

**BANGKOK BANK BERHAD**  
**199401014060 (299740-W)**  
**(Incorporated in Malaysia)**

**Unaudited Interim Condensed Financial Statements**  
**30 June 2023**

**199401014060 (299740-W)**

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

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

**Performance review for the six-month period ended 30 June 2023 and commentary on the prospects**

Bangkok Bank Berhad (“BBB”) registered a profit before tax (“PBT”) of RM13.1 million for the six-month period ended 30 June 2023 as compared to profit before tax of RM32.9 million recorded during the previous corresponding period. The lower PBT was mainly due to lower non interest income and higher expected credit losses (“ECL”) in the current period. The higher ECL charged was mainly due to newly impaired borrowers for this current period.

Gross loans dropped marginally from RM3.0 billion as at 31 December 2022 to RM2.8 billion as at 30 June 2023 due to competitive market and large loan repayment.

Deposits from customers (including other financial institutions) increased from RM2.4 billion as at 31 December 2022 to RM2.6 billion as at 30 June 2023. Nevertheless, the Bank will heighten its efforts on gathering deposits to support healthy liquidity requirements. Liquidity coverage ratio and net stable funding ratio are well above regulatory requirements as at 30 June 2023.

Overall, the Bank is expected to remain sound supported by strong capital base. The Bank will continue to focus on strengthening its business resilience and practise vigilance in strategy, cost discipline and prudence in risk management to meet challenges ahead.

**Bangkok Bank Berhad**  
**(Incorporated in Malaysia)**
**Unaudited interim condensed statements of financial position as at 30 June 2023**

	Note	Group		Bank	
		30.6.2023 RM'000	31.12.2022 RM'000	30.6.2023 RM'000	31.12.2022 RM'000
<b>Assets</b>					
Cash and short-term funds		572,773	169,761	570,420	161,832
Deposits and placements with banks and other financial institutions		200,742	44,232	200,742	44,232
Financial assets at fair value through other comprehensive income ("FVOCI")	12	837,274	989,677	837,274	989,677
Financial assets at amortised costs	13	-	-	-	-
Loans, advances and financing	14	2,565,661	2,796,567	2,565,661	2,796,567
Derivative assets		303	2,005	303	2,005
Tax recoverable		22,758	22,503	22,746	22,492
Other assets	15	7,321	5,537	7,321	5,537
Statutory deposit with Bank Negara Malaysia	16	35,982	38,973	35,982	38,973
Investment in subsidiary		-	-	10	10
Property and equipment	17	117,003	118,716	117,003	118,716
Intangible assets		152	242	152	242
Right-of-use assets	18	6,115	5,871	6,115	5,871
Deferred tax assets		22,485	22,049	22,485	22,049
<b>Total assets</b>		<b>4,388,569</b>	<b>4,216,133</b>	<b>4,386,214</b>	<b>4,208,203</b>
<b>Liabilities and shareholder's equity</b>					
Deposits from customers	19	1,799,631	2,009,618	1,799,631	2,009,618
Deposits and placements from banks and other financial institutions	20	1,194,188	832,727	1,194,188	832,727
Derivative liabilities		1,656	2,005	1,656	2,005
Other liabilities	21	39,855	45,650	37,651	37,862
<b>Total liabilities</b>		<b>3,035,330</b>	<b>2,890,000</b>	<b>3,033,126</b>	<b>2,882,212</b>

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.*

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**Bangkok Bank Berhad**  
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**Unaudited interim condensed statements of financial position as at 30 June 2023 (cont'd.)**

	Note	Group		Bank	
		30.6.2023 RM'000	31.12.2022 RM'000	30.6.2023 RM'000	31.12.2022 RM'000
<b>Liabilities and shareholder's equity (cont'd.)</b>					
Share capital		1,000,000	1,000,000	1,000,000	1,000,000
FVOCI reserve		28,392	8,900	28,392	8,900
Retained profits		324,847	317,233	324,696	317,091
<b>Shareholder's equity</b>		<u>1,353,239</u>	<u>1,326,133</u>	<u>1,353,088</u>	<u>1,325,991</u>
<b>Total liabilities and shareholder's equity</b>		<u>4,388,569</u>	<u>4,216,133</u>	<u>4,386,214</u>	<u>4,208,203</u>
<b>Commitments and contingencies</b>	27	<u>2,782,837</u>	<u>2,556,725</u>	<u>2,782,837</u>	<u>2,556,725</u>

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.*

**Bangkok Bank Berhad**  
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**Unaudited interim condensed income statements**  
**For the financial period ended 30 June 2023**

	Note	Group			
		Second Quarter Ended		Cumulative 6 Months Ended	
		1.4.2023 to 30.06.2023 RM'000	1.4.2022 to 30.06.2022 RM'000	1.1.2023 to 30.06.2023 RM'000	1.1.2022 to 30.06.2022 RM'000
Interest income	22	51,405	35,089	97,826	71,242
Interest expense	23	(26,131)	(11,858)	(46,703)	(23,909)
Net interest income		25,274	23,231	51,123	47,333
Non-interest income	25	3,405	3,229	6,431	11,175
Net income		28,679	26,460	57,554	58,508
Overhead expenses	26	(15,960)	(15,415)	(30,859)	(29,435)
Operating profit		12,719	11,045	26,695	29,073
(Allowance for)/writeback of expected credit losses, net	24	(13,438)	(1,345)	(13,585)	3,834
(Loss)/profit before taxation		(719)	9,700	13,110	32,907
Taxation		42	(2,584)	(5,496)	(9,310)
Net (loss)/profit for the financial period		(677)	7,116	7,614	23,597
Earnings per share (sen)					
- basic		(0.07)	0.71	0.76	2.36
- diluted		(0.07)	0.71	0.76	2.36

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.*

**Bangkok Bank Berhad**  
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**Unaudited interim condensed income statements**  
**For the financial period ended 30 June 2023 (cont'd.)**

	Note	Bank			
		Second Quarter Ended		Cumulative 6 Months Ended	
		1.4.2023	1.4.2022	1.1.2023	1.1.2022
		to	to	to	to
		30.06.2023	30.06.2022	30.06.2023	30.06.2022
		RM'000	RM'000	RM'000	RM'000
Interest income	22	51,405	35,089	97,826	71,242
Interest expense	23	(26,131)	(11,858)	(46,703)	(23,909)
Net interest income		25,274	23,231	51,123	47,333
Non-interest income	25	3,398	3,224	6,416	11,153
Net income		28,672	26,455	57,539	58,486
Overhead expenses	26	(15,957)	(15,413)	(30,856)	(29,433)
Operating profit		12,715	11,042	26,683	29,053
(Allowance for)/writeback of expected credit losses, net	24	(13,438)	(1,345)	(13,585)	3,834
(Loss)/profit before taxation		(723)	9,697	13,098	32,887
Taxation		43	(2,583)	(5,493)	(9,305)
Net (loss)/profit for the financial period		(680)	7,114	7,605	23,582
Earnings per share (sen)					
- basic		(0.07)	0.71	0.76	2.36
- diluted		(0.07)	0.71	0.76	2.36

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.*

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**Bangkok Bank Berhad**  
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**Unaudited interim condensed statements of comprehensive income**  
**For the financial period ended 30 June 2023**

	Group			
	Second Quarter Ended		Cumulative 6 Months Ended	
	1.4.2023 to 30.06.2023 RM'000	1.4.2022 to 30.06.2022 RM'000	1.1.2023 to 30.06.2023 RM'000	1.1.2022 to 30.06.2022 RM'000
<b>Net (loss)/profit for the period</b>	(677)	7,116	7,614	23,597
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Equity securities designated at fair value through other comprehensive income - net changes in fair value	14,817	504	14,817	504
<b>Items that may be reclassified subsequently to profit or loss</b>				
Debt instruments at fair value through other comprehensive income - net unrealised (loss)/gain on changes in fair value	(330)	(12,870)	5,533	(16,063)
- expected credit loss	(51)	(249)	470	(605)
Income tax relating to components of other comprehensive income	79	3,089	(1,328)	3,855
<b>Other comprehensive income/(loss) for the period, net of tax</b>	14,515	(9,526)	19,492	(12,309)
<b>Total comprehensive income/(loss) for the period, net of tax</b>	13,838	(2,410)	27,106	11,288

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.*



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**Bangkok Bank Berhad**  
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**Unaudited interim condensed statements of comprehensive income**  
**For the financial period ended 30 June 2023 (cont'd.)**

	Bank			
	Second Quarter Ended		Cumulative 6 Months Ended	
	1.4.2023 to 30.06.2023 RM'000	1.4.2022 to 30.06.2022 RM'000	1.1.2023 to 30.06.2023 RM'000	1.1.2022 to 30.06.2022 RM'000
<b>Net (loss)/profit for the period</b>	(680)	7,114	7,605	23,582
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Equity securities designated at fair value through other comprehensive income - net changes in fair value	14,817	504	14,817	504
<b>Items that may be reclassified subsequently to profit or loss</b>				
Debt instruments at fair value through other comprehensive income - net unrealised (loss)/profit on changes in fair value	(330)	(12,870)	5,533	(16,063)
- expected credit loss	(51)	(249)	470	(605)
Income tax relating to components of other comprehensive income	79	3,089	(1,328)	3,855
<b>Other comprehensive income/(loss) for the period, net of tax</b>	14,515	(9,526)	19,492	(12,309)
<b>Total comprehensive income/(loss) for the period, net of tax</b>	13,835	(2,412)	27,097	11,273

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.*

**Bangkok Bank Berhad**  
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**Unaudited interim condensed statements of changes in equity**  
**For the financial period ended 30 June 2023**

Group	<--- Non-distributable--->		Distributable	Total
	Share capital RM'000	FVOCI reserve RM'000	Retained profits RM'000	
<b>At 1 January 2022</b>	1,000,000	17,254	277,275	1,294,529
Total comprehensive (loss)/income	-	(12,309)	23,597	11,288
<b>At 30 June 2022</b>	<u>1,000,000</u>	<u>4,945</u>	<u>300,872</u>	<u>1,305,817</u>
<b>At 1 January 2023</b>	1,000,000	8,900	317,233	1,326,133
Total comprehensive income	-	19,492	7,614	27,106
<b>At 30 June 2023</b>	<u>1,000,000</u>	<u>28,392</u>	<u>324,847</u>	<u>1,353,239</u>
Bank	<--- Non-distributable--->		Distributable	Total
	Share capital RM'000	FVOCI reserve RM'000	Retained profits RM'000	
<b>At 1 January 2022</b>	1,000,000	17,254	277,154	1,294,408
Total comprehensive (loss)/income	-	(12,309)	23,582	11,273
<b>At 30 June 2022</b>	<u>1,000,000</u>	<u>4,945</u>	<u>300,736</u>	<u>1,305,681</u>
<b>At 1 January 2023</b>	1,000,000	8,900	317,091	1,325,991
Total comprehensive income	-	19,492	7,605	27,097
<b>At 30 June 2023</b>	<u>1,000,000</u>	<u>28,392</u>	<u>324,696</u>	<u>1,353,088</u>

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**Bangkok Bank Berhad**  
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**Unaudited interim condensed statements of cash flows**  
**For the financial period ended 30 June 2023**

	Note	Group		Bank	
		1.1.2023 to 30.06.2023	1.1.2022 to 30.06.2022	1.1.2023 to 30.06.2023	1.1.2022 to 30.06.2022
		RM'000	RM'000	RM'000	RM'000
<b>Cash flows from operating activities</b>					
Profit before taxation		13,110	32,907	13,098	32,887
Adjustments for:					
Depreciation	26	2,227	2,401	2,227	2,401
Amortisation of intangible assets	26	91	165	91	165
Depreciation of right-of-use assets	26	674	634	674	634
Gain on disposal of property and equipments		(5)	-	(5)	-
Interest expense on lease liability	18	143	88	143	88
Interest income from debt instruments at amortised cost	22	-	(355)	-	(355)
Interest income from debt instruments at FVOCI	22	(18,652)	(17,982)	(18,652)	(17,982)
Interest income from debt instruments at FVTPL	22	-	(213)	-	(213)
Allowance of ECL/(Writeback)	24	12,989	(4,335)	12,989	(4,335)
Net loss on disposal of - Financial assets measured at FVTPL	25	-	274	-	274
Dividend from financial assets at FVOCI	25	(355)	(111)	(355)	(111)
Gain from redemption of financial assets at amortised cost	25	-	(3,640)	-	(3,640)
Gain from redemption of financial assets at FVOCI	25	-	(972)	-	(972)
Unrealised loss on foreign exchange forward	25	1,352	2,479	1,352	2,479
Amortisation of premium, net of (accretion of discount)	22	2,247	2,489	2,247	2,489
Operating profit before working capital changes		13,821	13,829	13,809	13,809

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.*

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**Bangkok Bank Berhad  
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**Unaudited interim condensed statements of cash flows  
For the financial period ended 30 June 2023 (cont'd.)**

	Group		Bank	
	1.1.2023 to 30.06.2023 RM'000	1.1.2022 to 30.06.2022 RM'000	1.1.2023 to 30.06.2023 RM'000	1.1.2022 to 30.06.2022 RM'000
<b>Cash flows from operating activities (cont'd.)</b>				
<b>Balance carried forward</b>	13,821	13,829	13,809	13,809
<b>Decrease/(Increase) in operating assets:</b>				
Loans, advances and financing	210,122	557,137	210,122	557,137
Other assets	(1,784)	(729)	(1,782)	(729)
Statutory deposits with Bank Negara Malaysia	2,991	(4,997)	2,991	(4,997)
<b>Increase/(Decrease) in operating liabilities:</b>				
Deposits from customers	(209,987)	(382,138)	(209,987)	(382,138)
Deposits and placement from banks and other financial institutions	361,461	(73,512)	361,461	(73,512)
Other liabilities	2,099	6,435	7,683	6,280
Cash generated from operating activities	378,723	116,025	384,297	115,850
Taxes paid	(7,511)	(9,129)	(7,509)	(9,127)
Net cash generated from operating activities	371,212	106,896	376,788	106,723
<b>Cash flows from investing activities</b>				
Purchase of financial assets at FVOCI	(680,400)	(351,211)	(680,400)	(351,211)
Proceeds from sale of financial assets at FVOCI	850,000	261,456	850,000	261,456
Interest received from financial asset at FVOCI	19,557	20,523	19,557	20,523
Purchase of financial asset at FVTPL	-	(61,443)	-	(61,443)
Proceeds from sale of financial asset at FVTPL	-	61,375	-	61,375
Proceeds from sale of financial assets at amortised costs	-	106,369	-	106,369
Proceeds from partial redemption/ interest of financial assets at amortised costs	-	-	-	-
Purchase of property and equipment	(512)	(61)	(512)	(61)
Dividend from financial assets at FVOCI	355	111	355	111
Net cash generated from investing activities	189,000	37,119	189,000	37,119

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**Bangkok Bank Berhad**  
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**Unaudited interim condensed statements of cash flows**  
**For the financial period ended 30 June 2023 (cont'd.)**

	Note	Group		Bank	
		1.1.2023 to 30.06.2023 RM'000	1.1.2022 to 30.06.2022 RM'000	1.1.2023 to 30.06.2023 RM'000	1.1.2022 to 30.06.2022 RM'000
<b>Cash flows from financing activities</b>					
Payment of lease liabilities	18	(690)	(673)	(690)	(673)
Net cash used in financing activities		(690)	(673)	(690)	(673)
<b>Net increase in cash and cash equivalents</b>		559,522	143,342	565,098	143,169
<b>Cash and cash equivalents at beginning of financial period</b>		213,993	221,477	206,064	220,249
<b>Cash and cash equivalents at end of financial period</b>		773,515	364,819	771,162	363,418
<b>Cash and cash equivalents comprise:</b>					
Cash and short-term funds		572,773	312,900	570,420	311,499
Deposits and placements of banks and other financial institutions		200,742	51,919	200,742	51,919
		773,515	364,819	771,162	363,418

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.*

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**Bangkok Bank Berhad  
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**Notes to the unaudited interim condensed financial statements - 30 June 2023**

**1. Corporate information**

Bangkok Bank Berhad ("the Bank") is a public limited liability licensed bank, incorporated and domiciled in Malaysia. The registered office of the Bank is located at 1-45-01, Menara Bangkok Bank, Laman Sentral Berjaya, 105 Jalan Ampang, 50450 Kuala Lumpur.

The principal activities of the Bank are banking and related financial services.

The Bank also controls a wholly-owned subsidiary named BBL Nominees (Tempatan) Sdn. Bhd. 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 holding company of the Bank is Bangkok Bank Public Company Limited, a bank incorporated in Thailand.

**2. Basis of preparation of the financial statements**

**2.1 Basis of preparation and presentation of the unaudited interim condensed financial statements**

The unaudited 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 unaudited interim condensed financial statements have been prepared under the historical cost convention except for the following assets which are stated at fair value: financial assets at FVOCI and derivatives. The unaudited interim condensed financial statements are presented in Ringgit Malaysia ("RM"), which is the Bank's functional currency and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

The unaudited 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 2022. These explanatory notes attached to the unaudited 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 2022.

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

**2.2 Changes in accounting policies**

The accounting policies adopted in the preparation of the unaudited interim condensed financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2022, except for the amendments to standards effective as of 1 January 2023 as follows:

<b>Descriptions</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

The adoption of these new amendments to MFRS are not expected to have any significant impacts to the financial statements of the Group and the Bank.

**2.3 Amendments to standards, annual improvements to standards and IC Interpretations issued but not yet effective**

As at the reporting date, the following are amendments to standards, annual improvements to standards and IC Interpretations issued by the Malaysian Accounting Standards Board ("MASB") but not yet effective.

<b>Descriptions</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Non Current Liabilities with Covenants</i>	1 January 2024

The Group and the Bank plan 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.

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

### **2.4 Significant accounting judgements, estimates and assumptions**

The preparation of the Group's and the Bank's 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. 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 accounting policies, management has made the following judgements, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting that, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's and the Bank's control and are reflected in the assumptions if and when they occur.

#### **(a) Impairment losses on financial assets**

The measurement of impairment losses under MFRS 9 across all categories of financial assets requires judgement, in particular, estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and assessment of significant increase in credit risk. These estimates are driven by a number of factors, changes which can result in different levels of allowances.

The Group and the Bank's Expected Credit Loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's and the Bank's internal credit grading model, which assigns PDs to the individual grades;
- The Group's and the Bank's criteria for assessing if there has been a significant increase in credit risk resulting in impairment losses on financial assets to be measured on a lifetime basis and the qualitative assessment;
- Development of ECL models, including the various formulas and the choice of inputs;
- ECL is adjusted with a management overlay where considered appropriate;
- Determination of associations between macroeconomic factors and the effect on PDs, LGDs and EADs; and



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

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

**(b) Deferred tax and current tax**

In determining the Group's and the Bank's tax charge for the year involves estimation and judgement, which includes an interpretation of local tax law and an assessment of whether the tax authority will accept the position taken. The Group and the Bank provide for current tax liabilities at the best estimate based on all available evidence and the amount that is expected to be paid to the tax authority where an outflow is probable.

The recoverability of the Group's and the Bank's deferred tax assets is based on management's judgement of the availability of future taxable profits against which the deferred tax assets will be utilised.

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

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

**4. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group and the Bank during the financial period ended 30 June 2023.

**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 period that have a material effect in the current financial period.

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## 7. Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the six months ended 30 June 2023.

## 8. Subsequent events

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

## 9. Changes in composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 June 2023.

## 10. Dividends paid

No dividend was declared or paid during the financial period ended 30 June 2023.

## 11. Segmental information

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

## 12. Financial assets at fair value through other comprehensive income

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Debt instruments</b>		
Malaysian Government Securities	243,299	281,654
Government Investment Issues	243,191	303,319
Negotiable Instruments of Deposit	50,117	100,192
Corporate bonds	271,487	290,548
	<u>808,094</u>	<u>975,713</u>
<b>Equity instruments</b>		
Unquoted shares	29,180	13,964
	<u>837,274</u>	<u>989,677</u>

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**12. Financial assets at fair value through other comprehensive income (cont'd.)**

Movements in the allowance for ECL on debt instruments at FVOCI are as follows:

	<b>Stage 1 ECL RM'000</b>	<b>Stage 2 ECL RM'000</b>	<b>Stage 3 ECL RM'000</b>	<b>Total RM'000</b>
<b>Group and Bank</b>				
At 1 January 2023	2,706	-	-	2,706
New debt instruments originated	200	-	-	200
ECL allowance charged	1,003	-	-	1,003
Debt instruments derecognised	(733)	-	-	(733)
At 30 June 2023	<u>3,176</u>	<u>-</u>	<u>-</u>	<u>3,176</u>
<b>Group and Bank</b>				
At 1 January 2022	1,624	-	-	1,624
New debt instruments originated	485	-	-	485
ECL allowance charged	960	-	-	960
Debt instruments derecognised	(363)	-	-	(363)
At 31 December 2022	<u>2,706</u>	<u>-</u>	<u>-</u>	<u>2,706</u>

**13. Financial assets at amortised cost**

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Debt instruments</b>		
Corporate bonds	-	-
<b>Unquoted securities:</b>		
Corporate bonds	469	469
	<u>469</u>	<u>469</u>
Less: allowance for ECL	(469)	(469)
	<u>-</u>	<u>-</u>

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**13. Financial assets at amortised cost (cont'd.)**

Movements in the allowance for ECL on financial assets at amortised cost are as follows:

	<b>Stage 1</b> <b>ECL</b> <b>RM'000</b>	<b>Stage 2</b> <b>ECL</b> <b>RM'000</b>	<b>Stage 3</b> <b>ECL</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Group and Bank</b>				
At 1 January 2023	-	-	469	469
ECL allowance writeback	-	-	-	-
At 30 June 2023	-	-	469	469
<b>Group and Bank</b>				
At 1 January 2022	179	-	529	708
ECL allowance writeback	(179)	-	(60)	(239)
At 31 December 2022	-	-	469	469

**14. Loans, advances and financing**

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
Overdrafts	56,044	68,138
Term loans:		
- Housing loans	886	961
- Syndicated term loan	82,702	45,748
- Other term loans	671,879	678,395
Revolving credits	1,265,530	1,343,343
Bills receivables	341,895	300,008
Trust receipts	20,505	22,023
Bankers' acceptances	322,979	515,249
Staff loans	232	250
	<u>2,762,652</u>	<u>2,974,115</u>
Unearned interest	(2,481)	(3,822)
Gross loans, advances and financing	<u>2,760,171</u>	<u>2,970,293</u>
Less: allowance for ECL		
- Stage 1	(27,983)	(26,302)
- Stage 2	(7,682)	(8,332)
- Stage 3	(75,067)	(68,003)
- Management overlay	(83,778)	(71,089)
Net loans, advances and financing	<u>2,565,661</u>	<u>2,796,567</u>

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

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

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturing within one year	2,074,779	2,319,672
One year to three years	210,262	184,117
Three years to five years	214,162	249,247
Over five years	260,968	217,257
	<u>2,760,171</u>	<u>2,970,293</u>

(ii) Loans, advances and financing according to economic sectors are as follows:

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	192,845	208,377
Mining and quarrying	8,569	8,664
Manufacturing	559,589	730,788
Electricity, gas and water supply	26,651	28,443
Construction	420,661	418,637
Wholesale and retail trade and restaurants and hotels	291,766	343,089
Transport, storage and communication	95,969	80,611
Finance, insurance, real estate and business activities	1,159,562	1,141,004
Household	4,559	10,680
	<u>2,760,171</u>	<u>2,970,293</u>

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

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic non-bank financial institutions	413,165	423,245
Domestic business enterprises:		
- Small medium enterprises	320,425	375,429
- Others	2,022,022	2,160,939
Individuals	4,559	10,680
	<u>2,760,171</u>	<u>2,970,293</u>

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

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

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
- Other fixed rate loan/financing	54,789	54,789
Variable rate		
- Base lending rate plus	127,003	149,026
- Cost-plus	1,941,898	1,883,706
- Other variable rates	636,481	882,772
	<u>2,760,171</u>	<u>2,970,293</u>

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

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

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January	84,696	87,087
Classified as impaired during the period/year	13,002	3,358
Amount recovered during the period/year	(63)	(5,737)
Amount written off during the period/year	-	(12)
Balance as at 30 June/31 December	<u>97,635</u>	<u>84,696</u>
Allowance for ECL Stage 3	<u>(75,067)</u>	<u>(68,003)</u>
Net impaired loans, advances and financing	<u>22,568</u>	<u>16,693</u>
Ratio of net impaired loans, advances and financing to gross loans, advances and financing less Stage 3 ECL allowance	<u>0.84%</u>	<u>0.58%</u>

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

(vii) Movements in the allowance for ECL on loans, advances and financing are as follows:

	<b>Stage 1 ECL RM'000</b>	<b>Stage 2 ECL RM'000</b>	<b>Stage 3 ECL RM'000</b>	<b>Total RM'000</b>
<b>Group and Bank</b>				
At 1 January 2023	26,302	8,332	68,003	102,637
- Management overlay	-	-	-	71,089
New loans, advances and financing originated	751	-	-	751
Loans, advances and financing derecognised (other than write-off)	(703)	-	-	(703)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(55)	55	-	-
Transfer to Stage 3	(3,555)	-	6,036	2,481
Net changes in loan loss allowances	5,243	(705)	1,028	5,566
Management overlay	-	-	-	12,689
At 30 June 2023	<u>27,983</u>	<u>7,682</u>	<u>75,067</u>	<u>194,510</u>
<b>Group and Bank</b>				
At 1 January 2022	15,308	7,049	67,966	90,323
- Management overlay	-	-	-	90,681
New loans, advances and financing originated	813	-	-	813
Loans, advances and financing derecognised (other than write-off)	(854)	(280)	(5,418)	(6,552)
Transfer to Stage 1	244	(244)	-	-
Transfer to Stage 2	(279)	279	-	-
Transfer to Stage 3	-	(458)	458	-
Net changes in loan loss allowances	11,070	1,986	5,009	18,065
Amount written off	-	-	(12)	(12)
Management overlay	-	-	-	(19,592)
At 31 December 2022	<u>26,302</u>	<u>8,332</u>	<u>68,003</u>	<u>173,726</u>

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

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

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Manufacturing	68,545	67,984
Construction	2,501	-
Wholesale and retail trade and restaurants and hotels	26,070	16,197
Household	519	515
	<u>97,635</u>	<u>84,696</u>

**15. Other assets**

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits and prepayments	2,167	2,456
Other receivables	5,154	3,081
	<u>7,321</u>	<u>5,537</u>

**16. Statutory deposit with Bank Negara Malaysia**

The non-interest bearing statutory deposit is maintained with Bank Negara Malaysia in compliance with Section 26(2)(c) and Section 26(3) of the Central Bank of Malaysia Act 2009, the amounts of which are determined as a set percentage of total eligible liabilities of the Bank.

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Statutory deposit with Bank Negara Malaysia	36,000	39,000
ECL allowance writeback	(18)	(27)
	<u>35,982</u>	<u>38,973</u>

**17. Property and equipment**

During the six months period ended 30 June 2023, the Group and the Bank acquired assets with a cost of RM512,000 (31.12.2022: RM1,320,000).



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**18. Right-of-use assets and lease liabilities**

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Right-of-use assets</b>		
Balance as at 1 January	5,871	6,182
Non-cash addition	918	955
Depreciation of right-of-use assets (Note 26)	(674)	(1,266)
Right-of-use assets	<u>6,115</u>	<u>5,871</u>
<b>Lease liabilities</b>		
Balance as at 1 January	6,289	6,581
Non-cash addition	918	955
Accretion of interest expense (Note 23)	143	188
Lease payment	(690)	(1,435)
Lease liabilities (Note 21)	<u>6,660</u>	<u>6,289</u>

**19. Deposits from customers**

(i) By type of deposit:

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	1,305,588	1,212,066
Current accounts	188,965	409,495
Savings deposits	8,463	8,880
Short term deposits	296,615	379,177
	<u>1,799,631</u>	<u>2,009,618</u>

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

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	1,333,115	1,276,587
Six months to one year	266,663	311,957
One year to three years	1,375	1,602
Over three years	1,050	1,097
	<u>1,602,203</u>	<u>1,591,243</u>

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**19. Deposits from customers (cont'd.)**

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

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Business enterprises	1,358,639	1,656,144
Individuals	440,992	353,474
	<u>1,799,631</u>	<u>2,009,618</u>

**20. Deposits and placements from banks and other financial institutions**

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	395,246	434,831
Other financial institutions	798,942	397,896
	<u>1,194,188</u>	<u>832,727</u>

Included in deposits and placements are deposits and placements from the holding company and its branches amounting to RM49,301,000 (31.12.2022: RM178,671,000) as disclosed in Note 30.

**21. Other liabilities**

	<b>Group</b>		<b>Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Accruals	9,036	18,129	6,832	10,341
Allowance for ECL on commitments and contingencies	7,994	16,259	7,994	16,259
Lease liability (Note 18)	6,660	6,289	6,660	6,289
Other payables	16,165	4,973	16,165	4,973
	<u>39,855</u>	<u>45,650</u>	<u>37,651</u>	<u>37,862</u>

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**21. Other liabilities (cont'd.)**

Movements in the allowance for impairment on loan/financing commitments and financial guarantees are as follows:

	<b>Stage 1 ECL RM'000</b>	<b>Stage 2 ECL RM'000</b>	<b>Stage 3 ECL RM'000</b>	<b>Total RM'000</b>
<b>Group and Bank</b>				
At 1 January 2023	4,484	407	11,368	16,259
New loan/financing commitments, and financing guarantee originated	775	-	-	775
Loan/financing commitments, and financing guarantee derecognised	(267)	(11)	-	(278)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	(7,266)	(7,266)
Net changes in loan loss allowances	(1,572)	76	-	(1,496)
At 30 June 2023	<u>3,420</u>	<u>472</u>	<u>4,102</u>	<u>7,994</u>
<b>Group and Bank</b>				
At 1 January 2022	1,656	563	6,367	8,586
New loan/financing commitments, and financing guarantee originated	254	-	-	254
Loan/financing commitments, and financing guarantee derecognised	(32)	-	-	(32)
Transfer to Stage 1	10	(10)	-	-
Transfer to Stage 2	(18)	18	-	-
Transfer to Stage 3	-	(3,788)	3,788	-
Net changes in loan loss allowances	2,614	3,624	1,213	7,451
At 31 December 2022	<u>4,484</u>	<u>407</u>	<u>11,368</u>	<u>16,259</u>

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**22. Interest income**

	<b>Group and Bank</b>			
	<b>Second Quarter Ended</b>		<b>Cumulative 6 Months Ended</b>	
	<b>1.4.2023</b>	<b>1.4.2022</b>	<b>1.1.2023</b>	<b>1.1.2022</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
<b>30.6.2023</b>	<b>30.6.2022</b>	<b>30.6.2023</b>	<b>30.6.2022</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans, advances and financing				
- Interest income other than recoveries from impaired loans	36,990	26,133	72,942	51,888
- Recoveries from impaired loans	-	-	-	751
- Interest income on impaired loans	369	250	671	476
Deposits and placements with banks and other financial institutions	6,194	915	7,808	2,066
Debt instruments at amortised cost	-	-	-	355
Debt instruments at FVOCI	8,898	8,937	18,652	17,982
Debt instruments at FVTPL	-	82	-	213
	<u>52,451</u>	<u>36,317</u>	<u>100,073</u>	<u>73,731</u>
(Amortisation of premium)/ accretion of discounts, net				
- Financial assets at FVOCI	(1,046)	(1,228)	(2,247)	(2,489)
	<u>51,405</u>	<u>35,089</u>	<u>97,826</u>	<u>71,242</u>

**23. Interest expense**

	<b>Group and Bank</b>			
	<b>Second Quarter Ended</b>		<b>Cumulative 6 Months Ended</b>	
	<b>1.4.2023</b>	<b>1.4.2022</b>	<b>1.1.2023</b>	<b>1.1.2022</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
<b>30.6.2023</b>	<b>30.6.2022</b>	<b>30.6.2023</b>	<b>30.6.2022</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers	21,789	10,701	38,362	22,137
Deposits and placements from banks and other financial institutions	4,267	1,107	8,198	1,676
Accretion of interest expense (Note 18)	75	45	143	88
Other interest expense	-	5	-	8
	<u>26,131</u>	<u>11,858</u>	<u>46,703</u>	<u>23,909</u>

Included in interest expense on deposits and placements from banks and other financial institutions are interest expense on deposits and placements from the holding company and its branches amounting to RM4,319,000 (30.6.2022: RM936,000) as disclosed in Note 30.

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**24. Writeback of/(allowance for) expected credit losses, net**

	<b>Group and Bank</b>			<b>Total</b>
	<b>Cumulative 6 Months Ended</b>			
	<b>1.1.2023 to 30.6.2023</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for ECL made				
- Cash and short term funds	408	-	-	408
- Deposits and placements with banks and other financial institutions	201	-	-	201
- Financial assets at FVOCI	1,203	-	-	1,203
- Loans, advances and financing	5,415	222	11,857	17,494
- Management overlay	-	-	-	12,689
- Commitment and contingencies	8,659	126	5	8,790
	<u>15,886</u>	<u>348</u>	<u>11,862</u>	<u>40,785</u>
Allowance for ECL writeback				
- Financial assets at FVOCI	(733)	-	-	(733)
- Loans, advances and financing	(3,734)	(872)	(4,793)	(9,399)
- Statutory deposit with Bank Negara Malaysia	(7)	-	-	(7)
- Commitment and contingencies	(9,723)	(61)	(7,271)	(17,055)
	<u>(14,197)</u>	<u>(933)</u>	<u>(12,064)</u>	<u>(27,194)</u>
Impaired loans, advances and financing recovered	-	-	(6)	(6)
<b>Total</b>	<u>1,689</u>	<u>(585)</u>	<u>(208)</u>	<u>13,585</u>

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**24. Writeback of/(allowance for) expected credit losses, net (cont'd.)**

	<b>Group and Bank</b>			<b>Total</b>
	<b>Cumulative 6 Months Ended</b>			
	<b>1.1.2022 to 30.6.2022</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for ECL made				
- Cash and short term funds	197	-	-	197
- Deposits and placements with banks and other financial institutions	123	-	-	123
- Financial assets at FVOCI	146	-	-	146
- Loans, advances and financing	5,480	654	475	6,609
- Statutory deposit with Bank Negara Malaysia	3	-	-	3
- Commitment and contingencies	1,410	378	917	2,705
	<u>7,359</u>	<u>1,032</u>	<u>1,392</u>	<u>9,783</u>
Allowance for ECL writeback				
- Financial assets at FVOCI	(750)	-	-	(750)
- Financial assets at amortised costs	(179)	-	-	(179)
- Loans, advances and financing	(2,307)	(82)	(5,406)	(7,795)
- Management overlay				(4,763)
- Commitment and contingencies	(152)	(159)	-	(311)
	<u>(3,388)</u>	<u>(241)</u>	<u>(5,406)</u>	<u>(13,798)</u>
Impaired loans, advances and financing charged	-	-	181	181
<b>Total</b>	<u>3,971</u>	<u>791</u>	<u>(3,833)</u>	<u>(3,834)</u>

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**24. Writeback of/(allowance for) expected credit losses, net (cont'd.)**

	<b>Group and Bank</b>			<b>Total</b>
	<b>Second Quarter Ended</b>			
	<b>1.4.2023 to 30.6.2023</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for ECL made				
- Cash and short term funds	189	-	-	189
- Deposits and placements with banks and other financial institutions	92	-	-	92
- Financial assets at FVOCI	395	-	-	395
- Loans, advances and financing	523	173	11,700	12,396
- Management overlay	-	-	-	16,413
- Commitment and contingencies	8,098	113	-	8,211
	<u>9,297</u>	<u>286</u>	<u>11,700</u>	<u>37,696</u>
Allowance for ECL writeback				
- Financial assets at FVOCI	(445)	-	-	(445)
- Loans, advances and financing	(1,989)	(452)	(4,789)	(7,230)
- Statutory deposit with Bank Negara Malaysia	(3)	-	-	(3)
- Commitment and contingencies	(9,252)	(61)	(7,266)	(16,579)
	<u>(11,689)</u>	<u>(513)</u>	<u>(12,055)</u>	<u>(24,257)</u>
Impaired loans, advances and financing recovered	-	-	(1)	(1)
<b>Total</b>	<u>(2,392)</u>	<u>(227)</u>	<u>(356)</u>	<u>13,438</u>

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**24. Writeback of/(allowance for) expected credit losses, net (cont'd.)**

	<b>Group and Bank</b>			<b>Total</b>
	<b>Second Quarter Ended</b>			
	<b>1.4.2022 to 30.6.2022</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for ECL made				
- Cash and short term funds	277	-	-	277
- Deposits and placements with banks and other financial institutions	84	-	-	84
- Loans, advances and financing	4,786	205	248	5,239
- Commitment and contingencies	1,022	378	917	2,317
	<u>6,169</u>	<u>583</u>	<u>1,165</u>	<u>7,917</u>
Allowance for ECL writeback				
- Financial assets at FVOCI	(247)	-	-	(247)
- Loans, advances and financing	(142)	-	(7)	(149)
- Management overlay	-	-	-	(6,207)
- Statutory deposit with Bank Negara Malaysia	(3)	-	-	(3)
- Commitment and contingencies	-	(154)	-	(154)
	<u>(392)</u>	<u>(154)</u>	<u>(7)</u>	<u>(6,760)</u>
Impaired loans, advances and financing charged	-	-	188	188
<b>Total</b>	<u>5,777</u>	<u>429</u>	<u>1,346</u>	<u>1,345</u>



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**25. Non-interest income**

	Group			
	Second Quarter Ended		Cumulative 6 Months Ended	
	1.4.2023	1.4.2022	1.1.2023	1.1.2022
	to	to	to	to
30.6.2023	30.6.2022	30.6.2023	30.6.2022	
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commission	1,193	843	2,155	1,647
Service charges and fees	321	506	588	931
Guarantee fees	535	499	947	992
	<u>2,049</u>	<u>1,848</u>	<u>3,690</u>	<u>3,570</u>
Investment income:				
Gross dividend from financial assets at FVOCI	115	111	355	111
Gain from redemption of financial assets at amortised cost	-	-	-	3,640
Gain from redemption of financial assets at FVOCI	-	-	-	972
Unrealised gain on revaluation of financial assets at FVTPL	-	92	-	-
Net loss on disposal of				
- Financial assets measured at FVTPL	-	(365)	-	(274)
	<u>115</u>	<u>(162)</u>	<u>355</u>	<u>4,449</u>
Other income:				
Foreign exchange gain	4,185	5,328	3,322	5,225
Unrealised loss on foreign exchange forwards	(3,149)	(3,989)	(1,352)	(2,479)
Gain on sale of property and equipment	-	-	5	-
Rental income	202	202	404	404
Others	3	2	7	6
	<u>1,241</u>	<u>1,543</u>	<u>2,386</u>	<u>3,156</u>
<b>Total</b>	<u>3,405</u>	<u>3,229</u>	<u>6,431</u>	<u>11,175</u>

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## 25. Non-interest income (cont'd.)

	Bank			
	Second Quarter Ended		Cumulative 6 Months Ended	
	1.4.2023	1.4.2022	1.1.2023	1.1.2022
	to	to	to	to
30.6.2023	30.6.2022	30.6.2023	30.6.2022	
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commission	1,186	838	2,140	1,625
Service charges and fees	321	506	588	931
Guarantee fees	535	499	947	992
	<u>2,042</u>	<u>1,843</u>	<u>3,675</u>	<u>3,548</u>
Investment income:				
Gross dividend from				
financial assets at FVOCI	115	111	355	111
Gain from redemption of financial				
assets at amortised cost	-	-	-	3,640
Gain from redemption of				
financial assets at FVOCI	-	-	-	972
Unrealised gain on revaluation of				
financial assets at FVTPL	-	92	-	-
Net loss on disposal of				
- Financial assets measured				
at FVTPL	-	(365)	-	(274)
	<u>115</u>	<u>(162)</u>	<u>355</u>	<u>4,449</u>
Other income:				
Foreign exchange gain	4,185	5,328	3,322	5,225
Unrealised loss on foreign				
exchange forwards	(3,149)	(3,989)	(1,352)	(2,479)
Gain on sale of property and				
equipment	-	-	5	-
Rental income	202	202	404	404
Others	3	2	7	6
	<u>1,241</u>	<u>1,543</u>	<u>2,386</u>	<u>3,156</u>
<b>Total</b>	<u><b>3,398</b></u>	<u><b>3,224</b></u>	<u><b>6,416</b></u>	<u><b>11,153</b></u>

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## 26. Overhead expenses

	Group			
	Second Quarter Ended		Cumulative 6 Months Ended	
	1.4.2023	1.4.2022	1.1.2023	1.1.2022
	to	to	to	to
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	8,653	8,483	17,229	16,518
Defined Contribution Plan				
- Employees Provident Fund	1,289	1,260	2,391	2,327
Others	522	648	900	890
	<u>10,464</u>	<u>10,391</u>	<u>20,520</u>	<u>19,735</u>
Establishment costs				
Depreciation	1,114	1,191	2,227	2,401
Amortisation of intangible assets	46	83	91	165
Depreciation of right-of-use assets (Note 18)	345	314	674	634
Repair and maintenance	634	514	1,166	1,141
Information technology	336	411	729	940
Others	1,148	569	1,725	1,064
	<u>3,623</u>	<u>3,082</u>	<u>6,612</u>	<u>6,345</u>
Marketing costs				
Advertising and publicity	16	12	39	122
Others	18	7	36	20
	<u>34</u>	<u>19</u>	<u>75</u>	<u>142</u>
Administration and general costs				
Communication expenses	272	291	533	491
Subscriptions	484	667	1,131	1,121
Professional fees	191	107	269	106
Auditors remunerations	107	96	202	178
Non-executive directors' remuneration	299	293	605	598
Insurance	114	232	302	258
Travelling	91	45	162	66
Others	281	192	448	395
	<u>1,839</u>	<u>1,923</u>	<u>3,652</u>	<u>3,213</u>
<b>Total</b>	<u>15,960</u>	<u>15,415</u>	<u>30,859</u>	<u>29,435</u>

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## 26. Overhead expenses (cont'd.)

	Bank			
	Second Quarter Ended		Cumulative 6 Months Ended	
	1.4.2023	1.4.2022	1.1.2023	1.1.2022
	to	to	to	to
30.6.2023	30.6.2022	30.6.2023	30.6.2022	
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	8,653	8,483	17,229	16,518
Defined Contribution Plan				
- Employees Provident Fund	1,289	1,260	2,391	2,327
Others	522	648	900	890
	<u>10,464</u>	<u>10,391</u>	<u>20,520</u>	<u>19,735</u>
Establishment costs				
Depreciation	1,114	1,191	2,227	2,401
Amortisation of intangible assets	46	83	91	165
Depreciation of right-of-use assets (Note 18)	345	314	674	634
Repair and maintenance	634	514	1,166	1,141
Information technology	336	411	729	940
Others	1,148	569	1,725	1,064
	<u>3,623</u>	<u>3,082</u>	<u>6,612</u>	<u>6,345</u>
Marketing costs				
Advertising and publicity	16	12	39	122
Others	18	7	36	20
	<u>34</u>	<u>19</u>	<u>75</u>	<u>142</u>
Administration and general costs				
Communication expenses	272	291	533	491
Subscriptions	484	667	1,131	1,121
Professional fees	191	107	269	106
Auditors remunerations	104	94	199	176
Non-executive directors' remuneration	299	293	605	598
Insurance	114	232	302	258
Travelling	91	45	162	66
Others	281	192	448	395
	<u>1,836</u>	<u>1,921</u>	<u>3,649</u>	<u>3,211</u>
<b>Total</b>	<u>15,957</u>	<u>15,413</u>	<u>30,856</u>	<u>29,433</u>

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**27. Commitments and contingencies**

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

The Group and the Bank do not enter into 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:

<b>Group and Bank</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Amount RM'000</b>
<b>30 June 2023</b>				
Direct credit substitutes	76,562	-	76,562	74,247
Transaction-related contingent items	221,226	-	106,520	104,511
Short-term self-liquidating trade-related contingencies	21,521	-	4,304	4,238
Forward foreign exchange contracts				
- less than one year	216,688	303	1,922	1,512
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	36,897	-	18,449	18,449
- maturity less than one year	2,206,376	-	441,275	438,376
Any commitment that are unconditionally cancelled at any time without prior notice	3,567	-	-	-
<b>Total</b>	<b>2,782,837</b>	<b>303</b>	<b>649,032</b>	<b>641,333</b>

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

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 of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Amount RM'000</b>
<b>31 December 2022</b>				
Direct credit substitutes	29,561	-	29,561	27,246
Transaction-related contingent items	236,013	-	107,563	105,596
Short-term self-liquidating trade-related contingencies	10,896	-	2,179	2,179
Forward foreign exchange contracts				
- less than one year	350,607	2,005	3,786	2,883
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	6,488		3,244	3,244
- maturity less than one year	1,920,778	-	384,156	381,658
Any commitment that are unconditionally cancelled at any time without prior notice			-	-
	2,382	-	-	-
<b>Total</b>	<b>2,556,725</b>	<b>2,005</b>	<b>530,489</b>	<b>522,806</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).

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**28. 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 and disclosed at their fair values by level of hierarchy:

<b>Group and Bank 30 June 2023</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<u>Financial assets at FVOCI (Note 12)</u>				
Debt instruments				
Malaysian Government Securities	-	243,299	-	243,299
Government Investment Issue	-	243,191	-	243,191
Negotiable Instruments of Deposit	-	50,117	-	50,117
Corporate bonds	-	271,487	-	271,487
Equity instruments				
Unquoted shares	-	-	29,180	29,180
	-	808,094	29,180	837,274
<u>Derivatives financial instruments</u>				
Derivative financial assets				
Unrealised gain on derivatives	-	303	-	303
Derivative financial liabilities				
Unrealised loss on derivatives	-	(1,656)	-	(1,656)

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

Group and Bank 31 December 2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Financial assets at FVOCI (Note 12)</u>				
Debt instruments				
Malaysian Government				
Securities	-	281,654	-	281,654
Government Investment Issue	-	303,319	-	303,319
Negotiable Instruments of				
Deposit	-	100,192	-	100,192
Corporate bonds	-	290,548	-	290,548
Equity instruments:				
Unquoted shares	-	-	13,964	13,964
	-	975,713	13,964	989,677
<u>Derivatives financial instruments</u>				
Derivative financial assets				
Unrealised gain on derivatives	-	2,005	-	2,005
Derivative financial liabilities				
Unrealised loss on derivatives	-	(2,005)	-	(2,005)

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

**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 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.

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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**29. Capital adequacy**

- (a) The capital adequacy ratios of the Bank are computed in accordance with BNM's revised Capital Adequacy Frameworks on Capital Components and Basel II - Risk-weighted Assets issued on 2 February 2018. The minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer ("CCyB") for Common Equity Tier 1 ("CET 1") Capital Ratio, Tier 1 Capital Ratio and Total Capital Ratio are 4.5%, 6.0% and 8.0% respectively.

The total risk-weighted assets of the Bank are computed based on the following approaches:

- (i) Standardised Approach for Credit Risk;
- (ii) Standardised Approach for Market Risk;
- (iii) Basic Indicator Approach for Operational Risk.

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. , 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.

- (b) Banking institutions are also required to maintain a capital conservation buffer of up to 2.5% and a CCyB above the minimum regulatory capital adequacy ratios above. Under the transition arrangements, capital conservation buffer will be phased-in as follows:

<b>Calendar Year</b>	<b>Capital Conservation Buffer</b>
2018	1.875%
2019 onwards	2.500%

A CCyB is required to be maintained if this buffer is applied by regulators in countries which the Bank have exposures to, determined based on the weighted average of prevailing CCyB rates applied in those jurisdictions.

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

	<b>Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
CET 1 Capital Ratio	33.60%	33.22%
Tier 1 Capital Ratio	33.60%	33.22%
Total Capital Ratio	<u>34.79%</u>	<u>34.40%</u>

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

(d) The components of common equity Tier 1 and Tier 2 capital of the Bank are as follows:

	<b>Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CET 1 Capital</b>		
Paid-up share capital	1,000,000	1,000,000
Unrealised gain on financial assets at FVOCI	28,392	8,900
Retained profits	324,696	317,091
Less: Regulatory adjustments, applied on CET1 Capital:		
Other intangibles	(152)	(242)
Deferred tax assets	(22,485)	(22,049)
55% of unrealised gain on financial assets at at FVOCI	(15,615)	(4,895)
<b>Total CET 1 Capital</b>	<u>1,314,836</u>	<u>1,298,805</u>
<b>Tier 2 Capital</b>		
Stage 1 and 2 ECL *	46,376	46,366
Less: Investment in subsidiary	(10)	(10)
<b>Total Tier 2 Capital</b>	<u>46,366</u>	<u>46,356</u>
<b>Total capital</b>		
CET 1 Capital	1,314,836	1,298,805
Tier 2 Capital	46,366	46,356
<b>Total Capital</b>	<u>1,361,202</u>	<u>1,345,161</u>

\* Subject to a maximum of 1.25% of the total credit RWA determined under the Standardised Approach for credit risk.

Terms and conditions of the main features of all capital instruments are disclosed in the respective notes. The Bank does not have any innovative, non-innovative, complex or hybrid capital instruments.

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

(e) 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</b>	<b>Risk-weighted</b>	<b>Principal</b>	<b>Risk-weighted</b>
	<b>30.6.2023</b>	<b>assets</b>	<b>31.12.2022</b>	<b>assets</b>
	<b>RM'000</b>	<b>30.6.2023</b>	<b>RM'000</b>	<b>31.12.2022</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
0%	640,085	-	647,601	-
20%	845,760	169,152	438,288	87,658
35%	531	186	623	218
50%	146,862	73,432	153,069	76,534
75%	3,412	2,559	1,548	1,161
100%	3,464,632	3,464,632	3,543,630	3,543,630
150%	79	119	59	89
Total risk-weighted assets for credit risk		<u>3,710,080</u>		<u>3,709,290</u>
Total risk-weighted assets for market risk		3,303		6,574
Total risk-weighted assets for operational risk		<u>199,596</u>		<u>194,249</u>
Total risk-weighted assets		<u><u>3,912,979</u></u>		<u><u>3,910,113</u></u>

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**30. 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**

	<b>Group and Bank</b>			
	<b>Second Quarter Ended</b>		<b>Cumulative 6 Months Ended</b>	
	<b>1.4.2023</b>	<b>1.4.2022</b>	<b>1.1.2023</b>	<b>1.1.2022</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.6.2023</b>	<b>30.6.2022</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Income</b>				
Interest on advances to the holding company and its branches	249	53	485	59
<b>Expenditure</b>				
Interest on advances from the holding company and its branches	2,313	555	4,319	936
Administrative expenses to holding company	140	91	409	385

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

**(ii) Related party balances**

	<b>Group and Bank</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Amount due to</b>		
Deposits and placements from the holding company and its branches	49,301	178,671
<b>Amount due from</b>		
Cash and short-term funds placed with the holding company and its branches	22,863	14,368