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Basel III Pillar III Disclosures

As at December 31, 2014

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Basel III Pillar III Disclosures

As at December 31, 2014

1. Introduction

Guideline on capital supervised by the Bank of Thailand 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 risk 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 analyse 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	Auto financing
4. CFG Services Company Limited	Loans and hire purchase for all types of vehicles
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 Company Limited	Car rental 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 insurance broker
15. Krungsri General Insurance Broker Limited	Non life insurance broker
16. Tesco Card Services Limited	Credit cards and personal loans
17. Tesco Life Assurance Broker Limited	Life insurance broker
18. Tesco General Insurance Broker Limited	Non life insurance broker
19. Krungsri Leasing Services Company Limited	Hire purchase, leasing and sales finance

During the year, the Bank has gotten the consensus from the BOT to remove Sri Ayudhya Capital Public Company Limited and Sri Ayudhya General Insurance Public Company Limited from the Bank's Financial Business Group and to add Krungsri Leasing Services Company Limited into the Bank's Financial Business Group.

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
- Deferred tax assets (deducted item)
- Goodwill (deducted item)
- Intangible assets (deducted item)
- Net losses arising from accounting adjustment which accounting standards stipulated to adjust to retained earnings (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

Reserve for assets classified as normal class

- Long-term subordinated debentures
- 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 Group		Bank-Only	
	December 31, 2014	June 30, 2014	December 31, 2014	June 30, 2014
1. Tier 1 capital (1.1+1.2)	108,256	105,331	98,986	89,458
1.1 Common Equity Tier1 (CET1)	106,919	104,801	98,986	89,458
1.1.1 Issued and paid up share capital	60,741	60,741	60,741	60,741
1.1.2 Premium on share capital	13,802	13,802	13,802	13,802
1.1.3 Legal reserve	2,878	2,043	2,878	2,043
1.1.4 Net profit after appropriation by resolution of the general meeting of shareholders or by the regulations of the banks registered in the country.	40,469	36,987	23,592	13,839
1.1.5 Other reserves				
1.1.5.1 Accumulated other comprehensive income.	6,631	7,139	6,693	7,185
1.1.6 Items to be deducted from CET1				
1.1.6.1 Items to be deducted from CET1	(17,602)	(15,911)	(8,720)	(8,152)
1.2 Additional tier 1	1,337	530	-	-
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.	1,337	530	-	-
2. Tier 2 capital	39,423	38,666	33,439	33,455
2.1 Subordinated Debentures	27,875	27,875	27,875	27,875
2.2 General Provision	11,445	10,788	5,564	5,580
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.	103	3	-	-
3. Total regulatory capital (1+2)	147,679	143,997	132,425	122,913

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, Krungsri maintains, as a policy, a minimum capital adequacy ratio above the minimum official requirement, which is currently required at 8.5% 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	
	December 31, 2014	June 30, 2014	December 31, 2014	June 30, 2014
Performing assets	76,482	72,109	69,649	66,573
1. Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	252	146	251	146
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	1,478	1,340	1,329	1,212
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	32,884	30,240	40,895	40,734
4. Claims on retail portfolios	32,477	31,561	15,156	13,038
5. Residential mortgage exposures	5,510	4,922	5,510	4,922
6. Other assets	3,881	3,900	6,508	6,521
Non-performing assets	1,341	1,253	984	859
Minimum capital requirement for credit risk	77,823	73,362	70,633	67,432
1. Interest rate risk	412	305	412	305
2. Equity price risk	-	-	-	-
3. Foreign exchange rate risk	58	141	58	154
4. Commodity price risk	-	-	-	-
Minimum capital requirement for market risk	470	446	470	459
Minimum capital requirement for operational risk	9,786	9,331	5,509	5,473
Total minimum capital requirement	88,079	83,139	76,612	73,364

Table 3 Capital adequacy ratio

Unit: %

Ratio	Minimum BOT requirement	Financial Business Group		Bank-Only	
		December 31, 2014	June 30, 2014	December 31, 2014	June 30, 2014
1. Total capital to risk-weighted assets	8.5	14.25	14.72	14.69	14.24
2. Tier 1 capital to risk-weighted assets	6.0	10.45	10.77	10.98	10.36
3. Common Equity Tier 1 to risk-weighted assets	4.5	10.32	10.71	10.98	10.36

5. Risk exposure and assessment

Risk Management Principles

The Bank's risk management covers 3 major risks, namely credit risk, market risk, and operational risk. The Bank has in place separate policies to manage these risks, since each has different characteristics. However, there are common risk management practices, for example, ceiling limits, control mechanism, risk assessment and risk monitoring procedure, and reporting procedure. These common risk management practices are for the relevant parties to promptly manage and/or handle with the risk. The Bank also invests in risk assessment tools for each risk and good data governance in order to enhance the efficiency and effectiveness of risk control, risk measurement, and risk monitoring.

In addition to credit risk, market risk, and operational risk, the Bank has put in place an Internal Capital Adequacy Assessment Process (ICAAP) under the Pillar 2 guideline. The ICAAP covers the additional risks – credit concentration risk, interest rate risk in the banking book, liquidity risk, strategic risk, reputation risk, and etc. The Bank ensures that appropriate procedures are in place to minimize each of these risks, and regularly conducts a stress test to assess the impact of a severe event on the Bank's capital.

Roles and duties of internal auditors in auditing risk management process

Internal auditors of the Bank have the duty to audit and assess the adequacy and effectiveness of the Bank's risk management process to ensure that it is adequately and appropriately commensurate with the complexity of the Bank's transactions. The audit of risk management process is undertaken to provide reasonable assurance that the Bank's operations, which shall be within the Bank's acceptable risk level, will meet established objectives and targets.

The scope of work of the internal audit encompasses all activities of the Bank undertaken by its entities in Thailand, overseas branches and companies under its financial business group (full consolidation). Internal audit of risk management activities, among others, include the following:

- Roles and responsibilities of risk management function;
- Process in determination of risk tolerance levels;
- Operational processes and compliance with relevant risk management policies;
- Risk management process which includes risk identification, risk measurement and assessment, risk management, risk monitoring and reporting.

The audit of risk management process covers credit risk, market risk, liquidity risk and operational risk. The Bank's internal auditors also review the Internal Capital Adequacy Assessment Process (ICAAP), stress test process, and report, the review result to the Board of Directors through the Audit Committee to ensure that the ICAAP process is adequate to the complexity of transactions.

6. Credit risk

6.1 General information of credit risk exposure

Credit Risk Management

Credit risk is the risk that the Bank's counterparty will not be able to fulfill its obligation with the Bank, resulting in a loss to the Bank's income and capital.

Credit risk management principle and guideline, credit analysis, and credit approval process, are detailed in the Bank's Credit Risk Management Policy and other relevant policies. The supervision of the requirements is conducted by an independent Risk Unit. The Risk Management Group is responsible for establishing credit risk management policy, credit risk analysis, portfolio risk measurement, reporting of portfolio status and the management of non-performing loan while the Credit Review Department under Audit Group is responsible for reviewing of credits and contingent liabilities.

Credit Risk Management Structure

The Bank maintains an organizational structure that encourages good corporate governance and allows proper checks and balances between the Risk Management Group and the Business Units. An effective information management system is also put in place to enhance risk control, risk measurement, and risk monitoring.

The committees involved with the management of credit risk are:

- The Board of Directors has authority to approve credit applications greater than Baht 3,000 million as well as credit applications from the Bank's subsidiaries, and associated and related companies. The Board of Directors is also responsible for the appointments of the Credit Committee, the Risk Management Committee, and the Collateral Valuation Committee.
- The Credit Committee is comprised of high-level executives from the Risk Management Group and other relevant functions. The Credit Committee is authorized to approve credit applications of up to Baht 3,000 million.
- The Risk Management Committee has the following responsibilities :
 - 1) Identify and formulate the Bank's integrated risk management policies.
 - 2) Oversee, control, and review the Bank's business practices to ensure that they are in compliance with the integrated risk management and the good corporate governance principles.
- The Collateral Valuation Committee is in charge of the following activities:
 - 1) Establishing and reviewing policies/procedures regarding the valuation of collateral received in support of loan applications, the valuation of foreclosed or auctioned properties, and the appraisal reviews.
 - 2) Oversee and control the Bank's internal property appraisers to ensure integrity and compliance with the procedures set forth by the Bank and the BOT.

Control, Measurement, Monitoring and Review of Credit Risk

● Credit Risk Control

In addition to ensuring integrity and independence of the credit risk management unit from the business functions, the Bank also maintains credit risk controls in the following areas:

1) Credit limit and credit analysis

Credit limit is set by analyzing the customer's operating performance, financial status, credit needs, debt-servicing ability, and the risk level.

2) Credit approval process

The Bank segments customers into three groups, namely, corporate, SME, and retail customers, in order to effectively manage the different risk characteristics while providing financial products and services appropriate to the specific needs of each customer group. The credit approval process for each customer group is summarized as followed:

- *Corporate and SME credit approval*

The approval is on the basis of the customer's need, the risk level, the debt-servicing ability, available collateral, economic and industry trends. Credit approval is made by the appropriate committee or the authorized persons.

- *Retail credit approval*

The approval is based on the customer's characteristics, past repayment record, credit limit relative to income, collateral, and repayment ability. For the personal and mortgage loans, credit scoring is also used as part of the approval process

● Credit Risk Measurement

The Bank measures the risk levels of the corporate and SME customers through internal rating tools, which use information from the customer's financial statements, comparative market information, and other customer's qualitative information, as factors in determining rating. The internal rating is used when considered credit application, and is required to be reviewed at least once a year.

The Bank currently has two internal risk rating tools, one for corporate customers, which has been used since 2001, and the other for SME customers, which has been used since 2006. Both rating tools divide risk into 12 grades, each with different risk level.

In 2011, the bank has implemented the statistical-based probability of default model which is currently running in parallel with the existing rating scale. The model is currently being validated and will be implemented in full within 2015. However, if the result of model validation lacked of performance, the internal rating model need to rebuild or recalibrate. Therefore, it can be implemented as full version within 2016. The Loss Given Default (LGD) and Exposure at Default (EAD) models are in advanced stages of application development in order to embed these two models and will also be implemented in 2016 to ensure the optimum risk-reward equation is maintained.

- **Credit Risk Monitoring and Review**

Post-credit approval, the Bank maintains a procedure to regularly monitor and review customers and the credit portfolio risks as followed:

- 1) **Annual credit risk review**

In general, customer's credit risk is reviewed once a year. The review must cover the customer's current performance, credit quality, financial standing, and etc.

- 2) **Credit portfolio status report**

The Bank's Board of Directors and senior management are regularly updated on the portfolio composition and portfolio credit quality. The report is used as a tool to manage the overall risk level. Credit portfolio report includes: a portfolio composition classified by types of industry, levels of risk, geographical areas, as well as identification of major corporations. Other reports prepared include debt classification, provisioning allowances, capital adequacy ratio, and etc.

- 3) **Stress testing**

Stress testing is performed in order to gauge an extreme but plausible event that may arise and affect the Bank's and financial business group's capital, the credit portfolio, or the specific customers. When the stress test result indicates material impact on the Bank's capital, strategy and action plan are developed in order to prevent or lessen the potential adverse impact.

The Bank also provides credit risk management guidelines to its companies in financial business group in line with those adopted by the Bank.

Non-Performing Loan (NPL) Management

The Bank's non-performing loans are managed by a dedicated team of specialists with experience and expertise in dealing with impaired loans in order to improve asset quality and minimize financial losses.

Definition of default and impairment of assets

1. **Definition of default**

Default means the debtor is not able to pay the debt within the time specified in the contracts, contractual maturities or the conditions agreed with the Bank.

2. **Definition of impairment of assets**

The carrying amounts of the Bank and subsidiaries' assets are reviewed at each financial statement date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated by using discounted cash flows.

Guidelines/statistical methods used to calculate general provision and specific provision

Allowance for doubtful accounts is determined through methods in accordance with the BOT's regulations. The Bank and its subsidiaries categorize their loan portfolio into six categories and determine allowance for doubtful accounts subject to different levels of provisioning. Allowance for doubtful accounts for loans classified as normal and special mention are calculated based on the minimum percentage in accordance with the BOT's guidelines by using the value of collateral for calculation of reserve. For loans classified as substandard, doubtful and doubtful of loss, the allowance rate is 100 percent of the difference between the outstanding loan value and the present value of expected cash flow from proceeds of the collateralized assets. The Bank has also assessed and considered the additional reserve in according to the new BOT's provisions (Loan Impairment).

Subsidiaries involved in hire-purchase businesses, with qualified portfolios under the BOT regulations, calculate allowance for doubtful accounts by using the collective approach which classifies a group of loans having similar credit risk characteristics based on the historical loss experience of each loan category.

Subsidiaries involved in the securities business provide an allowance for doubtful debts based on a review of the debtor's ability to make repayment, taking into consideration recovery risk and the value of the collateral. Such debt classifications and provisions are made in accordance with the guidelines of the Securities and Exchange Commission.

For the calculation of capital to risk weighted assets of the Banks and Financial Business Group by SA approach, reserves has been set aside for assets on the statement of financial position and off-statement of financial position items as follows:

- **Specific Provision**
Refers to reserve set aside for specific asset in the statement of financial position and off-statement of financial position, including the decline of the market price adjustment of debt and equity securities held for trading and available for sale and impairment but excluding reserve for assets classified as normal counted to Tier 2.
- **General Provision**
Refers to the reserve for assets classified as normal but exclude reserve for assets classified as normal counted in specific provision.

Table 4 Outstanding significant balance of assets on statement of financial position and off-balance items before credit risk mitigation

Unit: Million Baht

Items	Financial Business Group		Bank-Only	
	December 31,		December 31,	
	2014	2013	2014	2013
1. Assets on-statement of financial position	1,116,803	1,068,401	1,007,055	960,341
1.1 Net loans ^{1/}	1,038,324	976,633	931,805	870,966
1.2 Net investments in debt securities ^{2/}	55,509	67,182	55,805	67,187
1.3 Deposits (including accrued interests)	20,317	19,706	16,792	17,308
1.4 Derivative Assets	2,653	4,880	2,653	4,880
2. Off-balance items ^{3/}	506,492	458,523	506,622	458,653
2.1 Aval of bills, guarantee and letter of credits	7,648	10,650	7,648	10,650
2.2 OTC derivatives ^{4/}	374,359	326,810	374,359	326,810
2.3 Undrawn committed lines	124,485	121,063	124,615	121,193

^{1/} Including accrued interest receivable and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring and include interbank and money market item.

^{2/} Including investment in account receivable but excluding accrued interest receivables and net of revaluation and impairment allowances.

^{3/} Before multiplying by CCF.

^{4/} Including derivative in equity securities.

Table 5 Outstanding balance of assets on statement of financial position and off-balance items before credit risk mitigation classified by country or geographic area of debtors

Unit : Million Baht

Country or geographic area of debtor	Financial Business Group								
	December 31, 2014								
	Assets on-statement of financial position					Off-balance items ^{3/}			
	Total	Net loan ^{1/}	Net investment in debt securities ^{2/}	Deposit include accrued interests	Derivative Asset	Total	Aval of bills, Guarantee, and letter of credits	OTC derivatives	Undrawn committed lines
1.Thailand	1,099,203	1,033,955	55,360	8,386	1,502	365,136	7,439	236,090	121,607
2.Asia Pacific (exclude Thailand)	20,323	17,296	149	2,397	481	32,297	209	29,405	2,683
3.North America and Latin America	9,794	1,419	-	7,992	383	64,522	-	64,437	85
4.Africa and Middle East	-	-	-	-	-	-	-	-	-
5.Europe	1,906	77	-	1,542	287	44,537	-	44,427	110
Total	1,131,226	1,052,747	55,509	20,317	2,653	506,492	7,648	374,359	124,485
Less : General Provision	(14,423)	(14,423)	-	-	-	-	-	-	-
Total	1,116,803	1,038,324	55,509	20,317	2,653	506,492	7,648	374,359	124,485

^{1/} Including accrued interests and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring and include interbank and money market item

^{2/} Including investment in account receivable but, excluding accrued interest receivables and net of revaluation and impairment allowances.

^{3/} Before multiplying by CCF

Financial Business Group									
Country or geographic area of debtor	December 31, 2013								
	Assets on-statement of financial position					Off-balance items ^{3/}			
	Total	Net loan ^{1/}	Net investment in debt securities ^{2/}	Deposit include accrued interests	Derivative Asset	Total	Aval of bills, Guarantee, and letter of credits	OTC derivatives	Undrawn committed lines
1.Thailand	1,058,540	978,180	65,917	10,873	3,570	330,761	10,263	202,191	118,307
2.Asia Pacific (exclude Thailand)	15,697	12,751	915	1,793	238	40,448	327	37,531	2,590
3.North America and Latin America	8,181	1,282	-	6,176	723	51,235	-	51,173	62
4.Africa and Middle East	-	-	-	-	-	-	-	-	-
5.Europe	1,641	78	350	864	349	36,079	60	35,915	104
Total	1,084,059	992,291	67,182	19,706	4,880	458,523	10,650	326,810	121,063
Less : General Provision	(15,658)	(15,658)	-	-	-	-	-	-	-
Total	1,068,401	976,633	67,182	19,706	4,880	458,523	10,650	326,810	121,063

^{1/} Including accrued interests and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring and include interbank and money market item

^{2/} Including investment in account receivable but, excluding accrued interest receivables and net of revaluation and impairment allowances.

^{3/} Before multiplying by CCF.

Country or geographic area of debtor	Bank-Only								
	December 31, 2014								
	Assets on-statement of financial position					Off-balance items ^{3/}			
	Total	Net loan ^{1/}	Net investment in debt securities ^{2/}	Deposit include accrued interests	Derivative Asset	Total	Aval of bills, Guarantee, and letter of credits	OTC derivatives	Undrawn committed lines
1.Thailand	980,617	918,578	55,656	4,881	1,502	365,266	7,439	236,090	121,737
2.Asia Pacific (exclude Thailand)	20,302	17,295	149	2,377	481	32,297	209	29,405	2,683
3.North America and Latin America	9,794	1,419	-	7,992	383	64,522	-	64,437	85
4.Africa and Middle East	-	-	-	-	-	-	-	-	-
5.Europe	1,906	77	-	1,542	287	44,537	-	44,427	110
Total	1,012,619	937,369	55,805	16,792	2,653	506,622	7,648	374,359	124,615
Less : General Provision	(5,564)	(5,564)	-	-	-	-	-	-	-
Total	1,007,055	931,805	55,805	16,792	2,653	506,622	7,648	374,359	124,615

^{1/} Including accrued interests and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring and include interbank and money market item

^{2/} Including investment in account receivable but, excluding accrued interest receivables and net of revaluation and impairment allowances.

^{3/} Before multiplying by CCF.

Country or geographic area of debtor	Bank-Only								
	December 31, 2013								
	Assets on-statement of financial position					Off-balance items ^{3/}			
	Total	Net loan ^{1/}	Net investment in debt securities ^{2/}	Deposit include accrued interests	Derivative Asset	Total	Aval of bills, Guarantee, and letter of credits	OTC derivatives	Undrawn committed lines
1.Thailand	941,063	863,096	65,922	8,475	3,570	330,891	10,263	202,191	118,437
2.Asia Pacific (exclude Thailand)	15,697	12,751	915	1,793	238	40,448	327	37,531	2,590
3.North America and Latin America	8,181	1,282	-	6,176	723	51,235	-	51,173	62
4.Africa and Middle East	-	-	-	-	-	-	-	-	-
5.Europe	1,641	78	350	864	349	36,079	60	35,915	104
Total	966,582	877,207	67,187	17,308	4,880	458,653	10,650	326,810	121,193
Less : General Provision	(6,241)	(6,241)	-	-	-	-	-	-	-
Total	960,341	870,966	67,187	17,308	4,880	458,653	10,650	326,810	121,193

^{1/} Including accrued interest receivables and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring and include interbank and money market item

^{2/} Including investment in account receivable but, excluding accrued interest receivables and net of revaluation and impairment allowances.

^{3/} Before multiplying by CCF.

Table 6 Outstanding balance of assets on statement of financial position and off-balance items before credit risk mitigation classified by remaining term to maturity

Unit : Million Baht

Items	Financial Business Group				
	December 31, 2014				
	Within 1 year	Over 1 year	Total	Less: General Provision	Total
1. Assets on-statement of financial position assets	360,289	770,937	1,131,226	(14,423)	1,116,803
1.1 Net loans ^{1/}	329,860	722,887	1,052,747	(14,423)	1,038,324
1.2 Net investments in debt securities ^{2/}	8,491	47,018	55,509	-	55,509
1.3 Deposits (including accrued interests)	20,317	-	20,317	-	20,317
1.4 Derivative Asset	1,621	1,032	2,653	-	2,653
2. Off-balance items ^{3/}	333,992	172,500	506,492	-	506,492
2.1 Aval of bills, guarantee and letter of credits	7,421	227	7,648	-	7,648
2.2 OTC derivatives	322,735	51,624	374,359	-	374,359
2.3 Undrawn committed lines	3,836	120,649	124,485	-	124,485

^{1/} Including accrued interest receivables and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring

^{2/} Including investment in account receivable but, excluding accrued interest receivables and net of revaluation and impairment allowances.

^{3/} Before multiplying by CCF

Unit : Million Baht

Items	Financial Business Group				
	December 31, 2013				
	Within 1 year	Over 1 year	Total	Less: General Provision	Total
1. Assets on-statement of financial position	279,364	804,695	1,084,059	(15,658)	1,068,401
1.1 Net loans ^{1/}	233,322	758,969	992,291	(15,658)	976,633
1.2 Net investments in debt securities ^{2/}	22,539	44,643	67,182	-	67,182
1.3 Deposits (including accrued interests)	19,164	542	19,706	-	19,706
1.4 Derivative Asset	4,339	541	4,880	-	4,880
2. Off-balance items ^{3/}	301,755	156,768	458,523	-	458,523
2.1 Aval of bills, guarantee and letter of credits	10,203	447	10,650	-	10,650
2.2 OTC derivatives	291,135	35,675	326,810	-	326,810
2.3 Undrawn committed lines	417	120,646	121,063	-	121,063

^{1/} Including accrued interest receivables and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring

^{2/} Including investment in account receivable but, excluding accrued interest receivables and net of revaluation and impairment allowances.

^{3/} Before multiplying by CCF

Unit : Million Baht

Items	Bank-Only				
	December 31, 2014				
	Within 1 year	Over 1 year	Total	Less: General Provision	Total
1. Assets on-statement of financial position	397,555	615,064	1,012,619	(5,564)	1,007,055
1.1 Net loans ^{1/}	370,650	566,719	937,369	(5,564)	931,805
1.2 Net investments in debt securities ^{2/}	8,492	47,313	55,805	-	55,805
1.3 Deposits (including accrued interests)	16,792	-	16,792	-	16,792
1.4 Derivative Asset	1,621	1,032	2,653	-	2,653
2. Off-balance items ^{3/}	333,992	172,630	506,622	-	506,622
2.1 Aval of bills, guarantee and letter of credits	7,421	227	7,648	-	7,648
2.2 OTC derivatives	322,735	51,624	374,359	-	374,359
2.3 Undrawn committed lines	3,836	120,779	124,615	-	124,615

^{1/} Including accrued interest receivables and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring

^{2/} Including investment in account receivable but, excluding accrued interest receivables and net of revaluation and impairment allowances.

^{3/} Before multiplying by CCF

Unit : Million Baht

Items	Bank-Only				
	December 31, 2013				
	Within 1 year	Over 1 year	Total	Less: General Provision	Total
1. Assets on-statement of financial position	451,189	515,393	966,582	(6,241)	960,341
1.1 Net loans ^{1/}	406,999	470,208	877,207	(6,241)	870,966
1.2 Net investments in debt securities ^{2/}	22,543	44,644	67,187	-	67,187
1.3 Deposits (including accrued interests)	17,308	-	17,308	-	17,308
1.4 Derivative Asset	4,339	541	4,880	-	4,880
2. Off-balance items ^{3/}	301,755	156,898	458,653	-	458,653
2.1 Aval of bills, guarantee and letter of credits	10,203	447	10,650	-	10,650
2.2 OTC derivatives	291,135	35,675	326,810	-	326,810
2.3 Undrawn committed lines	417	120,776	121,193	-	121,193

^{1/} Including accrued interest receivables and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring

^{2/} Including investment in account receivable but, excluding accrued interest receivables and net of revaluation and impairment allowances.

^{3/} Before multiplying by CCF

Table 7 Loans and accrued interest receivables and investments in debt securities before credit risk mitigation classified by country or geographic area of debtors and by asset classification specified by the BOT's regulation

Unit : Million Baht

Country or geographic area of debtor	Financial Business Group						
	December 31, 2014						
	Loans and accrued interest receivables net of deferred revenue ^{1/}						Investment in debt securities ^{2/}
	Normal	Special mentioned	Sub-standard	Doubtful	Doubtful loss	Total	Doubtful loss
1. Thailand	996,833	33,551	10,375	8,601	11,360	1,060,720	397
2. Asia Pacific (excluding Thailand)	17,468	-	-	-	-	17,468	-
3. North America and Latin America	1,433	-	-	-	-	1,433	-
4. Africa and Middle East	-	-	-	-	-	-	-
5. Europe	72	6	-	-	-	78	-
Total	1,015,806	33,557	10,375	8,601	11,360	1,079,699	397

Unit : Million Baht

Country or geographic area of debtor	Financial Business Group						
	December 31, 2013						
	Loans and accrued interest receivables net of deferred revenue ^{1/}						Investment in debt securities ^{2/}
	Normal	Special mentioned	Sub-standard	Doubtful	Doubtful loss	Total	Doubtful loss
1. Thailand	939,455	36,088	9,503	11,014	6,801	1,002,861	118
2. Asia Pacific (excluding Thailand)	12,878	-	-	-	-	12,878	-
3. North America and Latin America	1,294	-	-	-	-	1,294	-
4. Africa and Middle East	-	-	-	-	-	-	-
5. Europe	79	-	-	-	-	79	-
Total	953,706	36,088	9,503	11,014	6,801	1,017,112	118

^{1/} Including interbank and money market item.

^{2/} Including investment in account receivable

Unit : Million Baht

Country or geographic area of debtor	Bank-Only						
	December 31, 2014						
	Loans and accrued interest receivables net of deferred revenue ^{1/}						Investment in debt securities ^{2/} Doubtful loss
	Normal	Special mentioned	Sub- standard	Doubtful	Doubtful loss	Total	
1. Thailand	900,174	16,744	5,940	6,111	4,401	933,370	50
2. Asia Pacific (excluding Thailand)	17,466	-	-	-	-	17,466	-
3. North America and Latin America	1,433	-	-	-	-	1,433	-
4. Africa and Middle East	-	-	-	-	-	-	-
5. Europe	72	6	-	-	-	78	-
Total	919,145	16,750	5,940	6,111	4,401	952,347	50

Unit : Million Baht

Country or geographic area of debtor	Bank-Only						
	December 31, 2013						
	Loans and accrued interest receivables net of deferred revenue ^{1/}						Investment in debt securities ^{2/} Doubtful loss
	Normal	Special mentioned	Sub- standard	Doubtful	Doubtful loss	Total	
1. Thailand	845,184	17,338	4,134	7,415	3,421	877,492	50
2. Asia Pacific (excluding Thailand)	12,878	-	-	-	-	12,878	-
3. North America and Latin America	1,294	-	-	-	-	1,294	-
4. Africa and Middle East	-	-	-	-	-	-	-
5. Europe	79	-	-	-	-	79	-
Total	859,435	17,338	4,134	7,415	3,421	891,743	50

^{1/} Including interbank and money market item.

^{2/} Including investment in account receivable

Table 8 Provision (general provisions and specific provisions) and bad debt charge - offs for loans and accrued interest receivables and investments in debt securities classified by country or geographic area

Unit: Million Baht

Country or geographic area of debtor	Financial Business Group			
	December 31, 2014			
	Loans and accrued interest receivables ^{1/}			Investment in debt securities ^{2/}
	General Provision	Specific Provision	Charge-off between the year	Specific Provision
1. Thailand	14,423	26,765	18,503	398
2. Asia Pacific (excluding Thailand)		172	-	14
3. North America and Latin America		14	-	-
4. Africa and Middle East		-	-	-
5. Europe		1	-	-
Total	14,423	26,952	18,503	412

Unit: Million Baht

Country or geographic area of debtor	Financial Business Group			
	December 31, 2013			
	Loans and accrued interest receivables ^{1/}			Investment in debt securities ^{2/}
	General Provision	Specific Provision	Charge-off between the year	Specific Provision
1. Thailand	15,658	24,681	11,554	313
2. Asia Pacific (excluding Thailand)		127	-	10
3. North America and Latin America		12	-	-
4. Africa and Middle East		-	-	-
5. Europe		1	-	4
Total	15,658	24,821	11,554	327

^{1/} Include provisions and charge-offs for loans and accrued interest receivables of interbank and money market item

^{2/} Including investment in account receivable

Unit: Million Baht

Country or geographic area of debtor	Bank-Only			
	December 31, 2014			
	Loans and accrued interest receivables ^{1/}			Investment in debt securities ^{2/}
	General Provision	Specific Provision	Charge-off between the year	Specific Provision
1. Thailand	5,564	14,792	5,286	51
2. Asia Pacific (excluding Thailand)		171	-	14
3. North America and Latin America		14	-	-
4. Africa and Middle East		-	-	-
5. Europe		1	-	-
Total	5,564	14,978	5,286	65

Unit: Million Baht

Country or geographic area of debtor	Bank-Only			
	December 31, 2013			
	Loans and accrued interest receivables ^{1/}			Investment in debt securities ^{2/}
	General Provision	Specific Provision	Charge-off between the year	Specific Provision
1. Thailand	6,241	14,396	2,742	246
2. Asia Pacific (excluding Thailand)		127	-	10
3. North America and Latin America		12	-	-
4. Africa and Middle East		-	-	-
5. Europe		1	-	4
Total	6,241	14,536	2,742	260

^{1/} Include provisions and charge-offs for loans and accrued interest receivables of interbank and money market item

^{2/} Including investment in account receivable

Table 9 Loans and accrued interest receivables* before credit risk mitigation classified by type of business and by asset classification specified by the BOT

Unit : Million Baht

Type of business	Financial Business Group					
	December 31, 2014					
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total
1. Agriculture and Mining	9,865	289	76	127	759	11,116
2. Manufacturing and Commerce	252,245	6,042	1,812	1,679	2,148	263,926
3. Real estate and Construction	61,746	1,532	943	2,038	1,148	67,407
4. Public Utilities and Services	92,707	3,997	936	668	1,103	99,411
5. Housing	128,025	1,731	1,009	1,241	1,218	133,224
6. Others	471,218	19,966	5,599	2,848	4,984	504,615
Total	1,015,806	33,557	10,375	8,601	11,360	1,079,699

Unit : Million Baht

Type of business	Financial Business Group					
	December 31, 2013					
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total
1. Agriculture and Mining	7,474	159	27	946	343	8,949
2. Manufacturing and Commerce	223,558	5,871	1,249	1,314	1,943	233,935
3. Real estate and Construction	67,324	3,638	644	2,194	542	74,342
4. Public Utilities and Services	77,636	4,766	811	2,804	899	86,916
5. Housing	115,813	1,807	846	893	1,212	120,571
6. Others	461,901	19,847	5,926	2,863	1,862	492,399
Total	953,706	36,088	9,503	11,014	6,801	1,017,112

* Including loans and accrued interest receivables of interbank and money market item.

Unit : Million Baht

Type of business	Bank-Only					
	December 31, 2014					
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total
1. Agriculture and Mining	9,865	271	76	126	93	10,431
2. Manufacturing and Commerce	251,686	6,016	1,571	1,615	1,190	262,078
3. Real estate and Construction	61,413	1,531	943	2,008	1,061	66,956
4. Public Utilities and Services	92,691	3,997	936	616	727	98,967
5. Housing	128,025	1,731	1,009	1,241	1,143	133,149
6. Others	375,465	3,204	1,405	505	187	380,766
Total	919,145	16,750	5,940	6,111	4,401	952,347

Unit : Million Baht

Type of business	Bank-Only					
	December 31, 2013					
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total
1. Agriculture and Mining	7,453	159	27	62	126	7,827
2. Manufacturing and Commerce	222,100	5,854	1,061	910	1,079	231,004
3. Real estate and Construction	66,717	3,601	644	2,190	359	73,511
4. Public Utilities and Services	77,632	4,766	809	2,786	653	86,646
5. Housing	115,813	1,808	846	893	1,001	120,361
6. Others	369,720	1,150	747	574	203	372,394
Total	859,435	17,338	4,134	7,415	3,421	891,743

* Including loans and accrued interest receivables of interbank and money market item.

Table 10 Provisions (general provisions and specific provisions) and bad debt charge-offs for loans and accrued interest receivables* classified by type of business

Unit: Million Baht

Type of business	Financial Business Group					
	December 31, 2014			December 31, 2013		
	General provision	Specific provision	Bad debt charge-off between the year	General provision	Specific provision	Bad debt charge -off between the year
1. Agriculture and Mining	14,423	303	19	15,658	127	751
2. Manufacturing and Commerce		6,436	460		4,130	407
3. Real estate and Construction		1,728	58		1,560	37
4. Public Utilities and Services		1,450	3,208		3,499	492
5. Housing		1,388	134		1,097	348
6. Others		15,647	14,624		14,408	9,519
Total	14,423	26,952	18,503	15,658	24,821	11,554

Unit: Million Baht

Type of business	Bank-Only					
	December 31, 2014			December 31, 2013		
	General provision	Specific provision	Bad debt charge-off between the year	General provision	Specific provision	Bad debt charge -off between the year
1. Agriculture and Mining	5,564	232	19	6,241	127	751
2. Manufacturing and Commerce		5,662	460		4,130	408
3. Real estate and Construction		1,646	58		1,560	37
4. Public Utilities and Services		1,116	3,002		3,181	132
5. Housing		1,347	134		1,097	348
6. Others		4,975	1,613		4,441	1,066
Total	5,564	14,978	5,286	6,241	14,536	2,742

* Including loans and accrued interest receivables of interbank and money market item

Table 11 Reconciliation of changes in provisions (general provisions and specific provisions) for loans including accrued interest receivables*

Unit: Million Baht

Item	Financial Business Group					
	December 31, 2014			December 31, 2013		
	General provision	Specific provision	Total	General provision	Specific provision	Total
Provisions at the beginning of the years	15,658	24,821	40,479	12,732	19,061	31,793
Bad debt charge-offs during the years	-	(18,503)	(18,503)	-	(11,554)	(11,554)
Increases or decreases of provisions during the years	(1,236)	20,634	19,398	2,923	17,314	20,237
Provisions for losses from foreign exchange	1	-	1	3	-	3
Provisions at the end of the years	14,423	26,952	41,375	15,658	24,821	40,479

Unit: Million Baht

Item	Bank-Only					
	December 31, 2014			December 31, 2013		
	General provision	Specific provision	Total	General provision	Specific provision	Total
Provisions at the beginning of the years	6,241	14,536	20,777	5,629	13,895	19,524
Bad debt charge-offs during the years	-	(5,286)	(5,286)	-	(2,742)	(2,742)
Increases or decreases of provisions during the years	(678)	5,728	5,050	609	3,383	3,992
Provisions for losses from foreign exchange	1	-	1	3	-	3
Provisions at the end of the years	5,564	14,978	20,542	6,241	14,536	20,777

* Including loans and accrued interest receivables of interbank and money market item

Table 12 Outstanding balance of assets on statement of financial position and off-balance items* for credit risk under the Standardized Approach classified by type of assets

Unit: Million Baht

Type of assets	Financial Business Group					
	December 31, 2014			December 31, 2013		
	Assets on-statement of financial position	Off-balance items**	Total	Assets on-statement of financial position	Off-balance items**	Total
1. Performing assets	1,211,268	104,095	1,315,363	1,140,456	145,639	1,286,095
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	70,314	3,522	73,836	70,824	16,093	86,917
1.2 Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	40,161	10,576	50,737	20,142	42,641	62,783
1.3 Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	366,346	60,898	427,244	347,702	57,462	405,164
1.4 Claims on retail portfolios	509,600	28,712	538,312	485,443	29,040	514,483
1.5 Residential mortgage exposures	122,788	387	123,175	110,252	403	110,655
1.6. Other assets	102,059	-	102,059	106,093	-	106,093
2. Non-performing assets	13,186	123	13,309	11,547	83	11,630
3. First-to-default credit derivative and Securitization	-	-	-	-	-	-
Total	1,224,454	104,218	1,328,672	1,152,003	145,722	1,297,725

* After multiplying by CCF and net of specific provision

** Include repo-style transaction and reverse repo

Type of assets	Bank-Only					
	December 31, 2014			December 31, 2013		
	Assets on-statement of financial position	Off-balance items**	Total	Assets on-statement of financial position	Off-balance items**	Total
1. Performing assets	1,117,073	104,502	1,221,575	1,024,034	146,062	1,170,096
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	70,304	3,522	73,826	70,824	16,093	86,917
1.2 Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	36,644	10,287	46,931	18,291	42,666	60,957
1.3 Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	524,725	61,594	586,319	557,018	57,860	614,878
1.4 Claims on retail portfolios	238,470	28,712	267,182	163,493	29,040	192,533
1.5 Residential mortgage exposures	122,788	387	123,175	110,252	403	110,655
1.6. Other assets	124,142	-	124,142	104,156	-	104,156
2. Non-performing assets	9,744	123	9,867	7,835	83	7,918
3. First-to-default credit derivative and Securitization	-	-	-	-	-	-
Total	1,126,817	104,625	1,231,442	1,031,869	146,145	1,178,014

* After multiplying by CCF and net of specific provision

** Include repo-style transaction and reverse repo

6.2 Credit risk exposures by the Standardized Approach

The Bank calculates its capital to credit risk weighted asset under the Standardized Approach. The Bank uses ratings assigned from the following 5 external credit agency rating – ECAI i.e. Standard & Poor's, Moody's, Fitch International, Fitch (Thailand) and TRIS Rating, and the information from the OECD Country Risk Classification, in identifying the risk weight of each customer.

6.3 Credit risk mitigation by the Standardized Approach

1. The Bank manages and revalues collateral in accordance with the BOT's guidelines.
2. The main credit risk mitigation is financial collateral, namely cash, equity instrument, and debt instrument that comply with the BOT's guidelines.
3. The main eligible guarantors and credit derivative providers are government, state enterprises, and high-quality corporate, all of whom have characteristics that comply with the BOT's guidelines.
4. Currently, the Bank does not apply the netting for both on and off statement of financial positions as credit risk mitigation.

Table 13 Outstanding balance of assets on statement of financial position and off-balance items^{1/} after credit risk mitigation for each type of assets classified by risk weight under the Standardized Approach

Unit: Million Baht

Type of Asset	Financial Business Group															
	December 31, 2014															
	Rated outstanding					Unrated outstanding										
Risk weight %	0	20	50	100	150	0	20	35	50	75	100	150	250	625	937.5	100/8.5%
Performing assets																
1. Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	84,685	1	212	-	1,908											
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	-	16,780	21,737	2,762	269											
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	38	7,415	28,349	23,957	561						346,417					
4. Claims on retail portfolios										506,691	2,057					
5. Residential mortgage exposures								69,294		53,189	675					
6. Other assets						98,715	4,990				44,658	-	-	-	-	-
RW(%)			50	100	150	0			50	75	100	150				
Non-performing assets^{2/}						179			1,363		5,109	6,657				
Assets specified by the BOT as items to be deducted from capital fund	19,145															

^{1/} After multiplying by CCF

^{2/} For the part with no credit risk mitigation whose risk weights depend on the ratio of provisions to total exposures.

Financial Business Group																			
Type of Asset	December 31, 2013																		
	Rated outstanding					Unrated outstanding													
Risk weight %	0	20	50	100	150	0	20	35	50	75	100	150	250	625	937.5	100/8.5%			
Performing assets																			
1. Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	108,330	1	273	-	763														
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	-	14,593	9,585	3,745	44														
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	93	5,847	23,411	44,051	-						316,497	-	-	-	-	-			
4. Claims on retail portfolios										488,939	2,017								
5. Residential mortgage exposures								78,258		31,811	565								
6. Other assets						100,095	5,596				51,581								
RW(%)			50	100	150	0			50	75	100	150							
Non-performing assets ^{2/}						110			1,588		3,957	5,975							
Assets specified by the BOT as items to be deducted from capital fund	15,171																		

^{1/} After multiplying by CCF

^{2/} For the part with no CRM whose risk weights depend on the ratio of provisions to total exposures.

Bank-Only																
Type of Asset	December 31, 2014															
	Rated outstanding					Unrated outstanding										
Risk weight %	0	20	50	100	150	0	20	35	50	75	100	150	250	625	937.5	100/8.5%
Performing assets																
1. Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	84,684	-	212	-	1,899											
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	-	15,687	18,813	2,762	216											
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	-	85,349	34,651	23,957	561						421,921					
4. Claims on retail portfolios										237,625	88					
5. Residential mortgage exposures								69,295		53,189	675					
6. Other assets						89,484	4,919				75,585					
RW (%)			50	100	150	0			50	75	100	150				
Non-performing assets ^{2/}						179			1,231		3,439	5,018				
Assets specified by the BOT as items to be deducted from capital fund	10,872															

^{1/} After multiplying by CCF

^{2/} For the part with no CRM whose risk weights depend on the ratio of provisions to total exposures.

Type of Asset	Bank-Only															
	December 31, 2013															
	Rated outstanding					Unrated outstanding										
Risk weight %	0	20	50	100	150	0	20	35	50	75	100	150	250	625	937.5	100/8.5%
Performing assets																
1. Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	108,330	-	273	-	763											
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	-	13,774	8,422	3,586	44											
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	-	5,659	162,503	12,469	-						419,640					
4. Claims on retail portfolios										169,016	54					
5. Residential mortgage exposures								78,258		31,811	565					
6. Other assets						93,085	5,554				56,289					
RW (%)			50	100	150	0			50	75	100	150				
Non-performing assets ^{2/}						110			1,179		2,357	4,272				
Assets specified by the BOT as items to be deducted from capital fund	10,387															

^{1/} After multiplying by CCF

^{2/} For the part with no CRM whose risk weights depend on the ratio of provisions to total exposures.

Table 14 Outstanding balance of asset with collateral* under Standardized Approach classified by type of assets and collateral

Unit: Million Baht

Type of asset	Financial Business Group				Bank-Only			
	December 31, 2014		December 31, 2013		December 31, 2014		December 31, 2013	
	Eligible financial collateral ^{1/}	Guarantee and credit derivative	Eligible financial collateral ^{1/}	Guarantee and credit derivative	Eligible financial collateral ^{1/}	Guarantee and credit derivative	Eligible financial collateral ^{1/}	Guarantee and credit derivative
Performing assets	70,215	21,753	100,708	2,723	69,759	21,486	88,520	14,186
1. Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	23,912	-	23,570	-	23,912	-	23,570	-
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	5,000	12,969	41,045	-	5,000	12,969	32,877	8,169
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	15,563	4,946	14,174	1,094	15,145	4,735	12,629	1,978
4. Claims on retail portfolios	25,725	3,838	21,898	1,629	25,687	3,782	19,423	4,039
5. Residential mortgage exposures	15	-	21	-	15	-	21	-
6. Other assets	-	-	-	-	-	-	-	-
Non-performing assets	180	100	125	-	180	100	124	-
Total	70,395	21,853	100,833	2,723	69,939	21,586	88,644	14,186

* Values after netting for both on and off-balance of statement of financial positions

^{1/} The collateral which BOT allows to mitigate risk (eligible financial collateral), the financial business group use Comprehensive method, presented amount have already adjusted the haircut

7. Market risk

“Market risk” refers to the adverse impact on income and capital funds caused by price changes in the trading and banking books with regard to interest rates, exchange rates, equity instruments, and commodities. Movement of market risk factors are external factors beyond the Bank’s control. The Bank has therefore decided to place greater importance on effective market risk management and monitoring the market risk exposure closely as well as timely in response to a changing business environment.

The Bank has established a market risk management policy in accordance with the complexities of its financial activities for the bank and risk management framework for the companies in the group with BOT’s consolidated supervision principle. The Bank has monitored and controlled market risk to be at the risk tolerance level by formulating risk limit and guidelines for the occurring of over risk limit and maintained adequate capital relative to our risk exposure. Furthermore, The Bank has determined a self- assessment, internal controls process and evaluated of the risk management system at least once a year conducted by internal audit units in order to ensure that market risk well managed in accordance with BOT’s guidelines.

Principles

The Bank controls market risk under the risk appetite approved by the Board of Directors. It also reviews risk limits to ensure it is commensurate with the scope, volume and complexity of its transactions and the changing businesses and market situations. In addition, the Bank has the Internal Capital Adequacy Assessment Process (ICAAP). Under this framework the Bank assesses all material risks in order to develop comprehensive risk management guidelines, and maintain an appropriate level of capital for both normal and stressed business conditions. This is to achieve sustainable growth and returns for shareholders.

Organization and structure

The Board of Directors has responsibility to approve market risk appetite. The Board of Directors has delegated to management through the Risk Management Committee and the Asset and Liability Management Committee the authority to manage and control market risk in a manner consistent with policy. The Assets and Liabilities Management Committee establishes guidelines for appropriate management of assets, liabilities, and off-balance items. The organizational structure clearly segregates the duties and responsibilities of the units responsible for transaction execution, operations, and risk management to avoid conflicts of interest.

Market Risk Management Structure

Risk Management Committee is responsible to manage market risk within the guidelines and limits approved by the Board of Directors. The Market Risk Management Department provides risk management strategic option and reports the risk exposures to Risk Management Committee for managing and

controlling market risk in a manner consistent with policy. Global Markets Group executes transactions and manages positions under the risk limits approved by the Board of Directors. Assets and Liabilities Management Department to provide ALCO with sufficient analysis of the Bank's and competitors statement of financial positions management as well as risk strategic options in order to achieve higher efficiency in market risk management of Bank.

In 2014, the Bank faced fluctuation in market risk factors due to a challenging operating environment. . To mitigate this, the Bank has maintained our focus on proper market risk management, in response to changing domestic and international economic circumstances . Risk Management Committee has decided to place greater importance on monitoring the market risk exposure closely and also established a reporting process to cope with any negative signals about the movement of market risk factors to ensure the effectiveness and timely implementation of our risk management.

Krungsri-Bank of Tokyo-Mitsubishi UFJ (BTMU) Integration Project

With the integration project, the Bank has set up a task force to fine tune the Bank and BTMU Bangkok branch market risk management system for the combined entity in 2015.. In addition, market risk management policy and process has been prepared in order to effectively control and manage risks after integration for the new products and business volume.

Measurement system

In 2014, the Bank's aggregate market risk was well within acceptable levels. The assessment, control, and monitoring of market risk can be divided into two parts: transactions in the trading book and transactions in the banking book, as follows:

1. Risks from transactions in the trading book

The Bank uses Value-at-Risk (VaR) and conduct back-testing to assess the reliability of the models. The Bank also conducts a stress testing to assess risk under crisis situations.

2. Risks from transactions in the banking book

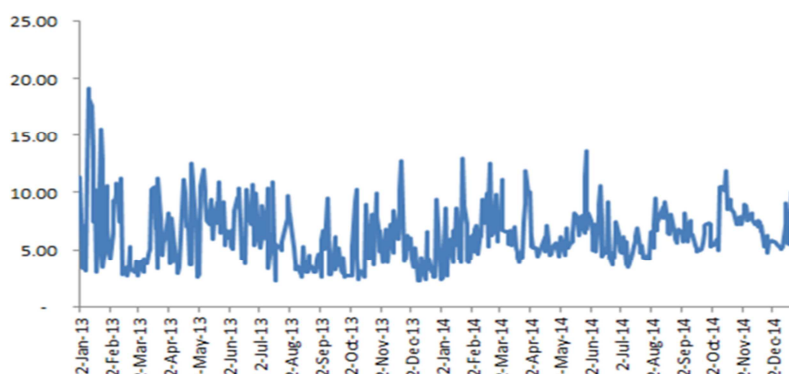
The Bank assesses the probable impact on net interest income (earning perspective) from mismatches of the interest rate structure and on- and off-balance items. The Bank also conducts re-pricing gap analysis in terms of static simulation and dynamic simulation according to the projected interest rate trend. In addition, The Bank analysis interest rate risk which reflects the sensitivity of the economic value of shareholder equity (Economic value perspective).

Managing Market Risk in Trading Book

The assessment, control, and monitoring of market risk in the trading book; the Bank uses Value-at-Risk and conduct back-testing to assess the reliability of the models. The Bank also conducts stress testing to assess risk under crisis situations. The movements of total daily VaR, 1-day holding period, 95-percent confidence level and back testing, as follows:

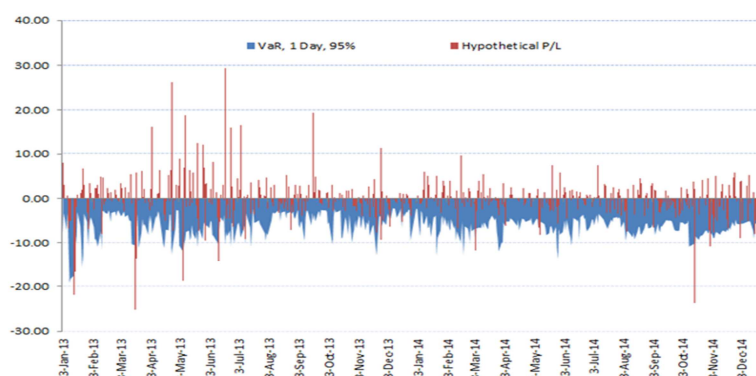
Picture 1: The Bank's Total Daily Value-at-Risk (VaR) Movement 2014 and 2013

Unit : Million Baht



Picture 2: The Bank's Total Daily Value-at-Risk (VaR) Back Testing 2014 and 2013

Unit : Million Baht



Market Risk Capital Requirement

The Bank assesses and maintains capital charge for market risk following Basel Approach at Bank and consolidated levels based on a standardized approach "SA" and complied with BOT's notification re: Market Risk Supervision Policy of Financial Institutions.

8. Operational Risk

"Operational risk" refers to the risk of loss resulting from inadequate or failed internal processes, technology problems, human factors, or external events including legal risk but excluding strategic and reputation risk. Operational risk is an integral and unavoidable part of the Bank's business as it is inherent in our endeavors to provide services to customer and to generate profits for shareholders. With delivering

simplicity, we remain committing to effectively manage and mitigate major operational risks with proactive approach as well as continue to embed on operational risk awareness culture throughout the Bank and its subsidiaries.

Operational risk management structure, roles and responsibilities

The Bank recognizes that operational risk is a significant concern and provides sufficient resources to manage the risk within acceptable levels through the promotion of sound operational risk management governance and frameworks. Each employee is responsible for managing operational risk.

Operational risk is managed under the Group Operational Risk Management Policies, approved by the Board of Directors. The policies stipulate the minimum requirements of a framework that is implemented throughout the organizational structure along three lines of defense to ensure independent oversight of operational risk management throughout the Group. All business units as primary operational risk owners and risk takers have prime responsibility for day-to-day identifying and managing of operational risk inherent in their products, activities, processes and systems according to the policies.

The Risk Management Committee, assigned by the Board of Directors, is responsible for formulating strategies, and oversight the adequacy of the risk and control processes. The Committee have a monthly meeting to review and make the recommendation on operational risk profile. The Operational Risk Management Department, an independent function reporting to the Chief Risk Officer, is responsible for designing, maintaining and on-going developing the operational risk framework and measurement system. This is to ensure that operational risk is well mitigated and properly managed. In addition, the Internal Audit function provides an independent and reasonable assurance that operational risk management and internal controls in business units are functioning properly and sufficiently.

Advanced Measurement Approach (AMA) Preparation

Under Japanese Financial Service Agency (JFSA)'s requirement and with a strong support from our strategic partner, MUFG/BTMU, the Bank is adopting more sophisticated operational risk measurement called Advanced Measurement Approach (AMA).

We aim to fully implement AMA for internal risk management and measurement system and to apply the operational risk regulatory capital in MUFG/BTMU followed by JFSA's requirement by year 2019.

Four data elements are key to developing the AMA: (1) internal loss data ; (2) external loss data ; (3) scenario analysis and (4) business environment and internal control factors are the key elements to develop AMA capital model.

Operational risk management process, methodology and tool

As AMA is underway, we continue to strengthen and improve our risk management system across the Bank and its subsidiaries.

The Risk and Control Self-Assessment (RCSA) Program is reviewed regularly based on historical loss data and changes in business environment.

The process to regularly monitor operational risk exposures has been implemented, Key Risk Indicators (KRI) are collected and tracked for Bank-wide and at the business unit level to provide early warning signals of deterioration in the Group's internal control system. If risk levels exceed the acceptable threshold, action is taken.

Collection adequate and sufficient of Operational Risk Losses Data to build comprehensive internal loss database is a key component of AMA operational risk management framework. We centralize the loss database in a system. Losses beyond a certain threshold (both direct loss and indirect loss) including near-misses and non-financial impact event are systematically collected by the business units and reported to Operational Risk Management Department. Investigation and recovery process are actively performed to minimize losses and improve broken controls. Referral of the escalation of individual events to senior management is determined by the seriousness of the event.

We purchase an external loss data source in order to use as a key element for scenario analysis and also to enrich the identification and assessment of the Bank and its subsidiaries' key operational risks by benchmarking internal loss data records against the industry.

An On-going process to manage and monitor potential operational risks that might stem from Outsourcing and Insourcing arrangements is in place. The continuity of business operations, service provision to customers, and a suitable customer protection system are also our main accountability when considering of outsourcing and insourcing.

We implement the operational risk system for recording and linking RCSA, KRI and Operational Risk Loss Data where appropriate. The system enables a comprehensive view, analysis and reporting of the Group's operational risk profile.

We embed the New product/process/system risk assessment program to ensure that all new products—or significant changes to existing process/systems—are subject to comprehensive risk evaluation and are approved by specialists prior to launch.

The Group recognizes the important of Business continuity management to ensure that throughout the Group, when disruption occurs, the key products and services to customers can be carried out or recovered within the reasonable period. Key risks and threats are periodically assessed and reviewed by

senior management with a business continuity perspective, including political crises, pandemics, technology disruptions, flooding and other environmental impacts. To ensure the readiness to respond the disruption, Business continuity plans and alternate sites are reviewed, maintained and tested regularly.

Risk reporting process is in-place within the Group. All units and subsidiaries are accountable to report their operational risks such as RCSA, KRI and loss data to the Operational Risk Management Department for analysis. The group's operational risk profile and performance report is then prepared and delivered to the Risk Management Committee and Board of Directors regularly, to early detect changes of key operational risks within the Group and enable to drive appropriate decision making.

Approach for operational risk capital

The Bank adopts 'standardized approach' to maintain Basel III minimum capital requirement against operational risk of the Bank and the Bank's Financial Business Group. The internal audit function takes an important role to ensure that capital calculation and operational risk management framework are qualified and aligned with the BOT minimum requirements.

9. Equity exposures in the banking book

9.1 General information for equity position risk in the banking book

Equity price risk in the banking book

The Bank monitors and report the equity price risk in the banking book and ensure that the level of capital fund is appropriate and sufficient to absorb losses arising from positions in the banking book.

Management of equity price risk in the banking book

The Bank's Board of Directors determines the total limit which shall be regularly reviewed at least once a year. Additionally, the Asset and Liability Management Committee is responsible for establishing policies and strategies as well as managing risks in relation to investment in order to ensure that the investments are effectively and appropriately undertaken and in alignment with economic situation and competition in the financial business. Global Markets Group is responsible for executing transactions under the risk limits approved by the Bank's Board of Directors as well as assessing the value of positions at least once a month. Furthermore, Securities Investment Department also monitors and reports the equity positions to the Asset and Liability Management Committee on a monthly basis.

9.2 The different of risk management policy for equity securities:

9.2.1 Equity investment for the purpose of capital gain

As the purpose of the investment is to earn capital gain and dividend via a medium to long term investment, equity of the Bank is then directly affected by the change in market price of a security. The Bank, therefore, places importance on market risk management and also regulates the investment to be in accordance with the investment policy which has been regularly reviewed of at least once a year. Furthermore, an investment performance monitoring is reported to the Assets and Liabilities Management Committee on monthly basis.

9.2.2 Equity investment for other purposes

As for strategic investment, the Bank has policy to ensure that subsidiaries and associated companies in the financial business group, under consolidated supervision of the BOT, operate their businesses under single framework and standards. This is to ensure that the Bank and the financial business group drive businesses in the same direction, and effectively manage their risks as well as prevent potential incidents that may incur from business operations and affect the confidence, soundness and stability of the Bank.

In this connection, the companies with in financial business group have responsibilities to prepare the annual business plan, and the projected annual profit and loss and submit to the Bank for consideration and approval as well as monitoring, in particular, the intra-group transactions and related risk management policies.

Moreover, the Bank also invests in the company established to support and promote the government policy, other companies to generate a return on investment and, the companies obtained from debt restructuring process, which risk management guideline requires performance monitoring to be conducted and report to the Financial Management Committee ("FMC") on a monthly basis.

9.3 Key policies on fair value measurement in accordance with the accounting standards, assumptions and guidelines on fair value measurement, including significant changes in the guidelines

The Bank has formulated and revised the Mark-to-Market Model Policy for measurement of fair value according to the accounting standards and measurement of value of positions in alignment with the academic principle. The Bank also requires that the used Validated Rate for Revaluation must be obtained from reliable sources such as the Securities and Exchange Commission.

Table 15 Equity exposures in the banking book

Unit: Million Baht

Equity exposures	Financial Business Group		Bank-Only	
	December 31,		December 31,	
	2014	2013	2014	2013
1. Equity exposures				
1.1 Equities listed and publicly traded in the Stock Exchange (both domestic and foreign)				
- At cost	4,792	5,373	4,641	5,741
- Market value	4,846	5,021	4,846	5,554
1.2 Other equities (both domestic and foreign)	436	2,334	48,634	30,533
2. Gains (losses) of sale of equities during the reporting periods	1,019	598	980	2,247
3. Net revaluation surplus from valuation AFS equity	108	(287)	218	(164)
4. Minimum capital requirements for equity exposures by SA approach	459	631	3,958	3,129

10. Interest rate risk in the banking book

The Bank assesses the probable impact on net interest income (earning perspective) from mismatches of the interest rate structure and on- and off-balance items. The Bank also conduct re-pricing gap analysis in terms of static simulation and dynamic simulation according to the projected interest rate trend. In addition, The Bank analyse interest rate risk which reflects the sensitivity of the economic value of shareholder equity (Economic value perspective).

In 2014, changes in interest rate were not significant impact to the Bank's capital funds, as the Bank has adjusted statement of financial position structure to be consistent with interest rate risk, and also within a specified risk appetite. In addition, the Bank has prepared a report on interest rate risk gap and assesses net interest income sensitivity over the next 12 months, based on an assumption of a 1.00-percent change in interest rate of all types of assets, liabilities and off-statement of financial position sheet items at their different re-pricing periods. The results of interest rate risk assessment are as follows:

Table 16: The effect of changes in interest rates* to earnings (net)

Unit: Million Baht

Currency **	Net Interest Income Impacts			
	Financial Business Group		Bank-Only	
	December 31		December 31	
	2014	2013	2014	2013
Baht	(857)	(532)	(680)	(740)
USD	-	-	-	-
EURO	-	-	-	-
Others	-	-	-	-
Total	(857)	(532)	(680)	(740)
% of estimate interest income-net for the next year	-1.47%	-1.09%	-1.40%	-1.96%

* use the percentage changes in increase interest rates of 100 bps.

** All currency converted into THB

11. Liquidity risk management

“Liquidity risk” is the risk arising from failure to pay debts and contingent liabilities by the due date because of an inability to convert assets into cash. It also relates to the failure to procure sufficient funds, or find that fund procurement comes at a higher cost, thereby adversely affecting incomes and capital funds.

The Bank has maintained adequate sources of liquidity in order to have sufficient cashflow its activities under both normal and stressed conditions, with a proactive and proper assets, liabilities and off-statement of financial position structure. We have continuously reviewed liquidity risk management policy and enhanced methodologies/measurement tools as well as liquidity risk measurement of the Basel III e.g. liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) to comply with best practices of international standards, the liquidity risk supervision policy and consolidated supervision policy of the BOT BOT. The Bank also reviews a Liquidity Contingency Plan and Guideline (LCP) and prepares a liquidity cushion (Contingency Funding Plans) and tests LCP on a regular basis.

Principles

The Bank places great importance on effective liquidity risk management and controls by establishing liquidity risk management policy and emergency contingency plan. The Bank has maintained liquid assets, on average, of at least 6.00 percent of deposits and borrowing, in compliance with the BOT's regulations. The Bank emphasizes on management of excess liquidity at an acceptable level and controls liquidity risk consistent with the Bank's risk appetite and appropriate operating costs. The Bank maintains an

excess liquidity cushion at a level commensurate with the economic situation. The Bank seeks to ensure that there is adequate cash for both the Bank's and subsidiaries' business operations. Liquidity management utilizes qualitative and quantitative approaches to ensure appropriate risk diversification.

Organization and structure

The Board of Directors has responsibility to approve liquidity risk appetite. The Board of Directors has delegated to management through the Risk Management Committee and the Asset and Liability Management Committee the authority to manage and control liquidity risk in a manner consistent with policy. The Asset and Liability Management Committee closely monitors the liquidity position and liquidity risk. The organizational structure clearly segregates the duties and responsibilities of the units responsible for transaction execution, operations, and risk management to avoid conflicts of interest.

Liquidity Risk Management Structure

Asset and Liability Management Committee is responsible to manage liquidity risk to achieve higher efficiency in liquidity risk management of Bank. Risk Management Committee is responsible to manage liquidity risk within the guidelines and limits approved by the Board of Directors. Market Risk Management Department provides risk management strategic option and reports the Bank's liquidity risk exposures to Risk Management Committee. Assets and Liabilities Management Department provides ALCO with sufficient analysis of the Bank's and competitors statement of financial position management as well as Bank's liquidity risk and funding strategic options. The Global Market Group is responsible for monitoring and managing daily liquidity.

Krungsri-Bank of Tokyo-Mitsubishi UFJ (BTMU) Integration Project

With the integration project, the Bank has set up a task force to fine tune the Bank and BTMU Bangkok branch market risk management system for the combined entity in 2015. In addition, market risk management policy and process has been prepared in order to effectively control and manage risks after integration for the new products and business volume.

Preparation to meet Basel III requirement

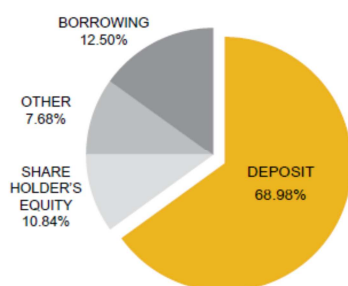
BOT has required commercial banks to prepare and submit the liquidity risk reports in accordance with the Basel Committee on Banking Supervision (BCBS) guidelines, namely, Report on Liquidity Coverage Ratio (LCR) and Report on Net Stable Funding Ratio (NSFR) so that the BOT can use the information for analyzing the impact and developing an appropriate guidelines for Thailand going forward. The Bank has been assessing impacts of compliance, continuously monitoring the progress of Basel III implementation, calculating and reporting the monthly LCR and NSFR ratios to relevant committee in order to ensure that compliance will not have any impact on the liquidity risk management of the Bank and Consolidation.

Measurement system

The Bank has realized the importance of adequate liquidity risk measurement tools and methodologies and appropriate to the size and complexity of transactions both on-and off- statement of financial position. We employ a variety of liquidity risk management tools such as cash flow/liquidity projection and liquidity gap analysis by assets, liabilities, and contingent liabilities according to the remaining contractual maturity. In this regard, consideration is given both to normal and crisis situations, and the results are adjusted in accordance with behavioral maturity to align with the actual behavior to ensure that the liquidity risk reporting and monitoring systems are efficient. In addition, the Bank has plan for the next 3 years to enhance the liquidity risk management system. With enhanced system, the Bank can simulate and formulate more active liquidity risk management strategies and support the new reporting requirements of BOT.

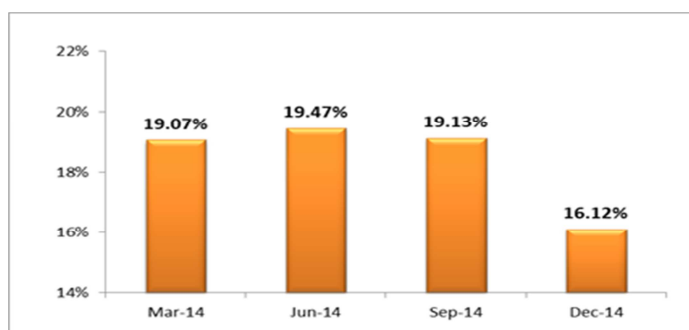
In 2014, Bank's aggregate liquidity risk was at rather low level. The Bank has diversified funding sources. Our major funding source is customer deposits which are well diversified in terms of customer type, deposit type and maturity. The Bank aims to balance the cost of liquidity against liquidity risks as deemed appropriate, based on market conditions and acceptable risk levels. The Bank also closely manages short-term and long-term liquidity positions, as well as planning for capital fundraising as market conditions permit.

Picture 3: Financial Group's Sources of Funds as of December 31, 2014



The Bank has determined liquidity ratios and early warning signs for daily monitoring such as liquid assets to short-term liabilities ratio, highest deposit and bill of exchange decrease per day, top 1 & 20 deposits and bill of exchange concentration of customer group, in order to reduce the concentration of the Bank's funding sources.

Picture 4: Financial Group's Ratio of Liquid Assets to Short – Term Liabilities



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

Table 17: Significant information of financial instrument eligible for capital fund

Topic		Unique identifier BAY206A	Unique identifier BAY22NA
1	Issuer	Bank of Ayudhya Public Company Limited	Bank of Ayudhya Public Company Limited
2	Unique identifier	TH002303U600	TH0023032B04
	<i>Governing BOT's regulation of the instrument</i>		
3	Type of financial instruments (common equity tier 1/ additional tier 1/ tier 2)	Tier 2 Capital	Tier 2 Capital
4	Feature according to Basel III rules	Not qualified under Basel III rules	Not fully qualified under Basel III rules
5	If not according to Basel III rules, please specify	Step-up	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 Jan 1, 2013 onwards and cannot count as capital from early redemption date (June 23, 2015) onwards	Gradual reduction on capital calculation for all Lot (Aggregate cap) from Jan 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	Financial business group Level and the Bank Level
8	Amount recognized in regulatory capital (unit: Million Baht)	THB 27,875 million	
9	Par value of instrument	THB 1,000.-	THB 1,000.-
10	Accounting classification	Liabilities measured at amortized cost	Liabilities measured at amortized cost
11	Original date of issuance	June 23, 2010	November 7, 2012

Topic		Unique identifier BAY206A	Unique identifier BAY22NA
12	Perpetual or dated	Having maturity date	Having maturity date
13	Original maturity date	June 23, 2020	November 7, 2022
14	Issuer call subject to prior supervisory approval	Having right to early redeem if permission in writing is granted by the BOT	Having right to early redeem if permission in writing is granted by the BOT
15	Optional call date, contingent call dates and redemption amount	June 23, 2015 The Bank may redeem all the Debentures prior to the due date of redemption if permission in writing is granted by the BOT. The Debentures will be redeemed according to the par value per unit together with the interest computed until the day prior to the due date, subject to conditions as follows: (a) Prior the 5th (fifth) anniversary of the date of issuance of the Debentures, if the Bank is notified by the BOT that (1) the Debentures are no longer classified as instruments that can be counted as the Bank's second-tier capital fund, or (2) the Debentures can be counted as the Bank's second-tier capital fund less than 50 (Fifty) per cent of its first-tier capital fund; or (b) If the Bank can prove that the interests on the Debentures cannot or can no longer be deducted as expenses of the Bank for	November 7, 2017 The debenture issuer may redeem all the debentures prior to the due date of redemption if, after the issuer submits 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 calculated to (and excluding) the early redemption date, subject to conditions 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.

Topic		Unique identifier BAY206A	Unique identifier BAY22NA
		tax purpose; or (c) 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	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	Step-up	Fixed Rate until maturity date
18	Coupon rate and any related index	None	None
19	Existence of a dividend stopper	No dividend stopper	No dividend stopper
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	Having Incentive to redeem (step up)	No incentive to redeem
22	Noncumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	None	None
25	If convertible, full or partial	None	None
26	If convertible, conversion rate	None	None
27	If convertible, specify instrument type convertible into	None	None
28	If convertible, specify issuer of instrument it converts into	None	None
29	Write-down feature	No write down feature	No write down feature
30	If write-down, write-down trigger(s)	No write down feature	No write down feature
31	If write-down, full or partial	No write down feature	No write down feature
32	If write-down, permanent or temporary	No write down feature	No write down feature
33	If temporary write-down, description of how to write down	No write down feature	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	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 18: Reconciliation of regulatory capital components

Unit: Million Baht

Capital related items as at December 31, 2014	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	References
Asset			
1. CASH	31,155	31,155	
2. INTERBANK AND MONEY MARKET ITEMS - NET	80,364	80,736	
3. CLAIMS ON SECURITY	-	-	
4. DERIVATIVES ASSETS	2,653	2,653	
5. INVESTMENTS - NET	60,573	60,573	
6. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES - NET	1,217	-	
7. TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLE - NET			
7.1 LOANS TO CUSTOMERS	1,057,636	1,061,156	
7.2 ACCRUED INTEREST RECEIVABLES	2,636	2,818	
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES	1,060,272	1,063,974	
7.3 LESS:DEFERRED REVENUE	(44,875)	(44,875)	
7.4 LESS:ALLOWANCE FOR DOUBTFUL ACCOUNTS	(38,159)	(39,388)	
General Provision		(14,423)	M
Specific Provision		(24,965)	
7.5 LESS:REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING	(1,617)	(1,806)	
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLE - NET	975,621	977,905	
8. CUSTOMER'S LIABILITIES UNDER ACCEPTANCE	508	508	
9. PROPERTIES FOR SALE, NET	5,456	5,456	
10. PREMISES AND EQUIPMENT, NET	19,952	19,984	
11. GOODWILL AND OTHER INTANGIBLE ASSETS, NET	14,584	14,589	
GOODWILL		9,927	G
INTANGIBLE ASSETS		4,662	H
12. DEFERRED TAX ASSETS	7,889	8,285	J
13. OTHER ASSETS, NET	14,296	14,756	
TOTAL ASSET	1,214,268	1,216,600	

Capital related items as at December 31, 2014	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	References
LIABILITIES			
14. DEPOSITS	837,556	836,761	
15. INTERBANK AND MONEY MARKET ITEMS - NET	46,612	47,177	
16. LIABILITIES PAYABLE ON DEMAND	1,936	1,936	
17. LIABILITIES TO DELIVER SECURITY	-	-	
18. DERIVATIVES LIABILITIES	2,160	2,160	
19. DEBT ISSUED AND BORROWINGS	151,805	151,805	
Sub-debt that are qualified as capital		27,875	L
Sub-debt that are non-qualified as capital		6,969	
Other issued debt and borrowings		116,961	
20. BANK'S LIABILITIES UNDER ACCEPTANCES	508	508	
21. PROVISIONS	5,451	5,459	
22. DEFERRED TAX LIABILITIES	2,931	2,909	
Deferred tax liabilities of intangible assets		400	I
Deferred tax liabilities of other items		2,509	K
23. OTHER LIABILITIES	33,639	34,969	
TOTAL LIABILITIES	1,082,598	1,083,684	
SHAREHOLDERS' EQUITY			
24.1 ISSUED AND PAID-UP SHARE CAPITAL (COMMON SHARE)	60,741	60,741	A
24.2 PREMIUM OR DISCOUNT ON COMMON SHARE	13,802	13,802	B
24.3 OTHER RESERVES			
24.3.1 Appraisal surplus	6,390	6,390	E
24.3.2 Revaluation surplus (deficit) on investments	948	859	
Investment in equity securities		87	F
Investment in debt securities			
Qualified as capital		154	F
Non-qualified as capital		618	

Unit: Million Baht

Capital related items as at December 31, 2014	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	References
24.4 RETAINED EARNINGS			
24.4.1 APPROPRIATED - LEGAL RESERVE	2,878	2,878	C
24.4.2 UNAPPROPRIATED	46,451	46,569	
Net profit which already approved		39,423	D
Net profit await for approval		7,146	
24.5 NON-CONTROLLING INTEREST	460	1,677	
Qualified as capital		1,440	N
Non-qualified as capital		237	
TOTAL SHAREHOLDERS' EQUITY	131,670	132,916	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,214,268	1,216,600	

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 at December 31, 2014		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)		108,256	
Common Equity Tier 1 (CET1)		106,919	
1	Issued and paid up share capital (Common share)	60,741	A
2	Premium common stocks	13,802	B
3	Legal Reserve	2,878	C
4	Retained earnings after appropriation	40,469	D
5	Other comprehensive income		
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,390	E
	5.2 Revaluation surplus (deficit) of equity and debt securities for sales	241	F
6	Regulatory deduction		
	6.1 Goodwill	(9,927)	G
	6.2 Other Intangible Asset	(853)	H-I ^{1/}
	6.3 Deferred tax assets	(5,776)	J-K ^{2/}
	6.4 Net loss	(1,046)	D
Additional Tier 1 Capital (AT1)		1,337	
7	Non-controlling interest of consolidated subsidiaries to Additional tier 1	1,337	N ^{5/}
Tier 2 Capital (T2)		39,423	
8	Proceeds from issuing subordinated debt securities	27,875	L ^{3/}
9	General provision	11,445	M ^{4/}
10	Non-controlling interest of consolidated subsidiaries to Tier 2 capital	103	N ^{5/}
Total Regulatory Capital (TC = T1+T2)		147,679	

^{1/} Intangible assets e.g. software licenses, phase-out at 20% p.a. during a transitional period of 2014 – 2018, the deduction amount is THB 816 million [20% x (4,662-400)]

^{2/} Deferred tax assets net with deferred tax liabilities amount of THB 5,776 million (8,285-2,509)

^{3/} 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 qualified to be Tier II capital amount is THB 27,875 million (80% of total sub-debt = 80% x 34,844)

^{4/} The maximum general provision can be counted as tier II capital = 1.25% of credit risk RWA, therefore general provision can be counted only THB 11,445 million (1.25% x 915,561)

^{5/} Non-controlling interest qualified as capital is calculated basing on BOT's requirement

Capital related items as at June 30, 2014	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	References
Asset			
1. CASH	26,091	26,091	
2. INTERBANK AND MONEY MARKET ITEMS - NET	99,086	99,850	
3. CLAIMS ON SECURITY	16,060	16,060	
4. DERIVATIVES ASSETS	1,770	1,770	
5. INVESTMENTS - NET	76,059	76,059	
6. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES - NET	529	2	
7. TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLE - NET			
7.1 LOANS TO CUSTOMERS	990,811	993,396	
7.2 ACCRUED INTEREST RECEIVABLES	2,587	2,786	
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES	993,398	996,182	
7.3 LESS:DEFERRED REVENUE	(44,789)	(44,789)	
7.4 LESS:ALLOWANCE FOR DOUBTFUL ACCOUNTS	(38,688)	(39,858)	
General Provision		(15,053)	M
Specific Provision		(24,805)	
7.5 LESS:REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING	(1,623)	(1,784)	
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLE - NET	908,298	909,751	
8. CUSTOMER'S LIABILITIES UNDER ACCEPTANCE	774	774	
9. PROPERTIES FOR SALE, NET	6,444	6,444	
10. PREMISES AND EQUIPMENT, NET	19,665	19,700	
11. GOODWILL AND OTHER INTANGIBLE ASSETS, NET	14,441	14,446	
GOODWILL		9,927	G
INTANGIBLE ASSETS		4,519	H
12. DEFERRED TAX ASSETS	7,154	7,515	J
13. OTHER ASSETS, NET	18,215	18,794	
TOTAL ASSET	1,194,586	1,197,256	

Capital related items as at June 30, 2014	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	References
LIABILITIES			
14. DEPOSITS	783,779	783,046	
15. INTERBANK AND MONEY MARKET ITEMS - NET	56,288	56,830	
16. LIABILITIES PAYABLE ON DEMAND	3,233	3,233	
17. LIABILITIES TO DELIVER SECURITY	16,060	16,060	
18. DERIVATIVES LIABILITIES	1,398	1,398	
19. DEBT ISSUED AND BORROWINGS	166,585	166,585	
Sub-debt that are qualified as capital		27,875	L
Sub-debt that are non-qualified as capital		6,969	
Other issued debt and borrowings		131,741	
20. BANK'S LIABILITIES UNDER ACCEPTANCES	774	774	
21. PROVISIONS	4,843	4,850	
22. DEFERRED TAX LIABILITIES	2,807	2,785	
Deferred tax liabilities of intangible assets		438	I
Deferred tax liabilities of other items		2,347	K
23. OTHER LIABILITIES	31,892	34,210	
TOTAL LIABILITIES	1,067,659	1,069,771	
SHAREHOLDERS' EQUITY			
24.1 ISSUED AND PAID-UP SHARE CAPITAL (COMMON SHARE)	60,741	60,741	A
24.2 PREMIUM OR DISCOUNT ON COMMON SHARE	13,802	13,802	B
24.3 OTHER RESERVES			
24.3.1 Appraisal surplus	6,515	6,515	E
24.3.2 Revaluation surplus (deficit) on investments	899	812	
Investment in equity securities		577	F
Investment in debt securities			
Qualified as capital		47	F
Non-qualified as capital		188	

Capital related items as at June 30, 2014	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	References
24.4 RETAINED EARNINGS			
24.4.1 APPROPRIATED - LEGAL RESERVE	2,043	2,043	C
24.4.2 UNAPPROPRIATED	42,571	42,687	
Net profit which already approved		36,987	D
Net profit await for approval		5,700	
24.5 NON-CONTROLLING INTEREST	356	885	
Qualified as capital		533	N
Non-qualified as capital		352	
TOTAL SHAREHOLDERS' EQUITY	126,927	127,485	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,194,586	1,197,256	

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

Capital related items as at June 30, 2014		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)		105,331	
Common Equity Tier 1 (CET1)		104,801	
1	Issued and paid up share capital (Common share)	60,741	A
2	Premium common stocks	13,802	B
3	Legal Reserve	2,043	C
4	Retained earnings after appropriation	36,987	D
5	Other comprehensive income		
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,515	E
	5.2 Revaluation surplus (deficit) of equity and debt securities for sales	624	F
6	Regulatory deduction		
	6.1 Goodwill	(9,927)	G
	6.2 Other Intangible Asset	(816)	H-I ^{1/}
	6.3 Deferred tax assets	(5,168)	J-K ^{2/}
Additional Tier 1 Capital (AT1)		530	
7	Non-controlling interest of consolidated subsidiaries to Additional tier 1	530	N ^{5/}
Tier 2 Capital (T2)		38,666	
8	Proceeds from issuing subordinated debt securities	27,875	L ^{3/}
9	General provision	10,788	M ^{4/}
10	Non-controlling interest of consolidated subsidiaries to Tier 2 capital	3	N ^{5/}
Total Regulatory Capital (TC = T1+T2)		143,997	

^{1/} Intangible assets e.g. software licenses, phase-out at 20% p.a. during a transitional period of 2014 – 2018, the deduction amount is THB 816 million [20% x (4,519-438)]

^{2/} Deferred tax assets net with deferred tax liabilities amount of THB 5,168 million (7,515-2,347)

^{3/} 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 qualified to be Tier II capital amount is THB 27,875 million (80% of total sub-debt = 80% x 34,844)

^{4/} The maximum general provision can be counted as tier II capital = 1.25% of credit risk RWA, therefore general provision can be counted only THB 10,788 million (1.25% x 863,082)

^{5/} Non-controlling interest qualified as capital is calculated basing on BOT's requirement

Table 19: Disclosure of capital under Basel III during transitional period

Unit: Million Baht

Value of capital, eligible items, adjustment items and deduction items		Financial Business Group			
		31 December 2014		30 June 2014	
		Capital value	Transitional adjustment amount*	Capital value	Transitional adjustment amount*
Total Tier 1 Capital (T1) = (CET1+AT1)		108,256	(3,162)	105,331	(3,181)
Common Equity Tier 1 capital (CET1)		106,919	(2,791)	104,801	(3,077)
1	Issued and paid up share capital (Common share)	60,741		60,741	
2	Premium on common stocks	13,802		13,802	
3	Legal Reserve	2,878		2,043	
4	Retained earnings after appropriation	40,469		36,987	
5	Other comprehensive income				
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,390		6,515	
	5.2 Revaluation surplus (deficit) on investment in equity securities	87		577	
	5.3 Revaluation surplus (deficit) on investment in debt securities	154	618	47	188
6	Regulatory deduction				
	6.1 Goodwill	(9,927)		(9,927)	
	6.2 Intangible Asset	(853)	(3,409)	(816)	(3,265)
	6.3 Deferred tax assets	(5,776)		(5,168)	
	6.4 Net loss	(1,046)		-	
Additional Tier 1 capital (AT1)		1,337	(371)	530	(104)
7	Non-controlling interest of consolidated subsidiaries to Additional tier 1	1,337	(371)	530	(104)
Tier 2 capital (T2)		39,423	(27,757)	38,666	(27,864)
8	Proceeds from issuing subordinated debt securities	27,875	(27,875)	27,875	(27,875)
9	General Provision	11,445		10,788	
10	Non-controlling interest of consolidated subsidiaries to Tier 2 capital	103	118	3	11
Total Regulatory Capital (TC = T1 + T2)		147,679	(30,919)	143,997	(31,045)

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

Value of capital, eligible items, adjustment items and deduction items as at		Bank-Only			
		31 December 2014		30 June 2014	
		Capital value	Transitional adjustment amount*	Capital value	Transitional adjustment amount*
Total Tier 1 Capital (T1) = (CET1+AT1)		98,986	(1,249)	89,458	(1,373)
Common Equity Tier 1 capital (CET1)		98,986	(1,249)	89,458	(1,373)
1	Issued and paid up share capital (Common share)	60,741		60,741	
2	Premium on common stocks	13,802		13,802	
3	Legal Reserve	2,878		2,043	
4	Retained earnings after appropriation	23,592		13,839	
5	Other comprehensive income				
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,364		6,488	
	5.2 Revaluation surplus (deficit) on investment in equity securities	175		650	
	5.3 Revaluation surplus (deficit) on investment in debt securities	154	618	47	188
6	Regulatory deduction				
	6.1 Goodwill	(7,762)		(7,762)	
	6.2 Intangible Asset	(467)	(1,867)	(390)	(1,561)
	6.3 Deferred tax assets	(491)		-	
	6.4 Net loss	-		-	
Additional Tier 1 capital (AT1)		-	-	-	-
7	Non-controlling interest of consolidated subsidiaries to Additional tier 1	-		-	
Tier 2 capital (T2)		33,439	(27,875)	33,455	(27,875)
8	Proceeds from issuing subordinated debt securities	27,875	(27,875)	27,875	(27,875)
9	General Provision	5,564		5,580	
10	Non-controlling interest of consolidated subsidiaries to Tier 2 capital	-		-	
Total Regulatory Capital (TC = T1 + T2)		132,425	(29,123)	122,913	(29,248)

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