

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

Interim Financial Statements
31 March 2012

299740-W

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

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

**Performance review for the financial period ended 31 March 2012 and
commentary on the prospects**

With effect from 1 January 2012, Bangkok Bank Berhad (BBB) has converged to the Malaysian Financial Reporting Standards (MFRS) and the 1.5% transitional provision in the previous BNM/GP8 Guidelines on Classification and Impairment Provisions for Loans/Financing has expired. A major consequence of the above was the change in the accounting policy for collective impairment assessment which was adopted with retrospective effects.

The above changes in the accounting policy have resulted in the following:-

- Profit before tax for the first quarter of 2011 was restated from RM7.3 million to RM9.8 million due to a writeback of collective impairment allowance of RM2.6 million.
- Lower profit before tax for the first quarter of 2012 of RM4.3 million due to an additional collective impairment allowance of RM2.2 million.

Gross loan outstanding increased from RM1.82 billion at end of December 2011 to RM1.95 billion at end of March 2012. The increase was mainly due to the expansion of the lending business.

Total deposits from customers have also grown significantly from RM1.86 billion at end of December 2011 to RM2.24 billion at end of March 2012 which was attributable to growth in fixed deposits and short term deposits.

Net impaired loan ratio has marginally dropped to 0.48% at end of March 2012 from 0.55% at end of December 2011. The improvement was mainly due to higher gross loan outstanding.

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

Bangkok Bank Berhad
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Interim condensed consolidated statement of financial position as at 31 March 2012

	Note	Group		
		31.3.2012 RM'000	31.12.2011 RM'000 (restated)	1.1.2011 RM'000 (restated)
Assets				
Cash and short-term funds		647,764	644,523	574,241
Deposits and placements with banks		50,000	20,000	20,000
Securities available-for-sale	12	235,193	77,300	167,544
Securities held-to-maturity	13	85,413	85,488	144,782
Loans, advances and financing	14	1,869,995	1,740,707	1,519,606
Other assets	15	8,667	6,865	13,963
Statutory deposit with Bank Negara Malaysia		58,000	48,000	15,000
Property and equipment	16	70,041	70,510	16,551
Intangible assets		275	340	285
Deferred tax assets		10,199	9,087	10,219
Total assets		3,035,547	2,702,820	2,482,191
Liabilities and shareholder's equity				
Deposits from customers	17	2,239,052	1,860,496	1,758,065
Deposits and placements of banks and other financial institutions	18	148,251	189,955	300,230
Bills and acceptances payable		65,651	69,316	-
Other liabilities	19	35,927	38,526	36,327
Total liabilities		2,488,881	2,158,293	2,094,622
Share capital		400,000	400,000	265,000
Statutory reserve		131,244	131,244	123,972
Revaluation reserve		(1,057)	(12)	(493)
Retained profits/(accumulated loss)		16,479	13,295	(910)
Shareholder's equity		546,666	544,527	387,569
Total liabilities and shareholder's equity		3,035,547	2,702,820	2,482,191
Commitments and contingencies	25	1,851,787	1,558,971	1,431,818

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

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Bangkok Bank Berhad
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Interim condensed statement of financial position as at 31 March 2012

	Note	31.3.2012	Bank	1.1.2011
		RM'000	31.12.2011	RM'000
			RM'000	RM'000
			(restated)	(restated)
Assets				
Cash and short-term funds		647,715	644,478	574,208
Deposits and placements				
with banks		50,000	20,000	20,000
Securities available-for-sale	12	235,193	77,300	167,544
Securities held-to-maturity	13	85,413	85,488	144,782
Loans, advances and financing	14	1,869,995	1,740,707	1,519,606
Other assets	15	8,666	6,863	13,960
Statutory deposit with Bank				
Negara Malaysia		58,000	48,000	15,000
Investment in subsidiary		10	10	10
Property and equipment	16	70,041	70,510	16,551
Intangible assets		275	340	285
Deferred tax assets		10,199	9,087	10,219
Total assets		3,035,507	2,702,783	2,482,165
Liabilities and shareholder's equity				
Deposits from customers	17	2,239,052	1,860,496	1,758,065
Deposits and placements of				
banks and other financial				
institutions	18	148,251	189,955	300,230
Bills and acceptances payable		65,651	69,316	-
Other liabilities	19	35,924	38,523	36,325
Total liabilities		2,488,878	2,158,290	2,094,620
Share capital		400,000	400,000	265,000
Statutory reserve		131,234	131,234	123,962
Revaluation reserve		(1,057)	(12)	(493)
Retained profits/(accumulated loss)		16,452	13,271	(924)
Shareholder's equity		546,629	544,493	387,545
Total liabilities and shareholder's equity		3,035,507	2,702,783	2,482,165
Commitments and contingencies	25	1,851,787	1,558,971	1,431,818

The Interim Condensed Financial Statements should be read in conjunction with the accompanying

Bangkok Bank Berhad
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Interim condensed income statements
For the financial period ended 31 March 2012

	Note	Group		Bank	
		3 months ended		3 months ended	
		1.1.2012	1.1.2011	1.1.2012	1.1.2011
		to	to	to	to
		31.3.2012	31.3.2011	31.3.2012	31.3.2011
		RM'000	RM'000	RM'000	RM'000
			(Restated)		(Restated)
Interest income	20	27,133	23,224	27,133	23,224
Interest expense	21	(14,680)	(12,061)	(14,680)	(12,061)
Net interest income		12,453	11,163	12,453	11,163
Loan impairment (charges)/ write back, net	22	(3,360)	2,075	(3,360)	2,075
		9,093	13,238	9,093	13,238
Non-interest income	23	2,887	3,706	2,882	3,705
Net income		11,980	16,944	11,975	16,943
Overhead expenses	24	(7,616)	(7,143)	(7,616)	(7,143)
Profit before tax		4,364	9,801	4,359	9,800
Taxation		(1,180)	(2,472)	(1,178)	(2,472)
Profit for the period		3,184	7,329	3,181	7,328
Earnings per share (sen)					
- basic		0.80	2.77	0.80	2.77
- diluted		0.80	2.77	0.80	2.77

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

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Bangkok Bank Berhad
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Interim condensed statements of comprehensive income
For the financial period ended 31 March 2012

	Group		Bank	
	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	1.1.2012	1.1.2011	1.1.2012	1.1.2011
	to	to	to	to
Note	31.3.2012	31.3.2011	31.3.2012	31.3.2011
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Profit for the period	3,184	7,329	3,181	7,328
Other comprehensive income				
Net (loss)/gain on securities available-for-sale	(1,393)	163	(1,393)	163
Income tax relating to components of other comprehensive income	348	(40)	348	(40)
Other comprehensive income for the period, net of tax	(1,045)	123	(1,045)	123
Total comprehensive income for the period, net of tax	2,139	7,452	2,136	7,451

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

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Interim condensed consolidated statement of changes in equity
For the financial period ended 31 March 2012

<----- Group ----->					
	<---Non-distributable--->			Distributable	
	Share	Statutory	Revaluation	Retained	Total
	capital	reserve	reserve	profits/ loss)	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011					
- as previously stated	265,000	123,972	(493)	10,434	398,913
- Prior year adjustment (Note 2 (d))	-	-	-	(11,344)	(11,344)
- as restated	265,000	123,972	(493)	(910)	387,569
Total comprehensive income (restated)	-	-	123	7,329	7,452
At 31 March 2011					
- as restated	265,000	123,972	(370)	6,419	395,021
At 1 January 2012					
- as previously stated	400,000	131,244	(12)	17,716	548,948
- Prior year adjustment (Note 2 (d))	-	-	-	(4,421)	(4,421)
- as restated	400,000	131,244	(12)	13,295	544,527
Total comprehensive income	-	-	(1,045)	3,184	2,139
At 31 March 2012					
- as restated	400,000	131,244	(1,057)	16,479	546,666

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

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Interim condensed statements of changes in equity
For the financial period ended 31 March 2012

<----- Bank ----->					
	<---Non-distributable--->			Distributable	
	Share capital	Statutory reserve	Revaluation reserve	Retained profits/ (accumulated loss)	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011					
- as previously stated	265,000	123,962	(493)	10,420	398,889
- Prior year adjustment (Note 2 (d))	-	-	-	(11,344)	(11,344)
- as restated	265,000	123,962	(493)	(924)	387,545
Total comprehensive income (restated)	-	-	123	7,328	7,451
At 31 March 2011					
- as restated	265,000	123,962	(370)	6,404	394,996
At 1 January 2012					
- as previously stated	400,000	131,234	(12)	17,692	548,914
- Prior year adjustment (Note 2 (d))	-	-	-	(4,421)	(4,421)
- as restated	400,000	131,234	(12)	13,271	544,493
Total comprehensive income	-	-	(1,045)	3,181	2,136
At 31 March 2012					
- as restated	400,000	131,234	(1,057)	16,452	546,629

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

Bangkok Bank Berhad
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Interim condensed statements of cash flows
For the financial period ended 31 March 2012

	Group		Bank	
	1.1.2012 to 31.3.2012 RM'000	1.1.2011 to 31.3.2011 RM'000 (Restated)	1.1.2012 to 31.3.2012 RM'000	1.1.2011 to 31.3.2011 RM'000 (Restated)
Cash flows from operating activities				
Profit before tax	4,364	9,801	4,359	9,800
Adjustments for:				
Depreciation	589	458	589	458
Amortisation of intangible assets	65	59	65	59
(Write back of)/allowance for losses on loans and financing, net	(3,367)	2,020	(3,367)	2,020
Property and equipment written off	-	24	-	24
Unrealised foreign exchange (gain)/loss	(39)	739	(39)	739
Net loss on disposal of securities held-for-trading	30	1	30	1
Net loss on disposal of securities available-for-sale	-	78	-	78
Amortisation of premium net of accretion of discount	360	5	360	5
Operating profit before working capital changes	2,002	13,185	1,997	13,184
(Increase)/decrease in loans and advances	(125,921)	49,348	(125,921)	49,348
Increase in deposits and placements with banks	-	(30,000)	-	(30,000)
Increase in other assets	(2,260)	(1,172)	(2,260)	(1,172)
Increase in statutory deposit with Bank Negara Malaysia	(10,000)	-	(10,000)	-
Increase/(decrease) in deposits from customers	378,556	(93,745)	378,556	(93,745)
Decrease in deposits and placements of banks and other financial institutions	(41,704)	(188,910)	(41,704)	(188,910)
Decrease in bills and acceptances payable	(3,665)	-	(3,665)	-
Decrease in other liabilities	(1,830)	(3,135)	(1,829)	(3,135)
Cash generated from/(used in) operations carried forward	195,178	(254,429)	195,174	(254,430)

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Interim condensed statements of cash flows
For the financial period ended 31 March 2012 (cont'd.)

	Group		Bank	
	1.1.2012 to 31.3.2012 RM'000	1.1.2011 to 31.3.2011 RM'000 (Restated)	1.1.2012 to 31.3.2012 RM'000	1.1.2011 to 31.3.2011 RM'000 (Restated)
Cash flows from operating activities (cont'd.)				
Cash generated from operations				
brought forward	195,178	(254,429)	195,174	(254,430)
Taxes paid	(2,216)	(1)	(2,216)	-
Net cash generated from/(used in) operating activities	192,962	(254,430)	192,958	(254,430)
Cash flows from investing activities				
Purchase of property and equipment	(120)	(840)	(120)	(840)
Purchase of intangible assets	-	(2)	-	(2)
Purchase of securities held-for-trading	(25,223)	(110,348)	(25,223)	(110,348)
Purchase of securities available-for-sale	(184,598)	(19,852)	(184,598)	(19,852)
Proceeds from disposal of securities held-for-trading	25,220	110,373	25,220	110,373
Proceeds from disposal of securities available-for-sale	-	80,075	-	80,075
Proceeds from maturity of securities available-for-sale	25,000	-	25,000	-
Net cash (used in)/generated from investing activities	(159,721)	59,406	(159,721)	59,406
Net increase/(decrease) in cash and cash equivalents	33,241	(195,024)	33,237	(195,024)
Cash and cash equivalents at beginning of financial period	664,523	574,241	664,478	574,208
Cash and cash equivalents at end of financial period	697,764	379,217	697,715	379,184

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Interim condensed statements of cash flows
For the financial period ended 31 March 2012 (cont'd.)

	Group		Bank	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents comprise:				
Cash and short-term funds	647,764	379,217	647,715	379,184
Deposits and placements with banks	50,000	-	50,000	-
	<u>697,764</u>	<u>379,217</u>	<u>697,715</u>	<u>379,184</u>

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

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Notes to the interim condensed financial statements - 31 March 2012

1. Corporate information

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

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

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

2. Significant accounting policies

(a) First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

The unaudited interim condensed consolidated financial statements for the three-month ended 31 March 2012 of the Group and of the Bank have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies. The unaudited interim condensed consolidated financial statements for the three-month ended 31 March 2012 have been prepared in accordance with the requirement of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"). These unaudited interim condensed consolidated financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For periods up to and including the year ended 31 December 2011, the Group and the Bank prepared their financial statements in accordance with Financial Reporting Standards ("FRS") as modified by Bank Negara Malaysia Guidelines.

The consolidated financial statements of the Group and the Bank for the year ended 31 December 2011 which were prepared under FRS are available upon request from the Bank's registered office at 105, Jalan Tun H.S. Lee, 50000 Kuala Lumpur.

These condensed interim financial statements are the Group's and the Bank's first MFRS condensed interim financial statements for part of the period covered by the Group's and the Bank's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performances of the Group and the Bank since the year ended 31 December 2011.

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2. Significant accounting policies (Contd.)

(a) First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

In preparing their opening MFRS Statements of Financial Position as at 1 January 2011 (which is also the date of transition), the Group and the Bank have adjusted the amounts previously reported in financial statements prepared in accordance with FRS as modified by Bank Negara Malaysia Guidelines. An explanation of how the transition from FRS to MFRS has affected the Group's and the Bank's financial position, financial performance and cash flows is set out in Note 2(e). These notes include reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS as modified by Bank Negara Malaysia Guidelines to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statements of cash flows.

The unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's and the Bank's annual audited financial statements as at 31 December 2011. The explanatory notes attached in the unaudited interim condensed financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and of the Bank since the year ended 31 December 2011.

(b) Adoption of MFRSs and Issues Committee ("IC") Interpretations for the financial period

The significant accounting policies adopted in the preparation of the unaudited interim condensed financial statements are consistent with those adopted in the preparation of the Group's and the Bank's annual audited financial statements for the year ended 31 December 2011, except for the adoption of Malaysian Financial Reporting Standards ("MFRSs") and IC Interpretations ("IC") which are effective for annual periods beginning on and after:

1 January 2011

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 4	Insurance Contracts
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 6	Exploration for and Evaluation of Mineral Resources
MFRS 7	Financial Instruments: Disclosures

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2. Significant accounting policies (Contd.)

(b) Adoption of MFRSs and Issues Committee ("IC") Interpretations for the financial period (contd.)

1 January 2011

MFRS 8	Operating Segments
MFRS 101	Presentation of Financial Statements
MFRS 102	Inventories
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110	Events after the Reporting Period
MFRS 111	Construction Contracts
MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment
MFRS 117	Leases
MFRS 118	Revenue
MFRS 119	Employee Benefits
MFRS 120	Accounting for Government Grants and Disclosure of Government Assistance
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 123	Borrowing Costs
MFRS 124	Related Party Disclosures
MFRS 126	Accounting and Reporting by Retirement Benefit Plans
MFRS 127	Consolidated and Separate Financial Statements
MFRS 128	Investments in Associates
MFRS 129	Financial Reporting in Hyperinflationary Economies
MFRS 131	Interests in Joint Ventures
MFRS 132	Financial Instruments: Presentation
MFRS 133	Earnings Per Share
MFRS 134	Interim Financial Reporting
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instruments: Recognition and Measurement
MFRS 140	Investment Property
MFRS 141	Agriculture
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 4	Determining whether an Arrangement contains a Lease

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(b) Adoption of MFRSs and Issues Committee ("IC") Interpretations for the financial period (contd.)

1 January 2011

IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	MFRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
IC Interpretation 107	Introduction of the Euro
IC Interpretation 110	Government Assistance - No Specific Relation to Operating Activities
IC Interpretation 112	Consolidation - Special Purpose Entities
IC Interpretation 113	Jointly Controlled Entities - Non-Monetary Contribution by Venturers
IC Interpretation 115	Operating Leases - Incentives
IC Interpretation 125	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
IC Interpretation 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IC Interpretation 129	Service Concession Arrangements: Disclosures
IC Interpretation 131	Revenue - Barter Transactions Involving Advertising Services
IC Interpretation 132	Intangible Assets - Web Site Costs

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2. Significant accounting policies (Contd.)

(c) Significant accounting policies and application of MFRS 1

The audited financial statements of the Group and the Bank for the year ended 31 December 2011 were prepared in accordance with FRS as modified by Bank Negara Malaysia Guidelines. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

(a) Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition

The Group and the Bank have elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition:

- (i) The classification of former business combinations under FRS is maintained; and
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition)

(b) Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group and the Bank to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

The reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided in Note 2(e) and Note 2(f).

(d) Change in accounting policy due to the removal of transition arrangement for collective impairment assessment of loans, advances and financing

Collective impairment allowance is made for estimated losses inherent in but not currently identifiable to individual financial assets.

In the previous financial periods, the Group and the Bank had applied the transitional arrangement set out in BNM/GP8 Guidelines on Classification and Impairment Provisions for Loans/Financing to maintain collective impairment allowance of at least 1.5% of total outstanding loans/financing, net of individual impairment allowance.

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2. Significant accounting policies (Contd.)

(d) Change in accounting policy due to the removal of transition provision for loan, advances and financing (Contd.)

During the current financial period, the Group and the Bank have changed its accounting policy to fully comply with MFRS 139, after the expiry of the abovementioned transition provision on 31 December 2011. Loans, advances and financing that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of loans, advances and financing could include the Group's and the Bank's past experience of collections, an increase in the default rates or loss experiences experienced by credit rating agencies on rated borrowers and observable changes in economic conditions that correlate with default on receivables.

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2. Significant Accounting Policies

(e) (i) Reconciliation of equity

Group	FRS as at		MFRS as at		FRS as at		MFRS as at		FRS as at		MFRS as at	
	Note	1.1.2011 RM'000	Adjustments RM'000	1.1.2011 RM'000	31.3.2011 RM'000	Adjustments RM'000	31.3.2011 RM'000	31.12.2011 RM'000	Adjustment: RM'000	31.12.2011 RM'000	Adjustment: RM'000	31.12.2011 RM'000
Assets												
Cash and short-term funds		574,241	-	574,241	379,217	-	379,217	644,523	-	644,523		
Deposits and placements with banks		20,000	-	20,000	50,000	-	50,000	20,000	-	20,000		
Securities available-for-sale		167,544	-	167,544	107,338	-	107,338	77,300	-	77,300		
Securities held-to-maturity		144,782	-	144,782	144,819	-	144,819	85,488	-	85,488		
Loans, advances and financing		1,534,731	(15,125)	1,519,606	1,480,866	(12,628)	1,468,238	1,746,601	(5,894)	1,740,707		
Other assets		13,963	-	13,963	12,444	-	12,444	6,865	-	6,865		
Statutory deposit with Bank Negara Malaysia		15,000	-	15,000	15,000	-	15,000	48,000	-	48,000		
Property and equipment		16,551	-	16,551	16,875	-	16,875	70,510	-	70,510		
Intangible assets		285	-	285	262	-	262	340	-	340		
Deferred tax assets		6,438	3,781	10,219	6,386	3,157	9,543	7,614	1,473	9,087		
Total assets		2,493,535	(11,344)	2,482,191	2,213,207	(9,471)	2,203,736	2,707,241	(4,421)	2,702,820		

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2. Significant Accounting Policies (cont'd)

(e) (i) Reconciliation of equity	Note	FRS as at	Adjustments	MFRS as at	FRS as at	Adjustments	MFRS as at	FRS as at	Adjustment:	MFRS as at
		1.1.2011	RM'000	1.1.2011	31.3.2011	RM'000	31.3.2011	31.12.2011	RM'000	31.12.2011
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Liabilities and shareholder's equity										
Deposits from customers		1,758,065	-	1,758,065	1,664,320	-	1,664,320	1,860,496	-	1,860,496
Deposits and placements of banks and other financial institutions		300,230	-	300,230	111,320	-	111,320	189,955	-	189,955
Bills and acceptances payable		-	-	-	-	-	-	69,316	-	69,316
Other liabilities		36,327	-	36,327	33,075	-	33,075	38,526	-	38,526
Total liabilities		2,094,622	-	2,094,622	1,808,715	-	1,808,715	2,158,293	-	2,158,293
Share capital		265,000	-	265,000	265,000	-	265,000	400,000	-	400,000
Statutory reserve		123,972	-	123,972	123,972	-	123,972	131,244	-	131,244
Revaluation reserve		(493)	-	(493)	(370)	-	(370)	(12)	-	(12)
Retained profits/(accumulated loss)		10,434	(11,344)	(910)	15,890	(9,471)	6,419	17,716	(4,421)	13,295
Shareholder's equity		398,913	(11,344)	387,569	404,492	(9,471)	395,021	548,948	(4,421)	544,527
Total liabilities and shareholder's equity		2,493,535		2,482,191	2,213,207		2,203,736	2,707,241		2,702,820

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2. Significant Accounting Policies

(e) (i) Reconciliation of equity

Bank	FRS as at		MFRS as at		FRS as at		MFRS as at		FRS as at		MFRS as at	
	Note	1.1.2011 RM'000	Adjustments RM'000	1.1.2011 RM'000	31.3.2011 RM'000	Adjustments RM'000	31.3.2011 RM'000	31.12.2011 RM'000	Adjustments RM'000	31.12.2011 RM'000	Adjustments RM'000	31.12.2011 RM'000
Assets												
Cash and short-term funds		574,208	-	574,208	379,184	-	379,184	644,478	-	644,478		
Deposits and placements with banks		20,000	-	20,000	50,000	-	50,000	20,000	-	20,000		
Securities available-for-sale		167,544	-	167,544	107,338	-	107,338	77,300	-	77,300		
Securities held-to-maturity		144,782	-	144,782	144,819	-	144,819	85,488	-	85,488		
Loans, advances and financing		1,534,731	(15,125)	1,519,606	1,480,866	(12,628)	1,468,238	1,746,601	(5,894)	1,740,707		
Other assets		13,960	-	13,960	12,440	-	12,440	6,863	-	6,863		
Statutory deposit with Bank Negara Malaysia		15,000	-	15,000	15,000	-	15,000	48,000	-	48,000		
Investment in subsidiary		10	-	10	10	-	10	10	-	10		
Property and equipment		16,551	-	16,551	16,875	-	16,875	70,510	-	70,510		
Intangible assets		285	-	285	262	-	262	340	-	340		
Deferred tax assets		6,438	3,781	10,219	6,386	3,157	9,543	7,614	1,473	9,087		
Total assets		2,493,509	(11,344)	2,482,165	2,213,180	(9,471)	2,203,709	2,707,204	(4,421)	2,702,783		

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2. Significant Accounting Policies (cont'd)

(e) (i) Reconciliation of equity	Note	FRS as at		MFRS as at		FRS as at		MFRS as at		FRS as at		MFRS as at	
		1.1.2011	Adjustments	1.1.2011	31.3.2011	Adjustments	31.3.2011	31.12.2011	Adjustments	31.12.2011	31.12.2011	Adjustments	31.12.2011
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Liabilities and shareholder's equity													
Deposits from customers		1,758,065	-	1,758,065	1,664,320	-	1,664,320	1,860,496	-	1,860,496			
Deposits and placements of banks and other financial institutions		300,230	-	300,230	111,320	-	111,320	189,955	-	189,955			
Bills and acceptances payable		-	-	-	-	-	-	69,316	-	69,316			
Other liabilities		36,325	-	36,325	33,073	-	33,073	38,523	-	38,523			
Total liabilities		2,094,620	-	2,094,620	1,808,713	-	1,808,713	2,158,290	-	2,158,290			
Share capital		265,000	-	265,000	265,000	-	265,000	400,000	-	400,000			
Statutory reserve		123,962	-	123,962	123,962	-	123,962	131,234	-	131,234			
Revaluation reserve		(493)	-	(493)	(370)	-	(370)	(12)	-	(12)			
Retained profits/(accumulated loss)		10,420	(11,344)	(924)	15,875	(9,471)	6,404	17,692	(4,421)	13,271			
Shareholder's equity		398,889	(11,344)	387,545	404,467	(9,471)	394,996	548,914	(4,421)	544,493			
Total liabilities and shareholder's equity		2,493,509		2,482,165	2,213,180		2,203,709	2,707,204		2,702,783			

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2 Significant Accounting Policies (cont'd)

**(f) Reconciliation of total comprehensive income for the period ended
31 March 2011 and for the year ended 31 December 2011**

Group	FRS	Adjust-	MFRS	FRS	Adjust-	MFRS
	31.3.2011	ments	31.3.2011	31.12.2011	ments	31.12.2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	23,224	-	23,224	102,754	-	102,754
Interest expense	(12,061)	-	(12,061)	(56,542)	-	(56,542)
Net interest income	11,163	-	11,163	46,212	-	46,212
Loan impairment charges, net	(422)	2,497	2,075	(9,501)	9,231	(270)
	10,741	2,497	13,238	36,711	9,231	45,942
Non-interest income	3,706	-	3,706	13,419	-	13,419
Net income	14,447	2,497	16,944	50,130	9,231	59,361
Overhead expenses	(7,143)	-	(7,143)	(30,146)	-	(30,146)
Profit before taxation	7,304	2,497	9,801	19,984	9,231	29,215
Taxation	(1,848)	(624)	(2,472)	(5,430)	(2,308)	(7,738)
Profit for the period	5,456	1,873	7,329	14,554	6,923	21,477
Profit for the period	5,456	1,873	7,329	14,554	6,923	21,477
Other comprehensive income						
Net (loss)/gain on securities available-for-sale	163	-	163	641	-	641
Income tax relating to components of other comprehensive income	(40)	-	(40)	(160)	-	(160)
Other comprehensive income for the period, net of tax	123	-	123	481	-	481
Total comprehensive income for the period, net of tax	5,579	1,873	7,452	15,035	6,923	21,958

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2 Significant Accounting Policies (cont'd)

**(f) Reconciliation of total comprehensive income for the period ended
31 March 2011 and for the year ended 31 December 2011**

Bank	FRS	Adjust-	MFRS	FRS	Adjust-	MFRS
	31.3.2011	ments	31.3.2011	31.12.2011	ments	31.12.2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	23,224	-	23,224	102,754	-	102,754
Interest expense	(12,061)	-	(12,061)	(56,542)	-	(56,542)
Net interest income	11,163	-	11,163	46,212	-	46,212
Loan impairment charges, net	(422)	2,497	2,075	(9,501)	9,231	(270)
	10,741	2,497	13,238	36,711	9,231	45,942
Non-interest income	3,705	-	3,705	13,403	-	13,403
Net income	14,446	2,497	16,943	50,114	9,231	59,345
Overhead expenses	(7,143)	-	(7,143)	(30,144)	-	(30,144)
Profit before taxation	7,303	2,497	9,800	19,970	9,231	29,201
Taxation	(1,848)	(624)	(2,472)	(5,426)	(2,308)	(7,734)
Profit for the period	5,455	1,873	7,328	14,544	6,923	21,467
Profit for the period	5,455	1,873	7,328	14,544	6,923	21,467
Other comprehensive income						
Net (loss)/gain on securities available-for-sale	163	-	163	641	-	641
Income tax relating to components of other comprehensive income	(40)	-	(40)	(160)	-	(160)
Other comprehensive income for the period, net of tax	123	-	123	481	-	481
Total comprehensive income for the period, net of tax	5,578	1,873	7,451	15,025	6,923	21,948

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2. Significant accounting policies (Contd.)

(g) Significant accounting judgements and estimates

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

(i) Impairment losses on loans, advances and financing

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

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

The impairment loss on loans, advances and financing is disclosed in more detail in Note 14.

(ii) Impairment of available-for-sale investments

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

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

(iii) Deferred tax assets

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

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2. Significant accounting policies (Contd.)

(h) MFRSs and IC Interpretations ("ICs") Issued But Not Yet Effective

The following new MFRSs, amendments to MFRSs and IC Interpretations were issued but are not yet effective and have not been applied by the Group and the Bank:-

		Effective for beginning on or after
MFRSs, Amendments to MFRSs and IC Interpretations:		
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2013
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2013
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)	1 January 2013
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)	1 January 2013
MFRS 128	Investment in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)	1 January 2013
Amendments to MFRS 7	Disclosures: Offsetting Financial Assets and Liabilities	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the year ended 31 December 2011 was not subject to any qualification.

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4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group and the Bank during the financial period ended 31 March 2012.

5. Comments about Seasonal or Cyclical Factors

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

6. Changes in Estimates

There were no significant changes in estimates of amounts reported in prior financial periods that have a material effect on the financial results and position of the Group and the Bank for the financial period ended 31 March 2012.

7. Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the financial period ended 31 March 2012.

8. Subsequent Events

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

9. Changes in Composition of the Group

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

10. Dividends Paid

No dividend was declared or paid during the financial period ended 31 March 2012.

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11. Segmental Information

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

12. Securities available-for-sale

	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
In Malaysia:		
At fair value		
Money market instruments:		
Malaysian Government Securities	117,656	26,195
Cagamas Bonds	20,228	20,237
Government Investment Issue	96,437	5,011
Bank Negara Monetary Notes	-	19,980
Quoted securities in Malaysia:		
Debt converted shares *	-	-
Unquoted securities in Malaysia:		
Private debt securities	-	5,005
	234,321	76,428
At cost		
Unquoted securities:		
Shares	872	872
	235,193	77,300

* Quoted shares were fully provided as at relevant reporting dates.

13. Securities held-to-maturity

	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
In Malaysia:		
At amortised cost		
Money market instruments:		
Malaysian Government Securities	30,015	30,045
Unquoted securities:		
Private debt securities	55,398	55,443
	85,413	85,488

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14. Loans, advances and financing

	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
		(Restated)
At amortised cost		
Overdrafts	81,524	94,802
Term loans		
- Housing loans	7,186	7,471
- Other term loans	502,113	348,828
Revolving credits	371,399	401,833
Bills receivables	10,114	9,421
Trust receipts	145,284	133,191
Bankers' acceptances	824,360	815,094
Other financing	14,131	13,029
Staff loans	1,433	1,433
	<u>1,957,544</u>	<u>1,825,102</u>
Unearned interest	(4,986)	(5,199)
Gross loans, advances and financing	<u>1,952,558</u>	<u>1,819,903</u>
Less: Allowance for impaired loans and financing		
- Individual impairment allowance	(42,258)	(41,520)
- Collective impairment allowance	(40,305)	(37,676)
Net loans, advances and financing	<u>1,869,995</u>	<u>1,740,707</u>

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

	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
Maturing within one year	1,503,110	1,479,978
One year to three years	313,266	137,026
Three years to five years	11,747	62,214
Over five years	124,435	140,685
	<u>1,952,558</u>	<u>1,819,903</u>

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

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

	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
	RM'000	RM'000
Purchase of securities	68	-
Purchase of transport vehicles	242	232
Purchase of residential properties	8,454	8,701
Purchase of non-residential properties	95,563	94,310
Purchase of fixed assets other than land and building	19,931	21,763
Personal use	3,178	3,508
Construction	66,224	56,749
Mergers and acquisitions	74,889	-
Working capital	1,636,762	1,603,425
Others	47,247	31,215
	<u>1,952,558</u>	<u>1,819,903</u>

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

	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
Domestic non-bank financial institutions	160,354	224,633
Domestic business enterprises		
- Small medium enterprises	596,098	548,655
- Others	1,184,165	1,034,170
Individuals	11,941	12,445
	<u>1,952,558</u>	<u>1,819,903</u>

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

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

	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
Fixed rate		
- Other fixed rate loan/financing	94	164
Variable rate		
- BLR plus	406,034	391,448
- Cost-plus	1,429,140	1,335,119
- Other variable rates	117,290	93,172
	<u>1,952,558</u>	<u>1,819,903</u>

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

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

	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
Balance as at 1 January	51,383	59,123
Classified as impaired during the period	975	1,725
Reclassified as non-impaired during the period	(189)	(1,218)
Amount recovered	(738)	(3,964)
Amount written off	-	(4,282)
Balance as at end of period	<u>51,431</u>	<u>51,384</u>
Individual impairment allowance	<u>(42,258)</u>	<u>(41,520)</u>
Net impaired loans, advances and financing	<u>9,173</u>	<u>9,864</u>
Ratio of net impaired loans, advances and financing to gross loans, advances and financing less individual impairment allowance	<u>0.48%</u>	<u>0.55%</u>

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

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

	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
		(Restated)
Individual impairment allowance		
Balance as at 1 January	41,520	43,578
Allowance made during the period	872	3,806
Amount written back	(134)	(1,582)
Amount written off	-	(4,282)
Balance as at end of period	<u>42,258</u>	<u>41,520</u>
Collective impairment allowance		
Balance as at 1 January as previously stated	31,782	24,432
Effect of removal of transitional provision to fully adopt MFRS 139	5,894	15,125
Balance as at 1 January as restated	<u>37,676</u>	<u>39,557</u>
Allowance made/(written back) during the period (2011 restated)	2,629	(1,881)
Balance as at end of period	<u>40,305</u>	<u>37,676</u>
Collective impairment allowance as % of gross loans, advances and financing less individual impairment allowance	<u>2.11%</u>	<u>2.12%</u>

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

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

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

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

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

	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
Purchase of residential properties	2,392	2,290
Working capital	46,582	46,095
Others	2,457	2,999
	<u>51,431</u>	<u>51,384</u>

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

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15. Other assets

	Group		Bank	
	31.3.2012 RM'000	31.12.2011 RM'000	31.3.2012 RM'000	31.12.2011 RM'000
Other receivables, deposits and prepayments	5,179	2,919	5,179	2,919
Unrealised gain on derivatives	2,241	2,972	2,241	2,972
Tax recoverable	1,247	974	1,246	972
	<u>8,667</u>	<u>6,865</u>	<u>8,666</u>	<u>6,863</u>

16. Property and equipment

During the three-month period ended 31 March 2012, the Group and the Bank acquired assets with a cost of RM120,000 (31 December 2011: RM56,136,000)

17. Deposits from customers

(i) By type of deposit

	Group and Bank	
	31.3.2012 RM'000	31.12.2011 RM'000
Fixed deposits	1,717,793	1,426,112
Current accounts	146,960	191,924
Savings deposits	13,251	12,914
Short term deposits	361,048	229,546
	<u>2,239,052</u>	<u>1,860,496</u>

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17. Deposits from customers (Contd.)

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

	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
Due within six months	1,930,045	1,488,795
Six months to one year	141,031	154,624
One year to three years	4,046	8,401
Over three years	3,719	3,838
	<u>2,078,841</u>	<u>1,655,658</u>

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

	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
Business enterprises	1,951,334	1,607,997
Individuals	226,209	209,632
Others	61,509	42,867
	<u>2,239,052</u>	<u>1,860,496</u>

(iv) All the deposits from customers are unsecured.

18. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
Licensed banks	131,883	174,682
Other financial institutions	14,121	13,026
Bank Negara Malaysia	2,247	2,247
	<u>148,251</u>	<u>189,955</u>

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

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19. Other liabilities

	Group		Bank	
	31.3.2012 RM'000	31.12.2011 RM'000	31.3.2012 RM'000	31.12.2011 RM'000
Accruals	2,073	1,262	2,073	1,262
Unrealised loss on derivatives	1,966	2,737	1,966	2,737
Other payables	31,888	34,527	31,885	34,524
	<u>35,927</u>	<u>38,526</u>	<u>35,924</u>	<u>38,523</u>

20. Interest income

	Group and Bank Individual and Cumulative Quarter 3 months ended	
	1.1.2012 to 31.3.2012 RM'000	1.1.2011 to 31.3.2011 RM'000
Interest income from loans and advances		
- Interest income other than recoveries from impaired loans	21,407	17,446
- Recoveries from impaired loans	-	-
- Interest income from impaired loans	517	281
Deposits and placements with banks and other financial institutions	2,845	2,969
Securities held-for-trading	-	17
Securities available-for-sale	1,872	1,212
Securities held-to-maturity	852	1,305
	<u>27,493</u>	<u>23,230</u>
Amortisation of premium net of accretion of discount		
- Securities held-for-trading	27	26
- Securities available-for-sale	(312)	(68)
- Securities held-to-maturity	(75)	36
	<u>27,133</u>	<u>23,224</u>

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21. Interest expense

	Group and Bank Individual and Cumulative Quarter 3 months ended	
	1.1.2012 to 31.3.2012 RM'000	1.1.2011 to 31.3.2011 RM'000
Deposits from customers	13,547	10,664
Deposits and placements of banks and other financial institutions	1,133	1,397
	<u>14,680</u>	<u>12,061</u>

22. Loan impairment (charges)/write back, net

	Group and Bank Individual and Cumulative Quarter 3 months ended	
	1.1.2012 to 31.3.2012 RM'000	1.1.2011 to 31.3.2011 RM'000 (Restated)
(Write back of)/allowances for impaired loans, advances and financing		
- Collective impairment for loans, advances and financing	(2,629)	2,497
- Individual impairment for loans, advances and financing	(872)	(906)
- Individual impairment for loans, advances and financing written back	134	429
Impaired loans, advances and financing recovered	7	55
	<u>(3,360)</u>	<u>2,075</u>

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24. Non-interest income

	Group		Bank	
	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	1.1.2012 to 31.3.2012 RM'000	1.1.2011 to 31.3.2011 RM'000	1.1.2012 to 31.3.2012 RM'000	1.1.2011 to 31.3.2011 RM'000
Fee income:				
Commission	734	698	729	697
Service charges and fees	315	351	315	351
Guarantee fees	430	425	430	425
	<u>1,479</u>	<u>1,474</u>	<u>1,474</u>	<u>1,473</u>
Investment income:				
Net (loss) on sale of investments:				
- Securities held-for-trading	(30)	(1)	(30)	(1)
- Securities available-for-sale	-	(78)	-	(78)
	<u>(30)</u>	<u>(79)</u>	<u>(30)</u>	<u>(79)</u>
Foreign exchange gain	1,275	2,938	1,275	2,938
Net realised loss on interest rate swaps	-	(32)	-	(32)
Unrealised gain/(loss) on foreign exchange forward contracts	40	(728)	40	(728)
Rental income	122	132	122	132
Others	1	1	1	1
	<u>1,438</u>	<u>2,311</u>	<u>1,438</u>	<u>2,311</u>
	<u>2,887</u>	<u>3,706</u>	<u>2,882</u>	<u>3,705</u>

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25. Overhead expenses

	Group and Bank	
	Cumulative Quarter	
	3 months ended	
	1.1.2012	1.1.2011
	to	to
	31.3.2012	31.3.2011
	RM'000	RM'000
Personnel costs		
Salaries, allowances and bonuses	4,085	3,151
Defined Contribution Plan - Employees Provident Fund	603	483
Others	274	581
	<u>4,962</u>	<u>4,215</u>
Establishment costs		
Depreciation	589	458
Amortisation of intangible assets	65	59
Repair and maintenance	213	163
Computerisation costs	184	209
Rental expenses	210	210
Others	380	365
	<u>1,641</u>	<u>1,464</u>
Marketing costs		
Advertising and publicity	94	165
Others	15	31
	<u>109</u>	<u>196</u>
Administration and general costs		
Professional fees	45	336
Non-executive directors' remuneration	133	212
Others	726	720
	<u>904</u>	<u>1,268</u>
Total	<u>7,616</u>	<u>7,143</u>

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25. Commitments and contingencies

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

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

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

Group and Bank	Principal Amount RM'000	Positive	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
		Fair Value Derivative Contracts RM'000		
31 March 2012				
Direct credit substitutes	16,136	-	16,136	15,635
Transaction-related contingent items	130,429	-	65,215	62,021
Short-term self-liquidating trade-related contingencies	34,793	-	6,959	6,833
Forward foreign exchange contracts				
- less than one year	421,085	2,241	5,571	2,931
Interest rate related contracts				
- less than one year	-	-	-	-
- more than one year				
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	10,970	-	5,485	5,413
- maturity less than one year	1,230,288	-	246,057	244,880
Any commitment that are unconditionally cancelled at any time without prior notice	8,086	-	-	-
Total	1,851,787	2,241	345,423	337,713

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25. Commitments and contingencies (Contd.)

Group and Bank	Principal Amount RM'000	Positive	Credit	Risk
		Fair Value Derivative Contracts RM'000	Equivalent Amount RM'000	Weighted Amount RM'000
31 December 2011				
Direct credit substitutes	16,726	-	16,726	16,217
Transaction-related contingent items	136,866	-	68,433	64,954
Short-term self-liquidating trade-related contingencies	79,118	-	15,824	15,703
Forward foreign exchange contracts				
- less than one year	332,876	2,972	5,905	4,467
Interest rate related contracts				
- less than one year	20,000	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	130	-	65	65
- maturity less than one year	961,674	-	192,335	191,982
Any commitment that are unconditionally cancelled at any time without prior notice	11,581	-	-	-
Total	1,558,971	2,972	299,288	293,388

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

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26. Fair value hierarchy

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

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

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

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

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

Group and Bank	Note	Level 1	Level 2	Level 3	Total
31 March 2012		RM'000	RM'000	RM'000	RM '000
<u>Securities available-for-sale</u>	12				
Money market instruments:					
Malaysian Government					
Securities		-	117,656	-	117,656
Cagamas Bonds		-	20,228	-	20,228
Government Investment					
Issue		-	96,437	-	96,437
		-	234,321	-	234,321
<u>Derivatives</u>					
Derivative financial assets					
Unrealised gain on derivatives	15	-	2,241	-	2,241
Derivative financial liabilities					
Unrealised loss on derivatives	19	-	(1,966)	-	(1,966)
		-	275	-	275

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26. Fair value hierarchy (cont'd)

Group and Bank 31 December 2011	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM '000
<u>Securities available-for-sale</u>	12				
Money market instruments:					
Malaysian Government					
Securities		-	26,195	-	26,195
Cagamas Bonds		-	20,237	-	20,237
Government Investment					
Issue		-	5,011	-	5,011
BNM Monetary Notes		-	19,980	-	19,980
Unquoted securities in Malaysia:					
Private debt securities		-	5,005	-	5,005
		-	76,428	-	76,428
<u>Derivatives</u>					
Derivative financial assets					
Unrealised gain on derivatives	15	-	2,972	-	2,972
Derivative financial liabilities					
Unrealised loss on derivatives	19	-	(2,737)	-	(2,737)
		-	235	-	235

27. Capital adequacy

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

	31.3.2012	31.12.2011 (Restated)
Core capital ratio	21.23%	23.20%
Risk-weighted capital ratio	22.83%	24.83%

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27. Capital Adequacy (cont'd)

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

	31.3.2012	31.12.2011
	RM'000	RM'000
		(Restated)
Tier-1 Capital		
Paid-up share capital	400,000	400,000
Statutory reserve	131,234	131,234
Retained profits	Note (a) 13,271	13,271
Less: Deferred tax assets (excluding those from revaluation reserve)	Note (b) (9,083)	(9,083)
Total Tier-1 Capital	<u>535,422</u>	<u>535,422</u>
Tier-2 Capital		
Collective assessment allowance (only those attributable to non-impaired loan, advances and financing)	40,263	37,626
Total Tier-2 Capital	<u>40,263</u>	<u>37,626</u>
Total capital	575,685	573,048
Less: Investment in subsidiary	(10)	(10)
Capital base	<u>575,675</u>	<u>573,038</u>

- (a) Computed based on the restated retained profits as at 31 December 2011, which is lower than the previously stated retained profits in the audited financial statements for the year ended 31 December 2011.
- (b) Computed based on the restated deferred tax assets as at 31 December 2011, which is higher than the previously stated deferred tax assets in the audited financial statements for the year ended 31 December 2011.

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27. Capital adequacy (cont'd)

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

	Principal	Risk-weighted	Principal	Risk-weighted
	31.3.2012	assets	31.12.2011	assets
	RM'000	31.3.2012	RM'000	31.12.2011
		RM'000	RM'000	RM'000
0%	631,133	-	626,801	-
20%	468,744	93,749	265,053	53,011
35%	4,172	1,460	4,541	1,589
50%	15,409	7,705	21,719	10,859
75%	6,400	4,800	1,400	1,050
100%	2,279,017	2,279,017	2,134,131	2,134,131
150%	4,897	7,346	4,897	7,346
Total risk-weighted assets for credit risk		<u>2,394,077</u>		<u>2,207,986</u>
Total risk-weighted assets for market risk		31,600		6,251
Total risk-weighted assets for operational risk		96,038		93,944
Total risk-weighted assets		<u>2,521,715</u>		<u>2,308,181</u>

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28. Significant Related Party Disclosures

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

	Cumulative Quarter Individual and 3 months ended	
	1.1.2012 to 31.3.2012 RM'000	1.1.2011 to 31.3.2011 RM'000
Income		
Interest on advances to holding company and its branches	5	1
	<hr/>	<hr/>
Expenditure		
Interest on advances from holding company and its branches	113	2
	<hr/>	<hr/>
	Group and Bank	
	31.3.2012	31.12.2011
	RM'000	RM'000
Amount due to		
Deposits and placements from holding company and its branches	131,883	108,162
	<hr/>	<hr/>
Amount due from		
Cash and short-term funds placed with holding company and its branches	4,748	5,097
	<hr/>	<hr/>

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

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Statement by directors

We, Loke Tan Cheng and Professor Dato' Ruslan Khalid, being two of the directors of Bangkok Bank Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 2 to 44 are drawn up in accordance with Malaysian Financial Reporting Standard 134: Interim Financial Reporting so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 March 2012 and of the results and the cash flows of the Group and of the Bank for the three-month period then ended.

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

Loke Tan Cheng

Professor Dato' Ruslan Khalid

Kuala Lumpur, Malaysia
6 June 2012