



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

**Statement by Directors and Unaudited Interim**  
**Condensed Financial Statements**  
**31 March 2016**

**299740 W**

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

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**299740 W**

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

**Performance review for the three months ended 31 March 2016 and  
commentary on the prospects**

Bangkok Bank Berhad (“BBB”) registered a profit before tax (“PBT”) of RM12.52 million for the first quarter of 2016 as compared to RM1.54 million recorded during the previous corresponding period. The write back of impairment and recovery of three of the impaired loans resulted to the higher PBT for the first quarter 2016.

Gross loans outstanding increased marginally from RM2.85 billion at end of December 2015 to RM2.89 billion in the first quarter of 2016.

Total deposits from customers have shown a decline from RM3.13 billion at end of December 2015 to RM2.93 billion in the first quarter of 2016. The Bank continue to heighten its focus on generating customer deposits to maintain a prudent liquidity position and to fund future loan growth.

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 31 March 2016**

	Note	Group		Bank	
		31.3.2016 RM'000	31.12.2015 RM'000	31.3.2016 RM'000	31.12.2015 RM'000
<b>Assets</b>					
Cash and short-term funds		182,001	135,976	181,909	135,888
Deposits and placements with banks		24,348	-	24,348	-
Securities available-for-sale	12	925,646	1,193,573	925,646	1,193,573
Securities held-to-maturity	13	13	13	13	13
Loans, advances and financing	14	2,731,982	2,693,380	2,731,982	2,693,380
Derivative assets		11,402	6,971	11,402	6,971
Other assets	15	23,245	22,704	23,244	22,703
Statutory deposit with Bank Negara Malaysia		94,000	114,000	94,000	114,000
Investment in subsidiary		-	-	10	10
Property and equipment	16	132,535	131,052	132,535	131,052
Intangible assets		192	305	192	305
Deferred tax assets		5,022	5,476	5,022	5,476
<b>Total assets</b>		<b>4,130,386</b>	<b>4,303,450</b>	<b>4,130,303</b>	<b>4,303,371</b>
<b>Liabilities and shareholder's equity</b>					
Deposits from customers	17	2,925,848	3,129,926	2,925,848	3,129,926
Deposits and placements of banks and other financial institutions	18	362,803	340,327	362,803	340,327
Derivative liabilities		6,011	8,144	6,011	8,144
Other liabilities	19	40,587	42,037	40,584	42,034
<b>Total liabilities</b>		<b>3,335,249</b>	<b>3,520,434</b>	<b>3,335,246</b>	<b>3,520,431</b>
Share capital		600,000	600,000	600,000	600,000
Statutory reserve		153,451	153,451	153,441	153,441
Revaluation reserve		1,866	602	1,866	602
Retained profits		39,820	28,963	39,750	28,897
<b>Shareholder's equity</b>		<b>795,137</b>	<b>783,016</b>	<b>795,057</b>	<b>782,940</b>
<b>Total liabilities and shareholder's equity</b>		<b>4,130,386</b>	<b>4,303,450</b>	<b>4,130,303</b>	<b>4,303,371</b>
<b>Commitments and contingencies</b>	25	<b>2,648,163</b>	<b>2,754,204</b>	<b>2,648,163</b>	<b>2,754,204</b>

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and accompanying explanatory notes attached to these interim condensed financial statements.*

**Bangkok Bank Berhad**  
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**Interim condensed income statements**  
**For the three months ended 31 March 2016**

	Note	Group		Bank	
		Current and Cumulative Quarter		Current and Cumulative Quarter	
		3 months ended		3 months ended	
		1.1.2016	1.1.2015	1.1.2016	1.1.2015
		to	to	to	to
		31.3.2016	31.3.2015	31.3.2016	31.3.2015
		RM'000	RM'000	RM'000	RM'000
Interest income	20	45,302	49,554	45,302	49,554
Interest expense	21	(26,419)	(29,737)	(26,419)	(29,737)
Net interest income		18,883	19,817	18,883	19,817
Non-interest income	23	3,322	3,132	3,317	3,129
Net income		22,205	22,949	22,200	22,946
Overhead expenses	24	(11,291)	(10,138)	(11,291)	(10,138)
		10,914	12,811	10,909	12,808
Write back/(allowance) for impairment losses on loans, advances and financing, net	22	1,610	(11,268)	1,610	(11,268)
Profit before taxation		12,524	1,543	12,519	1,540
Taxation		(1,667)	(797)	(1,666)	(796)
Net profit for the period		10,857	746	10,853	744
Earnings per share (sen)					
- basic		1.81	0.12	1.81	0.12
- diluted		1.81	0.12	1.81	0.12

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and accompanying explanatory notes attached to these interim condensed financial statements.*

**Bangkok Bank Berhad**  
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**Interim condensed statements of comprehensive income**  
**For the three months ended 31 March 2016**

	<b>Group</b>		<b>Bank</b>	
	<b>Current and Cumulative Quarter</b>		<b>Current and Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>1.1.2016</b>	<b>1.1.2015</b>	<b>1.1.2016</b>	<b>1.1.2015</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>31.3.2016</b>	<b>31.3.2015</b>	<b>31.3.2016</b>	<b>31.3.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Net profit for the period</b>	10,857	746	10,853	744
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit or loss subsequently:</i>				
Net gain on securities available-for-sale	1,653	2,057	1,653	2,057
Income tax relating to components of other comprehensive income	(389)	(514)	(389)	(514)
<b>Other comprehensive income for the period, net of tax</b>	1,264	1,543	1,264	1,543
<b>Total comprehensive income for the period, net of tax</b>	12,121	2,289	12,117	2,287

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and accompanying explanatory notes attached to these interim condensed financial statements.*

**Bangkok Bank Berhad**  
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**Interim condensed statements of changes in equity**  
**For the three months ended 31 March 2016**

Group	Share capital RM'000	<---Non-distributable--->		Distributable retained profits RM'000	Total RM'000
		Statutory reserve RM'000	Revaluation reserve RM'000		
<b>At 1 January 2015</b>	600,000	146,482	(2,523)	21,987	765,946
Total comprehensive income	-	-	1,543	746	2,289
<b>At 31 March 2015</b>	600,000	146,482	(980)	22,733	768,235
<b>At 1 January 2016</b>	600,000	153,451	602	28,963	783,016
Total comprehensive income	-	-	1,264	10,857	12,121
<b>At 31 March 2016</b>	600,000	153,451	1,866	39,820	795,137

Bank	Share capital RM'000	<---Non-distributable--->		Distributable retained profits RM'000	Total RM'000
		Statutory reserve RM'000	Revaluation reserve RM'000		
<b>At 1 January 2015</b>	600,000	146,472	(2,523)	21,928	765,877
Total comprehensive income	-	-	1,543	744	2,287
<b>At 31 March 2015</b>	600,000	146,472	(980)	22,672	768,164
<b>At 1 January 2016</b>	600,000	153,441	602	28,897	782,940
Total comprehensive income	-	-	1,264	10,853	12,117
<b>At 31 March 2016</b>	600,000	153,441	1,866	39,750	795,057

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and accompanying explanatory notes attached to these interim condensed financial statements.*

**Bangkok Bank Berhad**  
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**Interim condensed statements of cash flows**  
**For the three months ended 31 March 2016**

	Note	Group		Bank	
		1.1.2016 to 31.3.2016 RM'000	1.1.2015 to 31.3.2015 RM'000	1.1.2016 to 31.3.2016 RM'000	1.1.2015 to 31.3.2015 RM'000
<b>Cash flows from operating activities</b>					
Profit before taxation		12,524	1,543	12,519	1,540
Adjustments for:					
Depreciation of property and equipment	24	1,141	567	1,141	567
Amortisation of intangible assets	24	114	121	114	121
(Write back)/allowance for impairment losses on loans, advances and financing, net		(1,588)	11,277	(1,588)	11,277
Write back of impairment losses of securities held-to-maturity	23	-	(3)	-	(3)
Unrealised (gain)/loss on foreign exchange forward contracts	23	(6,564)	13,504	(6,564)	13,504
Net loss on revaluation of securities held-for-trading	23	-	2	-	2
Net gain on sale of securities held-for-trading	23	(2)	(40)	(2)	(40)
Net gain on sale of securities available-for-sale	23	-	(214)	-	(214)
Amortisation of premium net of accretion of discount	20	14	(2,389)	14	(2,389)
Operating profit before working capital changes		5,639	24,368	5,634	24,365



**Bangkok Bank Berhad**  
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**Interim condensed statements of cash flows**  
**For the three months ended 31 March 2016**

	Group		Bank	
	1.1.2016 to 31.3.2016 RM'000	1.1.2015 to 31.3.2015 RM'000	1.1.2016 to 31.3.2016 RM'000	1.1.2015 to 31.3.2015 RM'000
<b>Cash flows from operating activities (cont'd.)</b>				
<b>Balance carried forward</b>	5,639	24,368	5,634	24,365
Increase in deposits and placements with banks with original maturity of more than 3 months	(24,348)	-	(24,348)	-
Increase in loans, advances and financing	(37,014)	(82,801)	(37,014)	(82,801)
Increase in other assets	(377)	(4,265)	(377)	(4,265)
Decrease/(increase) in statutory deposit with Bank Negara Malaysia	20,000	(15,000)	20,000	(15,000)
(Decrease)/Increase in deposits from customer	(204,078)	37,385	(204,078)	37,385
Decrease/(increase) in deposits and placements of banks and other financial institutions	22,476	(462,583)	22,476	(462,583)
Increase in bills and acceptances payable	-	228,198	-	228,198
(Increase)/decrease in other liabilities	(1,450)	3,242	(1,450)	3,242
Cash used in operations	(219,152)	(271,456)	(219,157)	(271,459)
Taxes paid	(2,013)	(2,114)	(2,012)	(2,113)
Taxes refunded	247	-	247	-
Net cash used in operating activities	(220,918)	(273,570)	(220,922)	(273,572)
<b>Cash flows from investing activities</b>				
Purchase of property and equipment	(2,626)	(9,430)	(2,626)	(9,430)
Purchase of securities held-for-trading	(10,117)	(40,053)	(10,117)	(40,053)
Purchase of securities available-for-sale	(140,434)	(1,239,215)	(140,434)	(1,239,215)
Proceeds from sale of securities held-for-trading	10,120	90,093	10,120	90,093
Proceeds from sale of securities available-for-sale	-	69,720	-	69,720
Proceeds from maturity of securities available-for-sale	410,000	1,140,000	410,000	1,140,000
Proceeds from maturity of securities held-to-maturity	-	3	-	3
Net cash generated from investing activities	266,943	11,118	266,943	11,118

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**Interim condensed statements of cash flows**  
**For the financial period ended 31 March 2016 (cont'd.)**

	<b>Group</b>		<b>Bank</b>	
	<b>1.1.2016</b> <b>to</b> <b>31.3.2016</b> <b>RM'000</b>	<b>1.1.2015</b> <b>to</b> <b>31.3.2015</b> <b>RM'000</b>	<b>1.1.2016</b> <b>to</b> <b>31.3.2016</b> <b>RM'000</b>	<b>1.1.2015</b> <b>to</b> <b>31.3.2015</b> <b>RM'000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	46,025	(262,452)	46,021	(262,454)
<b>Cash and cash equivalents at beginning of financial period</b>	135,976	738,076	135,888	737,994
<b>Cash and cash equivalents at end of financial period</b>	<u>182,001</u>	<u>475,624</u>	<u>181,909</u>	<u>475,540</u>
Cash and cash equivalents comprise:				
Cash and short-term funds	182,001	455,624	181,909	455,540
Deposits and placements with banks with original maturity of less than 3 months	-	20,000	-	20,000
	<u>182,001</u>	<u>475,624</u>	<u>181,909</u>	<u>475,540</u>

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and accompanying explanatory notes attached to these interim condensed financial statements.*

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**Notes to the interim condensed financial statements - 31 March 2016**

**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 the provision of nominee 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 of the financial statements**

**2.1 Basis of preparation**

The interim condensed financial statements have been prepared under the historical cost convention except for the following assets which are stated at fair value: 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") and IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board ("IASB").

The interim condensed financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2015. These explanatory notes attached to the interim condensed financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the financial year ended 31 December 2015.

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**2. Basis of preparation of the financial statements (cont'd.)**

**2.2 New standards and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2015, except for the adoption of new standards and amendments effective as of 1 January 2016 as follows:

- MFRS 10 *Consolidated Financial Statements* - Investment Entities:  
Applying the Consolidation Exception (Amendments to MFRS 10)
- MFRS 11 *Joint Arrangements* - Accounting for Acquisitions of Interests in  
*Joint Operations* (Amendments to MFRS 11)
- MFRS 12 *Disclosure of Interests in Other Entities* - Investment Entities:  
Applying the Consolidation Exception (Amendments to MFRS 12)
- MFRS 14 *Regulatory Deferral Accounts*
- MFRS 101 *Presentation of Financial Statements* - Disclosure Initiative  
(Amendments to MFRS 101)
- MFRS 116 *Property, Plant and Equipment* - Clarification of Acceptable Methods  
of Depreciation and Amortisation (Amendments to MFRS 116)
- MFRS 116 *Property, Plant and Equipment* - Agriculture: Bearer Plants  
(Amendments to MFRS 116)
- MFRS 127 *Separate Financial Statements* - Equity Method in Separate  
*Financial Statements* (Amendments to MFRS 127)
- MFRS 128 *Investments in Associates and Joint Ventures* - Investment Entities:  
Applying the Consolidation Exception (Amendments to MFRS 128)
- MFRS 138 *Intangible Assets* - Clarification of Acceptable Methods  
of Depreciation and Amortisation (Amendments to MFRS 138)
- MFRS 141 *Agriculture* - Agriculture: Bearer Plants (Amendments to MFRS 141)
- Annual Improvements to MFRSs 2012 - 2014 Cycle

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

**2.3 Standards issued but not yet effective**

As at the date of authorisation of these interim condensed financial statements, the following standards and amendments have been issued by the Malaysian Accounting Standards Board ("MASB") with the following effective dates but have not been adopted by the Group and the Bank.

**Effective for annual period beginning on or after 1 January 2018**

MFRS 9: *Financial Instruments*

MFRS 15: *Revenue from Contracts with Customers*

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**2. Basis of preparation of the financial statements (cont'd.)**

**2.3 Standards issued but not yet effective (contd.)**

**Effective for annual period beginning on or after 1 January 2019**

MFRS 16: *Leases*

**Effective date deferred**

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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 other than MFRS 9, MFRS 15 and MFRS 16.

The Bank is in the midst of analysing the requirements of the these standards and their impact.

**MFRS 9: Financial Instruments**

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

**MFRS 15: Revenue from Contracts with Customers**

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFR 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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**2. Basis of preparation of the financial statements (cont'd.)**

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

**MFRS 15: Revenue from Contracts with Customers (cont'd.)**

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have a material impact on the amounts reported and disclosures made in the Group’s and the Company’s financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

**MFRS 16: Leases**

MFRS 16 requires lessees to recognise most leases on their balance sheets as lease liabilities with corresponding right-of-use assets. Lessees must apply a single model for all recognised leases, but will have the option not to recognise ‘short-term’ leases and leases of ‘low-value’ assets. Generally, the profit or loss recognition pattern for recognised leases will be similar to MFRS 117’s finance lease accounting, with interest and depreciation expense recognised separately in profit or loss.

**2.4 Significant accounting judgements and estimates**

The preparation of the financial statements in accordance with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Judgements, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group’s and the Bank’s account policies, managements have made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements.

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**2. Basis of preparation of the financial statements (cont'd.)**

**2.4 Significant accounting judgements and estimates (cont'd.)**

**(a) Allowance for impairment on loans and advances**

The Group and the Bank review their significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the income statement. In particular, management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumption about a number of factors and actual results may differ, resulting in future changes to the allowance.

Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether allowance should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The collective assessment takes account of data from the loan portfolio (such as levels of arrears, credit utilisation, loan to collateral ratios, etc.) and judgements on cover model risks (e.g., errors for design/development process, data quality, data extraction and transformation) and macro risks (e.g., covering economic, portfolio and procedural issues).

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

**(b) Deferred tax assets and income taxes**

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

The Group and the Bank are subjected to income taxes in Malaysia and significant judgement is required in estimating the provision for income taxes. There are many transactions and interpretations of tax law for which the final outcome will not be established until some time later. Liabilities for taxation are recognised based on estimates of whether additional taxes will be payable. The estimation process may involve seeking advice of experts, where appropriates. Where the final liability for taxation assessed by the Inland Revenue Board is different from the amounts that were initially recorded, these differences will affect the income tax expense and deferred tax provisions in the period in which the estimate is revised or when the final tax liability is established.

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**3. Auditors' report on preceding annual financial statements**

The auditors' report on the audited annual financial statements for the year ended 31 December 2015 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 three months ended 31 March 2016.

**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 three months ended 31 March 2016.

**7. Debt and equity securities**

There were no issuances, repurchases and repayments of debt and equity securities during the three months ended 31 March 2016.

**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.



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**10. Dividends paid**

No dividend was declared or paid during the three months ended 31 March 2016.

**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**

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
In Malaysia:		
<b>At fair value</b>		
Money market instruments:		
Malaysian Government Securities	282,324	282,350
Cagamas Bonds	50,003	49,990
Government Investment Issues	402,403	360,692
Malaysia Treasury Bills	-	59,755
Negotiable Instruments of Deposit	50,000	300,000
Unquoted securities:		
Private debt securities	140,044	139,914
	<u>924,774</u>	<u>1,192,701</u>
<b>At cost</b>		
Unquoted securities:		
Shares	872	872
	<u>925,646</u>	<u>1,193,573</u>

**13. Securities held-to-maturity**

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
In Malaysia:		
<b>At amortised cost</b>		
Unquoted securities:		
Private debt securities	13	13
	<u>13</u>	<u>13</u>

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**14. Loans, advances and financing**

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
Overdrafts	181,673	176,088
Term loans		
- Housing loans	3,739	3,932
- Syndicated term loans	116,539	124,453
- Other term loans	1,117,281	1,085,931
Revolving credits	561,221	541,850
Bills receivables	7,390	7,412
Trust receipts	109,542	92,451
Bankers' acceptances	797,117	826,370
Staff loans	1,023	1,064
	<u>2,895,525</u>	<u>2,859,551</u>
Unearned interest	(5,621)	(6,512)
Gross loans, advances and financing	<u>2,889,904</u>	<u>2,853,039</u>
Less: Allowance for impaired loans, advances and financing		
- Individual impairment allowance	(89,840)	(90,525)
- Collective impairment allowance	(68,082)	(69,134)
Net loans, advances and financing	<u>2,731,982</u>	<u>2,693,380</u>

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

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturing within one year	1,781,872	1,766,364
One year to three years	189,033	145,911
Three years to five years	471,553	493,247
Over five years	447,446	447,517
	<u>2,889,904</u>	<u>2,853,039</u>

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

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

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of transport vehicles	310	330
Purchase of residential properties	5,525	4,904
Purchase of non-residential properties	65,424	69,771
Purchase of fixed assets other than land and building	44,528	43,202
Personal use	14,668	16,011
Construction	278,182	285,492
Mergers and acquisitions	44,399	50,517
Working capital	2,171,632	2,151,690
Others	265,236	231,122
	<u>2,889,904</u>	<u>2,853,039</u>

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

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic non-bank financial institutions	275,833	265,549
Domestic business enterprises		
- Small medium enterprises	629,087	629,525
- Others	1,944,464	1,914,246
Individuals	40,520	43,719
	<u>2,889,904</u>	<u>2,853,039</u>

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

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Variable rate		
- Based lending rate plus	478,874	516,483
- Cost plus	2,350,721	2,294,451
- Other variable rates	60,309	42,105
	<u>2,889,904</u>	<u>2,853,039</u>

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

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

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

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January	152,520	116,032
Classified as impaired during the period/year	1,111	46,709
Reclassified as non-impaired during the period/year	(28)	(864)
Amount recovered	(1,278)	(4,270)
Amount written off	(135)	(5,087)
Balance as at end of period/year	<u>152,190</u>	<u>152,520</u>
Individual impairment allowance	<u>(89,840)</u>	<u>(90,525)</u>
Net impaired loans, advances and financing	<u>62,350</u>	<u>61,995</u>
Ratio of net impaired loans, advances and financing to gross loans, advances and financing less individual impairment allowance	<u>2.23%</u>	<u>2.24%</u>

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

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Individual impairment allowance</b>		
Balance as at 1 January	90,525	66,739
Allowance made during the period/year (Note 22)	999	29,617
Amount written back (Note 22)	(1,535)	(744)
Amount written off	(149)	(5,087)
Balance as at end of period/year	<u>89,840</u>	<u>90,525</u>
<b>Collective impairment allowance</b>		
Balance as at 1 January	69,134	65,205
(Write back)/Allowance made during the period/year (Note 22)	<u>(1,052)</u>	<u>3,929</u>
Balance as at end of period/year	<u>68,082</u>	<u>69,134</u>
Collective impairment allowance as % of gross loans, advances and financing less individual impairment allowance	<u>2.43%</u>	<u>2.50%</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; or if the loan is rescheduled or restructured. 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; 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:

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of residential properties	1,443	1,602
Working capital	10,628	9,831
Construction	139,553	140,752
Others	566	335
	<u>152,190</u>	<u>152,520</u>

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

**15. Other assets**

	<b>Group</b>		<b>Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other receivables, deposits and prepayments	11,945	11,569	11,944	11,568
Tax recoverable	11,300	11,135	11,300	11,135
	<u>23,245</u>	<u>22,704</u>	<u>23,244</u>	<u>22,703</u>

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**16. Property and equipment**

During the three-month period ended 31 March 2016, the Group and the Bank acquired assets with a cost of RM2,626,000 (31.12.2015: RM1,776,000).

**17. Deposits from customers**

(i) By type of deposit

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	2,329,299	2,083,169
Negotiable instruments of deposits	250,000	400,000
Current accounts	203,750	240,441
Savings deposits	11,442	11,533
Short-term deposits	131,357	394,783
	<u>2,925,848</u>	<u>3,129,926</u>

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

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	2,569,924	2,715,588
Six months to one year	136,708	157,983
One year to three years	959	1,119
Over three years	3,065	3,262
	<u>2,710,656</u>	<u>2,877,952</u>

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

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic financial institutions	296,785	444,109
Government	100,000	-
Business enterprises	2,167,899	2,297,918
Individuals	361,164	387,899
	<u>2,925,848</u>	<u>3,129,926</u>

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**18. Deposits and placements of banks and other financial institutions**

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Unsecured</b>		
Licensed banks	<u>362,803</u>	<u>340,327</u>

Included in deposit and placement are deposits and placements from the holding company and its branches amounting to RM357,803,000 (2015: RM327,448,000) as disclosed in Note 28.

The maturity structure of deposits and placements of banks and other financial institutions:

	<b>Group and Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	<u>362,803</u>	<u>340,327</u>

**19. Other liabilities**

	<b>Group</b>		<b>Bank</b>	
	<b>31.3.2016</b>	<b>31.12.2015</b>	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Accruals	3,556	2,486	3,556	2,486
Interest payables	14,765	16,144	14,765	16,144
Other payables	22,266	23,407	22,263	23,404
	<u>40,587</u>	<u>42,037</u>	<u>40,584</u>	<u>42,034</u>

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**20. Interest income**

	<b>Group and Bank Current and Cumulative Quarter 3 months ended</b>	
	<b>1.1.2016 to 31.3.2016 RM'000</b>	<b>1.1.2015 to 31.3.2015 RM'000</b>
Loans, advances and financing		
- Interest income other than recoveries from impaired loans	34,809	35,062
- Interest income from impaired loans	999	1,082
Deposits and placements with banks and other financial institutions	641	4,917
Securities held-for-trading	1	-
Securities available-for-sale	8,866	6,104
	<u>45,316</u>	<u>47,165</u>
Amortisation of premium, net of accretion of discount		
- Securities held-for-trading	-	32
- Securities available-for-sale	(14)	2,357
	<u>45,302</u>	<u>49,554</u>

**21. Interest expense**

	<b>Group and Bank Current and Cumulative Quarter 3 months ended</b>	
	<b>1.1.2016 to 31.3.2016 RM'000</b>	<b>1.1.2015 to 31.3.2015 RM'000</b>
Deposits from customers	25,560	25,578
Deposits and placements of banks and other financial institutions	859	4,159
	<u>26,419</u>	<u>29,737</u>

Included in interest expense on deposits and placements of banks and other financial institutions are interest expense on deposits and placements from the holding company and its branches amounting to RM551,000 (31.3.2015: RM493,000) as disclosed in Note 28.



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**22. (Write back)/allowance for impairment losses on loans, advances and financing, net**

	<b>Group and Bank</b>	
	<b>Current and</b>	
	<b>Cumulative Quarter</b>	
	<b>3 months ended</b>	
	<b>1.1.2016</b>	<b>1.1.2015</b>
	<b>to</b>	<b>to</b>
	<b>31.3.2016</b>	<b>31.3.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Allowance for/(write-back of) impaired loans, advances and financing:		
Individual impairment:		
- made during the financial period (Note 14(vii))	999	7,072
- written back (Note 14(vii))	(1,535)	(122)
Collective impairment, net (Note 14(vii))	(1,052)	4,327
Impaired loans, advances and financing recovered	(22)	(9)
	<u>(1,610)</u>	<u>11,268</u>

**23. Non-interest income**

	<b>Group</b>		<b>Bank</b>	
	<b>Current and Cumulative</b>		<b>Current and Cumulative</b>	
	<b>Quarter</b>		<b>Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>1.1.2016</b>	<b>1.1.2015</b>	<b>1.1.2016</b>	<b>1.1.2015</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>31.3.2016</b>	<b>31.3.2015</b>	<b>31.3.2016</b>	<b>31.3.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fee income:				
Commission	973	979	968	976
Service charges and fees	706	612	706	612
Guarantee fees	461	417	461	417
	<u>2,140</u>	<u>2,008</u>	<u>2,135</u>	<u>2,005</u>

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**23. Non-interest income (cont'd.)**

	<b>Group</b>		<b>Bank</b>	
	<b>Current and Cumulative</b>		<b>Current and Cumulative</b>	
	<b>Quarter</b>		<b>Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
<b>1.1.2016</b>	<b>1.1.2015</b>	<b>1.1.2016</b>	<b>1.1.2015</b>	
<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>	
<b>31.3.2016</b>	<b>31.3.2015</b>	<b>31.3.2016</b>	<b>31.3.2015</b>	
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Investment income:				
Net gain on sale of:				
- Securities held-for-trading	2	40	2	40
- Securities available-for-sale	-	214	-	214
Net loss on revaluation of securities held-for-trading	-	(2)	-	(2)
Write-back of impairment losses of securities held-to-maturity	-	3	-	3
Gross dividend from securities available-for-sale	-	-	-	-
	<u>2</u>	<u>255</u>	<u>2</u>	<u>255</u>
Foreign exchange (loss)/gain	(5,476)	14,281	(5,476)	14,281
Unrealised gain/(loss) on foreign exchange forward contracts	6,564	(13,504)	6,564	(13,504)
Rental income	88	84	88	84
Others	4	8	4	8
	<u>1,180</u>	<u>869</u>	<u>1,180</u>	<u>869</u>
	<u>3,322</u>	<u>3,132</u>	<u>3,317</u>	<u>3,129</u>

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**24. Overhead expenses**

	<b>Group and Bank</b>	
	<b>Current and Cumulative</b>	
	<b>Quarter</b>	
	<b>3 months ended</b>	
	<b>1.1.2016</b>	<b>1.1.2015</b>
	<b>to</b>	<b>to</b>
	<b>31.3.2016</b>	<b>31.3.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Personnel costs		
Salaries, allowances and bonuses	5,830	5,293
Defined Contribution Plan		
- Employees Provident Fund	787	809
Others	461	734
	<u>7,078</u>	<u>6,836</u>
Establishment costs		
Depreciation of property and equipment	1,141	567
Amortisation of intangible assets	114	121
Repair and maintenance	545	175
Computerisation costs	229	230
Rental expenses	222	215
Others	424	411
	<u>2,675</u>	<u>1,719</u>
Marketing costs		
Advertising and publicity	73	101
Others	9	12
	<u>82</u>	<u>113</u>
Administration and general costs		
Communication expenses	278	287
Subscriptions	309	256
Auditors remunerations	115	103
Non-executive directors' remuneration	369	176
Professional fees	77	178
Insurance	8	63
Travelling	79	101
Others	221	306
	<u>1,456</u>	<u>1,470</u>
<b>Total</b>	<b><u>11,291</u></b>	<b><u>10,138</u></b>

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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 have entered into derivative contracts but are only restricted to forward foreign exchange contracts.

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

<b>Group and Bank</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Amount RM'000</b>
<b>31 March 2016</b>				
<b>Contingent liabilities</b>				
Direct credit substitutes	5,592	-	5,592	4,918
Transaction-related contingent items	179,490	-	89,745	84,530
Short-term self-liquidating trade-related contingencies	22,190	-	4,438	4,438
<b>Derivative financial instruments</b>				
Forward foreign exchange contracts				
- less than one year	422,977	11,402	15,882	13,956
<b>Commitments</b>				
Credit extension commitments with an original				
- maturity of more than one year	51,128	-	25,564	25,564
- maturity of less than one year	1,915,971	-	383,194	382,102
Any commitment that are unconditionally cancelled at any time without prior notice	50,815	-	-	-
<b>Total</b>	<b>2,648,163</b>	<b>11,402</b>	<b>524,415</b>	<b>515,508</b>

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**25. Commitments and contingencies (cont'd.)**

<b>Group and Bank</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Amount RM'000</b>
<b>31 December 2015</b>				
<b>Contingent liabilities</b>				
Direct credit substitutes	5,969	-	5,969	5,287
Transaction-related contingent items	191,951	-	95,975	90,436
Short-term self-liquidating trade-related contingencies	24,821	-	4,964	4,964
<b>Derivative financial instruments</b>				
Forward foreign exchange contracts				
- less than one year	417,807	6,971	12,066	9,461
<b>Commitments</b>				
Credit extension commitments with an original				
- maturity of more than one year	69,859	-	34,930	34,926
- maturity of less than one year	1,946,535	-	389,307	389,276
Any commitment that are unconditionally cancelled at any time without prior notice	97,262	-	-	-
<b>Total</b>	<b>2,754,204</b>	<b>6,971</b>	<b>543,211</b>	<b>534,350</b>

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).

As at the reporting date, the commitments and contingencies of the Group and of the Bank above have not included potential fines on non-compliance to regulatory and legislative requirements whereby the amount cannot be reliably determined at the reporting date.

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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:

<b>Group and Bank</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 March 2016</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM '000</b>
<b>Securities available</b>				
<b>-for-sale</b>				
Money market instruments:				
Malaysian Government				
Securities	-	282,324	-	282,324
Cagamas Bonds	-	50,003	-	50,003
Government Investment Issue		402,403	-	402,403
Negotiable Instruments of				
Deposit	-	50,000	-	50,000
Unquoted securities in Malaysia:				
Private debt securities	-	140,044	-	140,044
	-	924,774	-	924,774
<b>Derivative financial instruments</b>				
Derivative assets	-	11,402	-	11,402
Derivative liabilities	-	(6,011)	-	(6,011)
	-	5,391	-	5,391

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## 26. Fair value hierarchy (cont'd.)

Group and Bank 31 December 2015	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM '000
<b>Securities available-for-sale</b>				
Money market instruments:				
Malaysian Government				
Securities	-	282,350	-	282,350
Cagamas Bonds	-	49,990	-	49,990
Government Investment Issue		360,692	-	360,692
Malaysia Treasury Bills	-	59,755	-	59,755
Negotiable Instruments of Deposit	-	300,000	-	300,000
Unquoted securities in Malaysia:				
Private debt securities	-	139,914	-	139,914
	<u>-</u>	<u>1,192,701</u>	<u>-</u>	<u>1,192,701</u>
<b>Derivative financial instruments</b>				
Derivative assets	-	6,971	-	6,971
Derivative liabilities	-	(8,144)	-	(8,144)
	<u>-</u>	<u>(1,173)</u>	<u>-</u>	<u>(1,173)</u>

**Valuation methods and assumptions**

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- (i) Securities available-for-sale

The fair value of the securities available-for-sale is estimated based on broker/dealer price quotations.

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**26. Fair value hierarchy (cont'd.)**

**Valuation methods and assumptions (cont'd.)**

(ii) Derivative financial instruments

The fair value of derivative financial instruments is estimated using valuation techniques with significant market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations.

The models incorporate various inputs including the credit quality of counterparties, foreign exchange and forward rates and interest rate curves.

**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).

The implementation of Basel III in Malaysia has commenced 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 are 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.

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

	<b>31.3.2016</b>	<b>31.12.2015</b>
Common equity tier-1 capital ratio	21.33%	21.10%
Total capital ratio	<u>22.52%</u>	<u>22.29%</u>



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**27. Capital adequacy (cont'd.)**

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

	<b>31.3.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Common Equity Tier-1 Capital</b>		
Paid-up share capital	600,000	600,000
Statutory reserve	153,441	153,441
Unrealised gains on available-for-sale financial instruments	840	271
Retained profits	39,750	28,897
Less: Deferred tax assets (excluding those from revaluation reserve)	(5,612)	(5,678)
<b>Total Common Equity Tier-1 Capital</b>	<b><u>788,419</u></b>	<b><u>776,931</u></b>
<b>Tier-2 Capital</b>		
Collective impairment (only those attributable to non-impaired loans, advances and financing)	44,130	44,068
<b>Total Tier-2 Capital</b>	<b><u>44,130</u></b>	<b><u>44,068</u></b>
<b>Total capital</b>		
Tier-1 Capital	788,419	776,931
Tier-2 Capital	44,130	44,068
Less: Investment in subsidiary	(10)	(10)
<b>Total Capital</b>	<b><u>832,539</u></b>	<b><u>820,989</u></b>

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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:

	<b>Principal 31.3.2016 RM'000</b>	<b>Risk- weighted assets 31.3.2016 RM'000</b>	<b>Principal 31.12.2015 RM'000</b>	<b>Risk- weighted assets 31.12.2015 RM'000</b>
0%	813,631	-	839,324	-
20%	381,066	76,213	578,964	115,793
35%	2,363	827	2,409	843
50%	72,892	36,446	66,069	33,034
100%	3,371,314	3,371,314	3,329,070	3,329,070
150%	30,379	<u>45,569</u>	31,114	<u>46,671</u>
Total risk-weighted assets for credit risk		3,530,369		3,525,411
Total risk-weighted assets for market risk		16,155		10,578
Total risk-weighted assets for operational risk		<u>150,034</u>		<u>146,762</u>
Total risk-weighted assets		<u><u>3,696,558</u></u>		<u><u>3,682,751</u></u>

**28. Significant related party disclosures**

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

	<b>Current and Cumulative Quarter 3 months ended</b>	
	<b>1.1.2016 to 31.3.2016 RM'000</b>	<b>1.1.2015 to 31.3.2015 RM'000</b>
<b>Income</b>		
Interest on cash and short-term funds with the holding company and its branches	<u>9</u>	<u>-</u>

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**28. Significant related party disclosures (cont'd.)**

	<b>Current and Cumulative Quarter 3 months ended</b>	
	<b>1.1.2016 to 31.3.2016 RM'000</b>	<b>1.1.2015 to 31.3.2015 RM'000</b>
<b>Expenditure</b>		
Interest on deposit and placement from the holding company and its branches	<u>551</u>	<u>493</u>
	<b>Group and Bank</b>	
	<b>31.3.2016 RM'000</b>	<b>31.12.2015 RM'000</b>
<b>Amount due to</b>		
Deposits and placements from the holding company and its branches	<u>357,803</u>	<u>327,448</u>
<b>Amount due from</b>		
Cash and short-term funds placed with the holding company and its branches	<u>10,958</u>	<u>6,054</u>

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.

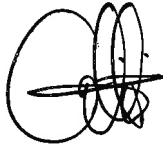
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**Statement by directors**

We, Chris Chia Woon Liat and Lee Khee Joo @ Lee Ying Chong , 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 33 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 31 March 2016 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.



Chris Chia Woon Liat



Lee Khee Joo @ Lee Ying Chong

Kuala Lumpur, Malaysia

**17 MAY 2016**