

BANGKOK BANK BERHAD
(299740-W)
(Incorporated in Malaysia)

Interim Condensed Audited Financial Statements
31 March 2015

299740 W

**Bangkok Bank Berhad
(Incorporated in Malaysia)**

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**Bangkok Bank Berhad
(Incorporated in Malaysia)**

**Performance review for the financial period ended 31 March 2015 and
commentary on the prospects**

Bangkok Bank Berhad (“BBB”) registered a profit before tax of RM1.5 million for the first quarter of 2015 as compared to a loss of RM2.0 million recorded during the previous corresponding period. The improved earnings was mainly from higher net interest income of RM3.8 million and lower impairment charge.

Gross loans outstanding increased from RM2.91 billion at end of December 2014 to RM3.0 billion in the first quarter of 2015 has been the contributor to the higher net interest income.

Deposits from customers grew marginally from RM3.1 billion at end of December 2014 to RM3.2 billion in the first quarter of 2015. This is the result of the Bank's increased efforts and heightened focus on generating customer deposits to maintain prudent liquidity position and to fund future loan growth.

Net impaired loan ratio has deteriorated to 2.27% at end of March 2015 from 1.73% at end of December 2014 mainly due to newly classified corporate loans during the quarter.

The Bank will continue to grow its core lending business in selected niche areas and focus on maintaining its current liquidity position.

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Interim condensed statements of financial position as at 31 March 2015

	Note	Group		Bank	
		31.3.2015 RM'000	31.12.2014 RM'000	31.3.2015 RM'000	31.12.2014 RM'000
Assets					
Cash and short-term funds		455,624	698,076	455,540	697,994
Deposits and placements					
with banks		20,000	40,000	20,000	40,000
Securities held-for-trading	12	-	49,970	-	49,970
Securities available-for-sale	13	1,151,559	1,117,435	1,151,559	1,117,435
Securities held-to-maturity	14	13	13	13	13
Loans, advances and					
financing	15	2,852,769	2,781,245	2,852,769	2,781,245
Derivative assets		9,902	21,337	9,902	21,337
Other assets	16	23,453	17,969	23,453	17,969
Statutory deposit with Bank					
Negara Malaysia		104,000	89,000	104,000	89,000
Investment in subsidiary		-	-	10	10
Property and equipment	17	141,536	132,674	141,536	132,674
Intangible assets		566	686	566	686
Deferred tax assets		12,392	12,809	12,392	12,809
Total assets		4,771,814	4,961,214	4,771,740	4,961,142
Liabilities and shareholder's equity					
Deposits from customers	18	3,152,371	3,114,986	3,152,371	3,114,986
Deposits and placements of					
banks and other financial					
institutions	19	496,356	958,939	496,356	958,939
Bills and acceptances payable		301,029	72,831	301,029	72,831
Derivative liabilities		7,351	5,282	7,351	5,282
Other liabilities	20	46,472	43,230	46,469	43,227
Total liabilities		4,003,579	4,195,268	4,003,576	4,195,265
Share capital		600,000	600,000	600,000	600,000
Statutory reserve		146,482	146,482	146,472	146,472
Revaluation reserve		(980)	(2,523)	(980)	(2,523)
Retained profits		22,733	21,987	22,672	21,928
Shareholder's equity		768,235	765,946	768,164	765,877
Total liabilities and shareholder's equity		4,771,814	4,961,214	4,771,740	4,961,142
Commitments and contingencies	26	2,892,908	2,898,077	2,892,908	2,898,077

The Interim Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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Interim condensed income statements
For the financial period ended 31 March 2015

	Note	Group		Bank	
		Current Quarter		Cumulative Quarter	
		3 months ended		3 months ended	
		1.1.2015	1.1.2014	1.1.2015	1.1.2014
		to	to	to	to
		31.3.2015	31.3.2014	31.3.2015	31.3.2014
		RM'000	RM'000	RM'000	RM'000
Interest income	21	49,554	37,617	49,554	37,617
Interest expense	22	(29,737)	(21,565)	(29,737)	(21,565)
Net interest income		19,817	16,052	19,817	16,052
Non-interest income	24	3,132	3,692	3,129	3,688
Net income		22,949	19,744	22,946	19,740
Overhead expenses	25	(10,138)	(9,223)	(10,138)	(9,223)
		12,811	10,521	12,808	10,517
Loan impairment charges, net	23	(11,268)	(12,514)	(11,268)	(12,514)
Profit/(loss) before taxation		1,543	(1,993)	1,540	(1,997)
Taxation		(797)	641	(796)	642
Net profit/(loss) for the period		746	(1,352)	744	(1,355)
Earnings/(loss) per share (sen)					
- basic		0.12	(0.34)		
- diluted		0.12	(0.34)		

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Bangkok Bank Berhad
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Interim condensed statements of comprehensive income
For the financial period ended 31 March 2015

	Group		Bank	
	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	1.1.2015	1.1.2014	1.1.2015	1.1.2014
	to	to	to	to
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the period	746	(1,352)	744	(1,355)
Other comprehensive income				
Items that may be reclassified to				
profit or loss subsequently:				
Net gain on securities				
available-for-sale	2,057	338	2,057	338
Income tax relating to				
components of other				
comprehensive income	(514)	(84)	(514)	(84)
Other comprehensive income				
for the period, net of tax	1,543	254	1,543	254
Total comprehensive income/				
(loss) for the period, net of tax	2,289	(1,098)	2,287	(1,101)

The Interim Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Bangkok Bank Berhad
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Interim condensed statements of changes in equity
For the financial period ended 31 March 2015

	<----- Group ----->				
	<---Non-distributable--->			Distributable	
	Share capital	Statutory reserve	Revaluation reserve	retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	400,000	146,482	(2,668)	28,555	572,369
Total comprehensive income/(loss)	-	-	254	(1,352)	(1,098)
At 31 March 2014	<u>400,000</u>	<u>146,482</u>	<u>(2,414)</u>	<u>27,203</u>	<u>571,271</u>
At 1 January 2015	600,000	146,482	(2,523)	21,987	765,946
Total comprehensive income	-	-	1,543	746	2,289
At 31 March 2015	<u>600,000</u>	<u>146,482</u>	<u>(980)</u>	<u>22,733</u>	<u>768,235</u>

The Interim Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Bangkok Bank Berhad
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Interim condensed statements of changes in equity
For the financial period ended 31 March 2015

	<----- Bank ----->				
	<---Non-distributable--->			Distributable	
	Share capital	Statutory reserve	Revaluation reserve	retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	400,000	146,472	(2,668)	28,510	572,314
Total comprehensive income/(loss)	-	-	254	(1,355)	(1,101)
At 31 March 2014	<u>400,000</u>	<u>146,472</u>	<u>(2,414)</u>	<u>27,155</u>	<u>571,213</u>
At 1 January 2015	600,000	146,472	(2,523)	21,928	765,877
Total comprehensive income	-	-	1,543	744	2,287
At 31 March 2015	<u>600,000</u>	<u>146,472</u>	<u>(980)</u>	<u>22,672</u>	<u>768,164</u>

The Interim Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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Interim condensed statements of cash flows
For the financial period ended 31 March 2015

	Note	Group		Bank	
		1.1.2015 to 31.3.2015 RM'000	1.1.2014 to 31.3.2014 RM'000	1.1.2015 to 31.3.2015 RM'000	1.1.2014 to 31.3.2014 RM'000
Cash flows from operating activities					
Profit/(loss) before tax		1,543	(1,993)	1,540	(1,997)
Adjustments for:					
Depreciation	25	567	438	567	438
Amortisation of intangible assets	25	121	124	121	124
Allowance for losses on loans, advances and financing, net	23	11,277	12,533	11,277	12,533
Write back of impairment losses of securities held-to-maturity	24	(3)	(36)	(3)	(36)
Unrealised loss/(gain) on foreign exchange forward contracts	24	13,504	(769)	13,504	(769)
Net loss/(gain) on revaluation of securities held-for-trading	24	2	(59)	2	(59)
Net gain on sale of securities held-for-trading	24	(40)	(35)	(40)	(35)
Net gain on sale of securities available-for-sale	24	(214)	-	(214)	-
Amortisation of premium net of accretion of discount	21	(2,389)	175	(2,389)	175
Gross dividend from securities available-for-sale	24	-	(55)	-	(55)
Operating profit before working capital changes		24,368	10,323	24,365	10,319

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Interim condensed statements of cash flows
For the financial period ended 31 March 2015

	Group		Bank	
	1.1.2015 to 31.3.2015 RM'000	1.1.2014 to 31.3.2014 RM'000	1.1.2015 to 31.3.2015 RM'000	1.1.2014 to 31.3.2014 RM'000
Cash flows from operating activities (cont'd.)				
Balance carried forward	24,368	10,323	24,365	10,319
Increase in loans, advances and financing	(82,801)	(54,897)	(82,801)	(54,897)
Increase in other assets	(4,265)	(1,483)	(4,265)	(1,483)
(Increase)/decrease in statutory deposit with Bank Negara Malaysia	(15,000)	1,000	(15,000)	1,000
Increase in deposits from customer	37,385	254,146	37,385	254,146
Decrease in deposits and placements of banks and other financial institutions	(462,583)	(59,455)	(462,583)	(59,455)
Increase in bills and acceptances payable	228,198	74,745	228,198	74,745
Increase in other liabilities	3,242	3,359	3,242	3,359
Cash (used in)/generated from operations	(271,456)	227,738	(271,459)	227,734
Taxes paid	(2,114)	(2,481)	(2,113)	(2,480)
Taxes refunded	-	3,195	-	3,195
Net cash (used in)/generated from operating activities	(273,570)	228,452	(273,572)	228,449
Cash flows from investing activities				
Purchase of property and equipment	(9,430)	(26,751)	(9,430)	(26,751)
Purchase of securities held-for-trading	(40,053)	(59,980)	(40,053)	(59,980)
Purchase of securities available-for-sale	(1,239,215)	(119,648)	(1,239,215)	(119,648)
Proceeds from sale of securities held-for-trading	90,093	69,876	90,093	69,876
Proceeds from sale of securities available-for-sale	69,720	-	69,720	-
Proceeds from maturity of securities available-for-sale	1,140,000	30,000	1,140,000	30,000
Proceeds from maturity of securities held-to-maturity	3	36	3	36
Dividend received	-	55	-	55
Net cash generated from/(used in) investing activities	11,118	(106,412)	11,118	(106,412)

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Interim condensed statements of cash flows
For the financial period ended 31 March 2015 (cont'd.)

	Group		Bank	
	1.1.2015 to 31.3.2015 RM'000	1.1.2014 to 31.3.2014 RM'000	1.1.2015 to 31.3.2015 RM'000	1.1.2014 to 31.3.2014 RM'000
Net (decrease)/increase in cash and cash equivalents	(262,452)	122,040	(262,454)	122,037
Cash and cash equivalents at beginning of financial period	738,076	295,570	737,994	295,502
Cash and cash equivalents at end of financial period	<u>475,624</u>	<u>417,610</u>	<u>475,540</u>	<u>417,539</u>
Cash and cash equivalents comprise:				
Cash and short-term funds	455,624	317,610	455,540	317,539
Deposits and placements with banks	20,000	100,000	20,000	100,000
	<u>475,624</u>	<u>417,610</u>	<u>475,540</u>	<u>417,539</u>

The Interim Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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Notes to the interim condensed financial statements - 31 March 2015

1. Corporate information

The principal activities of Bangkok Bank Berhad ("the Bank") are banking and related financial services. The principal activity of its subsidiary is provision of nominees services to local clients of the Bank. There have been no significant changes in the nature of the principal activities during the financial period.

The Bank is a public limited liability licensed bank, incorporated and domiciled in Malaysia. The principal place of business of the Bank is located at 105, Jalan Tun H.S. Lee, 50000 Kuala Lumpur.

The Bank is a wholly-owned subsidiary of its holding company, Bangkok Bank Public Company Limited, a bank incorporated in Thailand.

2. Basis of preparation of the financial statements

2.1 Basis of preparation

The interim condensed financial statements have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair value: securities held-for-trading, securities available-for-sale and derivatives.

The interim condensed financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"). These interim condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2014.

2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments and improvements to Malaysian Financial Reporting Standards ("MFRS"):

For the financial period beginning 1 July 2014

Amendments to MFRS 119: *Employee Benefits (Defined Benefit Plans:*

Employee Contributions

Annual Improvements to MFRSs 2010-2012 Cycle

Annual Improvements to MFRSs 2011-2013 Cycle

The adoption of the above amendments and improvements to MFRS did not have any financial impact to the Group and the Bank.

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2. Basis of preparation of the financial statements (cont'd.)

2.3 Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following Standards, Amendments and IC Interpretations have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Bank.

MFRSs, Interpretations and Amendments effective for annual period beginning on or after 1 January 2016

MFRS 14: *Regulatory Deferral Accounts*

Amendments to MFRS 116 and MFRS 138: *Property, Plant and Equipment and Intangible Assets*

Amendments to MFRS 11: *Accounting for Acquisitions Interests of Joint Operations*

Amendments to MFRS 116 and MFRS 141: *Agriculture: Bearer Plants*

Amendments to MFRS 127: *Equity Method in Separate Financial Statements*

Amendments to MFRS 10 and MFRS 128: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2012–2014 Cycle"

MFRSs, Interpretations and amendments effective for annual period beginning on or after 1 January 2017

MFRS 15: *Revenue from Contracts with Customers*

MFRSs, Interpretations and amendments effective for annual period beginning on or after 1 January 2018

MFRS 9: *Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014)*

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2. Basis of preparation of the financial statements (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

The Bank plans to adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are expected to have no significant impact to the financial statements of the Group and the Bank upon their initial application other than MFRS 9.

MFRS 9 replaces MFRS 139 on the classification and measurement of financial assets and financial liabilities as defined in MFRS 139, impairment methodology and hedge accounting.

The Bank is in the midst of analysing the requirements of the standard and its impact.

2.4 Significant accounting judgements and estimates

In the process of applying the Group's and the Bank's accounting policies, management has exercised judgements and estimates in determining the amounts recognised in the financial statements. The most significant uses of judgements and estimates are as follows:

(i) Impairment losses on loans, advances and financing

The Group and the Bank review their individually significant loans, advances and financing at each reporting date to assess whether an impairment loss should be recorded in the income statements. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group and the Bank make judgement about the borrower's financial situation and the net realisable value of collateral. These estimates are based on the assumptions on a number of factors and actual results may differ, resulting in future changes in the allowance.

The Group and the Bank review their remaining loans, advances and financing collectively and estimate probability of default and loss given default based on historical data, parent bank data, rating agencies' data, etc.

The impairment loss on loans, advances and financing is disclosed in more detail in Note 15(vii).

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2. Basis of preparation of the financial statements (cont'd.)

2.4 Significant accounting judgements and estimates (cont'd.)

(ii) Impairment of available-for-sale investments

The Group and the Bank review the debt securities classified as available-for-sale investments at each reporting date to assess whether they are impaired. This requires similar judgement as applied to the individual assessment of loans, advances and financing.

The Group and the Bank also record impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group and the Bank evaluate, among other factors, historical share price movements and duration and audited financial information of the equity investments to assess the extent to which the fair value of an investment is less than its cost, if any.

(iii) Deferred tax assets

Deferred tax assets are recognised in respect of any tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

3. Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the year ended 31 December 2014 was not subject to any qualification.

4. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group and the Bank during the financial period ended 31 March 2015.

5. Comments about seasonal or cyclical factors

The business operations of the Group and the Bank are not materially affected by any seasonal or cyclical factors.

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6. Changes in estimates

There were no significant changes in estimates of amounts reported in prior financial periods that have a material effect on the financial results and position of the Group and the Bank for the financial period ended 31 March 2015.

7. Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the financial period ended 31 March 2015.

8. Subsequent events

There were no material events subsequent to the end of the current period that require disclosure or adjustments to the unaudited interim condensed financial statements.

9. Changes in composition of the group

There were no changes in the composition of the Group during the reporting period.

10. Dividends paid

No dividend was declared or paid during the financial period ended 31 March 2015.

11. Segmental information

As the Group does not have foreign operations, the Group is not required to present separate identifiable geographical segments.

12. Securities held-for-trading

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
In Malaysia:		
At fair value		
Money market instruments:		
Bank Negara Monetary Notes	-	49,970
	<u>-</u>	<u>49,970</u>

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13. Securities available-for-sale

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
In Malaysia:		
At fair value		
Money market instruments:		
Malaysian Government Securities	170,340	149,027
Cagamas Bonds	49,838	49,783
Government Investment Issues	440,607	149,325
Bank Negara Monetary Notes	199,982	378,391
Negotiable Instruments of Deposit	150,000	250,000
Unquoted securities in Malaysia:		
Private debt securities	139,920	140,037
	<u>1,150,687</u>	<u>1,116,563</u>
At cost		
Unquoted securities:		
Shares	872	872
	<u>1,151,559</u>	<u>1,117,435</u>

14. Securities held-to-maturity

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
In Malaysia:		
At amortised cost		
Unquoted securities:		
Private debt securities	13	13
	<u>13</u>	<u>13</u>

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15. Loans, advances and financing

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
At amortised cost		
Overdrafts	175,689	196,349
Term loans		
- Housing loans	4,487	4,749
- Syndicated term loans	46,241	40,588
- Other term loans	901,691	797,758
Revolving credits	647,614	621,273
Bills receivables	12,798	12,054
Trust receipts	164,100	200,177
Bankers' acceptances	1,049,260	1,045,655
Other financing	113	1,100
Staff loans	1,602	1,601
	<u>3,003,595</u>	<u>2,921,304</u>
Unearned interest	(7,605)	(8,115)
Gross loans, advances and financing	<u>2,995,990</u>	<u>2,913,189</u>
Less: Allowance for impaired loans, advances and financing		
- Individual impairment allowance	(73,689)	(66,739)
- Collective impairment allowance	(69,532)	(65,205)
Net loans, advances and financing	<u>2,852,769</u>	<u>2,781,245</u>

(i) The maturity structure of gross loans, advances and financing are as follows:

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
Maturing within one year	2,116,084	2,140,563
One year to three years	66,039	35,057
Three years to five years	372,866	394,414
Over five years	441,001	343,155
	<u>2,995,990</u>	<u>2,913,189</u>

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15. Loans, advances and financing (cont'd.)

(ii) Gross loans, advances and financing according to purpose are as follows:

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
Purchase of transport vehicles	575	507
Purchase of residential properties	6,665	7,021
Purchase of non-residential properties	88,378	75,010
Purchase of fixed assets other than land and building	36,141	38,701
Personal use	16,020	15,425
Construction	281,329	230,045
Mergers and acquisitions	58,142	64,243
Working capital	2,246,820	2,273,448
Others	261,920	208,789
	<u>2,995,990</u>	<u>2,913,189</u>

(iii) Gross loans, advances and financing according to type of customer are as follows:

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
Domestic non-bank financial institutions	312,388	308,900
Domestic business enterprises		
- Small medium enterprises	742,333	754,463
- Others	1,892,052	1,809,449
Individuals	49,217	40,377
	<u>2,995,990</u>	<u>2,913,189</u>

(iv) Gross loans, advances and financing according to interest/profit rate sensitivity are as follows:

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
Variable rate		
- Based lending rate plus	535,716	541,150
- Cost plus	2,343,344	2,207,055
- Other variable rates	116,930	164,984
	<u>2,995,990</u>	<u>2,913,189</u>

(v) All loans, advances and financing of the Group and of the Bank are to customers in Malaysia.

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15. Loans, advances and financing (cont'd.)

(vi) Movements in impaired loans, advances and financing are as follows:

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
Balance as at 1 January	116,032	27,485
Classified as impaired during the period/year	27,792	102,751
Reclassified as non-impaired during the period/year	(5)	(535)
Amount recovered	(3,720)	(8,605)
Amount written off	-	(5,064)
Balance as at end of period/year	<u>140,099</u>	<u>116,032</u>
Individual impairment allowance	<u>(73,689)</u>	<u>(66,739)</u>
Net impaired loans, advances and financing	<u>66,410</u>	<u>49,293</u>
Ratio of net impaired loans, advances and financing to gross loans, advances and financing less individual impairment allowance	<u>2.27%</u>	<u>1.73%</u>

(vii) Movements in the impairment allowances are as follows:

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
Individual impairment allowance		
Balance as at 1 January	66,739	20,882
Allowance made during the period/year (Note 23)	7,072	52,259
Amount written back (Note 23)	(122)	(1,337)
Amount written off	-	(5,065)
Balance as at end of period/year	<u>73,689</u>	<u>66,739</u>
Collective impairment allowance		
Balance as at 1 January	65,205	63,282
Allowance made during the year period/year (Note 23)	4,327	1,923
Balance as at end of period/year	<u>69,532</u>	<u>65,205</u>
Collective impairment allowance as % of gross loans, advances and financing less individual impairment allowance	<u>2.38%</u>	<u>2.29%</u>

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15. Loans, advances and financing (cont'd.)

(vii) Movements in the impairment allowances (cont'd.)

The Bank performs individual impairment assessment based on certain obligatory and judgemental triggers that may indicate potential impairment. Loans and overdrafts are classified as impaired when repayments are in arrears for three (3) months or more from the first day of default. Trade bills, bankers acceptances and trust receipts are classified as impaired when they are due and unpaid for three (3) months from the first day of default. All impaired accounts are selected for individual impairment review on a quarterly basis. The Bank also performs quarterly individual impairment reviews for:

- Special Mention accounts that are in arrears between 1 to 3 months, whether or not there had been any rescheduling or restructuring of payment terms; and
- Watchlist accounts that had been monitored as Special Mention accounts for more than 3 times in the last 6 months.

(viii) Impaired loans, advances and financing according to purpose are as follows:

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
Purchase of residential properties	1,845	2,095
Construction	13,388	-
Working capital	124,866	113,937
Others	-	-
	<u>140,099</u>	<u>116,032</u>

All impaired loan, advances and financing of the Bank are attributable to customers in Malaysia.

16. Other assets

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
Other receivables, deposits and prepayments	11,889	7,624
Tax recoverable	11,564	10,345
	<u>23,453</u>	<u>17,969</u>

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17. Property and equipment

During the three-month period ended 31 March 2015, the Group and the Bank acquired assets with a cost of RM9,429,700 (31.12.2014: RM55,794,000).

18. Deposits from customers

(i) By type of deposit

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
Fixed deposits	1,895,571	1,930,764
Negotiable instruments of deposits	650,000	640,000
Current accounts	221,066	215,217
Savings deposits	12,215	12,520
Short-term deposits	373,519	316,485
	<u>3,152,371</u>	<u>3,114,986</u>

(ii) The maturity structure of fixed deposits, negotiable instruments of deposits and short-term deposits is as follows:

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
Due within six months	2,771,761	2,766,006
Six months to one year	130,014	104,420
One year to three years	15,824	15,613
Over three years	1,491	1,210
	<u>2,919,090</u>	<u>2,887,249</u>

(iii) The deposits are sourced from the following customers:

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
Domestic financial institutions	550,000	540,000
Government	100,000	100,000
Business enterprises	2,204,237	2,127,859
Individuals	298,134	345,052
Others	-	2,075
	<u>3,152,371</u>	<u>3,114,986</u>

(iv) All the deposits from customers are unsecured.

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19. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31.3.2015	31.12.2014
	RM'000	RM'000
Licensed banks	496,244	957,843
Other financial institutions	112	1,096
	<u>496,356</u>	<u>958,939</u>

All the deposits and placements of banks and other financial institutions are unsecured.

20. Other liabilities

	Group		Bank	
	31.3.2015	31.12.2014	31.3.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Accruals	3,631	2,224	3,631	2,224
Interest payables	12,716	16,302	12,716	16,302
Other payables	30,125	24,704	30,122	24,704
	<u>46,472</u>	<u>43,230</u>	<u>46,469</u>	<u>43,230</u>

21. Interest income

	Group and Bank	
	Individual and Cumulative Quarter	
	3 months ended	
	1.1.2015	1.1.2014
	to	to
	31.3.2015	31.3.2014
	RM'000	RM'000
Interest income from loans, advances and financing		
- Interest income other than recoveries from impaired loans	35,062	29,714
- Interest income from impaired loans	1,082	350
Deposits and placements with banks and other financial institutions	4,917	2,368
Securities held-for-trading	-	30
Securities available-for-sale	6,104	4,898
Securities held-to-maturity	-	432
	<u>47,165</u>	<u>37,792</u>
Amortisation of premium net of accretion of discount		
- Securities held-for-trading	32	(1)
- Securities available-for-sale	2,357	(148)
- Securities held-to-maturity	-	(26)
	<u>49,554</u>	<u>37,617</u>

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22. Interest expense

	Group and Bank Individual and Cumulative Quarter 3 months ended	
	1.1.2015 to 31.3.2015 RM'000	1.1.2014 to 31.3.2014 RM'000
Deposits from customers	25,578	19,467
Deposits and placements of banks and other financial institutions	4,159	2,098
	<u>29,737</u>	<u>21,565</u>

23. Loan impairment charges, net

	Group and Bank Individual and Cumulative Quarter 3 months ended	
	1.1.2015 to 31.3.2015 RM'000	1.1.2014 to 31.3.2014 RM'000
Allowance for/(write-back of) impaired loans, advances and financing.		
Individual impairment:		
- made during the financial year (Note 15(vii))	7,072	17,554
- written back (Note 15(vii))	(122)	(210)
Collective impairment, net (Note 15(vii))	4,327	(4,811)
Impaired loans, advances and financing recovered	(9)	(19)
	<u>11,268</u>	<u>12,514</u>

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24. Non-interest income

	Group		Bank	
	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	1.1.2015 to 31.3.2015 RM'000	1.1.2014 to 31.3.2014 RM'000	1.1.2015 to 31.3.2015 RM'000	1.1.2014 to 31.3.2014 RM'000
Fee income:				
Commission	979	1,245	976	1,241
Service charges and fees	612	383	612	383
Guarantee fees	417	586	417	586
	<u>2,008</u>	<u>2,214</u>	<u>2,005</u>	<u>2,210</u>
Investment income:				
Net gain on sale of investments:				
- Securities held-for-trading	40	35	40	35
- Securities available-for-sale	214	-	214	-
Net (loss)/gain on revaluation of securities held-for-trading	(2)	59	(2)	59
Write-back of devaluation of securities held-to-maturity	3	36	3	36
Gross dividend from securities available-for-sale	-	55	-	55
	<u>255</u>	<u>185</u>	<u>255</u>	<u>185</u>
Foreign exchange gain	14,281	408	14,281	408
Unrealised (loss)/gain on foreign exchange forward contracts	(13,504)	769	(13,504)	769
Rental income	84	109	84	109
Others	8	7	8	7
	<u>869</u>	<u>1,293</u>	<u>869</u>	<u>1,293</u>
	<u>3,132</u>	<u>3,692</u>	<u>3,129</u>	<u>3,688</u>

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25. Overhead expenses

	Group and Bank Cumulative Quarter 3 months ended	
	1.1.2015 to 31.3.2015 RM'000	1.1.2014 to 31.3.2014 RM'000
Personnel costs		
Salaries, allowances and bonuses	5,293	5,020
Defined Contribution Plan		
- Employees Provident Fund	809	740
Others	734	572
	<u>6,836</u>	<u>6,332</u>
Establishment costs		
Depreciation	567	438
Amortisation of intangible assets	121	124
Repair and maintenance	175	155
Computerisation costs	230	185
Rental expenses	215	214
Others	411	412
	<u>1,719</u>	<u>1,528</u>
Marketing costs		
Advertising and publicity	101	86
Others	12	21
	<u>113</u>	<u>107</u>
Administration and general costs		
Communication expenses	287	272
Subscriptions	256	223
Auditors remunerations	103	98
Non-executive directors' remuneration	176	166
Professional fees	178	183
Insurance	63	65
Travelling	101	53
Others	306	196
	<u>1,470</u>	<u>1,256</u>
Total	<u>10,138</u>	<u>9,223</u>

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26. Commitments and contingencies

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The Group and the Bank do not enter into repo-style transactions and credit derivative contracts booked in its trading and banking books. The involvement of the Group and the Bank in derivatives are only restricted to foreign forward exchange contracts and interest rate swaps.

Risk weighted exposures of the Group and the Bank as at the reporting date are as below:

Group and Bank	Principal Amount RM'000	Positive Fair Value Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
31 March 2015				
Direct credit substitutes	4,058	-	4,058	3,398
Transaction-related contingent items	185,383	-	92,692	90,344
Short-term self-liquidating trade-related contingencies	45,128	-	9,026	9,026
Forward foreign exchange contracts				
- less than one year	634,967	9,902	17,590	14,362
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	20,427	-	10,214	10,213
- maturity less than one year	1,938,899	-	387,780	387,197
Any commitment that are unconditionally cancelled at any time without prior notice	64,046	-	-	-
Total	2,892,908	9,902	521,360	514,540

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26. Commitments and contingencies (cont'd.)

Group and Bank	Principal Amount RM'000	Positive Fair Value Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
31 December 2014				
Direct credit substitutes	9,915	-	9,915	9,257
Transaction-related contingent items	188,313	-	94,156	91,536
Short-term self-liquidating trade-related contingencies	66,688	-	13,338	13,033
Forward foreign exchange contracts				
- less than one year	743,742	21,337	29,147	12,486
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	25,462	-	12,731	12,727
- maturity less than one year	1,811,893	-	362,379	361,340
Any commitment that are unconditionally cancelled at any time without prior notice	52,064	-	-	-
Total	2,898,077	21,337	521,666	500,379

The credit equivalent amount and risk-weighted amount are arrived at using the credit conversion factors as defined in Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework: Standardised Approach (Basel II).

27. Fair value hierarchy

The Group and the Bank use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly;

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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27. Fair value hierarchy (cont'd.)

The following table shows the analysis of financial instruments recorded at their fair values by level of hierarchy:

Group and Bank	Note	Level 1	Level 2	Level 3	Total
31 March 2015		RM'000	RM'000	RM'000	RM '000
Securities available					
-for-sale	13				
Money market instruments:					
Malaysian Government					
Securities		-	170,340	-	170,340
Cagamas Bonds		-	49,838	-	49,838
Government Investment Issue		-	440,607	-	440,607
BNM Monetary Notes		-	199,982	-	199,982
Negotiable Instruments of					
Deposit		-	150,000	-	150,000
Unquoted securities in Malaysia:					
Private debt securities		-	139,920	-	139,920
		-	1,150,687	-	1,150,687
<u>Derivatives</u>					
Derivative financial assets					
Unrealised gain on derivatives		-	9,902	-	9,902
Derivative financial liabilities					
Unrealised loss on derivatives		-	(7,351)	-	(7,351)
		-	2,551	-	2,551
Group and Bank					
31 December 2014		Level 1	Level 2	Level 3	Total
		RM'000	RM'000	RM'000	RM'000
<u>Securities held-for</u>					
-trading	12				
Money market instruments:					
BNM Monetary Notes		-	49,970	-	49,970
		-	49,970	-	49,970

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27. Fair value hierarchy (cont'd.)

Group and Bank 31 December 2014 (cont'd.)	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM '000
<u>Securities available-for-sale</u>	13				
Money market instruments:					
Malaysian Government					
Securities		-	149,027	-	149,027
Cagamas Bonds		-	49,783	-	49,783
Government Investment Issue			149,325	-	149,325
BNM Monetary Notes		-	378,391	-	378,391
Negotiable Instruments of Deposit		-	250,000	-	250,000
Unquoted securities in Malaysia:					
Private debt securities		-	140,037	-	140,037
		-	1,116,563	-	1,116,563
<u>Derivatives</u>					
Derivative financial assets					
Unrealised gain on derivatives		-	21,337	-	21,337
Derivative financial liabilities					
Unrealised loss on derivatives		-	(5,282)	-	(5,282)
		-	16,055	-	16,055

Valuation methods and assumptions

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(i) Securities available-for-sale

The fair value of the securities available-for-sale is estimated based on broker/dealer price quotations.

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27. Fair value hierarchy (cont'd.)

Valuation methods and assumptions (cont'd.)

(ii) Derivative financial instruments

Derivative products valued using valuation technique with significant market observable inputs which are mainly interest rate swaps, currency swaps and forward exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.

The models incorporate various inputs including the credit quality of counterparties, foreign exchange and forward rates and interest rate curves.

28. Capital adequacy

- (i) Capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's revised Risk Weighted Capital Adequacy Framework ("RWCAF"): Standardised Approach for Credit Risk and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II).

The implementation of Basel III in Malaysia has commenced with effect from 1 January 2013 under the new Basel III rules released on 28 November 2013 by BNM. Under the new Basel III rules, banking institutions are required to maintain higher minimum quantity and quality of capital but the requirements will be subject to a service of the transitional arrangements and be phased-in over a period of time commencing 2013 and to be fully effective by 2019. BNM is also expected to introduce additional capital buffer requirements which will comprise of capital conservation buffer of 2.5% of total RWA and countercyclical capital buffer ranging between 0% - 2.5% of total RWA. Further guidance on the capital buffer requirements will be announced by BNM before 2016.

- (ii) The capital adequacy ratios of the Bank as at the reporting date, are as follows:

	31.3.2015	31.12.2014
Common equity tier-1 capital ratio	19.76%	19.93%
Total capital ratio	<u>20.97%</u>	<u>21.14%</u>

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28. Capital adequacy (cont'd.)

- (iii) The components of common equity tier-1 and tier-2 capital (excluding deferred tax assets) of the Bank are as follows:

	31.3.2015	31.12.2014
	RM'000	RM'000
Common Equity Tier-1 Capital		
Paid-up share capital	600,000	600,000
Statutory reserve	146,472	146,472
Unrealised losses on available-for-sale financial instruments	(980)	(2,523)
Retained profits	22,672	21,928
Less: Deferred tax assets (excluding those from revaluation reserve)	<u>(12,065)</u>	<u>(11,967)</u>
Total Common Equity Tier-1 Capital	<u>756,099</u>	<u>753,910</u>
Tier-2 Capital		
Collective impairment (only those attributable to non-impaired loans, advances and financing)	<u>46,053</u>	<u>45,542</u>
Total Tier-2 Capital	<u>46,053</u>	<u>45,542</u>
Total capital		
Tier-1 Capital	756,099	753,910
Tier-2 Capital	46,053	45,542
Less: Investment in subsidiary	<u>(10)</u>	<u>(10)</u>
Total Capital	<u>802,142</u>	<u>799,442</u>

- (iv) The breakdown of risk-weighted assets (excluding deferred tax assets) of the Bank in the various categories of risk-weights are as follows:

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28. Capital adequacy (cont'd.)

(iv) The breakdown of risk-weighted assets (excluding deferred tax assets) of the Bank in the various categories of risk-weights are as follows: (cont'd.)

	Principal 31.3.2015 RM'000	Risk- weighted assets 31.3.2015 RM'000	Principal 31.12.2014 RM'000	Risk- weighted assets 31.12.2014 RM'000
0%	1,132,820	-	1,138,892	-
20%	578,608	115,722	798,393	159,679
35%	3,259	1,141	3,365	1,178
50%	34,436	17,218	30,564	15,281
100%	3,498,538	3,498,537	3,396,120	3,396,120
150%	34,426	<u>51,639</u>	47,402	<u>71,103</u>
Total risk-weighted assets for credit risk		3,684,257		3,643,361
Total risk-weighted assets for market risk		7,555		9,277
Total risk-weighted assets for operational risk		<u>133,713</u>		<u>129,484</u>
Total risk-weighted assets		<u><u>3,825,525</u></u>		<u><u>3,782,122</u></u>

29. Significant related party disclosures

Significant transactions between the Group and the Bank and their related parties are as follows:

	Cumulative Quarter Individual and 3 months ended	
	1.1.2015 to 31.3.2015 RM'000	1.1.2014 to 31.3.2014 RM'000
Income		
Interest on advances to the holding company and its branches	-	<u>1</u>

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29. Significant related party disclosures (cont'd.)

	Cumulative Quarter Individual and 3 months ended	
	1.1.2015 to 31.3.2015 RM'000	1.1.2014 to 31.3.2014 RM'000
Expenditure		
Interest on advances from the holding company and its branches	<u>493</u>	<u>343</u>
	Group and Bank	
	31.3.2015 RM'000	31.12.2014 RM'000
Amount due to		
Deposits and placements from the holding company and its branches	<u>324,244</u>	<u>570,872</u>
Amount due from		
Cash and short-term funds placed with the holding company and its branches	<u>4,129</u>	<u>5,580</u>

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

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Statement by directors

We, Chris Chia Woon Liat and Lee Khee Joo @ Lee Ying Chong , being two of the directors of Bangkok Bank Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 2 to 32 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 March 2015 and of the results and the cash flows of the Group and of the Bank for the three-month period then ended.

Signed on behalf of the Board in accordance with a resolution of the directors.

Chris Chia Woon Liat

Lee Khee Joo @ Lee Ying Chong

Kuala Lumpur, Malaysia
15 July 2015