

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

Statement by Directors and Interim
Condensed Financial Statements
30 June 2013

299740-W

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

Contents	Page(s)
Performance review and commentary on the prospects	1
Interim condensed statement of financial position	2
Interim condensed income statements	3 - 4
Interim condensed statements of comprehensive income	5 - 6
Interim condensed statements of changes in equity	7 - 8
Interim condensed statements of cash flows	9 - 10
Notes to the interim condensed financial statements	11 - 39
Statement by directors	40

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

**Performance review for the financial period ended 30 June 2013 and
commentary on the prospects**

Bangkok Bank Berhad (“BBB”) registered a profit before tax of RM20.6 million for the first half of 2013 which was sharply higher than the RM10.9 million recorded during the previous comparative period. The improved earnings was mainly from higher net interest income of RM2.72 million, higher non interest income of RM1.3 million and lower impairment charges. The lower impairment charges resulted from lower loan growth during the first six months of 2013 as compared to same period of 2012 and also full settlement of one of the impaired loans.

Gross loan outstanding increased marginally by 2.79% from RM2.13 billion at end of December 2012 to RM2.19 billion at the first half ended 30 June 2013 mainly arising from trade financing. The loan growth and better loan margin contributed to the growth in the Bank's net interest income.

Deposits from customers grew marginally from RM2.31 billion at end of December 2012 to RM2.32 billion at the first half ended 30 June 2013. The Bank continue to heighten its focus on generating customer deposits to maintain a prudent liquidity position and to fund future loan growth.

As compared to first half of 2012, non-interest income increased by 20.7% from RM6.1 million to RM7.4 million mainly due to net gain on sale of securities available-for-sale coupled with foreign exchange gain.

The asset quality of the Bank's loan portfolio has improved. Net impaired loan ratio decreased to 0.36% at end of June 2013 from 1.12% at end of December 2012. The lower ratio was mainly due to full settlement of one of the impaired corporate accounts and increased in 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
(Incorporated in Malaysia)

Interim condensed statements of financial position as at 30 June 2013

	Note	Group		Bank	
		30.6.2013 RM'000	31.12.2012 RM'000	30.6.2013 RM'000	31.12.2012 RM'000
Assets					
Cash and short-term funds		238,958	387,441	238,894	387,383
Deposits and placements with banks		180,000	-	180,000	-
Securities held-for-trading	12	20,378	49,987	20,378	49,987
Securities available-for-sale	13	451,956	534,901	451,956	534,901
Securities held-to-maturity	14	45,174	45,261	45,174	45,261
Loans, advances and financing	15	2,120,221	2,058,230	2,120,221	2,058,230
Derivative assets	27	12,007	465	12,007	465
Other assets	16	6,026	6,550	6,026	6,550
Statutory deposit with Bank Negara Malaysia		73,000	70,000	73,000	70,000
Investment in subsidiary		-	-	10	10
Property and equipment	17	68,837	69,430	68,837	69,430
Intangible assets		185	188	185	188
Deferred tax assets		10,253	9,591	10,253	9,591
Total assets		3,226,995	3,232,044	3,226,941	3,231,996
Liabilities and shareholder's equity					
Deposits from customers	18	2,316,092	2,308,631	2,316,092	2,308,631
Deposits and placements of banks and other financial institution	19	91,315	136,136	91,315	136,136
Bills and acceptances payable		194,930	191,394	194,930	191,394
Derivative liabilities	27	12,919	961	12,919	961
Other liabilities	20	37,843	35,507	37,840	35,503
Total liabilities		2,653,099	2,672,629	2,653,096	2,672,625
Share capital		400,000	400,000	400,000	400,000
Statutory reserve		138,661	138,661	138,651	138,651
Revaluation reserve		(1,005)	31	(1,005)	31
Retained profits		36,240	20,723	36,199	20,689
Shareholder's equity		573,896	559,415	573,845	559,371
Total liabilities and shareholder's equity		3,226,995	3,232,044	3,226,941	3,231,996
Commitments and contingencies	26	2,521,814	1,844,779	2,521,814	1,844,779

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

Bangkok Bank Berhad
(Incorporated in Malaysia)

Interim condensed income statements
For the financial period ended 30 June 2013

	Note	Group			
		Current Quarter		Cumulative Quarter	
		3 months ended		6 months ended	
		1.4.2013	1.4.2012	1.1.2013	1.1.2012
		to	to		
		30.6.2013	30.6.2012	30.6.2013	30.6.2012
		RM'000	RM'000	RM'000	RM'000
Interest income	21	34,382	31,014	68,116	57,852
Interest expense	22	(20,623)	(18,594)	(40,816)	(33,274)
Net interest income		13,759	12,420	27,300	24,578
Loan impairment writeback/ (allowances), net	23	10,116	(1,015)	2,993	(4,080)
		23,875	11,405	30,293	20,498
Non-interest income	24	3,918	3,229	7,379	6,116
Net income		27,793	14,634	37,672	26,614
Overhead expenses	25	(8,786)	(8,134)	(17,078)	(15,750)
Profit before taxation		19,007	6,500	20,594	10,864
Taxation		(4,614)	(1,832)	(5,077)	(3,012)
Profit for the period		14,393	4,668	15,517	7,852
Earnings per share (sen)					
- basic		3.60	1.17	3.88	1.96
- diluted		3.60	1.17	3.88	1.96

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

Bangkok Bank Berhad
(Incorporated in Malaysia)

Interim condensed income statements
For the financial period ended 30 June 2013 (cont'd.)

	Note	Bank			
		Current Quarter		Cumulative Quarter	
		3 months ended		6 months ended	
		1.4.2013	1.4.2012	1.1.2013	1.1.2012
		to	to		
		30.6.2013	30.6.2012	30.6.2013	30.6.2012
		RM'000	RM'000	RM'000	RM'000
Interest income	21	34,382	31,014	68,116	57,852
Interest expense	22	(20,623)	(18,594)	(40,816)	(33,274)
Net interest income		13,759	12,420	27,300	24,578
Loan impairment writeback/ (allowances), net	23	10,116	(1,015)	2,993	(4,080)
		23,875	11,405	30,293	20,498
Non-interest income	24	3,909	3,224	7,369	6,106
Net income		27,784	14,629	37,662	26,604
Overhead expenses	25	(8,786)	(8,132)	(17,077)	(15,748)
Profit before taxation		18,998	6,497	20,585	10,856
Taxation		(4,612)	(1,832)	(5,075)	(3,010)
Profit for the period		14,386	4,665	15,510	7,846

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

299740-W

Bangkok Bank Berhad
(Incorporated in Malaysia)

Interim condensed statements of comprehensive income
For the financial period ended 30 June 2013

	Group			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2013	1.4.2012	1.1.2013	1.1.2012
	to	to	to	to
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	<u>14,393</u>	<u>4,668</u>	<u>15,517</u>	<u>7,852</u>
Other comprehensive income				
Net (loss)/gain on securities available-for-sale	(1,488)	1,517	(1,381)	124
Income tax relating to components of other comprehensive income	<u>372</u>	<u>(379)</u>	<u>345</u>	<u>(31)</u>
Other comprehensive (loss)/income for the period, net of tax	<u>(1,116)</u>	<u>1,138</u>	<u>(1,036)</u>	<u>93</u>
Total comprehensive income for the period, net of tax	<u>13,277</u>	<u>5,806</u>	<u>14,481</u>	<u>7,945</u>

299740-W

Bangkok Bank Berhad
(Incorporated in Malaysia)

Interim condensed statements of comprehensive income
For the financial period ended 30 June 2013 (cont'd.)

	Bank			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2013	1.4.2012	1.1.2013	1.1.2012
	to	to	to	to
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	14,386	4,665	15,510	7,846
Other comprehensive income				
Net (loss)/gain on securities available-for-sale	(1,488)	1,517	(1,381)	124
Income tax relating to components of other comprehensive income	372	(379)	345	(31)
Other comprehensive (loss)/income for the period, net of tax	(1,116)	1,138	(1,036)	93
Total comprehensive income for the period, net of tax	13,270	5,803	14,474	7,939

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

Bangkok Bank Berhad
(Incorporated in Malaysia)

Interim condensed statements of changes in equity
For the financial period ended 30 June 2013

	<----- Group ----->				
	<---Non-distributable--->			Distributable:	
	Share capital RM'000	Statutory reserve RM'000	Revaluation reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2012					
- as previously stated	400,000	131,244	(12)	17,716	548,948
- MFRS adoption	-	-	-	(4,421)	(4,421)
- as restated	400,000	131,244	(12)	13,295	544,527
Total comprehensive income	-	-	93	7,852	7,945
At 30 June 2012					
- as restated	400,000	131,244	81	21,147	552,472
At 1 January 2013	400,000	138,661	31	20,723	559,415
Total comprehensive income	-	-	(1,036)	15,517	14,481
At 30 June 2013	400,000	138,661	(1,005)	36,240	573,896

Bangkok Bank Berhad
(Incorporated in Malaysia)

Interim condensed statements of changes in equity
For the financial period ended 30 June 2013 (cont'd.)

	<----- Bank ----->				
	<---Non-distributable--->			Distributable:	
	Share capital RM'000	Statutory reserve RM'000	Revaluation reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2012					
- as previously stated	400,000	131,234	(12)	17,692	548,914
- MFRS adoption	-	-	-	(4,421)	(4,421)
	400,000	131,234	(12)	13,271	544,493
- as restated					
Total comprehensive income	-	-	93	7,846	7,939
At 30 June 2012					
- as restated	400,000	131,234	81	21,117	552,432
At 1 January 2013	400,000	138,651	31	20,689	559,371
Total comprehensive income	-	-	(1,036)	15,510	14,474
At 30 June 2013	400,000	138,651	(1,005)	36,199	573,845

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

Bangkok Bank Berhad
(Incorporated in Malaysia)

Interim condensed statements of cash flows
For the financial period ended 30 June 2013

	Note	Group		Bank	
		1.1.2013 to 30.6.2013 RM'000	1.1.2012 to 30.6.2012 RM'000	1.1.2013 to 30.6.2013 RM'000	1.1.2012 to 30.6.2012 RM'000
Cash flows from operating activities					
Profit before tax		20,594	10,864	20,585	10,856
Adjustments for:					
Depreciation		959	1,160	959	1,160
Amortisation of intangible assets		83	122	83	122
(Writeback)/allowance for losses on loans and financing, net		(2,575)	4,130	(2,575)	4,130
Net gain on disposal of property and equipment		(96)	-	(96)	-
Write back of impairment losses of securities held-to-maturity		(53)	(9)	(53)	(9)
Unrealised loss/(gain) on derivatives		416	(521)	416	(521)
Net (gain)/loss on revaluation of securities held-for-trading		(31)	1	(31)	1
Net (gain)/loss on disposal of securities held-for-trading		(71)	28	(71)	28
Net gain on disposal of securities available-for-sale		(657)	-	(657)	-
Accretion of discount net of amortisation of premium		(873)	558	(873)	558
Dividend income		(42)	(48)	(42)	(48)
Operating profit before working capital changes		17,654	16,285	17,645	16,277
Increase in loans and advances		(59,416)	(201,030)	(59,416)	(201,030)
Decrease/(increase) in other assets		523	(1,720)	524	(1,720)
Increase in statutory deposit with Bank Negara Malaysia		(3,000)	(22,000)	(3,000)	(22,000)
Increase in deposits from customer		7,461	374,214	7,461	374,214
(Decrease)/increase in deposits and placements of banks and other financial institutions		(44,821)	158,572	(44,821)	158,572
Increase/(decrease) in bills and acceptances payable		3,536	(21,865)	3,536	(21,865)
Increase in other liabilities		1,319	2,646	1,319	2,647
Cash (used in)/generated from operations carried forward		(76,744)	305,102	(76,752)	305,095

Bangkok Bank Berhad
(Incorporated in Malaysia)

Interim condensed statements of cash flows
For the financial period ended 30 June 2013 (cont'd.)

	Group		Bank	
	1.1.2013 to 30.6.2013 RM'000	1.1.2012 to 30.6.2012 RM'000	1.1.2013 to 30.6.2013 RM'000	1.1.2012 to 30.6.2012 RM'000
Cash (used in)/generated from operations brought forward	(76,744)	305,102	(76,752)	305,095
Taxes paid	(4,376)	(3,910)	(4,374)	(3,910)
Net cash (used in)/generated from operating activities	(81,120)	301,192	(81,126)	301,185
Cash flows from investing activities				
Purchase of property and equipment	(433)	(187)	(433)	(187)
Purchase of intangible assets	(22)	-	(22)	-
Purchase of securities held-for-trading	(121,076)	(74,871)	(121,076)	(74,871)
Purchase of securities available-for-sale	(990,268)	(214,388)	(990,268)	(214,388)
Proceeds from disposal of securities held-for-trading	150,792	75,024	150,792	75,024
Proceeds from disposal of securities available-for-sale	253,444	-	253,444	-
Proceeds from maturity of securities available-for-sale	820,000	25,000	820,000	25,000
Proceeds from securities held-to-maturity	53	20,009	53	20,009
Dividend received	42	46	42	46
Proceeds from disposal of property and equipment	105	-	105	-
Net cash generated from/(used in) investing activities	112,637	(169,367)	112,637	(169,367)
Net increase in cash and cash equivalents	31,517	131,825	31,511	131,818
Cash and cash equivalents at beginning of financial period	387,441	664,523	387,383	664,478
Cash and cash equivalents at end of financial period	418,958	796,348	418,894	796,296
Cash and cash equivalents comprise:				
Cash and short-term funds	238,958	796,348	238,894	796,296
Deposits and placements with banks	180,000	-	180,000	-
	418,958	796,348	418,894	796,296

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

Bangkok Bank Berhad
(Incorporated in Malaysia)

Notes to the interim condensed financial statements - 30 June 2013

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. Basis of preparation

The interim condensed financial statements have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair value: securities held-for-trading, securities available-for-sale and derivatives.

The interim condensed financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"). These interim condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

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

1 January 2013

MFRS 10 *Consolidated Financial Statements*

MFRS 11 *Joint Arrangements*

MFRS 12 *Disclosure of Interests in Other Entities*

MFRS 13 *Fair Value Measurement*

MFRS 119 *Employee Benefits (revised)*

MFRS 127 *Consolidated and Separate Financial Statements (revised)*

Amendments to MFRS 7 *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*

Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards - Government Loans*

Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*

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

2. Basis of preparation (cont'd.)

2.1 Adoption of MFRSs and Issues Committee ("IC") Interpretations for the financial period (cont'd.)

1 January 2013 (cont'd.)

Amendments to MFRS 101 *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*

Amendments to MFRS 116 *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*

Amendments to MFRS 132 *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*

Amendments to MFRS 134 *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*

Amendments to MFRS 10 *Consolidated Financial Statements: Transition Guidance*

Amendments to MFRS 11 *Joint Arrangements: Transition Guidance*

Amendments to MFRS 12 *Disclosure of Interests in Other Entities: Transition Guidance*

The adoption of the above MFRSs and amendments to MFRSs did not have any financial impact to the Group and the Bank.

2.2 Standards 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 financial periods beginning on or after 1 January 2014

Amendments to MFRS 132 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*

Amendments to MFRS 10, MFRS 12 and MFRS 127 *Investment Entities*

Effective for financial periods beginning on or after 1 January 2015

MFRS 9 *Financial Instruments*

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

2. Basis of preparation (cont'd.)

2.2 Standards issued but not yet effective (cont'd.)

Effective for financial periods beginning on or after 1 January 2015 (cont'd.)

The Bank plans to adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are expected to have no significant impact to the financial statements of the Group and the Bank upon their initial application except as described below:

(a) MFRS 9 *Financial Instruments*

MFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of MFRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial liabilities and financial liabilities as defined in MFRS 139 Financial Instruments: Recognition and Measurement ("MFRS 139") and replaces the guidance in MFRS 139. The Standard may have material impact on the financial statements of the Group and the Bank upon its first adoption. As the Standard is still being revised and developed, the Bank is in the midst of analysing the requirements of the standard and its impact.

(b) MFRS 10 *Consolidated Financial Statements*

MFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by MFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in MFRS 127 Consolidated and Separate Financial Statements and IC Interpretation 112 Special Purpose Entities. Based on the preliminary analyses performed, MFRS 10 is not expected to have any impact on the currently held investments of the Bank.

(c) MFRS 12 *Disclosure of Interests in Other Entities*

MFRS 12 includes all disclosures that were previously in MFRS 127 related to consolidated financial statements as well as all of the disclosures that were previously included in MFRS 11 Joint Arrangements and MFRS 128 Investments in Associates. These disclosures related to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required but no impact is expected on the Group's and the Bank's financial position or performance.

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

2. Basis of preparation (cont'd.)

2.2 Standards issued but not yet effective (cont'd.)

Effective for financial periods beginning on or after 1 January 2015 (cont'd.)

(d) MFRS 13 *Fair Value Measurement*

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value but rather provides guidance on how to measure fair value under MFRS when fair value is required or permitted. The Bank is currently assessing the impact that this Standard will have on the financial position and performance of the Group and the Bank but based on preliminary analyses, no material impact is expected.

2.3 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.

Bangkok Bank Berhad
(Incorporated in Malaysia)

2. Basis of preparation (cont'd.)

2.3 Significant accounting judgements and estimates (cont'd.)

(i) Impairment losses on loans, advances and financing (cont'd.)

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 15(vii).

(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 advances.

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.

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

3. Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the year ended 31 December 2012 was not subject to any qualification.

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 30 June 2013.

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 30 June 2013.

7. Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the financial period ended 30 June 2013.

8. Subsequent events

There were no material events subsequent to the end of the current period that require disclosure or adjustments to the 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 30 June 2013.

Bangkok Bank Berhad
(Incorporated in Malaysia)

11. Segmental information

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

12. Securities held-for-trading

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
In Malaysia:		
At fair value		
Money market instruments:		
Malaysian Government Securities	20,378	49,987
	<u>20,378</u>	<u>49,987</u>

13. Securities available-for-sale

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
In Malaysia:		
At fair value		
Money market instruments:		
Malaysian Government Securities	80,004	91,049
Cagamas Bonds	15,042	15,121
Government Investment Issues	145,327	187,042
Bank Negara Monetary Notes	59,876	9,997
Negotiable Instruments of Deposit	100,000	180,000
Unquoted securities in Malaysia:		
Private debt securities	50,835	50,820
	<u>451,084</u>	<u>534,029</u>
At cost		
Unquoted securities:		
Shares	872	872
	<u>451,956</u>	<u>534,901</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

14. Securities held-to-maturity

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
In Malaysia:		
At amortised cost		
Unquoted securities:		
Private debt securities	45,174	45,261
	<u>45,174</u>	<u>45,261</u>

15. Loans, advances and financing

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
At amortised cost		
Overdrafts	101,546	91,149
Term loans		
- Housing loans	5,388	5,963
- Other term loans	601,440	590,306
Revolving credits	365,010	409,889
Bills receivables	5,641	7,673
Trust receipts	107,581	89,712
Bankers' acceptances	995,374	924,647
Other financing	9,275	12,209
Staff loans	1,147	1,745
	<u>2,192,402</u>	<u>2,133,293</u>
Unearned interest	(6,452)	(6,758)
Gross loans, advances and financing	<u>2,185,950</u>	<u>2,126,535</u>
Less: Allowance for impaired loans and financing		
- Individual impairment allowance	(20,517)	(22,147)
- Collective impairment allowance	(45,212)	(46,158)
Net loans, advances and financing	<u>2,120,221</u>	<u>2,058,230</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

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

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

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
Maturing within one year	1,625,596	1,544,098
One year to three years	118,642	164,056
Three years to five years	62,021	48,899
Over five years	379,691	369,482
	<u>2,185,950</u>	<u>2,126,535</u>

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

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
Purchase of securities	-	1,891
Purchase of transport vehicles	269	308
Purchase of residential properties	6,325	7,314
Purchase of non-residential properties	76,935	89,892
Purchase of fixed assets other than land and building	28,846	15,725
Personal use	3,498	6,275
Construction	161,656	141,466
Mergers and acquisitions	84,842	91,722
Working capital	1,737,332	1,712,162
Others	86,247	59,780
	<u>2,185,950</u>	<u>2,126,535</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

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

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

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
Domestic non-bank financial institutions	177,469	200,900
Domestic business enterprises		
- Small medium enterprises	613,851	620,822
- Others	1,384,538	1,290,916
Individuals	10,092	13,897
	<u>2,185,950</u>	<u>2,126,535</u>

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

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
Variable rate		
- BLR plus	427,549	408,360
- Cost-plus	1,681,419	1,665,056
- Other variable rates	76,982	53,119
	<u>2,185,950</u>	<u>2,126,535</u>

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

Bangkok Bank Berhad
(Incorporated in Malaysia)

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

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

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
Balance as at 1 January	45,695	51,384
Classified as impaired during the year	1,064	19,285
Reclassified as non-impaired during the year	(158)	(708)
Amount recovered	(18,200)	(2,100)
Amount written off	-	(22,166)
Balance as at end of year	<u>28,401</u>	<u>45,695</u>
Individual impairment allowance	<u>(20,517)</u>	<u>(22,147)</u>
Net impaired loans, advances and financing	<u>7,884</u>	<u>23,548</u>
Ratio of net impaired loans, advances and financing to gross loans, advances and financing less individual impairment allowance	<u>0.36%</u>	<u>1.12%</u>

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

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
Individual impairment allowance		
Balance as at 1 January	22,147	41,520
Allowance made during the period/year	826	3,858
Amount written back	(2,456)	(1,065)
Amount written off	-	(22,166)
Balance as at end of period/year	<u>20,517</u>	<u>22,147</u>
Collective impairment allowance		
Balance as at 1 January as previously stated	46,158	31,782
Effect of removal of transitional provision to fully adopt MFRS 139	-	5,894
Balance as at 1 January as restated	<u>46,158</u>	<u>37,676</u>
(Writeback)/allowance made during the period/year	<u>(946)</u>	<u>8,482</u>
Balance as at end of period/year	<u>45,212</u>	<u>46,158</u>
Collective impairment allowance as % of gross loans, advances and financing less individual impairment allowance	<u>2.09%</u>	<u>2.19%</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

15. 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 judgmental 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	
	30.6.2013	31.12.2012
	RM'000	RM'000
Purchase of residential properties	1,455	1,778
Working capital	24,490	41,460
Others	2,456	2,457
	<u>28,401</u>	<u>45,695</u>

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

Bangkok Bank Berhad
(Incorporated in Malaysia)

16. Other assets

	Group		Bank	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Other receivables, deposits and prepayments	6,026	6,550	6,026	6,550
	<u>6,026</u>	<u>6,550</u>	<u>6,026</u>	<u>6,550</u>

17. Property and equipment

During the six-month period ended 30 June 2013, the Group and the Bank acquired assets with a cost of RM433,000 (31 December 2012: RM1,172,000).

18. Deposits from customers

(i) By type of deposit

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
Fixed deposits	1,838,380	1,795,129
Negotiable instruments of deposits	160,000	110,000
Current accounts	167,776	181,719
Savings deposits	15,351	16,564
Short term deposits	134,585	205,219
	<u>2,316,092</u>	<u>2,308,631</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

18. Deposits from customers (cont'd.)

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

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
Due within six months	1,915,534	1,903,542
Six months to one year	196,136	168,775
One year to three years	19,825	35,961
Over three years	1,470	2,070
	<u>2,132,965</u>	<u>2,110,348</u>

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

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
Domestic financial institutions	100,000	30,000
Government	60,000	80,000
Business enterprises	1,807,890	1,886,209
Individuals	289,449	251,342
Others	58,753	61,080
	<u>2,316,092</u>	<u>2,308,631</u>

- (iv) All the deposits from customers are unsecured.

19. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30.6.2013	31.12.2012
	RM'000	RM'000
Licensed banks	80,543	122,428
Other financial institutions	9,272	12,208
Bank Negara Malaysia	1,500	1,500
	<u>91,315</u>	<u>136,136</u>

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

Bangkok Bank Berhad
(Incorporated in Malaysia)

20. Other liabilities

	Group		Bank	
	30.6.2013 RM'000	31.12.2012 RM'000	30.6.2013 RM'000	31.12.2012 RM'000
Accruals	3,415	2,572	3,415	2,572
Tax payables	1,088	71	1,088	70
Interest payables	13,523	12,294	13,523	12,294
Other payables	19,817	20,570	19,814	20,567
	<u>37,843</u>	<u>35,507</u>	<u>37,840</u>	<u>35,503</u>

21. Interest income

	Group and Bank			
	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	1.4.2013 to 30.6.2013 RM'000	1.4.2012 to 30.6.2012 RM'000	1.1.2013 to 30.6.2013 RM'000	1.1.2012 to 30.6.2012 RM'000
Interest income from loans and advances				
- Interest income other than recoveries from impaired loans	25,962	23,230	51,203	44,637
- Recoveries from impaired loans	179	-	179	-
- Interest income from impaired loans	279	206	775	428
Deposits and placements with banks and other financial institutions	3,838	4,668	6,880	7,513
Securities held-for-trading	10	-	90	-
Securities available-for-sale	2,673	2,296	7,110	4,168
Securities held-to-maturity	506	812	1,006	1,664
	<u>33,447</u>	<u>31,212</u>	<u>67,243</u>	<u>58,410</u>
Amortisation of premium net of accretion of discount				
- Securities held-for-trading	(2)	155	4	182
- Securities available-for-sale	979	(285)	956	(597)
- Securities held-to-maturity	(42)	(68)	(87)	(143)
	<u>34,382</u>	<u>31,014</u>	<u>68,116</u>	<u>57,852</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

22. Interest expense

	Group and Bank			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2013	1.4.2012	1.1.2013	1.1.2012
	to	to	to	to
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	18,483	16,865	36,254	30,412
Deposits and placements of banks and other financial institutions	2,140	1,729	4,562	2,862
	<u>20,623</u>	<u>18,594</u>	<u>40,816</u>	<u>33,274</u>

23. Loan impairment (writeback)/allowances, net

	Group and Bank			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2013	1.4.2012	1.1.2013	1.1.2012
	to	to	to	to
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
(Writeback)/allowance for impaired loans, advances and financing				
- Collective impairment for loans, advances and financing	(8,000)	1,536	(945)	4,165
- Individual impairment for loans, advances and financing	310	306	826	883
Impaired loans, advances and financing written back	(2,073)	(784)	(2,456)	(918)
Impaired loans, advances and financing recovered	(353)	(43)	(418)	(50)
	<u>(10,116)</u>	<u>1,015</u>	<u>(2,993)</u>	<u>4,080</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

24. Non-interest income

	Group			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2013 to 30.6.2013 RM'000	1.4.2012 to 30.6.2012 RM'000	1.1.2013 to 30.6.2013 RM'000	1.1.2012 to 30.6.2012 RM'000
Fee income:				
Commission	757	761	1,418	1,495
Service charges and fees	421	527	795	842
Guarantee fees	338	408	694	838
	<u>1,516</u>	<u>1,696</u>	<u>2,907</u>	<u>3,175</u>
Investment income:				
Net gain/(loss) on disposal of investments:				
- Securities held-for-trading	50	2	71	(28)
- Securities available-for-sale	311	-	657	-
Net gain/(loss) on revaluation of securities held-for-trading	27	(1)	31	(1)
Net gain on revaluation of forward investment	10	-	10	-
Writeback of impairment losses on securities held-to-maturity	53	9	53	9
Gross dividend from securities available-for-sale	42	48	42	48
	<u>493</u>	<u>58</u>	<u>864</u>	<u>28</u>
Foreign exchange gain	3,510	1,909	3,681	3,184
Unrealised loss on foreign exchange forward contracts	(1,727)	(561)	(416)	(521)
Rental income	124	126	244	248
Gain on disposal of property and equipment	-	-	96	-
Others	2	1	3	2
	<u>1,909</u>	<u>1,475</u>	<u>3,608</u>	<u>2,913</u>
	<u>3,918</u>	<u>3,229</u>	<u>7,379</u>	<u>6,116</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

24. Non-interest income (cont'd.)

	Bank			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2013 to 30.6.2013 RM'000	1.4.2012 to 30.6.2012 RM'000	1.1.2013 to 30.6.2013 RM'000	1.1.2012 to 30.6.2012 RM'000
Fee income:				
Commission	748	756	1,408	1,485
Service charges and fees	421	527	795	842
Guarantee fees	338	408	694	838
	<u>1,507</u>	<u>1,691</u>	<u>2,897</u>	<u>3,165</u>
Investment income:				
Net gain/(loss) on sale of investments:				
- Securities held-for-trading	50	2	71	(28)
- Securities available-for-sale	311	-	657	-
Net gain on revaluation of securities held-for-trading	27	(1)	31	(1)
Net gain on revaluation of forward investment	10	-	10	-
Writeback of impairment losses on securities held-to-maturity	53	9	53	9
Gross dividend from securities available-for-sale	42	48	42	48
	<u>493</u>	<u>58</u>	<u>864</u>	<u>28</u>
Foreign exchange gain	3,510	1,909	3,681	3,184
Unrealised loss on foreign exchange forward contracts	(1,727)	(561)	(416)	(521)
Rental income	124	126	244	248
Gain on disposal of property and equipment	-	-	96	-
Others	2	1	3	2
	<u>1,909</u>	<u>1,475</u>	<u>3,608</u>	<u>2,913</u>
	<u>3,909</u>	<u>3,224</u>	<u>7,369</u>	<u>6,106</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

25. Overhead expenses

	Group			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2013 to 30.6.2013 RM'000	1.4.2012 to 30.6.2012 RM'000	1.1.2013 to 30.6.2013 RM'000	1.1.2012 to 30.6.2012 RM'000
Personnel costs				
Salaries, allowances and bonuses	4,748	4,136	9,312	8,221
Defined Contribution Plan - Employees Provident Fund	705	610	1,382	1,213
Others	406	451	844	725
	<u>5,859</u>	<u>5,197</u>	<u>11,538</u>	<u>10,159</u>
Establishment costs				
Depreciation	464	571	959	1,160
Amortisation of intangible assets	42	57	83	122
Repair and maintenance	161	282	343	495
Computerisation costs	218	238	454	422
Rental expenses	212	210	423	420
Others	394	381	742	761
	<u>1,491</u>	<u>1,739</u>	<u>3,004</u>	<u>3,380</u>
Marketing costs				
Advertising and publicity	23	55	107	149
Others	28	26	41	41
	<u>51</u>	<u>81</u>	<u>148</u>	<u>190</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

25. Overhead expenses (cont'd.)

	Group			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2013	1.4.2012	1.1.2013	1.1.2012
	to	to	to	to
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Administration and general costs				
Communication expenses	282	278	548	438
Subscriptions	187	219	384	421
Professional fees	278	86	365	131
Auditors remunerations	151	90	218	157
Non-executive directors' remuneration	113	116	194	249
Insurance	60	101	122	128
Travelling	81	49	140	167
Others	233	178	417	330
	<u>1,385</u>	<u>1,117</u>	<u>2,388</u>	<u>2,021</u>
Total	<u>8,786</u>	<u>8,134</u>	<u>17,078</u>	<u>15,750</u>

The above expenses include the following statutory disclosures:

	Group			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2013	1.4.2012	1.1.2013	1.1.2012
	to	to	to	to
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Directors' fee and remuneration	499	459	1,874	941
Hire of equipment	28	28	56	56
Auditors' remuneration				
- Statutory audit	66	61	89	84
- Other audit	3	-	25	23
- Other services	82	29	104	50
	<u>82</u>	<u>29</u>	<u>104</u>	<u>50</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

25. Overhead expenses (cont'd.)

	Bank			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2013	1.4.2012	1.1.2013	1.1.2012
	to	to	to	to
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	4,748	4,136	9,312	8,221
Defined Contribution Plan - Employees Provident Fund	705	610	1,382	1,213
Others	406	451	844	725
	<u>5,859</u>	<u>5,197</u>	<u>11,538</u>	<u>10,159</u>
Establishment costs				
Depreciation	464	571	959	1,160
Amortisation of intangible assets	42	57	83	122
Repair and maintenance	161	282	343	495
Computerisation costs	218	238	454	422
Rental expenses	212	210	423	420
Others	394	381	742	761
	<u>1,491</u>	<u>1,739</u>	<u>3,004</u>	<u>3,380</u>
Marketing costs				
Advertising and publicity	23	55	107	149
Others	28	26	41	41
	<u>51</u>	<u>81</u>	<u>148</u>	<u>190</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

25. Overhead expenses (cont'd.)

	Bank			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2013	1.4.2012	1.1.2013	1.1.2012
	to	to	to	to
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Administration and general costs				
Communication expenses	282	278	548	438
Subscriptions	187	219	384	421
Professional fees	278	85	365	130
Auditors remunerations	150	89	217	156
Non-executive directors' remuneration	113	116	194	249
Insurance	60	101	122	128
Travelling	81	49	140	167
Others	234	178	417	330
	<u>1,385</u>	<u>1,115</u>	<u>2,387</u>	<u>2,019</u>
Total	<u>8,786</u>	<u>8,132</u>	<u>17,077</u>	<u>15,748</u>

The above expenses include the following statutory disclosures:

	Bank			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2013	1.4.2012	1.1.2013	1.1.2012
	to	to	to	to
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Directors' fee and remuneration	499	459	1,874	941
Hire of equipment	28	28	56	56
Auditors' remuneration				
- Audit	65	60	88	83
- Audit-related services	3	-	25	23
- Other services	82	29	104	50
	<u>82</u>	<u>29</u>	<u>104</u>	<u>50</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

26. 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 Fair Value Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
30 June 2013				
Direct credit substitutes	21,545	-	21,545	20,009
Transaction-related contingent items	120,436	-	60,218	58,394
Short-term self-liquidating trade-related contingencies	40,492	-	8,098	8,009
Forward foreign exchange contracts				
- less than one year and credit lines, with an original	768,317	12,007	20,526	9,295
- maturity more than one year	66,680	-	33,340	33,325
- maturity less than one year	1,495,533	-	299,107	298,299
Any commitment that are unconditionally cancelled at any time without prior notice	8,811	-	-	-
Total	2,521,814	12,007	442,834	427,331

Bangkok Bank Berhad
(Incorporated in Malaysia)

26. Commitments and contingencies (cont'd.)

Group and Bank	Principal Amount RM'000	Positive Fair Value Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
31 December 2012				
Direct credit substitutes	16,009	-	16,009	15,303
Transaction-related contingent items	118,099	-	59,050	56,825
Short-term self-liquidating trade-related contingencies	41,138	-	8,228	8,228
Forward foreign exchange contracts				
- less than one year	275,537	465	3,227	2,149
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	105,860	-	52,930	52,929
- maturity less than one year	1,265,584	-	253,117	251,331
Any commitment that are unconditionally cancelled at any time without prior notice	22,552	-	-	-
Total	1,844,779	465	392,561	386,765

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).

Bangkok Bank Berhad
(Incorporated in Malaysia)

27. 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
30 June 2013		RM'000	RM'000	RM'000	RM '000
<u>Securities held-for-trading</u>					
Money market instruments:					
Malaysian Government Securities		-	20,378	-	20,378
		-	20,378	-	20,378
<u>Securities available-for-sale</u>					
Money market instruments:					
Malaysian Government Securities			80,004		80,004
Cagamas Bonds		-	15,042	-	15,042
Government Investment Issue			145,327	-	145,327
BNM Monetary Notes		-	59,876	-	59,876
Negotiable Instruments of Deposit		-	100,000	-	100,000
Unquoted securities in Malaysia:					
Private debt securities		-	50,835	-	50,835
Shares		-	-	872	872
		-	451,084	872	451,956
<u>Derivatives</u>					
Derivative financial assets					
Unrealised gain on derivatives		-	12,007	-	12,007
Derivative financial liabilities					
Unrealised loss on derivatives		-	(12,919)	-	(12,919)
		-	(912)	-	(912)

Bangkok Bank Berhad
(Incorporated in Malaysia)

27. Fair value hierarchy (cont'd.)

Group and Bank 31 December 2012	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Securities held-for-trading</u>				
Money market instruments:				
BNM Monetary Notes	-	49,987	-	49,987
	-	49,987	-	49,987
<u>Securities available-for-sale</u>				
Money market instruments:				
Malaysian Government				
Securities	-	91,049	-	91,049
Cagamas Bonds	-	15,121	-	15,121
Government Investment Issue	-	187,042	-	187,042
BNM Monetary Notes	-	9,997	-	9,997
Negotiable Instruments of Deposit	-	180,000	-	180,000
Unquoted securities in Malaysia:				
Private debt securities	-	50,820	-	50,820
Shares	-	-	872	872
	-	534,029	872	534,901
<u>Derivatives</u>				
Derivative financial assets				
Unrealised gain on derivatives	-	465	-	465
Derivative financial liabilities				
Unrealised loss on derivatives	-	(961)	-	(961)
	-	(496)	-	(496)

28. 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).

Bangkok Bank Berhad
(Incorporated in Malaysia)

28. Capital adequacy (cont'd.)

- (i) The implementation of Basel III in Malaysia will commence with effect from 1 January 2013 under the new Basel III rules released on 28 November 2012 by BNM. Under the new Basel III rules, banking institutions will be required to maintain higher minimum quantity and quality of capital but the requirements will be subject to a service of the transitional arrangements and be phased-in over a period of time commencing 2013 and to be fully effective by 2019. BNM is also expected to introduce additional capital buffer requirements which will comprise of capital conservation buffer of 2.5% of total RWA and countercyclical capital buffer ranging between 0% - 2.5% of total RWA. Further guidance on the capital buffer requirements will be announced by BNM before 2016.

- (ii) The capital adequacy ratios of the Bank as at the reporting date, are as follows:

	30.6.2013	31.12.2012
Core capital ratio/Common equity tier-1 capital ratio	19.86%	20.18%
Risk-weighted capital ratio	<u>21.05%</u>	<u>21.88%</u>

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

	30.6.2013	31.12.2012
	RM'000	RM'000
Tier-1 Capital		
Paid-up share capital	-	400,000
Statutory reserve	-	138,651
Retained profits	-	20,689
Less: Deferred tax assets (excluding those from revaluation reserve)	-	<u>(9,601)</u>
Total Tier-1 Capital	<u>-</u>	<u>549,739</u>
Common Equity Tier-1 Capital		
Paid-up share capital	400,000	-
Statutory reserve	138,651	-
Unrealised losses on 'available-for-sale' financial instruments	(1,005)	-
Retained profits	36,199	-
Less: Deferred tax assets (excluding those from revaluation reserve)	<u>(9,919)</u>	<u>-</u>
Total Common Equity Tier-1 Capital	<u>563,926</u>	<u>-</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

28. Capital adequacy (cont'd.)

(iii) (cont'd.)

	30.6.2013	31.12.2012
	RM'000	RM'000
Tier-2 Capital		
Collective impairment (only those attributable to non-impaired loan, advances and financing)	33,927	46,130
Total Tier-2 Capital	<u>33,927</u>	<u>46,130</u>
Total capital		
Tier-1 Capital	563,926	549,739
Tier-2 Capital	33,927	46,130
Less: Investment in subsidiary	(10)	(10)
Total Capital	<u>597,843</u>	<u>595,859</u>

(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
	30.6.2013	assets	31.12.2012	assets
	RM'000	30.6.2013	RM'000	31.12.2012
		RM'000	RM'000	RM'000
0%	518,794	-	690,544	-
20%	477,582	95,516	330,891	66,178
35%	4,647	1,626	4,364	1,527
50%	10,403	5,202	10,918	5,459
100%	2,604,441	2,604,441	2,505,419	2,505,419
150%	4,897	<u>7,346</u>	21,551	<u>32,327</u>
Total risk-weighted assets for credit risk		2,714,131		2,610,910
Total risk-weighted assets for market risk		15,024		6,502
Total risk-weighted assets for operational risk		<u>110,667</u>		<u>106,101</u>
Total risk-weighted assets		<u>2,839,822</u>		<u>2,723,513</u>

Bangkok Bank Berhad
(Incorporated in Malaysia)

29. Significant related party disclosures

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

	Group and Bank			
	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	1.4.2013	1.4.2012	1.1.2013	1.1.2012
	to	to	to	to
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Income				
Interest on advances to holding company and its branches	-	1	19	6
Expenditure				
Interest on advances from holding company and its branches	45	6	53	119
Group and Bank				
30.6.2013 31.12.2012				
RM'000 RM'000				
Amount due to				
Deposits and placements from holding company and its branches			31,718	68
Amount due from				
Cash and short-term funds placed with holding company and its branches			5,387	5,655

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.

299740-W

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

Statement by directors

We, Loke Tan Cheng and Chris Chia Woon Liat, 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 39 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Bank as at 30 June 2013 and of the results and the cash flows of the Group and of the Bank for the six-month period then ended.

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

Loke Tan Cheng

Chris Chia Woon Liat

Kuala Lumpur, Malaysia