

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

**Unaudited Interim Condensed Financial Statements**  
**30 September 2021**

**199401014060 (299740-W)**

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

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

**Performance review for the nine-month period ended 30 September 2021 and commentary on the prospects**

Bangkok Bank Berhad (“BBB”) registered a profit before tax (“PBT”) of RM28.0 million for the nine-month period ended 30 September 2021 as compared to profit before tax of RM3.7 million recorded during the previous corresponding period. Net interest income increased slightly by RM1.5 million as compared with previous corresponding period. Malaysia economy is poised to continue on recovery trajectory with ongoing national immunisation programme that had achieved herd immunity, and followed by re-opening of all economy sectors.

Gross loans increased marginally from RM3.1 billion as at 31 December 2020 to RM3.2 billion as at 30 September 2021, despite numerous containment measures and macroeconomic headwinds in the third quarter of 2021.

Deposits from customers remained constant at RM2.2 billion for 31 December 2020 and 30 September 2021. The Bank continues to focus on gathering customer deposits to maintain prudent liquidity position and to pace with loan drawdown. Liquidity coverage ratio and net stable funding ratio are well above regulatory requirements as at 30 September 2021.

Overall, the Bank is expected to remain sound supported by strong capital base. The Bank will continue to realign product offerings to the changing landscape. Concurrently, the Bank will remain steadfast in supporting existing and new customers throughout the pandemic to attain sustainable long term business growth.

**Bangkok Bank Berhad**  
**(Incorporated in Malaysia)**
**Unaudited interim condensed statements of financial position as at 30 September 2021**

	Note	Group		Bank	
		30.9.2021 RM'000	31.12.2020 RM'000	30.9.2021 RM'000	31.12.2020 RM'000
<b>Assets</b>					
Cash and short-term funds		215,602	405,832	215,474	405,703
Deposits and placements with banks and other financial institutions		59,594	90,212	59,594	90,212
Financial assets at fair value through other comprehensive income ("FVOCI")	12	725,767	961,308	725,767	961,308
Financial assets at amortised costs	13	101,058	102,302	101,058	102,302
Loans, advances and financing	14	2,985,412	2,915,177	2,985,412	2,915,177
Derivative assets		2,570	2,815	2,570	2,815
Tax recoverable		9,947	10,384	9,939	10,381
Other assets	15	6,666	5,295	6,666	5,295
Investment in subsidiary		-	-	10	10
Property and equipment	16	122,156	124,627	122,156	124,627
Intangible assets		482	455	482	455
Right-of-use assets	17	6,284	7,049	6,284	7,049
Deferred tax assets		17,561	15,342	17,561	15,342
<b>Total assets</b>		<b>4,253,099</b>	<b>4,640,798</b>	<b>4,252,973</b>	<b>4,640,676</b>
<b>Liabilities and shareholder's equity</b>					
Deposits from customers	18	2,189,902	2,171,566	2,189,902	2,171,566
Deposits and placements from banks and other financial institutions	19	738,999	1,156,981	738,999	1,156,981
Derivative liabilities		1,926	2,191	1,926	2,191
Other liabilities	20	27,538	29,785	27,535	29,782
<b>Total liabilities</b>		<b>2,958,365</b>	<b>3,360,523</b>	<b>2,958,362</b>	<b>3,360,520</b>

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 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 September 2021 (cont'd.)**

	Note	Group		Bank	
		30.9.2021 RM'000	31.12.2020 RM'000	30.9.2021 RM'000	31.12.2020 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		18,428	23,750	18,428	23,750
Retained profits		276,306	256,525	276,183	256,406
<b>Shareholder's equity</b>		<u>1,294,734</u>	<u>1,280,275</u>	<u>1,294,611</u>	<u>1,280,156</u>
<b>Total liabilities and shareholder's equity</b>		<u>4,253,099</u>	<u>4,640,798</u>	<u>4,252,973</u>	<u>4,640,676</u>
<b>Commitments and contingencies</b>	26	<u>2,615,160</u>	<u>2,352,189</u>	<u>2,615,160</u>	<u>2,352,189</u>

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

**Unaudited interim condensed income statements**  
**For the financial period ended 30 September 2021**

	Note	Group			
		Third Quarter Ended		Cumulative 9 Months Ended	
		1.7.2021	1.7.2020	1.1.2021	1.1.2020
		to	to	to	to
		30.9.2021	30.9.2020	30.9.2021	30.9.2020
		RM'000	RM'000	RM'000	RM'000
Interest income	21	33,524	38,214	101,901	130,992
Interest expense	22	(10,762)	(15,862)	(33,602)	(64,154)
Net interest income		22,762	22,352	68,299	66,838
Non-interest income	23	2,880	3,204	10,904	9,778
Net income		25,642	25,556	79,203	76,616
Overhead expenses	25	(14,427)	(14,752)	(42,312)	(42,914)
Operating profit		11,215	10,804	36,891	33,702
(Allowance for)/writeback of expected credit losses, net	23	(1,700)	2,160	(8,841)	(29,970)
Profit before taxation		9,515	12,964	28,050	3,732
Taxation		(2,237)	(3,242)	(8,269)	(2,764)
Net profit for the financial period		7,278	9,722	19,781	968
Earnings per share (sen)					
- basic		0.73	0.97	1.98	0.10
- diluted		0.73	0.97	1.98	0.10

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**Bangkok Bank Berhad**  
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**Unaudited interim condensed income statements**  
**For the financial period ended 30 September 2021 (cont'd.)**

	Note	Bank			
		Third Quarter Ended		Cumulative 9 Months Ended	
		1.7.2021	1.7.2020	1.1.2021	1.1.2020
		to	to	to	to
		30.9.2021	30.9.2020	30.9.2021	30.9.2020
		RM'000	RM'000	RM'000	RM'000
Interest income	21	33,524	38,214	101,901	130,992
Interest expense	22	(10,762)	(15,862)	(33,602)	(64,154)
Net interest income		22,762	22,352	68,299	66,838
Non-interest income	23	2,874	3,203	10,898	9,772
Net income		25,636	25,555	79,197	76,610
Overhead expenses	25	(14,424)	(14,752)	(42,309)	(42,912)
Operating profit		11,212	10,803	36,888	33,698
(Allowance for)/writeback of expected credit losses, net	23	(1,700)	2,160	(8,841)	(29,970)
Profit before taxation		9,512	12,963	28,047	3,728
Taxation		(2,238)	(3,242)	(8,270)	(2,763)
Net profit for the financial period		7,274	9,721	19,777	965
Earnings per share (sen)					
- basic		0.73	0.97	1.98	0.10
- diluted		0.73	0.97	1.98	0.10

*These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 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 September 2021**

	Group			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2021	1.7.2020	1.1.2021	1.1.2020
	to	to	to	to
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
<b>Net profit for the period</b>	7,278	9,722	19,781	968
<b>Other comprehensive income that will be reclassified to the income statement subsequently:</b>				
Net (loss)/gain on financial assets at FVOCI	(3,015)	1,024	(7,142)	8,843
Income tax relating to components of other comprehensive income	365	(251)	1,820	(1,893)
<b>Other comprehensive (loss)/income for the period, net of tax</b>	(2,650)	773	(5,322)	6,950
<b>Total comprehensive income for the period, net of tax</b>	4,628	10,495	14,459	7,918

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**Bangkok Bank Berhad**  
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**Unaudited interim condensed statements of comprehensive income**  
**For the financial period ended 30 September 2021 (cont'd.)**

	Bank		Cumulative 9 Months	
	Third Quarter Ended		Ended	
	1.7.2021	1.7.2020	1.1.2021	1.1.2020
	to	to	to	to
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
<b>Net profit for the period</b>	<u>7,274</u>	<u>9,721</u>	<u>19,777</u>	<u>965</u>
<b>Other comprehensive income that will be reclassified to the income statement subsequently:</b>				
Net (loss)/gain on financial assets at FVOCI	(3,015)	1,024	(7,142)	8,843
Income tax relating to components of other comprehensive income	<u>365</u>	<u>(251)</u>	<u>1,820</u>	<u>(1,893)</u>
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<u>(2,650)</u>	<u>773</u>	<u>(5,322)</u>	<u>6,950</u>
<b>Total comprehensive income for the period, net of tax</b>	<u>4,624</u>	<u>10,494</u>	<u>14,455</u>	<u>7,915</u>

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**Bangkok Bank Berhad**  
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**Unaudited interim condensed statements of changes in equity**  
**For the financial period ended 30 September 2021**

Group	<--- Non-distributable--->		Distributable	Total RM'000
	Share capital RM'000	FVOCI reserve RM'000	Retained profits RM'000	
<b>At 1 January 2020</b>	1,000,000	16,939	243,819	1,260,758
Total comprehensive income	-	6,950	968	7,918
<b>At 30 September 2020</b>	<u>1,000,000</u>	<u>23,889</u>	<u>244,787</u>	<u>1,268,676</u>
<b>At 1 January 2021</b>	1,000,000	23,750	256,525	1,280,275
Total comprehensive (loss)/income	-	(5,322)	19,781	14,459
<b>At 30 September 2021</b>	<u>1,000,000</u>	<u>18,428</u>	<u>276,306</u>	<u>1,294,734</u>
Bank	<--- Non-distributable--->		Distributable	Total RM'000
	Share capital RM'000	FVOCI reserve RM'000	Retained profits RM'000	
<b>At 1 January 2020</b>	1,000,000	16,939	243,701	1,260,640
Total comprehensive income	-	6,950	965	7,915
<b>At 30 September 2020</b>	<u>1,000,000</u>	<u>23,889</u>	<u>244,666</u>	<u>1,268,555</u>
<b>At 1 January 2021</b>	1,000,000	23,750	256,406	1,280,156
Total comprehensive (loss)/income	-	(5,322)	19,777	14,455
<b>At 30 September 2021</b>	<u>1,000,000</u>	<u>18,428</u>	<u>276,183</u>	<u>1,294,611</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 September 2021**

	Note	Group		Bank	
		1.1.2021 to 30.9.2021 RM'000	1.1.2020 to 30.9.2020 RM'000	1.1.2021 to 30.9.2021 RM'000	1.1.2020 to 30.9.2020 RM'000
<b>Cash flows from operating activities</b>					
Profit before taxation		28,050	3,732	28,047	3,728
Adjustments for:					
Depreciation	25	3,593	3,578	3,593	3,578
Amortisation of intangible assets	25	204	192	204	192
Depreciation of right-of-use assets	25	943	910	943	910
Interest expense on lease liability	17	123	185	123	185
Interest income from debt instruments at amortised cost	21	(3,711)	(3,766)	(3,711)	(3,766)
Interest income from debt instruments at FVOCI	21	(24,215)	(25,616)	(24,215)	(25,616)
Allowance for ECL made	23	8,178	30,765	8,178	30,765
Unrealised (gain)/loss on foreign exchange forward	24	(21)	496	(21)	496
Dividend from financial assets at FVOCI	24	(114)	(105)	(114)	(105)
Gain from redemption of financial asset at FVOCI	24	(2,340)	-	(2,340)	-
Amortisation of premium, net of (accretion of discount)	21	3,747	1,098	3,747	1,098
Operating profit before working capital changes		14,437	11,469	14,434	11,465

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**Bangkok Bank Berhad**  
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**Unaudited interim condensed statements of cash flows**  
**For the financial period ended 30 September 2021 (cont'd.)**

	Group		Bank	
	1.1.2021 to 30.9.2021 RM'000	1.1.2020 to 30.9.2020 RM'000	1.1.2021 to 30.9.2021 RM'000	1.1.2020 to 30.9.2020 RM'000
<b>Cash flows from operating activities</b>				
<b>(cont'd.)</b>				
<b>Balance carried forward</b>	14,437	11,469	14,434	11,465
<b>Decrease in operating assets:</b>				
Loans, advances and financing	(77,440)	220,315	(77,440)	220,315
Other assets	(1,371)	392	(1,371)	392
Statutory deposits with Bank Negara Malaysia	-	65,479	-	65,479
<b>Increase/(Decrease) in operating liabilities:</b>				
Deposits from customers	18,336	(788,467)	18,336	(788,467)
Deposits and placement from banks and other financial institutions	(417,982)	(53,260)	(417,982)	(53,260)
Other liabilities	(2,267)	(4,951)	(2,267)	(4,951)
Cash generated from operating activities	(466,287)	(549,023)	(466,290)	(549,027)
Taxes paid	(8,230)	(12,174)	(8,226)	(12,174)
Taxes refunded	-	5,374	-	5,374
Net cash used in operating activities	(474,517)	(555,823)	(474,516)	(555,827)
<b>Cash flows from investing activities</b>				
Purchase of financial assets at FVOCI	(1,052,766)	(1,458,711)	(1,052,766)	(1,458,711)
Proceeds from sale of financial assets at FVOCI	1,303,690	1,900,471	1,303,690	1,900,471
Proceeds from partial redemption/ interest of financial assets at amortised costs	4,966	5,021	4,966	5,021
Purchase of property and equipment	(1,353)	(409)	(1,353)	(409)
Dividend from financial assets at FVOCI	114	105	114	105
Net cash generated from investing activities	254,651	446,477	254,651	446,477

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**Unaudited interim condensed statements of cash flows**  
**For the financial period ended 30 September 2021 (cont'd.)**

	Note	Group		Bank	
		1.1.2021 to 30.9.2021 RM'000	1.1.2020 to 30.9.2020 RM'000	1.1.2021 to 30.9.2021 RM'000	1.1.2020 to 30.9.2020 RM'000
<b>Cash flows from financing activities</b>					
Payment of lease liabilities	17	(982)	(1,009)	(982)	(1,009)
Net cash used in financing activities		(982)	(1,009)	(982)	(1,009)
<b>Net (decrease) in cash and cash equivalents</b>		(220,848)	(3,839)	(220,847)	(3,839)
<b>Cash and cash equivalents at beginning of financial period</b>		496,044	516,540	495,915	516,413
<b>Cash and cash equivalents at end of financial period</b>		275,196	512,701	275,068	512,574
<b>Cash and cash equivalents comprise:</b>					
Cash and short-term funds		215,602	512,701	215,474	512,574
Deposits and placements of banks and other financial institutions		59,594	-	59,594	-
		275,196	512,701	275,068	512,574

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**Bangkok Bank Berhad  
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**Notes to the unaudited interim condensed financial statements - 30 September 2021**

**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 FVTPL, 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 2020. 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 2020.

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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 2020, except for the adoption of new standard, IC Interpretations and amendments to standards effective as of 1 January 2021 as follows:

<b>Descriptions</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021

The initial application of the accounting standards, annual improvements to standards and IC Interpretations are not expected to have any significant impact to the financial statements of the Group and the Bank.

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

As at the reporting date, the following are standards, 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 3 <i>Business Combinations: Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts-Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020 Cycle (i) Amendments to MFRS 1 <i>First-time adoption of Malaysian Financial Reporting Standards</i>	1 January 2022
(ii) Amendments to MFRS 9 <i>Financial Instruments</i>	1 January 2022
Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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
- Selection of forward-looking macroeconomic scenarios and their probability weightings.



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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 2020 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 September 2021.

**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 nine months ended 30 September 2021.

## 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 September 2021.

## 10. Dividends paid

No dividend was declared or paid during the financial period ended 30 September 2021.

## 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>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Debt instruments</b>		
Malaysian Government Securities	93,307	84,968
Government Investment Issues	363,819	377,570
Negotiable Instruments of Deposit	-	230,258
Corporate bonds	255,181	255,742
	<u>712,307</u>	<u>948,538</u>
<b>Equity instruments</b>		
Unquoted shares	13,460	12,770
	<u>725,767</u>	<u>961,308</u>

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

The following ECL for debt instruments at FVOCI are not recognised in the statement of financial position as the carrying amount of debt instruments at FVOCI is equivalent to their fair value:

	<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 2021	679	-	-	679
New debt instruments originated	117	-	-	117
ECL allowance writeback	(11)	-	-	(11)
Debt instruments derecognised	(360)	-	-	(360)
At 30 September 2021	<u>425</u>	<u>-</u>	<u>-</u>	<u>425</u>
<b>Group and Bank</b>				
At 1 January 2020	262	-	-	262
New debt instruments originated	18	-	-	18
ECL allowance writeback	(95)	-	-	(95)
Debt instruments derecognised	(122)	-	-	(122)
Change in model	616	-	-	616
At 31 December 2020	<u>679</u>	<u>-</u>	<u>-</u>	<u>679</u>

**13. Financial assets at amortised cost**

	<b>Group and Bank</b>	
	<b>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Debt instruments</b>		
Corporate bonds	101,119	102,374
<b>Unquoted securities:</b>		
Corporate bonds	567	568
	<u>101,686</u>	<u>102,942</u>
Less: allowance for ECL	(628)	(640)
	<u>101,058</u>	<u>102,302</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 2021	73	-	567	640
ECL allowance writeback	(12)	-	-	(12)
At 30 September 2021	<u>61</u>	<u>-</u>	<u>567</u>	<u>628</u>
<b>Group and Bank</b>				
At 1 January 2020	23	-	568	591
ECL allowance writeback	(16)	-	-	(16)
Debt instruments derecognised	-	-	(1)	(1)
Change in model	66	-	-	66
At 31 December 2020	<u>73</u>	<u>-</u>	<u>567</u>	<u>640</u>

**14. Loans, advances and financing**

	<b>Group and Bank</b>	
	<b>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
Overdrafts	72,364	66,752
Term loans:		
- Housing loans	1,390	2,129
- Syndicated term loan	61,618	175,043
- Other term loans	685,663	746,586
Revolving credits	1,458,578	1,409,802
Bills receivables	327,521	149,288
Trust receipts	85,909	97,130
Bankers' acceptances	525,517	493,912
Staff loans	345	371
	<u>3,218,905</u>	<u>3,141,013</u>
Unearned interest	(2,529)	(2,077)
Gross loans, advances and financing	<u>3,216,376</u>	<u>3,138,936</u>
Less: allowance for ECL		
- Stage 1	(24,249)	(6,723)
- Stage 2	(7,921)	(10,509)
- Stage 3	(117,628)	(106,821)
- Management overlay	(81,166)	(99,706)
Net loans, advances and financing	<u>2,985,412</u>	<u>2,915,177</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>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturing within one year	2,573,615	2,286,457
One year to three years	145,888	219,356
Three years to five years	215,396	264,957
Over five years	281,477	368,166
	<u>3,216,376</u>	<u>3,138,936</u>

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

	<b>Group and Bank</b>	
	<b>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	384,933	345,777
Mining and quarrying	9,315	9,111
Manufacturing	956,966	923,563
Electricity, gas and water supply	11,364	40,394
Construction	414,280	411,978
Wholesale and retail trade and restaurants and hotels	350,590	302,703
Transport, storage and communication	66,498	64,695
Finance, insurance, real estate and business activities	988,307	992,605
Household	34,123	48,110
	<u>3,216,376</u>	<u>3,138,936</u>

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

	<b>Group and Bank</b>	
	<b>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic non-bank financial institutions	569,006	552,113
Domestic business enterprises:		
- Small medium enterprises	401,553	448,000
- Others	2,211,694	2,090,713
Individuals	34,123	48,110
	<u>3,216,376</u>	<u>3,138,936</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>30.9.2021</b>	<b>31.12.2020</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	163,275	179,115
- Cost-plus	2,045,979	1,936,778
- Other variable rates	952,333	968,254
	<u>3,216,376</u>	<u>3,138,936</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>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January	131,197	149,328
Classified as impaired during the period/year	15,228	1,562
Amount recovered during the period/year	(192)	(13,728)
Amount written off during the period/year	(520)	(5,965)
Balance as at 30 September/31 December	<u>145,713</u>	<u>131,197</u>
Allowance for ECL Stage 3	(117,628)	(106,821)
Net impaired loans, advances and financing	<u>28,085</u>	<u>24,376</u>
Ratio of net impaired loans, advances and financing to gross loans, advances and financing less Stage 3 ECL allowance	<u>0.91%</u>	<u>0.80%</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 2021	6,723	10,509	106,821	124,053
New loans, advances and financing originated	1,635	-	-	1,635
Loans, advances and financing derecognised (other than write-off)	(510)	(816)	(151)	(1,477)
Transfer to Stage 1	7,106	(7,106)	-	-
Transfer to Stage 2	(715)	715	-	-
Transfer to Stage 3	(7,392)	-	7,392	-
Net changes in loan loss allowances	17,402	4,619	4,086	26,107
Amount written off	-	-	(520)	(520)
Management overlay	-	-	-	81,166
At 30 September 2021	<u>24,249</u>	<u>7,921</u>	<u>117,628</u>	<u>230,964</u>
<b>Group and Bank</b>				
At 1 January 2020	50,974	27,201	112,081	190,256
New loans, advances and financing originated	5,759	1,263	-	7,022
Loans, advances and financing derecognised (other than write-off)	(1,295)	(8,272)	(2,623)	(12,190)
Transfer to Stage 1	274	(274)	-	-
Transfer to Stage 2	(5,188)	5,188	-	-
Transfer to Stage 3	-	-	-	-
Net changes in loan loss allowances	(2,189)	22,009	3,328	23,148
Changes in model	(41,612)	(36,606)	-	(78,218)
Amount written off	-	-	(5,965)	(5,965)
Management overlay	-	-	-	99,706
At 31 December 2020	<u>6,723</u>	<u>10,509</u>	<u>106,821</u>	<u>223,759</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>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Manufacturing	123,154	122,469
Wholesale and retail trade and restaurants and hotels	21,792	7,180
Household	767	1,548
	<u>145,713</u>	<u>131,197</u>

**15. Other assets**

	<b>Group and Bank</b>	
	<b>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits and prepayments	2,619	2,358
Other receivables	4,047	2,937
	<u>6,666</u>	<u>5,295</u>

**16. Property and equipment**

During the nine months period ended 30 September 2021, the Group and the Bank acquired assets with a cost of RM1,353,000 (31.12.2020: RM683,000).



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

	<b>Group and Bank</b>	
	<b>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Right-of-use assets</b>		
Balance as at 1 January	7,049	7,444
Non-cash addition	178	828
Depreciation of right-of-use assets (Note 25)	(943)	(1,223)
Right-of-use assets	<u>6,284</u>	<u>7,049</u>
<b>Lease liabilities</b>		
Balance as at 1 January	7,359	7,655
Non-cash addition	178	828
Adjustment	(18)	-
Accretion of interest expense (Note 22)	123	230
Lease payment	(982)	(1,354)
Lease liabilities (Note 20)	<u>6,660</u>	<u>7,359</u>

**18. Deposits from customers**

(i) By type of deposit:

	<b>Group and Bank</b>	
	<b>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	1,411,940	1,531,625
Current accounts	175,182	202,394
Savings deposits	9,551	10,107
Short term deposits	593,229	427,440
	<u>2,189,902</u>	<u>2,171,566</u>

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

	<b>Group and Bank</b>	
	<b>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	1,823,617	1,641,444
Six months to one year	178,226	315,523
One year to three years	2,020	1,104
Over three years	1,306	994
	<u>2,005,169</u>	<u>1,959,065</u>

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## 18. Deposits from customers (cont'd.)

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

	Group and Bank	
	30.9.2021	31.12.2020
	RM'000	RM'000
Business enterprises	1,865,985	1,762,892
Individuals	323,917	408,674
	<u>2,189,902</u>	<u>2,171,566</u>

## 19. Deposits and placements from banks and other financial institutions

	Group and Bank	
	30.9.2021	31.12.2020
	RM'000	RM'000
Licensed banks	491,068	816,817
Other financial institutions	247,931	340,164
	<u>738,999</u>	<u>1,156,981</u>

Included in deposits and placements are deposits and placements from the holding company and its branches amounting to RM113,567,000 (31.12.2020: RM121,678,000) as disclosed in Note 29.

## 20. Other liabilities

	Group		Bank	
	30.9.2021	31.12.2020	30.9.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Accruals	7,270	8,617	7,267	8,614
Allowance for ECL on commitments and contingencies	8,954	8,235	8,954	8,235
Lease liability (Note 17)	6,660	7,359	6,660	7,359
Other payables	4,654	5,574	4,654	5,574
	<u>27,538</u>	<u>29,785</u>	<u>27,535</u>	<u>29,782</u>

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**20. 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 2021	1,031	1,031	6,173	8,235
New loan/financing commitments, and financing guarantee originated	79	-	-	79
Loan/financing commitments, and financing guarantee derecognised	(130)	(104)	-	(234)
Transfer to Stage 1	(19)	19	-	-
Transfer to Stage 2	516	(516)	-	-
Transfer to Stage 3	-	-	-	-
Net changes in loan loss allowances	387	487	-	874
At 30 September 2021	<u>1,864</u>	<u>917</u>	<u>6,173</u>	<u>8,954</u>
<b>Group and Bank</b>				
At 1 January 2020	6,384	10,705	-	17,089
New loan/financing commitments, and financing guarantee originated	2,422	776	-	3,198
Loan/financing commitments, and financing guarantee derecognised	(1,895)	(658)	-	(2,553)
Transfer to Stage 1	152	(152)	-	-
Transfer to Stage 2	(1,046)	1,046	-	-
Transfer to Stage 3	-	(2,372)	2,372	-
Net changes in loan loss allowances	(499)	762	3,801	4,064
Changes in model	(4,487)	(9,076)	-	(13,563)
At 31 December 2020	<u>1,031</u>	<u>1,031</u>	<u>6,173</u>	<u>8,235</u>

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**21. Interest income**

	<b>Group and Bank</b>			
	<b>Third Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>1.7.2021</b>	<b>1.7.2020</b>	<b>1.1.2021</b>	<b>1.1.2020</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.9.2021</b>	<b>30.9.2020</b>	<b>30.9.2021</b>	<b>30.9.2020</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	23,893	27,949	72,292	94,941
- Recoveries from impaired loans	-	177	-	277
- Interest income on impaired loans	265	341	749	1,403
Deposits and placements with banks and other financial institutions	1,498	1,618	4,681	6,087
Debt instruments at amortised cost	1,269	1,256	3,711	3,766
Debt instruments at FVOCI	7,927	7,547	24,215	25,616
	<u>34,852</u>	<u>38,888</u>	<u>105,648</u>	<u>132,090</u>
(Amortisation of premium)/ accretion of discounts, net				
- Financial assets at FVOCI	(1,328)	(674)	(3,747)	(1,098)
	<u>33,524</u>	<u>38,214</u>	<u>101,901</u>	<u>130,992</u>

**22. Interest expense**

	<b>Group and Bank</b>			
	<b>Third Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>1.7.2021</b>	<b>1.7.2020</b>	<b>1.1.2021</b>	<b>1.1.2020</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.9.2021</b>	<b>30.9.2020</b>	<b>30.9.2021</b>	<b>30.9.2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers	10,387	14,892	31,959	59,074
Deposits and placements from banks and other financial institutions	334	918	1,520	4,895
Accretion of interest expense (Note 17)	41	52	123	185
	<u>10,762</u>	<u>15,862</u>	<u>33,602</u>	<u>64,154</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 RM294,000 (30.9.2020: RM2,236,000) as disclosed in Note 29.

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**23. Allowance for expected credit losses/(written back),net**

	<b>Group and Bank</b>			<b>Total</b>
	<b>Cumulative 9 Months Ended</b>			
	<b>1.1.2021 to 30.9.2021</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	308	-	-	308
- Deposits and placements with banks and other financial institutions	360	-	-	360
- Financial assets at FVOCI	117	-	-	117
- Loans, advances and financing	27,008	7,320	11,485	45,813
- Commitment and contingencies	1,216	546	-	1,762
	<u>29,009</u>	<u>7,866</u>	<u>11,485</u>	<u>48,360</u>
Allowance for ECL written back				
- Financial assets at FVOCI	(371)	-	-	(371)
- Financial assets at amortised costs	(12)	-	-	(12)
- Loans, advances and financing	(9,482)	(9,908)	(158)	(19,548)
- Management overlay	-	-	-	(18,540)
- Commitment and contingencies	(383)	(660)	-	(1,043)
	<u>(10,248)</u>	<u>(10,568)</u>	<u>(158)</u>	<u>(39,514)</u>
Impaired loans, advances and financing recovered	-	-	(5)	(5)
<b>Total</b>	<u>18,761</u>	<u>(2,702)</u>	<u>11,322</u>	<u>8,841</u>

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**23. Allowance for expected credit losses/(written back),net (cont'd.)**

	<b>Group and Bank</b>			<b>Total</b>
	<b>Third Quarter Ended</b>			
	<b>1.7.2021 to 30.9.2021</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	420	-	-	420
- Deposits and placements with banks and other financial institutions	412	-	-	412
- Loans, advances and financing	261	5,895	7,506	13,662
	<u>1,093</u>	<u>5,895</u>	<u>7,506</u>	<u>14,494</u>
Allowance for ECL written back				
- Financial assets at FVOCI	(1,496)	-	-	(1,496)
- Financial assets at amortised costs	(102)	-	-	(102)
- Loans, advances and financing	(583)	(7,141)	(2)	(7,726)
- Management overlay	-	-	-	(2,915)
- Commitment and contingencies	(313)	(240)	-	(553)
	<u>(2,494)</u>	<u>(7,381)</u>	<u>(2)</u>	<u>(12,792)</u>
Impaired loans, advances and financing recovered	-	-	(2)	(2)
<b>Total</b>	<u>(1,401)</u>	<u>(1,486)</u>	<u>7,502</u>	<u>1,700</u>

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**23. Allowance for expected credit losses/(written back),net (cont'd.)**

	<b>Group and Bank</b>			
	<b>Cumulative 9 Months Ended</b>			
	<b>1.1.2020 to 30.9.2020</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				
- Loans, advances and financing	31,408	13,035	2,046	46,489
- Commitment and contingencies	2,368	1,491	3,112	6,971
	<u>33,776</u>	<u>14,526</u>	<u>5,158</u>	<u>53,460</u>
Allowance for ECL written back				
- Cash and short term funds	(101)	-	-	(101)
- Deposits and placements with banks and other financial institutions	(10)	-	-	(10)
- Financial assets at FVOCI	(200)	-	-	(200)
- Financial assets at amortised costs	(14)	-	-	(14)
- Loans, advances and financing	(12,972)	(960)	(1,922)	(15,854)
- Statutory deposit with Bank Negara Malaysia	(21)	-	-	(21)
- Commitment and contingencies	(1,879)	(4,748)	-	(6,627)
	<u>(15,197)</u>	<u>(5,708)</u>	<u>(1,922)</u>	<u>(22,827)</u>
Impaired loans, advances and financing recovered	-	-	(663)	(663)
<b>Total</b>	<u>18,579</u>	<u>8,818</u>	<u>2,573</u>	<u>29,970</u>

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**23. Allowance for expected credit losses/(written back),net (cont'd.)**

	<b>Group and Bank</b>			<b>Total</b>
	<b>Third Quarter Ended</b>			
	<b>1.7.2020 to 30.9.2020</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	26	-	-	26
- Loans, advances and financing	6,211	138	359	6,708
- Commitment and contingencies	578	1,279	-	1,857
	<u>6,815</u>	<u>1,417</u>	<u>359</u>	<u>8,591</u>
Allowance for ECL written back				
- Financial assets at FVOCI	(20)	-	-	(20)
- Financial assets at amortised costs	(1)	-	-	(1)
- Loans, advances and financing	(6,706)	-	(1,863)	(8,569)
- Commitment and contingencies	(83)	(1,417)	-	(1,500)
	<u>(6,810)</u>	<u>(1,417)</u>	<u>(1,863)</u>	<u>(10,090)</u>
Impaired loans, advances and financing recovered	-	-	(661)	(661)
<b>Total</b>	<u>5</u>	<u>-</u>	<u>(2,165)</u>	<u>(2,160)</u>



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**24. Non-interest income**

	Group			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2021	1.7.2020	1.1.2021	1.1.2020
	to	to	to	to
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commission	667	706	1,902	2,333
Service charges and fees	343	401	1,010	1,300
Guarantee fees	563	723	1,562	1,887
	<u>1,573</u>	<u>1,830</u>	<u>4,474</u>	<u>5,520</u>
Investment income:				
Gross dividend from financial assets at FVOCI	19	50	114	105
Gain from redemption of financial assets at FVOCI	-	-	2,340	-
	<u>19</u>	<u>50</u>	<u>2,454</u>	<u>105</u>
Other income:				
Foreign exchange gain/(loss)	(370)	(895)	3,036	3,827
Unrealised gain/(loss) on foreign exchange forwards	1,454	1,916	21	(496)
Rental income	202	271	910	785
Others	2	32	9	37
	<u>1,288</u>	<u>1,324</u>	<u>3,976</u>	<u>4,153</u>
<b>Total</b>	<u>2,880</u>	<u>3,204</u>	<u>10,904</u>	<u>9,778</u>

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

	Bank			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2021	1.7.2020	1.1.2021	1.1.2020
	to	to	to	to
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commission	661	705	1,896	2,327
Service charges and fees	343	401	1,010	1,300
Guarantee fees	563	723	1,562	1,887
	<u>1,567</u>	<u>1,829</u>	<u>4,468</u>	<u>5,514</u>
Investment income:				
Gross dividend from financial assets at FVOCI	19	50	114	105
Gain from redemption of financial assets at FVOCI	-	-	2,340	-
	<u>19</u>	<u>50</u>	<u>2,454</u>	<u>105</u>
Other income:				
Foreign exchange gain/(loss)	(370)	(895)	3,036	3,827
Unrealised gain/(loss) on foreign exchange forwards	1,454	1,916	21	(496)
Rental income	202	271	910	785
Others	2	32	9	37
	<u>1,288</u>	<u>1,324</u>	<u>3,976</u>	<u>4,153</u>
<b>Total</b>	<u>2,874</u>	<u>3,203</u>	<u>10,898</u>	<u>9,772</u>

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**25. Overhead expenses**

	Group			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2021	1.7.2020	1.1.2021	1.1.2020
	to	to	to	to
30.9.2021	30.9.2020	30.9.2021	30.9.2020	
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	7,920	8,598	23,285	23,460
Defined Contribution Plan				
- Employees Provident Fund	1,212	1,299	3,422	3,606
Others	524	271	1,229	1,233
	<u>9,656</u>	<u>10,168</u>	<u>27,936</u>	<u>28,299</u>
Establishment costs				
Depreciation	1,200	1,181	3,593	3,578
Amortisation of intangible assets	80	63	204	192
Depreciation of right-of-use assets (Note 17)	314	313	943	910
Repair and maintenance	651	636	2,014	1,900
Information technology	289	251	935	949
Others	530	627	1,593	1,594
	<u>3,064</u>	<u>3,071</u>	<u>9,282</u>	<u>9,123</u>
Marketing costs				
Advertising and publicity	21	47	100	154
Others	5	5	13	31
	<u>26</u>	<u>52</u>	<u>113</u>	<u>185</u>
Administration and general costs				
Communication expenses	268	285	838	914
Subscriptions	656	450	1,735	1,400
Professional fees	133	28	308	330
Auditors remunerations	79	77	262	295
Non-executive directors' remuneration	298	319	878	893
Insurance	28	32	327	572
Travelling	12	39	44	172
Others	207	231	589	731
	<u>1,681</u>	<u>1,461</u>	<u>4,981</u>	<u>5,307</u>
<b>Total</b>	<u>14,427</u>	<u>14,752</u>	<u>42,312</u>	<u>42,914</u>

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

	Bank			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2021	1.7.2020	1.1.2021	1.1.2020
	to	to	to	to
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	7,920	8,598	23,285	23,460
Defined Contribution Plan				
- Employees Provident Fund	1,212	1,299	3,422	3,606
Others	524	271	1,229	1,233
	<u>9,656</u>	<u>10,168</u>	<u>27,936</u>	<u>28,299</u>
Establishment costs				
Depreciation	1,200	1,181	3,593	3,578
Amortisation of intangible assets	80	63	204	192
Depreciation of right-of-use assets (Note 17)	314	313	943	910
Repair and maintenance	651	636	2,014	1,900
Information technology	289	251	935	949
Others	530	627	1,593	1,594
	<u>3,064</u>	<u>3,071</u>	<u>9,282</u>	<u>9,123</u>
Marketing costs				
Advertising and publicity	21	47	100	154
Others	5	5	13	31
	<u>26</u>	<u>52</u>	<u>113</u>	<u>185</u>
Administration and general costs				
Communication expenses	268	285	838	914
Subscriptions	656	450	1,735	1,400
Professional fees	133	28	308	330
Auditors remunerations	76	77	259	293
Non-executive directors' remuneration	298	319	878	893
Insurance	28	32	327	572
Travelling	12	39	44	172
Others	207	231	589	731
	<u>1,678</u>	<u>1,461</u>	<u>4,978</u>	<u>5,305</u>
<b>Total</b>	<u>14,424</u>	<u>14,752</u>	<u>42,309</u>	<u>42,912</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 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 September 2021</b>				
Direct credit substitutes	30,794	-	30,794	28,529
Transaction-related contingent items	248,838	-	118,247	115,165
Short-term self-liquidating trade-related contingencies	6,690	-	1,338	1,174
Forward foreign exchange contracts				
- less than one year	744,538	2,570	11,359	4,571
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	27,674	-	13,837	13,675
- maturity less than one year	1,469,745	-	293,949	291,583
Any commitment that are unconditionally cancelled at any time without prior notice	86,881	-	-	-
<b>Total</b>	<b>2,615,160</b>	<b>2,570</b>	<b>469,524</b>	<b>454,697</b>

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**26. 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 2020</b>				
Direct credit substitutes	30,356	-	30,356	30,356
Transaction-related contingent items	289,130	-	141,453	137,081
Short-term self-liquidating trade-related contingencies	39,397	-	7,879	7,879
Forward foreign exchange contracts				
- less than one year	210,892	2,815	5,314	4,604
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	175,355	-	87,678	87,678
- maturity less than one year	1,574,825	-	314,965	312,853
Any commitment that are unconditionally cancelled at any time without prior notice	32,234	-	-	-
<b>Total</b>	<b>2,352,189</b>	<b>2,815</b>	<b>587,645</b>	<b>580,451</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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**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 and disclosed at their fair values by level of hierarchy:

<b>Group and Bank 30 September 2021</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	-	93,307	-	93,307
Government Investment Issue	-	363,819	-	363,819
Negotiable Instruments of Deposit	-	-	-	-
Corporate bonds	-	255,181	-	255,181
Equity instruments				
Unquoted shares	-	-	13,460	13,460
	-	712,307	13,460	725,767
<u>Derivatives financial instruments</u>				
Derivative financial assets				
Unrealised gain on derivatives	-	2,570	-	2,570
Derivative financial liabilities				
Unrealised loss on derivatives	-	(1,926)	-	(1,926)

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

Group and Bank 31 December 2020	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	-	84,968	-	84,968
Government Investment Issue	-	377,570	-	377,570
Negotiable Instruments of				
Deposit	-	230,258	-	230,258
Corporate bonds	-	255,742	-	255,742
Equity instruments:				
Unquoted shares	-	-	12,770	12,770
	-	948,538	12,770	961,308
<u>Derivatives financial instruments</u>				
Derivative financial assets				
Unrealised gain on derivatives	-	2,815	-	2,815
Derivative financial liabilities				
Unrealised loss on derivatives	-	(2,191)	-	(2,191)

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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**28. 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>30.9.2021</b>	<b>31.12.2020</b>
CET 1 Capital Ratio	31.34%	29.36%
Tier 1 Capital Ratio	31.34%	29.36%
Total Capital Ratio	<u>32.52%</u>	<u>30.55%</u>

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**28. 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>30.9.2021</b>	<b>31.12.2020</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	18,428	23,750
Retained profits	276,183	256,406
Less: Regulatory adjustments, applied on CET1 Capital:		
Other intangibles	(482)	(455)
Deferred tax assets	(17,561)	(15,342)
55% of unrealised gain on financial assets at at FVOCI	(10,136)	(13,063)
<b>Total CET 1 Capital</b>	<u>1,266,432</u>	<u>1,251,296</u>
<b>Tier 2 Capital</b>		
Stage 1 and 2 ECL *	47,796	50,677
Less: Investment in subsidiary	(10)	(10)
<b>Total Tier 2 Capital</b>	<u>47,786</u>	<u>50,667</u>
<b>Total capital</b>		
CET 1 Capital	1,266,432	1,251,296
Tier 2 Capital	47,786	50,667
<b>Total Capital</b>	<u>1,314,218</u>	<u>1,301,963</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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**28. 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 30.9.2021 RM'000</b>	<b>Risk- weighted assets 30.9.2021 RM'000</b>	<b>Principal 31.12.2020 RM'000</b>	<b>Risk- weighted assets 31.12.2020 RM'000</b>
0%	592,466	-	541,062	-
20%	321,409	64,282	587,538	117,508
35%	916	321	505	176
50%	213,030	106,515	444,949	222,475
75%	2,116	1,587	2,615	1,961
100%	3,650,979	<u>3,650,979</u>	3,712,032	<u>3,712,032</u>
Total risk-weighted assets for credit risk		3,823,684		4,054,152
Total risk-weighted assets for market risk		24,666		14,488
Total risk-weighted assets for operational risk		<u>192,808</u>		<u>193,759</u>
Total risk-weighted assets		<u>4,041,158</u>		<u>4,262,399</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**

	<b>Group and Bank</b>			
	<b>Third Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>1.7.2021</b>	<b>1.7.2020</b>	<b>1.1.2021</b>	<b>1.1.2020</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.9.2021</b>	<b>30.9.2020</b>	<b>30.9.2021</b>	<b>30.9.2020</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	-	3	-	16
<b>Expenditure</b>				
Interest on advances from the holding company and its branches	135	1,073	294	2,236
Administrative expenses to holding company	144	118	359	364

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>30.9.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Amount due to</b>		
Deposits and placements from the holding company and its branches	113,567	121,678
<b>Amount due from</b>		
Cash and short-term funds placed with the holding company and its branches	32,389	17,934