

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2014

(UNAUDITED)

Baht : '000

	CONSOLIDATED		THE BANK	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
ASSETS				
CASH	39,252,413	53,550,467	39,112,567	53,299,523
INTERBANK AND MONEY MARKET ITEMS, NET	464,683,265	407,632,067	410,083,828	356,833,087
CLAIMS ON SECURITY	124,297	6,810	-	-
DERIVATIVES ASSETS	13,796,142	13,770,312	13,671,550	13,672,755
INVESTMENTS, NET	351,834,442	377,412,764	337,518,477	363,575,834
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	1,120,893	910,177	31,213,401	31,123,425
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET				
Loans to customers	1,742,083,241	1,753,344,023	1,691,171,690	1,706,723,444
Accrued interest receivables	3,205,736	4,571,094	3,097,959	4,472,766
Total loans to customers and accrued interest receivables	1,745,288,977	1,757,915,117	1,694,269,649	1,711,196,210
<u>Less</u> Deferred revenue	(637,147)	(676,580)	(566,261)	(603,865)
<u>Less</u> Allowance for doubtful accounts	(88,569,841)	(89,697,165)	(86,378,133)	(87,621,580)
<u>Less</u> Revaluation allowance for debt restructuring	(2,840,104)	(2,885,668)	(2,840,104)	(2,885,668)
Total loans to customers and accrued interest receivables, net	1,653,241,885	1,664,655,704	1,604,485,151	1,620,085,097
CUSTOMER'S LIABILITY UNDER ACCEPTANCES	1,702,134	2,051,165	296,619	332,527
PROPERTIES FOR SALE, NET	16,644,715	18,900,941	11,270,553	12,286,849
PREMISES AND EQUIPMENT, NET	31,394,681	32,275,104	30,100,248	31,280,619
OTHER INTANGIBLE ASSETS, NET	655,060	606,416	595,407	530,002
DEFERRED TAX ASSETS	1,993,934	2,006,821	1,027,381	904,395
OTHER ASSETS, NET	19,491,123	22,728,494	13,240,598	18,825,607
TOTAL ASSETS	2,595,934,984	2,596,507,242	2,492,615,780	2,502,749,720

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2014

(UNAUDITED)

Baht : '000

	CONSOLIDATED		THE BANK	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
LIABILITIES AND SHAREHOLDERS' EQUITY				
DEPOSITS	1,919,356,874	1,935,272,479	1,854,413,842	1,871,061,159
INTERBANK AND MONEY MARKET ITEMS, NET	131,230,502	124,295,617	117,700,864	114,417,434
LIABILITY PAYABLE ON DEMAND	11,044,161	10,909,681	10,989,477	10,803,643
LIABILITY TO DELIVER SECURITY	238,837	133,317	-	-
DERIVATIVES LIABILITIES	12,432,133	21,710,574	11,789,697	21,316,105
DEBT ISSUED AND BORROWINGS	138,484,526	140,147,252	138,484,526	140,734,626
BANK'S LIABILITY UNDER ACCEPTANCES	1,702,134	2,051,165	296,619	332,527
PROVISIONS	8,378,154	8,257,159	8,282,851	8,174,667
DEFERRED TAX LIABILITIES	5,011,299	3,106,688	4,759,797	2,802,278
OTHER LIABILITIES	49,114,945	54,571,620	34,977,402	44,142,551
TOTAL LIABILITIES	2,276,993,565	2,300,455,552	2,181,695,075	2,213,784,990
SHAREHOLDERS' EQUITY				
SHARE CAPITAL				
Authorized share capital				
1,655,000 preferred shares of Baht 10 each	16,550	16,550	16,550	16,550
3,998,345,000 common shares of Baht 10 each	39,983,450	39,983,450	39,983,450	39,983,450
Issued and paid-up share capital				
1,908,842,894 common shares of Baht 10 each	19,088,429	19,088,429	19,088,429	19,088,429
PREMIUM ON COMMON SHARES	56,346,232	56,346,232	56,346,232	56,346,232
OTHER RESERVES	46,897,764	39,837,149	46,175,441	38,495,631
RETAINED EARNINGS				
Appropriated				
Legal reserve	19,000,000	18,000,000	19,000,000	18,000,000
Others	81,500,000	76,500,000	81,500,000	76,500,000
Unappropriated	96,001,822	86,164,059	88,810,603	80,534,438
TOTAL BANK'S EQUITY	318,834,247	295,935,869	310,920,705	288,964,730
NON-CONTROLLING INTEREST	107,172	115,821	-	-
TOTAL SHAREHOLDERS' EQUITY	318,941,419	296,051,690	310,920,705	288,964,730
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,595,934,984	2,596,507,242	2,492,615,780	2,502,749,720

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014
(UNAUDITED)

Baht : '000

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Interest income	77,180,481	74,710,614	73,252,737	71,743,618
Interest expenses	33,043,044	32,704,596	31,285,412	31,185,062
Net interest income	44,137,437	42,006,018	41,967,325	40,558,556
Fees and service income	21,500,600	21,516,594	19,185,043	18,901,119
Fees and service expenses	5,525,972	5,399,368	5,470,926	5,346,225
Net fees and service income	15,974,628	16,117,226	13,714,117	13,554,894
Gains on tradings and foreign exchange transactions	4,535,661	4,166,959	3,918,612	4,020,926
Gains on investments	3,449,732	2,541,540	3,451,205	2,532,604
Share of profit from investment using equity method	146,589	127,856	-	-
Gains on disposal of assets	1,545,563	1,536,226	1,252,786	1,259,642
Dividend income	2,735,306	2,520,770	2,972,847	2,612,251
Other operating income	499,219	385,612	433,293	303,880
Total operating income	73,024,135	69,402,207	67,710,185	64,842,753
Other operating expenses				
Employee's expenses	16,593,799	15,631,442	15,030,794	14,004,852
Directors' remuneration	82,231	81,418	66,750	66,950
Premises and equipment expenses	7,015,836	6,542,413	6,541,259	6,198,434
Taxes and duties	2,657,754	2,505,026	2,521,381	2,412,940
Others	4,679,949	2,627,703	4,239,201	2,180,668
Total other operating expenses	31,029,569	27,388,002	28,399,385	24,863,844
Impairment loss of loans and debt securities	7,747,144	6,856,023	7,270,961	6,753,230
Profit from operating before income tax expenses	34,247,422	35,158,182	32,039,839	33,225,679
Income tax expenses	6,564,649	6,848,003	6,032,445	6,414,732
Net profit	27,682,773	28,310,179	26,007,394	26,810,947
Other comprehensive income (losses)				
Changes in revaluation surplus	-	(839)	-	(839)
Gains (losses) on remeasuring available-for-sale investment	11,350,437	(1,665,170)	11,309,667	(1,618,862)
Losses arising from translating the financial statements of foreign operations	(1,347,490)	(241,560)	(695,642)	(981,976)
Income tax relating to components of other comprehensive income (losses)	(2,266,010)	643,370	(2,257,965)	629,473
Total other comprehensive income (losses)	7,736,937	(1,264,199)	8,356,060	(1,972,204)
Total comprehensive income	35,419,710	27,045,980	34,363,454	24,838,743
Net profit attributable				
Owners of the Bank	27,568,992	28,219,245	26,007,394	26,810,947
Non-controlling interest	113,781	90,934	-	-
	27,682,773	28,310,179	26,007,394	26,810,947
Total comprehensive income attributable				
Owners of the Bank	35,305,857	26,955,216	34,363,454	24,838,743
Non-controlling interest	113,853	90,764	-	-
	35,419,710	27,045,980	34,363,454	24,838,743
Basic earnings per share (Baht)	14.44	14.78	13.62	14.05
Weighted average number of ordinary shares				
(Thousand shares)	1,908,843	1,908,843	1,908,843	1,908,843

Summary of the Bank and its Subsidiaries' Operating Results For the Quarter and the Nine Months Ended September 30, 2014

Bangkok Bank and its subsidiaries have reported a consolidated net profit of Baht 9.6 billion for the third quarter of 2014, an increase of Baht 546 million or 6.0 percent from the second quarter of 2014. Net interest income rose by Baht 147 million while non-interest income grew by Baht 1.7 billion. Operating expenses decreased by Baht 305 million.

Total lending at the end of September 2014 was Baht 1,741.4 billion, an increase of Baht 56.0 billion or 3.3 percent from the end of September 2013, but a decrease of Baht 11.2 billion or 0.6 percent from the end of 2013, due to loan repayments from large corporate customers. However, there is still ongoing demand for SME and mortgage loans as well as for loans made through the Bank's international network.

In terms of loan quality, at the end of September 2014, non-performing loans (NPLs) were Baht 46.1 billion, an increase of Baht 2.9 billion from the end of 2013, while the ratio of non-performing loans to total loans was 2.3 percent compared to 2.2 percent at the end of 2013. The increase in NPLs was mainly due to changing economic conditions and stronger competition which impacted medium to large-sized customers. The Bank is closely monitoring the situation, providing advice and assistance to customers in order to maintain the quality of its loans at an appropriate level.

The Bank set aside provisioning expenses of Baht 3.3 billion in the third quarter, taking total provisioning expenses for the first nine months of 2014 to Baht 7.7 billion, representing a ratio of loan loss reserves to NPLs of 198.2 percent and a ratio of loan loss reserves to total loans of 5.2 percent.

At the end of September 2014, total deposits were Baht 1,919.4 billion, a reduction of Baht 15.9 billion or 0.8 percent from the end of 2013, due to a portion of maturing fixed deposits being converted to investments in mutual funds or being used for loan repayments. The loan-to-deposit ratio was 90.7 percent, a decrease from 92.7 percent at the end of June 2014.

In the third quarter of 2014, the Bank's net interest income was Baht 15.1 billion, an increase of 1.0 percent from the second quarter of 2014, while the net interest margin was unchanged at 2.44 percent as the Bank effectively managed its cost of deposits.

Non-interest income for the third quarter of 2014 was Baht 10.9 billion, an increase of Baht 1.7 billion or 17.8 percent from the second quarter of 2014, mainly due to gains on investment of Baht 2.5 billion in the third quarter. Net fees and service income was Baht 5.5 billion, an increase of Baht 203 million or 3.8 percent from the second quarter of 2014, due predominantly to increase in fees from a securities business, loans and mutual funds.

The Bank's operating expenses were Baht 10.7 billion, a decrease of Baht 305 million or 2.8 percent from the second quarter of 2014, due to cost control even though the Bank continues to expand its branch network and invest in electronic services, including system development. The cost-to-income ratio decreased from 45.2 percent in the second quarter of 2014 to 40.9 percent in the third quarter of 2014.

In terms of capital, after the inclusion of net profit for the third quarter of 2014, the Bank's total capital adequacy ratio, the common equity Tier 1 ratio and the Tier 1 capital ratio would be approximately 18.74 percent, 16.36 percent and 16.36 percent, respectively.

Shareholders' equity as of September 30, 2014 amounted to Baht 318.8 billion, equivalent to 12.3 percent of total assets. The book value per share was Baht 167.03, an increase of Baht 12.00 from the end of 2013.

Operating Results of the Bank and its Subsidiaries

Million Baht

Item	Quarter			Change (%)		9 Months		Change (%)
	3/2014	2/2014	3/2013	2/2014	3/2013	2014	2013	
Net profit *	9,575	9,029	8,955	6.0%	6.9%	27,569	28,219	(2.3)%
Earnings per share (Baht)	5.02	4.73	4.69	6.0%	6.9%	14.44	14.78	(2.3)%
Net interest margin	2.44%	2.44%	2.38%	-	0.06%	2.39%	2.40%	(0.01)%
Net fees and service income to operating income ratio	21.1%	21.8%	23.0%	(0.7)%	(1.9) %	21.9%	23.2%	(1.3)%
Expense to operating income ratio	40.9%	45.2%	42.8%	(4.3)%	(1.9)%	42.5%	39.5%	3.0%
Return on average assets *	1.47%	1.40%	1.44%	0.07%	0.03%	1.42%	1.54%	(0.12)%
Return on average equity *	12.02%	11.68%	12.47%	0.34%	(0.45)%	11.94%	13.39%	(1.45)%

* Attributable to the Bank

Million Baht

Item	September	June	December	Change (%)	
	2014	2014	2013	June 2014	December 2013
Loans **	1,741,446	1,764,521	1,752,667	(1.3)%	(0.6)%
Deposits	1,919,357	1,903,432	1,935,272	0.8%	(0.8)%
Loan to deposit ratio	90.7%	92.7%	90.6%	(2.0)%	0.1%
Non-performing loans (NPLs)	46,118	45,007	43,228	2.5%	6.7%
Ratio of NPLs to total loans	2.3%	2.3%	2.2%	-	0.1%
Total capital adequacy ratio - The Bank	18.26%	17.18%	16.92%	1.08%	1.34%

** Less deferred revenue

Statement of Comprehensive Income

Million Baht

Item	Quarter			Change (%)		9 Months		Change
	3/2014	2/2014	3/2013	2/2014	3/2013	2014	2013	(%)
Net interest income	15,109	14,962	14,194	1.0%	6.4%	44,137	42,006	5.1%
Non-interest income	10,933	9,283	8,418	17.8%	29.9%	28,887	27,396	5.4%
Operating expenses	10,656	10,961	9,682	(2.8)%	10.1%	31,030	27,388	13.3%
Impairment loss of loans and debt securities	3,313	2,331	1,736	42.1%	90.8%	7,747	6,856	13.0%
Operating profit before tax	12,073	10,953	11,194	10.2%	7.9%	34,247	35,158	(2.6)%
Income tax expenses	2,458	1,886	2,209	30.4%	11.2%	6,564	6,848	(4.1)%
Net profit	9,615	9,067	8,985	6.0%	7.0%	27,683	28,310	(2.2)%
Net profit *	9,575	9,029	8,955	6.0%	6.9%	27,569	28,219	(2.3)%
Total comprehensive income *	9,557	14,886	7,300	(35.8)%	30.9%	35,306	26,955	31.0%

* Attributable to the Bank

In the third quarter of 2014 the net profit of the Bank and its subsidiaries amounted to Baht 9.6 billion, an increase of Baht 620 million or 6.9 percent from the third quarter of 2013, due predominantly to an increase of Baht 1.9 billion in gains on investments, an increase of Baht 915 million in net interest income due to lower cost of deposit and increasing in loan business volume, and an increase of Baht 279 million in net fees and service income. Operating expenses rose by Baht 974 million. In the third quarter of 2014, the impairment loss of loans and debt securities increased by Baht 1.6 billion year-on-year.

When compared with the second quarter of 2014, the net profit of the Bank and its subsidiaries increased by Baht 546 million or 6.0 percent. Significant items included gains on investment, which increased by Baht 2.0 billion; an increase in net interest income of Baht 147 million mainly due to a decrease in the cost of deposits from the gradual maturing of high rate fixed deposits; an increase in net fees and service income of Baht 203 million following an increase in loan related fees. The bank's operating expenses decreased by Baht 305 million from the previous quarter. In the third quarter of 2014, the impairment loss of loans and debt securities increased by Baht 982 million from the previous quarter.

In the first nine month of 2014 the consolidated net profit amounted to Baht 27.6 billion, a decrease of Baht 650 million or 2.3 percent from the first nine months of 2013, as net interest income rose by Baht 2.1 billion, mainly from the increase in interest income from loans. Gains on investments rose by Baht 908 million. However, in the previous year, the Bank had a one-off reversal of the probable losses arising from the impaired assets transferred to TAMC of Baht 2.6 billion. Total comprehensive income of the Bank and its subsidiaries increased by Baht 8.4 billion, due mainly to an increase in revaluation gains on available-for-sale investments, reflecting the increase in capital market value compared to the end of December 2013.

Net Interest Income

								Million Baht
Item	Quarter			Change (%)		9 Months		Change
	3/2014	2/2014	3/2013	2/2014	3/2013	2014	2013	(%)
Interest Income								
Loans	21,311	21,310	20,837	0.0%	2.3%	63,819	61,091	4.5%
Interbank and money market items	2,191	2,337	1,874	(6.3)%	16.9%	6,933	6,201	11.8%
Investments	2,048	2,149	2,519	(4.7)%	(18.7)%	6,428	7,419	(13.3)%
Total interest income	25,550	25,796	25,230	(1.0)%	1.3%	77,180	74,711	3.3%
Interest expenses								
Deposits	6,466	6,689	7,424	(3.3)%	(12.9)%	20,678	21,826	(5.3)%
Interbank and money market items	350	398	362	(12.2)%	(3.3)%	1,238	1,183	4.6%
Contributions to the Deposit Protection Agency	1,964	2,074	1,954	(5.3)%	0.5%	6,117	5,887	3.9%
Debt issued and borrowings	1,661	1,673	1,296	(0.7)%	28.2%	5,010	3,809	31.5%
Total interest expenses	10,441	10,834	11,036	(3.6)%	(5.4)%	33,043	32,705	1.0%
Net interest income	15,109	14,962	14,194	1.0%	6.4%	44,137	42,006	5.1%
Net interest margin	2.44%	2.44%	2.38%	-	0.06%	2.39%	2.40%	(0.01)%

In the third quarter of 2014, the net interest income of the Bank and its subsidiaries amounted to Baht 15.1 billion, an increase of Baht 915 million or 6.4 percent from the third quarter of 2013, and interest income rose by Baht 320 million. Significant items included interest income from loans, which increased by Baht 474 million, in line with the increase in lending business volume. Interest expenses declined by Baht 595 million due partly to the gradual maturing of high rate fixed deposits, which contributed to a decrease of Baht 958 million, or 12.9 percent in the interest expenses on deposits. Interest expenses on debt issued and borrowings increased by Baht 365 million, due mainly to the issuing of USD 1.0 billion in senior unsecured notes in the fourth quarter of 2013.

The net interest income of the Bank and its subsidiaries rose by Baht 147 million from the second quarter of 2014, due mainly to the gradual maturing of high rate fixed deposits; consequently the interest expenses on deposits decreased by Baht 223 million.

In the first nine months of 2014, the net interest income of the Bank and its subsidiaries amounted to Baht 44.1 billion, an increase of Baht 2.1 billion or 5.1 percent from the first nine months of 2013. This was mainly because interest income from loans rose by Baht 2.7 billion or 4.5 percent, reflecting the growth in lending business volume. Interest expenses rose by Baht 338 million, as interest expenses on debt issued and borrowings rose by Baht 1.2 billion, due to the Bank's issuance of USD 1.0 billion senior unsecured notes. Interest expenses on deposits declined by Baht 1.1 billion due to the gradual maturing of high rate fixed deposits.

Non-Interest Income

Item	Million Baht							
	Quarter			Change (%)		9 Months		Change (%)
	3/2014	2/2014	3/2013	2/2014	3/2013	2014	2013	
Fees and service income	7,284	7,071	7,037	3.0%	3.5%	21,501	21,517	(0.1)%
<u>Less</u> fees and service expenses	1,798	1,788	1,830	0.5%	(1.7)%	5,526	5,400	2.3%
Net fees and service income	5,486	5,283	5,207	3.8%	5.3%	15,975	16,117	(0.9)%
Gains on tradings and foreign exchange transactions	1,223	1,414	1,491	(13.6)%	(18.0)%	4,536	4,167	8.8%
Gains on investments	2,465	500	556	393.2%	343.0%	3,450	2,542	35.7%
Share of profit from investment for using equity method	47	48	39	(2.7)%	18.2%	147	128	14.7%
Gains on disposal of assets	628	546	405	15.0%	55.2%	1,545	1,536	0.6%
Dividend income	830	1,347	558	(38.4)%	48.9%	2,735	2,521	8.5%
Other operating income	254	145	162	75.4%	57.4%	499	385	29.5%
Total other operating income	5,447	4,000	3,211	36.2%	69.6%	12,912	11,279	14.5%
Total non-interest income	10,933	9,283	8,418	17.8%	29.9%	28,887	27,396	5.4%
Net fees and service income to operating income ratio	21.1%	21.8%	23.0%	(0.7)%	(1.9)%	21.9%	23.2%	(1.3)%

In the third quarter of 2014, the non-interest income of the Bank and its subsidiaries amounted to Baht 10.9 billion increased by Baht 2.5 billion or 29.9 percent from the same quarter last year. Net fees and service income increased by Baht 279 million or 5.3 percent, due mainly to increasing in fees income from a securities business, loan related and mutual funds. Other operating income increased by Baht 2.2 billion, due predominantly to an increase in gains on investments of Baht 1.9 billion.

When compared with the second quarter of 2014, the non-interest income of the Bank and its subsidiaries rose by Baht 1.7 billion or 17.8 percent. Net fees and service income increased by Baht 203 million or 3.8 percent due to the increase in fees income from securities business, loan related and mutual funds. Other operating income rose by Baht 1.4 billion or 36.2 percent from gains on investment which rose by Baht 2.0 billion while dividend income decreased by Baht 517 million or 38.4 percent. The ratio of net fees and service income to operating income was 21.1 percent.

In the first nine months of 2014, the non-interest income of the Bank and its subsidiaries amounted to Baht 28.9 billion, an increase of Baht 1.5 billion or 5.4 percent compared to the first nine months of 2013. Other operating income amounted to Baht 12.9 billion, an increase of Baht 1.6 billion or 14.5 percent. Significant items included gains on investments in the first nine months of 2014 which increased by Baht 908 million or 35.7 percent and gains on tradings and foreign exchange transactions which increased by Baht 369 million or 8.8 percent mainly due to an increase in gains on trading in debt securities and equity securities. Net fees and service income decreased by Baht 142 million or 0.9 percent. Significant items included a decrease in fees income from a securities business caused by lower trade volume in stock market during the first half of 2014. The ratio of net fees and service income to operating income was 21.9 percent.

Operating Expenses

Item	Million Baht							
	Quarter			Change (%)		9 Months		Change
	3/2014	2/2014	3/2013	2/2014	3/2013	2014	2013	(%)
Personnel expenses	5,704	5,469	5,231	4.3%	9.0%	16,594	15,632	6.2%
Directors' remuneration	20	43	20	(53.4)%	0.0%	82	81	1.0%
Premises and equipment expenses	1,990	2,884	2,049	(31.0)%	(2.9)%	7,016	6,542	7.2%
Taxes and duties	887	866	858	2.4%	3.4%	2,658	2,505	6.1%
Other expenses	2,055	1,699	1,524	20.9%	34.8%	4,680	2,628	78.1%
Total operating expenses	10,656	10,961	9,682	(2.8)%	10.1%	31,030	27,388	13.3%

In the third quarter of 2014, operating expenses of the Bank and its subsidiaries amounted to Baht 10.7 billion, an increase of Baht 974 million or 10.1 percent from the third quarter of 2013, due to an increase of Baht 473 million in personal expenses from annual salary adjustments and an increase in the number of employees.

When compared with the second quarter of 2014, operating expenses decreased by Baht 305 million or 2.8 percent. Significant items included premises and equipment expenses, which decreased by Baht 894 million due to cost control. Other expenses increased Baht 356 million, while personnel expenses rose by Baht 235 million.

In the first nine months of 2014, operating expenses of the Bank and its subsidiaries amounted to Baht 31.0 billion, an increase of Baht 3.6 billion or 13.3 percent from the first nine months of 2013. Significant items included other expenses, which rose by Baht 2.1 billion or 78.1 percent because in the second quarter last year, the Bank made the one-off reversal of Baht 2.6 billion for probable losses arising from the impaired assets transferred to the TAMC, after the TAMC concluded its performance and informed the allocation of profit to the Bank. Personnel expenses rose by Baht 962 million due to annual salary adjustments and an increase in the number of employees. Premises and equipment expenses increased by Baht 474 million due mainly to the increase in branches and electronic service machines including system development-related expenses.

Impairment Loss of Loans and Debt Securities

Item	Million Baht							
	Quarter			Change (%)		9 Months		Change
	3/2014	2/2014	3/2013	2/2014	3/2013	2014	2013	(%)
Bad debt and doubtful accounts and impairment loss	3,332	2,120	1,681	57.2%	98.2%	7,744	6,743	14.8%
Loss on debt restructuring (reversal)	(19)	211	55	(109.0)%	(134.5)%	3	113	(97.3)%
Total	3,313	2,331	1,736	42.1%	90.8%	7,747	6,856	13.0%

In the third quarter of 2014, impairment loss of loans and debt securities of the Bank and its subsidiaries amounted to Baht 3.3 billion. Impairment loss of loans and debt securities for the first nine months of 2014 was Baht 7.7 billion or an increase of 13.0 percent from the first nine months of 2013.

Significant Items in the Financial Position

Assets

Million Baht

Item	September	June	December	Change (%)	
	2014	2014	2013	June 2014	December 2013
Net interbank and money market items	464,683	362,764	407,632	28.1%	14.0%
Net investments	351,834	395,499	377,413	(11.0)%	(6.8)%
Net investments in subsidiaries and associates	1,121	984	910	13.9%	23.2%
Loans *	1,741,446	1,764,521	1,752,667	(1.3)%	(0.6)%
Net properties for sale	16,645	17,860	18,901	(6.8)%	(11.9)%
Total assets	2,595,935	2,558,137	2,596,507	1.5%	(0.0)%

* Less deferred revenue

Total assets of the Bank and its subsidiaries as of September 30, 2014 amounted to Baht 2,595.9 billion, an increase of Baht 37.8 billion or 1.5 percent from June 30, 2014. Significant items included net interbank and money market items, which amounted to Baht 464.7 billion, an increase of Baht 101.9 billion or 28.1 percent, mainly attributable to lending and repurchase agreements transactions. Net investments amounted to Baht 351.8 billion, a decrease of Baht 43.7 billion or 11.0 percent mainly from available-for-sale securities. Total loans amounted to Baht 1,741.4 billion, a decrease of Baht 23.1 billion, due predominantly to loan repayments from large corporate customers.

When compared with the end of December, 2013, total assets decreased by Baht 572 million. Significant items included net investments, which decreased by Baht 25.6 billion, mainly from available-for-sale securities; total loans decreasing by Baht 11.2 billion due to the decline in large corporate customers, while net interbank and money market items increased by Baht 57.1 billion or 14.0 percent, due to the increase in lending and placement transactions.

Liabilities and Shareholders' Equity

Million Baht

Item	September	June	December	Change (%)	
	2014	2014	2013	June 2014	December 2013
Deposits	1,919,357	1,903,432	1,935,272	0.8%	(0.8)%
Net interbank and money market items	131,231	117,462	124,296	11.7%	5.6%
Debt issued and borrowings	138,484	138,823	140,147	(0.2)%	(1.2)%
Total liabilities	2,276,994	2,244,902	2,300,456	1.4%	(1.0)%
Shareholders' equity *	318,834	313,095	295,936	1.8%	7.7%

* Attributable to the Bank

Total liabilities as of September 30, 2014 amounted to Baht 2,277.0 billion, an increase of Baht 32.1 billion or 1.4 percent from the end of June 2014. Total deposits increased by Baht 15.9 billion or 0.8 percent, while net interbank and money market items increased by Baht 13.8 billion or 11.7 percent.

When compared with the end of December 2013, total liabilities decreased by Baht 23.5 billion or 1.0 percent, total deposits decreased by Baht 15.9 billion or 0.8 percent, due to the gradual maturing of fixed deposits. The loan-to-deposit ratio stood at 90.7 percent compared with 90.6 percent at the end of 2013.

Shareholders' equity as of September 30, 2014 amounted to Baht 318.8 billion, an increase of Baht 22.9 billion or 7.7 percent from the end of 2013, due mainly to the net profit in the first nine months of 2014 of Baht 27.6 billion and the two dividend payments during 2014 totaling Baht 12.4 billion. These consisted of the final dividend payment for performance in 2013 of Baht 8.6 billion (Baht 4.50 per share) and the interim dividend payment for the operating results in the first half of 2014 of Baht 3.8 billion (Baht 2.00 per share) and the increase of Baht 9.1 billion in an unrealized gain on available-for-sale investments.

At the end of September 2014, the Bank and its subsidiaries had total legal reserves of Baht 19.0 billion, reflecting an increase of Baht 1.0 billion from the end of 2013, Baht 81.5 billion in general reserves and unappropriated retained earnings of Baht 96.0 billion.

Classified Loans and Allowance for Doubtful Accounts

Million Baht

Item	Loans & Accrued Interest Receivables *			Allowance for Doubtful Accounts Classified to the Bank of Thailand Criteria		
	September 2014	June 2014	December 2013	September 2014	June 2014	December 2013
Normal	1,655,290	1,678,009	1,678,314	12,094	12,298	12,384
Special mentioned	43,220	44,941	35,661	550	621	492
Substandard	5,346	6,704	6,058	621	685	965
Doubtful	17,531	8,041	5,937	4,454	2,450	2,219
Doubtful of loss	23,265	30,276	31,269	11,302	15,575	17,031
Total	1,744,652	1,767,971	1,757,239	29,021	31,629	33,091
Plus excess allowance for doubtful accounts				59,549	62,709	56,606
Total allowance for doubtful accounts from loan classification				88,570	94,338	89,697
Plus revaluation allowance for debt restructuring				2,840	2,869	2,886
Total allowance for doubtful accounts				91,410	97,207	92,583

* Less deferred revenue

Million Baht

Item	September 2014	June 2014	December 2013	Change (%)	
				June 2014	December 2013
NPLs before allowance for doubtful accounts	46,118	45,007	43,228	2.5%	6.7%
Ratio of NPLs to total loans	2.3%	2.3%	2.2%	-	0.1%
Ratio of loan loss reserves to NPLs	198.2%	216.0%	214.2%	(17.8)%	(16.0)%

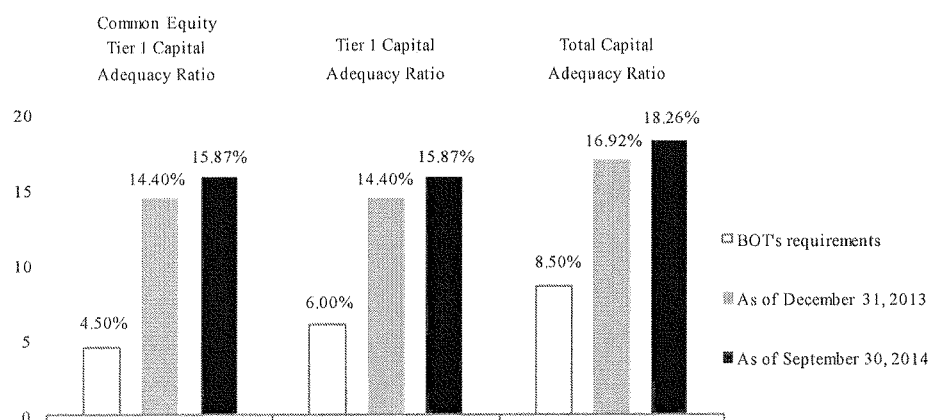
Non-performing loans (NPLs) of the Bank and its subsidiaries as at the end of September 2014 amounted to Baht 46.1 billion. The ratio of NPLs to total loans was 2.3 percent. The increase in NPLs was mainly due to the changing of economic conditions and market competitions impacted some medium to large sizes customers

The Bank and its subsidiaries reported a total allowance for doubtful accounts at the end of September 2014 of Baht 91.4 billion. The total allowance for doubtful accounts was 286.9 percent above the minimum required by the Bank of Thailand (BOT) of Baht 31.9 billion. The ratio of loan loss reserves to NPLs at the end of September 2014 was 198.2 percent.

Capital Reserves and Capital Adequacy Ratio (The Bank)

Million Baht

Item	Capital			Capital Adequacy Ratio		
	September 2014	June 2014	December 2013	September 2014	June 2014	December 2013
Total capital	346,085	332,566	319,747	18.26%	17.18%	16.92%
Tier 1 capital	300,912	287,012	272,156	15.87%	14.82%	14.40%
Common equity Tier 1 capital	300,912	287,012	272,156	15.87%	14.82%	14.40%
Tier 2 capital	45,173	45,554	47,591	2.39%	2.36%	2.52%



As of September 30, 2014, the Bank had legal capital funds of Baht 346.1 billion, and common equity Tier 1 capital of Baht 300.9 billion, equal to the amount of Tier 1 capital. The Bank's capital adequacy ratio was approximately 18.26 percent, while the common equity Tier 1 ratio and the Tier 1 capital ratio were approximately 15.87 percent. With the inclusion of net profit for the third quarter of 2014, the total capital adequacy ratio, the common equity Tier 1 ratio and the Tier 1 capital ratio would be approximately 18.74 percent, 16.36 percent and 16.36 percent, respectively.