

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, 2014, and the related consolidated and Bank's statements of 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, 2014, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

BANGKOK
February 17, 2015

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2014	2013	2014	2013
ASSETS					
CASH		59,898,596	53,550,467	59,782,345	53,299,523
INTERBANK AND MONEY MARKET ITEMS, NET	6.2	532,205,093	407,632,067	467,829,801	356,833,087
CLAIMS ON SECURITY		64,802	6,810	-	-
DERIVATIVES ASSETS	6.3	15,941,003	13,770,312	15,669,766	13,672,755
INVESTMENTS, NET	6.4	382,054,379	377,412,764	365,455,991	363,575,834
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.5	1,156,058	910,177	33,182,329	31,123,425
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	6.6				
Loans to customers		1,782,848,508	1,753,344,023	1,731,042,377	1,706,723,444
Accrued interest receivables		4,233,232	4,571,094	4,118,775	4,472,766
Total loans to customers and					
accrued interest receivables		1,787,081,740	1,757,915,117	1,735,161,152	1,711,196,210
Less Deferred revenue		(615,678)	(676,580)	(537,521)	(603,865)
Less Allowance for doubtful accounts	6.7	(89,411,506)	(89,697,165)	(87,095,271)	(87,621,580)
Less Revaluation allowance for debt restructuring	6.8	(2,513,971)	(2,885,668)	(2,513,971)	(2,885,668)
Total loans to customers and					
accrued interest receivables, net		1,694,540,585	1,664,655,704	1,645,014,389	1,620,085,097
CUSTOMER'S LIABILITY UNDER ACCEPTANCES		1,852,323	2,051,165	372,770	332,527
PROPERTIES FOR SALE, NET	6.9	16,515,654	18,900,941	11,581,876	12,286,849
PREMISES AND EQUIPMENT, NET	6.10	31,454,587	32,275,104	29,980,362	31,280,619
OTHER INTANGIBLE ASSETS, NET	6.11	698,464	606,416	643,210	530,002
DEFERRED TAX ASSETS	6.12	2,132,488	2,006,821	1,176,208	904,395
OTHER ASSETS, NET		21,376,107	22,728,494	17,220,656	18,825,607
TOTAL ASSETS		2,759,890,139	2,596,507,242	2,647,909,703	2,502,749,720

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, 2014

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2014	2013	2014	2013
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS	6.14	2,058,778,930	1,935,272,479	1,992,588,427	1,871,061,159
INTERBANK AND MONEY MARKET ITEMS, NET	6.15	140,048,135	124,295,617	119,818,538	114,417,434
LIABILITY PAYABLE ON DEMAND		9,135,590	10,909,681	9,069,981	10,803,643
LIABILITY TO DELIVER SECURITY		152,330	133,317	-	-
DERIVATIVES LIABILITIES	6.3	17,851,695	21,710,574	17,183,330	21,316,105
DEBT ISSUED AND BORROWINGS	6.16	140,844,779	140,147,252	140,824,104	140,734,626
BANK'S LIABILITY UNDER ACCEPTANCES		1,852,323	2,051,165	372,770	332,527
PROVISIONS	6.20	9,241,494	8,257,159	9,142,816	8,174,667
DEFERRED TAX LIABILITIES	6.12	4,168,735	3,106,688	3,843,828	2,802,278
OTHER LIABILITIES		54,172,542	54,571,620	39,936,999	44,142,551
TOTAL LIABILITIES		2,436,246,553	2,300,455,552	2,332,780,793	2,213,784,990
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		39,983,450	39,983,450	39,983,450	39,983,450
Issued and paid-up share capital					
1,908,842,894 common shares of Baht 10 each		19,088,429	19,088,429	19,088,429	19,088,429
PREMIUM ON COMMON SHARES		56,346,232	56,346,232	56,346,232	56,346,232
OTHER RESERVES		43,137,084	39,837,149	42,615,658	38,495,631
RETAINED EARNINGS					
Appropriated	6.24, 6.25				
Legal reserve		19,000,000	18,000,000	19,000,000	18,000,000
Others		81,500,000	76,500,000	81,500,000	76,500,000
Unappropriated		104,419,537	86,164,059	96,578,591	80,534,438
TOTAL BANK'S EQUITY		323,491,282	295,935,869	315,128,910	288,964,730
NON-CONTROLLING INTEREST		152,304	115,821	-	-
TOTAL SHAREHOLDERS' EQUITY		323,643,586	296,051,690	315,128,910	288,964,730
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,759,890,139	2,596,507,242	2,647,909,703	2,502,749,720

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 COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2014	2013	2014	2013
INTEREST INCOME	6.34	103,479,708	100,404,996	98,206,810	96,221,347
INTEREST EXPENSES	6.35	44,482,596	44,526,164	42,113,341	42,433,506
NET INTEREST INCOME		58,997,112	55,878,832	56,093,469	53,787,841
FEES AND SERVICE INCOME	6.36	29,160,728	28,392,696	25,763,155	25,082,462
FEES AND SERVICE EXPENSES	6.36	7,434,509	7,154,018	7,355,612	7,081,102
NET FEES AND SERVICE INCOME		21,726,219	21,238,678	18,407,543	18,001,360
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS	6.37	5,572,147	5,795,886	4,937,754	5,311,987
GAINS ON INVESTMENTS	6.38	4,055,657	2,488,685	4,056,396	2,480,175
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		181,754	161,824	-	-
GAINS ON DISPOSAL OF ASSETS		2,015,563	2,360,455	1,515,097	1,871,724
DIVIDEND INCOME		3,625,814	2,968,382	3,860,272	3,056,279
OTHER OPERATING INCOME		683,031	564,683	560,115	462,201
TOTAL OPERATING INCOME		96,857,297	91,457,425	89,430,646	84,971,567
OTHER OPERATING EXPENSES					
Employee's expenses		22,254,080	20,820,864	20,071,653	18,689,268
Directors' remuneration		124,070	140,354	102,570	104,300
Premises and equipment expenses		9,761,810	8,913,345	9,120,294	8,447,246
Taxes and duties		3,489,130	3,318,499	3,303,055	3,189,745
Others		7,457,805	4,754,016	6,828,746	4,084,880
TOTAL OTHER OPERATING EXPENSES		43,086,895	37,947,078	39,426,318	34,515,439
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6.39	8,686,539	8,593,176	8,001,220	8,306,697
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		45,083,863	44,917,171	42,003,108	42,149,431
INCOME TAX EXPENSES	6.40	8,592,802	8,881,720	7,881,892	8,275,170
NET PROFIT		36,491,061	36,035,451	34,121,216	33,874,261
OTHER COMPREHENSIVE INCOME (LOSSES)					
Changes in revaluation surplus		-	(839)	-	(839)
Gains (losses) on remeasuring available-for-sale investment		7,118,958	(1,119,075)	7,070,986	(1,039,844)
Gains (losses) arising from translating the financial statements of foreign operations		(1,482,864)	1,649,017	(625,080)	(458,792)
Actuarial losses on defined benefit plans		(716,983)	(397,949)	(717,550)	(394,859)
Income tax relating to components of other comprehensive income (losses)		(1,288,295)	277,968	(1,277,913)	259,184
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)		3,630,816	409,122	4,450,443	(1,635,150)
TOTAL COMPREHENSIVE INCOME		40,121,877	36,444,573	38,571,659	32,239,111
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		36,332,177	35,905,565	34,121,216	33,874,261
Non-controlling interest		158,884	129,886	-	-
		36,491,061	36,035,451	34,121,216	33,874,261
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		39,962,892	36,314,859	38,571,659	32,239,111
Non-controlling interest		158,985	129,714	-	-
		40,121,877	36,444,573	38,571,659	32,239,111
BASIC EARNINGS PER SHARE (BAHT)		19.03	18.81	17.88	17.75
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (THOUSAND SHARES)		1,908,843	1,908,843	1,908,843	1,908,843

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvann Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

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			Unappropriated						
			Unrealized Increment per Land Appraisal	Unrealized Increment per Premises Appraisal	Unrealized Gains on Investments	Foreign Exchange Adjustment	Legal Reserve	Appropriated		Others					
	19,088,429	56,346,232	10,289,454	6,151,485	26,260,120	(2,667,209)	17,000,000	71,500,000	68,056,239	272,024,750	71,619	272,096,369			
Balance as at January 1, 2013															
Appropriation for previous year	-	-	-	-	-	-	-	-	(8,589,793)	(8,589,793)	(32,500)	(8,622,293)			
Dividend paid	6.25	-	-	-	-	-	-	-	(500,000)	-	-	-			
Legal reserve	6.24 , 6.25	-	-	-	-	-	500,000	-	-	-	-	-			
Appropriation for current year															
Dividend paid	6.25	-	-	-	-	-	-	-	(3,817,686)	(3,817,686)	(50,002)	(3,867,688)			
Legal reserve	6.24 , 6.25	-	-	-	-	-	500,000	-	(500,000)	-	-	-			
Others	6.24 , 6.25	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-			
Total comprehensive income	-	-	-	(839)	(931,724)	1,649,017	-	-	35,598,405	36,314,859	129,714	36,444,573			
Transfer to retained earnings	-	-	(9,191)	(903,964)	-	-	-	-	913,155	-	-	-			
Changes in ownership interests in subsidiaries that did not result in loss of control	-	-	-	-	-	-	-	-	3,739	3,739	(3,010)	729			
Balance as at December 31, 2013	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			
Balance as at January 1, 2014															
Appropriation for previous year	-	-	-	-	-	-	-	-	(8,589,793)	(8,589,793)	(50,001)	(8,639,794)			
Dividend paid	6.25	-	-	-	-	-	-	-	(500,000)	-	-	-			
Legal reserve	6.24 , 6.25	-	-	-	-	-	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			

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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, 2014

	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, 2013		19,088,429	56,346,232	10,280,454	6,151,485	26,256,485	(1,958,204)	17,000,000	71,500,000	64,459,217	269,133,058	
Appropriation for previous year		-	-	-	-	-	-	-	-	(8,589,793)	(8,589,793)	
Dividend paid	6.25	-	-	-	-	-	-	-	-	(500,000)	-	
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	-	-	-	-	-	(458,792)	-	5,000,000	33,569,545	32,239,111	
Total comprehensive income		-	-	-	(839)	-	-	-	-	913,155	-	
Transfer to retained earnings		-	-	(9,191)	(903,964)	-	-	-	-	-	-	
Balance as at December 31, 2013		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	
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		-	-	-	-	-	-	-	-	(8,589,793)	(8,589,793)	
Dividend paid	6.25	-	-	-	-	-	-	-	-	(500,000)	-	
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	

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		45,083,863	44,917,171	42,003,108	42,149,431
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities					
Depreciation and amortization expenses		3,508,002	3,461,254	3,364,986	3,334,516
Bad debt and doubtful accounts		9,004,174	7,671,758	8,318,855	7,385,279
Loss on debt restructuring (reversal)		(317,635)	421,418	(317,635)	421,418
Loss (gain) on foreign exchange		(258,295)	776,175	(247,486)	746,324
Amortization of discount on investment in debt securities		(306,120)	(343,415)	(213,857)	(208,201)
Unrealized loss (gain) on revaluation of trading securities		8,337	21,726	8,945	(15,967)
Unrealized gain on transfer of investments		(15,518)	(12,918)	(15,518)	(12,918)
Gain on disposal of securities for investments		(4,961,117)	(2,725,804)	(4,961,856)	(2,717,294)
Loss on impairment of investments		905,460	737,119	905,460	737,119
Share of profit from investment using equity method		(181,754)	(161,824)	-	-
Loss on impairment of properties for sale (reversal)		(210,552)	14,002	(217,588)	(82,086)
Gain on disposal of premises, equipment and leasehold		(22,850)	(113,974)	(19,576)	(113,329)
Gain on revaluation of premises		-	(839)	-	(839)
Loss on valuation adjustment of other assets		938,225	183,223	938,225	183,223
Provision expenses (reversal)		601,680	(2,085,323)	582,411	(2,102,098)
Net interest income		(58,997,112)	(55,878,832)	(56,093,469)	(53,787,841)
Dividend income		(3,625,814)	(2,968,382)	(3,860,272)	(3,056,279)
Proceeds from interest income		103,753,608	99,926,069	98,692,084	95,771,560
Interest expenses paid		(48,012,000)	(39,971,201)	(46,237,303)	(38,913,544)
Proceeds from dividend income		3,625,814	2,968,382	3,466,924	2,793,280
Income tax paid		(8,529,952)	(7,679,395)	(7,746,892)	(7,206,923)
Decrease (increase) in other accrued receivables		(69,690)	(1,230)	7,941	(11,416)
Increase (decrease) in other accrued expenses		(261,308)	649,617	(236,208)	490,939
Profit from operating before changes in operating assets and liabilities		41,659,446	49,804,777	38,121,279	45,784,354
Decrease (increase) in operating assets					
Interbank and money market items		(124,477,200)	(50,779,700)	(110,200,973)	(51,884,107)
Investment in short-term securities		(32,477,693)	7,583,891	(31,352,360)	6,593,123
Loans to customers		(39,938,154)	(152,627,608)	(34,570,237)	(144,073,573)
Properties for sale		3,965,599	3,366,747	2,292,321	2,971,551
Other assets		(3,365,746)	(9,272,248)	(2,947,433)	(9,669,953)
Increase (decrease) in operating liabilities					
Deposits		123,506,450	100,618,542	121,527,269	96,690,411
Interbank and money market items		15,752,519	(2,792,018)	5,401,103	(3,233,393)
Liabilities payable on demand		(1,774,091)	1,576,486	(1,733,661)	1,509,110
Short-term borrowings		(609,044)	(7,171,516)	(609,044)	(7,171,516)
Other liabilities		(289,807)	22,687,880	(4,222,020)	20,135,540
Net cash from operating activities		(18,047,721)	(37,004,767)	(18,293,756)	(42,348,453)

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, 2014

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2014	2013	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of available-for-sale securities		(267,735,894)	(285,042,815)	(254,941,625)	(272,171,335)
Proceeds from disposal of available-for-sale securities		294,999,621	313,241,064	285,705,285	303,441,969
Purchase of held-to-maturity debt securities		(39,995,295)	(87,952,118)	(5,376,899)	(6,830,509)
Proceeds from redemption of held-to-maturity debt securities		55,639,901	92,008,826	19,437,072	12,054,529
Purchase of general investments		(5,487,795)	(4,824,520)	(5,487,795)	(4,824,521)
Proceeds from disposal of general investments		1,665,783	2,338,651	1,665,783	2,338,651
Purchase of investment in subsidiary and associate		(89,982)	729	(2,058,909)	(1,619,256)
Proceeds from disposal of investment in associate		-	14,918	-	14,918
Proceeds from dividend income					
from subsidiaries and associates		25,850	15,501	393,348	263,000
Purchase of premises, equipment and leasehold		(2,602,966)	(2,247,554)	(1,955,294)	(2,047,607)
Proceeds from disposal of premises, equipment and leasehold		24,157	117,328	20,883	116,078
Net cash from investing activities		<u>36,443,380</u>	<u>27,670,010</u>	<u>37,401,849</u>	<u>30,735,917</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from issuance of senior unsecured notes		-	31,068,334	-	31,068,334
Decrease in borrowings		(80,842)	(75,703)	(80,842)	(75,703)
Dividend paid		(12,407,479)	(12,407,479)	(12,407,479)	(12,407,479)
Dividend paid to non-controlling interest		(122,502)	(82,502)	-	-
Net cash from financing activities		<u>(12,610,823)</u>	<u>18,502,650</u>	<u>(12,488,321)</u>	<u>18,585,152</u>
Effect on cash due to changes in the exchange rates		<u>(150,478)</u>	<u>86,816</u>	<u>(136,950)</u>	<u>87,561</u>
Net increase in cash and cash equivalents		<u>5,634,358</u>	<u>9,254,709</u>	<u>6,482,822</u>	<u>7,060,177</u>
Cash and cash equivalents as at January 1,		<u>57,168,584</u>	<u>47,913,875</u>	<u>53,299,523</u>	<u>46,239,346</u>
Cash and cash equivalents as at December 31,	6.1.1	<u><u>62,802,942</u></u>	<u><u>57,168,584</u></u>	<u><u>59,782,345</u></u>	<u><u>53,299,523</u></u>

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvann Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. REGULATORY REQUIREMENTS

The Bank is subject to various capital and regulatory requirements administered by the Bank of Thailand (BOT). Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must satisfy specific capital guidelines that involve quantitative measurements of the Bank's assets, liabilities and certain off-balance sheet items calculated in accordance with regulatory requirements. The Bank's capital amounts and classification are also subject to qualitative judgement by the BOT about components, risk weightings and other factors. The Bank believes that as at December 31, 2014 and 2013, the Bank complied with all capital adequacy requirements. However, these capital and regulatory requirements are subject to change by the BOT.

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

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

2.1 The consolidated and the Bank's financial statements are prepared in accordance with Thai Accounting Standard No. 1 (Revised 2012) regarding Presentation of Financial Statements; and in accordance with the Regulations of The Stock Exchange of Thailand (SET) regarding the Basis, Conditions and Procedures for the Preparation and Submission of Financial Position and Results of Operations of Listed Companies B.E. 2544 dated January 22, 2001, including the BOT's Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups dated December 3, 2010.

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

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

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

2.2 New or Revised Thai Financial Reporting Standards

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, Thai Financial Reporting Interpretations and Accounting Treatment Guidance to be applied for the financial statements of the periods beginning on or after January 1, 2014 and Conceptual Framework for Financial Reporting (Revised 2014) to be effective since October 15, 2014 onward that are relevant to the Bank are as follows :

Thai Financial Reporting Standards		Effective date
Thai Accounting Standards (TAS)		
TAS 1 (Revised 2012)	Presentation of Financial Statements	January 1, 2014
TAS 7 (Revised 2012)	Statement of Cash Flows	January 1, 2014
TAS 12 (Revised 2012)	Income Taxes	January 1, 2014
TAS 17 (Revised 2012)	Leases	January 1, 2014
TAS 18 (Revised 2012)	Revenue	January 1, 2014
TAS 19 (Revised 2012)	Employee Benefits	January 1, 2014
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rate	January 1, 2014
TAS 24 (Revised 2012)	Related Party Disclosures	January 1, 2014
TAS 28 (Revised 2012)	Investments in Associates	January 1, 2014
TAS 34 (Revised 2012)	Interim Financial Reporting	January 1, 2014
TAS 36 (Revised 2012)	Impairment of Assets	January 1, 2014
TAS 38 (Revised 2012)	Intangible assets	January 1, 2014
Thai Financial Reporting Standards (TFRS)		
TFRS 5 (Revised 2012)	Non - current Assets Held for Sale and Discontinued Operations	January 1, 2014
TFRS 8 (Revised 2012)	Operating Segments	January 1, 2014
Thai Accounting Standards Interpretations (TSI)		
TSI 15	Operating Leases - Incentives	January 1, 2014
TSI 32	Intangible Assets - Web Site Costs	January 1, 2014
Thai Financial Reporting Interpretations (TFRI)		
TFRI 4	Determining whether an arrangement contains a lease	January 1, 2014
TFRI 13	Customer loyalty programmes	January 1, 2014
TFRI 17	Distributions of Non - cash Assets to Owners	January 1, 2014

Thai Financial Reporting Standards	Effective date
Accounting Treatment Guidance	
Accounting Treatment Guidance for Stock Dividend	January 1, 2014
Conceptual Framework for Financial Reporting (Revised 2014)	October 15, 2014

The Bank has adopted the above accounting standards, financial reporting standards, accounting standards interpretations, financial reporting interpretations, accounting treatment guidance and conceptual framework for financial reporting with no material impact on the Bank's financial statements.

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 2014 as follows :

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

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

The Bank has 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, 2014 and 2013, 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, 2014 and 2013, included BBL Nominees (Tempatan) Sdn. Bhd, the 100.00% owned subsidiary of Bangkok Bank Berhad.

The consolidated financial statements for the year ended December 31, 2014, also included Bangkok Capital Asset Management Company Limited which was incorporated on May 12, 2014, the 100.00% owned subsidiary of Bualuang Securities Public Company Limited.

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

The consolidated financial statements for the years ended December 31, 2014 and 2013, included equity interest in associates which was determined from the unaudited financial statements of these companies.

- 2.4 The Bank's financial statements for the years ended December 31, 2014 and 2013, 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 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. Where applicable, a valuation reserve is applied to arrive at proper fair value.

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.

3.5 Embedded derivative

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.

3.6 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).

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.

The fair value determination of 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 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 period. 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 as at the end of the period.

3.7 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).

3.8 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.

3.9 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.

3.10 Properties for sale

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

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

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

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

3.11 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 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.

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.

3.12 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.

3.13 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.

3.14 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.

3.15 Assets and liabilities in foreign currencies

3.15.1 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.

3.15.2 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.

3.15.3 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 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.

3.16 Post-employment benefits

3.16.1 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.

3.16.2 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 unrecognized past service costs and the fair value of plan assets. The expense for defined benefit plans is recognized as personnel expenses in the statements of comprehensive income.

The actuarial gains (losses) are recognized in other comprehensive income and transferred immediately to the retained earnings in the period in which they arise. The past service costs are recognized immediately as expense to the extent that the benefits have vested except for non-vested benefits which shall be amortized using a straight-line basis over the average period until the benefits become vested.

3.17 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.

3.18 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, 2014 and 2013 as follows :

CONSOLIDATED								Million Baht
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 [*]	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

CONSOLIDATED								Million Baht
2013								
	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 [*]	302,220	45,078	25,230	2,044	-	32,921	-	407,493
Investments in debt securities	12,387	24,645	26,889	210,507	29,253	-	-	303,681
Loans	1,168,128	275,149	173,281	65,435	24,168	8,742	37,764	1,752,667
Financial Liabilities								
Deposits	990,215	389,753	414,177	59,869	-	81,258	-	1,935,272
Interbank and money								
market items	46,615	44,145	6,351	8,227	-	18,958	-	124,296
Liabilities payable								
on demand	10,910	-	-	-	-	-	-	10,910
Debt issued and borrowings	274	449	159	42,745	96,520	-	-	140,147

* Excluding allowance for doubtful accounts and accrued interest receivable.

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

Million Baht

	THE BANK 2013							
	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*	289,817	37,496	5,561	691	-	23,455	-	357,020
Investments in debt securities	12,290	19,330	25,585	204,736	28,762	-	-	290,703
Loans	1,146,136	260,220	164,156	65,435	24,168	8,742	37,263	1,706,120
Financial Liabilities								
Deposits	972,702	375,277	401,185	42,305	-	79,592	-	1,871,061
Interbank and money market items	42,282	41,718	3,044	8,227	-	19,146	-	114,417
Liabilities payable on demand	10,804	-	-	-	-	-	-	10,804
Debt issued and borrowings	274	449	159	42,745	97,108	-	-	140,735

* 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, 2014 and 2013 are as follows :

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Fixed interest rate	426,812	477,567	426,812	477,567
Floating interest rate	<u>1,082,822</u>	<u>1,015,286</u>	<u>1,081,504</u>	<u>1,014,205</u>
Total	<u><u>1,509,634</u></u>	<u><u>1,492,853</u></u>	<u><u>1,508,316</u></u>	<u><u>1,491,772</u></u>

The interest-earning financial assets and interest-bearing financial liabilities for the years ended December 31, 2014 and 2013 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,					
	Average Balance	2014 Interest Income / Expense	Average Rate (%) Per Annum	Average Balance	2013 Interest Income / Expense	Average Rate (%) Per Annum
Interest-earning Financial Assets						
Interbank and money market items	448,814	9,725	2.17	384,198	8,529	2.22
Investments in debt securities	279,756	8,252	2.95	311,135	9,766	3.14
Loans	<u>1,755,893</u>	<u>85,493</u>	4.87	<u>1,650,637</u>	<u>82,108</u>	4.97
Total	<u><u>2,484,463</u></u>	<u><u>103,470</u></u>		<u><u>2,345,970</u></u>	<u><u>100,403</u></u>	
Interest-bearing Financial Liabilities						
Deposits	1,939,626	27,975	1.44	1,861,068	29,597	1.59
Interbank and money market items	127,868	1,627	1.27	122,071	1,584	1.30
Debt issued and borrowings	<u>139,101</u>	<u>6,700</u>	4.82	<u>110,137</u>	<u>5,459</u>	4.96
Total	<u><u>2,206,595</u></u>	<u><u>36,302</u></u>		<u><u>2,093,276</u></u>	<u><u>36,640</u></u>	

	THE BANK FOR THE YEARS ENDED DECEMBER 31,					
	Average Balance	2014 Interest Income / Expense	Average Rate (%) Per Annum	Average Balance	2013 Interest Income / Expense	Average Rate (%) Per Annum
Interest-earning Financial Assets						
Interbank and money market items	396,434	7,287	1.84	338,720	6,769	2.00
Investments in debt securities	266,598	7,858	2.95	299,581	9,419	3.14
Loans	<u>1,707,215</u>	<u>83,051</u>	4.86	<u>1,610,684</u>	<u>80,028</u>	4.97
Total	<u><u>2,370,247</u></u>	<u><u>98,196</u></u>		<u><u>2,248,985</u></u>	<u><u>96,216</u></u>	
Interest-bearing Financial Liabilities						
Deposits	1,873,646	25,818	1.38	1,802,107	27,702	1.54
Interbank and money market items	118,032	1,409	1.19	114,189	1,369	1.20
Debt issued and borrowings	<u>139,252</u>	<u>6,706</u>	4.82	<u>110,569</u>	<u>5,476</u>	4.95
Total	<u><u>2,130,930</u></u>	<u><u>33,933</u></u>		<u><u>2,026,865</u></u>	<u><u>34,547</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 income 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, 2014 and 2013 as follows :

						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

						Million Baht
CONSOLIDATED						
2013						
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	405,449	2,044	-	-	-	407,493
Derivatives	9,235	1,947	2,588	-	-	13,770
Investments	62,226	212,830	29,281	73,986	-	378,323
Loans	868,323	547,521	299,258	-	37,565	1,752,667
Financial Liabilities						
Deposits	1,875,403	59,869	-	-	-	1,935,272
Interbank and money market items	114,432	9,864	-	-	-	124,296
Liabilities payable on demand	10,910	-	-	-	-	10,910
Derivatives	16,958	2,246	2,507	-	-	21,711
Debt issued and borrowings	882	42,745	96,520	-	-	140,147

* Excluding allowance for doubtful accounts and accrued interest receivable.

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

			THE BANK			Million Baht
			2013			
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	356,329	691	-	-	-	357,020
Derivatives	9,138	1,947	2,588	-	-	13,673
Investments	54,853	207,060	28,790	103,996	-	394,699
Loans	829,411	542,583	296,863	-	37,263	1,706,120
Financial Liabilities						
Deposits	1,828,756	42,305	-	-	-	1,871,061
Interbank and money market items	104,553	9,864	-	-	-	114,417
Liabilities payable on demand	10,804	-	-	-	-	10,804
Derivatives	16,563	2,246	2,507	-	-	21,316
Debt issued and borrowings	882	42,745	97,108	-	-	140,735

* 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, 2014 and 2013 :

	CONSOLIDATED				Million Baht
	2014		2013		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
Financial Assets					
Cash	59,899	59,899	53,550	53,550	
Interbank and money market items, net	532,205	532,205	407,632	407,632	
Derivatives	15,941	15,941	13,770	13,770	
Investments, net	383,210	410,636	378,323	407,027	
Loans to customers and accrued interest receivable, net	1,694,541	1,694,541	1,664,656	1,664,656	
Total	2,685,796	2,713,222	2,517,931	2,546,635	
Financial Liabilities					
Deposits	2,058,779	2,058,779	1,935,272	1,935,272	
Interbank and money market items, net	140,048	140,048	124,296	124,296	
Liabilities payable on demand	9,136	9,136	10,910	10,910	
Derivatives	17,852	17,852	21,711	21,711	
Debt issued and borrowings	140,845	159,159	140,147	150,104	
Total	2,366,660	2,384,974	2,232,336	2,242,293	

Million Baht

	THE BANK			
	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	59,782	59,782	53,300	53,300
Interbank and money market items, net	467,830	467,830	356,833	356,833
Derivatives	15,670	15,670	13,673	13,673
Investments, net	398,638	434,118	394,699	430,190
Loans to customers and accrued interest receivable, net	1,645,014	1,645,014	1,620,085	1,620,085
Total	<u>2,586,934</u>	<u>2,622,414</u>	<u>2,438,590</u>	<u>2,474,081</u>
Financial Liabilities				
Deposits	1,992,588	1,992,588	1,871,061	1,871,061
Interbank and money market items, net	119,819	119,819	114,417	114,417
Liabilities payable on demand	9,070	9,070	10,804	10,804
Derivatives	17,183	17,183	21,316	21,316
Debt issued and borrowings	140,824	159,138	140,735	150,687
Total	<u>2,279,484</u>	<u>2,297,798</u>	<u>2,158,333</u>	<u>2,168,285</u>

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

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

The fair value for derivatives is presented in accordance with the significant accounting policies disclosed in Note 3.4.

For trading investments, available-for-sale investments, and held-to-maturity debt securities, the fair value is calculated in accordance with the significant accounting policies disclosed in Note 3.6.

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 loans to customers and interest receivables 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, as most of the loans are floating rate loans.

The fair value for debt issued and borrowings is based on the market value or amortized cost.

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, 2014 and 2013, 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	
	2014	2013	2014	2013
Tier 1 capital	303,810	276,678	297,006	272,156
Common Equity Tier 1 capital	303,683	276,562	297,006	272,156
Paid-up share capital	19,088	19,088	19,088	19,088
Premium on share capital	56,346	56,346	56,346	56,346
Legal reserve	19,000	18,000	19,000	18,000
Reserves appropriated from net profit	81,500	76,500	81,500	76,500
Retained earnings after appropriation	86,200	69,371	79,619	64,979
Other comprehensive income	41,689	37,257	41,581	37,243
Deductions from Common Equity				
Tier 1 capital	(140)	-	(128)	-
Additional Tier 1 capital	127	116	-	-
Tier 2 capital	46,287	48,349	45,417	47,591
Total capital fund	350,097	325,027	342,423	319,747

	PERCENTAGE			
	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Common equity Tier 1 capital to risk assets ratio	15.10	14.26	15.24	14.40
Additional Tier 1 capital to risk assets ratio	15.11	14.26	15.24	14.40
Total capital to risk assets ratio	17.41	16.75	17.56	16.92

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 31, 2014

Information as of June 30, 2014

5. SIGNIFICANT USE OF ACCOUNTING JUDGMENTS AND ESTIMATES

5.1 Impairment of investments in securities

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

5.2 Allowance for doubtful accounts

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

5.3 Provisions

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

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

5.4 Fair value of financial instruments

Fair value is the amount for which an asset can be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The Bank uses different methodologies for determining the fair value of financial instruments depending on the characteristics of the financial instruments and the financial markets in which it operates.

Financial instruments that have standard terms and conditions and are traded on an active and liquid market have their fair values determined by the quoted market prices. For other types of financial instruments, the fair value is determined 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, 2014 and 2013 are as follows :

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Cash	59,899	53,551	59,782	53,300
Cash equivalents				
Cash at Bank - current and saving account	95	817	-	-
Fixed deposit and notes with a maturity less than or equal to three months	2,809	2,801	-	-
Total cash and cash equivalents	<u>62,803</u>	<u>57,169</u>	<u>59,782</u>	<u>53,300</u>

6.1.2 Significant non-cash items for the years ended December 31, 2014 and 2013 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2014	2013	2014	2013
Unrealized gains on investments in shareholders' equity increase (decrease)	5,687	(932)	5,649	(871)
Properties for sale increased from loans payment/inactive assets	1,370	1,023	1,370	1,023
Unrealized increment per premises appraisal transferred to retained earnings	904	913	904	913

6.2 Interbank and money market items, net (assets)

Interbank and money market items, net (assets) as at December 31, 2014 and 2013 consisted of the following :

						Million Baht
CONSOLIDATED						
	Demand	2014 Time	Total	Demand	2013 Time	Total
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	12,710	275,500	288,210	9,888	196,500	206,388
Commercial banks	2,588	20,150	22,738	3,778	24,742	28,520
Special purpose financial institutions	-	6,776	6,776	40	1,000	1,040
Other financial institutions	<u>1,367</u>	<u>19,794</u>	<u>21,161</u>	<u>1,222</u>	<u>26,019</u>	<u>27,241</u>
Total	16,665	322,220	338,885	14,928	248,261	263,189
<u>Add</u> Accrued interest receivables	2	268	270	5	205	210
<u>Less</u> Allowance for doubtful accounts	<u>(14)</u>	<u>(304)</u>	<u>(318)</u>	<u>(12)</u>	<u>(455)</u>	<u>(467)</u>
Total domestic items	<u>16,653</u>	<u>322,184</u>	<u>338,837</u>	<u>14,921</u>	<u>248,011</u>	<u>262,932</u>
Foreign items						
USD	10,412	60,276	70,688	8,412	56,693	65,105
JPY	6,852	3,719	10,571	3,825	1	3,826
EUR	887	1,667	2,554	480	2,377	2,857
Others	<u>12,121</u>	<u>96,436</u>	<u>108,557</u>	<u>13,529</u>	<u>58,987</u>	<u>72,516</u>
Total	30,272	162,098	192,370	26,246	118,058	144,304
<u>Add</u> Accrued interest receivables	3	1,346	1,349	3	546	549
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(351)</u>	<u>(351)</u>	<u>(5)</u>	<u>(148)</u>	<u>(153)</u>
Total foreign items	<u>30,275</u>	<u>163,093</u>	<u>193,368</u>	<u>26,244</u>	<u>118,456</u>	<u>144,700</u>
Total domestic and foreign items	<u>46,928</u>	<u>485,277</u>	<u>532,205</u>	<u>41,165</u>	<u>366,467</u>	<u>407,632</u>

Million Baht

	THE BANK					
	Demand	2014 Time	Total	Demand	2013 Time	Total
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	12,710	275,500	288,210	9,888	196,500	206,388
Commercial banks	21	12,200	12,221	8	22,324	22,332
Special purpose financial institutions	-	6,776	6,776	40	1,000	1,040
Other financial institutions	<u>1,367</u>	<u>19,794</u>	<u>21,161</u>	<u>1,222</u>	<u>26,019</u>	<u>27,241</u>
Total	14,098	314,270	328,368	11,158	245,843	257,001
<u>Add</u> Accrued interest receivables	-	229	229	-	203	203
<u>Less</u> Allowance for doubtful accounts	<u>(14)</u>	<u>(304)</u>	<u>(318)</u>	<u>(11)</u>	<u>(455)</u>	<u>(466)</u>
Total domestic items	<u>14,084</u>	<u>314,195</u>	<u>328,279</u>	<u>11,147</u>	<u>245,591</u>	<u>256,738</u>
Foreign items						
USD	9,702	61,155	70,857	7,768	58,051	65,819
JPY	6,852	3,719	10,571	3,825	2	3,827
EUR	885	48	933	461	485	946
Others	<u>4,165</u>	<u>52,327</u>	<u>56,492</u>	<u>4,752</u>	<u>24,675</u>	<u>29,427</u>
Total	21,604	117,249	138,853	16,806	83,213	100,019
<u>Add</u> Accrued interest receivables	-	731	731	-	90	90
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(33)</u>	<u>(33)</u>	<u>(5)</u>	<u>(9)</u>	<u>(14)</u>
Total foreign items	<u>21,604</u>	<u>117,947</u>	<u>139,551</u>	<u>16,801</u>	<u>83,294</u>	<u>100,095</u>
Total domestic and foreign items	<u><u>35,688</u></u>	<u><u>432,142</u></u>	<u><u>467,830</u></u>	<u><u>27,948</u></u>	<u><u>328,885</u></u>	<u><u>356,833</u></u>

6.3 Derivatives

The fair values and the notional amounts classified by type of risk as at December 31, 2014 and 2013 are as follows :

	CONSOLIDATED					Million Baht
Type of risk	2014		Notional Amount	2013		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	11,487	9,825	960,584	11,892	19,333	843,130
Interest rate	4,453	7,501	356,867	1,878	2,114	202,363
Others	<u>1</u>	<u>526</u>	<u>3,556</u>	<u>-</u>	<u>264</u>	<u>1,672</u>
Total	<u>15,941</u>	<u>17,852</u>	<u>1,321,007</u>	<u>13,770</u>	<u>21,711</u>	<u>1,047,165</u>

						Million Baht
THE BANK						
Type of risk	2014		Notional Amount	2013		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	11,217	9,683	950,713	11,795	19,202	825,293
Interest rate	<u>4,453</u>	<u>7,500</u>	<u>356,867</u>	<u>1,878</u>	<u>2,114</u>	<u>202,363</u>
Total	<u>15,670</u>	<u>17,183</u>	<u>1,307,580</u>	<u>13,673</u>	<u>21,316</u>	<u>1,027,656</u>

The proportion of derivative transactions classified by type of counterparty based on the notional amounts as at December 31, 2014 and 2013 are as follows :

	CONSOLIDATED		THE BANK		Percentage
	2014	2013	2014	2013	
Financial Institutions	79.49	72.79	79.75	72.72	
Group companies	-	-	-	0.02	
External entities	<u>20.51</u>	<u>27.21</u>	<u>20.25</u>	<u>27.26</u>	
Total	<u><u>100.00</u></u>	<u><u>100.00</u></u>	<u><u>100.00</u></u>	<u><u>100.00</u></u>	

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, 2014 and 2013 consisted of the following :

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
	Fair Value	Fair Value	Fair Value	Fair Value
Trading securities				
Government and state enterprise securities	34,848	7,167	34,848	7,167
Private enterprise debt securities	5	6	5	6
Foreign debt securities	471	98	-	-
Domestic marketable equity securities	1,380	656	-	-
Total	36,704	7,927	34,853	7,173

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
	Fair Value	Fair Value	Fair Value	Fair Value
Available-for-sale securities				
Government and state enterprise securities	194,607	215,569	194,607	215,569
Private enterprise debt securities	10,378	7,434	10,378	7,434
Foreign debt securities	26,978	27,110	16,526	19,647
Domestic marketable equity securities	52,829	45,873	52,791	45,797
Foreign marketable equity securities	1,537	3,333	1,537	3,333
Others	4,832	4,298	4,487	4,188
Total	291,161	303,617	280,326	295,968

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost
Held-to-maturity debt securities				
Government and state enterprise securities	25,935	40,090	22,040	35,072
Private enterprise debt securities	700	700	700	700
Foreign debt securities	<u>2,745</u>	<u>4,064</u>	<u>2,745</u>	<u>3,665</u>
Total	<u><u>29,380</u></u>	<u><u>44,854</u></u>	<u><u>25,485</u></u>	<u><u>39,437</u></u>

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
	Cost	Cost	Cost	Cost
General investments				
Domestic non-marketable equity securities	6,743	6,810	6,734	6,801
Foreign non-marketable equity securities	<u>21,242</u>	<u>16,667</u>	<u>21,234</u>	<u>16,659</u>
Total	<u>27,985</u>	<u>23,477</u>	<u>27,968</u>	<u>23,460</u>
Less Allowance for impairment	<u>(3,176)</u>	<u>(2,462)</u>	<u>(3,176)</u>	<u>(2,462)</u>
Total	<u><u>24,809</u></u>	<u><u>21,015</u></u>	<u><u>24,792</u></u>	<u><u>20,998</u></u>
Total investments, net	<u><u>382,054</u></u>	<u><u>377,413</u></u>	<u><u>365,456</u></u>	<u><u>363,576</u></u>

Investments classified in accordance with the notification of the BOT as at December 31, 2014 and 2013 are presented in Note 6.13.

As at December 31, 2014 and 2013, the Bank has investments in 32 companies with cost values of Baht 256 million and Baht 432 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 Baht 432 million and these companies had net book value totaling Baht 0 million.

As at December 31, 2014 and 2013, the Bank has investments in 4 listed companies and 5 listed companies that are under the SET delisting criteria, amounting to Baht 72 million and Baht 96 million, with the fair value of Baht 43 million and Baht 44 million, which the Bank had set aside allowance for impairment of these investments amounting to Baht 29 million and Baht 52 million, respectively.

For the years ended December 31, 2014 and 2013, the Bank has recorded loss for impairment of investments in the statements of comprehensive income amounting to Baht 905 million and Baht 737 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, 2014 and 2013, the Bank had outstanding balances of other liabilities from such transaction amounting to Baht 1,133 million.

6.4.2 As at December 31, 2014 and 2013, 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	
	2014	2013	2014	2013
	Million Baht		Million Baht	
Manufacturing and commercial	11	11	11	11
Real estate and construction	187	187	187	187
Utilities and services	41	21	41	21
Others	1,450	1,322	1,450	1,322
Total	1,689	1,541	1,689	1,541

6.5 Investments in subsidiaries and associates, net

As at December 31, 2014 and 2013, 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)	
			2014	2013	2014	2013	2014	2013
Associates								
BSL Leasing Co., Ltd.	Finance	Ordinary share	35.88	35.88	43	43	568	484
Processing Center Co., Ltd.	Service	Ordinary share	30.00	30.00	15	15	277	244
WTA (Thailand) Co., Ltd.*	Service	Ordinary share	-	24.90	-	-**	-	-**
National ITMX Co., Ltd.	Service	Ordinary share	19.80	19.80	10	10	221	182
Thai Payment Network Co., Ltd.	Service	Ordinary share	49.99	-	90	-	90	-
Total					158	68	1,156	910
Less Allowance for impairment					(2)	(2)	-	-
Investments in associates, net					156	66	1,156	910

* On March 13, 2014, WTA (Thailand) Co., Ltd. completion of liquidation.

** Amount less than Baht 1 million.

						Million Baht
Company	Type of Business	Type of Shares	THE BANK		Investment	
			Direct and Indirect Shareholding (%)		(Cost Method)	
			2014	2013	2014	2013
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	4,113
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
WTA (Thailand) Co., Ltd.*	Service	Ordinary share	-	24.90	-	**
National ITMX Co., Ltd.	Service	Ordinary share	19.80	19.80	10	10
Thai Payment Network Co., Ltd.	Service	Ordinary share	49.99	-	90	-
Total					33,279	31,220
Less Allowance for impairment					(97)	(97)
Investments in subsidiaries and associates, net					33,182	31,123

In the fourth quarter of 2014, Bangkok Bank Berhad which is a subsidiary of the Bank increased its authorized share capital from 400 million shares to 600 million shares and increased fully paid-up capital from 400 million shares in the amount of Baht 4,113 million to 600 million shares in the amount of Baht 6,082 million. The Bank has purchased all the issued ordinary shares. As a result, the proportion of the Bank's equity interest remains at 100.00%.

* On March 13, 2014, WTA (Thailand) Co., Ltd. completion of liquidation.

** Amount less than Baht 1 million.

The summarized financial information of associates are as follows :

						Million Baht
Company	Total Assets	CONSOLIDATED				
		2014 Total Liabilities	Cumulative Unrecognized Share of Loss	Total Assets	2013 Total Liabilities	Cumulative Unrecognized Share of Loss
Associates						
BSL Leasing Co., Ltd.	9,022	7,439	-	8,123	6,775	-
Processing Center Co., Ltd.	1,245	222	-	1,262	348	-
WTA (Thailand) Co., Ltd.*	-	-	-	-**	-**	-
National ITMX Co., Ltd.	1,445	327	-	1,135	215	-
Thai Payment Network Co., Ltd.	180	-**	-	-	-	-

						Million Baht
Company	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,					
	2014			2013		
	Revenue	Profit (Loss)	Unrecognized Share of Loss	Revenue	Profit (Loss)	Unrecognized Share of Loss
Associates						
BSL Leasing Co., Ltd.	1,019	241	-	941	201	-
Processing Center Co., Ltd.	513	184	-	445	170	-
WTA (Thailand) Co., Ltd.*	-	-	-	- **	- **	-
National ITMX Co., Ltd.	571	211	-	547	244	-
Thai Payment Network Co., Ltd.	1	- **	-	-	-	-

* On March 13, 2014, WTA (Thailand) Co., Ltd. completion of liquidation.

** Amount less than Baht 1 million.

6.6 Loans to customers and accrued interest receivables, net

6.6.1 Classified by product type as at December 31, 2014 and 2013 :

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Overdrafts	116,742	111,276	114,906	109,897
Loans	1,210,795	1,159,078	1,169,557	1,121,533
Bills	454,122	481,807	445,390	474,111
Others	1,190	1,183	1,190	1,183
<u>Less Deferred revenue</u>	<u>(616)</u>	<u>(677)</u>	<u>(538)</u>	<u>(604)</u>
Loans to customers after deferred revenue, net	1,782,233	1,752,667	1,730,505	1,706,120
<u>Add Accrued interest receivable</u>	<u>4,233</u>	<u>4,572</u>	<u>4,118</u>	<u>4,473</u>
Loans to customers and accrued interest receivables after deferred revenue, net	1,786,466	1,757,239	1,734,623	1,710,593
<u>Less Allowance for doubtful accounts</u>				
Minimum provision according to the BOT's requirement				
- Individual approach	(26,352)	(29,303)	(25,415)	(28,440)
- Collective approach	(4,280)	(3,788)	(4,280)	(3,788)
Excess provision	<u>(58,779)</u>	<u>(56,606)</u>	<u>(57,400)</u>	<u>(55,394)</u>
Total	(89,411)	(89,697)	(87,095)	(87,622)
<u>Less Revaluation allowance</u>				
for debt restructuring	<u>(2,514)</u>	<u>(2,886)</u>	<u>(2,514)</u>	<u>(2,886)</u>
Total loans to customers, net	<u>1,694,541</u>	<u>1,664,656</u>	<u>1,645,014</u>	<u>1,620,085</u>

6.6.2 As at December 31, 2014 and 2013, 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	
	2014	2013	2014	2013
NPLs before allowance for doubtful accounts	45,046	43,228	44,105	42,653
NPLs as percentage of total loans	2.14	2.16	2.15	2.18
Net NPLs after allowance for doubtful accounts	18,260	12,485	17,917	12,458
Net NPLs as percentage of net total loans	0.88	0.63	0.89	0.65

6.6.3 Classified by currency and customer's residence as at December 31, 2014 and 2013 :

CONSOLIDATED						Million Baht
	2014		2013			
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	1,358,021	24,992	1,383,013	1,326,705	20,356	1,347,061
USD	92,806	185,105	277,911	112,763	173,948	286,711
Others	4,713	116,596	121,309	5,754	113,141	118,895
Total	1,455,540	326,693	1,782,233	1,445,222	307,445	1,752,667

THE BANK						Million Baht
	2014		2013			
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	1,361,003	24,992	1,385,995	1,331,715	20,356	1,352,071
USD	92,806	168,909	261,715	112,763	158,849	271,612
Others	4,713	78,082	82,795	5,754	76,683	82,437
Total	1,458,522	271,983	1,730,505	1,450,232	255,888	1,706,120

6.6.4 Classified by business type and in accordance with the notification of the BOT as at December 31, 2014 and 2013 :

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

CONSOLIDATED						Million Baht
2013						
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	32,470	932	20	102	391	33,915
Manufacturing and commercial	796,416	19,013	3,683	3,695	20,486	843,293
Real estate and construction	143,631	2,714	304	411	6,357	153,417
Utilities and services	278,574	8,109	1,568	559	1,234	290,044
Housing loans	165,453	1,312	344	664	2,483	170,256
Others	257,449	3,366	103	506	318	261,742
Total	1,673,993	35,446	6,022	5,937	31,269	1,752,667

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

THE BANK						Million Baht
2013						
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	29,949	747	20	102	391	31,209
Manufacturing and commercial	761,077	17,637	3,683	3,695	20,072	806,164
Real estate and construction	140,647	2,663	304	411	6,357	150,382
Utilities and services	276,805	8,092	1,568	559	1,234	288,258
Housing loans	165,450	1,310	344	664	2,481	170,249
Others	255,727	3,363	97	410	261	259,858
Total	1,629,655	33,812	6,016	5,841	30,796	1,706,120

6.6.5 As at December 31, 2014 and 2013, the Bank and subsidiaries had classified loans and allowance for doubtful accounts in accordance with the notification of the BOT as follows :

	CONSOLIDATED 2014			Million Baht
	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>

	CONSOLIDATED 2013			Million Baht
	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	1,678,314	1,050,945	1	12,384
Special mentioned	35,661	19,793	2	492
Substandard	6,058	1,038	100	965
Doubtful	5,937	2,215	100	2,219
Doubtful of loss	31,269	16,298	100	17,031
Excess provision according to the BOT's requirement				56,606
Total	<u>1,757,239</u>	<u>1,090,289</u>		<u>89,697</u>

				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	<u>1,734,623</u>	<u>1,054,079</u>		<u>87,095</u>

				Million Baht
THE BANK 2013				
	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	1,633,882	1,020,861	1	12,093
Special mentioned	34,022	18,569	2	467
Substandard	6,052	1,036	100	964
Doubtful	5,841	2,119	100	2,124
Doubtful of loss	30,796	15,846	100	16,580
Excess provision according to the BOT's requirement				55,394
Total	<u>1,710,593</u>	<u>1,058,431</u>		<u>87,622</u>

As at December 31, 2014 and 2013, the consolidated and the Bank's financial statements included the allowance for doubtful accounts amounting to Baht 4,280 million and Baht 3,788 million, respectively, on a collective approach, for loans classified as normal and special mentioned.

6.6.6 As at December 31, 2014 and 2013, the Bank and subsidiaries had loans and accrued interest receivables due from companies experiencing financial difficulties as defined in the SET's guidelines dated July 8, 1998 regarding the disclosure of asset quality and related party transactions, for which the Bank and subsidiaries had provided an allowance for doubtful accounts, as follows :

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

					Million Baht
CONSOLIDATED 2013					
	No. of Companies	Outstanding Balance	Loans Net of Collateral/Present Value of Future Cash Flows According to the BOT	Provision Required by the BOT	Provision Recorded by the Bank
Financial institutions ordered closed	-	-	-	-	-
Listed companies identified for delisting	2	378	373	373	373
Total	<u>2</u>	<u>378</u>	<u>373</u>	<u>373</u>	<u>373</u>

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

					Million Baht
THE BANK 2013					
	No. of Companies	Outstanding Balance	Loans Net of Collateral/Present Value of Future Cash Flows According to the BOT	Provision Required by the BOT	Provision Recorded by the Bank
Financial institutions ordered closed	-	-	-	-	-
Listed companies identified for delisting	2	378	373	373	373
Total	<u>2</u>	<u>378</u>	<u>373</u>	<u>373</u>	<u>373</u>

6.6.7 Transfer of assets to Thai Asset Management Corporation (TAMC)

According to the Royal Ordinance establishing TAMC B.E. 2544, on October 12, 2001, the Bank entered into the Impaired Asset Transfer Agreement (the Agreement) with TAMC. The price was at the value of collateral of such loan but not exceed the net amount of loan after deducting the allowance. TAMC made a payment to the Bank as promissory notes. According to the Agreement, the Bank and TAMC agreed together to recognize any profits or losses arising from the management of the assets. In the second quarter of 2013, TAMC declared winding-up of the organization permanently and notified the allocation of profit or loss arising from the management to the Bank as a profit of Baht 557 million. Hence, the Bank reversed the entire provisions for probable loss arising from TAMC's management of the assets previously set aside amounting to Baht 2,578 million.

6.6.8 Troubled debt restructurings

Details of the restructured debts of the Bank for the years ended December 31, 2014 and 2013, classified by the restructuring methods are as follows :

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.

THE BANK FOR THE YEAR ENDED DECEMBER 31, 2013				Million Baht
Restructuring Method	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Asset transfer	85	1,077	Land, building, condominium	1,077
Debt-equity conversion	1	1	Equity securities	1
Debt restructuring in various forms	7,583	31,334		
Total	7,669	32,412		

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 32,412 million.

For the years ended December 31, 2014 and 2013, the Bank recognized interest income from restructured debts amounting to Baht 3,406 million and Baht 4,393 million, respectively.

As at December 31, 2014 and 2013, the Bank had outstanding balances of loans to restructured debtors amounting to Baht 63,328 million and Baht 71,344 million, respectively.

Disclosures for the consolidated financial statements for troubled debt restructurings which occurred during the years ended December 31, 2014 and 2013 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, 2014 and 2013 :

	CONSOLIDATED 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	12,384	492	965	2,219	17,031	56,606	89,697
Doubtful accounts	303	(43)	666	2,641	2,920	2,517	9,004
Bad debt recovered	-	-	-	-	885	-	885
Bad debt written off	-	-	-	-	(9,831)	-	(9,831)
Others	-	-	-	-	-	(344)	(344)
Ending balance	<u>12,687</u>	<u>449</u>	<u>1,631</u>	<u>4,860</u>	<u>11,005</u>	<u>58,779</u>	<u>89,411</u>

Million Baht

	CONSOLIDATED						
	2013						
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balance	11,416	481	786	2,147	18,161	51,592	84,583
Doubtful accounts	968	11	179	72	1,601	4,841	7,672
Bad debt recovered	-	-	-	-	912	-	912
Bad debt written off	-	-	-	-	(3,643)	-	(3,643)
Others	-	-	-	-	-	173	173
Ending balance	12,384	492	965	2,219	17,031	56,606	89,697

Million Baht

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

Million Baht

	THE BANK						
	2013						
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balance	11,202	281	786	2,051	17,757	50,764	82,841
Doubtful accounts	891	186	178	73	1,576	4,481	7,385
Bad debt recovered	-	-	-	-	890	-	890
Bad debt written off	-	-	-	-	(3,643)	-	(3,643)
Others	-	-	-	-	-	149	149
Ending balance	12,093	467	964	2,124	16,580	55,394	87,622

As at December 31, 2014 and 2013, the Bank and subsidiaries had the allowance for doubtful accounts in the consolidated financial statements of Baht 89,411 million and Baht 89,697 million, and in the Bank's financial statements of Baht 87,095 million and Baht 87,622 million, respectively.

As at December 31, 2014 and 2013, 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 58,779 million and Baht 56,606 million, and in the Bank's financial statements of Baht 57,400 million and Baht 55,394 million, respectively (See Note 3.8).

6.8 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring are as follows as at December 31, 2014 and 2013 :

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Beginning balance	2,886	3,005	2,886	3,005
Increase during the year	297	840	297	840
Write off/decrease during the year	(669)	(959)	(669)	(959)
Ending balance	<u>2,514</u>	<u>2,886</u>	<u>2,514</u>	<u>2,886</u>

6.9 Properties for sale, net

Properties for sale consisted of the following as at December 31, 2014 and 2013 :

Type of Properties for Sale	Beginning Balance	CONSOLIDATED 2014		Ending Balance
		Additions	Disposals	
Assets from debt repayment				
Immovable assets	26,867	1,392	(4,505)	23,754
Movable assets	400	13	(17)	396
Total	<u>27,267</u>	<u>1,405</u>	<u>(4,522)</u>	<u>24,150</u>
Others	65	-	-	65
Total properties for sale	<u>27,332</u>	<u>1,405</u>	<u>(4,522)</u>	<u>24,215</u>
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>

Type of Properties for Sale	Beginning Balance	CONSOLIDATED 2013		Million Baht
		Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	29,602	1,036	(3,771)	26,867
Movable assets	488	-	(88)	400
Total	30,090	1,036	(3,859)	27,267
Others	52	13	-	65
Total properties for sale	30,142	1,049	(3,859)	27,332
<u>Less Allowance for impairment</u>	<u>(8,880)</u>	<u>(14)</u>	<u>463</u>	<u>(8,431)</u>
Total properties for sale, net	<u>21,262</u>	<u>1,035</u>	<u>(3,396)</u>	<u>18,901</u>

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.

As at December 31, 2013, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 26,867 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 19,121 million and appraised by internal appraisers in the amount of Baht 7,746 million.

Type of Properties for Sale	Beginning Balance	THE BANK 2014		Million Baht
		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 Allowance for impairment</u>	<u>(6,380)</u>	<u>217</u>	<u>308</u>	<u>(5,855)</u>
Total properties for sale, net	<u>12,287</u>	<u>1,623</u>	<u>(2,328)</u>	<u>11,582</u>

THE BANK 2013				Million Baht
Type of Properties for Sale	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	20,489	1,036	(3,322)	18,203
Movable assets	487	-	(88)	399
Total	20,976	1,036	(3,410)	18,602
Others	52	13	-	65
Total properties for sale	21,028	1,049	(3,410)	18,667
Less Allowance for impairment	(6,871)	82	409	(6,380)
Total properties for sale, net	14,157	1,131	(3,001)	12,287

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.

As at December 31, 2013, the Bank had immovable assets from debt repayment in the amount of Baht 18,203 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 11,761 million and appraised by internal appraisers in the amount of Baht 6,442 million.

Classified properties for sale in accordance with the notification of the BOT as at December 31, 2014 and 2013 are presented in Note 6.13.

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

CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,							Million Baht
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	2014 Profit on Sale of Properties for Sale	2013 Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	2013 Profit on Sale of Properties for Sale	2013 Loss on Sale of Properties for Sale
Sale to public	Per Installment	1	34	-	26	8	-
Sale to public	Per cost recovery	-	2,030	(19)	-	2,310	(15)

Million Baht

THE BANK							
FOR THE YEARS ENDED DECEMBER 31,							
2014				2013			
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	1	34	-	26	8	-
Sale to public	Per cost recovery	-	1,516	(17)	-	1,812	(13)

6.10 Premises and equipment, net

Premises and equipment consisted of the following as at December 31, 2014 and 2013 :

Million Baht

CONSOLIDATED											
2014											
	Beginning Balance	Cost			Ending Balance	Beginning Balance	Accumulated Depreciation			Ending Balance	Premises and Equipment (Net)
		Additions/ Transfer	Disposal/ Transfer	Others			Depreciation	Disposal/ Transfer	Others		
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	9,536	253	(1)	(125)	9,663	7,543	262	(1)	(64)	7,740	1,923
Appraisal Increase (year 2010)	26,024	-	(2)	-	26,022	19,466	1,129	(1)	-	20,594	5,428
Appraisal Decrease (year 2010)	(351)	-	-	-	(351)	(154)	(14)	-	-	(168)	(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>76,679</u>	<u>3,452</u>	<u>(1,694)</u>	<u>(394)</u>	<u>78,043</u>	<u>44,404</u>	<u>2,934</u>	<u>(662)</u>	<u>(88)</u>	<u>46,588</u>	<u>31,455</u>

Million Baht

CONSOLIDATED											
2013											
	Beginning	Additions/	Cost	Others	Ending	Beginning	Accumulated Depreciation			Ending	Premises
	Balance	Transfer	Disposal/		Balance	Balance	Depre-	Disposal/	Others	Balance	and
			Transfer				ciation	Transfer			Equipment
											(Net)
Land											
Cost	7,518	71	(1)	(101)	7,487	-	-	-	-	-	7,487
Appraisal											
Increase											
(year 2010)	12,862	-	(12)	-	12,850	-	-	-	-	-	12,850
Appraisal											
Decrease											
(year 2010)	(1,013)	-	-	-	(1,013)	-	-	-	-	-	(1,013)
Premises											
Cost	9,510	63	-	(37)	9,536	7,269	277	-	(3)	7,543	1,993
Appraisal											
Increase											
(year 2010)	26,026	-	(2)	-	26,024	18,338	1,130	(2)	-	19,466	6,558
Appraisal											
Decrease											
(year 2010)	(351)	-	-	-	(351)	(140)	(14)	-	-	(154)	(197)
Equipment	20,524	1,628	(967)	33	21,218	16,921	1,558	(963)	33	17,549	3,669
Others	889	821	(786)	4	928	-	-	-	-	-	928
Total	<u>75,965</u>	<u>2,583</u>	<u>(1,768)</u>	<u>(101)</u>	<u>76,679</u>	<u>42,388</u>	<u>2,951</u>	<u>(965)</u>	<u>30</u>	<u>44,404</u>	<u>32,275</u>

As at December 31, 2014 and 2013, the Bank and subsidiaries had premises and equipment which are fully depreciated but still in use at the original costs amounting to Baht 14,306 million and Baht 13,682 million, respectively.

Million Baht

THE BANK 2014											
	Beginning Balance	Additions/ Transfer	Cost Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Depreciation Depre- ciation	Disposal/ Transfer	Others	Ending Balance	Premises and Equipment (Net)
Land											
Cost	7,480	62	-	(182)	7,360	-	-	-	-	-	7,360
Appraisal											
Increase											
(year 2010)	12,850	-	-	-	12,850	-	-	-	-	-	12,850
Appraisal											
Decrease											
(year 2010)	(1,013)	-	-	-	(1,013)	-	-	-	-	-	(1,013)
Premises											
Cost	9,352	253	(1)	(115)	9,489	7,455	256	(1)	(58)	7,652	1,837
Appraisal											
Increase											
(year 2010)	26,024	-	(2)	-	26,022	19,466	1,129	(1)	-	20,594	5,428
Appraisal											
Decrease											
(year 2010)	(351)	-	-	-	(351)	(154)	(14)	-	-	(168)	(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>75,039</u>	<u>2,785</u>	<u>(1,641)</u>	<u>(322)</u>	<u>75,861</u>	<u>43,758</u>	<u>2,826</u>	<u>(629)</u>	<u>(74)</u>	<u>45,881</u>	<u>29,980</u>

Million Baht

THE BANK 2013											
	Beginning Balance	Additions/ Transfer	Cost Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Depreciation Depre- ciation	Disposal/ Transfer	Others	Ending Balance	Premises and Equipment (Net)
Land											
Cost	7,510	71	(1)	(100)	7,480	-	-	-	-	-	7,480
Appraisal Increase											
(year 2010)	12,862	-	(12)	-	12,850	-	-	-	-	-	12,850
Appraisal Decrease											
(year 2010)	(1,013)	-	-	-	(1,013)	-	-	-	-	-	(1,013)
Premises											
Cost	9,326	62	-	(36)	9,352	7,188	270	-	(3)	7,455	1,897
Appraisal Increase											
(year 2010)	26,026	-	(2)	-	26,024	18,338	1,130	(2)	-	19,466	6,558
Appraisal Decrease											
(year 2010)	(351)	-	-	-	(351)	(140)	(14)	-	-	(154)	(197)
Equipment	19,826	1,528	(953)	15	20,416	16,452	1,469	(949)	19	16,991	3,425
Others	337	696	(756)	4	281	-	-	-	-	-	281
Total	<u>74,523</u>	<u>2,357</u>	<u>(1,724)</u>	<u>(117)</u>	<u>75,039</u>	<u>41,838</u>	<u>2,855</u>	<u>(951)</u>	<u>16</u>	<u>43,758</u>	<u>31,281</u>

As at December 31, 2014 and 2013, the Bank had equipment which is fully depreciated but still in use at the original costs amounting to Baht 13,875 million, and Baht 13,321 million, respectively.

6.11 Other intangible assets, net

Other intangible assets consisted of the following as at December 31, 2014 and 2013 :

Million Baht

CONSOLIDATED											
2014											
	Beginning Balance	Cost Additions/Transfer	Disposal/Transfer	Others	Ending Balance	Beginning Balance	Accumulated Amortization Amortization	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	2,016	617	(360)	(4)	2,269	1,410	192	(28)	(3)	1,571	698

Million Baht

CONSOLIDATED											
2013											
	Beginning Balance	Cost Additions/Transfer	Disposal/Transfer	Others	Ending Balance	Beginning Balance	Accumulated Amortization Amortization	Disposal/Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	1,630	156	(98)	9	1,697	1,370	129	(95)	6	1,410	287
Others	40	312	(33)	-	319	-	-	-	-	-	319
Total	1,670	468	(131)	9	2,016	1,370	129	(95)	6	1,410	606

Million Baht

THE BANK											
2014											
	Beginning Balance	Cost Additions/Transfer	Disposal/Transfer	Others	Ending Balance	Beginning Balance	Accumulated Amortization Amortization	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	1,787	597	(355)	-	2,029	1,257	156	(27)	-	1,386	643

Million Baht

THE BANK
2013

	Cost					Accumulated Amortization					
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	1,434	129	(95)	-	1,468	1,254	98	(95)	-	1,257	211
Others	40	312	(33)	-	319	-	-	-	-	-	319
Total	<u>1,474</u>	<u>441</u>	<u>(128)</u>	<u>-</u>	<u>1,787</u>	<u>1,254</u>	<u>98</u>	<u>(95)</u>	<u>-</u>	<u>1,257</u>	<u>530</u>

6.12 Deferred tax assets and liabilities

Deferred tax assets and liabilities as at December 31, 2014 and 2013 are as follows :

Million Baht

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Deferred tax assets	2,133	2,007	1,176	904
Deferred tax liabilities	<u>4,169</u>	<u>3,107</u>	<u>3,844</u>	<u>2,802</u>
Deferred tax assets (liabilities), net	<u>(2,036)</u>	<u>(1,100)</u>	<u>(2,668)</u>	<u>(1,898)</u>

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

	CONSOLIDATED				Million Baht
	Beginning Balance	Recognized in Profit and Loss	2014 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	<u>10,852</u>	<u>1,269</u>	<u>185</u>	<u>(25)</u>	<u>12,281</u>
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	<u>11,952</u>	<u>893</u>	<u>1,473</u>	<u>(1)</u>	<u>14,317</u>
Net	<u>(1,100)</u>	<u>376</u>	<u>(1,288)</u>	<u>(24)</u>	<u>(2,036)</u>

Million Baht

	CONSOLIDATED				
	2013				
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,503	134	83	-	2,720
Loans to customers and accrued interest receivables	2,401	318	-	33	2,752
Properties for sale	1,776	(90)	-	-	1,686
Premises and equipment	262	9	-	2	273
Provisions	2,112	(493)	91	3	1,713
Others	1,106	599	-	3	1,708
Total	<u>10,160</u>	<u>477</u>	<u>174</u>	<u>41</u>	<u>10,852</u>
Deferred tax liabilities					
Investments	7,097	4	(104)	-	6,997
Properties for sale	-	-	-	2	2
Premises and equipment	4,121	(224)	-	(3)	3,894
Others	460	599	-	-	1,059
Total	<u>11,678</u>	<u>379</u>	<u>(104)</u>	<u>(1)</u>	<u>11,952</u>
Net	<u>(1,518)</u>	<u>98</u>	<u>278</u>	<u>42</u>	<u>(1,100)</u>

Million Baht

	Beginning Balance	Recognized in Profit and Loss	THE BANK 2014 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>

	THE BANK				Million Baht
	Beginning Balance	Recognized in Profit and Loss	2013 Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,494	134	64	-	2,692
Loans to customers and accrued interest receivables	1,937	262	-	-	2,199
Properties for sale	1,374	(98)	-	-	1,276
Premises and equipment	262	9	-	2	273
Provisions	2,100	(497)	90	3	1,696
Others	937	644	-	-	1,581
Total	<u>9,104</u>	<u>454</u>	<u>154</u>	<u>5</u>	<u>9,717</u>
Deferred tax liabilities					
Investments	6,904	(3)	(105)	-	6,796
Properties for sale	-	-	-	2	2
Premises and equipment	4,111	(227)	-	(2)	3,882
Others	453	482	-	-	935
Total	<u>11,468</u>	<u>252</u>	<u>(105)</u>	<u>-</u>	<u>11,615</u>
Net	<u>(2,364)</u>	<u>202</u>	<u>259</u>	<u>5</u>	<u>(1,898)</u>

6.13 As at December 31, 2014 and 2013, classified assets in accordance with the notification of the BOT are as follows :

	CONSOLIDATED				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	2014 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	<u>1,786,466</u>	<u>6,219</u>	<u>2,235</u>	<u>1,224</u>	<u>1,796,144</u>

	CONSOLIDATED				Million Baht
	2013				
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,678,314	-	-	-	1,678,314
Special mentioned	35,661	-	-	-	35,661
Substandard	6,058	-	-	-	6,058
Doubtful	5,937	-	-	-	5,937
Doubtful of loss	31,269	5,561	2,240	1,372	40,442
Total	1,757,239	5,561	2,240	1,372	1,766,412

	THE BANK				Million Baht
	2014				
	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

	THE BANK				Million Baht
	2013				
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,633,882	-	-	-	1,633,882
Special mentioned	34,022	-	-	-	34,022
Substandard	6,052	-	-	-	6,052
Doubtful	5,841	-	-	-	5,841
Doubtful of loss	30,796	5,539	1,106	1,367	38,808
Total	1,710,593	5,539	1,106	1,367	1,718,605

6.14 Deposits

6.14.1 Classified by product type as at December 31, 2014 and 2013 :

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Demand	84,231	81,257	82,213	79,592
Savings	771,281	733,848	761,928	728,350
Fixed	1,201,065	1,118,078	1,147,188	1,062,027
Negotiable certificates of deposit	2,202	2,089	1,259	1,092
Total	2,058,779	1,935,272	1,992,588	1,871,061

6.14.2 Classified by currency and customer's residence as at December 31, 2014 and 2013 :

	CONSOLIDATED					
	2014			2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	1,748,039	92,798	1,840,837	1,665,088	87,231	1,752,319
USD	31,764	49,480	81,244	21,595	41,829	63,424
Others	24,415	112,283	136,698	11,037	108,492	119,529
Total	1,804,218	254,561	2,058,779	1,697,720	237,552	1,935,272

	THE BANK					
	2014			2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	1,748,093	92,782	1,840,875	1,665,106	87,211	1,752,317
USD	31,368	43,272	74,640	21,434	36,541	57,975
Others	21,540	55,533	77,073	8,189	52,580	60,769
Total	1,801,001	191,587	1,992,588	1,694,729	176,332	1,871,061

6.15 Interbank and money market items, net (liabilities)

Interbank and money market items, net (liabilities) consisted of the following as at December 31, 2014 and 2013 :

						Million Baht
CONSOLIDATED						
	Demand	2014 Time	Total	Demand	2013 Time	Total
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	18	6,251	6,269	28	7,794	7,822
Commercial banks	3,145	39,100	42,245	1,037	45,300	46,337
Special purpose financial institutions	2,989	2,000	4,989	3,998	1,821	5,819
Other financial institutions	10,069	12,655	22,724	8,182	1,093	9,275
Total domestic items	16,221	60,006	76,227	13,245	56,008	69,253
Foreign items						
USD	6,091	18,780	24,871	3,458	18,001	21,459
JPY	417	3,998	4,415	472	5,416	5,888
EUR	3,849	-	3,849	6,916	-	6,916
Others	6,728	23,958	30,686	5,425	15,355	20,780
Total foreign items	17,085	46,736	63,821	16,271	38,772	55,043
Total domestic and foreign items	<u>33,306</u>	<u>106,742</u>	<u>140,048</u>	<u>29,516</u>	<u>94,780</u>	<u>124,296</u>

						Million Baht
THE BANK						
	Demand	2014 Time	Total	Demand	2013 Time	Total
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	18	6,251	6,269	28	7,794	7,822
Commercial banks	3,145	39,100	42,245	1,037	45,300	46,337
Special purpose financial institutions	2,989	2,000	4,989	3,998	1,821	5,819
Other financial institutions	10,160	12,655	22,815	8,274	1,092	9,366
Total domestic items	16,312	60,006	76,318	13,337	56,007	69,344
Foreign items						
USD	6,106	16,382	22,488	3,495	17,260	20,755
JPY	420	3,998	4,418	484	5,415	5,899
EUR	3,862	-	3,862	6,922	-	6,922
Others	6,816	5,917	12,733	5,526	5,971	11,497
Total foreign items	17,204	26,297	43,501	16,427	28,646	45,073
Total domestic and foreign items	<u>33,516</u>	<u>86,303</u>	<u>119,819</u>	<u>29,764</u>	<u>84,653</u>	<u>114,417</u>

6.16 Debt Issued and Borrowings

6.16.1 Classified by type of instruments and source of fund as at December 31, 2014 and 2013 :

						Million Baht
CONSOLIDATED						
	Domestic	2014 Foreign	Total	Domestic	2013 Foreign	Total
Senior unsecured notes	-	112,155	112,155	-	111,034	111,034
Unsecured subordinated notes	20,000	14,832	34,832	20,000	14,759	34,759
Bills of exchange	273	-	273	882	-	882
Others	96	-	96	138	-	138
Less Discount on borrowings	-	(6,511)	(6,511)	-	(6,666)	(6,666)
Total	20,369	120,476	140,845	21,020	119,127	140,147

						Million Baht
THE BANK						
	Domestic	2014 Foreign	Total	Domestic	2013 Foreign	Total
Senior unsecured notes	-	112,155	112,155	-	111,624	111,624
Unsecured subordinated notes	20,000	14,832	34,832	20,000	14,759	34,759
Bills of exchange	273	-	273	882	-	882
Others	75	-	75	138	-	138
Less Discount on borrowings	-	(6,511)	(6,511)	-	(6,668)	(6,668)
Total	20,348	120,476	140,824	21,020	119,715	140,735

6.16.2 Classified by type of instruments, currency, maturity and interest rate as at December 31, 2014 and 2013 :

						Million Baht
CONSOLIDATED						
Type	Currency	Maturity	Interest Rate	Amount		
				2014	2013	
Senior unsecured notes	USD	2015 - 2023	2.75% - 5.00%	112,155	111,034	
Unsecured subordinated notes	USD	2029	9.025%	14,832	14,759	
Unsecured subordinated notes	THB	2022	4.375%	20,000	20,000	
Bills of exchange	THB	2015	1.00% - 2.125%	273	882	
Others	THB	2015 - 2019	0.00% - 0.50%	96	138	
Less Discount on borrowings				(6,511)	(6,666)	
Total				140,845	140,147	

				Million Baht	
Type	Currency	Maturity	Interest Rate	THE BANK	
				Amount	
				2014	2013
Senior unsecured notes	USD	2015 - 2023	2.75% - 5.00%	112,155	111,624
Unsecured subordinated notes	USD	2029	9.025%	14,832	14,759
Unsecured subordinated notes	THB	2022	4.375%	20,000	20,000
Bills of exchange	THB	2015	1.00% - 2.125%	273	882
Others	THB	2015 - 2019	0.50%	75	138
Less Discount on borrowings				(6,511)	(6,668)
Total				140,824	140,735

6.17 Unsecured subordinated notes

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

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

6.18 Bonds

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

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

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

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

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

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

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

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

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

6.19 The Issuance of Bonds under the Medium Term Note Program

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

Board of Directors was authorized to proceed with the issue. As at December 31, 2014, the Bank had not yet issued bonds according to the aforementioned resolution.

6.20 Provisions

As at December 31, 2014 and 2013 provisions are as follows :

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Beginning balance	8,257	10,208	8,175	10,145
Increase during the year	2,161	1,800	2,142	1,781
Written off/reversal during the year	(1,177)	(3,751)	(1,174)	(3,751)
Ending balance	<u>9,241</u>	<u>8,257</u>	<u>9,143</u>	<u>8,175</u>

6.21 Post-employment benefits

6.21.1 Defined contribution plans

For the years ended December 31, 2014 and 2013, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements, amounting to Baht 963 million and Baht 837 million, and in the Bank's financial statements amounting to Baht 867 million and Baht 750 million, respectively.

6.21.2 Defined benefit plans

As at December 31, 2014 and 2013, 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	
	2014	2013	2014	2013
The present value of the funded defined benefit plans	797	798	797	798
The fair value of plan assets	<u>(449)</u>	<u>(428)</u>	<u>(449)</u>	<u>(428)</u>
	348	370	348	370
The present value of the unfunded defined benefit plans	6,518	5,513	6,419	5,430
Unrecognized past service costs	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>
Liabilities, net	<u>6,865</u>	<u>5,882</u>	<u>6,766</u>	<u>5,799</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, 2014 and 2013 :

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Beginning balance	6,311	5,628	6,228	5,565
Current service costs	370	316	354	302
Interest costs	245	196	241	193
Past service costs	4	-	4	-
Benefit paid during the year	(288)	(265)	(285)	(265)
Actuarial losses on obligations	718	410	719	407
Unrealized losses (gains) on exchanges	(45)	26	(45)	26
Ending balance	7,315	6,311	7,216	6,228

The following table presents the reconciliations of the fair value of plan assets related to the funded defined benefit plans as at December 31, 2014 and 2013 :

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Beginning balance	428	351	428	351
Expected return on plan assets	18	33	18	33
Contributions	27	25	27	25
Benefit paid during the year	(4)	(11)	(4)	(11)
Actuarial gains on plan assets	1	12	1	12
Unrealized gains (losses) on exchanges	(21)	18	(21)	18
Ending balance	449	428	449	428

Principal actuarial assumptions used to calculate the defined benefit obligations and plan assets, average per each plan, as at December 31, 2014 and 2013 are as follows :

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Discount rate	1.10 - 8.00	1.70 - 12.80	1.10 - 8.00	1.70 - 12.80
Expected return on plan assets	2.50 - 5.00	2.50 - 6.00	2.50 - 5.00	2.50 - 6.00
Average future salary increases	2.00 - 15.00	2.00 - 15.00	2.00 - 15.00	2.00 - 15.00
Average turnover rate	1.17 - 11.58	1.17 - 12.00	1.17 - 7.54	1.17 - 8.10

Employee benefits under defined benefit plans recognized in the statements of comprehensive income for the years ended December 31, 2014 and 2013 consist of the following items.

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2014	2013	2014	2013
Current service costs	370	316	354	302
Interest costs	245	196	241	193
Past service costs	4	-	4	-
Expected return on plan assets	(18)	(33)	(18)	(33)
Total	601	479	581	462

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, 2014 and 2013, 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	
	2014	2013
Ordinary shares	3,998,345,000	3,998,345,000
Class A preferred shares	655,000	655,000
Class B preferred shares	1,000,000	1,000,000
Total	4,000,000,000	4,000,000,000

As at December 31, 2014 and 2013, 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, 2014, 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 12, 2013, the 20th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2012 as follows :

- The appropriation as legal reserves 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 2012 amounting to Baht 500 million as legal reserves 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, 2012) and the amount to be appropriated for the period of July - December 2012 amounting to Baht 500 million as legal reserves.

- 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 21, 2012, and the remaining amount will be paid on May 8, 2013 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, 2013.

On August 22, 2013, the meeting of the Board of Directors of the Bank No. 8/2013 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 2013 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 20, 2013.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 3,818 million on September 20, 2013.

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.

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, 2014 and 2013 amounted to Baht 33,519 million and Baht 44,008 million, respectively.

6.27 Contingent liabilities

As at December 31, 2014 and 2013, the Bank and subsidiaries had contingent liabilities as follows :

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Avals to bills	5,237	6,666	5,237	6,666
Guarantees of loans	9,479	10,413	6,650	6,693
Liability under unmatured import bills	19,788	16,428	18,221	15,434
Letters of credit	31,927	37,675	30,578	36,486
Other commitments				
Amount of unused bank overdraft	176,298	173,554	174,981	171,973
Other guarantees	226,608	211,221	224,854	209,672
Others	4,927	10,750	4,543	10,923
Total	474,264	466,707	465,064	457,847

6.28 Litigation

As at December 31, 2014 and 2013, 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, 2014 and 2013, related parties of the Bank consisted of subsidiaries, associates, key management personnel that are directors, executives at the level of executive vice president and higher or equal, any parties related to key management personnel, including the entities in which key management personnel and any parties related which are controlled or significantly influenced.

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

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Million Baht				
PLACEMENT				
Subsidiaries				
Bangkok Bank Berhad	-	-	5,382	2,461
Bangkok Bank (China) Co., Ltd.	-	-	5,333	8,471
Total	<u>-</u>	<u>-</u>	<u>10,715</u>	<u>10,932</u>
LOANS				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	4,300	6,090
Associate				
BSL Leasing Co., Ltd.	400	805	400	805
Other related parties	118	150	110	150
Total	<u>518</u>	<u>955</u>	<u>4,810</u>	<u>7,045</u>
ALLOWANCE FOR DOUBTFUL ACCOUNTS				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	52	73
Associate				
BSL Leasing Co., Ltd.	5	10	5	10
Total	<u>5</u>	<u>10</u>	<u>57</u>	<u>83</u>
OTHER ASSETS				
Subsidiaries				
Bangkok Bank Berhad	-	-	5	1
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	2
Bualuang Securities PCL.	-	-	2	1
Bangkok Bank (China) Co., Ltd.	-	-	2	4
Associates				
BSL Leasing Co., Ltd.	-	1	-	1
Processing Center Co., Ltd.	27	57	27	57
Other related parties	5	4	-	4
Total	<u>32</u>	<u>62</u>	<u>37</u>	<u>70</u>

	CONSOLIDATED		THE BANK	
	2014	2013	2014	2013
Million Baht				
DEPOSITS				
Subsidiaries				
BBL (Cayman) Limited	-	-	750	167
Bangkok Bank Berhad	-	-	67	65
Sinnsuptawee Asset Management Co., Ltd.	-	-	55	18
BBL Asset Management Co., Ltd.	-	-	40	57
Bualuang Securities PCL.	-	-	33	35
Bangkok Bank (China) Co., Ltd.	-	-	52	94
Bangkok Capital Asset Management Co., Ltd.*	-	-	18	-
Associates				
BSL Leasing Co., Ltd.	63	58	63	58
Processing Center Co., Ltd.	90	25	90	25
National ITMX Co., Ltd.	19	14	19	14
Thai Payment Network Co., Ltd.	179	-	179	-
Other related parties	5,291	5,926	5,291	5,926
Total	5,642	6,023	6,657	6,459
BORROWINGS				
Subsidiaries				
BBL (Cayman) Limited	-	-	-	588
Bangkok Bank (China) Co., Ltd.	-	-	557	541
Total	-	-	557	1,129
OTHER LIABILITIES				
Subsidiaries				
BBL (Cayman) Limited	-	-	-	6
Sinnsuptawee Asset Management Co., Ltd.	-	-	1,133	1,133
Associate				
Processing Center Co., Ltd.	2	1	2	1
National ITMX Co., Ltd.	7	-	7	-
Thai Payment Network Co., Ltd.	1	-	1	-
Other related parties	20	60	6	60
Total	30	61	1,149	1,200
COMMITMENTS				
Subsidiaries				
Bangkok Bank Berhad	-	-	14	-
Bualuang Securities PCL.	-	-	16	117
Bangkok Bank (China) Co., Ltd.	-	-	-	179
Associate				
BSL Leasing Co., Ltd.	22	5	22	5
Other related parties	6	11	6	11
Total	28	16	58	312

* Holding by Bualuang Securities PCL.

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.

For the year ended December 31, 2013, the Bank and subsidiaries charged interest at rates between 2.35% to 12.75% on loans to these related parties depending on the types of loans and collateral and interest rate charged 2.35% 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, 2014 and 2013 are shown in Note 6.5.

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

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

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2014	2013	2014	2013
Interest and discount received				
Subsidiaries				
Bangkok Bank Berhad	-	-	17	4
Sinnsuptawee Asset Management Co., Ltd.	-	-	118	176
Bualuang Securities PCL.	-	-	-	2
Bangkok Bank (China) Co., Ltd.	-	-	29	26
Associate				
BSL Leasing Co., Ltd.	13	20	13	20
Other related parties	7	2	7	2
Total	20	22	184	230
Fees and service income				
Subsidiaries				
Bangkok Bank Berhad	-	-	2	1
BBL Asset Management Co., Ltd.	-	-	1,087	855
Bualuang Securities PCL.	-	-	19	16
Associates				
BSL Leasing Co., Ltd.	1	1	1	1
Processing Center Co., Ltd.	10	8	10	8
Other related parties	46	113	1	-
Total	57	122	1,120	881

Million Baht

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2014	2013	2014	2013
Dividend income				
Subsidiary				
BBL Asset Management Co., Ltd.	-	-	367	247
Associates				
BSL Leasing Co., Ltd.	2	2	2	2
Processing Center Co., Ltd.	24	14	24	14
Total	<u>26</u>	<u>16</u>	<u>393</u>	<u>263</u>
Other income				
Subsidiaries				
BBL Asset Management Co., Ltd.	-	-	-	2
Bualuang Securities PCL.	-	-	2	2
Bangkok Bank (China) Co., Ltd.	-	-	139	41
Associate				
National ITMX Co., Ltd.	5	4	5	4
Total	<u>5</u>	<u>4</u>	<u>146</u>	<u>49</u>
Interest paid				
Subsidiaries				
BBL (Cayman) Limited	-	-	7	19
BBL Asset Management Co., Ltd.	-	-	1	1
Bualuang Securities PCL.	-	-	2	1
Bangkok Bank (China) Co., Ltd.	-	-	2	2
Associates				
Processing Center Co., Ltd.	-	1	-	1
Thai Payment Network Co., Ltd.	1	-	1	-
Other related parties	85	67	85	67
Total	<u>86</u>	<u>68</u>	<u>98</u>	<u>91</u>
Commission paid				
Subsidiaries				
Sinnsuptawee Asset Management Co., Ltd.	-	-	3	-
Bualuang Securities PCL.	-	-	10	-
Other related parties	18	12	-	-
Total.	<u>18</u>	<u>12</u>	<u>13</u>	<u>-</u>
Other expenses				
Subsidiaries				
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	1
Bualuang Securities PCL.	-	-	1	-
Bangkok Bank (China) Co., Ltd.	-	-	11	6
Associates				
Processing Center Co., Ltd.	25	19	25	19
National ITMX Co., Ltd.	77	84	77	84
Other related parties	63	71	46	55
Total	<u>165</u>	<u>174</u>	<u>160</u>	<u>165</u>

Compensation of key management personnel for the years ended December 31, 2014 and 2013 consisted of the following :

	CONSOLIDATED		THE BANK	
	FOR THE YEARS		FOR THE YEARS	
	ENDED DECEMBER 31,		ENDED DECEMBER 31,	
	2014	2013	2014	2013
Short-term employee benefits	1,290	1,194	931	862
Post-employment benefits	49	44	44	36
Total	1,339	1,238	975	898

6.30 Other benefits to directors and persons with managing authority

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

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

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

SINNSUPTAWEE ASSET MANAGEMENT COMPANY LIMITED		
STATEMENT OF CASH FLOWS		
FOR THE YEAR ENDED DECEMBER 31, 2014		
	Million Baht	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) from operating before income tax expense	392	281
Items to reconcile net profit (loss) to cash received (paid) from operating activities		
Net gain on disposal of securities	(2)	(3)
Loss on impairment of properties for sale	7	96
Net interest expenses	117	176
Dividend income	(121)	(122)
Proceeds from dividend income	121	122
Interest expenses paid	(118)	(176)
Income tax paid	(36)	(23)
Profit (loss) from operating before changes in operating assets and liabilities	360	351
Operating assets (increase) decrease		
Properties for sale	1,673	395
Operating liabilities increase (decrease)		
Accrued expenses	-	2
Deposits	(52)	75
Advance received for properties for sale	79	3
Net cash from operating activities	<u>2,060</u>	<u>826</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale securities	(1,884)	(769)
Proceeds from disposal of available-for-sale securities	1,653	762
Purchase of equipment	(1)	-
Net cash from investing activities	<u>(232)</u>	<u>(7)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for loan from the parent company	(1,790)	(810)
Net cash from financing activities	<u>(1,790)</u>	<u>(810)</u>
Net increase (decrease) in cash and cash equivalents	38	9
Cash and cash equivalents as at January 1,	17	8
Cash and cash equivalents as at December 31,	<u>55</u>	<u>17</u>

6.32 Long-term leases

Long-term leases as at December 31, 2014 and 2013 consisted of the following :

		Million Baht			
		REMAINING RENTAL EXPENSES			
Type of lease	Period	CONSOLIDATED		THE BANK	
		2014	2013	2014	2013
Land and/or premises	1 Year	177	164	177	164
Land and/or premises	Over 1 Year to 5 Years	288	269	288	269
Land and/or premises	Over 5 Years	284	306	284	306
Total		<u>749</u>	<u>739</u>	<u>749</u>	<u>739</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, 2014 and 2013 are as follows :

	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>

	CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2013*					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	59,325	7,781	14,088	10,264	(1)	91,457
Total operating expenses before credit losses	<u>(22,584)</u>	<u>(3,304)</u>	<u>(1,086)</u>	<u>(10,974)</u>	<u>1</u>	<u>(37,947)</u>
Profit from operating before credit losses and income tax expenses	<u>36,741</u>	<u>4,477</u>	<u>13,002</u>	<u>(710)</u>	<u>-</u>	<u>53,510</u>

* The Bank had made changes the presentation of the operating segments of 2013 comparison to be in accordance with the current year presentations.

The financial position of operating segments as December 31, 2014 and 2013 are as follows :

	CONSOLIDATED					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total assets						
As at December 31, 2014	1,474,751	665,498	894,465	148,255	(423,079)	2,759,890
As at December 31, 2013 [*]	1,459,397	589,549	795,588	139,025	(387,052)	2,596,507

6.33.2 Geographical Segments

The operating results classified by geographical areas for the years ended December 31, 2014 and 2013 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,					Million Baht
	2014		Total	2013		Total
	Domestic Operations	Foreign Operations		Domestic Operations	Foreign Operations	
Total operating income	85,080	11,777	96,857	82,553	8,904	91,457
Total operating expenses ^{**}	(45,481)	(6,292)	(51,773)	(41,256)	(5,284)	(46,540)
Profit from operating before income tax expenses	39,599	5,485	45,084	41,297	3,620	44,917

The financial position classified by geographical areas as at December 31, 2014 and 2013 are as follows :

	CONSOLIDATED					Million Baht
	2014		Total	2013		Total
	Domestic Operations	Foreign Operations		Domestic Operations	Foreign Operations	
Non-current assets ^{***}	28,171	3,982	32,153	29,115	3,767	32,882
Total assets	2,267,564	492,326	2,759,890	2,168,009	428,498	2,596,507

* The Bank had made changes the presentation of the operating segments of 2013 comparison to be in accordance with the current year presentations.

** Including credit losses.

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

6.34 Interest income

Interest income for the years ended December 31, 2014 and 2013 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2014	2013	2014	2013
Interest on interbank and money market items	9,725	8,529	7,287	6,769
Investments and trading transactions	350	485	349	482
Investment in debt securities	7,902	9,281	7,509	8,937
Interest on loans	85,493	82,108	83,051	80,028
Others	10	2	11	5
Total interest income	103,480	100,405	98,207	96,221

6.35 Interest expenses

Interest expenses for the years ended December 31, 2014 and 2013 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2014	2013	2014	2013
Interest on deposits	27,975	29,597	25,818	27,702
Interest on interbank and money market items	1,627	1,584	1,409	1,368
Contributions to the Deposit Protection Agency	8,175	7,882	8,175	7,882
Interest on debt issued				
Bonds and subordinated notes	6,694	5,426	6,699	5,445
Others	6	31	6	31
Interest on borrowings	-	1	-	1
Others	6	5	6	5
Total interest expenses	44,483	44,526	42,113	42,434

6.36 Net fees and service income

Net fees and service income for the years ended December 31, 2014 and 2013 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2014	2013	2014	2013
Fees and service income				
Acceptances, aval and guarantees of loans	134	184	114	172
Others	29,027	28,209	25,649	24,910
Total fees and service income	29,161	28,393	25,763	25,082
Fees and service expenses	7,435	7,154	7,355	7,081
Net fees and service income	21,726	21,239	18,408	18,001

6.37 Gains (losses) on tradings and foreign exchange transactions

Gains (losses) on tradings and foreign exchange transactions for the years ended December 31, 2014 and 2013 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2014	2013	2014	2013
Gains (losses) on tradings and foreign exchange transactions				
Foreign exchanges and derivatives	7,777	5,453	7,657	5,690
Interest rate derivatives	(2,982)	(228)	(2,982)	(228)
Debt securities	268	(144)	263	(150)
Equity securities	509	(835)	-	-
Others	-	1,550	-	-
Total gains (losses) on tradings and foreign exchange transactions	5,572	5,796	4,938	5,312

6.38 Gains (losses) on investments

Gains (losses) on investments for the years ended December 31, 2014 and 2013 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2014	2013	2014	2013
Gains (losses) on investments				
Available-for-sale securities	4,576	2,099	4,577	2,077
Held-to-maturity debt securities	-	1	-	-
General investment	384	626	384	626
Investments in subsidiaries and associates	-	-	-	14
Total	<u>4,960</u>	<u>2,726</u>	<u>4,961</u>	<u>2,717</u>
Loss on impairment				
General investment	<u>(905)</u>	<u>(237)</u>	<u>(905)</u>	<u>(237)</u>
Total	<u>(905)</u>	<u>(237)</u>	<u>(905)</u>	<u>(237)</u>
Total gains (losses) on investments	<u>4,055</u>	<u>2,489</u>	<u>4,056</u>	<u>2,480</u>

6.39 Impairment loss of loans and debt securities

Impairment loss of loans and debt securities for the years ended December 31, 2014 and 2013 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2014	2013*	2014	2013*
Interbank and money market items (reversal)	62	314	(122)	251
Loans to customers	8,942	7,358	8,440	7,134
Loss on debt restructuring (reversal)	(317)	421	(317)	421
Available-for-sale debt securities	-	500	-	500

* The Bank had made changes the presentation of 2013 comparison to be in accordance with the current year presentations.

6.40 Income tax expenses

6.40.1 Income tax recognized in profit or loss for the years ended December 31, 2014 and 2013 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2014	2013	2014	2013
Current tax	8,969	8,980	8,399	8,477
Deferred tax	(376)	(98)	(517)	(202)
Total income tax expenses	8,593	8,882	7,882	8,275

6.40.2 Income tax recognized in component of other comprehensive income for the years ended December 31, 2014 and 2013 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,					
	2014			2013		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
Changes in revaluation surplus	-	-	-	(1)	-	(1)
Gains (losses) on remeasuring available-for-sale investment	7,119	(1,432)	5,687	(1,119)	187	(932)
Gains (losses) arising from translating the financial statements of foreign operations	(1,483)	-	(1,483)	1,649	-	1,649
Actuarial losses on defined benefit plans	(717)	144	(573)	(398)	91	(307)
Total	4,919	(1,288)	3,631	131	278	409

Million Baht

THE BANK						
FOR THE YEARS ENDED DECEMBER 31,						
	2014			2013		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
Changes in revaluation surplus	-	-	-	(1)	-	(1)
Gains (losses) on remeasuring available-for-sale investment	7,071	(1,422)	5,649	(1,040)	169	(871)
Losses arising from translating the financial statements of foreign operations	(625)	-	(625)	(458)	-	(458)
Actuarial losses on defined benefit plans	(718)	144	(574)	(395)	90	(305)
Total	5,728	(1,278)	4,450	(1,894)	259	(1,635)

6.40.3 Reconciliation of effective tax rates for the years ended December 31, 2014 and 2013 are as follows :

Million Baht

CONSOLIDATED				
FOR THE YEARS ENDED DECEMBER 31,				
	2014		2013	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	45,084		44,917	
Income tax calculated at statutory tax rate	9,017	20.00	8,983	20.00
Overseas tax	1,060		749	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(629)		(470)	
Others	(855)		(380)	
Total income tax expenses	8,593	19.06	8,882	19.77

Million Baht

THE BANK				
FOR THE YEARS ENDED DECEMBER 31,				
	2014		2013	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	42,003		42,149	
Income tax calculated at statutory tax rate	8,401	20.00	8,430	20.00
Overseas tax	1,017		726	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(615)		(450)	
Others	(921)		(431)	
Total income tax expenses	7,882	18.77	8,275	19.63

6.41 Approval of the financial statements

On February 17, 2015, the Audit Committee and the Board of Executive Directors have authorized to issue these financial statements.