

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

BANGKOK BANK PUBLIC COMPANY LIMITED

REPORT ON AUDIT OF INTERIM FINANCIAL STATEMENTS

We have audited the consolidated financial statements of Bangkok Bank Public Company Limited and subsidiaries and the Bank's financial statements of Bangkok Bank Public Company Limited, which comprise the consolidated and Bank's statements of financial position as at June 30, 2015, and the related consolidated and Bank's statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the six-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these interim financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned consolidated and Bank's financial statements present fairly, in all material respects, the financial position of Bangkok Bank Public Company Limited and subsidiaries and of Bangkok Bank Public Company Limited as at June 30, 2015, and financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statement of profit or loss and other comprehensive income of Bangkok Bank Public Company Limited and subsidiaries and the Bank's statement of profit or loss and other comprehensive income of Bangkok Bank Public Company Limited for the three-month period ended June 30, 2015, and the 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 Financial Reporting Standards. 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 Financial Reporting Standards.

BANGKOK
August 20, 2015

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2015

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
ASSETS					
CASH		47,209,580	59,898,596	47,100,280	59,782,345
INTERBANK AND MONEY MARKET ITEMS, NET	6.2	643,327,391	532,205,093	590,083,639	467,829,801
CLAIMS ON SECURITY		10,156	64,802	-	-
DERIVATIVES ASSETS	6.3	16,556,257	15,941,003	16,401,853	15,669,766
INVESTMENTS, NET	6.4	365,764,689	382,054,379	348,516,564	365,455,991
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.5	1,233,498	1,156,058	33,182,329	33,182,329
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	6.6				
Loans to customers		1,790,262,739	1,782,848,508	1,741,261,823	1,731,042,377
Accrued interest receivables		3,301,870	4,233,232	3,197,273	4,118,775
Total loans to customers and					
accrued interest receivables		1,793,564,609	1,787,081,740	1,744,459,096	1,735,161,152
Less Deferred revenue		(647,073)	(615,678)	(588,473)	(537,521)
Less Allowance for doubtful accounts	6.7	(91,597,334)	(89,411,506)	(88,969,640)	(87,095,271)
Less Revaluation allowance for debt restructuring	6.8	(2,316,853)	(2,513,971)	(2,316,853)	(2,513,971)
Total loans to customers and					
accrued interest receivables, net		1,699,003,349	1,694,540,585	1,652,584,130	1,645,014,389
CUSTOMER'S LIABILITY UNDER ACCEPTANCES		1,721,706	1,852,323	167,111	372,770
PROPERTIES FOR SALE, NET	6.9	15,011,176	16,515,654	10,779,661	11,581,876
PREMISES AND EQUIPMENT, NET	6.10	46,972,886	31,454,587	45,332,442	29,980,362
OTHER INTANGIBLE ASSETS, NET	6.11	552,607	698,464	501,720	643,210
DEFERRED TAX ASSETS	6.12	2,095,134	2,132,488	1,214,913	1,176,208
OTHER ASSETS, NET		22,238,932	21,376,107	16,639,674	17,220,656
TOTAL ASSETS		2,861,697,361	2,759,890,139	2,762,504,316	2,647,909,703

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2015

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS	6.14	2,128,102,456	2,058,778,930	2,069,145,497	1,992,588,427
INTERBANK AND MONEY MARKET ITEMS	6.15	131,454,397	140,048,135	120,387,364	119,818,538
LIABILITY PAYABLE ON DEMAND		9,913,984	9,135,590	9,882,317	9,069,981
LIABILITY TO DELIVER SECURITY		176,368	152,330	-	-
DERIVATIVES LIABILITIES	6.3	21,969,954	17,851,695	21,483,154	17,183,330
DEBT ISSUED AND BORROWINGS	6.16	144,022,430	140,844,779	143,824,018	140,824,104
BANK'S LIABILITY UNDER ACCEPTANCES		1,721,706	1,852,323	167,111	372,770
PROVISIONS	6.20	9,389,787	9,241,494	9,278,800	9,142,816
DEFERRED TAX LIABILITIES	6.12	8,113,000	4,168,735	7,777,523	3,843,828
OTHER LIABILITIES		56,823,425	54,172,542	40,683,854	39,936,999
TOTAL LIABILITIES		<u>2,511,687,507</u>	<u>2,436,246,553</u>	<u>2,422,629,638</u>	<u>2,332,780,793</u>
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
1,655,000 preferred shares of Baht 10 each		<u>16,550</u>	<u>16,550</u>	<u>16,550</u>	<u>16,550</u>
3,998,345,000 common shares of Baht 10 each		<u>39,983,450</u>	<u>39,983,450</u>	<u>39,983,450</u>	<u>39,983,450</u>
Issued and paid-up share capital					
1,908,842,894 common shares of Baht 10 each		19,088,429	19,088,429	19,088,429	19,088,429
PREMIUM ON COMMON SHARES		56,346,232	56,346,232	56,346,232	56,346,232
OTHER RESERVES		60,173,664	43,137,084	59,233,175	42,615,658
RETAINED EARNINGS					
Appropriated	6.24 , 6.25				
Legal reserve		19,500,000	19,000,000	19,500,000	19,000,000
Others		81,500,000	81,500,000	81,500,000	81,500,000
Unappropriated		<u>113,214,519</u>	<u>104,419,537</u>	<u>104,206,842</u>	<u>96,578,591</u>
TOTAL BANK'S EQUITY		<u>349,822,844</u>	<u>323,491,282</u>	<u>339,874,678</u>	<u>315,128,910</u>
NON-CONTROLLING INTEREST		<u>187,010</u>	<u>152,304</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY		<u>350,009,854</u>	<u>323,643,586</u>	<u>339,874,678</u>	<u>315,128,910</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>2,861,697,361</u>	<u>2,759,890,139</u>	<u>2,762,504,316</u>	<u>2,647,909,703</u>

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2015
(Unaudited - Reviewed)

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2015	2014	2015	2014
INTEREST INCOME	6.34	25,809,052	25,795,884	24,561,738	24,491,572
INTEREST EXPENSES	6.35	12,591,257	10,834,046	12,007,265	10,243,916
NET INTEREST INCOME		13,217,795	14,961,838	12,554,473	14,247,656
FEES AND SERVICE INCOME	6.36	7,306,046	7,071,331	6,386,667	6,338,527
FEES AND SERVICE EXPENSES	6.36	1,880,252	1,788,432	1,814,903	1,770,349
NET FEES AND SERVICE INCOME		5,425,794	5,282,899	4,571,764	4,568,178
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS	6.37	1,881,714	1,414,532	1,784,661	1,243,861
GAINS ON INVESTMENTS	6.38	2,261,546	499,822	1,965,146	493,922
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		51,239	47,689	-	-
GAINS ON DISPOSAL OF ASSETS		418,642	546,383	241,134	512,453
DIVIDEND INCOME		1,162,368	1,346,644	1,524,753	1,288,857
OTHER OPERATING INCOME		126,238	145,054	89,835	127,329
TOTAL OPERATING INCOME		24,545,336	24,244,861	22,731,766	22,482,256
OTHER OPERATING EXPENSES					
Employee's expenses		5,986,959	5,468,727	5,450,908	4,981,698
Directors' remuneration		42,356	42,639	37,140	37,350
Premises and equipment expenses		2,503,604	2,883,680	2,334,863	2,723,111
Taxes and duties		847,217	866,315	802,803	833,615
Others		2,208,641	1,699,607	1,978,965	1,550,424
TOTAL OTHER OPERATING EXPENSES		11,588,777	10,960,968	10,604,679	10,126,198
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6.39	2,921,698	2,331,327	2,728,344	2,241,201
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		10,034,861	10,952,566	9,398,743	10,114,857
INCOME TAX EXPENSES	6.40	1,941,910	1,885,314	1,746,986	1,709,392
NET PROFIT		8,092,951	9,067,252	7,651,757	8,405,465
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that may be reclassified subsequently to profit or loss					
Gains on remeasuring available-for-sale investment		2,717,941	7,724,123	2,609,890	7,717,549
Gains (losses) arising from translating the financial statements of foreign operations		1,910,508	(313,931)	885,877	(420,521)
Related income tax		(589,926)	(1,553,239)	(566,645)	(1,550,136)
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus		15,628,505	-	15,505,052	-
Actuarial losses on defined benefit plans		(1,191)	-	(1,191)	-
Related income tax		(3,117,853)	-	(3,100,494)	-
TOTAL OTHER COMPREHENSIVE INCOME		16,547,984	5,856,953	15,332,489	5,746,892
TOTAL COMPREHENSIVE INCOME		24,640,935	14,924,205	22,984,246	14,152,357
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		8,035,326	9,029,216	7,651,757	8,405,465
Non-controlling interest		57,625	38,036	-	-
		8,092,951	9,067,252	7,651,757	8,405,465
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		24,583,284	14,886,071	22,984,246	14,152,357
Non-controlling interest		57,651	38,134	-	-
		24,640,935	14,924,205	22,984,246	14,152,357
BASIC EARNINGS PER SHARE (BAHT)		4.21	4.73	4.01	4.40
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (THOUSAND SHARES)		1,908,843	1,908,843	1,908,843	1,908,843

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvann Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2015	2014	2015	2014
INTEREST INCOME	6.34	52,398,148	51,630,175	49,847,729	48,992,390
INTEREST EXPENSES	6.35	24,945,758	22,601,699	23,753,236	21,413,789
NET INTEREST INCOME		27,452,390	29,028,476	26,094,493	27,578,601
FEES AND SERVICE INCOME	6.36	15,849,536	14,216,707	13,365,862	12,836,988
FEES AND SERVICE EXPENSES	6.36	4,029,681	3,727,760	3,771,922	3,693,057
NET FEES AND SERVICE INCOME		11,819,855	10,488,947	9,593,940	9,143,931
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS	6.37	3,564,995	3,313,039	3,301,123	2,870,405
GAINS ON INVESTMENTS	6.38	3,470,430	984,608	3,171,408	995,157
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		112,589	100,199	-	-
GAINS ON DISPOSAL OF ASSETS		962,565	917,311	533,153	746,350
DIVIDEND INCOME		1,956,194	1,905,196	2,521,200	1,992,627
OTHER OPERATING INCOME		248,629	244,825	177,609	212,024
TOTAL OPERATING INCOME		49,587,647	46,982,601	45,392,926	43,539,095
OTHER OPERATING EXPENSES					
Employee's expenses		12,003,516	10,889,436	10,772,291	9,921,245
Directors' remuneration		75,073	62,362	51,440	52,050
Premises and equipment expenses		4,554,062	5,026,241	4,223,326	4,710,097
Taxes and duties		1,772,583	1,770,283	1,669,609	1,689,848
Others		3,554,113	2,624,869	3,147,688	2,337,570
TOTAL OTHER OPERATING EXPENSES		21,959,347	20,373,191	19,864,354	18,710,810
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6.39	5,901,232	4,434,569	5,545,981	3,980,193
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		21,727,068	22,174,841	19,982,591	20,848,092
INCOME TAX EXPENSES	6.40	4,177,039	4,106,931	3,706,758	3,804,106
NET PROFIT		17,550,029	18,067,910	16,275,833	17,043,986
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that may be reclassified subsequently to profit or loss					
Gains on remeasuring available-for-sale investment		5,953,580	10,760,277	5,933,678	10,718,352
Gains (losses) arising from translating the financial statements of foreign operations		266,631	(847,449)	(33,359)	(160,069)
Related income tax		(1,242,374)	(2,157,794)	(1,235,683)	(2,148,097)
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus		15,628,505	-	15,505,052	-
Actuarial losses on defined benefit plans		(14,368)	-	(14,368)	-
Related income tax		(3,112,950)	-	(3,095,592)	-
TOTAL OTHER COMPREHENSIVE INCOME		17,479,024	7,755,034	17,059,728	8,410,186
TOTAL COMPREHENSIVE INCOME		35,029,053	25,822,944	33,335,561	25,454,172
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		17,442,225	17,994,338	16,275,833	17,043,986
Non-controlling interest		107,804	73,572	-	-
		17,550,029	18,067,910	16,275,833	17,043,986
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		34,921,355	25,749,251	33,335,561	25,454,172
Non-controlling interest		107,698	73,693	-	-
		35,029,053	25,822,944	33,335,561	25,454,172
BASIC EARNINGS PER SHARE (BAHT)		9.14	9.43	8.53	8.93
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (THOUSAND SHARES)		1,908,843	1,908,843	1,908,843	1,908,843

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

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						
				Unrealized Increment per Land Appraisal	Unrealized Increment per Premises Appraisal	Unrealized Gains on Investments	Foreign Exchange Adjustment	Appropriated		Unappropriated			
								Legal Reserve	Others				
Balance as at January 1, 2014		19,088,429	56,346,232	10,280,263	5,246,682	25,328,396	(1,018,192)	18,000,000	76,500,000	86,164,059	295,935,869	115,821	296,051,690
Dividend paid	6.25	-	-	-	-	-	-	-	-	(8,589,793)	(8,589,793)	(50,001)	(8,639,794)
Legal reserve	6.24 , 6.25	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Total comprehensive income		-	-	-	-	8,602,362	(847,449)	-	-	17,994,338	25,749,251	73,693	25,822,944
Transfer to retained earnings		-	-	-	(448,538)	-	-	-	-	448,538	-	-	-
Balance as at June 30, 2014		19,088,429	56,346,232	10,280,263	4,798,144	33,930,758	(1,865,641)	18,500,000	76,500,000	95,517,142	313,095,327	139,513	313,234,840
Balance as at January 1, 2015		19,088,429	56,346,232	10,280,263	4,342,722	31,015,155	(2,501,056)	19,000,000	81,500,000	104,419,537	323,491,282	152,304	323,643,586
Dividend paid	6.25	-	-	-	-	-	-	-	-	(8,589,793)	(8,589,793)	(72,992)	(8,662,785)
Legal reserve	6.24 , 6.25	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Total comprehensive income		-	-	6,549,356	5,960,780	4,711,312	266,631	-	-	17,433,276	34,921,355	107,698	35,029,053
Transfer to retained earnings		-	-	-	(451,499)	-	-	-	-	451,499	-	-	-
Balance as at June 30, 2015		19,088,429	56,346,232	16,829,619	9,852,003	35,726,467	(2,234,425)	19,500,000	81,500,000	113,214,519	349,822,844	187,010	350,009,854

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

Baht : '000

	Notes	THE BANK									Total
		Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves				Retained Earnings			
				Unrealized Increment per Land Appraisal	Unrealized Increment per Premises Appraisal	Unrealized Gains on Investments	Foreign Exchange Adjustment	Appropriated		Unappropriated	
								Legal Reserve	Others		
Balance as at January 1, 2014		19,088,429	56,346,232	10,280,263	5,246,682	25,385,682	(2,416,996)	18,000,000	76,500,000	80,534,438	288,964,730
Dividend paid	6.25	-	-	-	-	-	-	-	-	(8,589,793)	(8,589,793)
Legal reserve	6.24 , 6.25	-	-	-	-	-	-	500,000	-	(500,000)	-
Total comprehensive income		-	-	-	-	8,570,255	(160,069)	-	-	17,043,986	25,454,172
Transfer to retained earnings		-	-	-	(448,538)	-	-	-	-	448,538	-
Balance as at June 30, 2014		19,088,429	56,346,232	10,280,263	4,798,144	33,955,937	(2,577,065)	18,500,000	76,500,000	88,937,169	305,829,109
Balance as at January 1, 2015		19,088,429	56,346,232	10,280,263	4,342,722	31,034,749	(3,042,076)	19,000,000	81,500,000	96,578,591	315,128,910
Dividend paid	6.25	-	-	-	-	-	-	-	-	(8,589,793)	(8,589,793)
Legal reserve	6.24 , 6.25	-	-	-	-	-	-	500,000	-	(500,000)	-
Total comprehensive income		-	-	6,485,210	5,918,831	4,697,995	(33,359)	-	-	16,266,884	33,335,561
Transfer to retained earnings		-	-	-	(451,160)	-	-	-	-	451,160	-
Balance as at June 30, 2015		19,088,429	56,346,232	16,765,473	9,810,393	35,732,744	(3,075,435)	19,500,000	81,500,000	104,206,842	339,874,678

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		21,727,068	22,174,841	19,982,591	20,848,092
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities					
Depreciation and amortization expenses		1,801,892	1,720,158	1,739,300	1,650,454
Bad debt and doubtful accounts		6,084,384	4,412,853	5,729,133	3,958,477
Loss on debt restructuring (reversal)		(183,152)	21,716	(183,152)	21,716
Loss (gain) on foreign exchange		976,380	(1,142,883)	979,663	(1,105,428)
Amortization of premium (discount) on investment in debt securities		383,803	(154,962)	431,124	(100,346)
Unrealized loss (gain) on revaluation of trading securities		(58,626)	10,174	(28,311)	27,501
Unrealized gain on transfer of investments		(5,613)	(15,519)	(5,613)	(15,519)
Gain on disposal of securities for investments		(3,735,398)	(987,178)	(3,436,376)	(997,727)
Loss on impairment of investments		264,968	2,570	264,968	2,570
Share of profit from investment using equity method		(112,589)	(100,199)	-	-
Loss on impairment of properties for sale (reversal)		148,134	(285,559)	87,378	(292,563)
Gain on disposal of premises, equipment and leasehold		(32,675)	(18,984)	(28,360)	(18,954)
Gain on revaluation of land and premises		(293,511)	-	(293,511)	-
Loss on impairment of other assets (reversal)		(18,393)	(72,053)	(18,392)	(72,053)
Provision expenses		432,074	471,203	419,766	461,524
Net interest income		(27,452,390)	(29,028,476)	(26,094,493)	(27,578,601)
Dividend income		(1,956,194)	(1,905,196)	(2,521,200)	(1,992,627)
Proceeds from interest income		54,724,012	53,073,983	52,073,288	50,568,760
Interest expenses paid		(18,970,518)	(22,069,219)	(17,958,058)	(21,213,160)
Proceeds from dividend income		1,791,489	1,266,324	1,672,342	1,177,905
Income tax paid		(3,964,748)	(3,565,530)	(3,601,991)	(3,214,196)
Decrease (increase) in other accrued receivables		(34,084)	(26,618)	2,922	1,682
Decrease in other accrued expenses		(1,607,301)	(1,344,053)	(1,478,255)	(980,055)
Profit from operating before changes in operating assets and liabilities		29,909,012	22,437,393	27,734,763	21,137,452
Decrease (increase) in operating assets					
Interbank and money market items		(112,373,127)	45,529,715	(122,985,053)	45,543,036
Investment in short-term securities		18,424,448	(13,338,428)	17,904,725	(12,369,517)
Loans to customers		(11,889,283)	(11,854,857)	(14,675,113)	(9,870,339)
Properties for sale		1,624,547	1,700,164	983,040	1,138,517
Other assets		(1,675,613)	5,695,561	(507,233)	6,446,127
Increase (decrease) in operating liabilities					
Deposits		69,323,527	(31,840,172)	76,557,070	(35,363,580)
Interbank and money market items		(8,593,738)	(6,833,294)	568,826	(5,048,075)
Liabilities payable on demand		778,394	(2,120,366)	812,336	(2,072,950)
Short-term borrowings		33,281	(580,498)	(144,455)	(580,498)
Other liabilities		3,739,354	(16,023,328)	1,455,259	(18,076,136)
Net cash from operating activities		(10,699,198)	(7,228,110)	(12,295,835)	(9,115,963)

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2015	2014	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of available-for-sale securities		(270,615,807)	(149,912,797)	(255,750,458)	(146,359,365)
Proceeds from disposal of available-for-sale securities		268,449,816	148,982,874	256,747,849	146,628,409
Purchase of held-to-maturity debt securities		(16,937,916)	(26,119,823)	(605,503)	(4,926,519)
Proceeds from redemption of held-to-maturity debt securities		26,471,798	37,442,164	8,023,489	16,047,449
Purchase of general investments		(458,156)	(3,822,712)	(458,156)	(3,822,712)
Proceeds from disposal of general investments		423,290	628,414	423,290	628,414
Proceeds from dividend income					
from subsidiaries and associates		35,149	25,850	684,154	175,849
Purchase of premises, equipment and leasehold		(1,070,291)	(1,214,139)	(908,223)	(883,767)
Proceeds from disposal of premises, equipment and leasehold		39,512	19,865	28,650	19,705
Net cash from investing activities		<u>6,337,395</u>	<u>6,029,696</u>	<u>8,185,092</u>	<u>7,507,463</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Decrease in borrowings		(22,983)	(46,683)	(22,983)	(46,683)
Dividend paid		(8,589,793)	(8,589,793)	(8,589,793)	(8,589,793)
Dividend paid to non-controlling interest		(72,992)	(50,001)	-	-
Net cash from financing activities		<u>(8,685,768)</u>	<u>(8,686,477)</u>	<u>(8,612,776)</u>	<u>(8,636,476)</u>
Effect on cash due to changes in the exchange rates		<u>36,101</u>	<u>(1,817)</u>	<u>41,454</u>	<u>(5,806)</u>
Net increase in cash and cash equivalents		<u>(13,011,470)</u>	<u>(9,886,708)</u>	<u>(12,682,065)</u>	<u>(10,250,782)</u>
Cash and cash equivalents as at January 1,		<u>62,802,942</u>	<u>57,168,584</u>	<u>59,782,345</u>	<u>53,299,523</u>
Cash and cash equivalents as at June 30,	6.1.1	<u><u>49,791,472</u></u>	<u><u>47,281,876</u></u>	<u><u>47,100,280</u></u>	<u><u>43,048,741</u></u>

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvann Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

1. REGULATORY REQUIREMENTS

The Bank is subject to various capital and regulatory requirements administered by the Bank of Thailand (BOT). Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must satisfy specific capital guidelines that involve quantitative measurements of the Bank's assets, liabilities and certain off-balance sheet items calculated in accordance with regulatory requirements. The Bank's capital amounts and classification are also subject to qualitative judgement by the BOT about components, risk weightings and other factors. The Bank believes that as at June 30, 2015 and December 31, 2014, 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

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.

- 2.1 The consolidated and the Bank's financial statements are prepared in accordance with Thai Accounting Standard No. 1 (Revised 2014) regarding Presentation of Financial Statements; and in accordance with the Regulations of The Stock Exchange of Thailand (SET) regarding the Basis, Conditions and Procedures for the Preparation and Submission of Financial Position and Results of Operations of Listed Companies B.E. 2544 dated January 22, 2001, including the BOT's Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups dated December 3, 2010.

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

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

The Bank prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and the regulations as stated above. These financial statements are prepared in accordance with accounting principles and practices generally accepted in Thailand.

2.2 New or Revised Thai Financial Reporting Standards

The Application of the New or Revised Thai Financial Reporting Standards

Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and Thai Financial Reporting Interpretations to be applied for the financial statements of the periods beginning on or after January 1, 2015 onward that are relevant to the Bank are as follows :

Thai Financial Reporting Standards		Effective date
Thai Accounting Standards (TAS)		
TAS 1 (Revised 2014)	Presentation of Financial Statements	January 1, 2015
TAS 7 (Revised 2014)	Statement of Cash Flows	January 1, 2015
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2015
TAS 10 (Revised 2014)	Events after the Reporting Period	January 1, 2015
TAS 12 (Revised 2014)	Income Taxes	January 1, 2015
TAS 16 (Revised 2014)	Property, Plant and Equipment	January 1, 2015
TAS 17 (Revised 2014)	Leases	January 1, 2015
TAS 18 (Revised 2014)	Revenue	January 1, 2015
TAS 19 (Revised 2014)	Employee Benefits	January 1, 2015
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rates	January 1, 2015
TAS 24 (Revised 2014)	Related Party Disclosures	January 1, 2015
TAS 27 (Revised 2014)	Separate Financial Statements	January 1, 2015
TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures	January 1, 2015
TAS 33 (Revised 2014)	Earnings per Share	January 1, 2015
TAS 34 (Revised 2014)	Interim Financial Reporting	January 1, 2015
TAS 36 (Revised 2014)	Impairment of Assets	January 1, 2015
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	January 1, 2015
TAS 38 (Revised 2014)	Intangible assets	January 1, 2015

Thai Financial Reporting Standards		Effective date
Thai Financial Reporting Standards (TFRS)		
TFRS 5 (Revised 2014)	Non - current Assets Held for Sale and Discontinued Operations	January 1, 2015
TFRS 8 (Revised 2014)	Operating Segments	January 1, 2015
TFRS 10	Consolidated Financial Statements	January 1, 2015
TFRS 11	Joint Arrangements	January 1, 2015
TFRS 12	Disclosure of Interests in Other Entities	January 1, 2015
TFRS 13	Fair Value Measurement	January 1, 2015
Thai Accounting Standards Interpretations (TSI)		
TSI 15 (Revised 2014)	Operating Leases - Incentives	January 1, 2015
TSI 32 (Revised 2014)	Intangible Assets - Web Site Costs	January 1, 2015
Thai Financial Reporting Interpretations (TFRI)		
TFRI 4 (Revised 2014)	Determining whether an arrangement contains a lease	January 1, 2015
TFRI 10 (Revised 2014)	Interim Financial Reporting and Impairment	January 1, 2015
TFRI 13 (Revised 2014)	Customer loyalty programmes	January 1, 2015
TFRI 14	IAS 19 (Revised 2014)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	January 1, 2015
TFRI 17 (Revised 2014)	Distributions of Non-cash Assets to Owners	January 1, 2015

The Bank has adopted the above accounting standards, financial reporting standards, accounting standards interpretations and financial reporting interpretations with no material impact on the Bank's financial statements. The Bank has disclosed the accounting policy and information according to TFRS 12 Disclosure of Interests in Other Entities in Note 6.5, and TFRS 13 Fair Value Measurement in Note 4.2, respectively.

- 2.3 The consolidated financial statements for the three-month periods and the six-month periods ended June 30, 2015 and 2014, included the accounts of the head office and all branches of the Bank and its subsidiaries, which the accounts of subsidiaries had been derived from their audited financial statements except for the financial statements of BBL (Cayman) Limited and Sinnsuptawee Asset Management Company Limited, which had been reviewed, and the consolidated statement of financial position as at December 31, 2014, included the accounts of the head office and all branches of the Bank and its subsidiaries, which the accounts of subsidiaries has been derived from their audited financial statements by eliminating significant business transactions and outstanding balances between the Bank and its subsidiaries. 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 and Bangkok Bank (China) Company Limited.

In addition, the consolidated financial statements for the three-month periods and the six-month periods ended June 30, 2015 and 2014 and the consolidated statement of financial position as at December 31, 2014, included BBL Nominees (Tempatan) Sdn. Bhd, the 100.00% owned subsidiary of Bangkok Bank Berhad.

The consolidated financial statements for the three-month periods and the six-month periods ended June 30, 2015 and 2014 and the consolidated statement of financial position as at December 31, 2014, also included Bangkok Capital Asset Management Company Limited which was incorporated on May 12, 2014, the 100.00% owned subsidiary of Bualuang Securities Public Company Limited.

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

The consolidated financial statements for the three-month periods and the six-month periods ended June 30, 2015 and 2014 and the consolidated statement of financial position as at December 31, 2014, included equity interest in associates which was determined from the unaudited financial statements of these companies and all associates of the Bank were incorporated in the Kingdom of Thailand.

- 2.4 The Bank's financial statements for the three-month periods and the six-month periods ended June 30, 2015 and 2014 and the Bank's statement of financial position as at December 31, 2014, included the accounts of the head office and all branches of the Bank. Investments in subsidiaries and associates were accounted for using the cost method, net of valuation allowance for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of income

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

3.2 Recognition of expenses

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

3.3 Cash

Cash consists of cash on hand and cash in transit.

3.4 Derivatives

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

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

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

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

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

3.5 Investments

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

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

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

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

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

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

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

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

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

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

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

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

3.6 Loans to customers

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

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

3.7 Allowance for doubtful accounts

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

The Bank had set up the minimum allowance for doubtful accounts in accordance with the BOT's Notification regarding the Basis for Classification and Allowance of Financial Institutions dated August 3, 2008.

The Bank had set up the allowance for doubtful accounts for non-performing loans in an amount equal to the difference between the book value of the outstanding loan and the present value of estimated future cash flows from the debtor, or the difference between the book value of the outstanding loan and the present value of estimated future cash flows from the disposal of collateral. For the allowance for doubtful accounts for

performing loans, the Bank had set up the allowance in accordance with the minimum percentage of the BOT's guidelines. For loans having similar credit risk characteristics, the Bank may set up the allowance in an amount of collective impairment by using the historical loss data including current observable data (See Note 6.6.1). Furthermore, the Bank had set aside an additional allowance for doubtful accounts in excess of the minimum BOT's requirement by taking into consideration the potential additional loss arising from changes in economic and legal environment and other factors that may impact the ability of the debtors in meeting their obligations under the loan agreements.

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

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

3.8 Troubled debt restructurings

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

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

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

3.9 Properties for sale

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

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

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

The Bank had complied with the BOT's Notification regarding the Immovable Properties for Sale, and the Rules of the Purchase and Holding of Immovable Properties to be used as Premises for Business of Commercial Banks or as Facilities for its Officers and Employees dated December 11, 2009 and the Accounting Rules for Financial Institutions in relation to the Sales of Properties for Sale dated December 17, 2012.

3.10 Premises, equipment and depreciation

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

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

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

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

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

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

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

3.11 Intangible assets and amortization

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

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

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

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

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

3.12 Leaseholds

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

3.13 Provisions

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

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

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

3.14 Assets and liabilities in foreign currencies

3.14.1 Functional currency and presentation currency

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

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

3.14.2 Translation of foreign currency transactions

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

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

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

3.14.3 Translation of financial statements of foreign operations

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

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

3.15 Post-employment benefits

3.15.1 Defined contribution plans

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

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

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

3.15.2 Defined benefit plans

The Bank and its subsidiaries provide the defined benefit plans for their employees under the employment agreements. The provision for the employee benefits is assessed by an actuary using the actuarial techniques called the Projected Unit Credit Method to determine the present value of cash flows of employee benefits to be paid in the future. Under this method, the determination is based on actuarial calculations which include the employee's salaries, turnover rate, mortality rate, years of service and other factors.

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

3.16 Income taxes

Income taxes comprise of current tax and deferred tax.

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

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

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

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

3.17 Earnings per share

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

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

4. RISK MANAGEMENT

4.1 Risk information of the Bank

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

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

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

4.1.1 Credit risk

Credit Risk is the risk that borrowers or counterparties fail to fulfill their obligations under contractual agreements arising from lending, investment and other contractual activities, such as the borrowers' failure to repay principal or interest as agreed in the contract, etc. The Bank's maximum exposure to

credit risk is the net carrying amount of the financial assets or the amount which the Bank could have to pay if counterparties cannot meet such contractual obligations.

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

4.1.2 Interest rate risk

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

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

The Bank has significant financial assets and financial liabilities categorized by the earlier of contractual repricing or maturity dates as at June 30, 2015 and December 31, 2014 as follows :

								Million Baht
CONSOLIDATED JUNE 30, 2015								
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total
Financial Assets								
Interbank and money market items *	383,202	167,805	35,571	756	-	55,973	-	643,307
Investments in debt securities	26,821	34,218	57,053	135,977	16,489	-	-	270,558
Loans	1,235,818	253,063	173,147	47,569	22,096	9,718	48,205	1,789,616
Financial Liabilities								
Deposits	1,179,252	414,538	435,103	14,378	-	84,831	-	2,128,102
Interbank and money market items	51,828	27,680	26,544	5,630	-	19,772	-	131,454
Liabilities payable on demand	9,914	-	-	-	-	-	-	9,914
Debt issued and borrowings	100	212	13,528	30,421	99,761	-	-	144,022

	CONSOLIDATED DECEMBER 31, 2014							Million Baht
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total
Financial Assets								
Interbank and money market items *	377,515	59,613	47,197	4,119	-	42,812	-	531,256
Investments in debt securities	20,019	20,335	110,399	130,942	16,469	-	-	298,164
Loans	1,224,332	257,222	168,461	59,605	20,424	12,186	40,003	1,782,233
Financial Liabilities								
Deposits	990,476	357,586	610,605	15,880	-	84,232	-	2,058,779
Interbank and money market items	61,439	35,032	13,801	6,266	-	23,510	-	140,048
Liabilities payable on demand	9,136	-	-	-	-	-	-	9,136
Debt issued and borrowings	214	34	13,243	29,708	97,646	-	-	140,845

* Excluding allowance for doubtful accounts and accrued interest receivable.

								Million Baht
THE BANK								
JUNE 30, 2015								
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total
Financial Assets								
Interbank and money market items *	377,230	155,048	8,190	756	-	48,982	-	590,206
Investments in debt securities	24,135	32,409	54,808	128,492	16,488	-	-	256,332
Loans	1,209,128	239,481	166,113	47,424	21,884	9,718	46,925	1,740,673
Financial Liabilities								
Deposits	1,157,639	402,765	418,514	7,490	-	82,737	-	2,069,145
Interbank and money market items	50,249	18,873	25,752	5,630	-	19,883	-	120,387
Liabilities payable on demand	9,882	-	-	-	-	-	-	9,882
Debt issued and borrowings	100	14	13,528	30,421	99,761	-	-	143,824

THE BANK								Million Baht
DECEMBER 31, 2014								
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total
Financial Assets								
Interbank and money market items *	366,745	42,720	20,837	2,794	-	34,125	-	467,221
Investments in debt securities	17,854	14,568	109,075	125,380	16,469	-	-	283,346
Loans	1,199,948	241,462	158,014	59,605	20,151	12,186	39,139	1,730,505
Financial Liabilities								
Deposits	964,948	345,655	591,274	8,499	-	82,212	-	1,992,588
Interbank and money market items	51,680	24,421	13,791	6,267	-	23,660	-	119,819
Liabilities payable on demand	9,070	-	-	-	-	-	-	9,070
Debt issued and borrowings	213	14	13,243	29,708	97,646	-	-	140,824

* Excluding allowance for doubtful accounts and accrued interest receivable.

Basic information concerning fixed interest rate versus floating interest rate of domestic loans as at June 30, 2015 and December 31, 2014 are as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Fixed interest rate	419,743	426,812	419,743	426,812
Floating interest rate	<u>1,091,521</u>	<u>1,082,822</u>	<u>1,090,253</u>	<u>1,081,504</u>
Total	<u>1,511,264</u>	<u>1,509,634</u>	<u>1,509,996</u>	<u>1,508,316</u>

The interest-earning financial assets and interest-bearing financial liabilities for the six-month periods ended June 30, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED					
	June 30, 2015			June 30, 2014		
	Average Balance	Interest Income / Expense	Average Rate (%) Per Annum	Average Balance	Interest Income / Expense	Average Rate (%) Per Annum
Interest-earning Financial Assets						
Interbank and money market items	627,498	5,550	1.8	432,882	4,737	2.2
Investments in debt securities	279,013	3,494	2.5	286,483	4,380	3.1
Loans	<u>1,774,806</u>	<u>43,338</u>	4.9	<u>1,751,889</u>	<u>42,508</u>	4.9
Total	<u>2,681,317</u>	<u>52,382</u>		<u>2,471,254</u>	<u>51,625</u>	
Interest-bearing Financial Liabilities						
Deposits	2,120,069	16,160	1.5	1,930,814	14,212	1.5
Interbank and money market items	132,740	804	1.2	127,692	884	1.4
Debt issued and borrowings	<u>140,955</u>	<u>3,396</u>	4.8	<u>139,435</u>	<u>3,349</u>	4.8
Total	<u>2,393,764</u>	<u>20,360</u>		<u>2,197,941</u>	<u>18,445</u>	

	THE BANK FOR THE SIX-MONTH PERIODS ENDED					
	June 30, 2015			June 30, 2014		
	Average Balance	Interest Income / Expense	Average Rate (%) Per Annum	Average Balance	Interest Income / Expense	Average Rate (%) Per Annum
Interest-earning Financial Assets						
Interbank and money market items	573,500	4,520	1.6	383,293	3,475	1.8
Investments in debt securities	264,389	3,279	2.5	272,494	4,174	3.1
Loans	<u>1,723,505</u>	<u>42,031</u>	4.9	<u>1,704,681</u>	<u>41,339</u>	4.9
Total	<u>2,561,394</u>	<u>49,830</u>		<u>2,360,468</u>	<u>48,988</u>	
Interest-bearing Financial Liabilities						
Deposits	2,059,425	15,097	1.5	1,865,032	13,136	1.4
Interbank and money market items	118,323	676	1.1	119,725	768	1.3
Debt issued and borrowings	<u>140,869</u>	<u>3,396</u>	4.8	<u>139,719</u>	<u>3,354</u>	4.8
Total	<u>2,318,617</u>	<u>19,169</u>		<u>2,124,476</u>	<u>17,258</u>	

4.1.3 Foreign exchange risk

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

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

4.1.4 Equity price risk

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

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

4.1.5 Liquidity risk

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

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

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

the Bank maintains high-quality liquid assets which can be liquidated or realized as needed in order to meet its financial obligations under both business-as-usual and crisis situations.

The Bank has financial assets and financial liabilities categorized by maturity profile as at June 30, 2015 and December 31, 2014 as follows :

						Million Baht
CONSOLIDATED JUNE 30, 2015						
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	642,551	756	-	-	-	643,307
Derivatives	4,280	2,984	9,292	-	-	16,556
Investments	117,079	137,991	18,152	93,776	-	366,998
Loans	836,865	575,446	329,449	-	47,856	1,789,616
Financial Liabilities						
Deposits	2,113,724	14,378	-	-	-	2,128,102
Interbank and money market items	125,824	5,630	-	-	-	131,454
Liabilities payable on demand	9,914	-	-	-	-	9,914
Derivatives	7,224	5,450	9,296	-	-	21,970
Debt issued and borrowings	13,840	30,421	99,761	-	-	144,022

						Million Baht
CONSOLIDATED DECEMBER 31, 2014						
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	527,137	4,119	-	-	-	531,256
Derivatives	6,137	2,450	7,354	-	-	15,941
Investments	147,302	134,095	18,147	83,666	-	383,210
Loans	825,689	606,215	310,501	-	39,828	1,782,233
Financial Liabilities						
Deposits	2,042,899	15,880	-	-	-	2,058,779
Interbank and money market items	133,781	6,267	-	-	-	140,048
Liabilities payable on demand	9,136	-	-	-	-	9,136
Derivatives	6,418	3,534	7,900	-	-	17,852
Debt issued and borrowings	13,491	29,708	97,646	-	-	140,845

* Excluding allowance for doubtful accounts and accrued interest receivable.

						Million Baht
THE BANK						
JUNE 30, 2015						
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	589,450	756	-	-	-	590,206
Derivatives	4,126	2,984	9,292	-	-	16,402
Investments	107,675	130,505	18,152	125,367	-	381,699
Loans	801,095	566,499	326,154	-	46,925	1,740,673
Financial Liabilities						
Deposits	2,061,655	7,490	-	-	-	2,069,145
Interbank and money market items	114,757	5,630	-	-	-	120,387
Liabilities payable on demand	9,882	-	-	-	-	9,882
Derivatives	6,738	5,450	9,295	-	-	21,483
Debt issued and borrowings	13,642	30,421	99,761	-	-	143,824

						Million Baht
THE BANK						
DECEMBER 31, 2014						
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	464,427	2,794	-	-	-	467,221
Derivatives	5,866	2,450	7,354	-	-	15,670
Investments	136,665	128,534	18,147	115,292	-	398,638
Loans	784,405	599,314	307,647	-	39,139	1,730,505
Financial Liabilities						
Deposits	1,984,089	8,499	-	-	-	1,992,588
Interbank and money market items	113,552	6,267	-	-	-	119,819
Liabilities payable on demand	9,070	-	-	-	-	9,070
Derivatives	5,749	3,534	7,900	-	-	17,183
Debt issued and borrowings	13,470	29,708	97,646	-	-	140,824

* Excluding allowance for doubtful accounts and accrued interest receivable.

4.2 Fair value of financial instruments

The following table presents the carrying amount and estimated fair value of financial instruments as at June 30, 2015 and December 31, 2014 :

	CONSOLIDATED				Million Baht
	June 30, 2015		December 31, 2014		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
Financial Assets					
Cash	47,210	47,210	59,899	59,899	
Interbank and money market items, net	643,327	643,327	532,205	532,205	
Derivatives	16,556	16,425	15,941	15,845	
Investments, net	366,998	392,021	383,210	410,636	
Loans to customers and accrued interest receivable, net	1,699,003	1,699,003	1,694,541	1,694,541	
Total	2,773,094	2,797,986	2,685,796	2,713,126	
Financial Liabilities					
Deposits	2,128,102	2,128,102	2,058,779	2,058,779	
Interbank and money market items	131,454	131,454	140,048	140,048	
Liabilities payable on demand	9,914	9,914	9,136	9,136	
Derivatives	21,970	21,883	17,852	17,780	
Debt issued	143,961	162,610	140,770	159,084	
Borrowings	61	61	75	75	
Total	2,435,462	2,454,024	2,366,660	2,384,902	

	THE BANK			
	June 30, 2015		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	47,100	47,100	59,782	59,782
Interbank and money market items, net	590,084	590,084	467,830	467,830
Derivatives	16,402	16,350	15,670	15,635
Investments, net	381,699	416,753	398,638	434,118
Loans to customers and accrued interest receivable, net	1,652,584	1,652,584	1,645,014	1,645,014
Total	2,687,869	2,722,871	2,586,934	2,622,379
Financial Liabilities				
Deposits	2,069,145	2,069,145	1,992,588	1,992,588
Interbank and money market items	120,387	120,387	119,819	119,819
Liabilities payable on demand	9,882	9,882	9,070	9,070
Derivatives	21,483	21,475	17,183	17,172
Debt issued	143,763	162,411	140,749	159,063
Borrowings	61	61	75	75
Total	2,364,721	2,383,361	2,279,484	2,297,787

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

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

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

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

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

The fair value determination of investments in debt securities

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

The fair value determination of investments in equity securities

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

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

Since January 1, 2015, the Bank has applied the new accounting policy regarding the fair value measurement which is in accordance with TFRS 13 Fair Value Measurement.

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

The following table shows an analysis of financial assets and financial liabilities by level of the fair value hierarchy as at June 30, 2015 :

CONSOLIDATED June 30, 2015				Million Baht
	Level 1	Level 2	Level 3	Total
Items measured at fair value :				
Financial assets				
Derivatives	-	16,425	-	16,425
Investments, net	81,085	239,663	-	320,748
Financial liabilities				
Derivatives	316	21,567	-	21,883
Items not measured at fair value :				
Financial assets				
Investments, net	2,146	17,992	51,135	71,273
Financial liabilities				
Debt issued	-	162,610	-	162,610

THE BANK June 30, 2015				Million Baht
	Level 1	Level 2	Level 3	Total
Items measured at fair value :				
Financial assets				
Derivatives	-	16,350	-	16,350
Investments, net	78,079	227,246	-	305,325
Financial liabilities				
Derivatives	-	21,475	-	21,475
Items not measured at fair value :				
Financial assets				
Investments, net	2,146	16,183	93,099	111,428
Financial liabilities				
Debt issued	-	162,411	-	162,411

Fair values are determined according to the following hierarchy :

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

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

4.3 Capital fund

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

The guideline on capital fund based on the Basel III guidelines of the Bank of Thailand maintain the minimum capital adequacy ratios as follows :

Capital fund ratio	Percentage
Common equity Tier 1 ratio	4.50
Tier 1 capital ratio	6.00
Total capital fund ratio	8.50

As at June 30, 2015 and December 31, 2014, the Bank had capital fund and maintained capital adequacy ratios to risk assets in accordance with the BOT's Notification relating to the Basel III guidelines as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
	Million Baht			
Tier 1 capital	318,016	303,810	309,750	297,006
Common Equity Tier 1 capital	317,891	303,683	309,750	297,006
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	19,500	19,000	19,500	19,000
Reserves appropriated from net profit	81,500	81,500	81,500	81,500
Net profit after appropriation	95,330	86,200	87,489	79,619
Other comprehensive income	46,348	41,689	46,028	41,581
Deductions from Common Equity				
Tier 1 capital	(221)	(140)	(201)	(128)
Additional Tier 1 capital	125	127	-	-
Tier 2 capital	43,822	46,287	43,181	45,417
Total capital fund	361,838	350,097	352,931	342,423

	PERCENTAGE				Million Baht
	CONSOLIDATED		THE BANK		
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014	
Common equity Tier 1 capital to risk assets ratio	15.48	15.10	15.57	15.24	
Tier 1 capital to risk assets ratio	15.49	15.11	15.57	15.24	
Total capital to risk assets ratio	17.62	17.41	17.74	17.56	

As at June 30, 2015, the Bank has the increment per land and premises appraisal (See Note 6.10) which the BOT had approved to include in Tier 2 capital in July 2015.

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

Location of disclosure www.bangkokbank.com

Date of disclosure April 30, 2015

Information as of December 31, 2014

5. SIGNIFICANT USE OF ACCOUNTING JUDGMENTS AND ESTIMATES

5.1 Impairment of investments in securities

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

5.2 Allowance for doubtful accounts

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

5.3 Provisions

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

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

5.4 Fair value of financial instruments

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

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

6. ADDITIONAL INFORMATION

6.1 Supplementary disclosures of cash flow information

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

Cash and cash equivalents as at June 30, 2015 and 2014 are as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Cash	47,210	43,204	47,100	43,049
Cash equivalents				
Cash at Bank - current and saving account	86	73	-	-
Fixed deposit and notes with a maturity				
less than or equal to three months	2,495	4,005	-	-
Total cash and cash equivalents	<u>49,791</u>	<u>47,282</u>	<u>47,100</u>	<u>43,049</u>

6.1.2 Significant non-cash items for the six-month periods ended June 30, 2015 and 2014 are as follows :

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS ENDED		FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Unrealized gains on investments in				
shareholders' equity increase	4,711	8,602	4,698	8,570
Properties for sale increased from loans				
payment/inactive assets	311	374	311	374
Unrealized increment per premises				
appraisal transferred to retained earnings	451	449	451	449
Unrealized increment per land and premises				
appraisal increase	12,510	-	12,404	-

6.2 Interbank and money market items, net (assets)

Interbank and money market items, net (assets) as at June 30, 2015 and December 31, 2014 consisted of the following :

	CONSOLIDATED						Million Baht
	June 30, 2015			December 31, 2014			
	Demand	Time	Total	Demand	Time	Total	
Domestic items							
Bank of Thailand and							
Financial Institutions							
Development Fund	22,078	404,900	426,978	12,710	275,500	288,210	
Commercial banks	1,960	13,966	15,926	2,588	20,150	22,738	
Special purpose financial							
institutions	-	2,500	2,500	-	6,776	6,776	
Other financial institutions	<u>2,660</u>	<u>26,288</u>	<u>28,948</u>	<u>1,367</u>	<u>19,794</u>	<u>21,161</u>	
Total	26,698	447,654	474,352	16,665	322,220	338,885	
<u>Add</u> Accrued interest							
receivables	3	154	157	2	268	270	
<u>Less</u> Allowance for							
doubtful accounts	<u>(27)</u>	<u>(324)</u>	<u>(351)</u>	<u>(14)</u>	<u>(304)</u>	<u>(318)</u>	
Total domestic items	<u>26,674</u>	<u>447,484</u>	<u>474,158</u>	<u>16,653</u>	<u>322,184</u>	<u>338,837</u>	
Foreign items							
USD	14,019	58,498	72,517	10,412	60,276	70,688	
JPY	8,735	17,708	26,443	6,852	3,719	10,571	
EUR	1,086	3,341	4,427	887	1,667	2,554	
Others	<u>10,330</u>	<u>55,238</u>	<u>65,568</u>	<u>12,121</u>	<u>96,436</u>	<u>108,557</u>	
Total	34,170	134,785	168,955	30,272	162,098	192,370	
<u>Add</u> Accrued interest							
receivables	2	579	581	3	1,346	1,349	
<u>Less</u> Allowance for							
doubtful accounts	<u>-</u>	<u>(367)</u>	<u>(367)</u>	<u>-</u>	<u>(351)</u>	<u>(351)</u>	
Total foreign items	<u>34,172</u>	<u>134,997</u>	<u>169,169</u>	<u>30,275</u>	<u>163,093</u>	<u>193,368</u>	
Total domestic and							
foreign items	<u>60,846</u>	<u>582,481</u>	<u>643,327</u>	<u>46,928</u>	<u>485,277</u>	<u>532,205</u>	

	THE BANK					
	June 30, 2015			December 31, 2014		
	Demand	Time	Total	Demand	Time	Total
Domestic items						
Bank of Thailand and						
Financial Institutions						
Development Fund	22,077	404,900	426,977	12,710	275,500	288,210
Commercial banks	1	3,600	3,601	21	12,200	12,221
Special purpose financial						
institutions	-	2,500	2,500	-	6,776	6,776
Other financial institutions	<u>2,660</u>	<u>26,288</u>	<u>28,948</u>	<u>1,367</u>	<u>19,794</u>	<u>21,161</u>
Total	24,738	437,288	462,026	14,098	314,270	328,368
<u>Add</u> Accrued interest						
receivables	-	123	123	-	229	229
<u>Less</u> Allowance for						
doubtful accounts	<u>(27)</u>	<u>(324)</u>	<u>(351)</u>	<u>(14)</u>	<u>(304)</u>	<u>(318)</u>
Total domestic items	<u>24,711</u>	<u>437,087</u>	<u>461,798</u>	<u>14,084</u>	<u>314,195</u>	<u>328,279</u>
Foreign items						
USD	13,585	57,316	70,901	9,702	61,155	70,857
JPY	8,735	17,708	26,443	6,852	3,719	10,571
EUR	1,083	3,674	4,757	885	48	933
Others	<u>3,799</u>	<u>22,280</u>	<u>26,079</u>	<u>4,165</u>	<u>52,327</u>	<u>56,492</u>
Total	27,202	100,978	128,180	21,604	117,249	138,853
<u>Add</u> Accrued interest						
receivables	-	122	122	-	731	731
<u>Less</u> Allowance for						
doubtful accounts	<u>-</u>	<u>(16)</u>	<u>(16)</u>	<u>-</u>	<u>(33)</u>	<u>(33)</u>
Total foreign items	<u>27,202</u>	<u>101,084</u>	<u>128,286</u>	<u>21,604</u>	<u>117,947</u>	<u>139,551</u>
Total domestic and						
foreign items	<u>51,913</u>	<u>538,171</u>	<u>590,084</u>	<u>35,688</u>	<u>432,142</u>	<u>467,830</u>

6.3 Derivatives

The fair values and the notional amounts classified by type of risk as at June 30, 2015 and December 31, 2014 are as follows :

						Million Baht
CONSOLIDATED						
Type of risk	June 30, 2015		Notional Amount	December 31, 2014		Notional Amount
	Fair Value/Readjustment Based on an Accrual Basis			Fair Value/Readjustment Based on an Accrual Basis		
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	10,807	13,332	895,912	11,487	9,825	960,584
Interest rate	5,745	8,322	516,071	4,453	7,501	356,867
Others	4	316	2,847	1	526	3,556
Total	16,556	21,970	1,414,830	15,941	17,852	1,321,007

						Million Baht
THE BANK						
Type of risk	June 30, 2015		Notional Amount	December 31, 2014		Notional Amount
	Fair Value/Readjustment Based on an Accrual Basis			Fair Value/Readjustment Based on an Accrual Basis		
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	10,657	13,161	889,755	11,217	9,683	950,713
Interest rate	5,745	8,322	516,072	4,453	7,500	356,867
Total	16,402	21,483	1,405,827	15,670	17,183	1,307,580

The proportion of derivative transactions classified by type of counterparty based on the notional amounts as at June 30, 2015 and December 31, 2014 are as follows :

	CONSOLIDATED		THE BANK		Percentage
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014	
Financial Institutions	80.80	79.49	81.03	79.75	
Group companies	-	-	0.04	-	
External entities	19.20	20.51	18.93	20.25	
Total	100.00	100.00	100.00	100.00	

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

Forward foreign exchange derivatives

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

Interest rate derivatives

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

6.4 Investments, net

6.4.1 Investments as at June 30, 2015 and December 31, 2014 consisted of the following :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
	Fair Value	Fair Value	Fair Value	Fair Value
Trading securities				
Government and state enterprise securities	16,624	34,848	16,624	34,848
Private enterprise debt securities	-	5	-	5
Foreign debt securities	89	471	-	-
Domestic marketable equity securities	1,273	1,380	-	-
Total	17,986	36,704	16,624	34,853

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
	Fair Value	Fair Value	Fair Value	Fair Value
Available-for-sale securities				
Government and state enterprise securities	186,342	194,607	186,342	194,607
Private enterprise debt securities	9,758	10,378	9,758	10,378
Foreign debt securities	35,936	26,978	23,608	16,526
Domestic marketable equity securities	63,236	52,829	61,876	52,791
Foreign marketable equity securities	1,966	1,537	1,966	1,537
Others	5,524	4,832	5,151	4,487
Total	302,762	291,161	288,701	280,326

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost
Held-to-maturity debt securities				
Government and state enterprise securities	16,352	25,935	14,543	22,040
Private enterprise debt securities	700	700	700	700
Foreign debt securities	<u>2,741</u>	<u>2,745</u>	<u>2,741</u>	<u>2,745</u>
Total	<u>19,793</u>	<u>29,380</u>	<u>17,984</u>	<u>25,485</u>

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
	Cost	Cost	Cost	Cost
General investments				
Domestic non-marketable equity securities	6,656	6,743	6,647	6,734
Foreign non-marketable equity securities	<u>21,739</u>	<u>21,242</u>	<u>21,732</u>	<u>21,234</u>
Total	28,395	27,985	28,379	27,968
<u>Less</u> Allowance for impairment	<u>(3,171)</u>	<u>(3,176)</u>	<u>(3,171)</u>	<u>(3,176)</u>
Total	<u>25,224</u>	<u>24,809</u>	<u>25,208</u>	<u>24,792</u>
Total investments, net	<u>365,765</u>	<u>382,054</u>	<u>348,517</u>	<u>365,456</u>

Investments classified in accordance with the notification of the BOT as at June 30, 2015 and December 31, 2014 are presented in Note 6.13.

As at June 30, 2015 and December 31, 2014, the Bank has investments in 32 companies with cost values of Baht 256 million, which are companies whose prospects as a going concern are uncertain or are unlisted companies but whose financial positions and operations would fall under the SET delisting criteria, which the Bank had set aside allowance for impairment of these investments amounting to Baht 256 million and these companies had net book value totaling Baht 0 million.

As at June 30, 2015 and December 31, 2014, the Bank has investments in 4 listed companies that are under the SET delisting criteria, amounting to Baht 49 million and Baht 72 million, with the fair value of Baht 43 million and Baht 43 million, which the Bank had set aside allowance for impairment of these investments amounting to Baht 6 million and Baht 29 million, respectively.

For the six-month periods ended June 30, 2015 and 2014, the Bank has recorded loss for impairment of investments in the statements of profit or loss and other comprehensive income amounting to Baht 265 million and Baht 3 million, respectively.

On December 30, 2004, the Bank entered into a transaction to transfer certain investments classified as available-for-sale securities received from debt restructuring to Sinnsuptawee Asset Management Co., Ltd., a subsidiary of the Bank, at the closing price on December 28, 2004 quoted on The Stock Exchange of Thailand in the amount of Baht 3,323 million. The proceeds from the aforementioned transfer were recorded as other liabilities and the related securities recorded as securities transferred to subsidiary under available-for-sale securities in accordance with accounting treatment guidance for transfers and accept transfers of financial assets. As at June 30, 2015 and December 31, 2014, the Bank had outstanding balances of other liabilities from such transaction amounting to Baht 1,105 million and Baht 1,133 million, respectively.

- 6.4.2 As at June 30, 2015 and December 31, 2014, the Bank and subsidiaries had investments in other companies of 10% and upwards of the paid-up capital of the respective companies but which are not considered to be investments in subsidiaries and associates. The classification is as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Manufacturing and commercial	11	11	11	11
Real estate and construction	187	187	187	187
Utilities and services	41	41	41	41
Others	<u>1,452</u>	<u>1,450</u>	<u>1,452</u>	<u>1,450</u>
Total	<u><u>1,691</u></u>	<u><u>1,689</u></u>	<u><u>1,691</u></u>	<u><u>1,689</u></u>

6.5 Investments in subsidiaries and associates, net

As at June 30, 2015 and December 31, 2014, the Bank had investments in subsidiaries and associates, net as follows :

								Million Baht
Company	Type of Business	Type of Shares	CONSOLIDATED					
			Direct and Indirect Shareholding (%)		Investment (Cost Method)		Investment (Equity Method)	
			June 30, December 31,		June 30, December 31,		June 30, December 31,	
			2015	2014	2015	2014	2015	2014
Associates								
BSL Leasing Co., Ltd.	Finance	Ordinary share	35.88	35.88	43	43	618	568
Processing Center Co., Ltd.	Service	Ordinary share	30.00	30.00	15	15	281	277
National ITMX Co., Ltd.	Service	Ordinary share	19.80	19.80	10	10	245	221
Thai Payment Network Co., Ltd.	Service	Ordinary share	49.99	49.99	90	90	89	90
Total					158	158	1,233	1,156
Less Allowance for impairment					(2)	(2)	-	-
Investments in associates, net					156	156	1,233	1,156

						Million Baht
Company	Type of Business	Type of Shares	THE BANK			
			Direct and Indirect Shareholding (%)		Investment (Cost Method)	
			June 30, December 31,		June 30, December 31,	
			2015	2014	2015	2014
Subsidiaries						
BBL (Cayman) Limited	Finance	Ordinary share	100.00	100.00	2	2
Bangkok Bank Berhad	Banking	Ordinary share	100.00	100.00	6,082	6,082
Sinnsuptawee Asset Management Co., Ltd.	Asset management	Ordinary share	100.00	100.00	2,500	2,500
Bangkok Bank (China) Co., Ltd.	Banking	Ordinary share	100.00	100.00	19,585	19,585
BBL Asset Management Co., Ltd.	Finance	Ordinary share	75.00	75.00	183	183
Bualuang Securities PCL.	Securities	Ordinary share	99.89	99.89	4,769	4,769
Associates						
BSL Leasing Co., Ltd.	Finance	Ordinary share	35.88	35.88	43	43
Processing Center Co., Ltd.	Service	Ordinary share	30.00	30.00	15	15
National ITMX Co., Ltd.	Service	Ordinary share	19.80	19.80	10	10
Thai Payment Network Co., Ltd.	Service	Ordinary share	49.99	49.99	90	90
Total					33,279	33,279
Less Allowance for impairment					(97)	(97)
Investments in subsidiaries and associates, net					33,182	33,182

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

	Million Baht	
	FOR THE THREE-MONTH PERIODS	
	ENDED	
	June 30, 2015	June 30, 2014
Net profit	177	170
Total comprehensive income	177	170

	Million Baht	
	FOR THE SIX-MONTH PERIODS	
	ENDED	
	June 30, 2015	June 30, 2014
Net profit	378	362
Total comprehensive income	378	362

6.6 Loans to customers and accrued interest receivables, net

6.6.1 Classified by product type as at June 30, 2015 and December 31, 2014 :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Overdrafts	117,659	116,742	115,962	114,906
Loans	1,232,442	1,210,795	1,192,551	1,169,557
Bills	439,451	454,122	432,038	445,390
Others	711	1,190	710	1,190
<u>Less</u> Deferred revenue	<u>(647)</u>	<u>(616)</u>	<u>(588)</u>	<u>(538)</u>
Loans to customers after deferred revenue, net	1,789,616	1,782,233	1,740,673	1,730,505
<u>Add</u> Accrued interest receivable	<u>3,301</u>	<u>4,233</u>	<u>3,198</u>	<u>4,118</u>
Loans to customers and accrued interest receivables after deferred revenue, net	1,792,917	1,786,466	1,743,871	1,734,623
<u>Less</u> Allowance for doubtful accounts				
Minimum provision according to the BOT's requirement				
- Individual approach	(32,208)	(26,352)	(31,253)	(25,415)
- Collective approach	(4,236)	(4,280)	(4,236)	(4,280)
Excess provision	<u>(55,153)</u>	<u>(58,779)</u>	<u>(53,481)</u>	<u>(57,400)</u>
Total	(91,597)	(89,411)	(88,970)	(87,095)
<u>Less</u> Revaluation allowance for debt restructuring	<u>(2,317)</u>	<u>(2,514)</u>	<u>(2,317)</u>	<u>(2,514)</u>
Total loans to customers, net	<u>1,699,003</u>	<u>1,694,541</u>	<u>1,652,584</u>	<u>1,645,014</u>

6.6.2 As at June 30, 2015 and December 31, 2014, the Bank and subsidiaries had non-performing loans (NPLs), defined according to the BOT's notification as loans classified as substandard, doubtful and doubtful of loss including interbank and money market items but excluding accrued interest receivable, as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
NPLs before allowance for doubtful accounts	55,126	45,046	53,788	44,105
NPLs as percentage of total loans	2.46	2.14	2.46	2.15
Net NPLs after allowance for doubtful accounts	22,111	18,260	21,670	17,917
Net NPLs as percentage of net total loans	1.00	0.88	1.01	0.89

6.6.3 Classified by currency and customer's residence as at June 30, 2015 and December 31, 2014 :

	CONSOLIDATED					
	June 30, 2015			December 31, 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	1,366,088	26,801	1,392,889	1,358,021	24,992	1,383,013
USD	83,230	184,027	267,257	92,806	185,105	277,911
Others	8,411	121,059	129,470	4,713	116,596	121,309
Total	1,457,729	331,887	1,789,616	1,455,540	326,693	1,782,233

	THE BANK					
	June 30, 2015			December 31, 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	1,367,879	26,801	1,394,680	1,361,003	24,992	1,385,995
USD	83,230	172,003	255,233	92,806	168,909	261,715
Others	8,411	82,349	90,760	4,713	78,082	82,795
Total	1,459,520	281,153	1,740,673	1,458,522	271,983	1,730,505

6.6.4 Classified by business type and in accordance with the notification of the BOT as at June 30, 2015 and December 31, 2014 :

						Million Baht
CONSOLIDATED JUNE 30, 2015						
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	34,786	568	210	353	227	36,144
Manufacturing and commercial	750,476	14,559	7,870	9,390	22,663	804,958
Real estate and construction	153,284	7,211	2,667	561	2,493	166,216
Utilities and services	306,387	13,024	986	1,321	1,435	323,153
Housing loans	192,230	1,788	587	747	2,427	197,779
Others	257,223	2,954	77	662	450	261,366
Total	1,694,386	40,104	12,397	13,034	29,695	1,789,616

						Million Baht
CONSOLIDATED DECEMBER 31, 2014						
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	34,274	842	177	104	349	35,746
Manufacturing and commercial	766,158	19,983	2,766	15,012	14,500	818,419
Real estate and construction	150,644	5,065	1,056	456	3,088	160,309
Utilities and services	301,008	6,197	1,230	410	1,508	310,353
Housing loans	186,114	1,753	481	531	2,341	191,220
Others	261,908	3,241	71	643	323	266,186
Total	1,700,106	37,081	5,781	17,156	22,109	1,782,233

						Million Baht
THE BANK JUNE 30, 2015						
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	32,048	568	80	353	227	33,276
Manufacturing and commercial	718,366	14,104	7,844	9,177	21,897	771,388
Real estate and construction	148,816	7,211	2,667	514	2,493	161,701
Utilities and services	303,147	13,024	986	1,321	1,435	319,913
Housing loans	192,209	1,786	585	744	2,418	197,742
Others	252,652	2,954	76	566	405	256,653
Total	1,647,238	39,647	12,238	12,675	28,875	1,740,673

	THE BANK					Million Baht
	DECEMBER 31, 2014					
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	31,466	688	177	104	349	32,784
Manufacturing and commercial	730,204	19,326	2,704	15,012	13,784	781,030
Real estate and construction	146,389	5,016	1,056	456	3,088	156,005
Utilities and services	298,154	6,197	1,230	410	1,508	307,499
Housing loans	186,112	1,753	480	531	2,339	191,215
Others	257,856	3,239	64	546	267	261,972
Total	1,650,181	36,219	5,711	17,059	21,335	1,730,505

6.6.5 As at June 30, 2015 and December 31, 2014, the Bank and subsidiaries had classified loans and allowance for doubtful accounts in accordance with the notification of the BOT as follows :

	CONSOLIDATED				Million Baht
	JUNE 30, 2015				
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank	
Minimum provision according to the BOT's requirement					
Normal	1,697,402	1,084,073	1	12,888	
Special mentioned	40,346	20,969	2	524	
Substandard	12,440	3,492	100	3,494	
Doubtful	13,034	5,940	100	5,959	
Doubtful of loss	29,695	13,572	100	13,579	
Excess provision according to the BOT's requirement					55,153
Total	1,792,917	1,128,046			91,597

				Million Baht
CONSOLIDATED DECEMBER 31, 2014				
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank
Minimum provision according to the BOT's requirement				
Normal	1,704,086	1,055,551	1	12,687
Special mentioned	37,312	17,695	2	449
Substandard	5,803	1,619	100	1,631
Doubtful	17,156	4,822	100	4,860
Doubtful of loss	22,109	10,998	100	11,005
Excess provision according to the BOT's requirement				58,779
Total	<u>1,786,466</u>	<u>1,090,685</u>		<u>89,411</u>

				Million Baht
THE BANK JUNE 30, 2015				
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank
Minimum provision according to the BOT's requirement				
Normal	1,650,157	1,055,157	1	12,611
Special mentioned	39,882	20,937	2	523
Substandard	12,282	3,485	100	3,488
Doubtful	12,675	5,747	100	5,766
Doubtful of loss	28,875	13,094	100	13,101
Excess provision according to the BOT's requirement				53,481
Total	<u>1,743,871</u>	<u>1,098,420</u>		<u>88,970</u>

				Million Baht
THE BANK				
DECEMBER 31, 2014				
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank
Minimum provision according to the				
BOT's requirement				
Normal	1,654,059	1,020,170	1	12,346
Special mentioned	36,437	17,056	2	436
Substandard	5,733	1,599	100	1,614
Doubtful	17,059	4,726	100	4,764
Doubtful of loss	21,335	10,528	100	10,535
Excess provision according to the BOT's				
requirement				
				57,400
Total	<u>1,734,623</u>	<u>1,054,079</u>		<u>87,095</u>

As at June 30, 2015 and December 31, 2014, the consolidated and the Bank's financial statements included the allowance for doubtful accounts amounting to Baht 4,236 million and Baht 4,280 million, respectively, on a collective approach, for loans classified as normal and special mentioned.

- 6.6.6 As at June 30, 2015 and December 31, 2014, the Bank and subsidiaries had loans and accrued interest receivables due from companies experiencing financial difficulties as defined in the SET's guidelines dated July 8, 1998 regarding the disclosure of asset quality and related party transactions, for which the Bank and subsidiaries had provided an allowance for doubtful accounts, as follows :

					Million Baht
CONSOLIDATED					
JUNE 30, 2015					
	No. of Companies	Outstanding Balance	Loans Net of Collateral/Present Value of Future Cash Flows According to the BOT	Provision Required by the BOT	Provision Recorded by the Bank
Financial institutions ordered closed	-	-	-	-	-
Listed companies identified for delisting	1	373	373	373	373
Total	<u>1</u>	<u>373</u>	<u>373</u>	<u>373</u>	<u>373</u>

					Million Baht
CONSOLIDATED DECEMBER 31, 2014					
	No. of Companies	Outstanding Balance	Loans Net of Collateral/Present Value of Future Cash Flows According to the BOT	Provision Required by the BOT	Provision Recorded by the Bank
Financial institutions ordered closed	-	-	-	-	-
Listed companies identified for delisting	1	373	373	373	373
Total	1	373	373	373	373

					Million Baht
THE BANK JUNE 30, 2015					
	No. of Companies	Outstanding Balance	Loans Net of Collateral/Present Value of Future Cash Flows According to the BOT	Provision Required by the BOT	Provision Recorded by the Bank
Financial institutions ordered closed	-	-	-	-	-
Listed companies identified for delisting	1	373	373	373	373
Total	1	373	373	373	373

					Million Baht
THE BANK DECEMBER 31, 2014					
	No. of Companies	Outstanding Balance	Loans Net of Collateral/Present Value of Future Cash Flows According to the BOT	Provision Required by the BOT	Provision Recorded by the Bank
Financial institutions ordered closed	-	-	-	-	-
Listed companies identified for delisting	1	373	373	373	373
Total	1	373	373	373	373

6.6.7 Troubled debt restructurings

Details of the restructured debts of the Bank for the six-month periods ended June 30, 2015 and 2014, classified by the restructuring methods are as follows :

THE BANK				
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015				
Restructuring Method	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Asset transfer	7	83	Land, building, condominium	83
Debt restructuring in various forms	3,132	20,634	-	-
Total	3,139	20,717		

The weighted average tenure of the above-mentioned restructuring is 5 years ; and the total debt outstanding after debt restructuring at the restructuring contract date is Baht 20,717 million.

THE BANK				
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014				
Restructuring Method	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Debt restructuring in various forms	3,828	29,148	-	-
Total	3,828	29,148		

The weighted average tenure of the above-mentioned restructuring is 4 years ; and the total debt outstanding after debt restructuring at the restructuring contract date is Baht 29,148 million.

For the three-month period and the six-month period ended June 30, 2015, the Bank recognized interest income from restructured debts amounting to Baht 746 million and Baht 1,790 million, respectively.

For the three-month period and the six-month period ended June 30, 2014, the Bank recognized interest income from restructured debts amounting to Baht 785 million and Baht 1,718 million, respectively.

As at June 30, 2015 and December 31, 2014, the Bank had outstanding balances of loans to restructured debtors amounting to Baht 61,582 million and Baht 63,328 million, respectively.

Disclosures for the consolidated financial statements for troubled debt restructurings which occurred during the six-month periods ended June 30, 2015 and 2014 have not been provided, as such information is not significantly different from the above disclosures for the Bank's financial statements.

6.7 Allowance for doubtful accounts

Allowance for doubtful accounts consisted of the following as at June 30, 2015 and December 31, 2014 :

							Million Baht
CONSOLIDATED							
JUNE 30, 2015							
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balance	12,687	449	1,631	4,860	11,005	58,779	89,411
Doubtful accounts	201	75	1,863	1,099	6,756	(3,910)	6,084
Bad debt recovered	-	-	-	-	401	-	401
Bad debt written off	-	-	-	-	(4,583)	-	(4,583)
Others	-	-	-	-	-	284	284
Ending balance	<u>12,888</u>	<u>524</u>	<u>3,494</u>	<u>5,959</u>	<u>13,579</u>	<u>55,153</u>	<u>91,597</u>

							Million Baht
CONSOLIDATED							
DECEMBER 31, 2014							
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balance	12,384	492	965	2,219	17,031	56,606	89,697
Doubtful accounts	303	(43)	666	2,641	2,920	2,517	9,004
Bad debt recovered	-	-	-	-	885	-	885
Bad debt written off	-	-	-	-	(9,831)	-	(9,831)
Others	-	-	-	-	-	(344)	(344)
Ending balance	<u>12,687</u>	<u>449</u>	<u>1,631</u>	<u>4,860</u>	<u>11,005</u>	<u>58,779</u>	<u>89,411</u>

Million Baht

THE BANK JUNE 30, 2015							
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balance	12,346	436	1,614	4,764	10,535	57,400	87,095
Doubtful accounts	265	87	1,874	1,002	6,748	(4,247)	5,729
Bad debt recovered	-	-	-	-	401	-	401
Bad debt written off	-	-	-	-	(4,583)	-	(4,583)
Others	-	-	-	-	-	328	328
Ending balance	<u>12,611</u>	<u>523</u>	<u>3,488</u>	<u>5,766</u>	<u>13,101</u>	<u>53,481</u>	<u>88,970</u>

Million Baht

THE BANK DECEMBER 31, 2014							
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balance	12,093	467	964	2,124	16,580	55,394	87,622
Doubtful accounts	253	(31)	650	2,640	2,713	2,093	8,318
Bad debt recovered	-	-	-	-	883	-	883
Bad debt written off	-	-	-	-	(9,641)	-	(9,641)
Others	-	-	-	-	-	(87)	(87)
Ending balance	<u>12,346</u>	<u>436</u>	<u>1,614</u>	<u>4,764</u>	<u>10,535</u>	<u>57,400</u>	<u>87,095</u>

As at June 30, 2015 and December 31, 2014, the Bank and subsidiaries had the allowance for doubtful accounts in the consolidated financial statements of Baht 91,597 million and Baht 89,411 million, and in the Bank's financial statements of Baht 88,970 million and Baht 87,095 million, respectively.

As at June 30, 2015 and December 31, 2014, the Bank and subsidiaries recorded allowances for doubtful accounts in excess of the allowances as per the BOT's requirement in the consolidated financial statements of Baht 55,153 million and Baht 58,779 million, and in the Bank's financial statements of Baht 53,481 million and Baht 57,400 million, respectively (See Note 3.8).

6.8 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring are as follows as at June 30, 2015 and December 31, 2014 :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Beginning balance	2,514	2,886	2,514	2,886
Increase during the period/year	179	297	179	297
Write off/decrease during the period/year	(376)	(669)	(376)	(669)
Ending balance	<u>2,317</u>	<u>2,514</u>	<u>2,317</u>	<u>2,514</u>

6.9 Properties for sale, net

Properties for sale consisted of the following as at June 30, 2015 and December 31, 2014 :

	CONSOLIDATED			Million Baht
	JUNE 30, 2015			
Type of Properties for Sale	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	23,754	330	(1,798)	22,286
Movable assets	<u>396</u>	<u>1</u>	<u>(1)</u>	<u>396</u>
Total	24,150	331	(1,799)	22,682
Others	<u>65</u>	<u>-</u>	<u>-</u>	<u>65</u>
Total properties for sale	24,215	331	(1,799)	22,747
<u>Less</u> Allowance for impairment	<u>(7,699)</u>	<u>(148)</u>	<u>111</u>	<u>(7,736)</u>
Total properties for sale, net	<u>16,516</u>	<u>183</u>	<u>(1,688)</u>	<u>15,011</u>

Type of Properties for Sale	Beginning Balance	CONSOLIDATED DECEMBER 31, 2014		Million Baht
		Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	26,867	1,392	(4,505)	23,754
Movable assets	<u>400</u>	<u>13</u>	<u>(17)</u>	<u>396</u>
Total	27,267	1,405	(4,522)	24,150
Others	<u>65</u>	<u>-</u>	<u>-</u>	<u>65</u>
Total properties for sale	27,332	1,405	(4,522)	24,215
<u>Less</u> Allowance for impairment	<u>(8,431)</u>	<u>211</u>	<u>521</u>	<u>(7,699)</u>
Total properties for sale, net	<u>18,901</u>	<u>1,616</u>	<u>(4,001)</u>	<u>16,516</u>

As at June 30, 2015, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 22,286 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 15,493 million and appraised by internal appraisers in the amount of Baht 6,793 million.

As at December 31, 2014, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 23,754 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 16,356 million and appraised by internal appraisers in the amount of Baht 7,398 million.

Type of Properties for Sale	Beginning Balance	THE BANK JUNE 30, 2015		Million Baht
		Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	16,976	327	(1,151)	16,152
Movable assets	<u>396</u>	<u>1</u>	<u>(1)</u>	<u>396</u>
Total	17,372	328	(1,152)	16,548
Others	<u>65</u>	<u>-</u>	<u>-</u>	<u>65</u>
Total properties for sale	17,437	328	(1,152)	16,613
<u>Less</u> Allowance for impairment	<u>(5,855)</u>	<u>(87)</u>	<u>109</u>	<u>(5,833)</u>
Total properties for sale, net	<u>11,582</u>	<u>241</u>	<u>(1,043)</u>	<u>10,780</u>

				Million Baht
THE BANK				
DECEMBER 31, 2014				
Type of Properties for Sale	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	18,203	1,392	(2,619)	16,976
Movable assets	399	14	(17)	396
Total	18,602	1,406	(2,636)	17,372
Others	65	-	-	65
Total properties for sale	18,667	1,406	(2,636)	17,437
Less Allowance for impairment	(6,380)	217	308	(5,855)
Total properties for sale, net	12,287	1,623	(2,328)	11,582

As at June 30, 2015, the Bank had immovable assets from debt repayment in the amount of Baht 16,152 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 10,915 million and appraised by internal appraisers in the amount of Baht 5,237 million.

As at December 31, 2014, the Bank had immovable assets from debt repayment in the amount of Baht 16,976 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 11,210 million and appraised by internal appraisers in the amount of Baht 5,766 million.

Classified properties for sale in accordance with the notification of the BOT as at June 30, 2015 and December 31, 2014 are presented in Note 6.13.

The Bank had disclosed transactions according to the BOT's Notification regarding the Accounting Rules for Financial Institutions in relations to the Sale of Properties for Sale, dated December 17, 2012, the transactions of the Bank and subsidiaries are as follows :

								Million Baht
CONSOLIDATED								
FOR THE THREE-MONTH PERIODS ENDED								
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	June 30, 2015		June 30, 2014		Loss on Sale of Properties for Sale	
			Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale		
Sale to public	Per Installment	1	-	-	1	6	-	
Sale to public	Per cost recovery	-	407	(3)	-	540	(3)	

Million Baht

CONSOLIDATED							
FOR THE SIX-MONTH PERIODS ENDED							
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014	June 30, 2014
			Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	1	-	-	1	27	-
Sale to public	Per cost recovery	-	971	(4)	-	902	(5)

Million Baht

THE BANK							
FOR THE THREE-MONTH PERIODS ENDED							
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014	June 30, 2014
			Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	1	-	-	1	6	-
Sale to public	Per cost recovery	-	226	(3)	-	503	(2)

Million Baht

THE BANK							
FOR THE SIX-MONTH PERIODS ENDED							
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014	June 30, 2014
			Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	1	-	-	1	27	-
Sale to public	Per cost recovery	-	526	(4)	-	723	(4)

6.10 Premises and equipment, net

Premises and equipment consisted of the following as at June 30, 2015 and December 31, 2014 :

	CONSOLIDATED													Million Baht
	JUNE 30, 2015													
	Cost					Accumulated Depreciation								
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Net of Accumulated Depreciation	Others	Ending Balance	Beginning Balance	Depre- ciation	Disposal/ Transfer	Transfer to net with cost	Others	Ending Balance	Premises and Equipment (Net)	
Land														
Cost	7,367	37	-	-	58	7,462	-	-	-	-	-	-	7,462	
Appraisal Increase														
(year 2015)	12,850	8,174	-	-	11	21,035	-	-	-	-	-	-	21,035	
Appraisal Decrease														
(year 2015)	(1,013)	-	324	-	-	(689)	-	-	-	-	-	-	(689)	
Premises														
Cost	3,273	63	-	(1,435)	19	1,920	1,350	119	-	(1,435)	7	41	1,879	
Appraisal Increase														
(year 2015)	10,611	7,454	(1)	(5,648)	1	12,417	5,183	564	(2)	(5,648)	-	97	12,320	
Appraisal Decrease														
(year 2015)	(246)	(30)	1	67	-	(208)	(63)	(7)	2	67	-	(1)	(207)	
Equipment	21,991	668	(607)	-	16	22,068	18,422	813	(602)	-	15	18,648	3,420	
Others	1,514	565	(273)	-	(53)	1,753	-	-	-	-	-	-	1,753	
Total	56,347	16,931	(556)	(7,016)	52	65,758	24,892	1,489	(602)	(7,016)	22	18,785	46,973	

For the six-month period ended June 30, 2015, the Bank has the land and premises appraised. The appraisal value defined by independent appraisers is categorized as Level 3 in the fair value hierarchy. (Determination of level of the fair value hierarchy are shown in Note 4.2.)

In addition, the Bank has changed the presentation of the carrying amount of the premises by netting the accumulated depreciation with its cost and increase (decrease) in revaluation. The change in presentation is applied retrospectively as if it had been presented as such since the first appraisal of the premises. This is only a change in presentation without any impact on the financial position and the operating result.

Million Baht

CONSOLIDATED
DECEMBER 31, 2014

	Beginning Balance	Additions/ Transfer	Cost Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Depreciation Depre- ciation	Disposal/ Transfer	Others	Ending Balance	Premises and Equipment (Net)
Land											
Cost	7,487	62	-	(182)	7,367	-	-	-	-	-	7,367
Appraisal Increase (year 2010)	12,850	-	-	-	12,850	-	-	-	-	-	12,850
Appraisal Decrease (year 2010)	(1,013)	-	-	-	(1,013)	-	-	-	-	-	(1,013)
Premises											
Cost	3,097	253	(1)	(76)	3,273	1,104	262	(1)	(15)	1,350	1,923
Appraisal Increase (year 2010)	10,613	-	(2)	-	10,611	4,055	1,129	(1)	-	5,183	5,428
Appraisal Decrease (year 2010)	(246)	-	-	-	(246)	(49)	(14)	-	-	(63)	(183)
Equipment	21,218	1,467	(658)	(36)	21,991	17,549	1,557	(660)	(24)	18,422	3,569
Others	928	1,670	(1,033)	(51)	1,514	-	-	-	-	-	1,514
Total	<u>54,934</u>	<u>3,452</u>	<u>(1,694)</u>	<u>(345)</u>	<u>56,347</u>	<u>22,659</u>	<u>2,934</u>	<u>(662)</u>	<u>(39)</u>	<u>24,892</u>	<u>31,455</u>

As at June 30, 2015 and December 31, 2014, the Bank and subsidiaries had equipment which are fully depreciated but still in use at the original costs amounting to Baht 15,554 million and Baht 14,306 million, respectively.

THE BANK
JUNE 30, 2015

	Cost			Accumulated Depreciation									Premises and Equipment (Net)
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Net of Accumulated Depreciation	Others	Ending Balance	Beginning Balance	Depre- ciation	Disposal/ Transfer	Transfer to net of cost	Others	Ending Balance	
Land													
Cost	7,360	38	-	-	58	7,456	-	-	-	-	-	-	7,456
Appraisal Increase													
(year 2015)	12,850	8,107	-	-	13	20,970	-	-	-	-	-	-	20,970
Appraisal Decrease													
(year 2015)	(1,013)	-	324	-	-	(689)	-	-	-	-	-	-	(689)
Premises													
Cost	3,099	63	-	(1,361)	25	1,826	1,262	116	-	(1,361)	8	25	1,801
Appraisal Increase													
(year 2015)	10,611	7,398	(1)	(5,648)	3	12,363	5,183	564	(2)	(5,648)	-	97	12,266
Appraisal Decrease													
(year 2015)	(246)	(30)	1	67	-	(208)	(63)	(7)	2	67	-	(1)	(207)
Equipment	21,117	641	(585)	-	16	21,189	17,803	766	(584)	-	13	17,998	3,191
Others	387	419	(262)	-	-	544	-	-	-	-	-	-	544
Total	<u>54,165</u>	<u>16,636</u>	<u>(523)</u>	<u>(6,942)</u>	<u>115</u>	<u>63,451</u>	<u>24,185</u>	<u>1,439</u>	<u>(584)</u>	<u>(6,942)</u>	<u>21</u>	<u>18,119</u>	<u>45,332</u>

Million Baht

THE BANK
DECEMBER 31, 2014

	Beginning Balance	Additions/ Transfer	Cost Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Depreciation Depre- ciation	Disposal/ Transfer	Others	Ending Balance	Premises and Equipment (Net)
Land											
Cost	7,480	62	-	(182)	7,360	-	-	-	-	-	7,360
Appraisal Increase											
(year 2010)	12,850	-	-	-	12,850	-	-	-	-	-	12,850
Appraisal Decrease											
(year 2010)	(1,013)	-	-	-	(1,013)	-	-	-	-	-	(1,013)
Premises											
Cost	2,913	253	(1)	(66)	3,099	1,016	256	(1)	(9)	1,262	1,837
Appraisal Increase											
(year 2010)	10,613	-	(2)	-	10,611	4,055	1,129	(1)	-	5,183	5,428
Appraisal Decrease											
(year 2010)	(246)	-	-	-	(246)	(49)	(14)	-	-	(63)	(183)
Equipment	20,416	1,356	(630)	(25)	21,117	16,991	1,455	(627)	(16)	17,803	3,314
Others	281	1,114	(1,008)	-	387	-	-	-	-	-	387
Total	<u>53,294</u>	<u>2,785</u>	<u>(1,641)</u>	<u>(273)</u>	<u>54,165</u>	<u>22,013</u>	<u>2,826</u>	<u>(629)</u>	<u>(25)</u>	<u>24,185</u>	<u>29,980</u>

As at June 30, 2015 and December 31, 2014, the Bank had equipment which is fully depreciated but still in use at the original costs amounting to Baht 15,143 million, and Baht 13,875 million, respectively.

6.11 Other intangible assets, net

Other intangible assets consisted of the following as at June 30, 2015 and December 31, 2014 :

Million Baht

CONSOLIDATED
JUNE 30, 2015

	Beginning Balance	Additions/ Transfer	Cost Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Amortization Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	2,016	195	(92)	1	2,120	1,571	132	(91)	1	1,613	507
Others	253	63	(270)	-	46	-	-	-	-	-	46
Total	<u>2,269</u>	<u>258</u>	<u>(362)</u>	<u>1</u>	<u>2,166</u>	<u>1,571</u>	<u>132</u>	<u>(91)</u>	<u>1</u>	<u>1,613</u>	<u>553</u>

Million Baht

CONSOLIDATED
DECEMBER 31, 2014

	Beginning Balance	Cost Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Amortization Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	1,697	356	(33)	(4)	2,016	1,410	192	(28)	(3)	1,571	445
Others	319	261	(327)	-	253	-	-	-	-	-	253
Total	<u>2,016</u>	<u>617</u>	<u>(360)</u>	<u>(4)</u>	<u>2,269</u>	<u>1,410</u>	<u>192</u>	<u>(28)</u>	<u>(3)</u>	<u>1,571</u>	<u>698</u>

Million Baht

THE BANK
JUNE 30, 2015

	Beginning Balance	Cost Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Amortization Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	1,776	186	(82)	-	1,880	1,386	120	(82)	-	1,424	456
Others	253	63	(270)	-	46	-	-	-	-	-	46
Total	<u>2,029</u>	<u>249</u>	<u>(352)</u>	<u>-</u>	<u>1,926</u>	<u>1,386</u>	<u>120</u>	<u>(82)</u>	<u>-</u>	<u>1,424</u>	<u>502</u>

Million Baht

THE BANK
DECEMBER 31, 2014

	Beginning Balance	Cost Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Amortization Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	1,468	336	(28)	-	1,776	1,257	156	(27)	-	1,386	390
Others	319	261	(327)	-	253	-	-	-	-	-	253
Total	<u>1,787</u>	<u>597</u>	<u>(355)</u>	<u>-</u>	<u>2,029</u>	<u>1,257</u>	<u>156</u>	<u>(27)</u>	<u>-</u>	<u>1,386</u>	<u>643</u>

6.12 Deferred tax assets and liabilities

Deferred tax assets and liabilities as at June 30, 2015 and December 31, 2014 are as follows :

Million Baht

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Deferred tax assets	2,095	2,133	1,215	1,176
Deferred tax liabilities	<u>8,113</u>	<u>4,169</u>	<u>7,778</u>	<u>3,844</u>
Deferred tax assets (liabilities), net	<u>(6,018)</u>	<u>(2,036)</u>	<u>(6,563)</u>	<u>(2,668)</u>

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

	CONSOLIDATED JUNE 30, 2015				Million Baht
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,886	48	(102)	-	2,832
Loans to customers and accrued interest receivables	2,772	180	-	13	2,965
Properties for sale	1,540	7	-	-	1,547
Premises and equipment	266	(58)	-	-	208
Provisions	1,923	27	6	2	1,958
Others	2,894	620	-	2	3,516
Total	<u>12,281</u>	<u>824</u>	<u>(96)</u>	<u>17</u>	<u>13,026</u>
Deferred tax liabilities					
Investments	8,514	(5)	1,140	-	9,649
Loans to customers and accrued interest receivables	84	(43)	-	-	41
Properties for sale	2	-	-	-	2
Premises and equipment	3,670	(113)	3,119	2	6,678
Others	2,047	627	-	-	2,674
Total	<u>14,317</u>	<u>466</u>	<u>4,259</u>	<u>2</u>	<u>19,044</u>
Net	<u>(2,036)</u>	<u>358</u>	<u>(4,355)</u>	<u>15</u>	<u>(6,018)</u>

Million Baht

	CONSOLIDATED DECEMBER 31, 2014				
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,720	125	41	-	2,886
Loans to customers and accrued interest receivables	2,752	40	-	(20)	2,772
Properties for sale	1,686	(146)	-	-	1,540
Premises and equipment	273	(7)	-	-	266
Provisions	1,713	70	144	(4)	1,923
Others	1,708	1,187	-	(1)	2,894
Total	10,852	1,269	185	(25)	12,281
Deferred tax liabilities					
Investments	6,997	44	1,473	-	8,514
Loans to customers and accrued interest receivables	-	84	-	-	84
Properties for sale	2	-	-	-	2
Premises and equipment	3,894	(223)	-	(1)	3,670
Others	1,059	988	-	-	2,047
Total	11,952	893	1,473	(1)	14,317
Net	(1,100)	376	(1,288)	(24)	(2,036)

Million Baht

	Beginning Balance	Recognized in Profit and Loss	THE BANK JUNE 30, 2015 Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,869	48	(95)	-	2,822
Loans to customers and accrued interest receivables	2,324	172	-	9	2,505
Properties for sale	1,171	(4)	-	-	1,167
Premises and equipment	266	(58)	-	-	208
Provisions	1,903	24	6	3	1,936
Others	2,745	699	-	-	3,444
Total	<u>11,278</u>	<u>881</u>	<u>(89)</u>	<u>12</u>	<u>12,082</u>
Deferred tax liabilities					
Investments	8,273	1	1,141	-	9,415
Loans to customers and accrued interest receivables	84	(43)	-	-	41
Properties for sale	2	-	-	-	2
Premises and equipment	3,656	(111)	3,101	3	6,649
Others	1,931	607	-	-	2,538
Total	<u>13,946</u>	<u>454</u>	<u>4,242</u>	<u>3</u>	<u>18,645</u>
Net	<u>(2,668)</u>	<u>427</u>	<u>(4,331)</u>	<u>9</u>	<u>(6,563)</u>

THE BANK					Million Baht
DECEMBER 31, 2014					
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,692	125	52	-	2,869
Loans to customers and					
accrued interest receivables	2,199	130	-	(5)	2,324
Properties for sale	1,276	(105)	-	-	1,171
Premises and equipment	273	(7)	-	-	266
Provisions	1,696	67	144	(4)	1,903
Others	1,581	1,164	-	-	2,745
Total	<u>9,717</u>	<u>1,374</u>	<u>196</u>	<u>(9)</u>	<u>11,278</u>
Deferred tax liabilities					
Investments	6,796	3	1,474	-	8,273
Loans to customers and					
accrued interest receivables	-	84	-	-	84
Properties for sale	2	-	-	-	2
Premises and equipment	3,882	(226)	-	-	3,656
Others	935	996	-	-	1,931
Total	<u>11,615</u>	<u>857</u>	<u>1,474</u>	<u>-</u>	<u>13,946</u>
Net	<u>(1,898)</u>	<u>517</u>	<u>(1,278)</u>	<u>(9)</u>	<u>(2,668)</u>

6.13 As at June 30, 2015 and December 31, 2014, classified assets in accordance with the notification of the BOT are as follows :

CONSOLIDATED					Million Baht
JUNE 30, 2015					
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,697,402	-	-	-	1,697,402
Special mentioned	40,346	-	-	-	40,346
Substandard	12,440	-	-	-	12,440
Doubtful	13,034	-	-	-	13,034
Doubtful of loss	29,695	5,353	2,269	1,205	38,522
Total	<u>1,792,917</u>	<u>5,353</u>	<u>2,269</u>	<u>1,205</u>	<u>1,801,744</u>

	CONSOLIDATED DECEMBER 31, 2014				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,704,086	-	-	-	1,704,086
Special mentioned	37,312	-	-	-	37,312
Substandard	5,803	-	-	-	5,803
Doubtful	17,156	-	-	-	17,156
Doubtful of loss	22,109	6,219	2,235	1,224	31,787
Total	1,786,466	6,219	2,235	1,224	1,796,144

	THE BANK JUNE 30, 2015				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,650,157	-	-	-	1,650,157
Special mentioned	39,882	-	-	-	39,882
Substandard	12,282	-	-	-	12,282
Doubtful	12,675	-	-	-	12,675
Doubtful of loss	28,875	5,380	1,281	1,200	36,736
Total	1,743,871	5,380	1,281	1,200	1,751,732

	THE BANK DECEMBER 31, 2014				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,654,059	-	-	-	1,654,059
Special mentioned	36,437	-	-	-	36,437
Substandard	5,733	-	-	-	5,733
Doubtful	17,059	-	-	-	17,059
Doubtful of loss	21,335	6,221	1,306	1,219	30,081
Total	1,734,623	6,221	1,306	1,219	1,743,369

6.14 Deposits

6.14.1 Classified by product type as at June 30, 2015 and December 31, 2014 :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Demand	84,831	84,231	82,737	82,213
Savings	796,066	771,281	790,355	761,928
Fixed	1,245,009	1,201,065	1,194,753	1,147,188
Negotiable certificates of deposit	2,196	2,202	1,300	1,259
Total	2,128,102	2,058,779	2,069,145	1,992,588

6.14.2 Classified by currency and customer's residence as at June 30, 2015 and December 31, 2014 :

	CONSOLIDATED					
	June 30, 2015			December 31, 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	1,917,513	8,324	1,925,837	1,748,039	92,798	1,840,837
USD	28,426	48,459	76,885	31,764	49,480	81,244
Others	14,569	110,811	125,380	24,415	112,283	136,698
Total	1,960,508	167,594	2,128,102	1,804,218	254,561	2,058,779

	THE BANK					
	June 30, 2015			December 31, 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	1,917,525	8,317	1,925,842	1,748,093	92,782	1,840,875
USD	28,183	44,069	72,252	31,368	43,272	74,640
Others	11,017	60,034	71,051	21,540	55,533	77,073
Total	1,956,725	112,420	2,069,145	1,801,001	191,587	1,992,588

6.15 Interbank and money market items (liabilities)

Interbank and money market items (liabilities) consisted of the following as at June 30, 2015 and December 31, 2014 :

Million Baht						
	CONSOLIDATED					
	June 30, 2015			December 31, 2014		
	Demand	Time	Total	Demand	Time	Total
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	263	5,540	5,803	18	6,251	6,269
Commercial banks	2,103	15,601	17,704	3,145	39,100	42,245
Special purpose financial Institutions	2,411	1,957	4,368	2,989	2,000	4,989
Other financial institutions	8,290	20,343	28,633	10,069	12,655	22,724
Total domestic items	<u>13,067</u>	<u>43,441</u>	<u>56,508</u>	<u>16,221</u>	<u>60,006</u>	<u>76,227</u>
Foreign items						
USD	7,379	32,593	39,972	6,091	18,780	24,871
JPY	419	3,724	4,143	417	3,998	4,415
EUR	2,296	132	2,428	3,849	-	3,849
Others	5,402	23,001	28,403	6,728	23,958	30,686
Total foreign items	<u>15,496</u>	<u>59,450</u>	<u>74,946</u>	<u>17,085</u>	<u>46,736</u>	<u>63,821</u>
Total domestic and foreign items	<u><u>28,563</u></u>	<u><u>102,891</u></u>	<u><u>131,454</u></u>	<u><u>33,306</u></u>	<u><u>106,742</u></u>	<u><u>140,048</u></u>

Million Baht						
	THE BANK					
	June 30, 2015			December 31, 2014		
	Demand	Time	Total	Demand	Time	Total
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	263	5,540	5,803	18	6,251	6,269
Commercial banks	2,103	15,601	17,704	3,145	39,100	42,245
Special purpose financial Institutions	2,411	1,957	4,368	2,989	2,000	4,989
Other financial institutions	8,434	20,343	28,777	10,160	12,655	22,815
Total domestic items	<u>13,211</u>	<u>43,441</u>	<u>56,652</u>	<u>16,312</u>	<u>60,006</u>	<u>76,318</u>
Foreign items						
USD	7,387	33,441	40,828	6,106	16,382	22,488
JPY	421	3,724	4,145	420	3,998	4,418
EUR	2,302	-	2,302	3,862	-	3,862
Others	5,470	10,990	16,460	6,816	5,917	12,733
Total foreign items	<u>15,580</u>	<u>48,155</u>	<u>63,735</u>	<u>17,204</u>	<u>26,297</u>	<u>43,501</u>
Total domestic and foreign items	<u><u>28,791</u></u>	<u><u>91,596</u></u>	<u><u>120,387</u></u>	<u><u>33,516</u></u>	<u><u>86,303</u></u>	<u><u>119,819</u></u>

6.16 Debt Issued and Borrowings

6.16.1 Classified by type of instruments and source of fund as at June 30, 2015 and December 31, 2014 :

Million Baht						
	CONSOLIDATED					
	June 30, 2015			December 31, 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Senior unsecured notes	-	114,872	114,872	-	112,155	112,155
Unsecured subordinated notes	20,000	15,192	35,192	20,000	14,832	34,832
Bills of exchange	128	-	128	273	-	273
Others	259	-	259	96	-	96
Less Discount on borrowings	-	(6,429)	(6,429)	-	(6,511)	(6,511)
Total	20,387	123,635	144,022	20,369	120,476	140,845

Million Baht						
	THE BANK					
	June 30, 2015			December 31, 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Senior unsecured notes	-	114,872	114,872	-	112,155	112,155
Unsecured subordinated notes	20,000	15,192	35,192	20,000	14,832	34,832
Bills of exchange	128	-	128	273	-	273
Others	61	-	61	75	-	75
Less Discount on borrowings	-	(6,429)	(6,429)	-	(6,511)	(6,511)
Total	20,189	123,635	143,824	20,348	120,476	140,824

6.16.2 Classified by type of instruments, currency, maturity and interest rate as at June 30, 2015 and December 31, 2014 :

					Million Baht
Type	Currency	Maturity	Interest Rate	CONSOLIDATED	
				Amount	
				June 30, 2015	December 31, 2014
Senior unsecured notes	USD	2015 - 2023	2.75% - 5.00%	114,872	112,155
Unsecured subordinated notes	USD	2029	9.025%	15,192	14,832
Unsecured subordinated notes	THB	2022	4.375%	20,000	20,000
Bills of exchange	THB	2015	0.75% - 1.50%	128	273
Others	THB	2015 - 2019	0.00% - 0.50%	259	96
Less Discount on borrowings				(6,429)	(6,511)
Total				144,022	140,845

Type	Currency	Maturity	Interest Rate	THE BANK	
				Amount	
				June 30, 2015	December 31, 2014
Senior unsecured notes	USD	2015 - 2023	2.75% - 5.00%	114,872	112,155
Unsecured subordinated notes	USD	2029	9.025%	15,192	14,832
Unsecured subordinated notes	THB	2022	4.375%	20,000	20,000
Bills of exchange	THB	2015	0.75% - 1.50%	128	273
Others	THB	2016 - 2019	0.50%	61	75
Less Discount on borrowings				(6,429)	(6,511)
Total				143,824	140,824

6.17 Unsecured subordinated notes

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

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

6.18 Bonds

On April 12, 2005, the shareholders reconsidered the resolutions of the shareholders' meeting, convened on April 9, 2004, approving to issue bonds of the Bank and passed a resolution for the Bank to issue and offer subordinated bonds and/or unsubordinated bonds and/or perpetual bonds, both subordinated and unsubordinated, and/or subordinated convertible bonds and/or convertible bonds (together "Bonds") in an amount not exceeding USD 3,000 million or its equivalent in other currencies, offered and sold in foreign markets and/or domestic markets to general public and/or institutional investors or investors with specific characteristics defined in the notification of the Securities and Exchange Commission. The Bank may issue different types of Bonds in one issue simultaneously or in several issues at different times. The non-perpetual bonds shall have a maturity of not exceeding 100 years. The subordinated convertible bonds and/or

convertible bonds shall have a maturity of not exceeding 30 years, and the amount of not exceeding USD 1,000 million or its equivalent in other currencies. The Board of Directors or the Executive Board of Directors shall be empowered to consider terms and conditions and other details for the issue and offering of the bonds. The shareholders also approved the allocation of 500 million ordinary shares to accommodate the conversion right of the subordinated convertible bonds and/or convertible bonds (See Note 6.22).

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

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

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

On September 27, 2012, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 12th Annual Ordinary Meeting of Shareholders convened on

April 12, 2005 consisting of senior unsecured notes with a maturity of 5.5 years at a coupon of 2.75% p.a., amounting to USD 400 million and senior unsecured notes with a maturity of 10 years at a coupon of 3.875% p.a., amounting to USD 800 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 1,194 million.

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

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

6.19 The Issuance of Bonds under the Medium Term Note Program

On March 26, 1997, the shareholders passed a resolution for the Bank to issue and offer bonds including subordinated bonds and unsubordinated bonds under the Medium Term Note Program in an amount of not exceeding USD 1,500 million or its equivalent in other currencies. The bonds shall have a maturity of not exceeding 30 years and be offered and sold in foreign markets and/or domestic markets. The Bank may be given the right to redeem the bonds prior to their maturity and/or the bondholders may be given the right to call the Bank to redeem the bonds prior to their maturity in accordance with the condition of the bonds.

The Board of Directors was authorized to proceed with the issue. As at June 30, 2015, the Bank had not yet issued bonds according to the aforementioned resolution.

6.20 Provisions

As at June 30, 2015 and December 31, 2014 provisions are as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Beginning balance	9,241	8,257	9,143	8,175
Increase during the period/year	731	2,161	718	2,142
Written off/reversal during the period/ year	(582)	(1,177)	(582)	(1,174)
Ending balance	<u>9,390</u>	<u>9,241</u>	<u>9,279</u>	<u>9,143</u>

6.21 Post-employment benefits

6.21.1 Defined contribution plans

For the three-month periods ended June 30, 2015 and 2014, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements, amounting to Baht 271 million and Baht 240 million, and in the Bank's financial statements amounting to Baht 247 million and Baht 216 million, respectively.

For the six-month periods ended June 30, 2015 and 2014, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements amounting to Baht 511 million and Baht 476 million, and in the Bank's financial statements amounting to Baht 462 million and Baht 429 million, respectively.

6.21.2 Defined benefit plans

As at June 30, 2015 and December 31, 2014, the Bank and its local subsidiaries have unfunded defined benefit plans but some overseas branches have funded defined benefit plans. The reconciliation of the defined benefit obligations, both funded and unfunded, and plan assets to the amounts recognized in the financial statements are as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
The present value of the funded defined benefit plans	864	797	864	797
The fair value of plan assets	<u>(491)</u>	<u>(449)</u>	<u>(491)</u>	<u>(449)</u>
	373	348	373	348
The present value of the unfunded defined benefit plans	<u>6,556</u>	<u>6,517</u>	<u>6,445</u>	<u>6,418</u>
Liabilities, net	<u>6,929</u>	<u>6,865</u>	<u>6,818</u>	<u>6,766</u>

The following table presents the reconciliations of the present value of defined benefit obligations, both funded and unfunded, under the post-employment benefits as at June 30, 2015 and December 31, 2014 :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
	Million Baht			
Beginning balance	7,315	6,311	7,216	6,228
Current service costs	236	370	225	354
Interest costs	124	245	123	241
Past service costs	-	4	-	4
Benefit paid during the period/year	(296)	(288)	(296)	(285)
Actuarial losses on obligations				
from changes in financial assumptions	2	582	2	581
from changes in demographic assumptions	-	(1)	-	2
from experience	12	137	12	136
Unrealized losses (gains) on exchanges	<u>27</u>	<u>(45)</u>	<u>27</u>	<u>(45)</u>
Ending balance	<u><u>7,420</u></u>	<u><u>7,315</u></u>	<u><u>7,309</u></u>	<u><u>7,216</u></u>

The following table presents the reconciliations of the fair value of plan assets related to the funded defined benefit plans as at June 30, 2015 and December 31, 2014 :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
	Million Baht			
Beginning balance	449	428	449	428
Interest income	10	18	10	18
Contributions	20	27	20	27
Benefit paid during the period/year	-	(4)	-	(4)
Actuarial gains on plan assets	-	1	-	1
Unrealized gains (losses) on exchanges	<u>12</u>	<u>(21)</u>	<u>12</u>	<u>(21)</u>
Ending balance	<u><u>491</u></u>	<u><u>449</u></u>	<u><u>491</u></u>	<u><u>449</u></u>

Significant actuarial assumptions used to calculate the defined benefit obligations and plan assets, average per each plan, and the sensitivities analysis for each significant actuarial assumptions which reflects increasing in the obligations if the assumptions change by 1% as at June 30, 2015 and December 31, 2014 are as follows :

	CONSOLIDATED		Percentage	
	Significant actuarial assumptions		Increase in defined benefit obligations	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Discount rate	1.10 - 8.00	1.10 - 8.00	13.08	13.08
Average future salary increases	2.00 - 15.00	2.00 - 15.00	10.84	10.91

	THE BANK		Percentage	
	Significant actuarial assumptions		Increase in defined benefit obligations	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Discount rate	1.10 - 8.00	1.10 - 8.00	13.08	13.08
Average future salary increases	2.00 - 15.00	2.00 - 15.00	10.81	10.88

6.22 Share capital

The Bank's share capital consists of :

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

As at June 30, 2015 and December 31, 2014, the Bank had registered share capital of Baht 40,000,000,000 divided into ordinary shares and preferred shares totaling 4,000,000,000 shares, with par value of Baht 10 each, details of which are as follows :

Type	Number of Registered Shares	
	June 30, 2015	December 31, 2014
Ordinary shares	3,998,345,000	3,998,345,000
Class A preferred shares	655,000	655,000
Class B preferred shares	1,000,000	1,000,000
Total	4,000,000,000	4,000,000,000

As at June 30, 2015 and December 31, 2014, the Bank had 1,908,842,894 issued ordinary shares and 2,039,502,106 unissued ordinary shares and 655,000 Class A unissued preferred shares and 1,000,000 Class B unissued preferred shares. In relation to the allocation of the unissued ordinary shares, the Bank will follow the resolutions of the 12th ordinary shareholders' meeting convened on April 12, 2005, as per the following details :

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

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

6.23 The establishment of Special Purpose Vehicle to issue capital securities

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

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

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

On March 18, 1999, the shareholders passed a resolution for the Bank to establish or to invest in a subsidiary or SPV for the purpose of raising fund of the Bank, by issuing preferred shares and/or bonds to the subsidiary or SPV, or the Bank may issue the preferred shares and/or bonds to a mutual fund or a juristic entity that is established for investing mainly in the Bank's preferred shares and/or bonds; and the Bank is authorized to enter into Trust Agreement or Master Investment Agreement between the Bank and the subsidiary or SPV or mutual fund or any other juristic entity. As at June 30, 2015, the Bank had not yet established the SPV as it had not issued the instrument for fund raising via SPV according to the above-mentioned resolution.

6.24 Legal reserve and other reserves

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

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

6.25 The appropriation of the profit and the dividend payments

On April 11, 2014, the 21th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2013 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 2013 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, 2013), and the amount to be appropriated for the period of July - December 2013 amounting to Baht 500 million as legal reserve.

- The payment of dividend at the rate of Baht 6.50 per ordinary share, totaling Baht 12,407 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,818 million on September 20, 2013, and the remaining amount will be paid on May 9, 2014 at the rate of Baht 4.50 per share amounting to Baht 8,589 million.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 8,589 million on May 9, 2014.

On August 28, 2014, the meeting of the Board of Directors of the Bank No. 8/2014 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 2014 amounting to Baht 500 million and Baht 5,000 million, respectively.
- The payment of interim dividend at the rate of Baht 2.00 per ordinary share amounting to Baht 3,818 million on September 26, 2014.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 3,818 million on September 26, 2014.

On April 10, 2015, the 22nd Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2014 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 2014 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, 2014), and the amount to be appropriated for the period of July - December 2014 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 6.50 per ordinary share, totaling Baht 12,407 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,818 million on September 26, 2014, and the remaining amount will be paid on May 8, 2015 at the rate of Baht 4.50 per share amounting to Baht 8,589 million.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 8,589 million on May 8, 2015.

6.26 Assets pledged as collateral and under restriction

The Bank had investments in government securities and state enterprise securities which had been pledged as collateral for repurchase agreements and for commitments with government agencies. The book values of such securities, net of valuation allowances for impairment, as at June 30, 2015 and December 31, 2014 amounted to Baht 14,850 million and Baht 33,519 million, respectively.

6.27 Contingent liabilities

As at June 30, 2015 and December 31, 2014, the Bank and subsidiaries had contingent liabilities as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Avals to bills	6,025	5,237	6,025	5,237
Guarantees of loans	10,720	9,479	6,577	6,650
Liability under unmatured import bills	19,063	19,788	16,819	18,221
Letters of credit	31,925	31,927	30,522	30,578
Other commitments				
Amount of unused bank overdraft	173,608	176,298	172,140	174,981
Other guarantees	208,047	226,608	206,334	224,854
Others	<u>42,188</u>	<u>4,927</u>	<u>42,223</u>	<u>4,543</u>
Total	<u><u>491,576</u></u>	<u><u>474,264</u></u>	<u><u>480,640</u></u>	<u><u>465,064</u></u>

6.28 Litigation

As at June 30, 2015 and December 31, 2014, 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.

6.29 Related party transactions

As at June 30, 2015 and December 31, 2014, 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 had significant assets, liabilities and commitments with related parties, as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Million Baht				
PLACEMENT				
Subsidiaries				
Bangkok Bank Berhad	-	-	3,285	5,382
Bangkok Bank (China) Co., Ltd.	-	-	7,155	5,333
Total	<u>-</u>	<u>-</u>	<u>10,440</u>	<u>10,715</u>
LOANS				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	3,060	4,300
Associate				
BSL Leasing Co., Ltd.	245	400	245	400
Other related parties	142	118	108	110
Total	<u>387</u>	<u>518</u>	<u>3,413</u>	<u>4,810</u>
ALLOWANCE FOR DOUBTFUL ACCOUNTS				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	37	52
Associate				
BSL Leasing Co., Ltd.	3	5	3	5
Total	<u>3</u>	<u>5</u>	<u>40</u>	<u>57</u>
OTHER ASSETS				
Subsidiaries				
Bangkok Bank Berhad	-	-	2	5
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	1
Bualuang Securities PCL.	-	-	2	2
Bangkok Bank (China) Co., Ltd.	-	-	2	2
Associate				
Processing Center Co., Ltd.	14	27	14	27
Other related parties	8	5	-	-
Total	<u>22</u>	<u>32</u>	<u>20</u>	<u>37</u>

	CONSOLIDATED		THE BANK	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
DEPOSITS				
Subsidiaries				
BBL (Cayman) Limited	-	-	769	750
Bangkok Bank Berhad	-	-	51	67
Sinnsuptawee Asset Management Co., Ltd.	-	-	12	55
BBL Asset Management Co., Ltd.	-	-	15	40
Bualuang Securities PCL.	-	-	99	33
Bangkok Bank (China) Co., Ltd.	-	-	34	52
Bangkok Capital Asset Management Co., Ltd.*	-	-	29	18
Associates				
BSL Leasing Co., Ltd.	48	63	48	63
Processing Center Co., Ltd.	52	90	52	90
National ITMX Co., Ltd.	24	19	24	19
Thai Payment Network Co., Ltd.	10	179	10	179
Other related parties	<u>6,014</u>	<u>5,291</u>	<u>6,014</u>	<u>5,291</u>
Total	<u>6,148</u>	<u>5,642</u>	<u>7,157</u>	<u>6,657</u>
BORROWINGS				
Subsidiary				
Bangkok Bank (China) Co., Ltd.	<u>-</u>	<u>-</u>	<u>1,519</u>	<u>557</u>
OTHER LIABILITIES				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	1,105	1,133
Associates				
Processing Center Co., Ltd.	3	2	3	2
National ITMX Co., Ltd.	5	7	5	7
Thai Payment Network Co., Ltd.	-	1	-	1
Other related parties	<u>83</u>	<u>20</u>	<u>22</u>	<u>6</u>
Total	<u>91</u>	<u>30</u>	<u>1,135</u>	<u>1,149</u>
COMMITMENTS				
Subsidiaries				
Bangkok Bank Berhad	-	-	-	14
Bualuang Securities PCL.	-	-	554	16
Associates				
BSL Leasing Co., Ltd.	116	22	116	22
National ITMX Co., Ltd.	1	-	1	-
Other related parties	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Total	<u>123</u>	<u>28</u>	<u>677</u>	<u>58</u>

* Holding by Bualuang Securities PCL.

For the six-month period ended June 30, 2015, the Bank and subsidiaries charged interest at rates between 1.56% to 13.00% on loans to these related parties depending on the types of loans and collateral and interest rate charged between 1.56% to 1.58% on loans to Sinnsuptawee Asset Management Co., Ltd.

For the year ended December 31, 2014, the Bank and subsidiaries charged interest at rates between 2.00% to 13.13% on loans to these related parties depending on the types of loans and collateral and interest rate charged between 2.08% to 2.10% on loans to Sinnsuptawee Asset Management Co., Ltd.

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

In the consolidated and the Bank's financial statements, investments in subsidiaries and associates as at June 30, 2015 and December 31, 2014 are shown in Note 6.5.

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

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

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Interest and discount received				
Subsidiaries				
Bangkok Bank Berhad	-	-	8	7
Sinnsuptawee Asset Management Co., Ltd.	-	-	35	63
Bualuang Securities PCL.	-	-	1	-
Bangkok Bank (China) Co., Ltd.	-	-	12	16
Associate				
BSL Leasing Co., Ltd.	4	10	4	10
Other related parties	1	6	1	6
Total	5	16	61	102
Fees and service income				
Subsidiaries				
Bangkok Bank Berhad	-	-	1	1
BBL Asset Management Co., Ltd.	-	-	621	486
Bualuang Securities PCL.	-	-	11	7
Associates				
BSL Leasing Co., Ltd.	1	-	1	-
Processing Center Co., Ltd.	6	5	6	5
Other related parties	24	23	-	23
Total	31	28	640	522

		Million Baht			
		CONSOLIDATED		THE BANK	
		FOR THE SIX-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
		ENDED		ENDED	
		June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Dividend income					
Subsidiaries					
	BBL Asset Management Co., Ltd.	-	-	217	150
	Bualuang Securities PCL.	-	-	432	-
Associates					
	BSL Leasing Co., Ltd.	2	2	2	2
	Processing Center Co., Ltd.	33	24	33	24
	Total	<u>35</u>	<u>26</u>	<u>684</u>	<u>176</u>
Other income					
Subsidiaries					
	Bualuang Securities PCL.	-	-	2	1
	Bangkok Bank (China) Co., Ltd.	-	-	69	73
Associate					
	National ITMX Co., Ltd.	2	3	2	3
	Total	<u>2</u>	<u>3</u>	<u>73</u>	<u>77</u>
Interest paid					
Subsidiaries					
	BBL (Cayman) Limited	-	-	-	6
	BBL Asset Management Co., Ltd.	-	-	1	-
	Bualuang Securities PCL.	-	-	2	-
	Bangkok Bank (China) Co., Ltd.	-	-	1	1
Associate					
	Thai Payment Network Co., Ltd.	1	-	1	-
	Other related parties	33	54	33	54
	Total	<u>34</u>	<u>54</u>	<u>38</u>	<u>61</u>
Commission paid					
Subsidiary					
	Bualuang Securities PCL.	-	-	4	1
	Other related parties	13	7	-	7
	Total	<u>13</u>	<u>7</u>	<u>4</u>	<u>8</u>
Other expenses					
Subsidiary					
	Bangkok Bank (China) Co., Ltd.	-	-	5	2
Associates					
	Processing Center Co., Ltd.	13	9	13	9
	National ITMX Co., Ltd.	34	40	34	40
	Other related parties	22	12	14	12
	Total	<u>69</u>	<u>61</u>	<u>66</u>	<u>63</u>

6.30 Other benefits to directors and persons with managing authority

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

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

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

SINNSUPTAWEE ASSET MANAGEMENT COMPANY LIMITED		
STATEMENT OF CASH FLOWS		
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015		
(UNAUDITED - REVIEWED)		
		Million Baht
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from operating before income tax expenses	648	139
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities		
Net gain on disposal of securities	(296)	(1)
Loss on impairment of properties for sale	61	7
Net interest expenses	35	64
Dividend income	(85)	(76)
Proceeds from dividend income	85	76
Interest expenses paid	(35)	(64)
Income tax paid	(22)	(16)
Profit from operating before changes in operating assets and liabilities	391	129
Operating assets (increase) decrease		
Properties for sale	642	562
Operating liabilities increase (decrease)		
Deposits	(62)	(60)
Advance received for properties for sale	(62)	(47)
Other liabilities	(7)	(1)
Net cash from operating activities	902	583
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale securities	(367)	(739)
Proceeds from disposal of available-for-sale securities	662	739
Purchase of equipment	-	(1)
Net cash from investing activities	295	(1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for loan from the parent company	(1,240)	(590)
Net cash from financing activities	(1,240)	(590)
Net decrease in cash and cash equivalents	(43)	(8)
Cash and cash equivalents as at January 1,	55	17
Cash and cash equivalents as at June 30,	12	9

6.32 Long-term leases

Long-term leases as at June 30, 2015 and December 31, 2014 consisted of the following :

		Million Baht			
		REMAINING RENTAL EXPENSES			
		CONSOLIDATED		THE BANK	
Type of lease	Period	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Land and/or premises	1 Year	153	177	153	177
Land and/or premises	Over 1 Year to 5 Years	242	288	242	288
Land and/or premises	Over 5 Years	262	284	262	284
Total		<u>657</u>	<u>749</u>	<u>657</u>	<u>749</u>

6.33 Operating Segments

6.33.1 Operating Segments

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

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

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

Domestic Banking

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

International Banking

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

Investment Banking

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

Others

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

The operating results of operating segments for the three-month periods and the six-month periods ended June 30, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2015					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	14,416	2,548	4,946	2,635	-	24,545
Total operating expenses before credit losses	<u>(7,845)</u>	<u>(1,721)</u>	<u>(160)</u>	<u>(1,863)</u>	<u>-</u>	<u>(11,589)</u>
Profit from operating before credit losses and income tax expenses	<u>6,571</u>	<u>827</u>	<u>4,786</u>	<u>772</u>	<u>-</u>	<u>12,956</u>

	CONSOLIDATED FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2014					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	15,692	2,609	3,468	2,476	-	24,245
Total operating expenses before credit losses	<u>(7,298)</u>	<u>(935)</u>	<u>(177)</u>	<u>(2,551)</u>	<u>-</u>	<u>(10,961)</u>
Profit from operating before credit losses and income tax expenses	<u>8,394</u>	<u>1,674</u>	<u>3,291</u>	<u>(75)</u>	<u>-</u>	<u>13,284</u>

	CONSOLIDATED FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	29,576	5,104	9,436	5,472	-	49,588
Total operating expenses before credit losses	<u>(14,858)</u>	<u>(2,644)</u>	<u>(328)</u>	<u>(4,129)</u>	<u>-</u>	<u>(21,959)</u>
Profit from operating before credit losses and income tax expenses	<u>14,718</u>	<u>2,460</u>	<u>9,108</u>	<u>1,343</u>	<u>-</u>	<u>27,629</u>

	CONSOLIDATED FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	30,679	5,192	6,551	4,560	-	46,982
Total operating expenses before credit losses	(14,068)	(1,921)	(328)	(4,056)	-	(20,373)
Profit from operating before credit losses and income tax expenses	<u>16,611</u>	<u>3,271</u>	<u>6,223</u>	<u>504</u>	<u>-</u>	<u>26,609</u>

The financial position of operating segments as at June 30, 2015 and December 31, 2014 are as follows :

	CONSOLIDATED					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total assets						
As at June 30, 2015	1,467,826	667,530	1,001,369	148,661	(423,689)	2,861,697
As at December 31, 2014	1,474,751	665,498	894,465	148,255	(423,079)	2,759,890

6.33.2 Geographical Segments

The operating results classified by geographical areas for the three-month periods and the six-month periods ended June 30, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED						Million Baht
	June 30, 2015			June 30, 2014			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Total operating income	21,745	2,800	24,545	21,277	2,968	24,245	
Total operating expenses *	(12,036)	(2,474)	(14,510)	(11,745)	(1,547)	(13,292)	
Profit from operating before income tax expenses	9,709	326	10,035	9,532	1,421	10,953	

* Including credit losses.

Million Baht

CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED						
	June 30, 2015			June 30, 2014		
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total
Total operating income	43,865	5,723	49,588	41,159	5,823	46,982
Total operating expenses *	(23,726)	(4,135)	(27,861)	(21,577)	(3,230)	(24,807)
Profit from operating						
before income tax expenses	20,139	1,588	21,727	19,582	2,593	22,175

The financial position classified by geographical areas as at June 30, 2015 and December 31, 2014 are as follows :

CONSOLIDATED						
	June 30, 2015			December 31, 2014		
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total
Non-current assets **	39,831	7,694	47,525	28,171	3,982	32,153
Total assets	2,380,811	480,886	2,861,697	2,267,564	492,326	2,759,890

6.34 Interest income

Interest income for the three-month periods and the six-month periods ended June 30, 2015 and 2014 are as follows :

CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED				THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	
Interest on interbank and money market items	2,512	2,335	2,044	1,726	
Investments and trading transactions	94	83	94	83	
Investment in debt securities	1,667	2,066	1,552	1,958	
Interest on loans	21,527	21,310	20,863	20,723	
Others	9	2	9	2	
Total interest income	<u>25,809</u>	<u>25,796</u>	<u>24,562</u>	<u>24,492</u>	

* Including credit losses.

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

	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED		Million Baht THE BANK FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Interest on interbank and money market items	5,550	4,737	4,521	3,475
Investments and trading transactions	213	148	212	147
Investment in debt securities	3,281	4,232	3,067	4,026
Interest on loans	43,338	42,508	42,031	41,339
Others	16	5	17	5
Total interest income	52,398	51,630	49,848	48,992

6.35 Interest expenses

Interest expenses for the three-month periods and the six-month periods ended June 30, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		Million Baht THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Interest on deposits	8,162	6,689	7,623	6,148
Interest on interbank and money market items	355	397	311	347
Contributions to the Deposit Protection Agency	2,352	2,074	2,351	2,074
Interest on debt issued				
Bonds and subordinated notes	1,721	1,671	1,721	1,672
Others	-	2	-	2
Others	1	1	1	1
Total interest expenses	12,591	10,834	12,007	10,244

	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED		Million Baht THE BANK FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Interest on deposits	16,160	14,212	15,097	13,136
Interest on interbank and money market items	805	885	676	768
Contributions to the Deposit Protection Agency	4,583	4,153	4,582	4,153
Interest on debt issued				
Bonds and subordinated notes	3,395	3,344	3,395	3,349
Others	1	5	1	5
Others	2	3	2	3
Total interest expenses	24,946	22,602	23,753	21,414

6.36 Net fees and service income

Net fees and service income for the three-month periods and the six-month periods ended June 30, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Fees and service income				
Acceptances, aval and guarantees of loans	43	33	36	27
Others	7,263	7,038	6,351	6,311
Total fees and service income	7,306	7,071	6,387	6,338
Fees and service expenses	1,880	1,788	1,815	1,770
Net fees and service income	5,426	5,283	4,572	4,568

	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED		THE BANK FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Fees and service income				
Acceptances, aval and guarantees of loans	68	64	57	53
Others	15,782	14,153	13,309	12,784
Total fees and service income	15,850	14,217	13,366	12,837
Fees and service expenses	4,030	3,728	3,772	3,693
Net fees and service income	11,820	10,489	9,594	9,144

6.37 Gains (losses) on tradings and foreign exchange transactions

Gains (losses) on tradings and foreign exchange transactions for the three-month periods and the six-month periods ended June 30, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Gains (losses) on tradings and foreign exchange transactions				
Foreign exchanges and derivatives	1,426	2,050	1,467	2,020
Interest rate derivatives	248	(816)	248	(816)
Debt securities	71	41	70	40
Equity securities	137	28	-	-
Others	-	111	-	-
Total gains (losses) on tradings and foreign exchange transactions	1,882	1,414	1,785	1,244

	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED		THE BANK FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Gains (losses) on tradings and foreign exchange transactions				
Foreign exchanges and derivatives	3,166	3,747	3,128	3,584
Interest rate derivatives	(56)	(818)	(56)	(818)
Debt securities	233	107	229	104
Equity securities	222	57	-	-
Others	-	220	-	-
Total gains (losses) on tradings and foreign exchange transactions	3,565	3,313	3,301	2,870

6.38 Gains (losses) on investments

Gains (losses) on investments for the three-month periods and the six-month periods ended June 30, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Gains (losses) on investments				
Available-for-sale securities	2,240	431	1,943	425
General investment	22	69	22	69
Total	2,262	500	1,965	494
Total gains (losses) on investments	2,262	500	1,965	494

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Gains (losses) on investments				
Available-for-sale securities	3,703	877	3,404	888
General investment	32	110	32	110
Total	3,735	987	3,436	998
Loss on impairment				
Available-for-sale equity securities	(243)	-	(243)	-
General investment	(22)	(3)	(22)	(3)
Total	(265)	(3)	(265)	(3)
Total gains (losses) on investments	3,470	984	3,171	995

6.39 Impairment loss of loans and debt securities

Impairment loss of loans and debt securities for the three-month periods and the six-month periods ended June 30, 2015 and 2014 are as follows :

	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS		FOR THE THREE-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2015	June 30, 2014 *	June 30, 2015	June 30, 2014 *
Interbank and money market items	83	110	63	20
Loans to customers	2,925	2,010	2,752	2,010
Loss on debt restructuring (reversal)	(87)	211	(87)	211

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2015	June 30, 2014 *	June 30, 2015	June 30, 2014 *
Interbank and money market items (reversal)	38	113	13	(58)
Loans to customers	6,046	4,300	5,716	4,016
Loss on debt restructuring (reversal)	(183)	22	(183)	22

* The Bank had made changes the presentation of 2014 comparison to be in accordance with the current year presentations.

6.40 Income tax expenses

6.40.1 Income tax recognized in profit or loss for the three-month periods and the six-month periods ended June 30, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Current tax	2,413	1,898	2,224	1,739
Deferred tax	(471)	(13)	(477)	(30)
Total income tax expenses	<u>1,942</u>	<u>1,885</u>	<u>1,747</u>	<u>1,709</u>

	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED		THE BANK FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Current tax	4,535	4,652	4,134	4,332
Deferred tax	(358)	(545)	(427)	(528)
Total income tax expenses	<u>4,177</u>	<u>4,107</u>	<u>3,707</u>	<u>3,804</u>

6.40.2 Income tax recognized in component of other comprehensive income for the three-month periods and the six-month periods ended June 30, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED					
	June 30, 2015			June 30, 2014		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
Changes in revaluation surplus	15,628	(3,119)	12,509	-	-	-
Gains (losses) on remeasuring available-for-sale Investment	2,718	(590)	2,128	7,724	(1,553)	6,171
Gains (losses) arising from translating the financial statements of foreign Operations	1,911	-	1,911	(314)	-	(314)
Actuarial losses on defined benefit plans	(1)	-	(1)	-	-	-
Total	<u>20,256</u>	<u>(3,709)</u>	<u>16,547</u>	<u>7,410</u>	<u>(1,553)</u>	<u>5,857</u>

Million Baht

CONSOLIDATED						
FOR THE SIX-MONTH PERIODS ENDED						
	June 30, 2015			June 30, 2014		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
Changes in revaluation surplus	15,628	(3,119)	12,509	-	-	-
Gains (losses) on remeasuring available-for-sale investment	5,953	(1,242)	4,711	10,760	(2,158)	8,602
Gains (losses) arising from translating the financial statements of foreign operations	267	-	267	(847)	-	(847)
Actuarial losses on defined benefit plans	(14)	6	(8)	-	-	-
Total	<u>21,834</u>	<u>(4,355)</u>	<u>17,479</u>	<u>9,913</u>	<u>(2,158)</u>	<u>7,755</u>

Million Baht

THE BANK						
FOR THE THREE-MONTH PERIODS ENDED						
	June 30, 2015			June 30, 2014		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
Changes in revaluation surplus	15,505	(3,101)	12,404	-	-	-
Gains (losses) on remeasuring available-for-sale investment	2,610	(567)	2,043	7,718	(1,550)	6,168
Losses arising from translating the financial statements of foreign operations	886	-	886	(421)	-	(421)
Actuarial losses on defined benefit plans	(1)	-	(1)	-	-	-
Total	<u>19,000</u>	<u>(3,668)</u>	<u>15,332</u>	<u>7,297</u>	<u>(1,550)</u>	<u>5,747</u>

Million Baht

THE BANK						
FOR THE SIX-MONTH PERIODS ENDED						
	June 30, 2015			June 30, 2014		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
Changes in revaluation surplus	15,505	(3,101)	12,404	-	-	-
Gains (losses) on remeasuring available-for-sale investment	5,934	(1,236)	4,698	10,718	(2,148)	8,570
Losses arising from translating the financial statements of foreign operations	(33)	-	(33)	(160)	-	(160)
Actuarial losses on defined benefit plans	(14)	6	(8)	-	-	-
Total	21,392	(4,331)	17,061	10,558	(2,148)	8,410

6.40.3 Reconciliation of effective tax rates for the three-month periods and the six-month periods ended June 30, 2015 and 2014 are as follows :

Million Baht

CONSOLIDATED				
FOR THE THREE-MONTH PERIODS ENDED				
	June 30, 2015		June 30, 2014	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	10,035		10,953	
Income tax calculated at statutory tax rate	2,007	20.00	2,191	20.00
Overseas tax	259		292	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(299)		(231)	
Others	(25)		(367)	
Total income tax expenses	1,942	19.35	1,885	17.21

Million Baht

CONSOLIDATED				
FOR THE SIX-MONTH PERIODS ENDED				
	June 30, 2015		June 30, 2014	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	21,727		22,175	
Income tax calculated at statutory tax rate	4,345	20.00	4,435	20.00
Overseas tax	335		413	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(429)		(332)	
Others	(74)		(409)	
Total income tax expenses	4,177	19.23	4,107	18.52

Million Baht

THE BANK				
FOR THE THREE-MONTH PERIODS ENDED				
	June 30, 2015		June 30, 2014	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	9,399		10,115	
Income tax calculated at statutory tax rate	1,880	20.00	2,023	20.00
Overseas tax	256		278	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(308)		(224)	
Others	(81)		(368)	
Total income tax expenses	<u>1,747</u>	18.59	<u>1,709</u>	16.90

Million Baht

THE BANK				
FOR THE SIX-MONTH PERIODS ENDED				
	June 30, 2015		June 30, 2014	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	19,983		20,848	
Income tax calculated at statutory tax rate	3,997	20.00	4,170	20.00
Overseas tax	323		393	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(464)		(327)	
Others	(149)		(432)	
Total income tax expenses	<u>3,707</u>	18.55	<u>3,804</u>	18.25

6.41 Approval of the financial statements

On August 20, 2015, the Audit Committee and the Board of Executive Directors have authorized to issue these financial statements.