



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

Statement by Directors and Unaudited Interim Condensed
Financial Statements
31 March 2017

299740 W

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

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**Bangkok Bank Berhad
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Performance review for the three months ended 31 March 2017 and commentary on the prospects

Bangkok Bank Berhad (“BBB”) registered a profit before tax of RM10.8 million for the first quarter of 2017 as compared to a higher profit of RM12.5 million recorded during the previous corresponding quarter. The higher personnel costs has been the reason to the lower profit before tax. However, net interest income improved from RM18.9 million in the previous corresponding quarter to RM20.2 million in the first quarter of 2017 as interest income from interbank lending expanded.

Gross loans outstanding stood at RM2.88 billion in the first quarter 2017 comparable to end of December 2016 as demand for loans in the market is soft.

Deposits from customers grew marginally from RM1.86 billion as at December 2016 to RM1.98 billion as at 31 March 2017. This is the result of the Bank's efforts on heightening focus on generating customer deposits to maintain 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
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Interim condensed statements of financial position as at 31 March 2017

	Note	Group		Bank	
		31.3.2017 RM'000	31.12.2016 RM'000	31.3.2017 RM'000	31.12.2016 RM'000
Assets					
Cash and short-term funds		931,616	283,533	931,516	283,434
Deposits and placements					
with banks		13,390	153,931	13,390	153,931
Securities held for trading	12	-	10,240	-	10,240
Securities available-for-sale	13	870,618	820,028	870,618	820,028
Securities held-to-maturity	14	13	13	13	13
Loans, advances and financing	15	2,730,479	2,725,493	2,730,479	2,725,493
Derivative assets		974	1,552	974	1,552
Tax recoverable		8,844	8,973	8,844	8,972
Other assets	16	3,642	2,858	3,640	2,858
Statutory deposit with Bank Negara Malaysia		75,000	88,000	75,000	88,000
Investment in subsidiary		-	-	10	10
Property and equipment	17	144,089	141,513	144,089	141,513
Intangible assets		43	61	43	61
Deferred tax assets		1,578	2,130	1,578	2,130
Total assets		4,780,286	4,238,325	4,780,194	4,238,235
Liabilities and shareholder's equity					
Deposits from customers	18	1,981,152	1,856,627	1,981,152	1,856,627
Deposits and placements of banks and other financial institutions	19	1,565,400	1,552,943	1,565,400	1,552,943
Derivative liabilities		965	3,598	965	3,598
Other liabilities	20	11,444	13,068	11,440	13,065
Total liabilities		3,558,961	3,426,236	3,558,957	3,426,233
Share capital		1,000,000	600,000	1,000,000	600,000
Statutory reserve		169,039	169,039	169,039	169,039
Revaluation reserve		(738)	(1,532)	(738)	(1,532)
Retained profits		53,024	44,582	52,936	44,495
Shareholder's equity		1,221,325	812,089	1,221,237	812,002
Total liabilities and shareholder's equity		4,780,286	4,238,325	4,780,194	4,238,235
Commitments and contingencies	26	2,107,715	2,226,929	2,107,715	2,226,929

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 2017

	Note	Group		Bank	
		Current and Cumulative Quarter 3 months ended		Current and Cumulative Quarter 3 months ended	
		1.1.2017 to 31.3.2017 RM'000	1.1.2016 to 31.3.2016 RM'000	1.1.2017 to 31.3.2017 RM'000	1.1.2016 to 31.3.2016 RM'000
Interest income	21	46,609	45,302	46,609	45,302
Interest expense	22	(26,419)	(26,419)	(26,419)	(26,419)
Net interest income		20,190	18,883	20,190	18,883
Non-interest income	24	3,042	3,322	3,040	3,317
Net income		23,232	22,205	23,230	22,200
Overhead expenses	25	(14,843)	(11,291)	(14,843)	(11,291)
		8,389	10,914	8,387	10,909
Write back for losses on advances and financing, net	23	2,424	1,610	2,424	1,610
Profit before taxation		10,813	12,524	10,811	12,519
Taxation		(2,371)	(1,667)	(2,370)	(1,666)
Net profit for the period		8,442	10,857	8,441	10,853
Earnings per share (sen)					
- basic		0.84	1.81		
- diluted		0.84	1.81		

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 2017

	Group		Bank	
	Current and Cumulative Quarter		Current and Cumulative Quarter	
	3 months ended		3 months ended	
	1.1.2017	1.1.2016	1.1.2017	1.1.2016
	to	to	to	to
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	<u>8,442</u>	<u>10,857</u>	<u>8,441</u>	<u>10,853</u>
Other comprehensive income				
<i>Items that may be reclassified to profit or loss subsequently:</i>				
Net gain on securities available-for-sale	1,045	1,653	1,045	1,653
Income tax relating to components of other comprehensive income	<u>(251)</u>	<u>(389)</u>	<u>(251)</u>	<u>(389)</u>
Other comprehensive income for the period, net of tax	<u>794</u>	<u>1,264</u>	<u>794</u>	<u>1,264</u>
Total comprehensive income for the period, net of tax	<u>9,236</u>	<u>12,121</u>	<u>9,235</u>	<u>12,117</u>

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and accompanying explanatory notes attached to these interim condensed financial statements.

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Interim condensed statements of changes in equity
For the three months ended 31 March 2017

Group	Share capital RM'000	<---Non-distributable--->		Distributable	Total RM'000
		Statutory reserve RM'000	Revaluation reserve RM'000	Retained profits RM'000	
At 1 January 2016	600,000	153,451	602	28,963	783,016
Total comprehensive income	-	-	1,264	10,857	12,121
At 31 March 2016	600,000	153,451	1,866	39,820	795,137
At 1 January 2017	600,000	169,039	(1,532)	44,582	812,089
Total comprehensive income	-	-	794	8,442	9,236
Issue of shares	400,000	-	-	-	400,000
At 31 March 2017	1,000,000	169,039	(738)	53,024	1,221,325

Bank	Share capital RM'000	<---Non-distributable--->		Distributable	Total RM'000
		Statutory reserve RM'000	Revaluation reserve RM'000	Retained profits RM'000	
At 1 January 2016	600,000	153,441	602	28,897	782,940
Total comprehensive income	-	-	1,264	10,853	12,117
At 31 March 2016	600,000	153,441	1,866	39,750	795,057
At 1 January 2017	600,000	169,039	(1,532)	44,495	812,002
Total comprehensive income	-	-	794	8,441	9,235
Issue of shares	400,000	-	-	-	400,000
At 31 March 2017	1,000,000	169,039	(738)	52,936	1,221,237

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and accompanying explanatory notes attached to these interim condensed financial statements.

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Interim condensed statements of cash flows
For the three months ended 31 March 2017

	Note	Group		Bank	
		1.1.2017 to 31.3.2017 RM'000	1.1.2016 to 31.3.2016 RM'000	1.1.2017 to 31.3.2017 RM'000	1.1.2016 to 31.3.2016 RM'000
Cash flows from operating activities					
Profit before taxation		10,813	12,524	10,811	12,519
Adjustments for:					
Depreciation of property and equipment	25	1,428	1,141	1,428	1,141
Amortisation of intangible assets	25	18	114	18	114
Write back for impairment losses on loans, advances and financing, net	23	(2,421)	(1,588)	(2,421)	(1,588)
Unrealised gain on foreign exchange forward contracts	24	(2,055)	(6,564)	(2,055)	(6,564)
Net loss on revaluation of securities held for trading	24	132	-	132	-
Net gain on sale of securities held-for-trading (Accretion of discount), net of amortisation of premium	21	(396)	14	(396)	14
Operating profit before working capital changes		7,365	5,639	7,363	5,634
Increase in loans, advances and financing		(2,565)	(37,014)	(2,565)	(37,014)
Increase in other assets		(781)	(560)	(781)	(560)
Decrease in statutory deposit with Bank Negara Malaysia		13,000	20,000	13,000	20,000
Increase/(decrease) in deposits from customer		124,525	(522,432)	124,525	(522,432)
(Decrease)/increase in deposits and placements of banks and other financial institutions		(934)	355,595	(934)	355,595
Decrease in other liabilities		(1,625)	(16,215)	(1,625)	(16,215)
Net cash generated from/(used in) operations		138,985	(194,987)	138,983	(194,992)

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 2017

	Group		Bank	
	1.1.2017 to 31.3.2017 RM'000	1.1.2016 to 31.3.2016 RM'000	1.1.2017 to 31.3.2017 RM'000	1.1.2016 to 31.3.2016 RM'000
Cash flows from operating activities (cont'd.)				
Balance carried forward	138,985	(194,987)	138,983	(194,992)
Purchase of securities held-for-trading	(39,545)	(10,117)	(39,545)	(10,117)
Purchase of securities available-for-sale	(249,148)	(140,190)	(249,148)	(140,190)
Proceeds from sale of securities held-for-trading	49,806	10,120	49,806	10,120
Proceeds from sale of securities available-for-sale	150,000	-	150,000	-
Proceeds from maturity of securities available-for-sale	50,000	410,000	50,000	410,000
Taxes paid	(1,943)	(2,013)	(1,942)	(2,012)
Taxes refunded	-	247	-	247
Net cash used in operating activities	98,155	73,060	98,154	73,056
Cash flows from investing activities				
Purchase of property and equipment	(4,004)	(2,626)	(4,004)	(2,626)
Proceeds from issuance of shares	400,000	-	400,000	-
Net cash generated from investing activities	395,996	(2,626)	395,996	(2,626)
Net increase cash and cash equivalents	494,151	70,434	494,150	70,430
Cash and cash equivalents at beginning of financial period	437,464	135,976	437,365	135,888
Cash and cash equivalents at end of financial period	931,615	206,410	931,515	206,318
Cash and cash equivalents comprise:				
Cash and short-term funds	881,494	182,001	881,394	181,909
Deposits and placements with banks with original maturity of less than 3 months	50,121	24,409	50,121	24,409
	931,615	206,410	931,515	206,318

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and accompanying explanatory notes attached to these interim condensed financial statements.

**Bangkok Bank Berhad
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Notes to the interim condensed financial statements - 31 March 2017

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 1-45-01, Menara Bangkok Bank, Laman Sentral Berjaya, 105 Jalan Ampang, 50450 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 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") 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 2016. 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 2016.

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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 2016, except for the adoption of new standards and amendments effective as of 1 January 2016 as follows:

Descriptions	Effective for annual periods beginning on or after
MFRS 107 Disclosures Initiatives	1 January 2017
MFRS 112 Recognition of Deferred Tax for Unrealised Losses (Amendments to MFRS 107)	1 January 2017

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.

Descriptions	Effective for annual periods beginning on or after
MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

2.3 Standards issued but not yet effective (contd.)

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 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.

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

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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 15(vii).

(b) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(c) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

(c) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

3. Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the year ended 31 December 2016 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 2017.

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 2017.

7. Debt and equity securities

On 13 January 2017, the authorised share capital of the Bank increased to RM1,000,000,000 from RM600,000,000 through the creation of 400,000,000 authorised ordinary shares of RM1.00 each. The issued and paid-up share capital also increased to RM1,000,000,000 from RM600,000,000 with the issuance of 400,000,000 new ordinary shares of RM1.00 each at par for cash for working capital purposes.

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8. Subsequent events

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

9. Changes in composition of the Group

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

10. Dividends paid

No dividend was declared or paid by the Group and the Bank during the three months ended 31 March 2017.

11. Segmental information

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

12. Securities held for trading

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
In Malaysia:		
At fair value		
Money market instrument:		
Malaysian Government Securities	-	10,240
	<u> </u>	<u> </u>

13. Securities available-for-sale

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
In Malaysia:		
At fair value		
Money market instruments:		
Malaysian Government Securities	323,239	323,090
Government Investment Issues	281,628	281,498
Bank Negara Monetary Notes	78,881	-
Malaysia Treasury Bills	-	78,215
Negotiable Instruments of Deposit	-	50,304
Unquoted securities:		
Corporate bonds	185,998	86,049
	<u>869,746</u>	<u>819,156</u>
At cost		
Unquoted securities:		
Shares	872	872
	<u>870,618</u>	<u>820,028</u>

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14. Securities held-to-maturity

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
In Malaysia:		
At amortised cost		
Unquoted securities:		
Corporate bonds	603	603
Accumulated impairment losses	(590)	(590)
	<u>13</u>	<u>13</u>

15. Loans, advances and financing

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
At amortised cost		
Overdrafts	143,317	158,334
Term loans:		
- Housing loans	3,179	3,326
- Syndicated term loan	110,790	116,387
- Other term loans	963,823	1,049,558
Revolving credits	860,378	766,482
Bills receivables	3,516	3,522
Trust receipts	148,211	141,127
Bankers' acceptances	652,153	644,589
Staff loans	695	787
	<u>2,886,062</u>	<u>2,884,112</u>
Unearned interest	(4,656)	(5,271)
Gross loans, advances and financing	<u>2,881,406</u>	<u>2,878,841</u>
Less: Allowance for impaired loans and financing:		
- Individual impairment allowance	(88,393)	(88,812)
- Collective impairment allowance	(62,534)	(64,536)
Net loans, advances and financing	<u>2,730,479</u>	<u>2,725,493</u>

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

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
Within one year	1,935,947	1,833,516
One year to three years	291,832	281,740
Three years to five years	350,325	395,634
Over five years	303,302	367,951
	<u>2,881,406</u>	<u>2,878,841</u>

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

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

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
Purchase of transport vehicles	176	174
Purchase of residential properties	4,180	4,452
Purchase of non-residential properties	94,313	99,552
Purchase of fixed assets other than land and building	42,116	45,756
Personal use	14,333	13,488
Construction	303,835	326,191
Mergers and acquisitions	30,662	36,779
Working capital	2,069,510	2,027,500
Others	322,281	324,949
	<u>2,881,406</u>	<u>2,878,841</u>

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

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
Domestic non-bank financial institutions	360,694	369,070
Domestic business enterprises:		
- Small medium enterprises	564,875	592,013
- Others	1,922,567	1,883,453
Individuals	33,270	34,305
	<u>2,881,406</u>	<u>2,878,841</u>

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

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
Variable rate		
- Base lending rate plus	590,778	495,116
- Cost-plus	2,204,342	2,284,243
- Other variable rates	86,286	99,482
	<u>2,881,406</u>	<u>2,878,841</u>

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

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

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

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
Balance as at 1 January	139,926	152,520
Classified as impaired during the period/year	1,420	37,782
Reclassified as non-impaired during the period/year	-	(18,058)
Amount recovered during the period/year	(15,248)	(28,393)
Amount written off during the period/year	-	(3,925)
Balance as at end of period/year	<u>126,098</u>	<u>139,926</u>
Individual impairment allowance	<u>(88,393)</u>	<u>(88,812)</u>
Net impaired loans, advances and financing	<u>37,705</u>	<u>51,114</u>
Ratio of net impaired loans, advances and financing to gross loans, advances and financing less individual impairment allowance	<u>1.35%</u>	<u>1.83%</u>

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

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
Individual impairment allowance		
Balance as at 1 January	88,812	90,525
Allowance made during the period/year	1,542	8,466
Amount written back	(1,961)	(6,254)
Amount written off	-	(3,925)
Balance as at end of period/year	<u>88,393</u>	<u>88,812</u>
Collective impairment allowance		
Balance as at 1 January	64,536	69,134
Allowance made during the period/year	6,086	15,042
Allowance written back during the period/year	(8,088)	(19,640)
Balance as at end of period/year	<u>62,534</u>	<u>64,536</u>
Collective impairment allowance as % of gross loans, advances and financing less individual impairment allowance	<u>2.24%</u>	<u>2.31%</u>

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

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

The Group and the Bank perform individual impairment assessment based on certain obligatory and judgemental triggers that may indicate potential impairment. All impaired accounts as defined in Note 2.4(a) are selected for individual impairment review on a monthly basis. The Group and the Bank also perform monthly 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 economic purpose are as follows:

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
Purchase of residential properties	1,526	1,542
Working capital	121,091	126,456
Others	3,481	11,928
	<u>126,098</u>	<u>139,926</u>

16. Other assets

	Group		Bank	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Deposits and prepayments	2,578	1,595	2,576	1,595
Other receivables	1,064	1,263	1,064	1,263
	<u>3,642</u>	<u>2,858</u>	<u>3,640</u>	<u>2,858</u>

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17. Property and equipment

During the three-month period ended 31 March 2017, the Group and the Bank acquired assets with a cost of RM4,004,000 (31.12.2016: RM15,008,000).

18. Deposits from customers

(i) By type of deposit

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
Fixed deposits	1,696,825	1,615,423
Current accounts	179,206	187,247
Savings deposits	8,730	9,437
Short term deposits	96,391	44,520
	<u>1,981,152</u>	<u>1,856,627</u>

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

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
Due within six months	1,571,798	1,408,619
Six months to one year	216,714	246,398
One year to three years	2,091	2,129
Over three years	2,613	2,797
	<u>1,793,216</u>	<u>1,659,943</u>

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

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
Business enterprises	1,508,468	1,393,576
Individuals	472,684	463,051
	<u>1,981,152</u>	<u>1,856,627</u>

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19. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
Licensed banks	418,217	541,758
Other financial institutions	1,147,183	1,011,185
	<u>1,565,400</u>	<u>1,552,943</u>

Included in deposits and placements are deposits and placements from the holding company and its branches amounting to RM417,426,000 (31.12.2016: RM395,946,000) as disclosed in Note 29.

20. Other liabilities

	Group		Bank	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Accruals	5,714	7,487	5,714	7,484
Other payables	5,730	5,581	5,726	5,581
	<u>11,444</u>	<u>13,068</u>	<u>11,440</u>	<u>13,065</u>

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21. Interest income

	Group and Bank Current and Cumulative Quarter 3 months ended	
	1.1.2017 to 31.3.2017 RM'000	1.1.2016 to 31.3.2016 RM'000
Loans, advances and financing		
- Interest income other than recoveries from impaired loans	32,947	34,809
- Recoveries from impaired loans	240	-
- Interest income on impaired loans	681	999
Deposits and placements with banks and other financial institutions	5,349	641
Securities held for trading	29	1
Securities available-for-sale	6,967	8,866
	<u>46,213</u>	<u>45,316</u>
Accretion of discount, net of (amortisation of premium)		
- Securities available-for-sale	396	(14)
	<u>46,609</u>	<u>45,302</u>

22. Interest expense

	Group and Bank Current and Cumulative Quarter 3 months ended	
	1.1.2017 to 31.3.2017 RM'000	1.1.2016 to 31.3.2016 RM'000
Deposits from customers	24,981	25,560
Deposits and placements of banks and other financial institutions	1,438	859
	<u>26,419</u>	<u>26,419</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 RM1,269,000 (31.3.2016: RM551,000) as disclosed in Note 28.

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23. Loan loss and allowances, net

	Group and Bank	
	Current and	
	Cumulative Quarter	
	3 months ended	
	1.1.2017	1.1.2016
	to	to
	31.3.2017	31.3.2016
	RM'000	RM'000
Allowance/(write-back) for impaired loans, advances and financing:		
Individual impairment:		
- made during the financial period	1,542	999
- written back	(1,961)	(1,535)
Collective impairment, net		
- made during the financial period	6,086	6,718
- written back	(8,088)	(7,770)
Impaired loans, advances and financing recovered	(3)	(22)
	<u>(2,424)</u>	<u>(1,610)</u>

24. Non-interest income

	Group		Bank	
	Current and Cumulative		Current and Cumulative	
	Quarter		Quarter	
	3 months ended		3 months ended	
	1.1.2017	1.1.2016	1.1.2017	1.1.2016
	to	to	to	to
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commission	923	973	921	968
Service charges and fees	486	706	486	706
Guarantee fees	571	461	571	461
	<u>1,980</u>	<u>2,140</u>	<u>1,978</u>	<u>2,135</u>

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

	Group		Bank	
	Current and Cumulative		Current and Cumulative	
	Quarter		Quarter	
	3 months ended		3 months ended	
	1.1.2017	1.1.2016	1.1.2017	1.1.2016
	to	to	to	to
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
Investment income:				
Net gain on disposal of securities held for trading	154	2	154	2
Net gain/(loss) on revaluation of securities held for trading	(132)	-	(132)	-
	<u>22</u>	<u>2</u>	<u>22</u>	<u>2</u>
Other income:				
Foreign exchange loss	(1,111)	(5,476)	(1,111)	(5,476)
Unrealised gain on foreign exchange forwards	2,055	6,564	2,055	6,564
Rental income	92	88	92	88
Others	4	4	4	4
	<u>1,040</u>	<u>1,180</u>	<u>1,040</u>	<u>1,180</u>
	<u>3,042</u>	<u>3,322</u>	<u>3,040</u>	<u>3,317</u>

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25. Overhead expenses

	Group and Bank	
	Current and Cumulative	
	Quarter	
	3 months ended	
	1.1.2017	1.1.2016
	to	to
	31.3.2017	31.3.2016
	RM'000	RM'000
Personnel costs		
Salaries, allowances and bonuses	7,098	5,830
Defined contribution plan		
- Employees Provident Fund	1,131	787
Others	1,296	461
	<u>9,525</u>	<u>7,078</u>
Establishment costs		
Depreciation	1,428	1,141
Amortisation of intangible assets	18	114
Repair and maintenance	553	545
Rental of premises	227	222
Information technology	149	229
Others	1,016	424
	<u>3,391</u>	<u>2,675</u>
Marketing costs		
Advertising and publicity	138	73
Others	15	9
	<u>153</u>	<u>82</u>
Administration and general costs		
Communication expenses	363	278
Subscriptions	294	309
Auditors remunerations	102	115
Non-executive directors' remuneration	200	369
Professional fees	164	77
Insurance	140	8
Travelling	149	79
Others	362	221
	<u>1,774</u>	<u>1,456</u>
Total	<u>14,843</u>	<u>11,291</u>

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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 Bank do not enter into over-the-counter ("OTC") derivative transactions, repo-style transactions and credit derivative contracts booked in its trading and banking books other than the involvement in derivatives restricted to foreign forward exchange contracts.

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
31 March 2017				
Direct credit substitutes	43,928		43,928	43,436
Transaction-related contingent items	194,041	-	97,021	89,885
Short-term self-liquidating trade-related contingencies	41,546	-	8,309	8,222
Forward foreign exchange contracts				
- less than one year	229,121	974	2,225	1,025
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	28,464	-	14,232	14,232
- maturity less than one year	1,550,565	-	310,113	309,754
Any commitment that are unconditionally cancelled at any time without prior notice	20,050			
Total	2,107,715	974	475,828	466,554

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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 2016				
Direct credit substitutes	27,521	-	27,521	26,834
Transaction-related contingent items	197,497	-	98,749	88,765
Short-term self-liquidating trade-related contingencies	52,292	-	10,458	10,405
Forward foreign exchange contracts				
- less than one year	135,256	1,552	3,115	2,081
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	40,216	-	20,108	22,708
- maturity less than one year	1,714,892	-	342,978	342,819
Any commitment that are unconditionally cancelled at any time without prior notice	59,255	-	-	-
Total	2,226,929	1,552	502,929	493,612

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

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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; and

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	Level 1	Level 2	Level 3	Total
31 March 2017	RM'000	RM'000	RM'000	RM '000
<u>Securities available-for-sale (Note 13)</u>				
Money market instruments:				
Malaysian Government				
Securities	-	323,239	-	323,239
Government Investment Issue		281,628	-	281,628
Bank Negara Monetary Notes	-	78,881	-	78,881
Unquoted securities:				
Corporate bonds	-	185,998	-	185,998
	-	869,746	-	869,746
<u>Derivatives financial instruments</u>				
Derivative assets	-	974	-	974
Derivative liabilities	-	(965)	-	(965)

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27. Fair value hierarchy (cont'd.)

Group and Bank 31 December 2016	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM '000
<u>Securities held for trading (Note 12)</u>				
Money market instruments:				
Malaysian Government Securities	-	10,240	-	10,240
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Securities available-for-sale (Note 13)</u>				
Money market instruments:				
Malaysian Government Securities	-	323,090	-	323,090
Government Investment Issue		281,498	-	281,498
Malaysia Treasury Bills		78,215		78,215
Negotiable Instruments of Deposit	-	50,304	-	50,304
Unquoted securities:				
Corporate bonds	-	86,049	-	86,049
	<hr/>	<hr/>	<hr/>	<hr/>
	-	819,156	-	819,156
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Derivatives financial instruments</u>				
Derivative assets	-	1,552	-	1,552
Derivative liabilities	-	(3,598)	-	(3,598)
	<hr/>	<hr/>	<hr/>	<hr/>

There have been no transfers between Level 1 and Level 2 during the current period and previous financial year.

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27. Fair value hierarchy (cont'd.)

Valuation methods and assumptions (cont'd.)

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 held for trading, available-for-sale and held-to-maturity

The fair value of quoted securities held for trading, available-for-sale and held-to-maturity are estimated based on broker/dealer price quotations. Unquoted securities were revalued using Cost/Asset Based Approach, specifically the Adjusted Net Assets Method.

Included in AFS securities as at 31 December 2016 were investment in equity securities of RM872,000 (2016: RM872,000) of the Group and the Bank that were carried at cost as their fair values could not be reliably measured. These securities were acquired for long term investment purposes.

The carrying amounts of held-to-maturity securities approximates its fair values.

(ii) Derivative financial instruments

Derivative products valued using valuation technique with significant market observable inputs are mainly interest rate swaps, currency swaps and forward exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange and forward rates and interest rate curves.

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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).

As required by Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3), the RWCAF framework applies only to Bangkok Bank Berhad, a company incorporated in Malaysia that does not offer Islamic financial services and is not involved in Islamic banking operations.

For the purpose of consolidation for financial reporting, the Group comprised the consolidated results of Bank and its wholly-owned subsidiary, BBL Nominees (Tempatan) Sdn. Bhd. (Note 12), which is not involved in banking operations. The subsidiary is fully consolidated in the Group's financial statements.

As the Bank's subsidiary is not involved in banking operations and is of an immaterial size relative to the Bank, the Group does not prepare and submit separate Group's capital adequacy ratios for the purpose of consolidation for regulatory reporting.

- (ii) The implementation of Basel III in Malaysia 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.
- (iii) The capital adequacy ratios of the Bank as at the reporting date, are as follows:

	Group and Bank	
	31.3.2017	31.12.2016
Common equity tier-1 capital ratio	32.78%	21.96%
Total capital ratios	<u>33.97%</u>	<u>23.15%</u>

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28. Capital adequacy (cont'd.)

- (iv) The components of common equity tier-1, tier-1 and tier-2 capital of the Bank are as follows:

	Group and Bank	
	31.3.2017	31.12.2016
	RM'000	RM'000
Common Equity Tier 1 Capital		
Paid-up share capital	1,000,000	600,000
Statutory reserve	169,039	169,039
Unrealised (loss)/gain on available-for-sale securities	(738)	(1,532)
Retained profits	52,936	44,495
Less: Regulatory adjustment, applied on CET1 Capital		
Other intangibles	(43)	(61)
Deferred tax assets	(1,578)	(2,130)
Total Common Equity Tier 1 Capital	<u>1,219,616</u>	<u>809,811</u>
Tier 2 Capital		
Collective impairment (only those attributable to non-impaired loans, advances and financing)	44,330	43,909
Total Tier 2 Capital	<u>44,330</u>	<u>43,909</u>
Total capital		
Tier-1 Capital	1,219,616	809,811
Tier-2 Capital	44,330	43,909
Less: Investment in subsidiary	(10)	(10)
Total Capital	<u>1,263,936</u>	<u>853,710</u>

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28. Capital adequacy (cont'd.)

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

	Principal 31.3.2017 RM'000	Risk- weighted assets 31.3.2017 RM'000	Principal 31.12.2016 RM'000	Risk- weighted assets 31.12.2016 RM'000
0%	1,068,420	-	893,815	-
20%	776,986	155,397	402,785	80,557
35%	1,728	605	1,948	682
50%	87,494	43,747	94,333	47,166
100%	3,330,524	3,330,524	3,340,892	3,340,892
150%	10,726	<u>16,089</u>	28,935	<u>43,403</u>
Total risk-weighted assets for credit risk		3,546,362		3,512,700
Total risk-weighted assets for market risk		15,769		18,481
Total risk-weighted assets for operational risk		<u>158,559</u>		<u>156,713</u>
Total risk-weighted assets		<u><u>3,720,690</u></u>		<u><u>3,687,894</u></u>

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29. Significant related party transactions and balances

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

(i) Related party transactions

	Current and Cumulative Quarter 3 months ended	
	1.1.2017 to 31.3.2017 RM'000	1.1.2016 to 31.3.2016 RM'000
Income		
Interest on advances to holding company and its branches	<u>59</u>	<u>9</u>
Expenditure		
Interest on advances from holding company and its branches	1,269	551
Administrative expenses to holding company	<u>10</u>	<u>65</u>

(ii) Related party balances

	Group and Bank	
	31.3.2017 RM'000	31.12.2016 RM'000
Amount due to		
Deposits and placements from holding company and its branches	<u>417,426</u>	<u>395,946</u>
Amount due from		
Cash and short-term funds placed with holding company and its branches	<u>9,603</u>	<u>10,061</u>

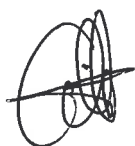
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Statement by directors

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 2017 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

28 June 2017