

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

REPORT ON AUDIT OF INTERIM FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Bangkok Bank Public Company Limited and subsidiaries (the “Bank and subsidiaries”) and the Bank’s financial statements of Bangkok Bank Public Company Limited (the “Bank”), which comprise the consolidated and Bank’s statements of financial position as at June 30, 2018, 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 six-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and Bank’s financial statements present fairly, in all material respects, the financial position of Bangkok Bank Public Company Limited and subsidiaries and of Bangkok Bank Public Company Limited as at June 30, 2018, and its financial performance and its cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

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

Key Audit Matter

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

Key Audit Matter	Audit Responses
<p>Allowance for doubtful accounts</p> <p>Because allowance for doubtful accounts requires the use of various assumptions and judgment, the recognition of allowance for doubtful accounts in accordance with TFRSs and also the Bank of Thailand's notifications, which includes the consideration of objective evidence indicating an adverse change in the ability of the borrowers to repay loans, the estimated cash flows from the collateral, the estimated future cash flows to be received from the borrowers, the timing of future cash flows, the potential of additional future loss and the economic conditions that may have an impact on the loan default rate. We focused our audit on the following areas of allowance for doubtful accounts specifically relating to:</p> <ul style="list-style-type: none"> ● The classification of quality category of customer which included the qualitative reviews to set up the allowance for doubtful accounts on a customer basis. ● The key assumptions and judgements made by the management that underlied the calculation of models which were set up by using the historical loss data and current observable data together with recovery amount from customers. ● The allowance for doubtful accounts of loans having similar credit risk characteristics. ● The calculation and the recognition of allowance for doubtful accounts. <p>Accounting policy for allowance for doubtful accounts and detail of allowance for doubtful accounts were disclosed in Notes 3.7 and 6.7 to the financial statements, respectively.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> ● Assessing and testing the design and operating effectiveness of the controls over allowance for doubtful accounts data and calculations. These controls testing included the understanding the accounting policies and procedures regarding allowance for doubtful accounts, loan classification, collateral value and loan credit review. We tested the controls over the end to end business process including monitoring process, the validation process and the Board of Executive Directors' and the Board of Directors' approvals. ● Performing detailed testing on samples of new and existing customers used to calculate allowance for doubtful accounts. This test was varied by product type, which typically included the re-performance of the calculation for all product types. ● Testing samples of loans to ascertain whether the loss event (that is the point at which impairment is recognized) had been identified on a timely manner, where allowance for doubtful accounts had been identified. ● Testing the forecasts of customers' future cash flows prepared by the Bank's management to support its calculation of the allowance for doubtful accounts including review of the assumptions and comparing estimates to available external information. ● Assessing allowance for doubtful accounts which has not been identified by management as specific allowance for doubtful accounts using external evidences in forming our own judgment.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and Bank's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and subsidiaries' internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and subsidiaries' and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and subsidiaries and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and Bank's financial statements, including the disclosures, and whether the consolidated and Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statement of profit or loss and other comprehensive income of Bangkok Bank Public Company Limited and subsidiaries and the Bank's statement of profit or loss and other comprehensive income of Bangkok Bank Public Company Limited for the three-month period ended June 30, 2018, and the notes to the financial statements ("interim financial information"). 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 No. 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".

Dr. Suphamit Techamontrikul

Certified Public Accountant (Thailand)

Registration No. 3356

BANGKOK

August 16, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
ASSETS					
CASH		55,923,502	65,472,802	55,763,686	65,382,699
INTERBANK AND MONEY MARKET ITEMS, NET	6.2	494,488,832	437,738,297	444,665,951	385,771,851
DERIVATIVES ASSETS	6.3	30,646,488	27,359,581	30,420,649	27,047,821
INVESTMENTS, NET	6.4	587,787,986	591,719,967	557,856,889	563,445,386
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.5	1,409,236	1,460,090	37,090,632	37,090,632
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	6.6				
Loans to customers		2,066,136,038	2,004,496,384	2,011,203,442	1,954,426,697
Accrued interest receivables		5,179,343	5,061,073	5,057,788	4,953,268
Total loans to customers and					
accrued interest receivables		2,071,315,381	2,009,557,457	2,016,261,230	1,959,379,965
Less Deferred revenue		(649,139)	(507,523)	(608,667)	(469,345)
Less Allowance for doubtful accounts	6.7	(141,225,663)	(137,710,621)	(137,894,035)	(134,510,776)
Less Revaluation allowance for debt restructuring	6.8	(5,938,345)	(2,310,372)	(5,938,345)	(2,310,372)
Total loans to customers and					
accrued interest receivables, net		1,923,502,234	1,869,028,941	1,871,820,183	1,822,089,472
CUSTOMER'S LIABILITY UNDER ACCEPTANCES		1,530,428	1,432,858	138,785	128,232
PROPERTIES FOR SALE, NET	6.9	10,356,622	11,415,102	8,309,926	8,529,592
PREMISES AND EQUIPMENT, NET	6.10	43,255,420	43,834,022	41,803,193	42,368,555
OTHER INTANGIBLE ASSETS, NET	6.11	999,057	1,032,300	918,314	951,853
DEFERRED TAX ASSETS	6.12	3,747,225	3,676,165	2,631,311	2,686,368
SECURITIES BUSINESS RECEIVABLES-CASH ACCOUNTS		2,725,786	5,301,324	-	-
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES		4,114,599	3,203,364	3,913,696	3,077,643
OTHER ASSETS, NET		14,852,115	13,635,575	12,130,080	11,466,882
TOTAL ASSETS		3,175,339,530	3,076,310,388	3,067,463,295	2,970,036,986

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2018

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS	6.14	2,349,857,070	2,310,743,284	2,290,771,326	2,252,421,001
INTERBANK AND MONEY MARKET ITEMS	6.15	204,366,594	133,583,866	199,063,371	127,212,537
LIABILITY PAYABLE ON DEMAND		7,151,626	7,251,740	7,129,213	7,210,370
DERIVATIVES LIABILITIES	6.3	32,481,217	21,001,637	31,699,622	20,213,259
DEBT ISSUED AND BORROWINGS	6.16	95,765,871	107,189,917	95,614,546	106,963,811
BANK'S LIABILITY UNDER ACCEPTANCES		1,530,428	1,432,858	138,785	128,232
PROVISIONS	6.20	13,858,957	13,504,271	13,665,099	13,323,068
DEFERRED TAX LIABILITIES	6.12	720,663	5,742,629	490,163	5,527,563
OTHER LIABILITIES	6.22	69,433,451	73,853,150	47,614,926	50,935,841
TOTAL LIABILITIES		2,775,165,877	2,674,303,352	2,686,187,051	2,583,935,682
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	6.23				
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		44,092,121	56,282,626	45,537,327	57,886,128
RETAINED EARNINGS					
Appropriated	6.25 , 6.26				
Legal reserve		22,500,000	22,000,000	22,500,000	22,000,000
Others		96,500,000	96,500,000	96,500,000	96,500,000
Unappropriated		161,322,928	151,506,327	141,304,256	134,280,515
TOTAL BANK'S EQUITY		399,849,710	401,723,614	381,276,244	386,101,304
NON-CONTROLLING INTEREST		323,943	283,422	-	-
TOTAL SHAREHOLDERS' EQUITY		400,173,653	402,007,036	381,276,244	386,101,304
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,175,339,530	3,076,310,388	3,067,463,295	2,970,036,986

Notes to the financial statements form an integral part of these 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 JUNE 30, 2018
(Unaudited - Reviewed)

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2018	2017	2018	2017
INTEREST INCOME	6.35	27,468,111	26,213,643	26,284,610	25,073,798
INTEREST EXPENSES	6.36	9,894,780	9,645,705	9,416,360	9,182,942
NET INTEREST INCOME		17,573,331	16,567,938	16,868,250	15,890,856
FEES AND SERVICE INCOME	6.37	8,993,901	8,501,081	7,667,828	7,492,199
FEES AND SERVICE EXPENSES	6.37	2,339,091	2,128,985	2,291,282	2,107,063
NET FEES AND SERVICE INCOME		6,654,810	6,372,096	5,376,546	5,385,136
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS	6.38	2,186,829	1,399,500	1,629,378	1,517,197
GAINS (LOSSES) ON INVESTMENTS	6.39	2,308,768	1,633,475	(1,183,119)	1,628,628
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		44,882	53,729	-	-
GAINS ON DISPOSAL OF ASSETS		339,251	585,160	339,246	246,147
DIVIDEND INCOME		1,857,019	1,316,338	2,471,115	2,027,711
OTHER OPERATING INCOME		274,991	112,633	147,639	86,520
TOTAL OPERATING INCOME		31,239,881	28,040,869	25,649,055	26,782,195
OTHER OPERATING EXPENSES					
Employee's expenses		6,462,619	6,273,386	5,812,161	5,687,203
Directors' remuneration		45,850	46,497	39,660	40,430
Premises and equipment expenses		2,960,321	2,916,087	2,780,931	2,733,240
Taxes and duties		832,548	862,564	817,463	825,086
Others		3,074,487	2,747,449	2,873,095	2,556,315
TOTAL OTHER OPERATING EXPENSES		13,375,825	12,845,983	12,323,310	11,842,274
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6.40	6,532,795	5,688,387	6,204,994	5,715,267
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		11,331,261	9,506,499	7,120,751	9,224,654
INCOME TAX EXPENSES	6.41	2,040,834	1,388,090	1,080,650	1,232,478
NET PROFIT		9,290,427	8,118,409	6,040,101	7,992,176

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018
(Unaudited - Reviewed)

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2018	2017	2018	2017
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Gains (losses) on remeasuring available-for-sale investment					
Net change in fair value		(7,029,276)	(502,589)	(10,511,243)	(529,423)
Net amount transferred to profit or loss		(3,980,013)	(208,914)	(488,147)	(204,093)
Gains (losses) arising from translating the financial statements of foreign operations		2,382,488	(506,889)	2,092,356	(703,851)
Income tax relating to components of other comprehensive income (losses)		2,170,550	138,784	2,169,242	142,818
Items that will not be reclassified subsequently to profit or loss					
Income tax relating to components of other comprehensive income (losses)		-	18	-	18
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)		(6,456,251)	(1,079,590)	(6,737,792)	(1,294,531)
TOTAL COMPREHENSIVE INCOME		2,834,176	7,038,819	(697,691)	6,697,645
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		9,194,254	8,047,006	6,040,101	7,992,176
Non-controlling interest		96,173	71,403	-	-
		9,290,427	8,118,409	6,040,101	7,992,176
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		2,738,006	6,967,416	(697,691)	6,697,645
Non-controlling interest		96,170	71,403	-	-
		2,834,176	7,038,819	(697,691)	6,697,645
BASIC EARNINGS PER SHARE (BAHT)		4.82	4.22	3.16	4.19
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 financial statements

(Mr. Chartsiri Sophonpanich)
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 SIX-MONTH PERIOD ENDED JUNE 30, 2018

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2018	2017	2018	2017
INTEREST INCOME	6.35	54,051,432	51,863,020	51,752,574	49,671,801
INTEREST EXPENSES	6.36	19,355,025	19,017,722	18,434,558	18,114,339
NET INTEREST INCOME		34,696,407	32,845,298	33,318,016	31,557,462
FEES AND SERVICE INCOME	6.37	19,007,051	17,531,282	16,144,614	15,479,100
FEES AND SERVICE EXPENSES	6.37	4,749,996	4,439,741	4,672,684	4,388,398
NET FEES AND SERVICE INCOME		14,257,055	13,091,541	11,471,930	11,090,702
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS	6.38	3,840,678	3,028,833	3,600,002	3,065,568
GAINS ON INVESTMENTS	6.39	5,836,233	2,962,261	2,332,341	2,957,413
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		79,434	135,725	-	-
GAINS ON DISPOSAL OF ASSETS		688,543	789,114	447,033	443,703
DIVIDEND INCOME		2,448,609	2,184,979	3,404,165	3,221,724
OTHER OPERATING INCOME		930,225	215,793	764,745	157,394
TOTAL OPERATING INCOME		62,777,184	55,253,544	55,338,232	52,493,966
OTHER OPERATING EXPENSES					
Employee's expenses		13,132,558	12,492,251	11,716,683	11,309,066
Directors' remuneration		80,520	79,712	55,260	55,130
Premises and equipment expenses		5,183,317	5,106,910	4,824,576	4,743,611
Taxes and duties		1,694,582	1,727,087	1,637,087	1,673,154
Others		5,879,086	4,518,996	4,985,910	4,140,474
TOTAL OTHER OPERATING EXPENSES		25,970,063	23,924,956	23,219,516	21,921,435
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6.40	13,854,343	11,494,060	13,223,284	11,234,375
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		22,952,778	19,834,528	18,895,432	19,338,156
INCOME TAX EXPENSES	6.41	4,562,875	3,339,439	3,487,530	3,086,992
NET PROFIT		18,389,903	16,495,089	15,407,902	16,251,164

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2018	2017	2018	2017
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Gains (losses) on remeasuring available-for-sale investment					
Net change in fair value		(6,940,957)	800,501	(10,478,832)	736,482
Net amount transferred to profit or loss		(7,587,613)	(52,395)	(4,083,755)	(47,575)
Losses arising from translating the financial statements of foreign operations		(92,619)	(3,046,212)	(226,868)	(2,338,737)
Income tax relating to components of other comprehensive income (losses)		2,898,442	(191,567)	2,906,562	(179,673)
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains on defined benefit plans		734	226	734	226
Income tax relating to components of other comprehensive income (losses)		(454)	(172)	(454)	(172)
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)		(11,722,467)	(2,489,619)	(11,882,613)	(1,829,449)
TOTAL COMPREHENSIVE INCOME		6,667,436	14,005,470	3,525,289	14,421,715
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		18,198,910	16,351,706	15,407,902	16,251,164
Non-controlling interest		190,993	143,383	-	-
		18,389,903	16,495,089	15,407,902	16,251,164
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		6,476,445	13,862,087	3,525,289	14,421,715
Non-controlling interest		190,991	143,383	-	-
		6,667,436	14,005,470	3,525,289	14,421,715
BASIC EARNINGS PER SHARE (BAHT)		9.53	8.57	8.07	8.51
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 financial statements

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvam Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

Baht : '000

		CONSOLIDATED													
Notes	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves					Retained Earnings			Total Equity Attributable to the Bank's Shareholders	Non-controlling Interest	Total		
			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, 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	6.26	-	-	-	-	-	-	-	-	-	(8,345,866)	(8,345,866)	(112,975)	(8,458,841)	
Legal reserve	6.25 , 6.26	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-	
Total comprehensive income		-	-	-	-	556,539	(3,046,212)	-	-	-	16,351,760	13,862,087	143,383	14,005,470	
Transfer to retained earnings		-	-	-	(468,287)	-	-	-	-	-	468,287	-	-	-	
Changes in ownership interests in subsidiaries that did not result in loss of control		-	-	-	-	-	-	193	-	-	-	193	(2,241)	(2,048)	
Balance as at June 30, 2017		19,088,429	56,346,232	16,829,619	7,959,591	32,724,674	(5,232,463)	193	21,500,000	91,500,000	143,815,710	384,531,985	257,479	384,789,464	
Balance as at January 1, 2018		19,088,429	56,346,232	16,829,619	7,484,078	39,173,146	(7,204,410)	193	22,000,000	96,500,000	151,506,327	401,723,614	283,422	402,007,036	
Dividend paid	6.26	-	-	-	-	-	-	-	-	-	(8,350,349)	(8,350,349)	(150,470)	(8,500,819)	
Legal reserve	6.25 , 6.26	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-	
Total comprehensive income		-	-	-	-	(11,630,126)	(92,619)	-	-	-	18,199,190	6,476,445	190,991	6,667,436	
Transfer to retained earnings		-	-	-	(467,760)	-	-	-	-	-	467,760	-	-	-	
Balance as at June 30, 2018		19,088,429	56,346,232	16,829,619	7,016,318	27,543,020	(7,297,029)	193	22,500,000	96,500,000	161,322,928	399,849,710	323,943	400,173,653	

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

Baht : '000

THE BANK											
	Notes	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves				Retained Earnings			Total
				Unrealized Increment per Land Appraisal	Unrealized Increment per Premises Appraisal	Unrealized Gains on Investments	Foreign Exchange Adjustment	Appropriated		Unappropriated	
								Legal Reserve	Others		
Balance as at January 1, 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
Dividend paid	6.26	-	-	-	-	-	-	500,000	-	(8,345,866)	(7,845,866)
Legal reserve	6.25 , 6.26	-	-	-	-	-	-	-	-	(500,000)	(500,000)
Total comprehensive income		-	-	-	-	509,234	(2,338,737)	-	-	16,251,218	14,421,715
Transfer to retained earnings		-	-	-	(466,474)	-	-	-	-	466,474	-
Balance as at June 30, 2017		19,088,429	56,346,232	16,765,473	7,925,178	32,658,912	(3,290,989)	21,500,000	91,500,000	127,924,039	370,417,274
Balance as at January 1, 2018		19,088,429	56,346,232	16,765,473	7,451,476	39,055,057	(5,385,878)	22,000,000	96,500,000	134,280,515	386,101,304
Dividend paid	6.26	-	-	-	-	-	-	-	-	(8,350,349)	(8,350,349)
Legal reserve	6.25 , 6.26	-	-	-	-	-	-	500,000	-	(500,000)	-
Total comprehensive income		-	-	-	-	(11,656,025)	(226,868)	-	-	15,408,182	3,525,289
Transfer to retained earnings		-	-	-	(465,908)	-	-	-	-	465,908	-
Balance as at June 30, 2018		19,088,429	56,346,232	16,765,473	6,985,568	27,399,032	(5,612,746)	22,500,000	96,500,000	141,304,256	381,276,244

Notes to the financial statements form an integral part of these 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 SIX-MONTH PERIOD ENDED JUNE 30, 2018

Baht : '000

		CONSOLIDATED		THE BANK	
	Note	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		22,952,778	19,834,528	18,895,432	19,338,156
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities					
Depreciation and amortization expenses		1,657,159	1,694,663	1,579,325	1,619,554
Bad debt and doubtful accounts		10,214,236	11,543,828	9,583,177	11,284,143
Loss on debt restructuring (reversal)		3,640,107	(143,342)	3,640,107	(143,342)
(Gain) loss on foreign exchange of long-term borrowings		947,218	(6,389,013)	947,218	(6,389,013)
Amortization of premium on investment in debt securities		671,056	559,090	717,228	635,864
Unrealized loss on revaluation of trading securities		287,518	11,633	7,006	10,579
Unrealized loss on transfer of investments		66,340	926	66,340	926
Gain on disposal of securities for investments		(8,510,345)	(2,962,261)	(5,006,453)	(2,957,413)
Loss on impairment of investments		2,674,112	93,574	2,674,112	93,574
Share of profit from investment using equity method		(79,434)	(135,725)	-	-
Loss on impairment of properties for sale		574,184	62,949	95,950	60,639
Gain on disposal of premises and equipment		(1,386)	(3,042)	(1,386)	(2,568)
Loss on impairment of other assets (reversal)		29,515	(174,128)	29,515	(174,128)
Provision expenses		379,978	251,005	367,323	236,717
Net interest income		(34,696,407)	(32,845,298)	(33,318,016)	(31,557,462)
Dividend income		(2,448,609)	(2,184,979)	(3,404,165)	(3,221,724)
Proceeds from interest income		54,409,224	52,468,600	51,999,257	50,364,029
Interest expenses paid		(19,396,238)	(17,651,965)	(18,475,781)	(17,063,296)
Proceeds from dividend income		2,472,755	1,885,248	2,308,497	1,786,432
Income tax paid		(5,556,162)	(4,192,531)	(5,040,597)	(3,411,645)
(Increase) decrease in other accrued receivables		84,451	(10,281)	(12,570)	(26,648)
Decrease in other accrued expenses		(550,776)	(962,834)	(345,276)	(590,336)
Profit from operating before changes in operating assets and liabilities		29,821,274	20,750,645	27,306,243	19,893,038
(Increase) decrease in operating assets					
Interbank and money market items		(57,201,034)	(123,455,370)	(58,967,123)	(121,389,531)
Investment in short-term securities		(7,130,331)	(1,214,685)	(8,222,092)	(345,695)
Loans to customers		(68,743,833)	(37,583,299)	(63,545,181)	(36,298,073)
Properties for sale		947,608	1,361,780	587,030	825,773
Other assets		(3,474,198)	1,707,982	(5,333,109)	1,671,375
Increase (decrease) in operating liabilities					
Deposits		39,113,785	119,776,816	38,350,326	122,492,530
Interbank and money market items		70,782,728	(16,390,394)	71,850,834	(16,228,447)
Liability payable on demand		(100,114)	(1,138,663)	(81,157)	(1,128,342)
Short-term borrowings		(75,810)	(12,551)	(1,030)	(35,500)
Other liabilities		3,144,331	(5,961,081)	4,674,646	(5,850,700)
Net cash from operating activities		7,084,406	(42,158,820)	6,619,387	(36,393,572)

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

Baht : '000

		CONSOLIDATED		THE BANK	
	Note	2018	2017	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of available-for-sale securities		(263,269,504)	(167,862,934)	(261,686,746)	(164,415,493)
Proceeds from disposal of available-for-sale securities		271,609,985	195,007,372	265,303,794	193,061,789
Purchase of held-to-maturity debt securities		(24,062,544)	(24,285,484)	(2,045,011)	(2,133,313)
Proceeds from redemption of held-to-maturity debt securities		19,943,688	27,875,131	1,998,654	4,077,104
Purchase of general investments		(2,011,971)	(1,240,840)	(2,011,500)	(1,240,840)
Proceeds from disposal of general investments		2,578,839	3,466,823	2,578,839	3,466,823
Purchase of investments in subsidiary		-	(159,898)	-	(3,338,978)
Proceeds from dividend income					
from subsidiaries and associates		130,288	258,541	1,119,814	1,135,561
Purchase of premises, equipment and leasehold		(771,016)	(548,566)	(734,120)	(475,658)
Proceeds from disposal of premises and equipment		1,862	3,772	1,493	2,986
Net cash from investing activities		<u>4,149,627</u>	<u>32,513,917</u>	<u>4,525,217</u>	<u>30,139,981</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid for senior unsecured notes extinguishment		(12,492,623) *	-	(12,492,623) *	-
Increase in borrowings		81,594 *	72,704	81,594 *	72,704
Dividend paid		(8,350,349)	(8,345,866)	(8,350,349)	(8,345,866)
Dividend paid to non-controlling interest		(150,469)	(112,975)	-	-
Net cash from financing activities		<u>(20,911,847)</u>	<u>(8,386,137)</u>	<u>(20,761,378)</u>	<u>(8,273,162)</u>
Effect on cash due to changes in the exchange rates		<u>1,310</u>	<u>(41,277)</u>	<u>(2,239)</u>	<u>(40,382)</u>
Net decrease in cash and cash equivalents		<u>(9,676,504)</u>	<u>(18,072,317)</u>	<u>(9,619,013)</u>	<u>(14,567,135)</u>
Cash and cash equivalents as at January 1,		65,767,586	70,137,679	65,382,699	66,261,272
Cash and cash equivalents as at June 30,	6.1.1	<u>56,091,082</u>	<u>52,065,362</u>	<u>55,763,686</u>	<u>51,694,137</u>

* Non-cash item of long-term borrowings due to loss on foreign exchange amounting to Baht 947 million.

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvam Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

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BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

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BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

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 June 30, 2018 and December 31, 2017, 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 financial statements are prepared in accordance with Thai Accounting Standard No. 1 (Revised 2017) regarding Presentation of Financial Statements; and relevant official regulations, and presented in accordance with the BOT's Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups dated December 4, 2015.

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

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

2.2 New or Revised Thai Financial Reporting Standards

2.2.1 The Bank and subsidiaries have adopted the new or revised Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and Thai Financial Reporting Interpretations, issued by the FAP and announced in the Royal Gazette, applying for the financial statements of the periods beginning on or after January 1, 2018 onward with no material impact on the Bank and subsidiaries' financial statements.

2.2.2 In the first quarter of 2018, the Federation of Accounting Professions had issued the Notification of Federation of Accounting Professions regarding Thai Financial Reporting Standard No. 15 Revenue from Contracts with Customers which had been announced in the Royal Gazette, to be effective for the financial statements of periods beginning on or after January 1, 2019 onward. The Bank has considered the impact of the above financial reporting standard and determined that it will not have any material impact on the Bank's financial statements.

2.3 The consolidated financial statements for the three-month periods and the six-month periods ended June 30, 2018 and 2017 and the consolidated statement of financial position as at December 31, 2017, included the accounts of the head office and all branches of the Bank and its subsidiaries, by eliminating significant business transactions and outstanding balances between the Bank and its subsidiaries, and included equity interest in associates. The subsidiaries consist of BBL (Cayman) Limited, Bangkok Bank Berhad, Sinnsuptawee Asset Management Company Limited, BBL Asset Management Company Limited, Bualuang Securities Public Company Limited, Bangkok Bank (China) Company Limited and Bualuang Ventures Limited.

In addition, the consolidated financial statements for the three-month periods and the six-month periods ended June 30, 2018 and 2017 and the consolidated statement of financial position as at December 31, 2017, included BBL Nominees (Tempatan) Sdn. Bhd, the 100% owned subsidiary of Bangkok Bank Berhad and Bangkok Capital Asset Management Company Limited, the 100% owned subsidiary of Bualuang Securities Public Company Limited.

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

- 2.4 The Bank's financial statements for the three-month periods and the six-month periods ended June 30, 2018 and 2017 and the consolidated statement of financial position as at December 31, 2017, included the accounts of the head office and all branches of the Bank. Investments in subsidiaries and associates were accounted for using the cost method, net of valuation allowance for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of income

The Bank recognizes interest 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.

3.2 Recognition of expenses

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

3.3 Cash

Cash consists of cash on hand and cash in transit.

3.4 Derivatives

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

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

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

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

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

3.5 Investments

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

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

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

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

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

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

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

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

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

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

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

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

3.6 Loans to customers

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

Overdrafts are carried at the drawn amounts including interest. Other loans to customers are carried at the principal amounts (See Note 6.6).

3.7 Allowance for doubtful accounts

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

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

The Bank had set up the allowance for doubtful accounts for non-performing loans in an amount equal to the difference between the book value of the outstanding loan and the present value of estimated future cash flows from the debtor, or the difference between the book value of the outstanding loan and the present value of estimated future cash flows from the disposal of collateral. For the allowance for doubtful accounts for performing loans, the Bank had set up the allowance in accordance with the minimum percentage of the BOT's guidelines. For loans having similar credit risk characteristics, the Bank may set up the allowance in an amount of collective impairment by using the historical loss data including current observable data (See Note 6.6.1). Furthermore, the Bank had set aside an additional allowance for doubtful accounts in excess of the minimum BOT's requirement by taking into consideration the potential additional loss arising from changes in economic and legal environment and other factors that may impact the ability of the debtors in meeting their obligations under the loan agreements.

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

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

3.8 Troubled debt restructurings

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

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

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

3.9 Properties for sale

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

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

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

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

3.10 Premises, equipment and depreciation

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

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

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

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

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

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

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

3.11 Intangible assets and amortization

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

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

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

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

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

3.12 Leaseholds

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

3.13 Provisions

The Bank recognizes provisions in the statements of financial position when the Bank has obligations as a result of a past event and where it is probable that there will be an outflow of economic benefits to settle such obligations. The provisions, such as the provisions for off-balance sheet contingencies, the provision for the post-employment benefits (See Note 6.21), the probable loss on legal indemnity, and other provisions, have been recognized in the statements of financial position.

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

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

3.14 Assets and liabilities in foreign currencies

3.14.1 Functional currency and presentation currency

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

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

3.14.2 Translation of foreign currency transactions

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

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

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

3.14.3 Translation of financial statements of foreign operations

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

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

3.15 Post-employment benefits

3.15.1 Defined contribution plans

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

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

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

3.15.2 Defined benefit plans

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

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

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

3.16 Income taxes

Income taxes comprise of current tax and deferred tax.

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

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

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

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

3.17 Earnings per share

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

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

4. RISK MANAGEMENT

4.1 Risk information of the Bank

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

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

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

4.1.1 Credit risk

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

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

4.1.2 Interest rate risk

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

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

The Bank has significant financial assets and financial liabilities categorized by the earlier of contractual repricing or maturity dates as at June 30, 2018 and December 31, 2017 as follows :

	Million Baht							
	CONSOLIDATED JUNE 30, 2018							
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total
Financial Assets								
Interbank and money market items*	345,731	77,282	17,002	5,090	-	49,962	-	495,067
Investments in debt securities	3,086	42,977	60,668	351,590	21,328	-	-	479,649
Loans	1,312,019	368,263	197,628	101,521	2,092	10,141	73,823	2,065,487
Financial Liabilities								
Deposits	1,309,069	355,358	558,352	25,678	-	101,400	-	2,349,857
Interbank and money market items	111,891	49,898	11,903	10,555	4,406	15,714	-	204,367
Liabilities payable on demand	7,152	-	-	-	-	-	-	7,152
Debt issued and borrowings	11	165	16,580	53,214	25,796	-	-	95,766

* Excluding allowance for doubtful accounts and accrued interest receivables.

Million Baht								
CONSOLIDATED DECEMBER 31, 2017								
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total
Financial Assets								
Interbank and money market items*	296,303	50,301	25,217	3,644	-	62,528	-	437,993
Investments in debt securities	6,922	22,962	40,083	373,077	24,545	-	-	467,589
Loans	1,281,759	350,853	186,445	79,217	18,244	9,178	78,293	2,003,989
Financial Liabilities								
Deposits	1,245,875	376,336	561,043	22,507	-	104,982	-	2,310,743
Interbank and money market items	64,677	23,006	11,518	7,477	9,413	17,493	-	133,584
Liabilities payable on demand	13,643	-	-	-	-	-	-	13,643
Debt issued and borrowings	12	226	29,404	52,327	25,221	-	-	107,190

Million Baht								
THE BANK JUNE 30, 2018								
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total
Financial Assets								
Interbank and money market items*	323,599	67,084	6,951	4,590	-	42,466	-	444,690
Investments in debt securities	3,086	30,759	59,351	346,591	21,328	-	-	461,115
Loans	1,283,606	356,283	184,348	101,521	2,092	10,141	72,604	2,010,595
Financial Liabilities								
Deposits	1,289,835	343,675	540,731	15,129	-	101,401	-	2,290,771
Interbank and money market items	109,716	48,882	9,610	10,554	4,406	15,895	-	199,063
Liabilities payable on demand	7,129	-	-	-	-	-	-	7,129
Debt issued and borrowings	11	13	16,580	53,214	25,796	-	-	95,614

* Excluding allowance for doubtful accounts and accrued interest receivables.

Million Baht

	THE BANK DECEMBER 31, 2017					Non - interest bearing	Non - accrual Loans	Total
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years			
Financial Assets								
Interbank and money market items [*]	273,518	35,942	17,525	3,644	-	55,094	-	385,723
Investments in debt securities	6,672	14,650	37,427	367,777	24,545	-	-	451,071
Loans	1,256,080	340,654	173,983	78,975	18,178	9,178	76,909	1,953,957
Financial Liabilities								
Deposits	1,224,025	369,410	535,972	18,026	-	104,988	-	2,252,421
Interbank and money market items	61,664	20,365	10,515	7,477	9,413	17,779	-	127,213
Liabilities payable on demand	13,596	-	-	-	-	-	-	13,596
Debt issued and borrowings	12	-	29,404	52,327	25,221	-	-	106,964

Basic information concerning fixed interest rate versus floating interest rate of domestic loans as at June 30, 2018 and December 31, 2017 are as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Fixed interest rate	409,185	380,296	409,185	380,296
Floating interest rate	<u>1,318,780</u>	<u>1,318,977</u>	<u>1,316,021</u>	<u>1,316,100</u>
Total	<u><u>1,727,965</u></u>	<u><u>1,699,273</u></u>	<u><u>1,725,206</u></u>	<u><u>1,696,396</u></u>

* Excluding allowance for doubtful accounts and accrued interest receivables.

The interest-earning financial assets and interest-bearing financial liabilities for the six-month periods ended June 30, 2018 and 2017 are as follows :

							Million Baht
CONSOLIDATED							
FOR THE SIX-MONTH PERIODS ENDED							
	June 30, 2018			June 30, 2017			
	Average Balance	Interest Income / Expense	Average Rate (%) Per Annum	Average Balance	Interest Income / Expense	Average Rate (%) Per Annum	
Interest-earning Financial Assets							
Interbank and money market items	520,099	4,335	1.67	482,466	3,756	1.56	
Investments in debt securities	444,315	4,310	1.94	423,229	4,097	1.94	
Loans	1,999,506	45,378	4.54	1,933,548	43,994	4.55	
Total	2,963,920	54,023		2,839,243	51,847		
Interest-bearing Financial Liabilities							
Deposits	2,321,558	10,730	0.92	2,240,591	10,428	0.93	
Interbank and money market items	166,996	1,047	1.25	116,108	484	0.83	
Debt issued and borrowings	97,406	2,606	5.35	134,127	3,345	4.99	
Total	2,585,960	14,383		2,490,826	14,257		

							Million Baht
THE BANK							
FOR THE SIX-MONTH PERIODS ENDED							
	June 30, 2018			June 30, 2017			
	Average Balance	Interest Income / Expense	Average Rate (%) Per Annum	Average Balance	Interest Income / Expense	Average Rate (%) Per Annum	
Interest-earning Financial Assets							
Interbank and money market items	470,827	3,532	1.50	431,594	2,964	1.37	
Investments in debt securities	427,665	4,106	1.92	402,077	3,846	1.91	
Loans	1,947,683	44,086	4.53	1,885,292	42,846	4.55	
Total	2,846,175	51,724		2,718,963	49,656		
Interest-bearing Financial Liabilities							
Deposits	2,264,759	9,944	0.88	2,182,857	9,637	0.88	
Interbank and money market items	161,985	915	1.13	107,865	374	0.69	
Debt issued and borrowings	97,179	2,606	5.36	133,847	3,345	5.00	
Total	2,523,923	13,465		2,424,569	13,356		

4.1.3 Foreign exchange risk

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

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

4.1.4 Equity price risk

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

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

4.1.5 Liquidity risk

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

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

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

The Bank has financial assets and financial liabilities categorized by maturity profile as at June 30, 2018 and December 31, 2017 as follows :

	CONSOLIDATED					Million Baht
	DECEMBER 31, 2017					
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	434,349	3,644	-	-	-	437,993
Derivatives	9,667	8,345	9,348	-	-	27,360
Investments	71,982	375,910	24,597	120,691	-	593,180
Loans	825,155	672,629	428,623	-	77,582	2,003,989
Financial Liabilities						
Deposits	2,288,236	22,507	-	-	-	2,310,743
Interbank and money market items	116,694	7,477	9,413	-	-	133,584
Liabilities payable on demand	13,643	-	-	-	-	13,643
Derivatives	6,552	5,213	9,237	-	-	21,002
Debt issued and borrowings	29,642	52,327	25,221	-	-	107,190

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	THE BANK					Million Baht
	JUNE 30, 2018					
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	440,100	4,590	-	-	-	444,690
Derivatives	13,515	7,439	9,467	-	-	30,421
Investments	90,450	349,142	21,524	133,832	-	594,948
Loans	774,823	764,098	399,070	-	72,604	2,010,595
Financial Liabilities						
Deposits	2,275,642	15,129	-	-	-	2,290,771
Interbank and money market items	182,448	12,209	4,406	-	-	199,063
Liabilities payable on demand	7,129	-	-	-	-	7,129
Derivatives	18,016	5,298	8,386	-	-	31,700
Debt issued and borrowings	16,604	53,214	25,796	-	-	95,614

* Excluding allowance for doubtful accounts and accrued interest receivables.

4.2 Fair value of financial instruments

The following table presents the carrying amount and estimated fair value of financial instruments as at June 30, 2018 and December 31, 2017 :

	CONSOLIDATED				Million Baht
	June 30, 2018		December 31, 2017		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
Financial Assets					
Cash	55,924	55,924	65,473	65,473	
Interbank and money market items, net	494,489	494,489	437,738	437,738	
Derivatives	30,646	31,723	27,360	27,815	
Investments, net	589,197	615,338	593,180	621,204	
Loans to customers and accrued interest receivables, net	1,923,502	1,923,502	1,869,029	1,869,029	
Total	3,093,758	3,120,976	2,992,780	3,021,259	
Financial Liabilities					
Deposits	2,349,857	2,349,857	2,310,743	2,310,743	
Interbank and money market items	204,367	204,367	133,584	133,584	
Liabilities payable on demand	7,152	7,152	13,643	13,643	
Derivatives	32,481	33,035	21,002	21,559	
Debt issued	95,527	108,447	107,032	123,217	
Borrowings	239	239	158	158	
Total	2,689,623	2,703,097	2,586,162	2,602,904	

	THE BANK			
	June 30, 2018		December 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	55,764	55,764	65,383	65,383
Interbank and money market items, net	444,666	444,666	385,772	385,772
Derivatives	30,421	31,497	27,048	27,506
Investments, net	594,948	639,733	600,536	643,644
Loans to customers and accrued interest receivables, net	1,871,820	1,871,820	1,822,089	1,822,089
Total	2,997,619	3,043,480	2,900,828	2,944,394
Financial Liabilities				
Deposits	2,290,771	2,290,771	2,252,421	2,252,421
Interbank and money market items	199,063	199,063	127,213	127,213
Liabilities payable on demand	7,129	7,129	13,596	13,596
Derivatives	31,700	32,255	20,213	20,771
Debt issued	95,375	108,295	106,806	122,991
Borrowings	239	239	158	158
Total	2,624,277	2,637,752	2,520,407	2,537,150

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

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

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

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

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

The fair value determination of investments in debt securities

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

The fair value determination of investments in equity securities

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

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

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

The following table shows an analysis of financial assets and financial liabilities by level of the fair value hierarchy as at June 30, 2018 and December 31, 2017.

Million Baht								
CONSOLIDATED								
	June 30, 2018			December 31, 2017				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Items measured at fair value :								
Financial assets								
Derivatives	-	31,723	-	31,723	-	27,815	-	27,815
Investments, net	86,384	455,637	-	542,021	103,117	445,647	-	548,764
Financial liabilities								
Derivatives	579	32,456	-	33,035	366	21,193	-	21,559
Items not measured at fair value :								
Financial assets								
Investments, net	1,950	13,588	57,779	73,317	2,580	9,555	60,305	72,440
Financial liabilities								
Debt issued	-	108,447	-	108,447	-	123,217	-	123,217

Million Baht								
THE BANK								
	June 30, 2018			December 31, 2017				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Items measured at fair value :								
Financial assets								
Derivatives	-	31,497	-	31,497	-	27,506	-	27,506
Investments, net	82,790	439,803	-	522,593	98,123	428,748	-	526,871
Financial liabilities								
Derivatives	-	32,255	-	32,255	-	20,771	-	20,771
Items not measured at fair value :								
Financial assets								
Investments, net	1,950	3,102	112,088	117,140	2,580	2,568	111,625	116,773
Financial liabilities								
Debt issued	-	108,295	-	108,295	-	122,991	-	122,991

Fair values are determined according to the following hierarchy :

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

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

4.3 Capital fund

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

The guideline on capital fund based on the Basel III guidelines of the BOT requires the Bank to maintain a capital conservation buffer in addition to minimum capital adequacy ratios which sets out to phasing in additional capital ratio of more than 0.625 percent p.a. starting January 1, 2016 until completion of the increment to more than 2.50 percent in January 1, 2019. The minimum capital adequacy and a capital conservation buffer ratios to risk assets is as follows :

Capital Fund Ratio	Percentage	
	June 30, 2018	December 31, 2017
Common Equity Tier 1 ratio	More than 6.375	More than 5.75
Tier 1 capital ratio	More than 7.875	More than 7.25
Total capital fund ratio	More than 10.375	More than 9.75

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 by 1 percent, beginning at 0.5 percent from January 1, 2019 and increasing to be 1 percent from January 1, 2020 onwards.

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

As at June 30, 2018 and December 31, 2017, 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	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Common Equity Tier 1 capital to risk assets ratio	15.70	16.62	15.60	16.47
Tier 1 capital to risk assets ratio	15.70	16.63	15.60	16.47
Total capital to risk assets ratio	17.22	18.17	17.14	18.03

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Tier 1 capital	376,407	383,942	361,544	369,261
Common Equity Tier 1 capital	376,348	383,841	361,544	369,261
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	22,500	22,000	22,500	22,000
Reserves appropriated from net profit	96,500	96,500	96,500	96,500
Net profit after appropriation	142,656	134,606	125,430	118,714
Other comprehensive income	43,283	56,126	44,739	57,374
Deductions from Common Equity				
Tier 1 capital	(4,025)	(825)	(3,059)	(761)
Additional Tier 1 capital	59	101	-	-
Tier 2 capital	36,468	35,638	35,675	34,965
Total capital fund	412,875	419,580	397,219	404,226

As at June 30, 2018 and December 31, 2017, 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/Investor Relations/Latest Information/Financial Information/
 Basel III - Pillar 3

Date of disclosure April 30, 2018

Information as of December 31, 2017

5. SIGNIFICANT USE OF ACCOUNTING JUDGMENTS AND ESTIMATES

5.1 Impairment of investments in securities

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

5.2 Allowance for doubtful accounts

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

5.3 Provisions

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

For the estimation of the provision for the defined benefit plans under the post-employment benefits, the estimation is calculated by an actuary by using the actuarial techniques which require actuarial assumptions on financial variables such as discount rate, future salaries and benefits, etc., and demographic variables such as employee mortality and turnover, etc.

5.4 Fair value of financial instruments

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

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

6. ADDITIONAL INFORMATION

6.1 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 June 30, 2018 and December 31, 2017 are as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Cash	55,924	65,473	55,764	65,383
Cash equivalents				
Cash at Bank - current and savings accounts	45	45	-	-
Fixed deposits and notes with a maturity				
less than or equal to three months	122	250	-	-
Total cash and cash equivalents	<u>56,091</u>	<u>65,768</u>	<u>55,764</u>	<u>65,383</u>

6.1.2 Significant non-cash items for the six-month periods ended June 30, 2018 and 2017 are as follows :

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS ENDED		FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Unrealized gains on investments in				
shareholders' equity increase (decrease)	(11,630)	557	(11,656)	509
Properties for sale increased from loans				
payment/inactive assets	463	460	463	460
Unrealized increment per premises				
appraisal transferred to retained earnings	468	468	466	466

6.2 Interbank and money market items, net (assets)

Interbank and money market items, net (assets) as at June 30, 2018 and December 31, 2017 consisted of the following :

	CONSOLIDATED					
	June 30, 2018		December 31, 2017			Million Baht
	Demand	Time	Total	Demand	Time	Total
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	11,011	276,597	287,608	19,419	193,960	213,379
Commercial banks	2,856	22,631	25,487	2,356	21,355	23,711
Other financial institutions	<u>731</u>	<u>19,464</u>	<u>20,195</u>	<u>2,883</u>	<u>20,617</u>	<u>23,500</u>
Total	14,598	318,692	333,290	24,658	235,932	260,590
<u>Add</u> Accrued interest						
receivables	1	111	112	-	109	109
<u>Less</u> Allowance for						
doubtful accounts	<u>(7)</u>	<u>(222)</u>	<u>(229)</u>	<u>(33)</u>	<u>(247)</u>	<u>(280)</u>
Total domestic items	<u>14,592</u>	<u>318,581</u>	<u>333,173</u>	<u>24,625</u>	<u>235,794</u>	<u>260,419</u>
Foreign items						
USD	17,805	64,611	82,416	15,054	63,824	78,878
JPY	8,207	3,118	11,325	11,531	2,757	14,288
EUR	892	1,804	2,696	1,501	6,416	7,917
Others	<u>12,039</u>	<u>53,301</u>	<u>65,340</u>	<u>15,015</u>	<u>61,305</u>	<u>76,320</u>
Total	38,943	122,834	161,777	43,101	134,302	177,403
<u>Add</u> Accrued interest						
receivables	2	319	321	3	501	504
<u>Less</u> Allowance for						
doubtful accounts	<u>-</u>	<u>(782)</u>	<u>(782)</u>	<u>-</u>	<u>(588)</u>	<u>(588)</u>
Total foreign items	<u>38,945</u>	<u>122,371</u>	<u>161,316</u>	<u>43,104</u>	<u>134,215</u>	<u>177,319</u>
Total domestic and foreign items	<u>53,537</u>	<u>440,952</u>	<u>494,489</u>	<u>67,729</u>	<u>370,009</u>	<u>437,738</u>

	THE BANK					
	June 30, 2018			December 31, 2017		
	Demand	Time	Total	Demand	Time	Total
Domestic items						
Bank of Thailand and						
Financial Institutions						
Development Fund	11,011	276,597	287,608	19,419	193,960	213,379
Commercial banks	11	17,365	17,376	1	13,440	13,441
Other financial institutions	<u>731</u>	<u>19,464</u>	<u>20,195</u>	<u>2,883</u>	<u>20,617</u>	<u>23,500</u>
Total	11,753	313,426	325,179	22,303	228,017	250,320
<u>Add</u> Accrued interest						
receivables	-	98	98	-	93	93
<u>Less</u> Allowance for						
doubtful accounts	<u>(7)</u>	<u>(222)</u>	<u>(229)</u>	<u>(34)</u>	<u>(246)</u>	<u>(280)</u>
Total domestic items	<u>11,746</u>	<u>313,302</u>	<u>325,048</u>	<u>22,269</u>	<u>227,864</u>	<u>250,133</u>
Foreign items						
USD	17,036	60,081	77,117	13,540	61,168	74,708
JPY	8,206	3,118	11,324	11,530	2,757	14,287
EUR	877	2,006	2,883	1,486	6,416	7,902
Others	<u>5,333</u>	<u>22,854</u>	<u>28,187</u>	<u>9,124</u>	<u>29,382</u>	<u>38,506</u>
Total	31,452	88,059	119,511	35,680	99,723	135,403
<u>Add</u> Accrued interest						
receivables	-	177	177	-	305	305
<u>Less</u> Allowance for						
doubtful accounts	<u>-</u>	<u>(70)</u>	<u>(70)</u>	<u>-</u>	<u>(69)</u>	<u>(69)</u>
Total foreign items	<u>31,452</u>	<u>88,166</u>	<u>119,618</u>	<u>35,680</u>	<u>99,959</u>	<u>135,639</u>
Total domestic and						
foreign items	<u>43,198</u>	<u>401,468</u>	<u>444,666</u>	<u>57,949</u>	<u>327,823</u>	<u>385,772</u>

6.3 Derivatives

The fair values and the notional amounts classified by type of risk as at June 30, 2018 and December 31, 2017 are as follows :

						Million Baht
CONSOLIDATED						
Type of risk	June 30, 2018			December 31, 2017		
	Fair Value/Readjustment		Notional	Fair Value/Readjustment		Notional
	Based on an Accrual Basis			Based on an Accrual Basis		
	Assets	Liabilities	Amount	Assets	Liabilities	Amount
Foreign exchange rate	23,079	22,264	1,487,321	19,948	10,205	1,138,145
Interest rate	7,553	9,638	882,196	7,409	10,431	806,972
Others	14	579	13,555	3	366	3,335
Total	30,646	32,481	2,383,072	27,360	21,002	1,948,452

	THE BANK					Million Baht
Type of risk	June 30, 2018		Notional Amount	December 31, 2017		Notional Amount
	Fair Value/Readjustment Based on an Accrual Basis			Fair Value/Readjustment Based on an Accrual Basis		
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	22,868	22,062	1,469,284	19,639	9,783	1,119,257
Interest rate	7,553	9,638	882,196	7,409	10,430	806,972
Total	30,421	31,700	2,351,480	27,048	20,213	1,926,229

The proportion of derivative transactions classified by type of counterparty based on the notional amounts as at June 30, 2018 and December 31, 2017 are as follows :

	CONSOLIDATED		THE BANK		Percentage
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	
Financial Institutions	76.61	79.01	77.12	79.23	
Group companies	-	-	-	0.01	
External entities	23.39	20.99	22.88	20.76	
Total	100.00	100.00	100.00	100.00	

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

Forward foreign exchange derivatives

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

Interest rate derivatives

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

6.4 Investments, net

6.4.1 Investments as at June 30, 2018 and December 31, 2017 consisted of the following :

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	Fair Value	Fair Value	Fair Value	Fair Value
Trading securities				
Government and state enterprise securities	16,922	8,949	16,922	8,949
Private enterprise debt securities	343	260	343	260
Foreign debt securities	-	980	-	980
Domestic marketable equity securities	3,552	4,924	-	-
Total	20,817	15,113	17,265	10,189

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	Fair Value	Fair Value	Fair Value	Fair Value
Available-for-sale securities				
Government and state enterprise securities	287,606	298,464	287,606	298,464
Private enterprise debt securities	56,586	43,208	56,044	42,668
Foreign debt securities	94,328	95,617	86,823	86,005
Domestic marketable equity securities	57,966	69,604	57,960	69,569
Foreign marketable equity securities	7,186	7,537	7,186	7,537
Others	17,532	19,221	9,709	12,439
Total	521,204	533,651	505,328	516,682

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost
Held-to-maturity debt securities				
Government and state enterprise securities	12,534	8,417	2,048	2,051
Foreign debt securities	<u>2,792</u>	<u>2,816</u>	<u>2,792</u>	<u>2,816</u>
Total	<u><u>15,326</u></u>	<u><u>11,233</u></u>	<u><u>4,840</u></u>	<u><u>4,867</u></u>

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	Cost	Cost	Cost	Cost
General investments				
Domestic non-marketable equity securities	6,736	6,640	6,727	6,631
Foreign non-marketable equity securities	<u>31,970</u>	<u>30,632</u>	<u>31,962</u>	<u>30,625</u>
Total	38,706	37,272	38,689	37,256
<u>Less</u> Allowance for impairment	<u>(8,265)</u>	<u>(5,549)</u>	<u>(8,265)</u>	<u>(5,549)</u>
Total	<u><u>30,441</u></u>	<u><u>31,723</u></u>	<u><u>30,424</u></u>	<u><u>31,707</u></u>
Total investments, net	<u><u>587,788</u></u>	<u><u>591,720</u></u>	<u><u>557,857</u></u>	<u><u>563,445</u></u>

Investments classified in accordance with the Notification of the BOT as at June 30, 2018 and December 31, 2017 are presented in Note 6.13.

As at June 30, 2018 and December 31, 2017, the Bank has investments in 32 companies with cost values of Baht 256 million, which are companies whose prospects as a going concern are uncertain or are unlisted companies but whose financial positions and operations would fall under the SET delisting criteria, which the Bank had set aside allowance for impairment of these investments amounting to Baht 256 million and these companies had net book value totaling Baht 0 million.

As at June 30, 2018 and December 31, 2017, the Bank has investments in 1 listed company and 2 listed companies that are under the SET delisting criteria, amounting to Baht 2 million and Baht 4 million, with the fair value of Baht 0 million and 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 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 June 30, 2018 and December 31, 2017, the Bank had outstanding balances of other liabilities from such transaction amounting to Baht 372 million and Baht 720 million, respectively.

- 6.4.2 As at June 30, 2018 and December 31, 2017, 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	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Manufacturing and commercial	12	12	12	12
Real estate and construction	187	187	187	187
Utilities and services	41	41	41	41
Others	<u>1,702</u>	<u>1,591</u>	<u>1,702</u>	<u>1,591</u>
Total	<u><u>1,942</u></u>	<u><u>1,831</u></u>	<u><u>1,942</u></u>	<u><u>1,831</u></u>

6.5 Investments in subsidiaries and associates, net

As at June 30, 2018 and December 31, 2017, the Bank had investments in subsidiaries and associates, net as follows :

			CONSOLIDATED					
			Direct and Indirect Shareholding (%)		Investment (Cost Method)		Investment (Equity Method)	
Company	Type of Business	Type of Shares	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Associates								
BSL Leasing Co., Ltd.	Finance	Ordinary share	35.88	35.88	201	201	703	699
Processing Center Co., Ltd.	Service	Ordinary share	30.00	30.00	15	15	452	481
National ITMX Co., Ltd.	Service	Ordinary share	13.84	13.84	7	7	205	201
Thai Payment Network Co., Ltd.	Service	Ordinary share	49.99	49.99	<u>162</u>	<u>162</u>	<u>49</u>	<u>79</u>
Total					385	385	1,409	1,460
<u>Less</u> Allowance for impairment					<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Investments in associates, net					<u><u>383</u></u>	<u><u>383</u></u>	<u><u>1,409</u></u>	<u><u>1,460</u></u>

Million Baht						
Company	Type of Business	Type of Shares	THE BANK			
			Direct and Indirect Shareholding (%)		Investment (Cost Method)	
			June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
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	9,261
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 Company	Ordinary share	100.00	100.00	500	500
BBL Asset Management Co., Ltd.	Finance	Ordinary share	75.00	75.00	183	183
Bualuang Securities PCL.	Securities	Ordinary share	99.91	99.91	4,772	4,772
Associates						
BSL Leasing Co., Ltd.	Finance	Ordinary share	35.88	35.88	201	201
Processing Center Co., Ltd.	Service	Ordinary share	30.00	30.00	15	15
National ITMX Co., Ltd.	Service	Ordinary share	13.84	13.84	7	7
Thai Payment Network Co., Ltd.	Service	Ordinary share	49.99	49.99	162	162
Total					37,188	37,188
Less Allowance for impairment					(97)	(97)
Investments in subsidiaries and associates, net					37,091	37,091

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

	Million Baht	
	FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017
Net profit	171	195
Total comprehensive income	171	195

	Million Baht	
	FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017
Net profit	428	432
Total comprehensive income	428	432

6.6 Loans to customers and accrued interest receivables, net

6.6.1 Classified by product type as at June 30, 2018 and December 31, 2017 :

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Overdrafts	113,123	108,064	112,183	107,089
Loans	1,528,061	1,476,182	1,477,724	1,430,730
Bills	422,742	417,676	419,088	414,034
Others	2,210	2,574	2,209	2,573
<u>Less</u> Deferred revenue	<u>(649)</u>	<u>(507)</u>	<u>(609)</u>	<u>(469)</u>
Loans to customers after deferred revenue, net	2,065,487	2,003,989	2,010,595	1,953,957
<u>Add</u> Accrued interest receivables	<u>5,179</u>	<u>5,061</u>	<u>5,057</u>	<u>4,953</u>
Loans to customers and accrued interest receivables after deferred revenue, net	2,070,666	2,009,050	2,015,652	1,958,910
<u>Less</u> Allowance for doubtful accounts				
Minimum provision according to the BOT's requirement				
- Individual approach	(54,835)	(62,387)	(53,890)	(61,166)
- Collective approach	(5,636)	(5,320)	(5,636)	(5,320)
Excess provision	<u>(80,755)</u>	<u>(70,004)</u>	<u>(78,368)</u>	<u>(68,025)</u>
Total	(141,226)	(137,711)	(137,894)	(134,511)
<u>Less</u> Revaluation allowance				
for debt restructuring	<u>(5,938)</u>	<u>(2,310)</u>	<u>(5,938)</u>	<u>(2,310)</u>
Total loans to customers, net	<u>1,923,502</u>	<u>1,869,029</u>	<u>1,871,820</u>	<u>1,822,089</u>

6.6.2 As at June 30, 2018 and December 31, 2017, the Bank and subsidiaries had non-performing loans (NPLs), defined according to the BOT's Notification as loans classified as substandard, doubtful and doubtful of loss including interbank and money market items but excluding accrued interest receivables, as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
NPLs before allowance for doubtful accounts	83,478	87,419	82,388	85,997
NPLs as percentage of total loans	3.48	3.88	3.53	3.92
Net NPLs after allowance for doubtful accounts	28,206	26,576	27,918	26,295
Net NPLs as percentage of net total loans	1.20	1.21	1.23	1.23

6.6.3 Classified by currency and customer's residence as at June 30, 2018 and December 31, 2017 :

CONSOLIDATED							Million Baht
	June 30, 2018			December 31, 2017			
	Domestic	Foreign	Total	Domestic	Foreign	Total	
BAHT	1,470,022	32,041	1,502,063	1,477,829	31,318	1,509,147	
USD	81,017	241,732	322,749	89,872	212,927	302,799	
Others	42,965	197,710	240,675	18,917	173,126	192,043	
Total	1,594,004	471,483	2,065,487	1,586,618	417,371	2,003,989	

THE BANK							Million Baht
	June 30, 2018			December 31, 2017			
	Domestic	Foreign	Total	Domestic	Foreign	Total	
BAHT	1,469,972	32,041	1,502,013	1,477,662	31,318	1,508,980	
USD	81,017	237,549	318,566	89,872	208,634	298,506	
Others	42,965	147,051	190,016	18,917	127,554	146,471	
Total	1,593,954	416,641	2,010,595	1,586,451	367,506	1,953,957	

6.6.4 Classified by business type and in accordance with the Notification of the BOT as at June 30, 2018 and December 31, 2017 :

CONSOLIDATED							Million Baht
	JUNE 30, 2018					Total	
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss		
Agriculture and mining	52,807	784	178	72	1,358	55,199	
Manufacturing and commercial	761,356	15,174	7,068	12,385	37,580	833,563	
Real estate and construction	199,586	4,799	1,310	447	5,240	211,382	
Utilities and services	415,705	5,537	1,687	1,422	3,558	427,909	
Housing loans	221,330	3,162	1,067	1,606	4,181	231,346	
Others	298,738	3,031	2,930	869	520	306,088	
Total	1,949,522	32,487	14,240	16,801	52,437	2,065,487	

CONSOLIDATED							Million Baht
	DECEMBER 31, 2017					Total	
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss		
Agriculture and mining	44,319	788	8	1,170	373	46,658	
Manufacturing and commercial	734,283	20,337	8,668	13,332	42,718	819,338	
Real estate and construction	178,159	5,334	780	905	5,998	191,176	
Utilities and services	401,898	13,802	1,141	1,180	3,574	421,595	
Housing loans	219,746	2,312	1,006	1,521	3,561	228,146	
Others	292,647	2,945	123	904	457	297,076	
Total	1,871,052	45,518	11,726	19,012	56,681	2,003,989	

						Million Baht
THE BANK						
JUNE 30, 2018						
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	50,799	784	178	72	1,358	53,191
Manufacturing and commercial	731,511	15,133	7,068	12,369	36,626	802,707
Real estate and construction	191,923	4,799	1,310	447	5,229	203,708
Utilities and services	409,626	5,537	1,687	1,422	3,558	421,830
Housing loans	221,321	3,159	1,066	1,606	4,171	231,323
Others	290,808	2,807	2,928	774	519	297,836
Total	1,895,988	32,219	14,237	16,690	51,461	2,010,595

						Million Baht
THE BANK						
DECEMBER 31, 2017						
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	42,454	788	8	1,170	373	44,793
Manufacturing and commercial	707,712	20,271	8,665	13,332	41,416	791,396
Real estate and construction	171,570	5,323	780	905	5,987	184,565
Utilities and services	396,924	13,802	1,141	1,180	3,574	416,621
Housing loans	219,735	2,310	1,006	1,521	3,551	228,123
Others	284,375	2,696	122	810	456	288,459
Total	1,822,770	45,190	11,722	18,918	55,357	1,953,957

6.6.5 As at June 30, 2018 and December 31, 2017, 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					
JUNE 30, 2018					
	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	1,954,459	1,293,020	1	15,952	
Special mentioned	32,710	18,307	2	490	
Substandard	14,259	7,263	100	7,261	
Doubtful	16,801	7,745	100	7,751	
Doubtful of loss	52,437	29,017	100	29,017	
Excess provision according to the BOT's requirement					80,755
Total	2,070,666	1,355,352			141,226

				Million Baht
CONSOLIDATED DECEMBER 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	1,875,782	1,229,095	1	14,983
Special mentioned	45,815	23,624	2	591
Substandard	11,760	5,274	100	5,275
Doubtful	19,012	10,378	100	10,387
Doubtful of loss	56,681	36,471	100	36,471
Excess provision according to the BOT's requirement				70,004
Total	<u><u>2,009,050</u></u>	<u><u>1,304,842</u></u>		<u><u>137,711</u></u>

				Million Baht
THE BANK JUNE 30, 2018				
	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	1,900,805	1,252,948	1	15,578
Special mentioned	32,441	18,082	2	485
Substandard	14,256	7,261	100	7,261
Doubtful	16,689	7,649	100	7,654
Doubtful of loss	51,461	28,548	100	28,548
Excess provision according to the BOT's requirement				78,368
Total	<u><u>2,015,652</u></u>	<u><u>1,314,488</u></u>		<u><u>137,894</u></u>

				Million Baht
THE BANK DECEMBER 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	1,827,393	1,196,832	1	14,688
Special mentioned	45,486	23,362	2	585
Substandard	11,756	5,271	100	5,272
Doubtful	18,918	10,283	100	10,293
Doubtful of loss	55,357	35,648	100	35,648
Excess provision according to the BOT's requirement				68,025
Total	<u>1,958,910</u>	<u>1,271,396</u>		<u>134,511</u>

As at June 30, 2018 and December 31, 2017, the consolidated and the Bank's financial statements included the allowance for doubtful accounts amounting to Baht 5,636 million and Baht 5,320 million, respectively, on a collective approach, for loans classified as normal and special mentioned.

6.6.6 Troubled debt restructurings

Details of the restructured debts of the Bank for the six-month periods ended June 30, 2018 and 2017, classified by the restructuring methods, are as follows :

				Million Baht
THE BANK FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018				
Restructuring Method	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Asset transfer	9	151	Land, building	151
Debt restructuring in various forms	<u>2,926</u>	<u>32,331</u>	-	-
Total	<u>2,935</u>	<u>32,482</u>		

The weighted average tenure of the above-mentioned restructuring is 6 years; and the total debt outstanding after debt restructuring at the restructuring contract date is Baht 32,482 million.

THE BANK FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017				
Restructuring Method	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Asset transfer	8	217	Land, building	217
Debt restructuring in various forms	<u>2,998</u>	<u>17,176</u>	-	-
Total	<u><u>3,006</u></u>	<u><u>17,393</u></u>		

The weighted average tenure of the above-mentioned restructuring is 5 years; and the total debt outstanding after debt restructuring at the restructuring contract date is Baht 17,393 million.

For the three-month period and the six-month period ended June 30, 2018, the Bank recognized interest income from restructured debts amounting to Baht 665 million and Baht 1,398 million, respectively.

For the three-month period and the six-month period ended June 30, 2017, the Bank recognized interest income from restructured debts amounting to Baht 668 million and Baht 1,490 million, respectively.

As at June 30, 2018 and December 31, 2017, the Bank had outstanding balances of loans to restructured debtors amounting to Baht 90,603 million and Baht 76,698 million, respectively.

Disclosures for the consolidated financial statements for troubled debt restructurings which occurred during the six-month periods ended June 30, 2018 and 2017 have not been provided, as such information is not significantly different from the above disclosures for the Bank's financial statements.

6.7 Allowance for doubtful accounts

Allowance for doubtful accounts consisted of the following as at June 30, 2018 and December 31, 2017 :

	CONSOLIDATED JUNE 30, 2018						Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balance	14,983	591	5,275	10,387	36,471	70,004	137,711
Doubtful accounts	969	(101)	1,986	(2,636)	(683)	10,535	10,070
Bad debt recovered	-	-	-	-	470	-	470
Bad debt written off	-	-	-	-	(7,241)	-	(7,241)
Others	-	-	-	-	-	216	216
Ending balance	<u>15,952</u>	<u>490</u>	<u>7,261</u>	<u>7,751</u>	<u>29,017</u>	<u>80,755</u>	<u>141,226</u>

	CONSOLIDATED DECEMBER 31, 2017						Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balance	14,502	548	2,589	10,140	27,815	61,214	116,808
Doubtful accounts	481	43	2,686	247	8,539	10,375	22,371
Bad debt recovered	-	-	-	-	1,273	-	1,273
Bad debt written off	-	-	-	-	(1,156)	-	(1,156)
Others	-	-	-	-	-	(1,585)	(1,585)
Ending balance	<u>14,983</u>	<u>591</u>	<u>5,275</u>	<u>10,387</u>	<u>36,471</u>	<u>70,004</u>	<u>137,711</u>

Million Baht

THE BANK JUNE 30, 2018							
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balance	14,688	585	5,272	10,293	35,648	68,025	134,511
Doubtful accounts	890	(100)	1,989	(2,639)	(667)	10,154	9,627
Bad debt recovered	-	-	-	-	451	-	451
Bad debt written off	-	-	-	-	(6,884)	-	(6,884)
Others	-	-	-	-	-	189	189
Ending balance	<u>15,578</u>	<u>485</u>	<u>7,261</u>	<u>7,654</u>	<u>28,548</u>	<u>78,368</u>	<u>137,894</u>

Million Baht

THE BANK DECEMBER 31, 2017							
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balance	14,246	510	2,588	10,045	27,341	58,638	113,368
Doubtful accounts	442	75	2,684	248	8,068	10,916	22,433
Bad debt recovered	-	-	-	-	1,273	-	1,273
Bad debt written off	-	-	-	-	(1,034)	-	(1,034)
Others	-	-	-	-	-	(1,529)	(1,529)
Ending balance	<u>14,688</u>	<u>585</u>	<u>5,272</u>	<u>10,293</u>	<u>35,648</u>	<u>68,025</u>	<u>134,511</u>

As at June 30, 2018 and December 31, 2017, the Bank and subsidiaries had the allowance for doubtful accounts in the consolidated financial statements of Baht 141,226 million and Baht 137,711 million, and in the Bank's financial statements of Baht 137,894 million and Baht 134,511 million, respectively.

As at June 30, 2018 and December 31, 2017, the Bank and subsidiaries recorded allowances for doubtful accounts in excess of the allowances as per the BOT's requirement in the consolidated financial statements of Baht 80,755 million and Baht 70,004 million, and in the Bank's financial statements of Baht 78,368 million and Baht 68,025 million, respectively (See Note 3.7).

6.8 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring as at June 30, 2018 and December 31, 2017 are as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Beginning balance	2,310	2,710	2,310	2,710
Increase during the period/year	3,874	179	3,874	179
Write off/decrease during the period/year	(246)	(579)	(246)	(579)
Ending balance	<u>5,938</u>	<u>2,310</u>	<u>5,938</u>	<u>2,310</u>

6.9 Properties for sale, net

Properties for sale consisted of the following as at June 30, 2018 and December 31, 2017 :

	CONSOLIDATED JUNE 30, 2018			Million Baht
Type of Properties for Sale	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	16,859	479	(1,115)	16,223
Movable assets	<u>134</u>	<u>16</u>	<u>-</u>	<u>150</u>
Total	16,993	495	(1,115)	16,373
Others	<u>65</u>	<u>-</u>	<u>(13)</u>	<u>52</u>
Total properties for sale	17,058	495	(1,128)	16,425
<u>Less</u> Allowance for impairment	<u>(5,643)</u>	<u>(574)</u>	<u>148</u>	<u>(6,069)</u>
Total properties for sale, net	<u>11,415</u>	<u>(79)</u>	<u>(980)</u>	<u>10,356</u>

	CONSOLIDATED DECEMBER 31, 2017			Million Baht
Type of Properties for Sale	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	18,482	1,130	(2,753)	16,859
Movable assets	<u>218</u>	<u>-</u>	<u>(84)</u>	<u>134</u>
Total	18,700	1,130	(2,837)	16,993
Others	<u>65</u>	<u>-</u>	<u>-</u>	<u>65</u>
Total properties for sale	18,765	1,130	(2,837)	17,058
<u>Less</u> Allowance for impairment	<u>(6,503)</u>	<u>(10)</u>	<u>870</u>	<u>(5,643)</u>
Total properties for sale, net	<u>12,262</u>	<u>1,120</u>	<u>(1,967)</u>	<u>11,415</u>

As at June 30, 2018, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 16,223 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 11,553 million and appraised by internal appraisers in the amount of Baht 4,670 million.

As at December 31, 2017, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 16,859 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 12,278 million and appraised by internal appraisers in the amount of Baht 4,581 million.

Type of Properties for Sale	Beginning Balance	THE BANK JUNE 30, 2018		Million Baht
		Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	12,416	479	(666)	12,229
Movable assets	134	16	-	150
Total	12,550	495	(666)	12,379
Others	65	-	(13)	52
Total properties for sale	12,615	495	(679)	12,431
<u>Less</u> Allowance for impairment	(4,085)	(96)	60	(4,121)
Total properties for sale, net	8,530	399	(619)	8,310

Type of Properties for Sale	Beginning Balance	THE BANK DECEMBER 31, 2017		Million Baht
		Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	13,054	1,095	(1,733)	12,416
Movable assets	218	-	(84)	134
Total	13,272	1,095	(1,817)	12,550
Others	65	-	-	65
Total properties for sale	13,337	1,095	(1,817)	12,615
<u>Less</u> Allowance for impairment	(4,561)	(5)	481	(4,085)
Total properties for sale, net	8,776	1,090	(1,336)	8,530

As at June 30, 2018, the Bank had immovable assets from debt repayment in the amount of Baht 12,229 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 8,443 million and appraised by internal appraisers in the amount of Baht 3,786 million.

As at December 31, 2017, the Bank had immovable assets from debt repayment in the amount of Baht 12,416 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 8,733 million and appraised by internal appraisers in the amount of Baht 3,683 million.

Classified properties for sale in accordance with the Notification of the BOT as at June 30, 2018 and December 31, 2017 are presented in Note 6.13.

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

The transactions of the Bank and subsidiaries are as follows :

Million Baht

CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED							
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	June 30, 2018			June 30, 2017	
			Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	5	-	-	-	-	-
Sale to public	Per cost recovery	-	348	(10)	-	590	(2)

Million Baht

CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED							
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	June 30, 2018			June 30, 2017	
			Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	5	-	-	-	-	-
Sale to public	Per cost recovery	-	704	(12)	-	794	(2)

Million Baht

THE BANK FOR THE THREE-MONTH PERIODS ENDED							
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	June 30, 2018			June 30, 2017	
			Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	5	-	-	-	-	-
Sale to public	Per cost recovery	-	348	(10)	-	245	(1)

Million Baht

THE BANK FOR THE SIX-MONTH PERIODS ENDED							
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	June 30, 2018			June 30, 2017	
			Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	5	-	-	-	-	-
Sale to public	Per cost recovery	-	457	(11)	-	443	(1)

6.10 Premises and equipment, net

Premises and equipment consisted of the following as at June 30, 2018 and December 31, 2017 :

											Million Baht
CONSOLIDATED											
JUNE 30, 2018											
	Cost				Accumulated Depreciation						
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Depreciation	Disposal/ Transfer	Others	Ending Balance	Premises and Equipment (Net)
Land											
Cost	7,640	-	-	24	7,664	-	-	-	-	-	7,664
Appraisal increase (year 2015)	20,919	-	-	(15)	20,904	-	-	-	-	-	20,904
Appraisal decrease (year 2015)	(705)	-	-	(10)	(715)	-	-	-	-	-	(715)
Premises											
Cost	3,553	19	(2)	29	3,599	544	101	(2)	4	647	2,952
Appraisal increase (year 2015)	12,376	-	-	(7)	12,369	3,054	585	-	-	3,639	8,730
Appraisal decrease (year 2015)	(216)	-	-	(6)	(222)	(34)	(7)	-	(1)	(42)	(180)
Equipment	21,852	656	(145)	7	22,370	18,315	677	(143)	5	18,854	3,516
Others	294	193	(103)	-	384	-	-	-	-	-	384
Total	<u>65,713</u>	<u>868</u>	<u>(250)</u>	<u>22</u>	<u>66,353</u>	<u>21,879</u>	<u>1,356</u>	<u>(145)</u>	<u>8</u>	<u>23,098</u>	<u>43,255</u>

											Million Baht
CONSOLIDATED											
DECEMBER 31, 2017											
	Cost				Accumulated Depreciation						
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Depreciation	Disposal/ Transfer	Others	Ending Balance	Premises and Equipment (Net)
Land											
Cost	7,683	30	-	(73)	7,640	-	-	-	-	-	7,640
Appraisal increase (year 2015)	20,961	-	-	(42)	20,919	-	-	-	-	-	20,919
Appraisal decrease (year 2015)	(729)	-	-	24	(705)	-	-	-	-	-	(705)
Premises											
Cost	3,331	246	-	(24)	3,553	345	203	-	(4)	544	3,009
Appraisal increase (year 2015)	12,392	-	-	(16)	12,376	1,875	1,180	-	(1)	3,054	9,322
Appraisal decrease (year 2015)	(227)	-	-	11	(216)	(22)	(14)	-	2	(34)	(182)
Equipment	21,458	1,622	(1,157)	(71)	21,852	18,150	1,379	(1,153)	(61)	18,315	3,537
Others	710	340	(754)	(2)	294	-	-	-	-	-	294
Total	<u>65,579</u>	<u>2,238</u>	<u>(1,911)</u>	<u>(193)</u>	<u>65,713</u>	<u>20,348</u>	<u>2,748</u>	<u>(1,153)</u>	<u>(64)</u>	<u>21,879</u>	<u>43,834</u>

As at June 30, 2018 and December 31, 2017, the Bank and subsidiaries had equipment which are fully depreciated but still in use at the original costs amounting to Baht 15,694 million and Baht 15,073 million, respectively.

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Million Baht

THE BANK
DECEMBER 31, 2017

	Cost					Accumulated Depreciation					
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Depre- ciation	Disposal/ Transfer	Others	Ending Balance	Premises and Equipment (Net)
Land											
Cost	7,678	30	-	(73)	7,635	-	-	-	-	-	7,635
Appraisal increase (year 2015)	20,903	-	-	(42)	20,861	-	-	-	-	-	20,861
Appraisal decrease (year 2015)	(729)	-	-	24	(705)	-	-	-	-	-	(705)
Premises											
Cost	2,299	138	-	(36)	2,401	292	171	-	(5)	458	1,943
Appraisal increase (year 2015)	12,344	-	-	(16)	12,328	1,868	1,175	-	(1)	3,042	9,286
Appraisal decrease (year 2015)	(227)	-	-	11	(216)	(22)	(14)	-	2	(34)	(182)
Equipment	20,498	1,493	(1,134)	(68)	20,789	17,443	1,282	(1,132)	(57)	17,536	3,253
Others	582	308	(612)	-	278	-	-	-	-	-	278
Total	63,348	1,969	(1,746)	(200)	63,371	19,581	2,614	(1,132)	(61)	21,002	42,369

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

As at June 30, 2018 and December 31, 2017, the Bank had equipment which is fully depreciated but still in use at the original costs amounting to Baht 15,105 million, and Baht 14,544 million, respectively.

6.11 Other intangible assets, net

Other intangible assets consisted of the following as at June 30, 2018 and December 31, 2017 :

Million Baht

CONSOLIDATED
JUNE 30, 2018

	Cost					Accumulated Amortization					
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	2,644	61	(51)	-	2,654	1,959	160	(39)	-	2,080	574
Others	347	79	(1)	-	425	-	-	-	-	-	425
Total	2,991	140	(52)	-	3,079	1,959	160	(39)	-	2,080	999

Million Baht

CONSOLIDATED
DECEMBER 31, 2017

	Beginning Balance	Cost Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Amortization Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	2,310	371	(31)	(6)	2,644	1,620	337	7	(5)	1,959	685
Others	139	211	(3)	-	347	-	-	-	-	-	347
Total	2,449	582	(34)	(6)	2,991	1,620	337	7	(5)	1,959	1,032

Million Baht

THE BANK
JUNE 30, 2018

	Beginning Balance	Cost Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Amortization Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	2,340	40	(35)	-	2,345	1,734	151	(34)	-	1,851	494
Others	346	79	(1)	-	424	-	-	-	-	-	424
Total	2,686	119	(36)	-	2,769	1,734	151	(34)	-	1,851	918

Million Baht

THE BANK
DECEMBER 31, 2017

	Beginning Balance	Cost Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Amortization Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	2,047	318	(22)	(3)	2,340	1,411	320	7	(4)	1,734	606
Others	138	211	(3)	-	346	-	-	-	-	-	346
Total	2,185	529	(25)	(3)	2,686	1,411	320	7	(4)	1,734	952

6.12 Deferred tax assets and liabilities

Deferred tax assets and liabilities as at June 30, 2018 and December 31, 2017 are as follows :

Million Baht

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Deferred tax assets	3,747	3,676	2,631	2,686
Deferred tax liabilities	721	5,742	490	5,527
Deferred tax assets (liabilities), net	3,026	(2,066)	2,141	(2,841)

Movements in total deferred tax assets and liabilities during the period/year are as follows :

	CONSOLIDATED JUNE 30, 2018				Million Baht
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,716	393	467	-	3,576
Loans to customers and accrued interest receivables	7,955	1,873	-	(42)	9,786
Properties for sale	1,129	85	-	-	1,214
Premises and equipment	222	(2)	-	8	228
Provisions	2,761	70	(1)	(1)	2,829
Others	3,642	(200)	-	(5)	3,437
Total	<u>18,425</u>	<u>2,219</u>	<u>466</u>	<u>(40)</u>	<u>21,070</u>
Deferred tax liabilities					
Investments	10,631	8	(2,432)	-	8,207
Loans to customers and accrued interest receivables	-	112	-	-	112
Properties for sale	2	-	-	(2)	-
Premises and equipment	6,116	(113)	-	-	6,003
Others	3,742	(20)	-	-	3,722
Total	<u>20,491</u>	<u>(13)</u>	<u>(2,432)</u>	<u>(2)</u>	<u>18,044</u>
Net	<u>(2,066)</u>	<u>2,232</u>	<u>2,898</u>	<u>(38)</u>	<u>3,026</u>

Million Baht

	CONSOLIDATED DECEMBER 31, 2017				Ending Balance
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	
Deferred tax assets					
Investments	2,347	260	109	-	2,716
Loans to customers and accrued interest receivables	5,157	3,040	-	(242)	7,955
Properties for sale	1,301	(172)	-	-	1,129
Premises and equipment	222	(3)	-	3	222
Provisions	2,658	56	50	(3)	2,761
Others	4,271	(621)	-	(8)	3,642
Total	<u>15,956</u>	<u>2,560</u>	<u>159</u>	<u>(250)</u>	<u>18,425</u>
Deferred tax liabilities					
Investments	8,682	(9)	1,958	-	10,631
Properties for sale	2	-	-	-	2
Premises and equipment	6,336	(221)	-	1	6,116
Others	3,290	452	-	-	3,742
Total	<u>18,310</u>	<u>222</u>	<u>1,958</u>	<u>1</u>	<u>20,491</u>
Net	<u>(2,354)</u>	<u>2,338</u>	<u>(1,799)</u>	<u>(251)</u>	<u>(2,066)</u>

Million Baht

	Beginning Balance	Recognized in Profit and Loss	THE BANK JUNE 30, 2018 Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,701	393	473	-	3,567
Loans to customers and accrued interest receivables	7,334	1,743	-	(47)	9,030
Properties for sale	817	7	-	-	824
Premises and equipment	222	(3)	-	8	227
Provisions	2,725	67	(1)	(1)	2,790
Others	3,557	(138)	-	-	3,419
Total	<u>17,356</u>	<u>2,069</u>	<u>472</u>	<u>(40)</u>	<u>19,857</u>
Deferred tax liabilities					
Investments	10,363	(1)	(2,434)	-	7,928
Loans to customers and accrued interest receivables	-	112	-	-	112
Properties for sale	2	-	-	(2)	-
Premises and equipment	6,093	(113)	-	-	5,980
Others	3,739	(43)	-	-	3,696
Total	<u>20,197</u>	<u>(45)</u>	<u>(2,434)</u>	<u>(2)</u>	<u>17,716</u>
Net	<u>(2,841)</u>	<u>2,114</u>	<u>2,906</u>	<u>(38)</u>	<u>2,141</u>

					Million Baht
THE BANK					
DECEMBER 31, 2017					
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,329	260	112	-	2,701
Loans to customers and accrued interest receivables	4,600	2,963	-	(229)	7,334
Properties for sale	912	(95)	-	-	817
Premises and equipment	221	(2)	-	3	222
Provisions	2,626	51	51	(3)	2,725
Others	4,232	(668)	-	(7)	3,557
Total	<u>14,920</u>	<u>2,509</u>	<u>163</u>	<u>(236)</u>	<u>17,356</u>
Deferred tax liabilities					
Investments	8,429	-	1,934	-	10,363
Properties for sale	2	-	-	-	2
Premises and equipment	6,316	(223)	-	-	6,093
Others	3,286	453	-	-	3,739
Total	<u>18,033</u>	<u>230</u>	<u>1,934</u>	<u>-</u>	<u>20,197</u>
Net	<u>(3,113)</u>	<u>2,279</u>	<u>(1,771)</u>	<u>(236)</u>	<u>(2,841)</u>

6.13 Classified assets in accordance with the Notification of the BOT

As at June 30, 2018 and December 31, 2017, classified assets in accordance with the Notification of the BOT are as follows :

					Million Baht
CONSOLIDATED					
JUNE 30, 2018					
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,954,459	-	-	-	1,954,459
Special mentioned	32,710	-	-	-	32,710
Substandard	14,259	-	-	-	14,259
Doubtful	16,801	-	-	-	16,801
Doubtful of loss	52,437	14,581	1,716	1,215	69,949
Total	<u>2,070,666</u>	<u>14,581</u>	<u>1,716</u>	<u>1,215</u>	<u>2,088,178</u>

	CONSOLIDATED DECEMBER 31, 2017				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,875,782	-	-	-	1,875,782
Special mentioned	45,815	-	-	-	45,815
Substandard	11,760	-	-	-	11,760
Doubtful	19,012	-	-	-	19,012
Doubtful of loss	56,681	8,095	1,168	1,188	67,132
Total	<u>2,009,050</u>	<u>8,095</u>	<u>1,168</u>	<u>1,188</u>	<u>2,019,501</u>

	THE BANK JUNE 30, 2018				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,900,805	-	-	-	1,900,805
Special mentioned	32,441	-	-	-	32,441
Substandard	14,256	-	-	-	14,256
Doubtful	16,689	-	-	-	16,689
Doubtful of loss	51,461	14,418	367	1,213	67,459
Total	<u>2,015,652</u>	<u>14,418</u>	<u>367</u>	<u>1,213</u>	<u>2,031,650</u>

	THE BANK DECEMBER 31, 2017				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,827,393	-	-	-	1,827,393
Special mentioned	45,486	-	-	-	45,486
Substandard	11,756	-	-	-	11,756
Doubtful	18,918	-	-	-	18,918
Doubtful of loss	55,357	8,107	360	1,183	65,007
Total	<u>1,958,910</u>	<u>8,107</u>	<u>360</u>	<u>1,183</u>	<u>1,968,560</u>

6.14 Deposits

6.14.1 Classified by product type as at June 30, 2018 and December 31, 2017 :

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Demand	102,856	106,184	101,401	104,988
Savings	1,111,254	1,065,928	1,103,096	1,055,419
Fixed	1,133,090	1,136,195	1,084,438	1,090,384
Negotiable certificates of deposit	<u>2,657</u>	<u>2,436</u>	<u>1,836</u>	<u>1,630</u>
Total	<u><u>2,349,857</u></u>	<u><u>2,310,743</u></u>	<u><u>2,290,771</u></u>	<u><u>2,252,421</u></u>

6.14.2 Classified by currency and customer's residence as at June 30, 2018 and December 31, 2017 :

	CONSOLIDATED					
	June 30, 2018			December 31, 2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	2,088,091	14,926	2,103,017	2,044,912	12,505	2,057,417
USD	31,738	56,689	88,427	37,313	62,376	99,689
Others	<u>22,450</u>	<u>135,963</u>	<u>158,413</u>	<u>20,229</u>	<u>133,408</u>	<u>153,637</u>
Total	<u><u>2,142,279</u></u>	<u><u>207,578</u></u>	<u><u>2,349,857</u></u>	<u><u>2,102,454</u></u>	<u><u>208,289</u></u>	<u><u>2,310,743</u></u>

	THE BANK					
	June 30, 2018			December 31, 2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	2,091,844	14,912	2,106,756	2,045,393	12,487	2,057,880
USD	31,689	56,330	88,019	37,277	60,867	98,144
Others	<u>14,109</u>	<u>81,887</u>	<u>95,996</u>	<u>12,955</u>	<u>83,442</u>	<u>96,397</u>
Total	<u><u>2,137,642</u></u>	<u><u>153,129</u></u>	<u><u>2,290,771</u></u>	<u><u>2,095,625</u></u>	<u><u>156,796</u></u>	<u><u>2,252,421</u></u>

6.15 Interbank and money market items (liabilities)

Interbank and money market items (liabilities) consisted of the following as at June 30, 2018 and December 31, 2017 :

							Million Baht
							CONSOLIDATED
							June 30, 2018
							December 31, 2017
	Demand	Time	Total	Demand	Time	Total	
Domestic items							
Bank of Thailand and Financial Institutions							
Development Fund	977	71	1,048	442	511	953	
Commercial banks	772	66,500	67,272	915	18,973	19,888	
Special purpose financial institutions	125	23,510	23,635	160	27,212	27,372	
Other financial institutions	10,866	789	11,655	10,472	962	11,434	
Total domestic items	<u>12,740</u>	<u>90,870</u>	<u>103,610</u>	<u>11,989</u>	<u>47,658</u>	<u>59,647</u>	
Foreign items							
USD	1,972	62,065	64,037	1,747	37,260	39,007	
JPY	452	7,614	8,066	438	6,462	6,900	
EUR	921	5,095	6,016	792	937	1,729	
Others	8,169	14,469	22,638	8,609	17,692	26,301	
Total foreign items	<u>11,514</u>	<u>89,243</u>	<u>100,757</u>	<u>11,586</u>	<u>62,351</u>	<u>73,937</u>	
Total domestic and foreign items	<u><u>24,254</u></u>	<u><u>180,113</u></u>	<u><u>204,367</u></u>	<u><u>23,575</u></u>	<u><u>110,009</u></u>	<u><u>133,584</u></u>	
							Million Baht
							THE BANK
							June 30, 2018
							December 31, 2017
	Demand	Time	Total	Demand	Time	Total	
Domestic items							
Bank of Thailand and Financial Institutions							
Development Fund	977	71	1,048	442	511	953	
Commercial banks	772	66,500	67,272	915	18,973	19,888	
Special purpose financial institutions	125	23,510	23,635	160	27,212	27,372	
Other financial institutions	11,303	819	12,122	10,992	992	11,984	
Total domestic items	<u>13,177</u>	<u>90,900</u>	<u>104,077</u>	<u>12,509</u>	<u>47,688</u>	<u>60,197</u>	
Foreign items							
USD	2,026	60,840	62,866	1,826	36,178	38,004	
JPY	462	7,614	8,076	469	6,462	6,931	
EUR	965	5,095	6,060	849	937	1,786	
Others	8,227	9,757	17,984	8,687	11,608	20,295	
Total foreign items	<u>11,680</u>	<u>83,306</u>	<u>94,986</u>	<u>11,831</u>	<u>55,185</u>	<u>67,016</u>	
Total domestic and foreign items	<u><u>24,857</u></u>	<u><u>174,206</u></u>	<u><u>199,063</u></u>	<u><u>24,340</u></u>	<u><u>102,873</u></u>	<u><u>127,213</u></u>	

6.16 Debt issued and borrowings

6.16.1 Classified by type of instruments and source of fund as at June 30, 2018 and December 31, 2017 :

						Million Baht
CONSOLIDATED						
	June 30, 2018			December 31, 2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Senior unsecured notes	-	86,231	86,231	-	98,003	98,003
Unsecured subordinated notes	-	14,916	14,916	-	14,692	14,692
Bills of exchange	25	-	25	26	-	26
Others	391	-	391	384	-	384
<u>Less</u> Discount on borrowings	<u>-</u>	<u>(5,797)</u>	<u>(5,797)</u>	<u>-</u>	<u>(5,915)</u>	<u>(5,915)</u>
Total	<u>416</u>	<u>95,350</u>	<u>95,766</u>	<u>410</u>	<u>106,780</u>	<u>107,190</u>

						Million Baht
THE BANK						
	June 30, 2018			December 31, 2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Senior unsecured notes	-	86,231	86,231	-	98,003	98,003
Unsecured subordinated notes	-	14,916	14,916	-	14,692	14,692
Bills of exchange	25	-	25	26	-	26
Others	239	-	239	158	-	158
<u>Less</u> Discount on borrowings	<u>-</u>	<u>(5,797)</u>	<u>(5,797)</u>	<u>-</u>	<u>(5,915)</u>	<u>(5,915)</u>
Total	<u>264</u>	<u>95,350</u>	<u>95,614</u>	<u>184</u>	<u>106,780</u>	<u>106,964</u>

6.16.2 Classified by type of instruments, currency, maturity and interest rate as at June 30, 2018 and December 31, 2017 :

						Million Baht
CONSOLIDATED						
Type	Currency	Maturity	Interest Rate	Amount		
				June 30, 2018	December 31, 2017	
Senior unsecured notes	USD	2018 - 2023	2.75% - 5.00%	86,231	98,003	
Unsecured subordinated notes	USD	2029	9.025%	14,916	14,692	
Bills of exchange	THB	2018	1.00%	25	26	
Others	THB	2018 - 2023	0.00% - 0.50%	391	384	
<u>Less</u> Discount on borrowings				<u>(5,797)</u>	<u>(5,915)</u>	
Total				<u>95,766</u>	<u>107,190</u>	

				Million Baht	
Type	Currency	Maturity	Interest Rate	THE BANK	
				Amount	
				June 30, 2018	December 31, 2017
Senior unsecured notes	USD	2018 - 2023	2.75% - 5.00%	86,231	98,003
Unsecured subordinated notes	USD	2029	9.025%	14,916	14,692
Bills of exchange	THB	2018	1.00%	25	26
Others	THB	2018 - 2023	0.50%	239	158
<u>Less</u> Discount on borrowings				<u>(5,797)</u>	<u>(5,915)</u>
Total				<u>95,614</u>	<u>106,964</u>

6.17 Unsecured subordinated notes

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

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

6.18 Bonds

On April 12, 2005, the shareholders reconsidered the resolutions of the shareholders' meeting, convened on April 9, 2004, approving to issue bonds of the Bank and passed a resolution for the Bank to issue and offer subordinated bonds and/or unsubordinated bonds and/or perpetual bonds, both subordinated and unsubordinated, and/or subordinated convertible bonds and/or convertible bonds (together the "Bonds") in an amount not exceeding USD 3,000 million or its equivalent in other currencies, offered and sold in foreign markets and/or domestic markets to general public and/or institutional investors or investors with specific characteristics defined in the Notification of the Securities and Exchange Commission. The Bank may issue different types of Bonds in one issue simultaneously or in several issues at different times. The non-perpetual

bonds shall have a maturity of not exceeding 100 years. The subordinated convertible bonds and/or convertible bonds shall have a maturity of not exceeding 30 years, and the amount of not exceeding USD 1,000 million or its equivalent in other currencies. The Board of Directors or the Executive Board of Directors shall be empowered to consider terms and conditions and other details for the issue and offering of the bonds. The shareholders also approved the allocation of 500 million ordinary shares to accommodate the conversion right of the subordinated convertible bonds and/or convertible bonds (See Note 6.23).

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

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

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

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

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

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

6.19 The Issuance of Bonds under the Medium Term Note Program

On March 26, 1997, the shareholders passed a resolution for the Bank to issue and offer bonds including subordinated bonds and unsubordinated bonds under the Medium Term Note Program in an amount of not exceeding USD 1,500 million or its equivalent in other currencies. The bonds shall have a maturity of not

exceeding 30 years and be offered and sold in foreign markets and/or domestic markets. The Bank may be given the right to redeem the bonds prior to their maturity and/or the bondholders may be given the right to call the Bank to redeem the bonds prior to their maturity in accordance with the condition of the bonds. The Board of Directors was authorized to proceed with the issue. As at June 30, 2018, the Bank had not yet issued bonds according to the aforementioned resolution.

6.20 Provisions

As at June 30, 2018 and December 31, 2017 provisions are as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Beginning balance	13,504	12,941	13,323	12,778
Increase during the period/year	1,258	3,467	1,245	3,438
Written off/reversal during the period/year	(903)	(2,904)	(903)	(2,893)
Ending balance	<u>13,859</u>	<u>13,504</u>	<u>13,665</u>	<u>13,323</u>

6.21 Post-employment benefits

6.21.1 Defined contribution plans

For the three-month periods ended June 30, 2018 and 2017, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements, amounting to Baht 319 million and Baht 312 million, and in the Bank's financial statements amounting to Baht 286 million and Baht 282 million, respectively.

For the six-month periods ended June 30, 2018 and 2017, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements amounting to Baht 614 million and Baht 604 million, and in the Bank's financial statements amounting to Baht 551 million and Baht 544 million, respectively.

6.21.2 Defined benefit plans

As at June 30, 2018 and December 31, 2017, the Bank and its local subsidiaries have unfunded defined benefit plans but some overseas branches have funded defined benefit plans. The reconciliation of the defined benefit obligations, both funded and unfunded, and plan assets to the amounts recognized in the financial statements are as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
The present value of the funded defined benefit plans	798	797	798	797
The fair value of plan assets	<u>(587)</u>	<u>(552)</u>	<u>(587)</u>	<u>(552)</u>
	211	245	211	245
The present value of the unfunded defined benefit plans	<u>8,228</u>	<u>8,119</u>	<u>8,034</u>	<u>7,938</u>
Liabilities, net	<u><u>8,439</u></u>	<u><u>8,364</u></u>	<u><u>8,245</u></u>	<u><u>8,183</u></u>

The following table presents the reconciliations of the present value of defined benefit obligations, both funded and unfunded, under the post-employment benefits as at June 30, 2018 and December 31, 2017 :

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Beginning balance	8,916	8,190	8,735	8,026
Current service costs	296	538	285	513
Interest costs	136	268	134	265
Benefit paid during the period/year	(310)	(331)	(310)	(326)
Actuarial losses (gains) on obligations				
from changes in financial assumptions	(1)	277	(1)	281
from changes in demographic assumptions	(1)	190	(1)	187
from experience	1	(186)	1	(181)
Unrealized gains on exchanges	<u>(11)</u>	<u>(30)</u>	<u>(11)</u>	<u>(30)</u>
Ending balance	<u><u>9,026</u></u>	<u><u>8,916</u></u>	<u><u>8,832</u></u>	<u><u>8,735</u></u>

The following table presents the reconciliations of the fair value of plan assets related to the funded defined benefit plans as at June 30, 2018 and December 31, 2017 :

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Beginning balance	552	535	552	535
Interest income	10	21	10	21
Contributions	43	40	43	40
Benefit paid during the period/year	(8)	(30)	(8)	(30)
Actuarial losses on plan assets	(1)	(1)	(1)	(1)
Unrealized losses on exchanges	<u>(9)</u>	<u>(13)</u>	<u>(9)</u>	<u>(13)</u>
Ending balance	<u><u>587</u></u>	<u><u>552</u></u>	<u><u>587</u></u>	<u><u>552</u></u>

Significant actuarial assumptions used to calculate the defined benefit obligations and plan assets, average per each plan, and the sensitivity analysis for each significant actuarial assumptions which reflect increasing in the obligations if the assumptions change by 1% as at June 30, 2018 and December 31, 2017 are as follows :

	Percentage			
	CONSOLIDATED			
	Significant actuarial assumptions		Increase in defined benefit obligations	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Discount rate	0.70 - 6.85	0.70 - 6.85	13.46	13.44
Average future salary increases	2.00 - 15.00	2.00 - 15.00	11.83	11.81

	Percentage			
	THE BANK			
	Significant actuarial assumptions		Increase in defined benefit obligations	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Discount rate	0.70 - 6.85	0.70 - 6.85	13.49	13.50
Average future salary increases	2.00 - 15.00	2.00 - 15.00	11.82	11.81

6.22 Other liabilities

Other liabilities as at June 30, 2018 and December 31, 2017 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Deposit received and margin payable	21,495	19,705	5,347	3,939
Accrued expenses	18,112	17,371	16,624	16,356
Other payables	12,234	16,543	9,706	11,818
Advance received from electronic service	5,199	6,421	5,195	6,415
Other liabilities	12,393	13,813	10,743	12,408
Total	69,433	73,853*	47,615	50,936*

* The Bank had made changes to the presentations of 2017 for comparison in accordance with the current year presentations.

6.23 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 June 30, 2018 and December 31, 2017, 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	
	June 30, 2018	December 31, 2017
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 June 30, 2018 and December 31, 2017, 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 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.
6. Allocation of 1,000,000 Class B preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds and/or unsubordinated bonds and/or subordinated convertible bonds and/or convertible bonds.

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

6.24 The establishment of Special Purpose Vehicle to issue capital securities

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

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

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

On March 18, 1999, the shareholders passed a resolution for the Bank to establish or to invest in a subsidiary or SPV for the purpose of raising fund of the Bank, by issuing preferred shares and/or bonds to the subsidiary or SPV, or the Bank may issue the preferred shares and/or bonds to a mutual fund or a juristic entity that is established for investing mainly in the Bank's preferred shares and/or bonds; and the Bank is authorized to enter into Trust Agreement or Master Investment Agreement between the Bank and the subsidiary or SPV or mutual fund or any other juristic entity. As at June 30, 2018, the Bank had not yet established the SPV as it had not issued the instrument for fund raising via SPV according to the above-mentioned resolution.

6.25 Legal reserve and other reserves

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

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

6.26 The appropriation of the profit and the dividend payments

On April 12, 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.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 8,346 million on May 11, 2017.

On August 24, 2017, the meeting of the Board of Directors of the Bank No. 8/2017 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 2017 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 3,710 million on September 22, 2017.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 3,710 million on September 22, 2017.

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

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

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

6.27 Assets pledged as collateral and under restriction

The Bank had investments in government securities and state enterprise securities which had been pledged as collateral for repurchase agreements and for commitments with government agencies. The book values of such securities, net of valuation allowances for impairment, as at June 30, 2018 and December 31, 2017 amounted to Baht 66,074 million and Baht 9,005 million, respectively.

6.28 Contingent liabilities

As at June 30, 2018 and December 31, 2017, the Bank and subsidiaries had contingent liabilities as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Avals to bills	7,620	8,187	7,620	8,187
Guarantees of loans	26,325	20,445	13,101	8,284
Liability under unmatured import bills	17,681	16,394	14,482	14,449
Letters of credit	35,857	31,803	33,448	31,077
Other commitments				
Underwriting commitment	249	1,098	249	1,098
Amount of unused bank overdraft	173,813	174,083	172,611	172,901
Other guarantees	260,047	259,314	257,530	257,089
Others	<u>101,232</u>	<u>88,622</u>	<u>104,048</u>	<u>91,390</u>
Total	<u><u>622,824</u></u>	<u><u>599,946</u></u>	<u><u>603,089</u></u>	<u><u>584,475</u></u>

6.29 Litigation

As at June 30, 2018 and December 31, 2017, a number of civil proceedings have been brought against the Bank and subsidiaries in the ordinary course of business. The Bank and subsidiaries believe that such proceedings, when resolved, will not materially affect the Bank and subsidiaries's financial position and result of operations.

6.30 Related party transactions

As at June 30, 2018 and December 31, 2017, related parties of the Bank consisted of subsidiaries, associates, key management personnel that are directors, executives at the level of executive vice president and higher or equal, any parties related to key management personnel, including the entities in which key management personnel and any parties related which are controlled or significantly influenced.

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

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	Million Baht			
Placement				
Subsidiaries				
Bangkok Bank Berhad	-	-	2,535	1,970
Bangkok Bank (China) Co., Ltd.	-	-	796	5,066
Total	<u>-</u>	<u>-</u>	<u>3,331</u>	<u>7,036</u>
Loans				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	2,710	2,710
Associate				
BSL Leasing Co., Ltd.	100	300	100	300
Other related parties	30	23	28	20
Total	<u>130</u>	<u>323</u>	<u>2,838</u>	<u>3,030</u>
Allowance for doubtful accounts				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	33	33
Associate				
BSL Leasing Co., Ltd.	1	3	1	3
Total	<u>1</u>	<u>3</u>	<u>34</u>	<u>36</u>
Other assets				
Subsidiaries				
Bangkok Bank Berhad	-	-	8	5
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	2
BBL Asset Management Co., Ltd.	-	-	372	357
Bualuang Securities PCL.	-	-	-	1
Bangkok Bank (China) Co., Ltd.	-	-	-	30
Associates				
Processing Center Co., Ltd.	20	35	20	35
Thai Payment Network Co., Ltd.	22	3	22	3
Other related parties	6	6	-	-
Total	<u>48</u>	<u>44</u>	<u>423</u>	<u>433</u>

Million Baht

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Deposits				
Subsidiaries				
BBL (Cayman) Limited	-	-	774	756
Bangkok Bank Berhad	-	-	60	127
Sinnsuptawee Asset Management Co., Ltd.	-	-	3,289	7
BBL Asset Management Co., Ltd.	-	-	100	112
Bualuang Securities PCL.	-	-	190	244
Bangkok Bank (China) Co., Ltd.	-	-	106	111
Bualuang Venture Co., Ltd.	-	-	464	473
Bangkok Capital Asset Management Co., Ltd.*	-	-	177	194
Associates				
BSL Leasing Co., Ltd.	89	61	89	61
Processing Center Co., Ltd.	163	69	163	69
National ITMX Co., Ltd.	66	57	66	57
Thai Payment Network Co., Ltd.	8	47	8	47
Other related parties	<u>9,059</u>	<u>8,834</u>	<u>9,059</u>	<u>8,834</u>
Total	<u><u>9,385</u></u>	<u><u>9,068</u></u>	<u><u>14,545</u></u>	<u><u>11,092</u></u>
Borrowings				
Subsidiary				
Bangkok Bank (China) Co., Ltd.	<u>-</u>	<u>-</u>	<u>531</u>	<u>530</u>
Total	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>531</u></u>	<u><u>530</u></u>
Other liabilities				
Subsidiaries				
BBL (Cayman) Limited	-	-	1	1
Bangkok Bank Berhad	-	-	-	2
Sinnsuptawee Asset Management Co., Ltd.	-	-	372	720
Bualuang Securities PCL.	-	-	1	1
Associates				
Processing Center Co., Ltd.	11	8	11	8
National ITMX Co., Ltd.	7	7	7	7
Other related parties	<u>28</u>	<u>46</u>	<u>19</u>	<u>17</u>
Total	<u><u>46</u></u>	<u><u>61</u></u>	<u><u>411</u></u>	<u><u>756</u></u>

* Holding by Bualuang Securities PCL.

	CONSOLIDATED		THE BANK	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	Million Baht			
Commitments				
Subsidiaries				
Bangkok Bank Berhad	-	-	79	156
Bualuang Securities PCL.	-	-	-	189
Associates				
BSL Leasing Co., Ltd.	3	9	3	9
National ITMX Co., Ltd.	-	1	-	1
Other related parties	<u>3</u>	<u>12</u>	<u>3</u>	<u>12</u>
Total	<u><u>6</u></u>	<u><u>22</u></u>	<u><u>85</u></u>	<u><u>367</u></u>

For the six-month period ended June 30, 2018, the Bank and subsidiaries charged interest at rates between 1.57% and 13.00% on loans to these related parties depending on the types of loans and collateral and charged interest at rate of 1.57% on loans to Sinnsuptawee Asset Management Co., Ltd.

For the year ended December 31, 2017, the Bank and subsidiaries charged interest at rates between 1.57% and 13.00% on loans to these related parties depending on the types of loans and collateral and charged interest at rate of 1.57% 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 June 30, 2018 and December 31, 2017 are shown in Note 6.5.

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 SIX-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Interest and discount received				
Subsidiaries				
Bangkok Bank Berhad	-	-	23	21
Sinnsuptawee Asset Management Co., Ltd.	-	-	21	21
Bualuang Securities PCL.	-	-	2	-
Bangkok Bank (China) Co., Ltd.	-	-	17	46
Associate				
BSL Leasing Co., Ltd.	2	9	2	9
Other related parties	-	1	-	1
Total	<u>2</u>	<u>10</u>	<u>65</u>	<u>98</u>
Fees and service income				
Subsidiaries				
Bangkok Bank Berhad	-	-	-	1
BBL Asset Management Co., Ltd.	-	-	1,122	819
Bualuang Securities PCL.	-	-	13	11
Associate				
Processing Center Co., Ltd.	5	5	5	5
Other related parties	51	20	-	1
Total	<u>56</u>	<u>25</u>	<u>1,140</u>	<u>837</u>
Dividend income				
Subsidiaries				
BBL Asset Management Co., Ltd.	-	-	450	337
Bualuang Securities PCL.	-	-	540	540
Associates				
BSL Leasing Co., Ltd.	18	178	18	178
Processing Center Co., Ltd.	109	76	109	76
National ITMX Co., Ltd.	3	5	3	5
Total	<u>130</u>	<u>259</u>	<u>1,120</u>	<u>1,136</u>
Other income				
Subsidiaries				
Bualuang Securities PCL.	-	-	13	2
Bangkok Bank (China) Co., Ltd.	-	-	60	69
Associates				
National ITMX Co., Ltd.	3	3	3	3
Thai Payment Network Co., Ltd.	5	5	5	5
Total	<u>8</u>	<u>8</u>	<u>81</u>	<u>79</u>

	Million Baht			
	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED		THE BANK FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Interest paid				
Subsidiaries				
BBL (Cayman) Limited	-	-	6	4
Bangkok Bank Berhad	-	-	-	1
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	-
BBL Asset Management Co., Ltd.	-	-	1	1
Bualuang Securities PCL.	-	-	1	-
Bangkok Bank (China) Co., Ltd.	-	-	6	3
Bualuang Venture Co., Ltd.	-	-	2	2
Bangkok Capital Asset Management Co., Ltd.*	-	-	1	-
Associate				
Processing Center Co., Ltd.	-	1	-	1
Other related parties	39	35	39	35
Total	<u>39</u>	<u>36</u>	<u>57</u>	<u>47</u>
Commission paid				
Subsidiary				
Bualuang Securities PCL.	-	-	17	9
Other related parties	31	25	-	-
Total	<u>31</u>	<u>25</u>	<u>17</u>	<u>9</u>
Other expenses				
Subsidiaries				
Bangkok Bank Berhad	-	-	3	-
Bangkok Bank (China) Co., Ltd.	-	-	2	5
Associates				
Processing Center Co., Ltd.	52	31	52	31
National ITMX Co., Ltd.	37	32	37	32
Other related parties	46	35	41	30
Total	<u>135</u>	<u>98</u>	<u>135</u>	<u>98</u>

6.31 Other benefits to directors and persons with managing authority

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

* Holding by Bualuang Securities PCL.

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

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

SINNSUPTAWEE ASSET MANAGEMENT COMPANY LIMITED		
STATEMENT OF CASH FLOWS		
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018		
(UNAUDITED - REVIEWED)		
		Million Baht
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from operating before income tax expenses	3,339	354
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities		
Net gain on disposal of securities	(3,474)	(5)
Reversal on allowance impairment of properties for sale	(150)	-
Loss on impairment of properties for sale	628	2
Net interest expenses	21	21
Dividend income	(69)	(64)
Proceeds from dividend income	69	64
Interest expenses paid	(21)	(21)
Income tax paid	(41)	(240)
Profit from operating before changes in operating assets and liabilities	302	111
(Increase) decrease in operating assets		
Account receivable from properties for rental	-	2
Properties for sale	361	536
Increase (decrease) in operating liabilities		
Deposits	(192)	15
Other liabilities	-	(1)
Net cash from operating activities	471	663
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale securities	(1,049)	(1,765)
Proceeds from disposal of available-for-sale securities	3,859	1,104
Net cash from investing activities	2,810	(661)
Net increase in cash and cash equivalents	3,281	2
Cash and cash equivalents as at January 1,	6	4
Cash and cash equivalents as at June 30,	3,287	6

6.33 Long-term leases

Long-term leases as at June 30, 2018 and December 31, 2017 consisted of the following :

		Million Baht			
		REMAINING RENTAL EXPENSES			
		CONSOLIDATED		THE BANK	
Type of lease	Period	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Land and/or premises	1 Year	65	63	65	63
Land and/or premises	Over 1 Year to 5 Years	166	178	166	178
Land and/or premises	Over 5 Years	<u>192</u>	<u>207</u>	<u>192</u>	<u>207</u>
Total		<u><u>423</u></u>	<u><u>448</u></u>	<u><u>423</u></u>	<u><u>448</u></u>

6.34 Operating Segments

6.34.1 Operating Segments

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

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

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

Domestic Banking

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

International Banking

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

Investment Banking

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

Others

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

The operating results of operating segments for the three-month periods and the six-month periods ended June 30, 2018 and 2017 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	18,866	3,710	2,450	6,214	-	31,240
Total operating expenses before credit losses	<u>(8,057)</u>	<u>(1,095)</u>	<u>(188)</u>	<u>(4,036)</u>	<u>-</u>	<u>(13,376)</u>
Profit from operating before credit losses and income tax expenses	<u>10,809</u>	<u>2,615</u>	<u>2,262</u>	<u>2,178</u>	<u>-</u>	<u>17,864</u>

	CONSOLIDATED FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2017					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	18,294	2,777	4,401	2,569	-	28,041
Total operating expenses before credit losses	<u>(7,861)</u>	<u>(1,137)</u>	<u>(184)</u>	<u>(3,664)</u>	<u>-</u>	<u>(12,846)</u>
Profit from operating before credit losses and income tax expenses	<u>10,433</u>	<u>1,640</u>	<u>4,217</u>	<u>(1,095)</u>	<u>-</u>	<u>15,195</u>

	CONSOLIDATED FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	38,166	6,394	9,008	9,209	-	62,777
Total operating expenses before credit losses	<u>(15,641)</u>	<u>(2,140)</u>	<u>(375)</u>	<u>(7,814)</u>	<u>-</u>	<u>(25,970)</u>
Profit from operating before credit losses and income tax expenses	<u>22,525</u>	<u>4,254</u>	<u>8,633</u>	<u>1,395</u>	<u>-</u>	<u>36,807</u>

	CONSOLIDATED FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	36,737	5,525	8,194	4,798	-	55,254
Total operating expenses before credit losses	<u>(15,374)</u>	<u>(2,221)</u>	<u>(370)</u>	<u>(5,960)</u>	<u>-</u>	<u>(23,925)</u>
Profit from operating before credit losses and income tax expenses	<u>21,363</u>	<u>3,304</u>	<u>7,824</u>	<u>(1,162)</u>	<u>-</u>	<u>31,329</u>

The financial position of operating segments as June 30, 2018 and December 31, 2017 are as follows :

	CONSOLIDATED					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total assets						
As at June 30, 2018	1,657,329	779,819	1,148,409	145,447	(555,664)	3,175,340
As at December 31, 2017	1,627,512	752,751	1,066,340	165,334	(535,627)	3,076,310

6.34.2 Geographical Segments

The operating results classified by geographical areas for the three-month periods and the six-month periods ended June 30, 2018 and 2017 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED						Million Baht
	June 30, 2018			June 30, 2017			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Total operating income	26,809	4,431	31,240	24,648	3,393	28,041	
Total operating expenses *	(17,275)	(2,634)	(19,909)	(16,730)	(1,804)	(18,534)	
Profit from operating before income tax expenses	9,534	1,797	11,331	7,918	1,589	9,507	

	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED						Million Baht
	June 30, 2018			June 30, 2017			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Total operating income	54,954	7,823	62,777	48,521	6,733	55,254	
Total operating expenses *	(35,064)	(4,760)	(39,824)	(31,539)	(3,880)	(35,419)	
Profit from operating before income tax expenses	19,890	3,063	22,953	16,982	2,853	19,835	

* Including credit losses.

The financial position classified by geographical areas as at June 30, 2018 and December 31, 2017 are as follows :

	Million Baht					
	CONSOLIDATED					
	June 30, 2018			December 31, 2017		
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total
Non-current assets *	37,002	7,252	44,254	37,568	7,298	44,866
Total assets	2,649,614	525,726	3,175,340	2,567,548	508,762	3,076,310

6.35 Interest income

Interest income for the three-month periods and the six-month periods ended June 30, 2018 and 2017 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Interest on interbank and money market items	2,291	2,036	1,870	1,627
Investments and trading transactions	106	55	105	55
Investment in debt securities	2,044	1,948	1,945	1,818
Interest on loans	23,012	22,166	22,350	21,565
Others	15	9	15	9
Total interest income	27,468	26,214	26,285	25,074

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS ENDED		FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Interest on interbank and money market items	4,335	3,756	3,532	2,964
Investments and trading transactions	167	115	165	114
Investment in debt securities	4,143	3,982	3,941	3,732
Interest on loans	45,378	43,994	44,086	42,846
Others	28	16	28	16
Total interest income	54,051	51,863	51,752	49,672

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

6.36 Interest expenses

Interest expenses for the three-month periods and the six-month periods ended June 30, 2018 and 2017 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Interest on deposits	5,442	5,326	5,033	4,921
Interest on interbank and money market items	656	233	587	177
Contributions to the Deposit Protection Agency	2,498	2,416	2,497	2,414
Interest on debt issued				
Bonds and subordinated notes	1,279	1,662	1,279	1,662
Others	20	9	20	9
Total interest expenses	9,895	9,646	9,416	9,183

	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED		THE BANK FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Interest on deposits	10,730	10,428	9,944	9,637
Interest on interbank and money market items	1,047	484	915	374
Contributions to the Deposit Protection Agency	4,939	4,746	4,936	4,744
Interest on debt issued				
Bonds and subordinated notes	2,606	3,345	2,606	3,345
Others	33	15	33	14
Total interest expenses	19,355	19,018	18,434	18,114

6.37 Net fees and service income

Net fees and service income for the three-month periods and the six-month periods ended June 30, 2018 and 2017 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Fees and service income				
Acceptances, aval and guarantees of loans	68	85	57	78
Others	<u>8,926</u>	<u>8,416</u>	<u>7,611</u>	<u>7,414</u>
Total fees and service income	8,994	8,501	7,668	7,492
Fees and service expenses	<u>2,339</u>	<u>2,129</u>	<u>2,291</u>	<u>2,107</u>
Net fees and service income	<u><u>6,655</u></u>	<u><u>6,372</u></u>	<u><u>5,377</u></u>	<u><u>5,385</u></u>

	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED		THE BANK FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Fees and service income				
Acceptances, aval and guarantees of loans	104	118	84	105
Others	<u>18,903</u>	<u>17,413</u>	<u>16,061</u>	<u>15,374</u>
Total fees and service income	19,007	17,531	16,145	15,479
Fees and service expenses	<u>4,750</u>	<u>4,440</u>	<u>4,673</u>	<u>4,388</u>
Net fees and service income	<u><u>14,257</u></u>	<u><u>13,091</u></u>	<u><u>11,472</u></u>	<u><u>11,091</u></u>

6.38 Gains (losses) on tradings and foreign exchange transactions

Gains (losses) on tradings and foreign exchange transactions for the three-month periods and the six-month periods ended June 30, 2018 and 2017 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Gains (losses) on tradings and foreign exchange transactions				
Foreign exchanges and derivatives	1,966	1,781	1,505	1,967
Interest rate derivatives	324	(458)	324	(458)
Debt securities	(199)	9	(200)	8
Equity securities	<u>96</u>	<u>67</u>	<u>-</u>	<u>-</u>
Total gains (losses) on tradings and foreign exchange transactions	<u><u>2,187</u></u>	<u><u>1,399</u></u>	<u><u>1,629</u></u>	<u><u>1,517</u></u>

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Gains (losses) on tradings and foreign exchange transactions				
Foreign exchanges and derivatives	3,293	3,401	3,200	3,614
Interest rate derivatives	539	(565)	539	(565)
Debt securities	(138)	20	(139)	17
Equity securities	147	173	-	-
Total gains (losses) on tradings and foreign exchange transactions	3,841	3,029	3,600	3,066

6.39 Gains (losses) on investments

Gains (losses) on investments for the three-month periods and the six-month periods ended June 30, 2018 and 2017 are as follows :

	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS		FOR THE THREE-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Gains (losses) on investments				
Available-for-sale securities	3,980	208	488	204
General investment	562	1,425	562	1,425
Total	4,542	1,633	1,050	1,629
Loss on impairment				
General investment	(2,233)	-	(2,233)	-
Total	(2,233)	-	(2,233)	-
Total gains (losses) on investments	2,309	1,633	(1,183)	1,629

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Gains (losses) on investments				
Available-for-sale securities	7,588	146	4,084	141
General investment	922	2,816	922	2,816
Total	8,510	2,962	5,006	2,957
Loss on impairment				
General investment	(2,674)	-	(2,674)	-
Total	(2,674)	-	(2,674)	-
Total gains (losses) on investments	5,836	2,962	2,332	2,957

6.40 Impairment loss of loans and debt securities

Impairment loss of loans and debt securities for the three-month periods and the six-month periods ended June 30, 2018 and 2017 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Interbank and money market items	213	115	24	93
Loans to customers	2,633	5,664	2,494	5,713
Loss on debt restructuring (reversal)	3,687	(91)	3,687	(91)

	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED		THE BANK FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Interbank and money market items (reversal)	144	303	(44)	155
Loans to customers	10,070	11,241	9,627	11,129
Loss on debt restructuring (reversal)	3,640	(143)	3,640	(143)
Available-for-sale debt securities	-	93	-	93

6.41 Income tax expenses

6.41.1 Income tax recognized in profit or loss for the three-month periods and the six-month periods ended June 30, 2018 and 2017 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Current tax	3,324	1,965	2,329	1,763
Deferred tax	(1,283)	(577)	(1,248)	(531)
Total income tax expenses	<u>2,041</u>	<u>1,388</u>	<u>1,081</u>	<u>1,232</u>

	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED		THE BANK FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Current tax	6,795	3,802	5,602	3,425
Deferred tax	(2,232)	(463)	(2,114)	(338)
Total income tax expenses	<u>4,563</u>	<u>3,339</u>	<u>3,488</u>	<u>3,087</u>

6.41.2 Income tax recognized in component of other comprehensive income for the three-month periods and the six-month periods ended June 30, 2018 and 2017 are as follows :

CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED						Million Baht
	Before-tax Amount	June 30, 2018 Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	June 30, 2017 Tax (expense) Benefit	Net-of-tax Amount
Gains (losses) on remeasuring available-for-sale investment	(11,009)	2,171	(8,838)	(712)	139	(573)
Gains (losses) arising from translating the financial statements of foreign operations	2,382	-	2,382	(507)	-	(507)
Total	<u>(8,627)</u>	<u>2,171</u>	<u>(6,456)</u>	<u>(1,219)</u>	<u>139</u>	<u>(1,080)</u>

CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED						Million Baht
	Before-tax Amount	June 30, 2018 Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	June 30, 2017 Tax (expense) Benefit	Net-of-tax Amount
Gains (losses) on remeasuring available-for-sale investment	(14,529)	2,899	(11,630)	748	(192)	556
Losses arising from translating the financial statements of foreign operations	(92)	-	(92)	(3,046)	-	(3,046)
Actuarial gains on defined benefit plans	1	(1)	-	-	-	-
Total	<u>(14,620)</u>	<u>2,898</u>	<u>(11,722)</u>	<u>(2,298)</u>	<u>(192)</u>	<u>(2,490)</u>

Million Baht

THE BANK						
FOR THE THREE-MONTH PERIODS ENDED						
	June 30, 2018			June 30, 2017		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
Gains (losses) on remeasuring available-for-sale investment	(10,999)	2,169	(8,830)	(734)	143	(591)
Gains (losses) arising from translating the financial statements of foreign operations	2,092	-	2,092	(704)	-	(704)
Total	<u>(8,907)</u>	<u>2,169</u>	<u>(6,738)</u>	<u>(1,438)</u>	<u>143</u>	<u>(1,295)</u>

Million Baht

THE BANK						
FOR THE SIX-MONTH PERIODS ENDED						
	June 30, 2018			June 30, 2017		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
Gains (losses) on remeasuring available-for-sale investment	(14,563)	2,907	(11,656)	689	(179)	510
Losses arising from translating the financial statements of foreign operations	(227)	-	(227)	(2,339)	-	(2,339)
Actuarial gains on defined benefit plans	1	(1)	-	-	-	-
Total	<u>(14,789)</u>	<u>2,906</u>	<u>(11,883)</u>	<u>(1,650)</u>	<u>(179)</u>	<u>(1,829)</u>

6.41.3 Reconciliation of effective tax rates for the three-month periods and the six-month periods ended June 30, 2018 and 2017 are as follows :

Million Baht

CONSOLIDATED				
FOR THE THREE-MONTH PERIODS ENDED				
	June 30, 2018		June 30, 2017	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	11,331		9,506	
Income tax calculated at statutory tax rate	2,266	20.00	1,901	20.00
Overseas tax	317		51	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(548)		(382)	
Others	6		(182)	
Total income tax expenses	<u>2,041</u>	18.01	<u>1,388</u>	14.60

Million Baht

CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED				
	June 30, 2018		June 30, 2017	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	22,953		19,835	
Income tax calculated at statutory tax rate	4,591	20.00	3,967	20.00
Overseas tax	803		272	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(688)		(616)	
Others	(143)		(284)	
Total income tax expenses	4,563	19.88	3,339	16.84

Million Baht

THE BANK FOR THE THREE-MONTH PERIODS ENDED				
	June 30, 2018		June 30, 2017	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	7,121		9,225	
Income tax calculated at statutory tax rate	1,424	20.00	1,845	20.00
Overseas tax	294		47	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(481)		(370)	
Others	(156)		(290)	
Total income tax expenses	1,081	15.18	1,232	13.36

Million Baht

THE BANK FOR THE SIX-MONTH PERIODS ENDED				
	June 30, 2018		June 30, 2017	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	18,895		19,338	
Income tax calculated at statutory tax rate	3,779	20.00	3,868	20.00
Overseas tax	797		276	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(692)		(597)	
Others	(396)		(460)	
Total income tax expenses	3,488	18.46	3,087	15.96

6.42 Approval of the financial statements

On August 16, 2018, the Audit Committee and the Board of Executive Directors have authorized to issue these financial statements.