11,089</u>	<u>7,483</u>
BORROWINGS				
Subsidiaries				
Bangkok Bank Berhad	-	-	104	287
Bangkok Bank (China) Co., Ltd.	-	-	551	2,043
Total	<u>-</u>	<u>-</u>	<u>655</u>	<u>2,330</u>
OTHER LIABILITIES				
Subsidiaries				
Bangkok Bank Berhad	-	-	1	-
Sinnsuptawee Asset Management Co., Ltd.	-	-	720	720
Bualuang Securities PCL.	-	-	1	-
Bangkok Bank (China) Co., Ltd.	-	-	-	1
Bualuang Venture Co., Ltd.	-	-	1	-
Associates				
Processing Center Co., Ltd.	6	6	6	6
National ITMX Co., Ltd.	6	6	6	6
Other related parties	<u>29</u>	<u>6</u>	<u>21</u>	<u>6</u>
Total	<u>41</u>	<u>18</u>	<u>756</u>	<u>739</u>

* Holding by Bualuang Securities PCL.

COMMITMENTS	Million Baht			
	CONSOLIDATED		THE BANK	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Subsidiaries				
Bangkok Bank Berhad	-	-	281	171
Bualuang Securities PCL.	-	-	349	73
Bangkok Bank (China) Co., Ltd.	-	-	562	699
Associate				
BSL Leasing Co., Ltd.	4	45	4	45
Other related parties	11	3	11	3
Total	15	48	1,207	991

For the three-month period ended March 31, 2017, the Bank and subsidiaries charged interest at rates between 1.59% to 13.00% on loans to these related parties depending on the types of loans and collateral and interest rate charged 1.59% on loans to Sinnsuptawee Asset Management Co., Ltd.

For the year ended December 31, 2016, the Bank and subsidiaries charged interest at rates between 1.59% to 13.00% on loans to these related parties depending on the types of loans and collateral and interest rate charged between 1.59% on loans to Sinnsuptawee Asset Management Co., Ltd.

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

In the consolidated and the Bank's financial statements, investments in subsidiaries and associates as at March 31, 2017 and December 31, 2016 are shown in Note 6.3.

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 :

Interest and discount received	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	
Subsidiaries				
Bangkok Bank Berhad	-	-	10	5
Sinnsuptawee Asset Management Co., Ltd.	-	-	11	10
Bangkok Bank (China) Co., Ltd.	-	-	22	8
Associate				
BSL Leasing Co., Ltd.	4	2	4	2
Total	4	2	47	25

	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH		FOR THE THREE-MONTH	
	PERIODS ENDED		PERIODS ENDED	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Million Baht				
Fees and service income				
Subsidiaries				
BBL Asset Management Co., Ltd.	-	-	397	357
Bualuang Securities PCL.	-	-	6	5
Associate				
Processing Center Co., Ltd.	3	4	3	4
Other related parties	12	14	-	-
Total	<u>15</u>	<u>18</u>	<u>406</u>	<u>366</u>
Dividend income				
Subsidiary				
BBL Asset Management Co., Ltd.	-	-	337	315
Other income				
Subsidiaries				
Bualuang Securities PCL.	-	-	1	1
Bangkok Bank (China) Co., Ltd.	-	-	35	36
Associates				
National ITMX Co., Ltd.	1	1	1	1
Thai Payment Network Co., Ltd.	3	-	3	-
Total	<u>4</u>	<u>1</u>	<u>40</u>	<u>38</u>
Interest paid				
Subsidiaries				
BBL (Cayman) Limited	-	-	2	1
Bangkok Bank (China) Co., Ltd.	-	-	2	1
Bualuang Venture Co., Ltd.	-	-	1	-
Other related parties	19	13	19	13
Total	<u>19</u>	<u>13</u>	<u>24</u>	<u>15</u>
Commission paid				
Other related parties	12	7	-	-
Total	<u>12</u>	<u>7</u>	<u>-</u>	<u>-</u>
Other expenses				
Associates				
Processing Center Co., Ltd.	15	10	15	10
National ITMX Co., Ltd.	16	13	16	13
Other related parties	17	13	15	11
Total	<u>48</u>	<u>36</u>	<u>46</u>	<u>34</u>

6.13 Disclosure of the statements of cash flows of the Asset Management Company (AMC)

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

SINNSUPTAWEE ASSET MANAGEMENT COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017
(UNAUDITED)

	2017	Million Baht 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) from operating before income tax expense	(11)	908
Items to reconcile net profit (loss) to cash received (paid) from operating activities		
Net gain on disposal of securities	-	(925)
Net interest expenses	11	11
Interest expenses paid	(11)	(11)
Income tax paid	-	-
Loss from operating before changes in operating assets and liabilities	(11)	(17)
(Increase) decrease in operating assets		
Account receivable from properties for rental	1	4
Properties for sale	17	-
Increase (decrease)in operating liabilities		
Accrued expenses	-	(2)
Deposits	72	18
Advance received for properties for sale	-	-
Other liabilities	(1)	-
Net cash from operating activities	78	3
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale securities	-	(1,086)
Proceeds from disposal of available-for-sale securities	-	1,083
Net cash from investing activities	-	(3)
Net increase in cash and cash equivalents	78	-
Cash and cash equivalents as at January 1,	4	6
Cash and cash equivalents as at March 31,	82	6

6.14 Events after the reporting period

On April 12, 2017, the 24th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2016 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 2016 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, 2016), and the amount to be appropriated for the period of July - December 2016 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 6.50 per ordinary share, totaling Baht 12,058 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,712 million on September 23, 2016, and the remaining amount will be paid on May 11, 2017 at the rate of Baht 4.50 per share amounting to Baht 8,346 million.

6.15 Operating segments

6.15.1 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, 2017 and 2016 are as follows :

	CONSOLIDATED					Million Baht
	FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017					
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	18,444	2,748	3,793	2,231	-	27,216
Total operating expenses before credit losses	<u>(7,513)</u>	<u>(1,084)</u>	<u>(186)</u>	<u>(2,299)</u>	<u>-</u>	<u>(11,082)</u>
Profit from operating before credit losses and income tax expenses	<u>10,931</u>	<u>1,664</u>	<u>3,607</u>	<u>(68)</u>	<u>-</u>	<u>16,134</u>

	CONSOLIDATED					Million Baht
	FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016					
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	17,157	2,546	4,044	2,959	-	26,706
Total operating expenses before credit losses	<u>(9,210)</u>	<u>(1,070)</u>	<u>(173)</u>	<u>(2,403)</u>	<u>-</u>	<u>(12,856)</u>
Profit from operating before credit losses and income tax expenses	<u>7,947</u>	<u>1,476</u>	<u>3,871</u>	<u>556</u>	<u>-</u>	<u>13,850</u>

The financial position of operating segments as at March 31, 2017 and December 31, 2016 are as follows :

	CONSOLIDATED					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total assets						
As at March 31, 2017	1,565,074	738,431	1,046,440	163,439	(517,761)	2,995,623
As at December 31, 2016	1,578,943	711,111	944,129	171,899	(461,852)	2,944,230

6.15.2 Geographical Segments

The operating results classified by geographical areas for the three-month periods ended March 31, 2017 and 2016 are as follows :

	CONSOLIDATED						Million Baht
	FOR THE THREE-MONTH PERIODS ENDED						
	March 31, 2017			March 31, 2016			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Total operating income	23,876	3,340	27,216	23,723	2,983	26,706	
Total operating expenses*	(14,812)	(2,076)	(16,888)	(14,713)	(1,787)	(16,500)	
Profit from operating							
before income tax expenses	9,064	1,264	10,328	9,010	1,196	10,206	

The financial position classified by geographical areas as at March 31, 2017 and December 31, 2016 are as follows :

	CONSOLIDATED						Million Baht
	March 31, 2017			December 31, 2016			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Non-current assets**	38,051	7,473	45,524	38,544	7,515	46,059	
Total assets	2,469,610	526,013	2,995,623	2,430,690	513,540	2,944,230	

6.16 Interest income

Interest income for the three-month periods ended March 31, 2017 and 2016 are as follows :

	CONSOLIDATED				THE BANK		Million Baht
	FOR THE THREE-MONTH PERIODS ENDED				FOR THE THREE-MONTH PERIODS ENDED		
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	
Interest on interbank and money market items	1,719	1,340	1,336	1,072			
Investments and trading transactions	60	140	60	140			
Investment in debt securities	2,034	1,968	1,913	1,848			
Interest on loans	21,828	22,376	21,281	21,752			
Others	8	19	8	19			
Total interest income	25,649	25,843	24,598	24,831			

* Including credit losses.

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

6.17 Interest expenses

Interest expenses for the three-month periods ended March 31, 2017 and 2016 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Interest on deposits	5,102	5,543	4,717	5,166
Interest on interbank and money market items	252	277	197	226
Contributions to the Deposit Protection Agency	2,331	2,280	2,330	2,279
Interest on debt issued				
Bonds and subordinated notes	1,682	1,708	1,682	1,708
Others	5	1	5	1
Total interest expenses	<u>9,372</u>	<u>9,809</u>	<u>8,931</u>	<u>9,380</u>

6.18 Net fees and service income

Net fees and service income for the three-month periods ended March 31, 2017 and 2016 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Fees and service income				
Acceptances, aval and guarantees of loans	33	39	27	32
Others	8,997	8,218	7,960	7,340
Total fees and service income	<u>9,030</u>	<u>8,257</u>	<u>7,987</u>	<u>7,372</u>
Fees and service expenses	2,311	2,154	2,281	2,129
Net fees and service income	<u>6,719</u>	<u>6,103</u>	<u>5,706</u>	<u>5,243</u>

6.19 Impairment loss of loans and debt securities

Impairment loss of loans and debt securities for the three-month periods ended March 31, 2017 and 2016 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Interbank and money market items	188	13	62	65
Loans to customers	5,577	3,978	5,416	3,904
Loss on debt restructuring (reversal)	(53)	(347)	(53)	(347)
Available-for-sale debt securities	94	-	94	-

6.20 Approval of the financial statements

On May 11, 2017, the Audit Committee and the Board of Executive Directors have authorized to issue these interim financial statements.