

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

TO THE BOARD OF DIRECTORS

BANGKOK BANK PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of Bangkok Bank Public Company Limited and subsidiaries (the “Bank and subsidiaries”) and the Bank’s statement of financial position of Bangkok Bank Public Company Limited (the “Bank”) as at September 30, 2020, and the related consolidated and Bank’s statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2020, and the related consolidated and Bank’s statements of changes in shareholders’ equity and cash flows for the nine-month period ended September 30, 2020, and the condensed notes to the financial statements. The Bank’s management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and the Bank of Thailand’s regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Emphasis of matter

We draw attention to the Note 3.1 to the interim financial statements, the Bank and subsidiaries have adopted the new accounting policies regarding the financial instruments which are in accordance with Group of Financial Instruments Standards and recognized the cumulative effect of initially applying such Standards as the adjustments to the beginning balances of retained earnings and other reserves as at January 1, 2020, which are presented in the aforementioned note to the interim financial statements, to be in accordance with the new accounting policies. Our conclusion is not modified in respect of this matter.

BANGKOK
November 12, 2020

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

Baht : '000

	CONSOLIDATED		THE BANK		
	Notes	September 30, 2020 (Unaudited)	December 31, 2019	September 30, 2020 (Unaudited)	December 31, 2019
ASSETS					
CASH		57,959,534	58,090,112	54,520,906	58,012,561
INTERBANK AND MONEY MARKET ITEMS, NET		531,390,516	472,349,351	433,123,707	442,584,108
FINANCIAL ASSETS MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	6.2	65,472,411	-	57,088,966	-
DERIVATIVES ASSETS		50,040,378	49,807,012	49,494,982	49,687,316
INVESTMENTS, NET	6.3	749,648,886	647,696,626	656,185,589	610,535,400
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.4	903,137	1,737,450	121,045,170	38,414,900
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	6.5	2,191,670,784	1,891,046,281	1,926,061,684	1,836,721,735
CUSTOMER'S LIABILITY UNDER ACCEPTANCES		-	1,626,872	-	103,722
PROPERTIES FOR SALE, NET		10,292,630	9,362,849	8,543,989	8,368,141
PREMISES AND EQUIPMENT, NET		65,701,088	40,753,955	56,659,031	39,504,853
GOODWILL AND OTHER INTANGIBLE ASSETS, NET		32,939,018	1,760,117	1,478,360	1,673,358
DEFERRED TAX ASSETS		10,873,046	4,542,443	6,442,252	3,360,374
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES		17,669,570	17,506,277	17,590,603	17,419,107
OTHER ASSETS, NET		26,029,603	20,463,750	14,318,611	16,975,764
TOTAL ASSETS		<u><u>3,810,590,601</u></u>	<u><u>3,216,743,095</u></u>	<u><u>3,402,553,850</u></u>	<u><u>3,123,361,339</u></u>

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2020

Baht : '000

	CONSOLIDATED		THE BANK		
	Notes	September 30, 2020 (Unaudited)	December 31, 2019	September 30, 2020 (Unaudited)	December 31, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS		2,821,883,452	2,370,792,167	2,479,039,574	2,316,034,607
INTERBANK AND MONEY MARKET ITEMS		174,840,258	134,346,323	166,504,239	129,277,274
LIABILITY PAYABLE ON DEMAND		7,105,809	5,523,288	6,514,832	5,488,403
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	6.6	20,295,287	-	20,024,401	-
DERIVATIVES LIABILITIES		53,920,332	37,837,421	53,450,206	37,370,815
DEBT ISSUED AND BORROWINGS		171,140,350	144,680,567	166,614,061	144,315,507
BANK'S LIABILITY UNDER ACCEPTANCES		-	1,626,872	-	103,722
PROVISIONS		25,708,131	18,701,528	24,163,622	18,428,103
DEFERRED TAX LIABILITIES		-	2,364,416	-	2,158,732
OTHER LIABILITIES		95,031,918	72,754,204	57,348,461	51,721,099
TOTAL LIABILITIES		3,369,925,537	2,788,626,786	2,973,659,396	2,704,898,262
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	6.8				
Registered share capital					
1,655,000 preferred shares of Baht 10 each		16,550	16,550	16,550	16,550
3,998,345,000 common shares of Baht 10 each		39,983,450	39,983,450	39,983,450	39,983,450
Issued and paid-up share capital					
1,908,842,894 common shares of Baht 10 each		19,088,429	19,088,429	19,088,429	19,088,429
PREMIUM ON COMMON SHARES		56,346,232	56,346,232	56,346,232	56,346,232
OTHER RESERVES		37,382,232	34,471,457	42,537,517	40,383,596
RETAINED EARNINGS					
Appropriated	6.9				
Legal reserve		25,000,000	24,000,000	25,000,000	24,000,000
Others		111,500,000	106,500,000	111,500,000	106,500,000
Unappropriated		190,191,651	187,345,092	174,422,276	172,144,820
TOTAL BANK'S EQUITY		439,508,544	427,751,210	428,894,454	418,463,077
NON-CONTROLLING INTEREST		1,156,520	365,099	-	-
TOTAL SHAREHOLDERS' EQUITY		440,665,064	428,116,309	428,894,454	418,463,077
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,810,590,601	3,216,743,095	3,402,553,850	3,123,361,339

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvann Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
(Unaudited)

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2020	2019	2020	2019
INTEREST INCOME	6.15	29,246,224	28,470,873	22,612,100	27,403,026
INTEREST EXPENSES	6.16	9,394,031	10,527,353	6,339,827	10,136,634
NET INTEREST INCOME		19,852,193	17,943,520	16,272,273	17,266,392
FEES AND SERVICE INCOME	6.17	8,530,707	9,477,583	6,532,267	8,153,844
FEES AND SERVICE EXPENSES	6.17	2,150,613	2,613,880	2,051,437	2,564,889
NET FEES AND SERVICE INCOME		6,380,094	6,863,703	4,480,830	5,588,955
GAINS ON FINANCIAL INSTRUMENTS					
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		1,983,153	-	1,556,893	-
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS		-	2,051,965	-	1,836,623
GAINS ON INVESTMENTS		564,806	1,531,574	461,441	1,508,402
SHARE OF LOSS FROM INVESTMENT USING EQUITY METHOD		(70,087)	(2,073)	-	-
GAINS ON DISPOSAL OF ASSETS		77,797	1,021,164	91,227	51,446
DIVIDEND INCOME		456,474	666,921	958,189	1,168,496
OTHER OPERATING INCOME		176,357	162,218	107,358	114,100
TOTAL OPERATING INCOME		29,420,787	30,238,992	23,928,211	27,534,414
OTHER OPERATING EXPENSES					
Employee's expenses		8,355,775	6,669,838	6,290,783	6,070,332
Directors' remuneration		42,535	22,280	16,350	15,600
Premises and equipment expenses		3,618,692	2,440,885	2,863,542	2,273,850
Taxes and duties		686,734	842,799	679,885	833,284
Others		6,722,785	2,702,719	6,108,510	2,486,695
TOTAL OTHER OPERATING EXPENSES		19,426,521	12,678,521	15,959,070	11,679,761
EXPECTED CREDIT LOSS	6.18	5,667,603	-	3,912,045	-
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6.18	-	5,381,359	-	5,108,972
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		4,326,663	12,179,112	4,057,096	10,745,681
INCOME TAX EXPENSES		212,247	2,639,557	245,952	2,232,466
NET PROFIT		4,114,416	9,539,555	3,811,144	8,513,215

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
(Unaudited)

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2020	2019	2020	2019
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Losses on investments in debt instruments at fair value					
through other comprehensive income		(1,231,088)	-	(1,621,783)	-
Gains on remeasuring available-for-sale investment		-	3,360,939	-	3,343,295
Losses on cash flow hedges		(11,499)	-	(11,499)	-
Gains (losses) arising from translating the financial statements of					
foreign operations		5,775,097	(1,400,167)	5,261,395	(386,203)
Share of other comprehensive income of associate		-	666	-	-
Income tax relating to components of other comprehensive					
income (losses)		238,894	(660,706)	320,747	(655,817)
Items that will not be reclassified subsequently to profit or loss					
Losses on investment in equity instruments designated at					
fair value through other comprehensive income		(8,724,432)	-	(8,319,631)	-
Losses on financial liabilities designated at fair value					
through profit or loss		(806,793)	-	(806,793)	-
Share of other comprehensive income of associate		521	-	-	-
Income tax relating to components of other comprehensive					
income (losses)		1,902,450	-	1,820,610	-
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)		<u>(2,856,850)</u>	<u>1,300,732</u>	<u>(3,356,954)</u>	<u>2,301,275</u>
TOTAL COMPREHENSIVE INCOME		<u><u>1,257,566</u></u>	<u><u>10,840,287</u></u>	<u><u>454,190</u></u>	<u><u>10,814,490</u></u>
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		4,017,496	9,438,412	3,811,144	8,513,215
Non-controlling interest		96,920	101,143	-	-
		<u>4,114,416</u>	<u>9,539,555</u>	<u>3,811,144</u>	<u>8,513,215</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		1,168,584	10,739,144	454,190	10,814,490
Non-controlling interest		88,982	101,143	-	-
		<u>1,257,566</u>	<u>10,840,287</u>	<u>454,190</u>	<u>10,814,490</u>
BASIC EARNINGS PER SHARE (BAHT)		2.10	4.94	2.00	4.46
WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES (THOUSAND SHARES)		1,908,843	1,908,843	1,908,843	1,908,843

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
(Unaudited)

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2020	2019	2020	2019
INTEREST INCOME	6.15	85,071,267	84,850,534	73,810,913	81,454,947
INTEREST EXPENSES	6.16	27,288,932	30,972,242	22,193,471	29,716,682
NET INTEREST INCOME		57,782,335	53,878,292	51,617,442	51,738,265
FEES AND SERVICE INCOME	6.17	25,047,965	28,204,509	19,751,123	24,546,109
FEES AND SERVICE EXPENSES	6.17	6,693,120	7,885,360	6,459,622	7,733,892
NET FEES AND SERVICE INCOME		18,354,845	20,319,149	13,291,501	16,812,217
GAINS ON FINANCIAL INSTRUMENTS					
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		7,355,314	-	7,121,204	-
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS		-	5,675,210	-	5,218,217
GAINS ON INVESTMENTS		2,032,223	4,776,946	1,928,843	4,191,026
SHARE OF PROFIT (LOSS) FROM INVESTMENT USING EQUITY METHOD		(21,835)	87,756	-	-
GAINS ON DISPOSAL OF ASSETS		180,833	1,699,677	176,996	710,911
DIVIDEND INCOME		1,824,468	3,153,339	3,337,822	6,052,951
OTHER OPERATING INCOME		592,011	432,815	350,219	333,463
TOTAL OPERATING INCOME		88,100,194	90,023,184	77,824,027	85,057,050
OTHER OPERATING EXPENSES					
Employee's expenses		22,711,449	19,908,493	18,706,725	18,074,924
Directors' remuneration		141,466	110,796	77,200	78,030
Premises and equipment expenses		9,743,183	8,326,123	8,371,764	7,769,519
Taxes and duties		2,230,196	2,508,851	2,195,930	2,471,623
Others		11,003,572	8,121,661	9,799,126	7,485,118
TOTAL OTHER OPERATING EXPENSES		45,829,866	38,975,924	39,150,745	35,879,214
EXPECTED CREDIT LOSS	6.18	23,992,687	-	21,968,299	-
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6.18	-	16,008,812	-	15,641,028
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		18,277,641	35,038,448	16,704,983	33,536,808
INCOME TAX EXPENSES		3,215,043	6,928,912	2,784,801	6,085,783
NET PROFIT		15,062,598	28,109,536	13,920,182	27,451,025

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
(Unaudited)

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2020	2019	2020	2019
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Losses on investments in debt instruments at fair value					
through other comprehensive income		(374,630)	-	(1,280,648)	-
Gains on remeasuring available-for-sale investment		-	8,874,666	-	8,859,193
Gains on cash flow hedges		217,858	-	217,858	-
Gains (losses) arising from translating the financial statements of					
foreign operations		6,085,720	(5,458,600)	5,882,784	(2,732,550)
Share of other comprehensive income of associate		-	1,567	-	-
Income tax relating to components of other comprehensive					
income (losses)		363,863	(1,777,264)	557,062	(1,770,878)
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus		14,395,161	-	13,987,474	-
Losses on investment in equity instruments designated at					
fair value through other comprehensive income		(17,995,112)	-	(17,211,812)	-
Gains on financial liabilities designated at fair value					
through profit or loss		1,377,205	-	1,377,205	-
Actuarial gains on defined benefit plans		30,558	4,433	30,558	3,356
Share of other comprehensive income of associate		1,123	-	-	-
Income tax relating to components of other comprehensive					
income (losses)		422,068	(2,081)	351,203	(1,866)
TOTAL OTHER COMPREHENSIVE INCOME		4,523,814	1,642,721	3,911,684	4,357,255
TOTAL COMPREHENSIVE INCOME		19,586,412	29,752,257	17,831,866	31,808,280
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		14,782,988	27,813,713	13,920,182	27,451,025
Non-controlling interest		279,610	295,823	-	-
		15,062,598	28,109,536	13,920,182	27,451,025
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		19,315,007	29,456,434	17,831,866	31,808,280
Non-controlling interest		271,405	295,823	-	-
		19,586,412	29,752,257	17,831,866	31,808,280
BASIC EARNINGS PER SHARE (BAHT)		7.74	14.57	7.29	14.38
WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES (THOUSAND SHARES)		1,908,843	1,908,843	1,908,843	1,908,843

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
(Unaudited)

Baht : '000

	Notes	CONSOLIDATED											Total Equity Attributable to the Bank's Shareholders	Non-controlling Interest	Total	
		Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves							Retained Earnings					
				Land Appraisal Surplus	Premises Appraisal Surplus	Revaluation Surplus on Investments	Cash flow Hedge Reserve	Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Others	Appropriated					Unappropriated
											Legal Reserve	Others				
Balance as at January 1, 2019		19,088,429	56,346,232	16,829,619	6,541,158	29,855,575	-	-	(10,384,055)	470	23,000,000	101,500,000	170,036,820	412,814,248	344,643	413,158,891
Appropriation for previous year																
Dividend paid	6.9	-	-	-	-	-	-	-	-	-	-	-	(8,370,248)	(8,370,248)	(200,703)	(8,570,951)
Legal reserve	6.9	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Appropriation for current year																
Dividend paid	6.9	-	-	-	-	-	-	-	-	-	-	-	(3,722,154)	(3,722,154)	(180,003)	(3,902,157)
Legal reserve	6.9	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Others	6.9	-	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Total comprehensive income		-	-	-	-	7,097,715	-	-	(5,458,600)	1,254	-	-	27,816,065	29,456,434	295,823	29,752,257
Transfer to retained earnings		-	-	-	(703,949)	-	-	-	-	-	-	-	703,949	-	-	-
Balance as at September 30, 2019		19,088,429	56,346,232	16,829,619	5,837,209	36,953,290	-	-	(15,842,655)	1,724	24,000,000	106,500,000	180,464,432	430,178,280	259,760	430,438,040
Balance as at January 1, 2020 as previously reported		19,088,429	56,346,232	16,824,012	5,600,324	28,135,072	-	-	(16,089,996)	2,045	24,000,000	106,500,000	187,345,092	427,751,210	365,099	428,116,309
Impact of adopting new financial reporting standard No.9		-	-	-	-	1,043,207	356,384	(2,196,285)	-	-	-	-	2,953,889	2,157,195	1,321	2,158,516
Balance as at January 1, 2020 after adjustment		19,088,429	56,346,232	16,824,012	5,600,324	29,178,279	356,384	(2,196,285)	(16,089,996)	2,045	24,000,000	106,500,000	190,298,981	429,908,405	366,420	430,274,825
Appropriation for previous year																
Dividend paid	6.9	-	-	-	-	-	-	-	-	-	-	-	(9,544,214)	(9,544,214)	(175,469)	(9,719,683)
Legal reserve	6.9	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Appropriation for current year																
Dividend paid		-	-	-	-	-	-	-	-	-	-	-	-	-	(182,503)	(182,503)
Legal reserve	6.9	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Others	6.9	-	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Total comprehensive income		-	-	6,122,776	5,386,899	(14,370,279)	174,286	1,101,764	6,102,141	899	-	-	14,796,521	19,315,007	271,405	19,586,412
Others		-	-	-	-	-	-	-	-	-	-	-	(170,654)	(170,654)	876,667	706,013
Transfer to retained earnings		-	-	-	(757,704)	(53,313)	-	-	-	-	-	-	811,017	-	-	-
Balance as at September 30, 2020		19,088,429	56,346,232	22,946,788	10,229,519	14,754,687	530,670	(1,094,521)	(9,987,855)	2,944	25,000,000	111,500,000	190,191,651	439,508,544	1,156,520	440,665,064

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
(Unaudited)

Baht : '000

	Notes	THE BANK										Total	
		Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves						Retained Earnings			
				Land Appraisal Surplus	Premises Appraisal Surplus	Revaluation Surplus on Investments	Cash flow Hedge Reserve	Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Appropriated			Unappropriated
										Legal Reserve	Others		
Balance as at January 1, 2019		19,088,429	56,346,232	16,765,473	6,512,228	29,771,751	-	-	(6,894,911)	23,000,000	101,500,000	155,870,255	401,959,457
Appropriation for previous year													
Dividend paid	6.9	-	-	-	-	-	-	-	-	-	-	(8,370,248)	(8,370,248)
Legal reserve	6.9	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Appropriation for current year													
Dividend paid	6.9	-	-	-	-	-	-	-	-	-	-	(3,722,154)	(3,722,154)
Legal reserve	6.9	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Others	6.9	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-
Total comprehensive income		-	-	-	-	7,088,315	-	-	(2,732,550)	-	-	27,452,515	31,808,280
Transfer to retained earnings		-	-	-	(701,353)	-	-	-	-	-	-	701,353	-
Balance as at September 30, 2019		<u>19,088,429</u>	<u>56,346,232</u>	<u>16,765,473</u>	<u>5,810,875</u>	<u>36,860,066</u>	<u>-</u>	<u>-</u>	<u>(9,627,461)</u>	<u>24,000,000</u>	<u>106,500,000</u>	<u>165,931,721</u>	<u>421,675,335</u>
Balance as at January 1, 2020 as previously reported		19,088,429	56,346,232	16,759,866	5,574,824	28,036,451	-	-	(9,987,545)	24,000,000	106,500,000	172,144,820	418,463,077
Impact of adopting new financial reporting standard No.9		-	-	-	-	877,277	356,384	(2,196,285)	-	-	-	3,277,003	2,314,379
Balance as at January 1, 2020 after adjustment		<u>19,088,429</u>	<u>56,346,232</u>	<u>16,759,866</u>	<u>5,574,824</u>	<u>28,913,728</u>	<u>356,384</u>	<u>(2,196,285)</u>	<u>(9,987,545)</u>	<u>24,000,000</u>	<u>106,500,000</u>	<u>175,421,823</u>	<u>420,777,456</u>
Appropriation for previous year													
Dividend paid	6.9	-	-	-	-	-	-	-	-	-	-	(9,544,214)	(9,544,214)
Legal reserve	6.9	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Appropriation for current year													
Legal reserve	6.9	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Others	6.9	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-
Total comprehensive income		-	-	6,044,614	5,145,365	(14,450,662)	174,286	1,101,764	5,882,784	-	-	13,933,715	17,831,866
Others		-	-	-	-	-	-	-	-	-	-	(170,654)	(170,654)
Transfer to retained earnings		-	-	-	(728,397)	(53,209)	-	-	-	-	-	781,606	-
Balance as at September 30, 2020		<u>19,088,429</u>	<u>56,346,232</u>	<u>22,804,480</u>	<u>9,991,792</u>	<u>14,409,857</u>	<u>530,670</u>	<u>(1,094,521)</u>	<u>(4,104,761)</u>	<u>25,000,000</u>	<u>111,500,000</u>	<u>174,422,276</u>	<u>428,894,454</u>

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
(Unaudited)

Baht : '000

	Note	CONSOLIDATED		THE BANK	
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		18,277,641	35,038,448	16,704,983	33,536,808
Items to reconcile profit from operating before					
income tax expenses to cash received (paid) from					
operating activities					
Depreciation and amortization expenses		4,014,519	3,130,098	3,347,296	2,965,156
Expected credit loss		23,992,687	-	21,968,299	-
Bad debt and doubtful accounts		-	14,681,886	-	14,314,102
Loss on debt restructuring		-	1,326,926	-	1,326,926
(Gain) loss on foreign exchange of long-term borrowings		6,813,109	(6,826,579)	6,813,109	(6,826,579)
Amortization of premium on investment in debt securities		782,967	180,432	748,458	316,942
Unrealized losses on financial instruments					
measured at fair value through profit or loss		6,626,659	-	6,918,934	-
Unrealized gain on revaluation of trading securities		-	(73,686)	-	(17,068)
Gains on financial instruments measured at fair value					
through other comprehensive income		(2,032,223)	-	(1,928,843)	-
Gain on disposal of securities for investments		-	(5,284,403)	-	(4,698,483)
Loss on impairment of investments		-	507,457	-	507,457
Share of (profit) loss from investment using equity method		21,835	(87,756)	-	-
Loss on impairment of properties for sale		266,891	208,417	263,361	207,246
Gain on disposal of premises and equipment		(1,683)	(52,189)	(1,038)	(52,429)
Gain on revaluation of land and premises		(196,180)	-	(196,180)	-
Loss on impairment of other assets		318,861	36,373	205,569	36,343
Provision expenses		758,000	892,573	537,022	822,385
Net interest income		(57,782,335)	(53,878,292)	(51,617,442)	(51,738,265)
Dividend income		(1,824,468)	(3,153,339)	(3,337,822)	(6,052,951)
Proceeds from interest income		81,711,165	85,505,340	70,818,575	82,188,926
Interest expenses paid		(33,116,538)	(32,147,220)	(28,410,664)	(30,736,917)
Proceeds from dividend income		1,819,023	3,152,066	1,678,842	3,013,178
Income tax paid		(5,747,571)	(8,958,944)	(4,941,890)	(7,544,267)
(Increase) decrease in other accrued receivables		258,963	(495,811)	302,186	(544,272)
Decrease in other accrued expenses		(292,769)	(767,947)	(426,173)	(706,828)
Profit from operating before changes in					
operating assets and liabilities		44,668,553	32,933,850	39,446,582	30,317,410
(Increase) decrease in operating assets					
Interbank and money market items		8,891,159	(124,448,576)	9,767,292	(141,915,047)
Financial assets measured at fair value through profit or loss		(14,669,626)	-	(13,619,936)	-
Investments in short-term securities		-	(2,891,987)	-	(2,269,459)
Loans to customers		(88,122,495)	71,256,505	(102,124,903)	70,311,582
Properties for sale		445,698	1,296,042	417,861	922,328
Other assets		1,137,027	(28,615,575)	3,024,241	(31,089,401)

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
(Unaudited)

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Increase (decrease) in operating liabilities					
Deposits		158,616,016	36,296,935	163,004,967	47,377,867
Interbank and money market items		33,223,876	11,712,533	37,226,965	19,300,794
Liability payable on demand		867,280	(1,688,590)	1,026,429	(1,695,557)
Short-term borrowings		(320,536)	797,052	(1,250)	(14,541)
Other liabilities		26,457,838	18,027,397	14,138,863	17,454,188
Net cash from operating activities		<u>171,194,790</u>	<u>14,675,586</u>	<u>152,307,111</u>	<u>8,700,164</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities measured at fair value					
through other comprehensive income		(379,391,017)	-	(357,987,171)	-
Purchase of available-for-sale securities		-	(442,805,262)	-	(430,966,012)
Proceeds from disposal of investment securities					
measured at FVOCI		291,631,009	-	279,084,178	-
Proceeds from disposal of available-for-sale securities		-	406,115,030	-	396,439,960
Purchase of investment securities measured at amortized cost		(92,406,011)	-	(20,458,946)	-
Purchase of held-to-maturity debt securities		-	(67,529,134)	-	(8,424,609)
Proceeds from redemption of investment securities					
measured at amortized cost		66,296,254	-	3,302,448	-
Proceeds from redemption of held-to-maturity debt securities		-	62,335,615	-	3,891,306
Purchase of general investments		-	(7,194,162)	-	(6,359,758)
Proceeds from disposal of general investments		-	980,546	-	875,284
Purchase of investments in subsidiaries and associates		(69,443,865)	(124,267)	(74,083,403)	(1,124,267)
Proceeds from dividend income from subsidiaries					
and associates		41,512	89,212	1,653,535	3,038,500
Purchase of premises and equipment		(1,176,225)	(1,444,675)	(777,326)	(1,367,505)
Proceeds from disposal of premises and equipment		119,662	69,548	5,065	52,680
Net cash from investing activities		<u>(184,328,681)</u>	<u>(49,507,549)</u>	<u>(169,261,620)</u>	<u>(43,944,421)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from issuance of subordinated notes	6.1	23,755,703	36,727,413	23,755,703	36,727,413
Increase (decrease) in long-term borrowings	6.1	(65,245)	125,585	(65,245)	125,585
Cash paid for lease liabilities		(898,176)	-	(774,417)	-
Dividend paid		(9,544,214)	(12,092,402)	(9,544,214)	(12,092,402)
Dividend paid to non-controlling interest		(357,972)	(380,706)	-	-
Net cash from financing activities		<u>12,890,096</u>	<u>24,379,890</u>	<u>13,371,827</u>	<u>24,760,596</u>
Effect on cash due to changes in the exchange rates		<u>113,217</u>	<u>(116,954)</u>	<u>91,027</u>	<u>(110,696)</u>
Net decrease in cash		<u>(130,578)</u>	<u>(10,569,027)</u>	<u>(3,491,655)</u>	<u>(10,594,357)</u>
Cash as at January 1,		<u>58,090,112</u>	<u>62,394,091</u>	<u>58,012,561</u>	<u>62,329,288</u>
Cash as at September 30,		<u><u>57,959,534</u></u>	<u><u>51,825,064</u></u>	<u><u>54,520,906</u></u>	<u><u>51,734,931</u></u>

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020
(UNAUDITED)

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BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020
(UNAUDITED)

1. GENERAL INFORMATION AND REGULATORY REQUIREMENTS

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

The Bank is subject to various capital and regulatory requirements administered by the Bank of Thailand ("BOT"). Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must satisfy specific capital guidelines that involve quantitative measurements of the Bank's assets, liabilities and certain off-balance sheet items calculated in accordance with regulatory requirements. The Bank's capital amounts and classification are also subject to qualitative judgment by the BOT about components, risk weightings and other factors. The Bank believes that as at September 30, 2020 and December 31, 2019, the Bank complied with all capital adequacy requirements. However, these capital and regulatory requirements are subject to change by the BOT.

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

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

The consolidated and the Bank's interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 regarding Interim Financial Reporting; and relevant official regulations, and presented in accordance with the BOT's Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups dated October 31, 2018, which is required to apply to the financial statements beginning on or after January 1, 2020 onwards. The consolidated and the Bank's financial statements for the year ended December 31, 2019, which are the comparative figures are still presented in the format as announced by the BOT's Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups dated December 4, 2015.

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

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

The results of operations for the three-month and nine-month periods ended September 30, 2020 are not necessarily indicative of the operating results anticipated for the full year.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards also requires the Bank to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. The actual results may differ from those estimates.

2.2 New or Revised Thai Financial Reporting Standards

2.2.1 The Bank and subsidiaries have adopted the new or revised Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and Thai Financial Reporting Interpretations, issued by the TFAC and announced in the Royal Gazette, applying for the financial statements of the periods beginning on or after January 1, 2020 onward, with no material impact on the Bank and subsidiaries' financial statements.

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

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

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

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

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

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

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

The Bank has not adopted such Accounting Treatment Guidances in the preparation of the interim financial statements for the three-month and the nine-month periods ended September 30, 2020.

2.2.3 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The amendment includes: references to the Conceptual Framework in TFRSs, the definition of “Business” in Thai Financial Reporting Standard No. 3 regarding Business Combinations, the definition of “Materiality” in Thai Accounting Standard No. 1 regarding Presentation of Financial Statements and Thai Accounting Standard No. 8 regarding Accounting Policies, Changes in Accounting Estimates and Errors, and Interest Rate Benchmark Reform in Thai Financial Reporting Standards No. 7 regarding Financial Instruments: Disclosures (TFRS 7) and Thai Financial Reporting Standards No. 9 regarding Financial Instruments (TFRS 9).

The above amendments do not have a significant impact to the Bank and subsidiaries' financial statements, except for Interest Rate Benchmark Reform where impact is being monitored and assessed.

- 2.3 The consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2020 and 2019, and the consolidated statement of financial position as at December 31, 2019, included the accounts of the head office and all branches of the Bank and its subsidiaries, by eliminating significant business transactions and outstanding balances between the Bank and its subsidiaries, and included equity interest in associates. The subsidiaries consist of BBL (Cayman) Limited, Bangkok Bank Berhad, Sinnsuptawee Asset Management Company Limited, BBL Asset Management Company Limited, Bualuang Securities Public Company Limited, Bangkok Bank (China) Company Limited and Bualuang Ventures Limited.

The consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2020, also included PT Bank Permata Tbk that the Bank acquired on May 20, 2020 and to be the subsidiary company and BSL Leasing Company Limited is changed from the associated company to be the subsidiary company on September 17, 2020.

In addition, the consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2020 and 2019 and the consolidated statement of financial position as at December 31, 2019, also included BBL Nominees (Tempatan) Sdn. Bhd, the 100% owned subsidiary of Bangkok Bank Berhad, Bangkok Capital Asset Management Company Limited, the 100% owned subsidiary of Bualuang Securities Public Company Limited.

The consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2020, also included PT Sahabat Finansial Keluarga, the 99.99% owned subsidiary of PT Bank Permata Tbk.

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, Bangkok Bank (China) Company Limited which was incorporated in the People's Republic of China and PT Bank Permata Tbk which was incorporated in Indonesia. For associates, all were incorporated in the Kingdom of Thailand.

- 2.4 The Bank's interim financial statements for the three-month and nine-month periods ended September 30, 2020 and 2019, and the Bank's statement of financial position as at December 31, 2019 included the accounts of the head office and all branches of the Bank. Investments in subsidiaries and associates were accounted for using the cost method, net of valuation allowance for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES

The Bank applies accounting policies and calculation methods to the interim financial statements consistent with those used in the financial statements for the year ended December 31, 2019, except for the adoption of the new Thai Financial Reporting standards to be applied, with the following significant accounting policies.

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

1. Recognition of income

Applied from January 1, 2020

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

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

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

Fee income

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

Applied before January 1, 2020

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

2. Recognition of expenses

Applied from January 1, 2020

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

Applied before January 1, 2020

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

3. Financial instruments

Applied from January 1, 2020

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

1) Recognition of financial instruments

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

2) Classification of financial assets

Financial assets - Debt instruments

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

- Financial assets measured at amortized cost only if both following conditions are met: the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- A financial asset measured at Fair Value through Other Comprehensive Income (FVOCI) if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and subsequently measured at fair value. The unrealized gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realized, after which such gains or losses on disposal of the instruments will be recognized in profit or loss. The measurement of credit impairment is based on the expected credit loss model.

- A financial asset measured at Fair Value through Profit or Loss (FVTPL) unless the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Investments in equity instruments

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

3) Classification of financial liabilities

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

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

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

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

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

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

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

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

4) Financial derivatives

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

Embedded derivatives

Embedded derivatives are component of hybrid or combined instruments that consist of non-derivative host contracts.

For derivatives embedded in financial asset host contracts, the entire hybrid contract, including all embedded features, are classified in accordance with the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

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

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

5) Modifications of financial instrument not measured at fair value

a) Financial assets

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

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

b) Financial liabilities

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

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

6) Offsetting

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

7) Derecognition of financial instruments

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

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

8) Write-off

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

Applied before January 1, 2020

Derivatives

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

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

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

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

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

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 allowance 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 allowance for impairment (if any).

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 allowance 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.

4. Impairment of financial assets

The Bank's accounting policy for impairment of financial assets changed significantly under TFRS 9, and the expected credit loss model was applied for the financial year ended December 31, 2020, replacing the methodology stipulated by BOT's guidelines. The comparative financial statements were not restated upon adoption of TFRS 9.

Applied from January 1, 2020

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

a) Stage 1: Performing

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the Bank recognizes portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.

b) Stage 2: Under-performing

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

c) Stage 3: Non-performing

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

Determining the stage for impairment

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

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

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

Measurement of ECL

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

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

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

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

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

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

Applied before January 1, 2020

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

5. Hedge accounting

Applied from January 1, 2020

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

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

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

The Bank applies an accrual basis for open portfolio hedge.

1) Fair value hedges

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

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

2) Cash flow hedges

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

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

3) Net investment hedges

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

The following table shows the impact of using Group of Financial Instruments Standards on the Bank's financial assets and financial liabilities as at December 31, 2019 and January 1, 2020:

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

Million Baht

	Note	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	CONSOLIDATED Reclassification (to) from			Carrying amount after reclassification	Re- measurement	TFRS 9 carrying amount as at January 1, 2020
					FVTPL	FVOCI	Amortized cost / Cost			
Customer's liability under acceptances		On-Balance sheet	Off-Balance sheet	1,627	-	-	(1,627)	-	-	-
Properties for sale, net				9,363	-	-	-	9,363	-	9,363
Premises and equipment, net				40,754	-	-	-	40,754	-	40,754
Other intangible assets, net				1,760	-	-	-	1,760	-	1,760
Deferred tax assets				4,542	-	-	-	4,542	2,947	7,489
Collateral placed with financial counterparties				17,507	-	-	-	17,507	-	17,507
Other assets				20,464	-	-	-	20,464	-	20,464
Total assets				3,216,743	-	-	(1,627)	3,215,116	21,734	3,236,850

Million Baht

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

Million Baht

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

Million Baht

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

Million Baht

Note	Original Measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	The Bank Reclassification (to) from			Carrying amount after reclassification	Re- measurement	TFRS 9 carrying amount as at January 1, 2020
				FVTPL	FVOCI	Amortized cost / Cost			
	On-Balance sheet	Off-Balance sheet	104	-	-	(104)	-	-	-
			8,368	-	-	-	8,368	-	8,368
			39,505	-	-	-	39,505	-	39,505
			1,673	-	-	-	1,673	-	1,673
			3,360	-	-	-	3,360	2,886	6,246
			17,419	-	-	-	17,419	-	17,419
			16,976	-	-	-	16,976	-	16,976
			3,123,361	-	-	(104)	3,123,257	21,424	3,144,681

Million Baht

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

Million Baht

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

Note :

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

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

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

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

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

Leases

Applied from January 1, 2020

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

Applied before January 1, 2020

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.

As at January 1, 2020, The Bank and subsidiaries have increased in total assets and liabilities due to the recognition of right-of-use assets and lease liabilities for the consolidated financial statement in the amount of Baht 4,733 million and Baht 4,236 million, respectively, and the Bank's financial statement in the amount of Baht 4,152 million and Baht 3,737 million, respectively.

- 3.3 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets and contingent liabilities acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets and contingent liabilities acquired, the difference is recognized directly in the statement of profit or loss. Acquisition-related costs are expensed as incurred and included in other operating expenses in the statements of profit or loss and other comprehensive income. Non-controlling interests are measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets on an each business combination basis.

- 3.4 Goodwill and Intangible assets and amortization

Goodwill is stated at cost less impairment loss (if any). Impairment test is carried out annually, or when there is indication that the goodwill may be impaired.

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.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

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

The following table shows an analysis of financial assets and financial liabilities by level of the fair value hierarchy as at September 30, 2020 and December 31, 2019.

	Million Baht							
	September 30, 2020				December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
CONSOLIDATED								
Items measured at fair value								
Financial assets								
Financial asset measured at fair value through profit or loss	2,223	19,273	43,976	65,472	-	-	-	-
Derivatives assets	477	49,415	22	49,914	-	50,315	-	50,315
Investments, net	139,830	550,581	7,409	697,820	85,478	502,855	-	588,333
Financial liabilities								
Financial liabilities measured at fair value through profit or loss	271	20,024	-	20,295	-	-	-	-
Derivatives liabilities	50	53,937	-	53,987	361	39,052	-	39,413

Million Baht

	THE BANK							
	September 30, 2020			December 31, 2019				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Items measured at fair value								
Financial assets								
Financial asset measured at fair value through profit or loss	1,451	12,649	42,989	57,089	-	-	-	-
Derivatives assets	466	48,886	22	49,374	-	50,201	-	50,201
Investments, net	93,742	527,747	7,391	628,880	80,384	484,931	-	565,315
Financial liabilities								
Financial liabilities measured at fair value through profit or loss	-	20,024	-	20,024	-	-	-	-
Derivatives liabilities	-	53,523	-	53,523	-	38,958	-	38,958

Fair values are determined according to the following hierarchy :

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

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

5. CAPITAL FUND

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

The guideline on capital fund based on the Basel III guidelines of the BOT requires the Bank to maintain a capital conservation buffer in addition to minimum capital adequacy ratios which sets out to phasing in additional capital ratio of more than 0.625 percent p.a. starting January 1, 2016 until completion of the increment to more than 2.50 percent on January 1, 2019. In September 2017, the BOT has announced the guideline to identify and regulate Domestic Systemically Important Banks (D-SIBs). The BOT requires the Bank, classified as D-SIBs, must have additional capital requirement for Higher Loss Absorbency (HLA) requirement by increasing the Common Equity

Tier 1 ratio at 1 percent, beginning at 0.5 percent from January 1, 2019 and increasing to be 1 percent from January 1, 2020 onwards. The minimum capital adequacy and a capital conservation buffer ratios to risk-weighted assets is as follows :

Capital Fund Ratio	Percentage	
	September 30, 2020	December 31, 2019
Common Equity Tier 1 ratio	More than 8.0	More than 7.5
Tier 1 capital ratio	More than 9.5	More than 9.0
Total capital fund ratio	More than 12.0	More than 11.5

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

As at September 30, 2020 and December 31, 2019, the Bank maintained capital adequacy ratios to risk assets and capital fund in accordance with the BOT's Notification relating to the Basel III guidelines as follows :

	Percentage			
	CONSOLIDATED		THE BANK	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Common Equity Tier 1 capital to risk assets ratio	14.21	17.01	15.45	17.14
Tier 1 capital to risk assets ratio	15.07	17.01	16.39	17.14
Total capital to risk assets ratio	17.64	20.04	19.19	20.20

	Million Baht			
	CONSOLIDATED		THE BANK	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Tier 1 capital	415,122	406,529	410,234	399,842
Common Equity Tier 1 capital	391,459	406,463	386,642	399,842
Paid-up share capital	19,088	19,088	19,088	19,088
Premium on share capital	56,346	56,346	56,346	56,346
Legal reserve	25,000	24,000	25,000	24,000
Reserves appropriated from net profit	111,500	106,500	111,500	106,500
Net profit after appropriation	185,859	170,789	170,314	157,182
Other comprehensive income	37,288	33,678	42,535	39,600
Deductions from Common Equity				
Tier 1 capital	(43,622)	(3,938)	(38,141)	(2,874)
Additional Tier 1 capital	23,663	66	23,592	-
Tier 2 capital	70,858	72,211	69,943	71,420
Total capital fund	485,980	478,740	480,177	471,262

As at September 30, 2020 and December 31, 2019, the Bank has no capital add-on arising from Single Lending Limit.

As at September 30, 2020, the Bank has the subordinated notes (See Note 6.7) which the BOT had approved to include in Additional Tier 1 capital on September 23, 2020.

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

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

Date of disclosure October 30, 2020

Information as of June 30, 2020

6. ADDITIONAL INFORMATION

6.1 Supplementary disclosures of cash flow information

Significant non-cash items for the nine-month periods ended September 30, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE NINE-MONTH PERIODS ENDED		FOR THE NINE-MONTH PERIODS ENDED	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Revaluation surplus on investments in				
shareholders' equity increase (decrease)	(14,370)	7,098	(14,451)	7,088
Investment in subsidiaries increase	-	-	8,547	-
Other liabilities increase	(8,547)	-	(8,547)	-
Properties for sale increased from loans				
payment/inactive assets	857	791	857	791
Unrealized increment per premises				
appraisal transferred to retained earnings	758	704	728	701
Unrealized increment per land and premises				
appraisal increase	11,510	-	11,190	-
Changes in non-cash items of debt issued and				
borrowing				
Gains (losses) on foreign exchange	(6,813)	6,827	(6,813)	6,827
Amortization on discount	23	203	23	203

6.2 Financial assets measured at fair value through profit or loss

6.2.1 Trading financial assets as at September 30, 2020 consisted of the following :

	CONSOLIDATED September 30, 2020 Fair Value	Million Baht THE BANK September 30, 2020 Fair Value
Interbank and money market items	6	6
Thai government and state enterprise securities	11,098	11,098
Private enterprise debt securities	657	657
Foreign debt securities	4,819	-
Domestic marketable equity securities	772	-
Others	104	-
Total	<u><u>17,456</u></u>	<u><u>11,761</u></u>

6.2.2 Others as at September 30, 2020 consisted of the following :

	CONSOLIDATED September 30, 2020	Million Baht THE BANK September 30, 2020
Investment in debt securities	37,208	34,979
Investment in equity securities	10,808	10,349
Total	<u><u>48,016</u></u>	<u><u>45,328</u></u>

6.3 Investments, net

6.3.1 Investments as at September 30, 2020 and December 31, 2019 consisted of the following :

	CONSOLIDATED September 30, 2020 Amortized Cost	Million Baht THE BANK September 30, 2020 Amortized Cost
Debt investment securities - measured at amortized cost		
Thai government and state enterprise securities	28,221	7,030
Foreign debt securities	23,629	20,295
Total	<u>51,850</u>	<u>27,325</u>
<u>Less</u> : Allowance for expected credit loss	<u>(21)</u>	<u>(19)</u>
Total	<u><u>51,829</u></u>	<u><u>27,306</u></u>

	Million Baht	
	CONSOLIDATED	THE BANK
	September 30, 2020	September 30, 2020
	Fair Value	Fair Value
Debt investment securities - measured at FVOCI		
Thai government and state enterprise securities	404,760	404,760
Private enterprise debt securities	40,884	40,884
Foreign debt securities	176,149	109,447
Others	7,434	7,434
Total	<u>629,227</u>	<u>562,525</u>
Allowance for expected credit loss	<u>2,420</u>	<u>2,378</u>

	Million Baht	
	CONSOLIDATED	THE BANK
	September 30, 2020	September 30, 2020
	Fair Value	Fair Value
Equity investment securities - designated at FVOCI		
Domestic marketable equity securities	43,707	41,584
Foreign marketable equity securities	15,724	15,724
Others	9,162	9,047
Total	<u>68,593</u>	<u>66,355</u>
Total Investments, net	<u>749,649</u>	<u>656,186</u>

For the three-month period ended September 30, 2020, the Bank received dividends from equity investment securities designated at FVOCI that the Bank maintains. For the consolidated and the Bank's financial statements amounting to Baht 456 million and Baht 410 million, respectively.

For the nine-month period ended September 30, 2020, the Bank received dividends from equity investment securities designated at FVOCI that the Bank maintains. For the consolidated and the Bank's financial statements amounting to Baht 1,824 million and Baht 1,684 million, respectively.

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

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

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

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

The Bank had investments in companies whose prospects as a going concern are uncertain, comprising of companies listed in the SET that fall under the SET delisting criteria and non-listed companies that their financial performance and financial position fall under the SET delisting criteria. As at September 30, 2020, there were 33 companies with investment cost of Baht 257 million and fair value of Baht 1 million. As at December 31, 2019, there were 35 companies with investment cost of Baht 260 million and net book value of Baht 0 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 September 30, 2020 and December 31, 2019, the Bank had outstanding balances of other liabilities from such transaction amounting to Baht 328 million.

6.3.2 As at September 30, 2020 and December 31, 2019, the Bank and subsidiaries had investments in other companies of 10% and upwards of the paid-up capital of the respective companies but which are not considered to be investments in subsidiaries and associates. The classification is as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Manufacturing and commercial	6	12	6	12
Real estate and construction	1,171	187	1,171	187
Utilities and services	44	41	44	41
Others	<u>2,676</u>	<u>2,243</u>	<u>2,676</u>	<u>2,243</u>
Total	<u><u>3,897</u></u>	<u><u>2,483</u></u>	<u><u>3,897</u></u>	<u><u>2,483</u></u>

6.4 Investments in subsidiaries and associates, net

As at September 30, 2020 and December 31, 2019, the Bank had investments in subsidiaries and associates, net as follows :

Company	Type of Business	Type of Shares	Million Baht							
			CONSOLIDATED				Investment		Investment	
			Direct and Indirect Shareholding (%)		(Cost Method)		(Equity Method)			
			September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Associates										
Thai Payment Network Co., Ltd.*	Service	Common share	69.08	69.08	362	362	43	94		
BSL Leasing Co., Ltd.	Finance	Common share	-	35.88	-	201	-	820		
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15	454	441		
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118	100	109		
National ITMX Co., Ltd.	Service	Common share	14.26	14.26	<u>13</u>	<u>13</u>	<u>306</u>	<u>273</u>		
Total					508	709	903	1,737		
<u>Less</u> Allowance for impairment					<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>		
Investments in associates, net					<u><u>506</u></u>	<u><u>707</u></u>	<u><u>903</u></u>	<u><u>1,737</u></u>		

* The Bank has only significantly influenced but not control.

Million Baht

Company	Type of Business	Type of Shares	THE BANK		Investment	
			Direct and Indirect Shareholding (%)		(Cost Method)	
			September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Subsidiaries						
BBL (Cayman) Limited	Finance	Common share	100.00	100.00	2	2
Bangkok Bank Berhad	Banking	Common share	100.00	100.00	9,261	9,261
Sinnsuptawee Asset Management Co., Ltd.	Asset Management	Common share	100.00	100.00	2,500	2,500
Bangkok Bank (China) Co., Ltd.	Banking	Common share	100.00	100.00	19,585	19,585
Bualuang Ventures Limited	Venture Capital	Common share	100.00	100.00	1,500	1,500
	Company					
PT Bank Permata Tbk	Banking	Common share	98.71	-	81,466	-
Bualuang Securities PCL.	Securities	Common share	99.91	99.91	4,772	4,772
BSL Leasing Co., Ltd.	Finance	Common share	90.00	-	1,365	-
BBL Asset Management Co., Ltd.	Finance	Common share	75.00	75.00	183	183
Associates						
Thai Payment Network Co., Ltd.*	Service	Common share	69.08	69.08	362	362
BSL Leasing Co., Ltd.	Finance	Common share	-	35.88	-	201
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118
National ITMX Co., Ltd.	Service	Common share	14.26	14.26	13	13
Total					121,142	38,512
<u>Less</u> Allowance for impairment					(97)	(97)
Investments in subsidiaries and associates, net					<u>121,045</u>	<u>38,415</u>

The Acquisition of PT Bank Permata Tbk

On May 20, 2020, the Bank acquired PT Bank Permata Tbk ("Permata") from Standard Chartered Bank ("Standard Chartered") and PT Astra International Tbk ("Astra") representing 89.12% of the total issued and paid up shares in Permata ("Transaction") at price of IDR 1,346.97 per share (approximately THB 2.95 or USD 0.09 per share). The transaction value for the acquisition of 89.12% of the total shares in Permata is IDR 33,662,797 million (approximately THB 73,722 million or USD 2,282 million).

In accordance with applicable laws and regulations of Indonesia, the Bank is then required to conduct a mandatory tender offer ("MTO") for the remaining shares in Permata (representing approximately 10.88% of the total issued and paid-up shares in Permata held by minority shareholders). On October 7, 2020, the Bank has completed MTO with total payment of 2,970,419,446 shares in Permata, representing 10.59% of the total issued and paid-up shares in Permata. The MTO is determined "a linked transaction" which is accounted for as

* The Bank has only significantly influenced but not control.

a single business combination as if all ownership interests were acquired at the acquisition date. Since the Bank has completed MTO then the adjustment is made to reflect the actual percentage acquired.

In addition, according to applicable laws and regulations of Indonesia a commercial bank in Indonesia with shares listed on the Indonesia Stock Exchange must have at least 1% shares held by an Indonesian citizen and/or legal entity. Thus on October 6, 2020, the Bank has sold 280,427,394 shares in Permata, representing 1% of total issued and paid-up shares in Permata to an Indonesian entity.

Therefore as of September 30, 2020, the Bank owns 27,681,421,884 shares in Permata, representing 98.71% of total issued and paid-up shares in Permata.

The assets and liabilities are recognized as of the acquisition date in the consolidated financial statement as a result of the acquisition after MTO are as follows :

	Million Baht Provisional Fair Value
Assets	
Cash	4,640
Interbank and money market items, net	69,227
Financial assets measured at fair value through profit and loss	1,617
Derivatives assets	1,020
Investment, net	43,733
Loans to customers and accrued interest receivables, net	227,260
Properties for sale, net	799
Premises and equipment, net	6,205
Others	10,805
Total Assets	365,306
Liabilities	
Deposits	299,893
Interbank and money market items	4,348
Liability payable on demand	733
Derivatives liabilities	403
Debt issued and borrowings	3,469
Others	5,125
Total Liabilities	313,971
Net identifiable assets acquired	51,335
<u>Less</u> Non-controlling interests	(661)
<u>Add</u> Goodwill	30,907
Cash paid	81,581

In this regard, Otoritas Jasa Keuangan - OJK has approved in principle to have the Bank's branches in Indonesia to be integrated into PT Bank Permata Tbk according to the Bank's business plan. The Bank is in the process of preparing a detailed action plan for approval from various authorities in accordance with the law and regulations of Indonesia.

The additional investments in BSL Leasing Co., Ltd.

On September 17, 2020 the Bank additionally purchased the issued 541,249 common shares representing 54.12% shareholding in BSL Leasing Co., Ltd. at the amount of Baht 1,165 million. This results in an increase of the Bank's shareholding to be 90% and BSL Leasing Co.,Ltd. is changed from the associated company to be the subsidiary company. The net identifiable assets acquired and liabilities assumed and non-controlling interests are recognized in the consolidated financial statement as of acquisition date amounting to Baht 2,152 million and Baht 215 million, respectively.

The acquisition of Permata and additional investments in BSL Leasing Co., Ltd.

The Bank is in the process to complete the accounting for a business combination which is allowed by Thai Financial Reporting Standard No. 3 Business Combinations for a maximum of one year after the acquisition date. As a result, the financial statements are currently prepared using the provisional amounts for the items for which their fair value is in the process of final review. Once the fair value and other related calculation is finalized, such provisional amount including goodwill would be adjusted accordingly.

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

	Million Baht	
	FOR THE THREE-MONTH PERIODS ENDED	
	September 30, 2020	September 30, 2019
Net profit	139	31
Total comprehensive income	139	31

	Million Baht	
	FOR THE NINE-MONTH PERIODS ENDED	
	September 30, 2020	September 30, 2019
Net profit	405	498
Total comprehensive income	405	498

6.5 Loans to customers and accrued interest receivables, net

6.5.1 Classified by product type as at September 30, 2020 and December 31, 2019 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Overdrafts	106,215	103,798	84,382	103,048
Loans	1,852,178	1,545,217	1,610,245	1,493,427
Bills	399,884	410,616	391,955	404,930
Hire Purchase Receivable	4,012	-	-	-
Finance Lease Receivable	1,099	-	-	-
Others	<u>3,908</u>	<u>1,678</u>	<u>1,803</u>	<u>1,678</u>
Loans to customers	2,367,296	2,061,309	2,088,385	2,003,083
<u>Add</u> Accrued interest receivables and undue interest receivables	<u>7,560</u>	<u>4,013</u>	<u>6,142</u>	<u>3,894</u>
Loans to customers and accrued interest receivables	2,374,856	2,065,322	2,094,527	2,006,977
<u>Less</u> Allowance for expected credit loss	(183,185)	-	(168,465)	-
<u>Less</u> Allowance for doubtful accounts and revaluation allowance for debt restructuring	<u>-</u>	<u>(174,276)</u>	<u>-</u>	<u>(170,255)</u>
Total loans to customers and accrued interest receivables, net	<u><u>2,191,671</u></u>	<u><u>1,891,046</u></u>	<u><u>1,926,062</u></u>	<u><u>1,836,722</u></u>

6.5.2 Classified by business type as at September 30, 2020 and December 31, 2019 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Agriculture and mining	77,338	61,569	61,161	59,421
Manufacturing and commercial	828,942	755,979	716,914	729,176
Real estate and construction	215,048	200,736	186,888	192,628
Utilities and services	545,764	470,159	506,366	460,719
Housing loans	296,202	251,197	256,352	251,179
Others	<u>404,002</u>	<u>321,669</u>	<u>360,704</u>	<u>309,960</u>
Total	<u><u>2,367,296</u></u>	<u><u>2,061,309</u></u>	<u><u>2,088,385</u></u>	<u><u>2,003,083</u></u>

6.5.3 Classified as at September 30, 2020 and December 31, 2019 :

	Million Baht	
	Loans and Interbank and Money Market items CONSOLIDATED	THE BANK
	September 30, 2020	September 30, 2020
Performing and Under-performing	2,791,328	2,427,710
Non-performing	107,743	94,244
Total	<u>2,899,071</u>	<u>2,521,954</u>

	Million Baht	
	Loans and Interbank and Money Market items CONSOLIDATED	THE BANK
	December 31, 2019	December 31, 2019
Normal	2,387,864	2,301,309
Special mentioned	67,457	67,018
Substandard	9,726	9,726
Doubtful	14,522	13,960
Doubtful of loss	54,901	54,407
Total	<u>2,534,470</u>	<u>2,446,420</u>

The consolidated and the Bank's financial statements as at September 30, 2020, impaired loans with restructured loans amounted to Baht 47,736 million and Baht 43,701 million, respectively.

The consolidated and the Bank's financial statements as at December 31, 2019, impaired loans with restructured loans amounted to Baht 44,715 million.

6.5.4 As at September 30, 2020 and December 31, 2019, the Bank and subsidiaries had non-performing loans (NPLs), including interbank and money market items but excluding accrued interest receivable, as follows:

	Million Baht			
	CONSOLIDATED		THE BANK	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
NPLs before allowance for expected credit loss	107,743	79,149	94,244	78,093
NPLs as percentage of total loans	4.09	3.39	4.02	3.44
Net NPLs after allowance for expected credit loss	36,292	28,368	31,987	28,203
Net NPLs as percentage of net total loans	1.48	1.24	1.47	1.27

6.6 Financial liabilities measured at fair value through profit or loss

As at September 30, 2020, the Bank had financial liabilities measured at fair value through profit or loss. It is a financial liability that is determined to be measured at fair value through profit or loss amounting to Baht 20,024 million. The cumulative effect of changes in fair value resulting from changes in credit risk recognized in other comprehensive income amounting to Baht 1,368 million, and the difference between the book value and the contract value that must be paid when due amounting to Baht 5,777 million.

The subsidiary had financial liabilities measured at fair value through profit or loss is a trading financial liability of Baht 271 million.

6.7 Subordinated notes

On September 23, 2020, the Bank issued and offered USD 750 million of subordinated notes qualified to be included in Additional Tier 1 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof, perpetual securities and have no fixed redemption date, provided that the Bank may redeem after 5 years from the Issue Date pursuant to its early redemption rights as set out in the terms and conditions, at initial distribution rate of 5% p.a. for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007. The Bank received net proceeds from the sale of subordinated notes amounting to USD 750 million, which the BOT had approved to include in Additional Tier 1 capital on September 23, 2020.

6.8 Share capital

The Bank's share capital consists of :

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

As at September 30, 2020 and December 31, 2019, the Bank had registered share capital of Baht 40,000,000,000 divided into common shares and preferred shares totaling 4,000,000,000 shares, with par value of Baht 10 each, details of which are as follows :

Type	Number of Registered Shares	
	September 30, 2020	December 31, 2019
Common shares	3,998,345,000	3,998,345,000
Class A preferred shares	655,000	655,000
Class B preferred shares	<u>1,000,000</u>	<u>1,000,000</u>
Total	<u>4,000,000,000</u>	<u>4,000,000,000</u>

As at September 30, 2020 and December 31, 2019, the Bank had 1,908,842,894 issued common shares and 2,039,502,106 unissued common shares and 655,000 Class A unissued preferred shares and 1,000,000 Class B unissued preferred shares. In relation to the allocation of the unissued common shares, the Bank will follow the resolutions of the 12th ordinary shareholders' meeting convened on April 12, 2005, as per the following details :

1. Allocation of 1,339,502,106 common shares as follows :
 - 1.1) Allocation of 459,502,106 common shares for offer and sale to the general public, including the existing shareholders and the beneficial owners of the shares held by custodian or by any other similar arrangements.
 - 1.2) Allocation of 440,000,000 common shares for offer and sale to institutional investors or investors with specific characteristics prescribed in the Notification of the Securities and Exchange Commission.
 - 1.3) Allocation of 440,000,000 common shares for offer and sale to the existing shareholders and the beneficial owners of the common shares in proportion to their shareholdings.
2. Allocation of 50,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds issued by the Bank and offered for sale in 1999 as part of the Capital Augmented Preferred Securities (CAPS).
3. Allocation of 500,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds and/or convertible bonds that may further be issued in the future by the Bank.
4. Allocation of 200,000,000 common shares to be reserved for the exercise of right to purchase common shares by holders of warrants that may further be issued in the future by the Bank.
5. Allocation of 655,000 Class A preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds.
6. Allocation of 1,000,000 Class B preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds and/or unsubordinated bonds and/or subordinated convertible bonds and/or convertible bonds.

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

6.9 The appropriation of the profit and the dividend payments

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

- The appropriation as legal reserve and as other reserves amounting to Baht 1,000 million and Baht 5,000 million, respectively, with the amount to be appropriated for the period of January - June 2018 amounting to Baht 500 million as legal reserve and Baht 5,000 million as other reserves (all of which had already been appropriated as stated in the financial statements for the year ended December 31, 2018), and the amount to be appropriated for the period of July - December 2018 amounting to Baht 500 million as legal reserve.

- The payment of dividend at the rate of Baht 6.50 per common share, totaling Baht 12,086 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,716 million on September 28, 2018, and the remaining amount will be paid on May 10, 2019 at the rate of Baht 4.50 per share amounting to Baht 8,370 million.

The Bank already paid dividend according to the above-mentioned resolution on May 10, 2019.

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

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

The Bank already paid dividend according to the above-mentioned resolution on September 20, 2019.

On February 23, 2020, the Meeting of Board of Director approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2019 as follows :

- The appropriation as legal reserve and as other reserves amounting to Baht 1,000 million and Baht 5,000 million, respectively, with the amount to be appropriated for the period of January - June 2019 amounting to Baht 500 million as legal reserve and Baht 5,000 million as other reserves (all of which had already been appropriated as stated in the financial statements for the year ended December 31, 2019), and the amount to be appropriated for the period of July - December 2019 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 7.00 per common share, totaling Baht 13,266 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,722 million on September 20, 2019, and the remaining amount will be paid on April 30, 2020 at the rate of Baht 5.00 per share amounting to Baht 9,544 million.

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

The Bank already paid dividend according to the above-mentioned resolution on April 30, 2020.

On August 27, 2020, the meeting of the Board of Directors of the Bank No. 9/2020 approved the resolutions regarding the appropriation of the profit of interim as follows :

- The appropriation as legal reserve and as other reserves for the period of January - June 2020 amounting to Baht 500 million and Baht 5,000 million, respectively.

6.10 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 allowance for expected credit loss / allowance for impairment, as at September 30, 2020 and December 31, 2019 amounted to Baht 3,128 million and Baht 26,597 million, respectively.

6.11 Contingent liabilities

As at September 30, 2020 and December 31, 2019, the Bank and subsidiaries had contingent liabilities as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Avals to bills	6,138	7,598	6,138	7,598
Guarantees of loans	34,319	27,513	22,514	18,907
Liability under unmatured import bills	19,532	17,745	15,575	15,045
Letters of credit	33,144	22,116	29,616	21,189
Other commitments				
Underwriting commitment	11,228	-	-	-
Amount of unused bank overdraft	211,063	165,562	175,436	164,845
Other guarantees	247,593	247,490	234,607	245,045
Others	213,922	137,867	207,689	140,385
Total	<u><u>776,939</u></u>	<u><u>625,891</u></u>	<u><u>691,575</u></u>	<u><u>613,014</u></u>

6.12 Litigation

As at September 30, 2020 and December 31, 2019, a number of civil proceedings have been brought against the Bank and subsidiaries in the ordinary course of business. The Bank and subsidiaries believe that such proceedings, when resolved, will not materially affect the Bank and subsidiaries's financial position and result of operations.

6.13 Related party transactions

As at September 30, 2020 and December 31, 2019, related parties of the Bank consisted of subsidiaries, associates, key management personnel that are directors, executives at the level of executive vice president

and higher or equal, any parties related to key management personnel, including the entities in which key management personnel and any parties related which are controlled or significantly influenced.

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

	Million Baht			
	CONSOLIDATED		THE BANK	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Placement				
Subsidiaries				
Bangkok Bank Berhad	-	-	1,506	2,116
Bangkok Bank (China) Co., Ltd.	-	-	4	1
Total	<u>-</u>	<u>-</u>	<u>1,510</u>	<u>2,117</u>
Investments				
Subsidiary				
PT Bank Permata Tbk	-	-	220	-
Total	<u>-</u>	<u>-</u>	<u>220</u>	<u>-</u>
Loans				
Subsidiary				
BSL Leasing Co., Ltd.*	-	-	850	-
Associate				
BSL Leasing Co., Ltd.	-	120	-	120
Other related parties	18	54	17	19
Total	<u>18</u>	<u>174</u>	<u>867</u>	<u>139</u>
Allowance for expected credit loss /				
Allowance for doubtful accounts				
Subsidiary				
BSL Leasing Co., Ltd.*	-	-	10	-
Associate				
BSL Leasing Co., Ltd.	-	2	-	2
Total	<u>-</u>	<u>2</u>	<u>10</u>	<u>2</u>
Other assets				
Subsidiaries				
Bangkok Bank Berhad	-	-	8	3
BBL Asset Management Co., Ltd.	-	-	341	382
Bualuang Securities PCL.	-	-	1	1
PT Bank Permata Tbk	-	-	5	-
BSL Leasing Co., Ltd.*	-	-	1	-
Associates				
Processing Center Co., Ltd.	2	17	2	17
Thai Payment Network Co., Ltd.	15	7	15	7
Other related parties	8	6	-	-
Total	<u>25</u>	<u>30</u>	<u>373</u>	<u>410</u>

* On September 17, 2020, BSL Leasing Co., Ltd. is changed from the associated company to be the subsidiary company.

Million Baht

	CONSOLIDATED		THE BANK	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Deposits				
Subsidiaries				
BBL (Cayman) Limited	-	-	772	726
Bangkok Bank Berhad	-	-	118	76
Sinnsuptawee Asset Management Co., Ltd.	-	-	27	14
BBL Asset Management Co., Ltd.	-	-	50	77
Bualuang Securities PCL.	-	-	5,245	113
Bangkok Bank (China) Co., Ltd.	-	-	83	93
Bualuang Ventures Limited	-	-	421	575
Bangkok Capital Asset Management Co., Ltd.*	-	-	68	116
PT Bank Permata Tbk	-	-	1	-
BSL Leasing Co., Ltd.**	-	-	37	-
Associates				
BSL Leasing Co., Ltd.	-	41	-	41
Processing Center Co., Ltd.	73	204	73	204
National ITMX Co., Ltd.	34	88	34	88
Thai Payment Network Co., Ltd.	45	66	45	66
BCI (Thailand) Co., Ltd.	48	53	48	53
Other related parties	8,864	8,572	8,864	8,572
Total	9,064	9,024	15,886	10,814
Borrowings				
Subsidiary				
Bangkok Bank (China) Co., Ltd.	-	-	222	-
Total	-	-	222	-
Other liabilities				
Subsidiaries				
BBL (Cayman) Limited	-	-	1	4
Sinnsuptawee Asset Management Co., Ltd.	-	-	328	328
Bualuang Securities PCL.	-	-	2	1
Bangkok Bank (China) Co., Ltd.	-	-	31	-
Associates				
Processing Center Co., Ltd.	4	1	4	1
National ITMX Co., Ltd.	14	11	14	11
Other related parties	18	31	10	23
Total	36	43	390	368

* Holding by Bualuang Securities PCL.

** On September 17, 2020, BSL Leasing Co., Ltd. is changed from the associated company to be the subsidiary company.

	Million Baht			
	CONSOLIDATED		THE BANK	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Commitments				
Subsidiaries				
Bangkok Bank Berhad	-	-	33	32
Bualuang Securities PCL.	-	-	19	-
Bangkok Bank (China) Co., Ltd.	-	-	2,006	2,064
BSL Leasing Co., Ltd.*	-	-	12	-
Associate				
National ITMX Co., Ltd.	1	-	1	-
Other related parties	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total	<u><u>5</u></u>	<u><u>4</u></u>	<u><u>2,075</u></u>	<u><u>2,100</u></u>

For the nine-month period ended September 30, 2020, the Bank and subsidiaries charged interest at rates between 0.75% and 13.00% on loans to these related parties depending on the types of loans and collateral.

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

In the consolidated and the Bank's financial statements, investments in subsidiaries and associates as at September 30, 2020 and December 31, 2019 are shown in Note 6.4. On December 19, 2019, the Bank sold its investments in equity securities, which is registered in the Stock Exchange of Thailand, to the specific investors and/or the Thai and foreign institutional investors, in accordance with the book building under the overnight placement transaction. In this regard, Bualuang Securities PCL. Purchased the securities with the same price for other investors, by amounting to Baht 2,480 million. As of December 31, 2019, the subsidiary has classified such investments as the trading securities.

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

* On September 17, 2020, BSL Leasing Co., Ltd. is changed from the associated company to be the subsidiary company.

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

	Million Baht			
	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Interest and discount received				
Subsidiaries				
Bangkok Bank Berhad	-	-	3	15
PT Bank Permata Tbk	-	-	7	-
Associate				
BSL Leasing Co., Ltd.	<u>3</u>	<u>1</u>	<u>3</u>	<u>1</u>
Total	<u><u>3</u></u>	<u><u>1</u></u>	<u><u>13</u></u>	<u><u>16</u></u>
Fees and service income				
Subsidiaries				
BBL Asset Management Co., Ltd.	-	-	500	556
Bualuang Securities PCL.	-	-	12	11
Associate				
Processing Center Co., Ltd.	1	2	1	2
Other related parties	<u>16</u>	<u>18</u>	<u>-</u>	<u>-</u>
Total	<u><u>17</u></u>	<u><u>20</u></u>	<u><u>513</u></u>	<u><u>569</u></u>
Dividend income				
Subsidiary				
BBL Asset Management Co., Ltd.	<u>-</u>	<u>-</u>	<u>547</u>	<u>540</u>
Other income				
Subsidiaries				
Bualuang Securities PCL.	-	-	1	4
Bangkok Bank (China) Co., Ltd.	-	-	31	28
Associates				
National ITMX Co., Ltd.	1	1	1	1
Thai Payment Network Co., Ltd.	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	<u><u>4</u></u>	<u><u>4</u></u>	<u><u>36</u></u>	<u><u>36</u></u>
Interest paid				
Subsidiaries				
BBL (Cayman) Limited	-	-	1	4
BBL Asset Management Co., Ltd.	-	-	-	1
Bualuang Securities PCL.	-	-	2	1
Bangkok Bank (China) Co., Ltd.	-	-	-	1
Bualuang Ventures Limited	-	-	-	1
Associate				
Processing Center Co., Ltd.	-	1	-	1
Other related parties	<u>8</u>	<u>18</u>	<u>8</u>	<u>18</u>
Total	<u><u>8</u></u>	<u><u>19</u></u>	<u><u>11</u></u>	<u><u>27</u></u>
Commission paid				
Other related parties	<u>14</u>	<u>16</u>	<u>-</u>	<u>-</u>
Total	<u><u>14</u></u>	<u><u>16</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH		FOR THE THREE-MONTH	
	PERIODS ENDED		PERIODS ENDED	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Other expenses				
Associates				
Processing Center Co., Ltd.	1	1	1	1
National ITMX Co., Ltd.	37	28	37	28
BCI (Thailand) Co., Ltd.	1	1	1	1
Other related parties	37	30	35	28
Total	76	60	74	58

	CONSOLIDATED		THE BANK	
	FOR THE NINE-MONTH		FOR THE NINE-MONTH	
	PERIODS ENDED		PERIODS ENDED	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Interest and discount received				
Subsidiaries				
Bangkok Bank Berhad	-	-	23	78
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	21
Bangkok Bank (China) Co., Ltd.	-	-	1	3
PT Bank Permata Tbk	-	-	9	-
Associate				
BSL Leasing Co., Ltd.	5	3	5	3
Other related parties	-	1	-	1
Total	5	4	38	106

Fees and service income				
Subsidiaries				
Bangkok Bank Berhad	-	-	1	1
BBL Asset Management Co., Ltd.	-	-	1,506	1,652
Bualuang Securities PCL.	-	-	33	22
Associate				
Processing Center Co., Ltd.	3	6	3	6
Other related parties	49	46	-	1
Total	52	52	1,543	1,682

Dividend income				
Subsidiaries				
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	1,000
BBL Asset Management Co., Ltd.	-	-	1,072	1,140
Bualuang Securities PCL.	-	-	540	809
Associates				
BSL Leasing Co., Ltd.	-	18	-	18
Processing Center Co., Ltd.	16	60	16	60
National ITMX Co., Ltd.	25	11	25	11
Total	41	89	1,653	3,038

	CONSOLIDATED		THE BANK	
	FOR THE NINE-MONTH		FOR THE NINE-MONTH	
	PERIODS ENDED		PERIODS ENDED	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Million Baht				
Other income				
Subsidiaries				
Bualuang Securities PCL.	-	-	3	9
Bangkok Bank (China) Co., Ltd.	-	-	94	85
Associates				
National ITMX Co., Ltd.	4	4	4	4
Thai Payment Network Co., Ltd.	8	8	8	8
Total	<u>12</u>	<u>12</u>	<u>109</u>	<u>106</u>
Interest paid				
Subsidiaries				
BBL (Cayman) Limited	-	-	7	14
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	1
BBL Asset Management Co., Ltd.	-	-	1	2
Bualuang Securities PCL.	-	-	3	1
Bangkok Bank (China) Co., Ltd.	-	-	3	7
Bualuang Ventures Limited	-	-	1	2
Associates				
Processing Center Co., Ltd.	1	1	1	1
Thai Payment Network Co., Ltd.	-	1	-	1
Other related parties	36	50	36	50
Total	<u>37</u>	<u>52</u>	<u>52</u>	<u>79</u>
Commission paid				
Other related parties	42	48	-	-
Total	<u>42</u>	<u>48</u>	<u>-</u>	<u>-</u>
Other expenses				
Associates				
Processing Center Co., Ltd.	6	4	6	4
National ITMX Co., Ltd.	101	96	101	96
Thai Payment Network Co., Ltd.	1	1	1	1
BCI (Thailand) Co., Ltd.	2	5	2	5
Other related parties	103	93	94	84
Total	<u>213</u>	<u>199</u>	<u>204</u>	<u>190</u>

6.14 Operating segments

6.14.1 Operating segments

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

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

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

Domestic Banking

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

International Banking

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

Investment Banking

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

Others

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

The operating results of operating segments for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows :

CONSOLIDATED						Million Baht
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020						
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	17,839	7,222	1,796	2,565	(1)	29,421
Total operating expenses before credit losses	<u>(6,412)</u>	<u>(3,542)</u>	<u>(198)</u>	<u>(9,276)</u>	<u>1</u>	<u>(19,427)</u>
Profit from operating before credit losses and income tax expenses	<u>11,427</u>	<u>3,680</u>	<u>1,598</u>	<u>(6,711)</u>	<u>-</u>	<u>9,994</u>

CONSOLIDATED						Million Baht
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019						
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	18,601	3,752	4,118	3,768	-	30,239
Total operating expenses before credit losses	<u>(6,776)</u>	<u>(1,002)</u>	<u>(133)</u>	<u>(4,768)</u>	<u>-</u>	<u>(12,679)</u>
Profit from operating before credit losses and income tax expenses	<u>11,825</u>	<u>2,750</u>	<u>3,985</u>	<u>(1,000)</u>	<u>-</u>	<u>17,560</u>

CONSOLIDATED						Million Baht
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020						
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	54,179	15,815	10,653	7,456	(2)	88,101
Total operating expenses before credit losses	<u>(22,315)</u>	<u>(6,611)</u>	<u>(667)</u>	<u>(16,239)</u>	<u>2</u>	<u>(45,830)</u>
Profit from operating before credit losses and income tax expenses	<u>31,864</u>	<u>9,204</u>	<u>9,986</u>	<u>(8,783)</u>	<u>-</u>	<u>42,271</u>

CONSOLIDATED						Million Baht
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019						
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	56,632	10,956	12,106	10,330	(1)	90,023
Total operating expenses before credit losses	<u>(22,794)</u>	<u>(3,266)</u>	<u>(530)</u>	<u>(12,387)</u>	<u>1</u>	<u>(38,976)</u>
Profit from operating before credit losses and income tax expenses	<u>33,838</u>	<u>7,690</u>	<u>11,576</u>	<u>(2,057)</u>	<u>-</u>	<u>51,047</u>

The financial position of operating segments as at September 30, 2020 and December 31, 2019 are as follows :

	CONSOLIDATED					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total assets						
As at September 30, 2020	1,678,908	1,025,077	1,220,122	212,369	(325,885)	3,810,591
As at December 31, 2019	1,622,097	788,248	1,206,275	148,726	(548,603)	3,216,743

6.14.2 Geographical Segments

The operating results classified by geographical areas for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows :

	CONSOLIDATED						Million Baht
	FOR THE THREE-MONTH PERIODS ENDED						
	September 30, 2020			September 30, 2019			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Total operating income	21,956	7,465	29,421	25,738	4,501	30,239	
Total operating expenses*	(19,228)	(5,867)	(25,095)	(16,203)	(1,857)	(18,060)	
Profit from operating							
before income tax expenses	2,728	1,598	4,326	9,535	2,644	12,179	
Income tax	(483)	271	(212)	(1,984)	(656)	(2,640)	

	CONSOLIDATED						Million Baht
	FOR THE NINE-MONTH PERIODS ENDED						
	September 30, 2020			September 30, 2019			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Total operating income	70,814	17,287	88,101	76,199	13,824	90,023	
Total operating expenses*	(52,816)	(17,007)	(69,823)	(49,333)	(5,652)	(54,985)	
Profit from operating							
before income tax expenses	17,998	280	18,278	26,866	8,172	35,038	
Income tax	(2,406)	(809)	(3,215)	(5,448)	(1,481)	(6,929)	

* Including credit losses.

The financial position classified by geographical areas as at September 30, 2020 and December 31, 2019 are as follows :

	Million Baht					
	CONSOLIDATED					
	September 30, 2020			December 31, 2019		
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total
Non-current assets *	81,647	16,993	98,640	36,036	6,478	42,514
Total assets	2,874,728	935,863	3,810,591	2,679,118	537,625	3,216,743

6.15 Interest income

Interest income for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	Interbank and money market items	1,218	2,342	638
Investments and trading transactions	102	67	43	67
Investment in debt securities	2,973	2,544	2,183	2,364
Loans	24,945	23,480	19,740	22,784
Others	<u>8</u>	<u>38</u>	<u>8</u>	<u>38</u>
Total interest income	<u>29,246</u>	<u>28,471</u>	<u>22,612</u>	<u>27,403</u>

For the three-month period ended September 30, 2020, the Bank and subsidiaries have total interest income on financial assets that are measured at amortized cost and at FVOCI for the consolidated amounting to Baht 26,285 million and Baht 2,859 million, respectively and for the Bank's financial statement amounting to Baht 20,434 million and amounting to Baht 2,135 million, respectively.

	Million Baht			
	CONSOLIDATED FOR THE NINE-MONTH PERIODS ENDED		THE BANK FOR THE NINE-MONTH PERIODS ENDED	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	Interbank and money market items	4,256	7,057	3,153
Investments and trading transactions	209	169	131	169
Investment in debt securities	7,997	7,411	6,572	6,897
Loans	72,540	70,140	63,886	67,971
Others	<u>69</u>	<u>73</u>	<u>69</u>	<u>73</u>
Total interest income	<u>85,071</u>	<u>84,850</u>	<u>73,811</u>	<u>81,455</u>

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

For the nine-month period ended September 30, 2020, the Bank and subsidiaries have total interest income on financial assets that are measured at amortized cost and at FVOCI for the consolidated amounting to Baht 77,199 million and Baht 7,664 million, respectively and for the Bank's financial statement amounting to Baht 67,271 million and amounting to Baht 6,408 million, respectively.

6.16 Interest expenses

Interest expenses for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Deposits	6,106	5,938	3,310	5,570
Interbank and money market items	165	543	145	523
Contributions to the Deposit Protection Agency	1,536	2,496	1,391	2,494
Debt issued				
Bonds and subordinated notes	1,585	1,519	1,492	1,519
Others	<u>2</u>	<u>31</u>	<u>2</u>	<u>31</u>
Total interest expenses	<u>9,394</u>	<u>10,527</u>	<u>6,340</u>	<u>10,137</u>

	Million Baht			
	CONSOLIDATED FOR THE NINE-MONTH PERIODS ENDED		THE BANK FOR THE NINE-MONTH PERIODS ENDED	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Deposits	17,535	17,234	12,852	16,070
Interest on interbank and money market items	768	1,608	695	1,523
Contributions to the Deposit Protection Agency	4,318	7,452	4,109	7,446
Debt issued				
Bonds and subordinated notes	4,658	4,582	4,527	4,582
Others	<u>10</u>	<u>96</u>	<u>10</u>	<u>96</u>
Total interest expenses	<u>27,289</u>	<u>30,972</u>	<u>22,193</u>	<u>29,717</u>

6.17 Net fees and service income

Net fees and service income for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Fees and service income				
Acceptances, aval and guarantees of loans	689	51	506	42
Debit card, credit card and electronic services	3,833	4,673	3,685	4,673
Others	<u>4,009</u>	<u>4,754</u>	<u>2,341</u>	<u>3,439</u>
Total fees and service income	8,531	9,478	6,532	8,154
Fees and service expenses	<u>2,151</u>	<u>2,614</u>	<u>2,051</u>	<u>2,565</u>
Net fees and service income	<u><u>6,380</u></u>	<u><u>6,864</u></u>	<u><u>4,481</u></u>	<u><u>5,589</u></u>

	Million Baht			
	CONSOLIDATED FOR THE NINE-MONTH PERIODS ENDED		THE BANK FOR THE NINE-MONTH PERIODS ENDED	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Fees and service income				
Acceptances, aval and guarantees of loans	1,331	141	1,046	113
Debit card, credit card and electronic services	11,711	14,081	11,513	14,062
Others	<u>12,006</u>	<u>13,982</u>	<u>7,192</u>	<u>10,371</u>
Total fees and service income	25,048	28,204	19,751	24,546
Fees and service expenses	<u>6,693</u>	<u>7,885</u>	<u>6,460</u>	<u>7,734</u>
Net fees and service income	<u><u>18,355</u></u>	<u><u>20,319</u></u>	<u><u>13,291</u></u>	<u><u>16,812</u></u>

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

Expected credit loss / Impairment loss of loans and debt securities for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Expected credit loss				
Loans to customers and accrued				
interest receivables	4,933	-	3,104	-
Others	735	-	808	-
Impairment loss of loans and debt securities	<u>-</u>	<u>5,381</u>	<u>-</u>	<u>5,109</u>
Total Expected credit loss / Impairment loss of loans and debt securities	<u>5,668</u>	<u>5,381</u>	<u>3,912</u>	<u>5,109</u>

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE NINE-MONTH PERIODS ENDED		FOR THE NINE-MONTH PERIODS ENDED	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Expected credit loss				
Loans to customers and accrued				
interest receivables	21,197	-	19,406	-
Others	2,796	-	2,562	-
Impairment loss of loans and debt securities	<u>-</u>	<u>16,009</u>	<u>-</u>	<u>15,641</u>
Total Expected credit loss / Impairment loss of loans and debt securities	<u>23,993</u>	<u>16,009</u>	<u>21,968</u>	<u>15,641</u>

6.19 The Coronavirus Disease 2019 Pandemic (COVID-19)

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

In the classification, the Bank adheres to Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who are affected from the situations that affected Thailand’s economy”. The debt classification which has no credit impairment is a class that does not have a significant increase in credit risk (Stage 1 Performing) immediately after analyzing the status and business of the debtor that the debtor is able to comply with the debt restructuring agreement. As for debt that has credit impairment but still has the potential to operate business, the Bank can classify the debt as a class that does not have a significant increase in credit risk (Stage 1 Performing) if the debtor has made a payment under the new debt restructuring agreement for 3 consecutive months or 3 payment periods, whichever is longer.

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

6.20 Approval of the financial statements

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