

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

BANGKOK BANK PUBLIC COMPANY LIMITED

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 December 31, 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 year 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 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 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 December 31, 2015, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

BANGKOK
February 16, 2016

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 DECEMBER 31, 2015

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2015	2014	2015	2014
ASSETS					
CASH		61,431,621	59,898,596	61,299,466	59,782,345
INTERBANK AND MONEY MARKET ITEMS, NET	6.2	372,006,625	532,205,093	327,351,431	467,829,801
CLAIMS ON SECURITY		26,654	64,802	-	-
DERIVATIVES ASSETS	6.3	22,744,628	15,941,003	22,637,201	15,669,766
INVESTMENTS, NET	6.4	519,525,046	382,054,379	497,380,783	365,455,991
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.5	1,280,199	1,156,058	33,180,876	33,182,329
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	6.6				
Loans to customers		1,869,539,537	1,782,848,508	1,820,230,566	1,731,042,377
Accrued interest receivables		4,279,421	4,233,232	4,184,666	4,118,775
Total loans to customers and accrued interest receivables		1,873,818,958	1,787,081,740	1,824,415,232	1,735,161,152
Less Deferred revenue		(636,609)	(615,678)	(581,728)	(537,521)
Less Allowance for doubtful accounts	6.7	(101,775,087)	(89,411,506)	(98,703,151)	(87,095,271)
Less Revaluation allowance for debt restructuring	6.8	(2,412,029)	(2,513,971)	(2,412,029)	(2,513,971)
Total loans to customers and accrued interest receivables, net		1,768,995,233	1,694,540,585	1,722,718,324	1,645,014,389
CUSTOMER'S LIABILITY UNDER ACCEPTANCES		2,597,526	1,852,323	181,725	372,770
PROPERTIES FOR SALE, NET	6.9	13,579,263	16,515,654	9,502,106	11,581,876
PREMISES AND EQUIPMENT, NET	6.10	46,108,061	31,454,587	44,684,253	29,980,362
OTHER INTANGIBLE ASSETS, NET	6.11	452,388	698,464	399,897	643,210
DEFERRED TAX ASSETS	6.12	2,744,891	2,132,488	1,778,151	1,176,208
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES		10,205,630	5,129,008	10,196,984	5,114,286
OTHER ASSETS, NET		14,154,398	16,247,099	10,909,322	12,106,370
TOTAL ASSETS		2,835,852,163	2,759,890,139	2,742,220,519	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 DECEMBER 31, 2015

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2015	2014	2015	2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS	6.14	2,090,964,660	2,058,778,930	2,039,107,787	1,992,588,427
INTERBANK AND MONEY MARKET ITEMS	6.15	128,681,424	140,048,135	117,141,014	119,818,538
LIABILITY PAYABLE ON DEMAND		10,588,969	9,135,590	10,539,277	9,069,981
LIABILITY TO DELIVER SECURITY		245,248	152,330	-	-
DERIVATIVES LIABILITIES	6.3	34,150,730	17,851,695	33,732,860	17,183,330
DEBT ISSUED AND BORROWINGS	6.16	138,402,557	140,844,779	138,343,911	140,824,104
BANK'S LIABILITY UNDER ACCEPTANCES		2,597,526	1,852,323	181,725	372,770
PROVISIONS	6.20	9,601,115	9,241,494	9,472,449	9,142,816
DEFERRED TAX LIABILITIES	6.12	6,334,871	4,168,735	5,962,980	3,843,828
OTHER LIABILITIES		52,254,039	54,172,542	39,315,652	39,936,999
TOTAL LIABILITIES		<u>2,473,821,139</u>	<u>2,436,246,553</u>	<u>2,393,797,655</u>	<u>2,332,780,793</u>
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	6.22				
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		<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		58,923,754	43,137,084	57,964,301	42,615,658
RETAINED EARNINGS					
Appropriated	6.24 , 6.25				
Legal reserve		20,000,000	19,000,000	20,000,000	19,000,000
Others		86,500,000	81,500,000	86,500,000	81,500,000
Unappropriated		<u>120,973,954</u>	<u>104,419,537</u>	<u>108,523,902</u>	<u>96,578,591</u>
TOTAL BANK'S EQUITY		<u>361,832,369</u>	<u>323,491,282</u>	<u>348,422,864</u>	<u>315,128,910</u>
NON-CONTROLLING INTEREST		198,655	152,304	-	-
TOTAL SHAREHOLDERS' EQUITY		<u>362,031,024</u>	<u>323,643,586</u>	<u>348,422,864</u>	<u>315,128,910</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>2,835,852,163</u>	<u>2,759,890,139</u>	<u>2,742,220,519</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. Suvann Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2015	2014	2015	2014
INTEREST INCOME	6.34	103,813,976	103,479,708	98,890,031	98,206,810
INTEREST EXPENSES	6.35	46,303,600	44,482,596	43,976,921	42,113,341
NET INTEREST INCOME		57,510,376	58,997,112	54,913,110	56,093,469
FEES AND SERVICE INCOME	6.36	32,082,331	29,160,728	27,803,790	25,763,155
FEES AND SERVICE EXPENSES	6.36	8,011,745	7,434,509	7,716,101	7,355,612
NET FEES AND SERVICE INCOME		24,070,586	21,726,219	20,087,689	18,407,543
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS	6.37	7,773,939	5,572,147	6,656,028	4,937,754
GAINS ON INVESTMENTS	6.38	5,835,869	4,055,657	2,529,271	4,056,396
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		191,901	181,754	-	-
GAINS ON DISPOSAL OF ASSETS		3,008,171	2,015,563	2,473,316	1,515,097
DIVIDEND INCOME		3,736,868	3,625,814	4,480,549	3,860,272
OTHER OPERATING INCOME		600,694	683,031	463,224	560,115
TOTAL OPERATING INCOME		102,728,404	96,857,297	91,603,187	89,430,646
OTHER OPERATING EXPENSES					
Employee's expenses		24,227,178	22,254,080	21,894,582	20,071,653
Directors' remuneration		138,451	124,070	103,490	102,570
Premises and equipment expenses		9,457,904	9,761,810	8,780,360	9,120,294
Taxes and duties		3,554,700	3,489,130	3,388,639	3,303,055
Others		7,666,692	7,457,805	6,912,593	6,828,746
TOTAL OTHER OPERATING EXPENSES		45,044,925	43,086,895	41,079,664	39,426,318
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6.39	14,653,515	8,686,539	13,782,259	8,001,220
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		43,029,964	45,083,863	36,741,264	42,003,108
INCOME TAX EXPENSES	6.40	8,629,835	8,592,802	7,172,699	7,881,892
NET PROFIT		34,400,129	36,491,061	29,568,565	34,121,216
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Gains on remeasuring available-for-sale investment		2,238,354	7,118,958	2,278,545	7,070,986
Gains (losses) arising from translating the financial statements of foreign operations		2,432,111	(1,482,864)	2,062,684	(625,080)
Income tax relating to components of other comprehensive income		(466,266)	(1,432,187)	(470,741)	(1,421,919)
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus		15,628,505	-	15,505,053	-
Actuarial losses on defined benefit plans		(182,604)	(716,983)	(176,491)	(717,550)
Income tax relating to components of other comprehensive income		(3,082,318)	143,892	(3,066,182)	144,006
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)		16,567,782	3,630,816	16,132,668	4,450,443
TOTAL COMPREHENSIVE INCOME		50,967,911	40,121,877	45,701,433	38,571,659
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		34,180,628	36,332,177	29,568,565	34,121,216
Non-controlling interest		219,501	158,884	-	-
		34,400,129	36,491,061	29,568,565	34,121,216
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		50,748,566	39,962,892	45,701,433	38,571,659
Non-controlling interest		219,345	158,985	-	-
		50,967,911	40,121,877	45,701,433	38,571,659
BASIC EARNINGS PER SHARE (BAHT)		17.91	19.03	15.49	17.88
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 YEAR ENDED DECEMBER 31, 2015

Baht : '000

	Notes	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	CONSOLIDATED							Total Equity Attributable to the Bank's Shareholders	Non-controlling Interest	Total
				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
Appropriation for previous year													
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)	-	-	-
Appropriation for current year													
Dividend paid	6.25	-	-	-	-	-	-	-	-	(3,817,686)	(3,817,686)	(72,501)	(3,890,187)
Legal reserve	6.24 , 6.25	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Others	6.24 , 6.25	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Total comprehensive income		-	-	-	-	5,686,759	(1,482,864)	-	-	35,758,997	39,962,892	158,985	40,121,877
Transfer to retained earnings		-	-	-	(903,960)	-	-	-	-	903,960	-	-	-
Balance as at December 31, 2014		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
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
Appropriation for previous year													
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)	-	-	-
Appropriation for current year													
Dividend paid	6.25	-	-	-	-	-	-	-	-	(3,817,686)	(3,817,686)	(100,002)	(3,917,688)
Legal reserve	6.24 , 6.25	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Others	6.24 , 6.25	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Total comprehensive income		-	-	6,549,356	5,960,780	1,772,576	2,432,111	-	-	34,033,743	50,748,566	219,345	50,967,911
Transfer to retained earnings		-	-	-	(928,153)	-	-	-	-	928,153	-	-	-
Balance as at December 31, 2015		19,088,429	56,346,232	16,829,619	9,375,349	32,787,731	(68,945)	20,000,000	86,500,000	120,973,954	361,832,369	198,655	362,031,024

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 YEAR ENDED DECEMBER 31, 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
Appropriation for previous year											
Dividend paid	6.25	-	-	-	-	-	-	-	-	(8,589,793)	(8,589,793)
Legal reserve	6.24 , 6.25	-	-	-	-	-	-	500,000	-	(500,000)	-
Appropriation for current year											
Dividend paid	6.25	-	-	-	-	-	-	-	-	(3,817,686)	(3,817,686)
Legal reserve	6.24 , 6.25	-	-	-	-	-	-	500,000	-	(500,000)	-
Others	6.24 , 6.25	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-
Total comprehensive income		-	-	-	-	5,649,067	(625,080)	-	-	33,547,672	38,571,659
Transfer to retained earnings		-	-	-	(903,960)	-	-	-	-	903,960	-
Balance as at December 31, 2014		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
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
Appropriation for previous year											
Dividend paid	6.25	-	-	-	-	-	-	-	-	(8,589,793)	(8,589,793)
Legal reserve	6.24 , 6.25	-	-	-	-	-	-	500,000	-	(500,000)	-
Appropriation for current year											
Dividend paid	6.25	-	-	-	-	-	-	-	-	(3,817,686)	(3,817,686)
Legal reserve	6.24 , 6.25	-	-	-	-	-	-	500,000	-	(500,000)	-
Others	6.24 , 6.25	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-
Total comprehensive income		-	-	6,485,210	5,918,832	1,807,804	2,062,684	-	-	29,426,903	45,701,433
Transfer to retained earnings		-	-	-	(925,887)	-	-	-	-	925,887	-
Balance as at December 31, 2015		19,088,429	56,346,232	16,765,473	9,335,667	32,842,553	(979,392)	20,000,000	86,500,000	108,523,902	348,422,864

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvam Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		43,029,964	45,083,863	36,741,264	42,003,108
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities					
Depreciation and amortization expenses		3,493,331	3,508,002	3,366,691	3,364,986
Bad debt and doubtful accounts		14,716,004	9,004,174	13,844,748	8,318,855
Loss on debt restructuring (reversal)		(62,489)	(317,635)	(62,489)	(317,635)
(Gain) loss on foreign exchange		3,478,675	(258,295)	3,503,121	(247,486)
Amortization of premium (discount) on investment in debt securities		1,053,472	(306,120)	1,122,708	(213,857)
Unrealized (gain) loss on revaluation of trading securities		(44,811)	8,337	(7,833)	8,945
Unrealized (gain) loss on transfer of investments		10,548	(15,518)	10,548	(15,518)
Gain on disposal of securities for investments		(6,995,173)	(4,961,117)	(3,688,575)	(4,961,856)
Loss on impairment of investments		1,159,304	905,460	1,159,304	905,460
Share of profit from investment using equity method		(191,901)	(181,754)	-	-
Loss on impairment of properties for sale (reversal)		(164,905)	(210,552)	(230,448)	(217,588)
Gain on disposal of premises and equipment		(37,175)	(22,850)	(29,373)	(19,576)
Gain on revaluation of premises		(293,511)	-	(293,511)	-
Loss on valuation adjustment of other assets		63,657	938,225	63,657	938,225
Provision expenses		466,892	601,680	443,017	582,411
Net interest income		(57,510,376)	(58,997,112)	(54,913,110)	(56,093,469)
Dividend income		(3,736,868)	(3,625,814)	(4,480,549)	(3,860,272)
Proceeds from interest income		105,206,094	103,753,608	99,911,518	98,692,084
Interest expenses paid		(46,754,053)	(48,012,000)	(43,752,293)	(46,237,303)
Proceeds from dividend income		3,736,868	3,625,814	3,496,397	3,466,924
Income tax paid		(8,854,424)	(8,529,952)	(8,003,028)	(7,746,892)
(Increase) decrease in other accrued receivables		(62,247)	(69,690)	(226,845)	7,941
Decrease in other accrued expenses		(466,480)	(261,308)	(569,925)	(236,208)
Profit from operating before changes in operating assets and liabilities		51,240,396	41,659,446	47,404,994	38,121,279
(Increase) decrease in operating assets					
Interbank and money market items		160,106,615	(124,477,200)	139,828,788	(110,200,973)
Investment in short-term securities		(13,069,509)	(32,477,693)	(14,143,901)	(31,352,360)
Loans to customers		(90,861,897)	(39,938,154)	(93,363,246)	(34,570,237)
Properties for sale		3,746,491	3,965,599	2,955,412	2,292,321
Other assets		(10,076,751)	(3,365,746)	(11,048,291)	(2,947,433)
Increase (decrease) in operating liabilities					
Deposits		32,185,730	123,506,450	46,519,360	121,527,269
Interbank and money market items		(11,366,711)	15,752,519	(2,677,524)	5,401,103
Liabilities payable on demand		1,453,379	(1,774,091)	1,469,296	(1,733,661)
Short-term borrowings		(160,580)	(609,044)	(198,551)	(609,044)
Other liabilities		23,014,189	(289,807)	23,328,048	(4,222,020)
Net cash from operating activities		146,211,352	(18,047,721)	140,074,385	(18,293,756)

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 YEAR ENDED DECEMBER 31, 2015

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2015	2014	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of available-for-sale securities		(553,363,262)	(267,735,894)	(532,227,970)	(254,941,625)
Proceeds from disposal of available-for-sale securities		429,436,015	294,999,621	411,321,841	285,705,285
Purchase of held-to-maturity debt securities		(36,848,725)	(39,995,295)	(2,433,702)	(5,376,899)
Proceeds from redemption of held-to-maturity debt securities		50,012,217	55,639,901	16,437,582	19,437,072
Purchase of general investments		(5,433,570)	(5,487,795)	(5,433,570)	(5,487,795)
Proceeds from disposal of general investments		821,752	1,665,783	821,752	1,665,783
Purchase of investment in subsidiary and associate		-	(89,982)	-	(2,058,909)
Proceeds from disposal of investment in associate		32,611	-	32,611	-
Proceeds from dividend income					
from subsidiaries and associates		35,149	25,850	984,152	393,348
Purchase of premises, equipment and leasehold		(1,730,827)	(2,602,966)	(1,522,338)	(1,955,294)
Proceeds from disposal of premises and equipment		164,550	24,157	29,746	20,883
Net cash from investing activities		(116,874,090)	36,443,380	(111,989,896)	37,401,849
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid for senior unsecured noted extinguishment		(14,241,584)	-	(14,241,584)	-
Decrease in borrowings		(39,788)	(80,842)	(39,788)	(80,842)
Dividend paid		(12,407,479)	(12,407,479)	(12,407,479)	(12,407,479)
Dividend paid to non-controlling interest		(172,994)	(122,502)	-	-
Net cash from financing activities		(26,861,845)	(12,610,823)	(26,688,851)	(12,488,321)
Effect on cash due to changes in the exchange rates		106,363	(150,478)	121,483	(136,950)
Net increase in cash and cash equivalents		2,581,780	5,634,358	1,517,121	6,482,822
Cash and cash equivalents as at January 1,		62,802,942	57,168,584	59,782,345	53,299,523
Cash and cash equivalents as at December 31,	6.1.1	65,384,722	62,802,942	61,299,466	59,782,345

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

	CONTENT	PAGE
NOTES		
1.	GENERAL INFORMATION AND REGULATORY REQUIREMENTS	12
2.	BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	12
3.	SIGNIFICANT ACCOUNTING POLICIES	16
4.	RISK MANAGEMENT	25
5.	SIGNIFICANT USE OF ACCOUNTING JUDGMENTS AND ESTIMATES	38
6.	ADDITIONAL INFORMATION	39
6.1	Supplementary disclosures of cash flow information	39
6.2	Interbank and money market items, net (assets)	41
6.3	Derivatives	43
6.4	Investments, net	44
6.5	Investments in subsidiaries and associates, net	46
6.6	Loans to customers and accrued interest receivables, net	48
6.7	Allowance for doubtful accounts	55
6.8	Revaluation allowance for debt restructuring	57
6.9	Properties for sale, net	57
6.10	Premises and equipment, net	60
6.11	Other intangible assets, net	63
6.12	Deferred tax assets and liabilities	64
6.13	Classified assets in accordance with the notification of the BOT	68
6.14	Deposits	70
6.15	Interbank and money market items (liabilities)	71
6.16	Debt issued and Borrowings	72
6.17	Unsecured subordinated notes	73
6.18	Bonds	73
6.19	The Issuance of Bonds under the Medium Term Note Program	75
6.20	Provisions	76
6.21	Post-employment benefits	76
6.22	Share capital	78
6.23	The establishment of Special Purpose Vehicle to issue capital securities	79
6.24	Legal reserve and other reserves	80
6.25	The appropriation of the profit and the dividend payments	80
6.26	Assets pledged as collateral and under restriction	82

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	CONTENT	PAGE
NOTES		
6.27	Contingent liabilities	82
6.28	Litigation	82
6.29	Related party transactions	82
6.30	Other benefits to directors and persons with managing authority	87
6.31	Disclosure of the statements of cash flows of the Asset Management Company (AMC)	88
6.32	Long-term leases	89
6.33	Operating Segments	89
6.34	Interest income	91
6.35	Interest expenses	92
6.36	Net fees and service income	92
6.37	Gains (losses) on tradings and foreign exchange transactions	93
6.38	Gains (losses) on investments	93
6.39	Impairment loss of loans and debt securities	94
6.40	Income tax expenses	94
6.41	Approval of the financial statements	96

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

1. GENERAL INFORMATION AND REGULATORY REQUIREMENTS

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

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

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 4, 2015.

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

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

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

2.2.1 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 and Conceptual Framework for Financial Reporting (Revised 2015) to be effective since November 6, 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 (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

Thai Financial Reporting Standards		Effective date
Thai Financial Reporting Standards (TFRS)		
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 25 (Revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	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	TAS 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
Conceptual Framework for Financial Reporting (Revised 2015)		November 6, 2015

The Bank has adopted the above accounting standards, financial reporting standards, accounting standards interpretations, financial reporting interpretations and conceptual framework for financial reporting 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.

2.2.2 The Federation of Accounting Professions had issued the Notifications of Federation of Accounting Professions regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and Thai Financial Reporting Interpretations which had been announced in the Royal Gazette, that are relevant to the Bank but not yet effective in 2015 as follows :

Thai Financial Reporting Standards		Effective date
Thai Accounting Standards (TAS)		
TAS 1 (Revised 2015)	Presentation of Financial Statements	January 1, 2016
TAS 7 (Revised 2015)	Statement of Cash Flows	January 1, 2016
TAS 8 (Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2016
TAS 10 (Revised 2015)	Events after the Reporting Period	January 1, 2016
TAS 12 (Revised 2015)	Income Taxes	January 1, 2016
TAS 16 (Revised 2015)	Property, Plant and Equipment	January 1, 2016
TAS 17 (Revised 2015)	Leases	January 1, 2016

Thai Financial Reporting Standards		Effective date
Thai Accounting Standards (TAS)		
TAS 18 (Revised 2015)	Revenue	January 1, 2016
TAS 19 (Revised 2015)	Employee Benefits	January 1, 2016
TAS 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rates	January 1, 2016
TAS 24 (Revised 2015)	Related Party Disclosures	January 1, 2016
TAS 27 (Revised 2015)	Separate Financial Statements	January 1, 2016
TAS 28 (Revised 2015)	Investments in Associates and Joint Ventures	January 1, 2016
TAS 33 (Revised 2015)	Earnings per Share	January 1, 2016
TAS 34 (Revised 2015)	Interim Financial Reporting	January 1, 2016
TAS 36 (Revised 2015)	Impairment of Assets	January 1, 2016
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	January 1, 2016
TAS 38 (Revised 2015)	Intangible assets	January 1, 2016
Thai Financial Reporting Standards (TFRS)		
TFRS 5 (Revised 2015)	Non - current Assets Held for Sale and Discontinued Operations	January 1, 2016
TFRS 8 (Revised 2015)	Operating Segments	January 1, 2016
TFRS 10 (Revised 2015)	Consolidated Financial Statements	January 1, 2016
TFRS 11 (Revised 2015)	Joint Arrangements	January 1, 2016
TFRS 12 (Revised 2015)	Disclosure of Interests in Other Entities	January 1, 2016
TFRS 13 (Revised 2015)	Fair Value Measurement	January 1, 2016
Thai Accounting Standards Interpretations (TSI)		
TSI 15 (Revised 2015)	Operating Leases - Incentives	January 1, 2016
TSI 25 (Revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	January 1, 2016
TSI 32 (Revised 2015)	Intangible Assets - Web Site Costs	January 1, 2016
Thai Financial Reporting Interpretations (TFRI)		
TFRI 4 (Revised 2015)	Determining whether an arrangement contains a lease	January 1, 2016
TFRI 10 (Revised 2015)	Interim Financial Reporting and Impairment	January 1, 2016
TFRI 13 (Revised 2015)	Customer loyalty programmes	January 1, 2016
TFRI 14 (Revised 2015)	TAS 19 (Revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	January 1, 2016
TFRI 17 (Revised 2015)	Distributions of Non-cash Assets to Owners	January 1, 2016
TFRI 21	Levies	January 1, 2016

The Bank has considered the impact of the above accounting standards, financial reporting standards, accounting standards interpretations and financial reporting interpretations and determined that they will not have any material impact on the Bank's financial statements.

- 2.3 The consolidated financial statements for the years ended December 31, 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 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 years ended December 31, 2015 and 2014, included BBL Nominees (Tempatan) Sdn. Bhd, the 100.00% owned subsidiary of Bangkok Bank Berhad and Bangkok Capital Asset Management Company Limited, 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 years ended December 31, 2015 and 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 years ended December 31, 2015 and 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 4, 2015.

3.10 Premises, equipment and depreciation

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

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

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

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

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

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

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

3.11 Intangible assets and amortization

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

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

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

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

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

3.12 Leaseholds

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

3.13 Provisions

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

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

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

3.14 Assets and liabilities in foreign currencies

3.14.1 Functional currency and presentation currency

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

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

3.14.2 Translation of foreign currency transactions

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

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

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

3.14.3 Translation of financial statements of foreign operations

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

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

3.15 Post-employment benefits

3.15.1 Defined contribution plans

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

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

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

3.15.2 Defined benefit plans

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

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

3.16 Income taxes

Income taxes comprise of current tax and deferred tax.

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

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

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

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

3.17 Earnings per share

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

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

4. RISK MANAGEMENT

4.1 Risk information of the Bank

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

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

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

4.1.1 Credit risk

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

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

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

4.1.2 Interest rate risk

Interest rate risk 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 December 31, 2015 and 2014 as follows :

	CONSOLIDATED 2015							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 *	222,490	60,505	30,306	305	-	58,592	-	372,198
Investments in debt securities	10,647	29,005	63,254	301,658	16,092	-	-	420,656
Loans	1,289,577	270,754	183,070	43,628	20,321	13,952	47,601	1,868,903
Financial Liabilities								
Deposits	1,077,298	514,075	405,100	9,721	-	84,771	-	2,090,965
Interbank and money market items	51,196	29,811	10,619	8,647	8,917	19,491	-	128,681
Liabilities payable on demand	10,589	-	-	-	-	-	-	10,589
Debt issued and borrowings	15	72	58	32,532	105,725	-	-	138,402

	CONSOLIDATED 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 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 *	210,994	47,233	14,819	305	-	54,041	-	327,392
Investments in debt securities	10,370	23,289	59,685	294,635	16,092	-	-	404,071
Loans	1,267,479	255,831	172,341	43,629	20,321	13,952	46,096	1,819,649
Financial Liabilities								
Deposits	1,055,250	503,922	386,184	8,969	-	84,783	-	2,039,108
Interbank and money market items	49,423	21,830	8,599	8,647	8,917	19,725	-	117,141
Liabilities payable on demand	10,539	-	-	-	-	-	-	10,539
Debt issued and borrowings	15	14	58	32,532	105,725	-	-	138,344

Million Baht								
THE BANK 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 December 31, 2015 and 2014 are as follows :

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
Fixed interest rate	395,191	426,812	395,191	426,812
Floating interest rate	<u>1,182,283</u>	<u>1,082,822</u>	<u>1,180,853</u>	<u>1,081,504</u>
Total	<u><u>1,577,474</u></u>	<u><u>1,509,634</u></u>	<u><u>1,576,044</u></u>	<u><u>1,508,316</u></u>

The interest-earning financial assets and interest-bearing financial liabilities for the years ended December 31, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,					
	Average Balance	2015 Interest Income / Expense	Average Rate (%) Per Annum	Average Balance	2014 Interest Income / Expense	Average Rate (%) Per Annum
Interest-earning Financial Assets						
Interbank and money market items	575,079	9,465	1.65	448,814	9,725	2.17
Investments in debt securities	298,747	6,842	2.29	279,756	8,252	2.95
Loans	<u>1,797,529</u>	<u>87,457</u>	4.87	<u>1,755,893</u>	<u>85,493</u>	4.87
Total	<u><u>2,671,355</u></u>	<u><u>103,764</u></u>		<u><u>2,484,463</u></u>	<u><u>103,470</u></u>	
Interest-bearing Financial Liabilities						
Deposits	2,105,926	28,905	1.37	1,939,626	27,975	1.44
Interbank and money market items	125,819	1,370	1.09	127,868	1,627	1.27
Debt issued and borrowings	<u>142,708</u>	<u>6,964</u>	4.88	<u>139,101</u>	<u>6,700</u>	4.82
Total	<u><u>2,374,453</u></u>	<u><u>37,239</u></u>		<u><u>2,206,595</u></u>	<u><u>36,302</u></u>	

	THE BANK FOR THE YEARS ENDED DECEMBER 31,					
	Average Balance	2015 Interest Income / Expense	Average Rate (%) Per Annum	Average Balance	2014 Interest Income / Expense	Average Rate (%) Per Annum
Interest-earning Financial Assets						
Interbank and money market items	521,742	7,575	1.45	396,434	7,287	1.84
Investments in debt securities	283,834	6,393	2.25	266,598	7,858	2.95
Loans	<u>1,747,001</u>	<u>84,871</u>	4.86	<u>1,707,215</u>	<u>83,051</u>	4.86
Total	<u><u>2,552,577</u></u>	<u><u>98,839</u></u>		<u><u>2,370,247</u></u>	<u><u>98,196</u></u>	
Interest-bearing Financial Liabilities						
Deposits	2,047,505	26,833	1.31	1,873,646	25,818	1.38
Interbank and money market items	112,012	1,118	1.00	118,032	1,409	1.19
Debt issued and borrowings	<u>142,588</u>	<u>6,965</u>	4.88	<u>139,252</u>	<u>6,706</u>	4.82
Total	<u><u>2,302,105</u></u>	<u><u>34,916</u></u>		<u><u>2,130,930</u></u>	<u><u>33,933</u></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 December 31, 2015 and 2014 as follows :

						Million Baht
CONSOLIDATED						
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 *	371,893	305	-	-	-	372,198
Derivatives	6,154	5,681	10,910	-	-	22,745
Investments	101,774	302,433	18,567	98,031	-	520,805
Loans	845,635	624,098	352,546	-	46,624	1,868,903
Financial Liabilities						
Deposits	2,081,244	9,721	-	-	-	2,090,965
Interbank and money market items	111,117	8,647	8,917	-	-	128,681
Liabilities payable on demand	10,589	-	-	-	-	10,589
Derivatives	14,774	10,295	9,082	-	-	34,151
Debt issued and borrowings	145	32,532	105,725	-	-	138,402

						Million Baht
CONSOLIDATED						
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.

	THE BANK 2015					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	327,087	305	-	-	-	327,392
Derivatives	6,046	5,681	10,910	-	-	22,637
Investments	90,093	295,411	18,567	126,491	-	530,562
Loans	811,443	612,859	349,251	-	46,096	1,819,649
Financial Liabilities						
Deposits	2,030,139	8,969	-	-	-	2,039,108
Interbank and money market items	99,577	8,647	8,917	-	-	117,141
Liabilities payable on demand	10,539	-	-	-	-	10,539
Derivatives	14,356	10,295	9,082	-	-	33,733
Debt issued and borrowings	87	32,532	105,725	-	-	138,344

	THE BANK 2014					Million Baht
	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 December 31, 2015 and 2014 :

	Million Baht			
	2015		2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	61,432	61,432	59,899	59,899
Interbank and money market items, net	372,007	372,007	532,205	532,205
Derivatives	22,745	22,757	15,941	15,845
Investments, net	520,805	543,618	383,210	410,636
Loans to customers and accrued interest receivable, net	1,768,995	1,768,995	1,694,541	1,694,541
Total	2,745,984	2,768,809	2,685,796	2,713,126
Financial Liabilities				
Deposits	2,090,965	2,090,965	2,058,779	2,058,779
Interbank and money market items	128,681	128,681	140,048	140,048
Liabilities payable on demand	10,589	10,589	9,136	9,136
Derivatives	34,151	34,187	17,852	17,780
Debt issued	138,353	157,405	140,770	159,084
Borrowings	49	49	75	75
Total	2,402,788	2,421,876	2,366,660	2,384,902

Million Baht

	THE BANK			
	2015		2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	61,299	61,299	59,782	59,782
Interbank and money market items, net	327,351	327,351	467,830	467,830
Derivatives	22,637	22,650	15,670	15,635
Investments, net	530,562	566,888	398,638	434,118
Loans to customers and accrued interest receivable, net	<u>1,722,718</u>	<u>1,722,718</u>	<u>1,645,014</u>	<u>1,645,014</u>
Total	<u><u>2,664,567</u></u>	<u><u>2,700,906</u></u>	<u><u>2,586,934</u></u>	<u><u>2,622,379</u></u>
Financial Liabilities				
Deposits	2,039,108	2,039,108	1,992,588	1,992,588
Interbank and money market items	117,141	117,141	119,819	119,819
Liabilities payable on demand	10,539	10,539	9,070	9,070
Derivatives	33,733	33,769	17,183	17,172
Debt issued	138,295	157,346	140,749	159,063
Borrowings	<u>49</u>	<u>49</u>	<u>75</u>	<u>75</u>
Total	<u><u>2,338,865</u></u>	<u><u>2,357,952</u></u>	<u><u>2,279,484</u></u>	<u><u>2,297,787</u></u>

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 December 31, 2015 :

	CONSOLIDATED 2015			Million Baht
	Level 1	Level 2	Level 3	Total
Items measured at fair value :				
Financial assets				
Derivatives	-	22,757	-	22,757
Investments, net	81,522	391,660	-	473,182
Financial liabilities				
Derivatives	334	33,853	-	34,187
Items not measured at fair value :				
Financial assets				
Investments, net	2,227	14,315	53,894	70,436
Financial liabilities				
Debt issued	-	157,405	-	157,405

	THE BANK 2015			Million Baht
	Level 1	Level 2	Level 3	Total
Items measured at fair value :				
Financial assets				
Derivatives	-	22,650	-	22,650
Investments, net	75,979	379,866	-	455,845
Financial liabilities				
Derivatives	-	33,769	-	33,769
Items not measured at fair value :				
Financial assets				
Investments, net	2,227	9,524	99,292	111,043
Financial liabilities				
Debt issued	-	157,346	-	157,346

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 December 31, 2015 and 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	
	2015	2014	2015	2014
Tier 1 capital	341,564	303,810	332,058	297,006
Common Equity Tier 1 capital	341,431	303,683	332,058	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	20,000	19,000	20,000	19,000
Reserves appropriated from net profit	86,500	81,500	86,500	81,500
Net profit after appropriation	103,897	86,200	94,889	79,619
Other comprehensive income	55,781	41,689	55,395	41,581
Deductions from Common Equity				
Tier 1 capital	(181)	(140)	(160)	(128)
Additional Tier 1 capital	133	127	-	-
Tier 2 capital	45,089	46,287	44,207	45,417
Total capital fund	386,653	350,097	376,265	342,423

	PERCENTAGE			
	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
Common equity Tier 1 capital to risk assets ratio	15.78	15.10	15.84	15.24
Tier 1 capital to risk assets ratio	15.78	15.11	15.84	15.24
Total capital to risk assets ratio	17.87	17.41	17.95	17.56

As at December 31, 2015, the Bank has the increment per land and premises appraisal (See Note 6.10) which the BOT had approved to include in Common equity Tier 1 capital in July 2015.

As at December 31, 2015, the Bank has no capital add-on arising from Single Lending Limit.

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

Location of disclosure www.bangkokbank.com

Date of disclosure October 30, 2015

Information as of June 30, 2015

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 December 31, 2015 and 2014 are as follows :

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
Cash	61,432	59,899	61,299	59,782
Cash equivalents				
Cash at Bank - current and saving account	63	95	-	-
Fixed deposit and notes with a maturity less than or equal to three months	<u>3,890</u>	<u>2,809</u>	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>65,385</u>	<u>62,803</u>	<u>61,299</u>	<u>59,782</u>

6.1.2 Significant non-cash items for the years ended December 31, 2015 and 2014 are as follows :

	CONSOLIDATED		THE BANK	
	FOR THE YEARS ENDED DECEMBER 31,		FOR THE YEARS ENDED DECEMBER 31,	
	2015	2014	2015	2014
Unrealized gains on investments in shareholders' equity increase	1,773	5,687	1,808	5,649
Properties for sale increased from loans payment/inactive assets	688	1,370	688	1,370
Unrealized increment per premises appraisal transferred to retained earnings	928	904	926	904
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 December 31, 2015 and 2014 consisted of the following :

	Million Baht					
	CONSOLIDATED					
	Demand	2015 Time	Total	Demand	2014 Time	Total
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	13,039	132,000	145,039	12,710	275,500	288,210
Commercial banks	1,958	12,520	14,478	2,588	20,150	22,738
Special purpose financial institutions	-	8,855	8,855	-	6,776	6,776
Other financial institutions	79	16,091	16,170	1,367	19,794	21,161
Total	15,076	169,466	184,542	16,665	322,220	338,885
<u>Add</u> Accrued interest receivables	1	161	162	2	268	270
<u>Less</u> Allowance for doubtful accounts	(14)	(249)	(263)	(14)	(304)	(318)
Total domestic items	15,063	169,378	184,441	16,653	322,184	338,837
Foreign items						
USD	22,973	88,933	111,906	10,412	60,276	70,688
JPY	10,991	7,529	18,520	6,852	3,719	10,571
EUR	1,335	1,471	2,806	887	1,667	2,554
Others	12,057	42,367	54,424	12,121	96,436	108,557
Total	47,356	140,300	187,656	30,272	162,098	192,370
<u>Add</u> Accrued interest receivables	2	337	339	3	1,346	1,349
<u>Less</u> Allowance for doubtful accounts	-	(429)	(429)	-	(351)	(351)
Total foreign items	47,358	140,208	187,566	30,275	163,093	193,368
Total domestic and foreign items	62,421	309,586	372,007	46,928	485,277	532,205

Million Baht

	THE BANK					
	Demand	2015 Time	Total	Demand	2014 Time	Total
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	13,039	132,000	145,039	12,710	275,500	288,210
Commercial banks	-	4,600	4,600	21	12,200	12,221
Special purpose financial institutions	-	8,855	8,855	-	6,776	6,776
Other financial institutions	79	16,091	16,170	1,367	19,794	21,161
Total	13,118	161,546	174,664	14,098	314,270	328,368
<u>Add</u> Accrued interest receivables	-	139	139	-	229	229
<u>Less</u> Allowance for doubtful accounts	(14)	(249)	(263)	(14)	(304)	(318)
Total domestic items	13,104	161,436	174,540	14,084	314,195	328,279
Foreign items						
USD	22,152	81,708	103,860	9,702	61,155	70,857
JPY	10,991	7,528	18,519	6,852	3,719	10,571
EUR	1,330	1,956	3,286	885	48	933
Others	6,541	20,522	27,063	4,165	52,327	56,492
Total	41,014	111,714	152,728	21,604	117,249	138,853
<u>Add</u> Accrued interest receivables	-	106	106	-	731	731
<u>Less</u> Allowance for doubtful accounts	-	(23)	(23)	-	(33)	(33)
Total foreign items	41,014	111,797	152,811	21,604	117,947	139,551
Total domestic and foreign items	<u>54,118</u>	<u>273,233</u>	<u>327,351</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 December 31, 2015 and 2014 are as follows :

						Million Baht
CONSOLIDATED						
Type of risk	2015		Notional Amount	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	16,723	24,891	1,122,002	11,487	9,825	960,584
Interest rate	6,020	8,926	638,363	4,453	7,501	356,867
Others	2	334	3,618	1	526	3,556
Total	22,745	34,151	1,763,983	15,941	17,852	1,321,007

THE BANK						Million Baht
Type of risk	2015		Notional Amount	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	16,617	24,807	1,102,424	11,217	9,683	950,713
Interest rate	6,020	8,926	638,363	4,453	7,500	356,867
Total	22,637	33,733	1,740,787	15,670	17,183	1,307,580

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

	CONSOLIDATED		THE BANK		Percentage
	2015	2014	2015	2014	
Financial Institutions	83.69	79.49	83.98	79.75	
Group companies	-	-	0.02	-	
External entities	16.31	20.51	16.00	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 December 31, 2015 and 2014 consisted of the following :

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
	Fair Value	Fair Value	Fair Value	Fair Value
Trading securities				
Government and state enterprise securities	30,817	34,848	30,817	34,848
Private enterprise debt securities	-	5	-	5
Foreign debt securities	54	471	54	-
Domestic marketable equity securities	814	1,380	-	-
Total	31,685	36,704	30,871	34,853

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
	Fair Value	Fair Value	Fair Value	Fair Value
Available-for-sale securities				
Government and state enterprise securities	293,788	194,607	293,788	194,607
Private enterprise debt securities	10,948	10,378	10,948	10,378
Foreign debt securities	66,824	26,978	55,030	16,526
Domestic marketable equity securities	59,794	52,829	58,524	52,791
Foreign marketable equity securities	1,552	1,537	1,552	1,537
Others	8,591	4,832	5,133	4,487
Total	441,497	291,161	424,975	280,326

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost
Held-to-maturity debt securities				
Government and state enterprise securities	13,343	25,935	8,552	22,040
Private enterprise debt securities	-	700	-	700
Foreign debt securities	<u>2,870</u>	<u>2,745</u>	<u>2,870</u>	<u>2,745</u>
Total	<u>16,213</u>	<u>29,380</u>	<u>11,422</u>	<u>25,485</u>

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
	Cost	Cost	Cost	Cost
General investments				
Domestic non-marketable equity securities	6,455	6,743	6,446	6,734
Foreign non-marketable equity securities	<u>27,395</u>	<u>21,242</u>	<u>27,387</u>	<u>21,234</u>
Total	<u>33,850</u>	<u>27,985</u>	<u>33,833</u>	<u>27,968</u>
<u>Less</u> Allowance for impairment	<u>(3,720)</u>	<u>(3,176)</u>	<u>(3,720)</u>	<u>(3,176)</u>
Total	<u>30,130</u>	<u>24,809</u>	<u>30,113</u>	<u>24,792</u>
Total investments, net	<u>519,525</u>	<u>382,054</u>	<u>497,381</u>	<u>365,456</u>

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

As at December 31, 2015 and 2014, the Bank has investments in 31 companies and 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 December 31, 2015 and 2014, the Bank has investments in 3 listed companies and 4 listed companies that are under the SET delisting criteria, amounting to Baht 4 million and Baht 72 million, with the fair value of Baht 2 million and Baht 43 million, which the Bank had set aside allowance for impairment of these investments amounting to Baht 2 million and Baht 29 million, respectively.

For the years ended December 31, 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 1,159 million and Baht 905 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 December 31, 2015 and 2014, the Bank had outstanding balances of other liabilities from such transaction amounting to Baht 868 million and Baht 1,133 million, respectively.

6.4.2 As at December 31, 2015 and 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	
	2015	2014	2015	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>1,458</u>	<u>1,450</u>	<u>1,458</u>	<u>1,450</u>
Total	<u><u>1,697</u></u>	<u><u>1,689</u></u>	<u><u>1,697</u></u>	<u><u>1,689</u></u>

6.5 Investments in subsidiaries and associates, net

As at December 31, 2015 and 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)	
			2015	2014	2015	2014	2015	2014
Associates								
BSL Leasing Co., Ltd.	Finance	Ordinary share	35.88	35.88	43	43	660	568
Processing Center Co., Ltd.	Service	Ordinary share	30.00	30.00	15	15	317	277
National ITMX Co., Ltd.	Service	Ordinary share	16.91	19.80	9	10	218	221
Thai Payment Network Co., Ltd.	Service	Ordinary share	49.99	49.99	90	90	85	90
Total					157	158	1,280	1,156
Less Allowance for impairment					(2)	(2)	-	-
Investments in associates, net					155	156	1,280	1,156

						Million Baht
Company	Type of Business	Type of Shares	THE BANK			
			Direct and Indirect Shareholding (%)		Investment (Cost Method)	
			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	16.91	19.80	9	10
Thai Payment Network Co., Ltd.	Service	Ordinary share	49.99	49.99	90	90
Total					33,278	33,279
Less Allowance for impairment					(97)	(97)
Investments in subsidiaries and associates, net					33,181	33,182

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

			Million Baht	
			FOR THE YEARS ENDED DECEMBER 31,	
			2015	2014
Net profit			659	636
Total comprehensive income			659	636

6.6 Loans to customers and accrued interest receivables, net

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

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
Overdrafts	113,556	116,742	112,085	114,906
Loans	1,323,842	1,210,795	1,281,712	1,169,557
Bills	430,933	454,122	425,227	445,390
Others	1,208	1,190	1,207	1,190
<u>Less</u> Deferred revenue	<u>(636)</u>	<u>(616)</u>	<u>(582)</u>	<u>(538)</u>
Loans to customers after deferred revenue, net	1,868,903	1,782,233	1,819,649	1,730,505
<u>Add</u> Accrued interest receivable	<u>4,279</u>	<u>4,233</u>	<u>4,184</u>	<u>4,118</u>
Loans to customers and accrued interest receivables after deferred revenue, net	1,873,182	1,786,466	1,823,833	1,734,623
<u>Less</u> Allowance for doubtful accounts				
Minimum provision according to the BOT's requirement				
- Individual approach	(41,688)	(26,352)	(40,503)	(25,415)
- Collective approach	(4,708)	(4,280)	(4,708)	(4,280)
Excess provision	<u>(55,379)</u>	<u>(58,779)</u>	<u>(53,492)</u>	<u>(57,400)</u>
Total	<u>(101,775)</u>	<u>(89,411)</u>	<u>(98,703)</u>	<u>(87,095)</u>
<u>Less</u> Revaluation allowance for debt restructuring	<u>(2,412)</u>	<u>(2,514)</u>	<u>(2,412)</u>	<u>(2,514)</u>
Total loans to customers, net	<u>1,768,995</u>	<u>1,694,541</u>	<u>1,722,718</u>	<u>1,645,014</u>

6.6.2 As at December 31, 2015 and 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	
	2015	2014	2015	2014
NPLs before allowance for doubtful accounts	56,226	45,046	54,737	44,105
NPLs as percentage of total loans	2.75	2.14	2.76	2.15
Net NPLs after allowance for doubtful accounts	16,622	18,260	16,147	17,917
Net NPLs as percentage of net total loans	0.83	0.88	0.83	0.89

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

CONSOLIDATED						Million Baht
	Domestic	2015 Foreign	Total	Domestic	2014 Foreign	Total
BAHT	1,424,536	28,013	1,452,549	1,358,021	24,992	1,383,013
USD	88,262	175,659	263,921	92,806	185,105	277,911
Others	8,646	143,787	152,433	4,713	116,596	121,309
Total	1,521,444	347,459	1,868,903	1,455,540	326,693	1,782,233

THE BANK						Million Baht
	Domestic	2015 Foreign	Total	Domestic	2014 Foreign	Total
BAHT	1,425,816	28,013	1,453,829	1,361,003	24,992	1,385,995
USD	88,262	168,283	256,545	92,806	168,909	261,715
Others	8,646	100,629	109,275	4,713	78,082	82,795
Total	1,522,724	296,925	1,819,649	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 December 31, 2015 and 2014 :

CONSOLIDATED						Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	36,472	837	286	178	240	38,013
Manufacturing and commercial	768,088	15,591	7,257	9,127	25,850	825,913
Real estate and construction	172,147	6,179	812	2,183	2,737	184,058
Utilities and services	333,063	16,132	510	578	1,508	351,791
Housing loans	202,166	1,887	611	869	2,314	207,847
Others	257,427	2,688	79	790	297	261,281
Total	1,769,363	43,314	9,555	13,725	32,946	1,868,903

CONSOLIDATED						Million Baht
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

THE BANK						Million Baht
2015						
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	33,502	837	180	178	240	34,937
Manufacturing and commercial	737,695	14,413	7,212	8,909	24,924	793,153
Real estate and construction	166,554	5,911	812	2,183	2,691	178,151
Utilities and services	330,451	16,132	510	578	1,508	349,179
Housing loans	202,145	1,886	610	869	2,304	207,814
Others	252,698	2,688	78	696	255	256,415
Total	1,723,045	41,867	9,402	13,413	31,922	1,819,649

THE BANK						Million Baht
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 December 31, 2015 and 2014, the Bank and subsidiaries had classified loans and allowance for doubtful accounts in accordance with the notification of the BOT as follows :

				Million Baht
CONSOLIDATED 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	1,773,357	1,144,296	1	13,788
Special mentioned	43,504	19,283	2	501
Substandard	9,650	3,976	100	3,975
Doubtful	13,725	7,182	100	7,197
Doubtful of loss	32,946	20,933	100	20,935
Excess provision according to the BOT's requirement				55,379
Total	<u>1,873,182</u>	<u>1,195,670</u>		<u>101,775</u>

				Million Baht
CONSOLIDATED 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 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	1,726,948	1,115,542	1	13,514
Special mentioned	42,053	18,636	2	488
Substandard	9,497	3,971	100	3,971
Doubtful	13,413	6,913	100	6,928
Doubtful of loss	31,922	20,308	100	20,310
Excess provision according to the BOT's				
requirement				53,492
Total	1,823,833	1,165,370		98,703

				Million Baht
THE BANK 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	1,734,623	1,054,079		87,095

As at December 31, 2015 and 2014, the consolidated and the Bank's financial statements included the allowance for doubtful accounts amounting to Baht 4,708 million and Baht 4,280 million, respectively, on a collective approach, for loans classified as normal and special mentioned.

6.6.6 As at December 31, 2015 and 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 :

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

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

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

			THE BANK 2014	Provision Required by the BOT	Provision Recorded by the Bank
	No. of Companies	Outstanding Balance	Loans Net of Collateral/Present Value of Future Cash Flows According to the BOT		
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 years ended December 31, 2015 and 2014, classified by the restructuring methods are as follows :

THE BANK FOR THE YEAR ENDED DECEMBER 31, 2015				Million Baht
Restructuring Method	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Asset transfer	8	485	Land, building	485
Debt restructuring in various forms	6,907	42,092	-	-
Total	6,915	42,577		

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 42,577 million.

THE BANK FOR THE YEAR ENDED DECEMBER 31, 2014				Million Baht
Restructuring Method	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Asset transfer	42	1,087	Land, building, condominium	1,087
Debt restructuring in various forms	7,699	50,311	-	-
Total	7,741	51,398		

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 51,398 million.

For the years ended December 31, 2015 and 2014, the Bank recognized interest income from restructured debts amounting to Baht 3,536 million and Baht 3,406 million, respectively.

As at December 31, 2015 and 2014, the Bank had outstanding balances of loans to restructured debtors amounting to Baht 64,821 million and Baht 63,328 million, respectively.

Disclosures for the consolidated financial statements for troubled debt restructurings which occurred during the years ended December 31, 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 December 31, 2015 and 2014 :

	CONSOLIDATED						Million Baht
	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	1,101	52	2,344	2,339	13,457	(4,586)	14,707
Bad debt recovered	-	-	-	-	2,032	-	2,032
Bad debt written off	-	-	-	(2)	(5,559)	-	(5,561)
Others	-	-	-	-	-	1,186	1,186
Ending balance	<u>13,788</u>	<u>501</u>	<u>3,975</u>	<u>7,197</u>	<u>20,935</u>	<u>55,379</u>	<u>101,775</u>

	CONSOLIDATED						Million Baht
	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>

	THE BANK 2015						Million Baht
	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	1,168	52	2,357	2,164	13,267	(5,084)	13,924
Bad debt recovered	-	-	-	-	2,024	-	2,024
Bad debt written off	-	-	-	-	(5,516)	-	(5,516)
Others	-	-	-	-	-	1,176	1,176
Ending balance	<u>13,514</u>	<u>488</u>	<u>3,971</u>	<u>6,928</u>	<u>20,310</u>	<u>53,492</u>	<u>98,703</u>

	THE BANK 2014						Million Baht
	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 December 31, 2015 and 2014, the Bank and subsidiaries had the allowance for doubtful accounts in the consolidated financial statements of Baht 101,775 million and Baht 89,411 million, and in the Bank's financial statements of Baht 98,703 million and Baht 87,095 million, respectively.

As at December 31, 2015 and 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 55,379 million and Baht 58,779 million, and in the Bank's financial statements of Baht 53,492 million and Baht 57,400 million, respectively (See Note 3.7).

6.8 Revaluation allowance for debt restructuring

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

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
Beginning balance	2,514	2,886	2,514	2,886
Increase during the year	664	297	664	297
Write off/decrease during the year	(766)	(669)	(766)	(669)
Ending balance	<u>2,412</u>	<u>2,514</u>	<u>2,412</u>	<u>2,514</u>

6.9 Properties for sale, net

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

	CONSOLIDATED			Million Baht
	2015			
Type of Properties for Sale	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	23,754	733	(4,433)	20,054
Movable assets	<u>396</u>	<u>1</u>	<u>(162)</u>	<u>235</u>
Total	24,150	734	(4,595)	20,289
Others	<u>65</u>	<u>-</u>	<u>-</u>	<u>65</u>
Total properties for sale	24,215	734	(4,595)	20,354
Less Allowance for impairment	<u>(7,699)</u>	<u>165</u>	<u>759</u>	<u>(6,775)</u>
Total properties for sale, net	<u>16,516</u>	<u>899</u>	<u>(3,836)</u>	<u>13,579</u>

	CONSOLIDATED			Million Baht
	2014			
Type of Properties for Sale	Beginning Balance	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
Less 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 December 31, 2015, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 20,054 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 9,066 million and appraised by internal appraisers in the amount of Baht 10,988 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.

				Million Baht
THE BANK 2015				
Type of Properties for Sale	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	16,976	730	(3,635)	14,071
Movable assets	396	1	(162)	235
Total	17,372	731	(3,797)	14,306
Others	65	-	-	65
Total properties for sale	17,437	731	(3,797)	14,371
<u>Less</u> Allowance for impairment	(5,855)	231	755	(4,869)
Total properties for sale, net	<u>11,582</u>	<u>962</u>	<u>(3,042)</u>	<u>9,502</u>

				Million Baht
THE BANK 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
<u>Less</u> Allowance for impairment	(6,380)	217	308	(5,855)
Total properties for sale, net	<u>12,287</u>	<u>1,623</u>	<u>(2,328)</u>	<u>11,582</u>

As at December 31, 2015, the Bank had immovable assets from debt repayment in the amount of Baht 14,071 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 4,321 million and appraised by internal appraisers in the amount of Baht 9,750 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 December 31, 2015 and 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 4, 2015, the transactions of the Bank and subsidiaries are as follows :

Million Baht

CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,							
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	2015	2014	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
			Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale			
Sale to public	Per Installment	3	1	-	1	34	-
Sale to public	Per cost recovery	-	3,044	(13)	-	2,030	(19)

Million Baht

THE BANK FOR THE YEARS ENDED DECEMBER 31,							
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	2015	2014	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
			Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale			
Sale to public	Per Installment	3	1	-	1	34	-
Sale to public	Per cost recovery	-	2,491	(10)	-	1,516	(17)

6.10 Premises and equipment, net

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

	CONSOLIDATED													Million Baht
	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 the cost	Others	Ending Balance	Premises and Equipment (Net)	
Land														
Cost	7,367	45	-	-	141	7,553	-	-	-	-	-	-	7,553	
Appraisal Increase														
(year 2015)	12,850	8,174	-	-	60	21,084	-	-	-	-	-	-	21,084	
Appraisal Decrease														
(year 2015)	(1,013)	-	324	-	(29)	(718)	-	-	-	-	-	-	(718)	
Premises														
Cost	3,273	132	-	(1,435)	44	2,014	1,350	202	-	(1,435)	6	123	1,891	
Appraisal Increase														
(year 2015)	10,611	7,454	(1)	(5,648)	17	12,433	5,183	1,160	(2)	(5,648)	-	693	11,740	
Appraisal Decrease														
(year 2015)	(246)	(30)	1	67	(14)	(222)	(63)	(14)	2	67	-	(8)	(214)	
Equipment	21,991	1,081	(1,833)	-	58	21,297	18,422	1,518	(1,828)	-	50	18,162	3,135	
Others	1,514	917	(668)	-	(126)	1,637	-	-	-	-	-	-	1,637	
Total	56,347	17,773	(2,177)	(7,016)	151	65,078	24,892	2,866	(1,828)	(7,016)	56	18,970	46,108	

Million Baht

	CONSOLIDATED 2014										Premises and Equipment (Net)
	Beginning Balance	Additions/ Transfer	Cost Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Depreciation Depre- ciation	Disposal/ Transfer	Others	Ending Balance	
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 December 31, 2015 and 2014, the Bank and subsidiaries had equipment which are fully depreciated but still in use at the original costs amounting to Baht 14,925 million and Baht 14,306 million, respectively.

THE BANK
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 the cost	Others	Ending Balance	Premises and Equipment (Net)
Land													
Cost	7,360	45	-	-	142	7,547	-	-	-	-	-	-	7,547
Appraisal Increase													
(year 2015)	12,850	8,107	-	-	66	21,023	-	-	-	-	-	-	21,023
Appraisal Decrease													
(year 2015)	(1,013)	-	324	-	(29)	(718)	-	-	-	-	-	-	(718)
Premises													
Cost	3,099	132	-	(1,361)	55	1,925	1,262	195	-	(1,361)	9	105	1,820
Appraisal Increase													
(year 2015)	10,611	7,398	(1)	(5,648)	22	12,382	5,183	1,157	(2)	(5,648)	-	690	11,692
Appraisal Decrease													
(year 2015)	(246)	(30)	1	67	(14)	(222)	(63)	(14)	2	67	-	(8)	(214)
Equipment	21,117	1,015	(1,794)	-	60	20,398	17,803	1,424	(1,790)	-	50	17,487	2,911
Others	387	763	(530)	-	3	623	-	-	-	-	-	-	623
Total	<u>54,165</u>	<u>17,430</u>	<u>(2,000)</u>	<u>(6,942)</u>	<u>305</u>	<u>62,958</u>	<u>24,185</u>	<u>2,762</u>	<u>(1,790)</u>	<u>(6,942)</u>	<u>59</u>	<u>18,274</u>	<u>44,684</u>

Million Baht

THE BANK
2014

	Beginning Balance	Cost Additions/ Transfer	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 December 31, 2015 and 2014, the Bank had equipment which is fully depreciated but still in use at the original costs amounting to Baht 14,475 million, and Baht 13,875 million, respectively.

6.11 Other intangible assets, net

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

Million Baht

CONSOLIDATED
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	2,016	222	(331)	2	1,909	1,571	267	(323)	3	1,518	391
Others	253	77	(270)	1	61	-	-	-	-	-	61
Total	<u>2,269</u>	<u>299</u>	<u>(601)</u>	<u>3</u>	<u>1,970</u>	<u>1,571</u>	<u>267</u>	<u>(323)</u>	<u>3</u>	<u>1,518</u>	<u>452</u>

Million Baht

CONSOLIDATED
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
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	194	(314)	2	1,658	1,386	244	(314)	2	1,318	340
Others	253	77	(270)	-	60	-	-	-	-	-	60
Total	<u>2,029</u>	<u>271</u>	<u>(584)</u>	<u>2</u>	<u>1,718</u>	<u>1,386</u>	<u>244</u>	<u>(314)</u>	<u>2</u>	<u>1,318</u>	<u>400</u>

Million Baht

THE BANK
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 December 31, 2015 and 2014 are as follows :

Million Baht

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
Deferred tax assets	2,745	2,133	1,778	1,176
Deferred tax liabilities	<u>6,335</u>	<u>4,169</u>	<u>5,963</u>	<u>3,844</u>
Deferred tax assets (liabilities), net	<u>(3,590)</u>	<u>(2,036)</u>	<u>(4,185)</u>	<u>(2,668)</u>

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

	CONSOLIDATED 2015				Million Baht
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,886	198	54	(1)	3,137
Loans to customers and accrued interest receivables	2,772	1,152	-	99	4,023
Properties for sale	1,540	(185)	-	-	1,355
Premises and equipment	266	(65)	-	11	212
Provisions	1,923	40	36	4	2,003
Others	2,894	2,133	-	4	5,031
Total	<u>12,281</u>	<u>3,273</u>	<u>90</u>	<u>117</u>	<u>15,761</u>
Deferred tax liabilities					
Investments	8,514	45	520	-	9,079
Loans to customers and accrued interest receivables	84	(84)	-	-	-
Properties for sale	2	-	-	-	2
Premises and equipment	3,670	(226)	3,118	15	6,577
Others	2,047	1,646	-	-	3,693
Total	<u>14,317</u>	<u>1,381</u>	<u>3,638</u>	<u>15</u>	<u>19,351</u>
Net	<u>(2,036)</u>	<u>1,892</u>	<u>(3,548)</u>	<u>102</u>	<u>(3,590)</u>

Million Baht

	CONSOLIDATED 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)

			THE BANK 2015		Million Baht
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,869	198	34	-	3,101
Loans to customers and accrued interest receivables	2,324	1,062	-	98	3,484
Properties for sale	1,171	(197)	-	-	974
Premises and equipment	266	(65)	-	11	212
Provisions	1,903	35	35	5	1,978
Others	2,745	2,205	-	-	4,950
Total	<u>11,278</u>	<u>3,238</u>	<u>69</u>	<u>114</u>	<u>14,699</u>
Deferred tax liabilities					
Investments	8,273	(2)	505	-	8,776
Loans to customers and accrued interest receivables	84	(84)	-	-	-
Properties for sale	2	-	-	-	2
Premises and equipment	3,656	(221)	3,101	18	6,554
Others	1,931	1,621	-	-	3,552
Total	<u>13,946</u>	<u>1,314</u>	<u>3,606</u>	<u>18</u>	<u>18,884</u>
Net	<u>(2,668)</u>	<u>1,924</u>	<u>(3,537)</u>	<u>96</u>	<u>(4,185)</u>

	THE BANK 2014				Million Baht
	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 Classified assets in accordance with the notification of the BOT

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

	CONSOLIDATED 2015				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,773,357	-	-	-	1,773,357
Special mentioned	43,504	-	-	-	43,504
Substandard	9,650	-	-	-	9,650
Doubtful	13,725	-	-	-	13,725
Doubtful of loss	32,946	7,151	1,911	1,287	43,295
Total	<u>1,873,182</u>	<u>7,151</u>	<u>1,911</u>	<u>1,287</u>	<u>1,883,531</u>

CONSOLIDATED					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					Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,726,948	-	-	-	1,726,948
Special mentioned	42,053	-	-	-	42,053
Substandard	9,497	-	-	-	9,497
Doubtful	13,413	-	-	-	13,413
Doubtful of loss	31,922	7,080	922	1,282	41,206
Total	1,823,833	7,080	922	1,282	1,833,117

THE BANK					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 December 31, 2015 and 2014 :

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
Demand	86,797	84,231	84,783	82,213
Savings	850,689	771,281	841,714	761,928
Fixed	1,152,395	1,201,065	1,111,527	1,147,188
Negotiable certificates of deposit	1,084	2,202	1,084	1,259
Total	<u>2,090,965</u>	<u>2,058,779</u>	<u>2,039,108</u>	<u>1,992,588</u>

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

	CONSOLIDATED					
	2015			2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	1,787,096	98,145	1,885,241	1,748,039	92,798	1,840,837
USD	28,021	51,642	79,663	31,764	49,480	81,244
Others	17,193	108,868	126,061	24,415	112,283	136,698
Total	<u>1,832,310</u>	<u>258,655</u>	<u>2,090,965</u>	<u>1,804,218</u>	<u>254,561</u>	<u>2,058,779</u>

	THE BANK					
	2015			2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	1,787,103	98,127	1,885,230	1,748,093	92,782	1,840,875
USD	27,935	46,992	74,927	31,368	43,272	74,640
Others	12,189	66,762	78,951	21,540	55,533	77,073
Total	<u>1,827,227</u>	<u>211,881</u>	<u>2,039,108</u>	<u>1,801,001</u>	<u>191,587</u>	<u>1,992,588</u>

6.15 Interbank and money market items (liabilities)

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

	Million Baht					
	CONSOLIDATED					
	Demand	2015 Time	Total	Demand	2014 Time	Total
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	41	4,809	4,850	18	6,251	6,269
Commercial banks	4,978	22,900	27,878	3,145	39,100	42,245
Special purpose financial Institutions	145	17,109	17,254	2,989	2,000	4,989
Other financial institutions	10,278	6,116	16,394	10,069	12,655	22,724
Total domestic items	15,442	50,934	66,376	16,221	60,006	76,227
Foreign items						
USD	5,143	18,386	23,529	6,091	18,780	24,871
JPY	452	5,363	5,815	417	3,998	4,415
EUR	1,874	-	1,874	3,849	-	3,849
Others	6,401	24,686	31,087	6,728	23,958	30,686
Total foreign items	13,870	48,435	62,305	17,085	46,736	63,821
Total domestic and foreign items	29,312	99,369	128,681	33,306	106,742	140,048

	THE BANK						Million Baht
	Demand	2015 Time	Total	Demand	2014 Time	Total	
Domestic items							
Bank of Thailand and Financial Institutions							
Development Fund	41	4,809	4,850	18	6,251	6,269	
Commercial banks	4,978	22,900	27,878	3,145	39,100	42,245	
Special purpose financial Institutions	145	17,110	17,255	2,989	2,000	4,989	
Other financial institutions	10,427	6,116	16,543	10,160	12,655	22,815	
Total domestic items	15,591	50,935	66,526	16,312	60,006	76,318	
Foreign items							
USD	5,244	21,340	26,584	6,106	16,382	22,488	
JPY	456	5,363	5,819	420	3,998	4,418	
EUR	1,889	-	1,889	3,862	-	3,862	
Others	6,500	9,823	16,323	6,816	5,917	12,733	
Total foreign items	14,089	36,526	50,615	17,204	26,297	43,501	
Total domestic and foreign items	29,680	87,461	117,141	33,516	86,303	119,819	

6.16 Debt issued and Borrowings

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

						Million Baht
CONSOLIDATED						
	Domestic	2015 Foreign	Total	Domestic	2014 Foreign	Total
Senior unsecured notes	-	108,335	108,335	-	112,155	112,155
Unsecured subordinated notes	20,000	16,238	36,238	20,000	14,832	34,832
Bills of exchange	74	-	74	273	-	273
Others	107	-	107	96	-	96
<u>Less</u> Discount on borrowings	<u>-</u>	<u>(6,352)</u>	<u>(6,352)</u>	<u>-</u>	<u>(6,511)</u>	<u>(6,511)</u>
Total	<u>20,181</u>	<u>118,221</u>	<u>138,402</u>	<u>20,369</u>	<u>120,476</u>	<u>140,845</u>

						Million Baht
THE BANK						
	Domestic	2015 Foreign	Total	Domestic	2014 Foreign	Total
Senior unsecured notes	-	108,335	108,335	-	112,155	112,155
Unsecured subordinated notes	20,000	16,238	36,238	20,000	14,832	34,832
Bills of exchange	74	-	74	273	-	273
Others	49	-	49	75	-	75
<u>Less</u> Discount on borrowings	<u>-</u>	<u>(6,352)</u>	<u>(6,352)</u>	<u>-</u>	<u>(6,511)</u>	<u>(6,511)</u>
Total	<u>20,123</u>	<u>118,221</u>	<u>138,344</u>	<u>20,348</u>	<u>120,476</u>	<u>140,824</u>

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

						Million Baht
CONSOLIDATED						
Type	Currency	Maturity	Interest Rate	Amount		
				2015	2014	
Senior unsecured notes	USD	2018 - 2023	2.75% - 5.00%	108,335	112,155	
Unsecured subordinated notes	USD	2029	9.025%	16,238	14,832	
Unsecured subordinated notes	THB	2022	4.375%	20,000	20,000	
Bills of exchange	THB	2016	1.00% - 1.50%	74	273	
Others	THB	2016 - 2019	0.00% - 0.50%	107	96	
<u>Less</u> Discount on borrowings				<u>(6,352)</u>	<u>(6,511)</u>	
Total				<u>138,402</u>	<u>140,845</u>	

Type	Currency	Maturity	Interest Rate	THE BANK	
				Amount	
				2015	2014
Senior unsecured notes	USD	2018 - 2023	2.75% - 5.00%	108,335	112,155
Unsecured subordinated notes	USD	2029	9.025%	16,238	14,832
Unsecured subordinated notes	THB	2022	4.375%	20,000	20,000
Bills of exchange	THB	2016	1.00% - 1.50%	74	273
Others	THB	2016 - 2019	0.50%	49	75
<u>Less</u> Discount on borrowings				(6,352)	(6,511)
Total				<u>138,344</u>	<u>140,824</u>

6.17 Unsecured subordinated notes

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

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

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 October 19, 2015, the Bank redeemed senior unsecured notes with a maturity of 5 years at a coupon of 3.25% p.a., amounting to USD 400 million.

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

On 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 December 31, 2015, the Bank had not yet issued bonds according to the aforementioned resolution.

6.20 Provisions

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

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
Beginning balance	9,241	8,257	9,143	8,175
Increase during the year	1,630	2,161	1,599	2,142
Written off/reversal during the year	(1,270)	(1,177)	(1,270)	(1,174)
Ending balance	<u>9,601</u>	<u>9,241</u>	<u>9,472</u>	<u>9,143</u>

6.21 Post-employment benefits

6.21.1 Defined contribution plans

For the years ended December 31, 2015 and 2014, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements amounting to Baht 1,037 million and Baht 963 million, and in the Bank's financial statements amounting to Baht 937 million and Baht 867 million, respectively.

6.21.2 Defined benefit plans

As at December 31, 2015 and 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	
	2015	2014	2015	2014
The present value of the funded defined benefit plans	859	797	859	797
The fair value of plan assets	<u>(489)</u>	<u>(449)</u>	<u>(489)</u>	<u>(449)</u>
	370	348	370	348
The present value of the unfunded defined benefit plans	<u>7,084</u>	<u>6,517</u>	<u>6,955</u>	<u>6,418</u>
Liabilities, net	<u>7,454</u>	<u>6,865</u>	<u>7,325</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 December 31, 2015 and 2014 :

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
Beginning balance	7,315	6,311	7,216	6,228
Current service costs	478	370	457	354
Interest costs	249	245	247	241
Past service costs	-	4	-	4
Benefit paid during the year	(323)	(288)	(323)	(285)
Actuarial losses (gains) on obligations				
from changes in financial assumptions	(2)	582	3	581
from changes in demographic assumptions	168	(1)	158	2
from experience	13	137	11	136
Unrealized losses (gains) on exchanges	<u>45</u>	<u>(45)</u>	<u>45</u>	<u>(45)</u>
Ending balance	<u>7,943</u>	<u>7,315</u>	<u>7,814</u>	<u>7,216</u>

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

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
Beginning balance	449	428	449	428
Interest income	22	18	22	18
Contributions	27	27	27	27
Benefit paid during the year	(23)	(4)	(23)	(4)
Actuarial gains (losses) on plan assets	(4)	1	(4)	1
Unrealized gains (losses) on exchanges	<u>18</u>	<u>(21)</u>	<u>18</u>	<u>(21)</u>
Ending balance	<u>489</u>	<u>449</u>	<u>489</u>	<u>449</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 December 31, 2015 and 2014 are as follows :

	CONSOLIDATED		Percentage	
	Significant actuarial assumptions		Increase in defined benefit obligations	
	2015	2014	2015	2014
Discount rate	1.10 - 8.70	1.10 - 8.00	13.14	13.08
Average future salary increases	2.00 - 15.00	2.00 - 15.00	11.27	10.91

	THE BANK			
	Significant actuarial assumptions		Increase in defined benefit obligations	
	2015	2014	2015	2014
Discount rate	1.10 - 8.70	1.10 - 8.00	13.12	13.08
Average future salary increases	2.00 - 15.00	2.00 - 15.00	11.23	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 December 31, 2015 and 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	
	2015	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	<u>4,000,000,000</u>	<u>4,000,000,000</u>

As at December 31, 2015 and 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 December 31, 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.

On August 27, 2015, the meeting of the Board of Directors of the Bank No. 8/2015 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 2015 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 25, 2015.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 3,818 million on September 25, 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 December 31, 2015 and 2014 amounted to Baht 19,707 million and Baht 33,519 million, respectively.

6.27 Contingent liabilities

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

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
Avals to bills	6,808	5,237	6,808	5,237
Guarantees of loans	11,788	9,479	7,391	6,650
Liability under unmatured import bills	18,487	19,788	17,295	18,221
Letters of credit	29,192	31,927	27,570	30,578
Other commitments				
Amount of unused bank overdraft	178,698	176,298	177,362	174,981
Other guarantees	220,602	226,608	219,120	224,854
Others	<u>90,449</u>	<u>84,642</u>	<u>94,058</u>	<u>87,554</u>
Total	<u><u>556,024</u></u>	<u><u>553,979</u></u>	<u><u>549,604</u></u>	<u><u>548,075</u></u>

6.28 Litigation

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

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
Million Baht				
PLACEMENT				
Subsidiaries				
Bangkok Bank Berhad	-	-	2,753	5,382
Bangkok Bank (China) Co., Ltd.	-	-	7,227	5,333
Total	<u>-</u>	<u>-</u>	<u>9,980</u>	<u>10,715</u>
LOANS				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	2,710	4,300
Associate				
BSL Leasing Co., Ltd.	245	400	245	400
Other related parties	137	118	104	110
Total	<u>382</u>	<u>518</u>	<u>3,059</u>	<u>4,810</u>
ALLOWANCE FOR DOUBTFUL ACCOUNTS				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	33	52
Associate				
BSL Leasing Co., Ltd.	3	5	3	5
Total	<u>3</u>	<u>5</u>	<u>36</u>	<u>57</u>
OTHER ASSETS				
Subsidiaries				
Bangkok Bank Berhad	-	-	2	5
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	1
BBL Asset Management Co., Ltd.	-	-	226	-
Bualuang Securities PCL.	-	-	1	2
Bangkok Bank (China) Co., Ltd.	-	-	3	2
Associate				
Processing Center Co., Ltd.	29	27	29	27
Other related parties	6	5	-	-
Total	<u>35</u>	<u>32</u>	<u>262</u>	<u>37</u>

	CONSOLIDATED		THE BANK	
	2015	2014	2015	2014
Million Baht				
DEPOSITS				
Subsidiaries				
BBL (Cayman) Limited	-	-	823	750
Bangkok Bank Berhad	-	-	182	67
Sinnsuptawee Asset Management Co., Ltd.	-	-	7	55
BBL Asset Management Co., Ltd.	-	-	61	40
Bualuang Securities PCL.	-	-	55	33
Bangkok Bank (China) Co., Ltd.	-	-	152	52
Bangkok Capital Asset Management Co., Ltd.*	-	-	33	18
Associates				
BSL Leasing Co., Ltd.	48	63	48	63
Processing Center Co., Ltd.	48	90	48	90
National ITMX Co., Ltd.	40	19	40	19
Thai Payment Network Co., Ltd.	68	179	68	179
Other related parties	5,650	5,291	5,650	5,291
Total	5,854	5,642	7,167	6,657
BORROWINGS				
Subsidiary				
Bangkok Bank (China) Co., Ltd.	-	-	3,063	557
OTHER LIABILITIES				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	868	1,133
Associates				
Processing Center Co., Ltd.	3	2	3	2
National ITMX Co., Ltd.	-	7	-	7
Thai Payment Network Co., Ltd.	-	1	-	1
Other related parties	19	20	12	6
Total	22	30	883	1,149
COMMITMENTS				
Subsidiaries				
Bangkok Bank Berhad	-	-	-	14
Bualuang Securities PCL.	-	-	90	16
Bangkok Bank (China) Co., Ltd.	-	-	400	-
Associates				
BSL Leasing Co., Ltd.	79	22	79	22
National ITMX Co., Ltd.	1	-	1	-
Other related parties	6	6	6	6
Total	86	28	576	58

* Holding by Bualuang Securities PCL.

For the year ended December 31, 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 1.56% 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 December 31, 2015 and 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 and subsidiaries had significant income and expenses with related parties as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2015	2014	2015	2014
Interest and discount received				
Subsidiaries				
Bangkok Bank Berhad	-	-	15	17
Sinnsuptawee Asset Management Co., Ltd.	-	-	57	118
Bualuang Securities PCL.	-	-	1	-
Bangkok Bank (China) Co., Ltd.	-	-	24	29
Associate				
BSL Leasing Co., Ltd.	7	13	7	13
Other related parties	1	7	1	7
Total	8	20	105	184
Fees and service income				
Subsidiaries				
Bangkok Bank Berhad	-	-	1	2
BBL Asset Management Co., Ltd.	-	-	1,332	1,087
Bualuang Securities PCL.	-	-	22	19
Associates				
BSL Leasing Co., Ltd.	1	1	1	1
Processing Center Co., Ltd.	13	10	13	10
Other related parties	56	46	-	1
Total	70	57	1,369	1,120

Million Baht

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2015	2014	2015	2014
Dividend income				
Subsidiaries				
BBL Asset Management Co., Ltd.	-	-	517	367
Bualuang Securities PCL.	-	-	432	-
Associates				
BSL Leasing Co., Ltd.	2	2	2	2
Processing Center Co., Ltd.	33	24	33	24
Total	35	26	984	393
Other income				
Subsidiaries				
Bualuang Securities PCL.	-	-	3	2
Bangkok Bank (China) Co., Ltd.	-	-	146	139
Associate				
National ITMX Co., Ltd.	5	5	5	5
Total	5	5	154	146
Interest paid				
Subsidiaries				
BBL (Cayman) Limited	-	-	1	7
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	-
BBL Asset Management Co., Ltd.	-	-	1	1
Bualuang Securities PCL.	-	-	2	2
Bangkok Bank (China) Co., Ltd.	-	-	3	2
Associate				
Thai Payment Network Co., Ltd.	1	1	1	1
Other related parties	61	85	61	85
Total	62	86	70	98
Commission paid				
Subsidiaries				
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	3
Bualuang Securities PCL.	-	-	4	10
Other related parties	27	18	-	-
Total	27	18	4	13
Other expenses				
Subsidiaries				
Bualuang Securities PCL.	-	-	1	1
Bangkok Bank (China) Co., Ltd.	-	-	5	11
Associates				
Processing Center Co., Ltd.	30	25	30	25
National ITMX Co., Ltd.	63	77	63	77
Other related parties	58	63	39	46
Total	151	165	138	160

Compensation of key management personnel for the years ended December 31, 2015 and 2014 consisted of the following :

	CONSOLIDATED		THE BANK	
	FOR THE YEARS		FOR THE YEARS	
	ENDED DECEMBER 31,		ENDED DECEMBER 31,	
	2015	2014	2015	2014
Short-term employee benefits	1,468	1,290	1,082	931
Post-employment benefits	55	49	48	44
Total	<u>1,523</u>	<u>1,339</u>	<u>1,130</u>	<u>975</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		Million Baht
STATEMENT OF CASH FLOWS		
FOR THE YEAR ENDED DECEMBER 31, 2015		
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from operating before income tax expenses	3,801	392
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities		
Net gain on disposal of securities	(3,328)	(2)
Loss on impairment of properties for sale	66	7
Net interest expenses	57	117
Dividend income	(144)	(121)
Proceeds from dividend income	144	121
Interest expenses paid	(57)	(118)
Income tax paid	(65)	(36)
Profit from operating before changes in operating assets and liabilities	474	360
Operating assets (increase) decrease		
Account receivable from properties for rental	(3)	-
Properties for sale	791	1,673
Operating liabilities increase (decrease)		
Deposits	(78)	(52)
Advance received for properties for sale	(133)	79
Net cash from operating activities	<u>1,051</u>	<u>2,060</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale securities	(3,771)	(1,884)
Proceeds from disposal of available-for-sale securities	4,261	1,653
Purchase of equipment	-	(1)
Net cash from investing activities	<u>490</u>	<u>(232)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for loan from the parent company	<u>(1,590)</u>	<u>(1,790)</u>
Net cash from financing activities	<u>(1,590)</u>	<u>(1,790)</u>
Net increase (decrease) in cash and cash equivalents	(49)	38
Cash and cash equivalents as at January 1,	<u>55</u>	<u>17</u>
Cash and cash equivalents as at December 31,	<u><u>6</u></u>	<u><u>55</u></u>

6.32 Long-term leases

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

		Million Baht			
Type of lease	Period	REMAINING RENTAL EXPENSES CONSOLIDATED		THE BANK	
		2015	2014	2015	2014
Land and/or premises	1 Year	128	177	128	177
Land and/or premises	Over 1 Year to 5 Years	215	288	215	288
Land and/or premises	Over 5 Years	<u>263</u>	<u>284</u>	<u>263</u>	<u>284</u>
Total		<u><u>606</u></u>	<u><u>749</u></u>	<u><u>606</u></u>	<u><u>749</u></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 years ended December 31, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2015					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	62,097	11,175	14,651	14,806	(1)	102,728
Total operating expenses before credit losses	<u>(28,421)</u>	<u>(4,778)</u>	<u>(698)</u>	<u>(11,149)</u>	<u>1</u>	<u>(45,045)</u>
Profit from operating before credit losses and income tax expenses	<u>33,676</u>	<u>6,397</u>	<u>13,953</u>	<u>3,657</u>	<u>-</u>	<u>57,683</u>

	CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2014					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	61,883	10,418	14,460	10,097	(1)	96,857
Total operating expenses before credit losses	<u>(27,147)</u>	<u>(3,856)</u>	<u>(1,663)</u>	<u>(10,422)</u>	<u>1</u>	<u>(43,087)</u>
Profit from operating before credit losses and income tax expenses	<u>34,736</u>	<u>6,562</u>	<u>12,797</u>	<u>(325)</u>	<u>-</u>	<u>53,770</u>

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

	CONSOLIDATED					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total assets						
As at December 31, 2015	1,526,414	706,799	920,854	160,459	(478,674)	2,835,852
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 years ended December 31, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,						Million Baht
	2015		Total	2014		Total	
	Domestic Operations	Foreign Operations		Domestic Operations	Foreign Operations		
Total operating income	90,231	12,497	102,728	85,080	11,777	96,857	
Total operating expenses *	(51,619)	(8,079)	(59,698)	(45,481)	(6,292)	(51,773)	
Profit from operating before income tax expenses	38,612	4,418	43,030	39,599	5,485	45,084	

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

	CONSOLIDATED						Million Baht
	2015		Total	2014		Total	
	Domestic Operations	Foreign Operations		Domestic Operations	Foreign Operations		
Non-current assets **	38,932	7,628	46,560	28,171	3,982	32,153	
Total assets	2,321,497	514,355	2,835,852	2,267,564	492,326	2,759,890	

6.34 Interest income

Interest income for the years ended December 31, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,		Million Baht
	2015	2014	2015	2014	
Interest on interbank and money market items	9,465	9,725	7,575	7,287	
Investments and trading transactions	447	350	446	349	
Investment in debt securities	6,394	7,902	5,947	7,509	
Interest on loans	87,458	85,493	84,871	83,051	
Others	50	10	51	11	
Total interest income	<u>103,814</u>	<u>103,480</u>	<u>98,890</u>	<u>98,207</u>	

* Including credit losses.

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

6.35 Interest expenses

Interest expenses for the years ended December 31, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2015	2014	2015	2014
Interest on deposits	28,905	27,975	26,834	25,818
Interest on interbank and money market items	1,370	1,627	1,118	1,409
Contributions to the Deposit Protection Agency	9,060	8,175	9,056	8,175
Interest on debt issued				
Bonds and subordinated notes	6,963	6,694	6,963	6,699
Others	2	6	2	6
Others	4	6	4	6
Total interest expenses	46,304	44,483	43,977	42,113

6.36 Net fees and service income

Net fees and service income for the years ended December 31, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2015	2014	2015	2014
Fees and service income				
Acceptances, aval and guarantees of loans	144	134	118	114
Others	31,939	29,027	27,686	25,649
Total fees and service income	32,083	29,161	27,804	25,763
Fees and service expenses	8,012	7,435	7,716	7,355
Net fees and service income	24,071	21,726	20,088	18,408

6.37 Gains (losses) on tradings and foreign exchange transactions

Gains (losses) on tradings and foreign exchange transactions for the years ended December 31, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2015	2014	2015	2014
Gains (losses) on tradings and foreign exchange transactions				
Foreign exchanges and derivatives	7,904	7,777	7,207	7,657
Interest rate derivatives	(798)	(2,982)	(798)	(2,982)
Debt securities	253	268	247	263
Equity securities	415	509	-	-
Total gains (losses) on tradings and foreign exchange transactions	7,774	5,572	6,656	4,938

6.38 Gains (losses) on investments

Gains (losses) on investments for the years ended December 31, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2015	2014	2015	2014
Gains (losses) on investments				
Available-for-sale securities	6,874	4,576	3,536	4,577
General investment	121	384	121	384
Investments in associates	-	-	31	-
Total	6,995	4,960	3,688	4,961
Loss on impairment				
Available-for-sale securities	(632)	-	(632)	-
General investment	(527)	(905)	(527)	(905)
Total	(1,159)	(905)	(1,159)	(905)
Total gains (losses) on investments	5,836	4,055	2,529	4,056

6.39 Impairment loss of loans and debt securities

Impairment loss of loans and debt securities for the years ended December 31, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2015	2014	2015	2014
Interbank and money market items (reversal)	9	62	(80)	(122)
Loans to customers	14,707	8,942	13,924	8,440
Loss on debt restructuring (reversal)	(62)	(317)	(62)	(317)

6.40 Income tax expenses

6.40.1 Income tax recognized in profit or loss for the years ended December 31, 2015 and 2014 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2015	2014	2015	2014
Current tax	10,522	8,969	9,097	8,399
Deferred tax	(1,892)	(376)	(1,924)	(517)
Total income tax expenses	<u>8,630</u>	<u>8,593</u>	<u>7,173</u>	<u>7,882</u>

6.40.2 Income tax recognized in component of other comprehensive income for the years ended December 31, 2015 and 2014 are as follows :

							Million Baht
CONSOLIDATED							
FOR THE YEARS ENDED DECEMBER 31,							
	2015			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	15,629	(3,118)	12,511	-	-	-	
Gains on remeasuring available-for-sale investment	2,238	(466)	1,772	7,119	(1,432)	5,687	
Gains (losses) arising from translating the financial statements of foreign operations	2,432	-	2,432	(1,483)	-	(1,483)	
Actuarial losses on defined benefit plans	<u>(183)</u>	<u>36</u>	<u>(147)</u>	<u>(717)</u>	<u>144</u>	<u>(573)</u>	
Total	<u><u>20,116</u></u>	<u><u>(3,548)</u></u>	<u><u>16,568</u></u>	<u><u>4,919</u></u>	<u><u>(1,288)</u></u>	<u><u>3,631</u></u>	

							Million Baht
THE BANK							
FOR THE YEARS ENDED DECEMBER 31,							
	2015			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 on remeasuring available-for-sale investment	2,279	(471)	1,808	7,071	(1,422)	5,649	
Gain (losses) arising from translating the financial statements of foreign operations	2,062	-	2,062	(625)	-	(625)	
Actuarial losses on defined benefit plans	<u>(176)</u>	<u>35</u>	<u>(141)</u>	<u>(718)</u>	<u>144</u>	<u>(574)</u>	
Total	<u><u>19,670</u></u>	<u><u>(3,537)</u></u>	<u><u>16,133</u></u>	<u><u>5,728</u></u>	<u><u>(1,278)</u></u>	<u><u>4,450</u></u>	

6.40.3 Reconciliation of effective tax rates for the years ended December 31, 2015 and 2014 are as follows :

					Million Baht
CONSOLIDATED					
FOR THE YEARS ENDED DECEMBER 31,					
	2015		2014		
	Amount	Percentage	Amount	Percentage	
Profit from operating before income tax expense	43,030		45,084		
Income tax calculated at statutory tax rate	8,606	20.00	9,017	20.00	
Overseas tax	1,130		1,060		
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(824)		(629)		
Others	(282)		(855)		
Total income tax expenses	<u>8,630</u>	20.06	<u>8,593</u>	19.06	

					Million Baht
THE BANK					
FOR THE YEARS ENDED DECEMBER 31,					
	2015		2014		
	Amount	Percentage	Amount	Percentage	
Profit from operating before income tax expense	36,741		42,003		
Income tax calculated at statutory tax rate	7,348	20.00	8,401	20.00	
Overseas tax	1,090		1,017		
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(845)		(615)		
Others	(420)		(921)		
Total income tax expenses	<u>7,173</u>	19.52	<u>7,882</u>	18.77	

6.41 Approval of the financial statements

On February 16, 2016, the Audit Committee and the Board of Executive Directors have authorized to issue these financial statements.