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Basel III Pillar III Disclosures

As of June 30, 2016

Table of Content

	Page
1. Introduction	4
2. Scope of application	4
3. The list name and business type of companies in financial group under Full Consolidation Level	5
4. Capital information	6
4.1 Capital structure	6
4.2 Capital adequacy	8
5. Additional disclosure per the requirement Basel Committee on Banking Supervision (BCBS)	11

Table of Figure

		Page
Table 1	Capital structure	7
Table 2	Minimum capital requirements classified by types of risk	9
Table 3	Capital adequacy ratio	10
Table 4	Significant information of financial instrument eligible for capital fund	11
Table 5	Reconciliation of regulatory capital components	13
Table 6	Disclosure of capital under Basel III during transitional period	21

Basel III Pillar III Disclosures

As of June 30, 2016

1. Introduction

Guideline on capital supervised by the Bank of Thailand (BOT) is referred from global regulatory framework on BASEL determined by Basel Committee on Banking Supervision (BCBS). The objective of this supervisory guideline is to improve the quality of the bank's capital so as to able to support the loss which may incur in the normal and crisis situations. Under Basel framework, it uses a "three pillars" concept which can be detailed as follows:

Pillar 1: Minimum capital requirement

The first pillar deals with maintenance of minimum capital to cover the credit risk, market risk and operational risk.

Pillar 2: Supervisory review process

The second pillar determines the role for the bank and the supervisor. For the bank, it requires the bank to have the qualified risk management framework as well as a systematic and continuous process for assessing the adequacy of capital in relation to all risk profile including the risks which are not covered in Pillar I e.g. liquidity risk, credit concentration risk and the loss which may incur in the crisis situation.

For the role of supervisor, the supervisor should review, monitor and evaluate the risk management framework, assess the capital adequacy and take appropriate supervisory action with the banks that have the problem.

Pillar 3: Market discipline

The third pillar aims to have the bank to disclose the capital maintenance, the risk exposures, risk assessment processes in order for the external shareholders and market participants have the enough information to analyze and assess the risk of the bank.

2. Scope of application

As a result of Basel III Pillar III: Market discipline the Bank has disclosed this information on a solo basis and full consolidation basis in accordance to BOT's Notification No. SorNorSor. 4/2556 Re: Information Disclosure as Regards to Capital Maintenance for Commercial Banks and No. SorNorSor. 5/2556 Re: Information Disclosure as Regards to Capital Maintenance for the Financial Business Group.

3. The list name and business type of companies in financial business group under Full Consolidation level

The companies under financial business group totaled 19 companies are as following:

Companies	Business Type
1. Bank of Ayudhya Public Company Limited	Commercial banking
2. Ayudhya Development Leasing Company Limited	Leasing and hire-purchase
3. Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing
4. Ngern Tid Lor Company Limited	Hire-purchase and auto motorcycle loans
5. Ayudhya Capital Services Company Limited	Credit cards and personal loans
6. General Card Services Limited	Credit cards and personal loans
7. Krungsriayudhya Card Company Limited	Credit cards and personal loans
8. Siam Realty and Services Security Company Limited (formerly Siam Realty and Services Company Limited)	Car rental services and personnel services
9. Total Services Solutions Public Company Limited	Collection services
10. Krungsri Asset Management Company Limited	Fund management
11. Krungsri Ayudhya AMC Limited	Asset management
12. Krungsri Securities Public Company Limited	Securities
13. Krungsri Factoring Company Limited	Factoring
14. Krungsri Life Assurance Broker Limited	Life assurance broker
15. Krungsri General Insurance Broker Limited	General insurance broker
16. Tesco Card Services Limited	Credit cards and personal loans
17. Tesco Life Assurance Broker Limited	Life assurance broker
18. Tesco General Insurance Broker Limited	General insurance broker
19. Krungsri Leasing Services Company Limited	Hire purchase, leasing and sales finance

4. Capital information

4.1 Capital structure

Tier 1 Capital

Common Equity Tier 1

- Issued and fully paid up share capital and net premium
- Legal reserve
- Retained earnings after appropriation, already approved by annual general shareholders and/or Board of Directors meetings
- Other reserves
 - Surplus on revaluation of land and building or units in condominium
 - Surplus (deficit) on revaluation of available for sales investment in debt and equity securities
 - Profit (loss) from conversion of financial statement from a foreign operation
 - Other items from owner changes, namely, capital surplus (deficit) due to the merger of businesses
- Deferred tax assets (deducted item)
- Goodwill (deducted item)
- Intangible assets (deducted item)

Additional Tier 1

- Components, which eligible for additional tier 1 of the financial business group, of subsidiaries only portion held by non-controlling interest and third parties.

Tier 2 Capital

- Long-term subordinated debentures
- Reserve for assets classified as normal class
- Components, which eligible for tier 2 of the financial business group, of subsidiaries only portion held by non-controlling interest and third parties.

Table 1 Capital structure

Unit: Million Baht

Item	Financial Business		Bank-Only	
	Group			
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
1. Tier 1 capital (1.1+1.2)	170,135	163,655	153,376	146,183
1.1 Common equity tier1 (CET1)	168,864	162,309	153,376	146,183
1.1.1 Issued and paid up share capital	73,558	73,558	73,558	73,558
1.1.2 Premium on share capital	52,879	52,879	52,879	52,879
1.1.3 Legal reserve	3,585	3,585	3,585	3,585
1.1.4 Net profit after appropriation by resolution of the annual general meeting of shareholders or by the regulations of the banks registered in the country	55,526	48,663	31,657	24,376
1.1.5 Other reserves				
1.1.5.1 Accumulated other comprehensive income	6,782	6,514	6,868	6,581
1.1.5.2 Other items from owner changes	(5,218)	(5,218)	(5,218)	(5,218)
1.1.6 Items to be deducted from CET1				
1.1.6.1 Items to be deducted from CET1	(18,248)	(17,672)	(9,953)	(9,578)
1.2 Additional tier 1	1,271	1,346	-	-
1.2.1 Components, which eligible for additional tier 1 of the financial business group, of subsidiaries only portion held by non-controlling interest and third parties	1,271	1,346	-	-
2. Tier 2 capital	30,108	28,911	21,204	20,081
2.1 Subordinated debentures	14,843	14,843	14,843	14,843
2.2 General provision	15,104	13,934	6,361	5,238
2.3 Components, which eligible for tier 2 of the financial business group, of subsidiaries only portion held by non-controlling interest and third parties	161	134	-	-
3. Total regulatory capital (1+2)	200,243	192,566	174,580	166,264

4.2 Capital adequacy

The Bank has adopted the following Basel Approach for capital calculation

- Standardized Approach “SA” for credit risk
- Standardized Approach “SA” for market risk
- Standardized Approach “SA-OR” for operational risk

Recognizing the importance of capital and its adequacy, for 2016, Krungsri maintains, as a policy, a minimum capital adequacy ratio above the minimum official requirement, which is currently required at 9.125% (8.5% of the minimum capital adequacy ratio plus 0.625% of the conservation buffer) for credit risk, market risk, and operational risk by the BOT.

In addition, the Bank closely and regularly monitors and assesses both internal and external factors and developments that could have an impact on the capital level - be it economic or operating environment. The 3-year strategic business plan, which is conducted annually, is also taken into consideration when we assess and forecast both capital adequacy and requirement.

In compliance with Basel Pillar II guideline, the Bank also has in place an Internal Capital Adequacy Assessment Process (ICAAP), which calls for a regular assessment of capital adequacy under the stress testing scenarios. If the result of the stress test indicates a possibility of that the capital falling below the prescribed level, the Bank’s management must immediately prepare an action plan to ensure that capital for the Bank and the financial business group is adequate at all times.

Table 2 Minimum capital requirements classified by types of risk

Unit: Million Baht

Minimum capital requirements for all risk	Financial Business Group		Bank-Only	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Performing assets	101,433	98,564	97,392	93,920
1. Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	432	617	431	616
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	4,664	5,199	4,636	5,158
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	52,462	50,292	58,236	56,854
4. Claims on retail portfolios	32,241	31,434	19,555	17,475
5. Residential mortgage exposures	8,073	7,105	8,073	7,105
6. Other assets	3,561	3,917	6,461	6,712
Non-performing assets	1,276	1,289	1,073	1,057
Minimum capital requirements for credit risk	102,709	99,853	98,465	94,977
1. Interest rate risk	1,896	1,947	1,896	1,947
2. Equity price risk	11	-	11	-
3. Foreign exchange rate risk	150	147	143	160
4. Commodity price risk	-	-	-	-
Minimum capital requirements for market risk	2,057	2,094	2,050	2,107
Minimum capital requirements for operational risk	11,406	10,917	7,176	6,600
Total minimum capital requirements	116,172	112,864	107,691	103,684

Table 3 Capital adequacy ratio

Unit: %

Ratio	Minimum BOT requirement*		Financial Business Group		Bank-Only	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
1. Total capital / Total risk weighted assets	9.125	8.5	14.65	14.50	13.78	13.63
2. Total Tier 1 capital / Total risk weighted assets	6.625	6.0	12.45	12.33	12.11	11.98
3. Total Common Equity Tier 1 capital / Total risk weighted assets	5.125	4.5	12.36	12.22	12.11	11.98

* Since January 1, 2016, the BOT required the Commercial Banks to gradually increase and maintain the Conservation Buffer at a fixed rate of 0.625 percent per annum until it reaches 2.5 percent by January 1, 2019.

5. Additional disclosure per the requirement Basel Committee on Banking Supervision (BCBS)

Table 4: Significant information of financial instrument eligible for capital fund

Topic		Unique identifier BAY22NA
1	Issuer	Bank of Ayudhya Public Company Limited
2	Unique identifier	TH0023032B04
	<i>BOT's regulation treatment</i>	
3	Type of financial instruments (common equity tier 1/ additional tier 1/ tier 2)	Tier 2 Capital
4	Qualified or non-qualified Basel III	Not fully qualified under Basel III rules
5	If non-qualified Basel III, please specify	No right to postpone interest payment and no loss absorption at point of non-viability clause
6	Transitional phase out or fully countable	Gradual reduction on capital calculation for all lot (aggregate cap) from January 1, 2013 onwards
7	Eligible at the Bank/ financial business group/ financial business group and the Bank	Financial business group Level and the Bank Level
8	Amount recognized in regulatory capital (unit: Million Baht)	Million THB 14,843
9	Par value of instrument (unit: Baht)	THB 1,000.-
10	Accounting classification	Liabilities measured at amortized cost
11	Original date of issuance	November 7, 2012
12	Perpetual or dated	Having maturity date
13	Original maturity date	November 7, 2022
14	Issuer's authority to call subject to prior supervisory approval	Having right to early redeem if permission in writing is granted by the BOT
15	Optional call date, contingent call dates and redemption amount	November 7, 2017 The debenture issuer may redeem all the debentures prior to the due date of the redemption plan and replacement plan to the BOT, the permission in writing is granted by the BOT. The debentures will be redeemed according to the par value per unit together with payment of the interest redemption if, after the issuer submits calculated to (and excluding) the early redemption date, subject to conditions

Topic		Unique identifier BAY22NA
		as follows: (a) If the debenture issuer can prove that the interests on the Debentures cannot or can no longer be deducted as expenses of the debenture issuer for tax purpose; or (b) Any additional cases or conditions as may be hereafter stipulated by the BOT.
16	Subsequent call dates, if applicable	On any interest payment date after the 5 th (fifth) anniversary of the date of issuance of the Debentures
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Fixed Rate until maturity date
18	Coupon rate and any related index	None
19	Existence of a dividend stopper	No dividend stopper
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No incentive to redeem
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	None
25	If convertible, full or partial	None
26	If convertible, conversion rate	None
27	If convertible, specify instrument type convertible into	None
28	If convertible, specify issuer of instrument it converts into	None
29	Write-down feature	No write down feature
30	If write-down, write-down trigger(s)	No write down feature
31	If write-down, full or partial	No write down feature
32	If write-down, permanent or temporary	No write down feature
33	If temporary write-down, description of how to write down	No write down feature
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Superior to the holders of Additional Tier 1 securities according to BOT's notification (if any) and preferred shareholders and/or common shareholders of the Issuer

Table 5: Reconciliation of regulatory capital components

Unit: Million Baht

Capital related items as of June 30, 2016	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	Ref.
ASSETS			
1. CASH	29,528	29,528	
2. INTERBANK AND MONEY MARKET ITEMS, NET	197,405	197,696	
3. CLAIM ON SECURITY	29,101	29,101	
4. DERIVATIVES ASSETS	30,711	30,711	
5. INVESTMENTS, NET	103,996	103,996	
6. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, NET	1,749	-	
7. LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET			
7.1 Loans to customers	1,411,779	1,416,830	
7.2 Accrued interest receivables	3,602	3,790	
Total loans to customers and accrued interest receivables	1,415,381	1,420,620	
7.3 Less: Deferred revenue	(53,401)	(53,401)	
7.4 Less: Allowance for doubtful accounts	(46,895)	(47,930)	
Qualified as capital		(15,104)	O
Non-qualified as capital		(32,826)	
7.5 Less: Revaluation allowance for debt restructuring	(1,431)	(1,605)	
LOANS AND ACCRUED INTEREST RECEIVABLES, NET	1,313,654	1,317,684	
8. CUSTOMER'S LIABILITY UNDER ACCEPTANCE	771	771	
9. PROPERTIES FOR SALE, NET	4,624	4,624	
10. PREMISES AND EQUIPMENT, NET	20,616	20,641	
11. GOODWILL AND OTHER INTANGIBLE ASSETS, NET	14,117	14,125	
Goodwill		9,927	I
Intangible assets		4,198	J
12. DEFERRED TAX ASSETS	5,330	5,695	
Deferred tax liabilities of intangible assets		(272)	K
Deferred tax assets of other items		5,967	L
13. OTHER ASSETS, NET	27,199	27,732	
TOTAL ASSETS	1,778,801	1,782,304	

Unit: Million Baht

Capital related items as of June 30, 2016	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	Ref.
LIABILITIES			
14. DEPOSITS	1,062,103	1,061,181	
15. INTERBANK AND MONEY MARKET ITEMS, NET	299,099	300,699	
16. LIABILITY PAYABLE ON DEMAND	5,172	5,172	
17. LIABILITY TO DELIVER SECURITY	29,101	29,101	
18. DERIVATIVES LIABILITIES	23,948	23,948	
19. DEBT ISSUED AND BORROWINGS	112,622	112,622	
Debt instruments that are qualified as capital		14,843	N
Other issued debt and borrowings		97,779	
20. BANK'S LIABILITY UNDER ACCEPTANCE	771	771	
21. PROVISIONS	7,023	7,037	
22. DEFERRED TAX LIABILITIES	38	38	
Deferred tax liabilities of intangible assets		2	M
Deferred tax liabilities of other items		36	
23. OTHER LIABILITIES	40,539	41,572	
TOTAL LIABILITIES	1,580,416	1,582,141	
EQUITY			
24.1 ISSUED AND PAID UP SHARE CAPITAL	73,558	73,558	A
24.2 PREMIUM ON SHARE CAPITAL	52,879	52,879	B
24.3 OTHER RESERVES			
24.3.1 Appraisal surplus	6,155	6,155	E
24.3.2 Revaluation surplus (deficit) on investments	1,059	971	
Investment in equity securities		106	F
Investment in debt securities			
Qualified as capital		519	F
Non-qualified as capital		346	
24.3.3 Profit (loss) from conversion of financial statement from a foreign operation	3	3	G
24.3.4 Deficit from business combination under common control	(5,218)	(5,218)	H

Unit: Million Baht

Capital related items as of June 30, 2016	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	Ref.
24.4 RETAINED EARNINGS			
24.4.1 APPROPRIATED - LEGAL RESERVE	3,585	3,585	C
24.4.2 UNAPPROPRIATED	65,918	66,034	
Net profit which already approved		55,526	D
Net profit await for approval		10,508	
24.5 NON-CONTROLLING INTEREST	446	2,196	
Qualified as AT1 capital		1,271	P
Qualified as T2 capital		161	Q
Non-qualified as capital		764	
TOTAL EQUITY	198,385	200,163	
TOTAL LIABILITIES AND EQUITY	1,778,801	1,782,304	

Note

^{1/} This represents Consolidated statement of financial position publically disclosed in SEC website.

^{2/} This represents Consolidated statement of financial position prepared under BOT's regulation that all entities listed out in content 3: The companies under financial business group under Full Consolidation, are included in this consolidated statement of financial position.

Disclosure of reconciliation of regulatory capital components

Unit: Million Baht

Capital related items as of June 30, 2016		Component of regulatory capital reported by financial business group	References base on statement of financial position under the consolidated supervision
Total tier 1 capital (T1) = (CET1+AT1)		170,135	
Common equity tier 1 (CET1)		168,864	
1	Issued and paid up share capital	73,558	A
2	Premium on share capital	52,879	B
3	Legal reserve	3,585	C
4	Retained earnings after appropriation	55,526	D
5	Other comprehensive income		
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,155	E
	5.2 Revaluation surplus (deficit) of equity and debt securities for sales	625	F
	5.3 Profit (loss) from conversion of financial statement from a foreign operation	2	G ^{1/}
	5.4 Other items from owner changes	(5,218)	H
6	Regulatory deduction		
	6.1 Goodwill	(9,927)	I
	6.2 Other Intangible Asset	(2,354)	J+K-M ^{2/}
	6.3 Deferred tax assets	(5,967)	L
Additional tier 1 capital (AT1)		1,271	
7	Non-controlling interest of consolidated subsidiaries to additional tier 1	1,271	P ^{3/}
Tier 2 Capital (T2)		30,108	
9	Proceeds from issuing subordinated debt securities	14,843	N ^{4/}
10	General provision	15,104	O
11	Non-controlling interest of consolidated subsidiaries to tier 2 capital	161	Q ^{3/}
Total Regulatory Capital (TC = T1+T2)		200,243	

^{1/} Profit (loss) from conversion of financial statement from a foreign operation, phase in at 20% p.a. during a transitional period of 2014-2018, as of June 30, 2016 the countable amount is THB 2 million (60% x 3)

^{2/} Intangible assets e.g. software licenses, phase-out at 20% p.a. during a transitional period of 2014 – 2018, as of June 30, 2016 the deduction amount is THB 2,354 million [60% x (4,198-272-2)]

^{3/} Non-controlling interest qualified as capital is calculated basing on BOT's requirement

^{4/} Financial instruments that do not meet the Basel III rules, can be counted as capital does not exceed criteria, Non-fully Basel III compliant Tier II capital instruments will be phase out at 10% p.a. starting from 1 Jan-2013 therefore sub-debt amount Baht 14,843 million that not exceed criteria so that of all able to count to capital fund.

Capital related items as of December 31, 2015	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	Ref.
ASSETS			
1. CASH	33,690	33,690	
2. INTERBANK AND MONEY MARKET ITEMS, NET	194,094	194,425	
3. CLAIM ON SECURITY	-	-	
4. DERIVATIVES ASSETS	35,657	35,657	
5. INVESTMENTS, NET	110,027	110,027	
6. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, NET	1,576	-	
7. LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET			
7.1 Loans to customers	1,353,559	1,358,773	
7.2 Accrued interest receivables	3,572	3,749	
Total loans to customers and accrued interest receivables	1,357,131	1,362,522	
7.3 Less: Deferred revenue	(50,105)	(50,105)	
7.4 Less: Allowance for doubtful accounts	(43,218)	(44,247)	
Qualified as capital		(13,934)	O
Non-qualified as capital		(30,313)	
7.5 Less: Revaluation allowance for debt restructuring	(1,725)	(1,955)	
NET LOANS AND ACCRUED INTEREST RECEIVABLES	1,262,083	1,266,215	
8. CUSTOMER'S LIABILITY UNDER ACCEPTANCE	559	559	
9. PROPERTIES FOR SALE, NET	5,050	5,050	
10. PREMISES AND EQUIPMENT, NET	20,993	21,026	
11. GOODWILL AND OTHER INTANGIBLE ASSETS, NET	14,477	14,484	
Goodwill		9,927	I
Intangible assets		4,557	J
12. DEFERRED TAX ASSETS	5,369	5,746	
Deferred tax liabilities of intangible assets		(295)	K
Deferred tax assets of other items		6,041	L
13. OTHER ASSETS, NET	21,942	22,307	
TOTAL ASSET	1,705,517	1,709,186	

Capital related items as of December 31, 2015	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	Ref.
LIABILITIES			
14. DEPOSITS	1,046,290	1,045,266	
15. INTERBANK AND MONEY MARKET ITEMS, NET	275,059	276,659	
16. LIABILITY PAYABLE ON DEMAND	3,211	3,211	
17. LIABILITY TO DELIVER SECURITY	-	-	
18. DERIVATIVES LIABILITIES	26,692	26,692	
19. DEBT ISSUED AND BORROWINGS	108,121	108,121	
Debt instruments that are qualified as capital		14,843	N
Other issued debt and borrowings		93,278	
20. BANK'S LIABILITY UNDER ACCEPTANCE	559	559	
21. PROVISIONS	6,759	6,773	
22. DEFERRED TAX LIABILITIES	32	32	
Deferred tax liabilities of intangible assets		2	M
Deferred tax liabilities of other items		30	
23. OTHER LIABILITIES	48,046	49,522	
TOTAL LIABILITIES	1,514,769	1,516,835	
EQUITY			
24.1 ISSUED AND PAID UP SHARE CAPITAL	73,558	73,558	A
24.2 PREMIUM ON SHARE CAPITAL	52,879	52,879	B
24.3 OTHER RESERVES			
24.3.1 Appraisal surplus	6,244	6,244	E
24.3.2 Revaluation surplus (deficit) on investments	952	864	
Investment in equity securities		(127)	F
Investment in debt securities			
Qualified as capital		396	F
Non-qualified as capital		595	
24.3.3 Profit (loss) from conversion of financial statement from a foreign operation	3	3	G

Unit: Million Baht

Capital related items as of December 31, 2015	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	Ref.
24.3.4 Deficit from business combination under common control	(5,218)	(5,218)	H
24.4 RETAINED EARNINGS			
24.4.1 APPROPRIATED - LEGAL RESERVE	3,585	3,585	C
24.4.2 UNAPPROPRIATED	58,353	58,469	
Net profit which already approved		48,663	D
Net profit await for approval		9,806	
24.5 NON-CONTROLLING INTEREST	392	1,967	
Qualified as AT1 capital		1,346	P
Qualified as T2 capital		134	Q
Non-qualified as capital		487	
TOTAL EQUITY	190,748	192,351	
TOTAL LIABILITIES AND EQUITY	1,705,517	1,709,186	

Note

^{1/} This represents Consolidated statement of financial position publically disclosed in SEC website

^{2/} This represents Consolidated statement of financial position prepared under BOT's regulation that all entities listed out in content 3: The companies under financial business group under Full Consolidation, are included in this consolidated statement of financial position.

Disclosure of reconciliation of regulatory capital components

Unit: Million Baht

Capital related items as of December 31, 2015		Component of regulatory capital reported by financial business group	References base on statement of financial position under the consolidated supervision
Total tier 1 capital (T1) = (CET1+AT1)		163,655	
Common equity tier 1 (CET1)		162,309	
1	Issued and paid up share capital	73,558	A
2	Premium on share capital	52,879	B
3	Legal reserve	3,585	C
4	Retained earnings after appropriation	48,663	D
5	Other comprehensive income		
5.1	Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,244	E
5.2	Revaluation surplus (deficit) of equity and debt securities for sales	269	F
5.3	Profit (loss) from conversion of financial statement from a foreign operation	1	G ^{1/}
5.4	Other items from owner changes	(5,218)	H
6	Regulatory deduction		
6.1	Goodwill	(9,927)	I
6.2	Other Intangible assets	(1,704)	J+K-M ^{2/}
6.3	Deferred tax assets	(6,041)	L
Additional tier 1 capital (AT1)		1,346	
7	Non-controlling interest of consolidated subsidiaries to additional tier 1	1,346	P ^{3/}
Tier 2 capital (T2)		28,911	
8	Proceeds from issuing subordinated debt securities	14,843	N ^{4/}
9	General provision	13,934	O
10	Non-controlling interest of consolidated subsidiaries to tier 2 capital	134	Q ^{3/}
Total regulatory capital (TC = T1+T2)		192,566	

^{1/} Profit (loss) from conversion of financial statement from a foreign operation, phase in at 20% p.a. during a transitional period of 2014-2018, as of December 31, 2015 the countable amount is THB 1 million (40% x 3)

^{2/} Intangible assets e.g. software licenses, phase-out at 20% p.a. during a transitional period of 2014 – 2018, as of December 31, 2015 the deduction amount is THB 1,704 million [40% x (4,557-295-2)]

^{3/} Non-controlling interest qualified as capital is calculated basing on BOT's requirement

^{4/} Financial instruments that do not meet the Basel III rules, can be counted as capital does not exceed criteria, Non-fully Basel III compliant Tier II capital instruments will be phase out at 10% p.a. starting from 1 Jan-2013 therefore sub-debt amount Baht 14,843 million that not exceed criteria so that of all able to count to capital fund.

Table 6: Disclosure of capital under Basel III during transitional period

Unit: Million Baht

Capital amount, eligible items, adjustment items and deduction items		Financial Business Group			
		June 30, 2016		December 31, 2015	
		Capital amount	Transitional adjustment amount*	Capital amount	Transitional adjustment amount*
Total Tier 1 Capital (T1) = (CET1+AT1)		170,135	(1,562)	163,655	(2,344)
Common Equity Tier 1 capital (CET1)		168,864	(1,222)	162,309	(1,959)
1	Issued and paid up share capital	73,558		73,558	
2	Premium on share capital	52,879		52,879	
3	Legal reserve	3,585		3,585	
4	Retained earnings after appropriation	55,526		48,663	
5	Other comprehensive income				
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,155		6,244	
	5.2 Revaluation surplus (deficit) on investment in equity securities	106		(127)	
	5.3 Revaluation surplus (deficit) on investment in debt securities	519	346	396	595
	5.4 Profit (loss) from conversion of financial statement from a foreign operation	2	1	1	2
	5.5 Other items from owner changes	(5,218)		(5,218)	
6	Regulatory deduction				
	6.1 Goodwill	(9,927)		(9,927)	
	6.2 Intangible assets	(2,354)	(1,569)	(1,704)	(2,556)
	6.3 Deferred tax assets	(5,967)		(6,041)	
Additional tier 1 capital (AT1)		1,271	(340)	1,346	(385)
7	Non-controlling interest of consolidated subsidiaries to additional tier 1	1,271	(340)	1,346	(385)
Tier 2 capital (T2)		30,108	(14,783)	28,911	(14,752)
8	Proceeds from issuing subordinated debt securities	14,843	(14,843)	14,843	(14,843)
9	General provision	15,104		13,934	
10	Non-controlling interest of consolidated subsidiaries to Tier 2 capital	161	60	134	91
Total regulatory capital (TC = T1 + T2)		200,243	(16,345)	192,566	(17,096)

* Net amount of item to be included in or deducted from capital under the Basel III during the transitional period

Capital amount, eligible items, adjustment items and deduction items		Bank-Only			
		June 30, 2016		December 31, 2015	
		Capital amount	Transitional adjustment amount*	Capital amount	Transitional adjustment amount*
Total tier 1 capital (T1) = (CET1+AT1)		153,376	(687)	146,183	(1,070)
Common equity tier 1 capital (CET1)		153,376	(687)	146,183	(1,070)
1	Issued and paid up share capital	73,558		73,558	
2	Premium on share capital	52,879		52,879	
3	Legal reserve	3,585		3,585	
4	Retained earnings after appropriation	31,657		24,376	
5	Other comprehensive income				
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,155		6,224	
	5.2 Revaluation surplus (deficit) on investment in equity securities	194		(39)	
	5.3 Revaluation surplus (deficit) on investment in debt securities	519	346	396	595
	5.4 Other items from owner changes	(5,218)		(5,218)	
6	Regulatory deduction				
	6.1 Goodwill	(7,762)		(7,762)	
	6.2 Intangible assets	(1,549)	(1,033)	(1,110)	(1,665)
	6.3 Deferred tax assets	(642)		(706)	
Additional tier 1 capital (AT1)		-	-	-	-
Tier 2 capital (T2)		21,204	(14,843)	20,081	(14,843)
7	Proceeds from issuing subordinated debt securities	14,843	(14,843)	14,843	(14,843)
8	General provision	6,361		5,238	
Total regulatory capital (TC = T1 + T2)		174,580	(15,530)	166,264	(15,913)

* Net amount of item to be included in or deducted from capital under the Basel III during the transitional period