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Basel III Pillar III Disclosures

As at December 31, 2015

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Basel III Pillar III Disclosures

As at December 31, 2015

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 analyze and assess the risk of the bank.

2. Scope of application

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

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

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

Companies	Business Type
1. Bank of Ayudhya Public Company Limited	Commercial banking
2. Ayudhya Development Leasing Company Limited	Leasing and hire-purchase
3. Ayudhya Capital Auto Lease Public Company Limited	Auto financing
4. Ngern Tid Lor Company Limited (Formerly name: CFG Services Company Limited)	Loans and hire purchase for all types of vehicles and non life insurance broker
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

4. Capital information

4.1 Capital structure

Tier 1 Capital

Common Equity Tier 1

- Issued and fully paid up share capital and net premium
- Legal reserve
- Retained earnings after appropriation, already approved by annual general shareholders and/or Board of Directors meetings
- Other reserves
 - Surplus on revaluation of land and building or units in condominium
 - Surplus (deficit) on revaluation of available for sales investment in debt and equity securities
 - Profit (loss) from conversion of financial statement from a foreign operation
 - Other items from owner changes, namely, capital surplus (deficit) due to the merger of businesses
- Deferred tax assets (deducted item)
- Goodwill (deducted item)
- Intangible assets (deducted item)
- 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, 2015	June 30, 2015	December 31, 2015	June 30, 2015
1. Tier 1 Capital (1.1+1.2)	163,655	158,295	146,183	145,764
1.1 Common Equity Tier1 (CET1)	162,309	157,024	146,183	145,764
1.1.1 Issued and paid up share capital	73,558	73,558	73,558	73,558
1.1.2 Premium on share capital	52,878	52,878	52,878	52,878
1.1.3 Legal reserve	3,585	2,878	3,585	2,878
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	48,664	43,625	24,376	24,234
1.1.5 Other reserves				
1.1.5.1 Accumulated other comprehensive income	6,514	6,787	6,582	6,848
1.1.5.2 Other items from owner changes	(5,218)	(5,218)	(5,218)	(5,218)
1.1.6 Items to be deducted from CET1				
1.1.6.1 Items to be deducted from CET1	(17,672)	(17,484)	(9,578)	(9,414)
1.2 Additional Tier 1	1,346	1,271	-	-
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	1,346	1,271	-	-
2. Tier 2 Capital	28,911	29,782	20,081	20,913
2.1 Subordinated Debentures	14,843	14,843	14,843	14,843
2.2 General Provision	13,934	14,811	5,238	6,070
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	134	128	-	-
3. Total Regulatory Capital (1+2)	192,566	188,077	166,264	166,677

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, 2015	June 30, 2015	December 31, 2015	June 30, 2015
Performing assets	98,564	99,310	93,920	93,866
1. Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	617	673	616	672
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	5,199	5,565	5,158	5,427
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	50,292	51,405	56,854	58,634
4. Claims on retail portfolios	31,434	32,157	17,475	16,845
5. Residential mortgage exposures	7,105	5,896	7,105	5,896
6. Other assets	3,917	3,614	6,712	6,392
Non-performing assets	1,289	1,404	1,057	1,118
Minimum capital requirement for credit risk	99,853	100,714	94,977	94,984
1. Interest rate risk	1,947	1,852	1,947	1,852
2. Equity price risk	-	-	-	-
3. Foreign exchange rate risk	147	248	160	262
4. Commodity price risk	-	-	-	-
Minimum capital requirement for market risk	2,094	2,100	2,107	2,114
Minimum capital requirement for operational risk	10,917	10,329	6,600	5,896
Total minimum capital requirement	112,864	113,143	103,684	102,994

Table 3 Capital adequacy ratio

Unit: %

Ratio	Minimum BOT requirement	Financial Business Group		Bank-Only	
		December 31, 2015	June 30, 2015	December 31, 2015	June 30, 2015
1. Total capital to risk-weighted assets	8.5	14.50	14.13	13.63	13.76
2. Tier 1 capital to risk-weighted assets	6.0	12.33	11.89	11.98	12.03
3. Common Equity Tier 1 to risk-weighted assets	4.5	12.22	11.80	11.98	12.03

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 appropriate to the Bank's risk level that has been changed.

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 is responsible for reviewing of credits and contingent liabilities and the Credit Audit Department is responsible for auditing the credit risk management process and operation. Both departments are under Credit Examination Division, Audit Group.

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 Financial Business Group 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 Executive Committee and Credit Committee are 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 3 groups, namely, corporate (including with the Japanese Customer, Multinational Customer and Thai Corporate Customer), SME, (including Thai Corporate Customer) 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 maintains and develops internal risk rating tools in order to categorize credit exposure meaningfully. Information from customer's financial statements, market benchmark as well as qualitative customer details are core inputs in the assessment of counterparty risk. Risk ratings are reviewed at least once a year and are used in the credit approval process.

At present, the Bank has 3 internal credit rating tools:

- 1) Borrower rating is used to assign a credit rating for Japanese, MNC, Bank and Thai Global segment and Structured Finance Rating/ Asset Securitization Rating for BTMU Rating.
- 2) Krungsri rating is used to assign a credit rating for Thai Corporate segment.
- 3) SME rating is used to assign a credit rating for SME.

Otherwise, credit scoring model is used to measure credit risk of retail customers in approval process.

- **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 the financial business group's 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 6 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,	
	2015	2014	2015	2014
1. Assets on-statement of financial position	1,602,975	1,116,803	1,521,820	1,007,055
1.1 Net loans ^{1/}	1,407,071	1,038,324	1,328,128	931,805
1.2 Net investments in debt securities ^{2/}	106,870	55,509	106,870	55,805
1.3 Deposits (including accrued interests)	53,569	20,317	51,357	16,792
1.4 Derivative Assets	35,465	2,653	35,465	2,653
2. Off-balance items ^{3/}	1,928,024	506,492	1,928,114	506,622
2.1 Aval of bills, guarantee and letter of credits	6,993	7,648	6,993	7,648
2.2 OTC derivatives ^{4/}	1,837,333	374,359	1,837,333	374,359
2.3 Undrawn committed lines	83,698	124,485	83,788	124,615

^{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, 2015								
	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	1,514,822	1,384,609	106,122	7,900	16,191	822,292	6,625	732,892	82,775
2.Asia Pacific (exclude Thailand)	54,370	31,131	507	16,868	5,864	578,282	368	577,014	900
3.North America and Latin America	31,606	4,806	241	22,897	3,662	243,145	-	243,125	20
4.Africa and Middle East	-	-	-	-	-	-	-	-	-
5.Europe	16,266	614	-	5,904	9,748	284,305	-	284,302	3
Total	1,617,064	1,421,160	106,870	53,569	35,465	1,928,024	6,993	1,837,333	83,698
Less : General Provision	(14,089)	(14,089)	-	-	-	-	-	-	-
Total	1,602,975	1,407,071	106,870	53,569	35,465	1,928,024	6,993	1,837,333	83,698

^{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, 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.

Country or geographic area of debtor	Bank-Only								
	December 31, 2015								
	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	1,425,895	1,297,023	106,122	6,559	16,191	822,382	6,625	732,892	82,865
2.Asia Pacific (exclude Thailand)	54,327	31,105	507	16,851	5,864	578,282	368	577,014	900
3.North America and Latin America	31,562	4,764	241	22,895	3,662	243,145	-	243,125	20
4.Africa and Middle East	-	-	-	-	-	-	-	-	-
5.Europe	15,274	474	-	5,052	9,748	284,305	-	284,302	3
Total	1,527,058	1,333,366	106,870	51,357	35,465	1,928,114	6,993	1,837,333	83,788
Less : General Provision	(5,238)	(5,238)	-	-	-	-	-	-	-
Total	1,521,820	1,328,128	106,870	51,357	35,465	1,928,114	6,993	1,837,333	83,788

^{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 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, 2015				
	Within 1 year	Over 1 year	Total	Less: General Provision	Total
1. Assets on-statement of financial position assets	661,258	955,806	1,617,064	(14,089)	1,602,975
1.1 Net loans ^{1/}	557,623	863,537	1,421,160	(14,089)	1,407,071
1.2 Net investments in debt securities ^{2/}	36,662	70,208	106,870	-	106,870
1.3 Deposits (including accrued interests)	53,569	-	53,569	-	53,569
1.4 Derivative Asset	13,404	22,061	35,465	-	35,465
2. Off-balance items ^{3/}	1,004,086	923,938	1,928,024	-	1,928,024
2.1 Aval of bills, guarantee and letter of credits	6,933	60	6,993	-	6,993
2.2 OTC derivatives	945,058	892,275	1,837,333	-	1,837,333
2.3 Undrawn committed lines	52,095	31,603	83,698	-	83,698

^{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

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	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 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

Unit : Million Baht

Items	Bank-Only				
	December 31, 2015				
	Within 1 year	Over 1 year	Total	Less: General Provision	Total
1. Assets on-statement of financial position	644,261	882,797	1,527,058	(5,238)	1,521,820
1.1 Net loans ^{1/}	542,838	790,528	1,333,366	(5,238)	1,328,128
1.2 Net investments in debt securities ^{2/}	36,662	70,208	106,870	-	106,870
1.3 Deposits (including accrued interests)	51,357	-	51,357	-	51,357
1.4 Derivative Asset	13,404	22,061	35,465	-	35,465
2. Off-balance items ^{3/}	1,004,176	923,938	1,928,114	-	1,928,114
2.1 Aval of bills, guarantee and letter of credits	6,933	60	6,993	-	6,993
2.2 OTC derivatives	945,058	892,275	1,837,333	-	1,837,333
2.3 Undrawn committed lines	52,185	31,603	83,788	-	83,788

^{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

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 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 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, 2015						
	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	1,337,248	47,057	11,100	8,406	13,005	1,416,816	393
2. Asia Pacific (excluding Thailand)	29,557	1,804	16	6	1	31,384	-
3. North America and Latin America	4,773	48	3	-	-	4,824	-
4. Africa and Middle East	-	-	-	-	-	-	-
5. Europe	596	8	15	-	-	619	-
Total	1,372,174	48,917	11,134	8,412	13,006	1,453,643	393

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

^{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, 2015						
	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	1,264,313	32,680	7,155	6,896	7,546	1,318,590	50
2. Asia Pacific (excluding Thailand)	29,542	1,793	8	6	1	31,350	-
3. North America and Latin America	4,732	47	2	-	-	4,781	-
4. Africa and Middle East	-	-	-	-	-	-	-
5. Europe	456	6	13	-	-	475	-
Total	1,299,043	34,526	7,178	6,902	7,547	1,355,196	50

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

^{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, 2015			
	Loans and accrued interest receivables ^{1/}			Investment in debt securities ^{2/}
	General Provision	Specific Provision	Charge-off between the year	Specific Provision
1. Thailand	14,089	32,207	18,652	396
2. Asia Pacific (excluding Thailand)		253	-	8
3. North America and Latin America		18	-	3
4. Africa and Middle East		-	-	-
5. Europe		5	-	-
Total	14,089	32,483	18,652	407

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

^{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, 2015			
	Loans and accrued interest receivables ^{1/}			Investment in debt securities ^{2/}
	General Provision	Specific Provision	Charge-off between the year	Specific Provision
1. Thailand	5,238	21,567	5,375	53
2. Asia Pacific (excluding Thailand)		245	-	8
3. North America and Latin America		17	-	3
4. Africa and Middle East		-	-	-
5. Europe		1	-	-
Total	5,238	21,830	5,375	64

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

^{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, 2015					
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total
1. Agriculture and Mining	13,771	1,107	86	109	765	15,838
2. Manufacturing and Commerce	336,643	14,824	2,675	2,714	3,443	360,299
3. Real estate and Construction	74,549	2,929	915	691	880	79,964
4. Public Utilities and Services	140,807	4,888	481	524	1,836	148,536
5. Housing	154,384	1,894	1,102	1,269	1,790	160,439
6. Others	652,020	23,275	5,875	3,105	4,292	688,567
Total	1,372,174	48,917	11,134	8,412	13,006	1,453,643

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

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

Unit : Million Baht

Type of business	Bank-Only					
	December 31, 2015					
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total
1. Agriculture and Mining	13,707	1,106	86	109	118	15,126
2. Manufacturing and Commerce	336,507	14,576	2,625	2,681	2,702	359,091
3. Real estate and Construction	74,477	2,844	915	669	872	79,777
4. Public Utilities and Services	140,773	4,888	481	524	1,439	148,105
5. Housing	154,384	1,894	1,102	1,270	1,748	160,398
6. Others	579,195	9,218	1,969	1,649	668	592,699
Total	1,299,043	34,526	7,178	6,902	7,547	1,355,196

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

* 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, 2015			December 31, 2014		
	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	14,089	425	497	14,423	303	19
2. Manufacturing and Commerce		9,063	1,119		6,436	460
3. Real estate and Construction		1,302	864		1,728	58
4. Public Utilities and Services		2,161	979		1,450	3,208
5. Housing		1,583	327		1,388	134
6. Others		17,949	14,866		15,647	14,624
Total	14,089	32,483	18,652	14,423	26,952	18,503

Unit: Million Baht

Type of business	Bank-Only					
	December 31, 2015			December 31, 2014		
	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	5,238	326	122	5,564	232	19
2. Manufacturing and Commerce		8,582	831		5,662	460
3. Real estate and Construction		1,297	861		1,646	58
4. Public Utilities and Services		1,853	819		1,116	3,002
5. Housing		1,571	297		1,347	134
6. Others		8,201	2,445		4,975	1,613
Total	5,238	21,830	5,375	5,564	14,978	5,286

* 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, 2015			December 31, 2014		
	General provision	Specific provision	Total	General provision	Specific provision	Total
Provisions at the beginning of the years	14,423	26,952	41,375	15,658	24,821	40,479
Bad debt charge-offs during the years	-	(18,652)	(18,652)	-	(18,503)	(18,503)
Increases or decreases of provisions during the years	(338)	24,183	23,845	(1,236)	20,634	19,398
Others	4	-	4	1	-	1
Provisions at the end of the years	14,089	32,483	46,572	14,423	26,952	41,375

Unit: Million Baht

Item	Bank-Only					
	December 31, 2015			December 31, 2014		
	General provision	Specific provision	Total	General provision	Specific provision	Total
Provisions at the beginning of the years	5,564	14,978	20,542	6,241	14,536	20,777
Bad debt charge-offs during the years	-	(5,375)	(5,375)	-	(5,286)	(5,286)
Increases or decreases of provisions during the years	(330)	12,227	11,897	(678)	5,728	5,050
Others	4	-	4	1	-	1
Provisions at the end of the years	5,238	21,830	27,068	5,564	14,978	20,542

* 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, 2015			December 31, 2014		
	Assets on- statement of financial position	Off- balance items**	Total	Assets on- statement of financial position	Off- balance items**	Total
1. Performing assets	1,700,875	159,257	1,860,132	1,211,268	104,095	1,315,363
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	166,653	3,937	170,590	70,314	3,522	73,836
1.2 Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	121,298	75,982	197,280	40,161	10,576	50,737
1.3 Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	613,366	54,576	667,942	366,346	60,898	427,244
1.4 Claims on retail portfolios	513,478	24,716	538,194	509,600	28,712	538,312
1.5 Residential mortgage exposures	150,164	46	150,210	122,788	387	123,175
1.6. Other assets	135,916	-	135,916	102,059	-	102,059
2. Non-performing assets	13,959	244	14,203	13,186	123	13,309
3. First-to-default credit derivative and Securitization	-	-	-	-	-	-
Total	1,714,834	159,501	1,874,335	1,224,454	104,218	1,328,672

* After multiplying by CCF and net of specific provision

** Include repo-style transaction and reverse repo

Type of assets	Bank-Only					
	December 31, 2015			December 31, 2014		
	Assets on- statement of financial position	Off- balance items**	Total	Assets on- statement of financial position	Off- balance items**	Total
1. Performing assets	1,636,816	159,686	1,796,502	1,117,073	104,502	1,221,575
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	166,641	3,938	170,579	70,304	3,522	73,826
1.2 Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	119,096	76,016	195,112	36,644	10,287	46,931
1.3 Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	746,066	54,877	800,943	524,725	61,594	586,319
1.4 Claims on retail portfolios	294,344	24,809	319,153	238,470	28,712	267,182
1.5 Residential mortgage exposures	150,168	46	150,214	122,788	387	123,175
1.6. Other assets	160,501	-	160,501	124,142	-	124,142
2. Non-performing assets	11,579	244	11,823	9,744	123	9,867
3. First-to-default credit derivative and Securitization	-	-	-	-	-	-
Total	1,648,395	159,930	1,808,325	1,126,817	104,625	1,231,442

* 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 Ratings, Fitch Ratings (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, 2015															
	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	228,842	7,512	136	-	3,795											
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	-	62,318	50,307	20,571	1,986											
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	65	29,426	45,237	30,632	774				947		530,902					
4. Claims on retail portfolios										492,439	476					
5. Residential mortgage exposures								72,798		77,214	195					
6. Other assets						153,079	5,494				44,985	-	-	-	-	-
RW(%)			50	100	150	0	20		50	75	100	150				
Non-performing assets^{2/}			1,002	-	-	250	17		1,286	441	6,239	4,969				
Assets specified by the BOT as items to be deducted from capital fund	17,496															

^{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.

^{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, 2015															
	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	228,841	7,512	136	-	3,785											
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	-	60,683	50,025	20,571	1,979											
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	-	96,109	51,008	30,595	774				936		591,922					
4. Claims on retail portfolios										273,658	342					
5. Residential mortgage exposures								72,798		77,235	179					
6. Other assets						144,122	5,407				77,884	-	-	-	-	-
RW (%)			50	100	150	0	20		50	75	100	150				
Non-performing assets ^{2/}			1,002	-	-	250	17		982	441	5,181	3,950				
Assets specified by the BOT as items to be deducted from capital fund	9,576															

^{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, 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.

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, 2015		December 31, 2014		December 31, 2015		December 31, 2014	
	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	70,443	95,651	70,215	21,753	69,713	95,894	69,759	21,486
1. Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	2,802	-	23,912	-	2,802	-	23,912	-
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	24,308	62,183	5,000	12,969	24,308	62,183	5,000	12,969
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	16,169	15,352	15,563	4,946	15,899	15,260	15,145	4,735
4. Claims on retail portfolios	27,162	18,116	25,725	3,838	26,702	18,451	25,687	3,782
5. Residential mortgage exposures	2	-	15	-	2	-	15	-
6. Other assets	-	-	-	-	-	-	-	-
Non-performing assets	254	1,015	180	100	254	1,015	180	100
Total	70,697	96,666	70,395	21,853	69,967	96,909	69,939	21,586

* 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 means the risk that the Bank may incur loss from changes in the value of positions both on-statement of financial position and off-balance items due to movements in market rates or prices. Market risk comprises interest rate risk, equity price risk, foreign exchange risk, and commodity price risk.

The Bank places greater importance on effective market risk management and closely monitors market risk exposure as well as timely responses to the changing business environment. We reviewed our market risk management policy and framework in accordance with the complexities of our financial activities after the integration with BTMU for the Bank and Full Consolidation, complying BOT's consolidated supervision principle. The Bank monitors and controls market risks at the risk tolerance levels by formulating risk limits and guidelines for over risk limits and maintains adequate capital relative to our risk exposure. Furthermore, the Bank has self-assessment and internal control procedures for evaluating the risk management system at least once a year, conducted by internal audit units in order to ensure that market risks are well managed in accordance with international practices.

Principles

The Bank places great importance on effective market risk management and controls by establishing market risk management policies. We control market risk under the risk appetite approved by the Board of Directors (BOD). The Bank also reviews risk limits to ensure it is commensurate with the scope, volume and complexity of its transactions and changing business and market conditions. In addition, the Bank has established an 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 BOD delegates through the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO) the authority to manage and control market risk in a manner consistent with Bank policies. The Assets and Liabilities Management Committee (ALCO) establishes guidelines for appropriate management of assets, liabilities, and off-balance sheet items. The Bank's 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

The Market Risk Management Division provides strategic options for risk management and reports risk exposures to the RMC for managing and controlling market risk in a manner consistent with policy. The Global Markets Group executes transactions and manages positions under risk limits approved by the BOD.

The Strategic Assets and Liabilities Management Department is responsible to provide ALCO with sufficient analysis of the Bank and its competitor's balance sheet management as well as strategic risk options in order to achieve higher efficiency in market risk management by the Bank.

Measurement system

In 2015, 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- statement of financial position 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

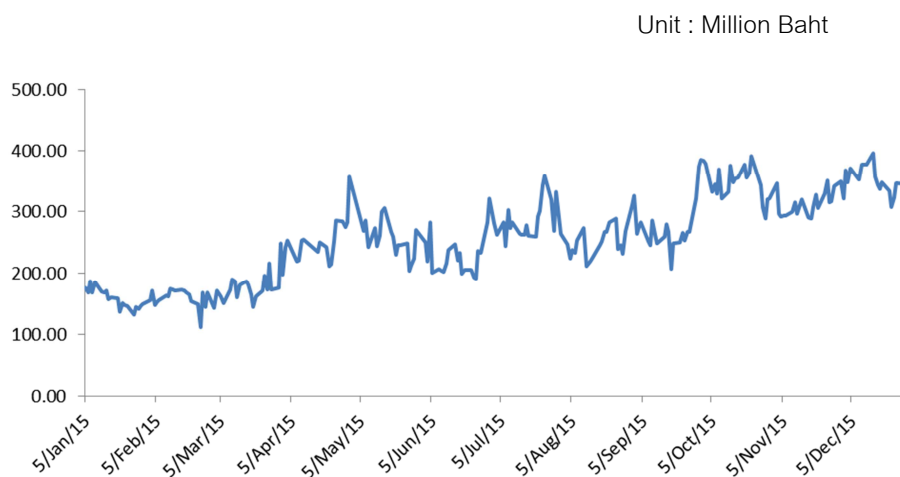
Risk Factors Affecting the Bank's Trading Exposures in 2015

The key external factors monitored in 2015 were a potential rise in U.S. interest rates and the execution of monetary easing measures announced in both Japan and the Euro zone as well as economic slowdown in China. Meanwhile, shifts in the policy stances of major central banks could add more volatility to capital movements and foreign exchange rates. The BOT still has room to retain their accommodative monetary policy stance until signs of recovery become more pronounced and sustainable. Krungsri maintained our focus on proper market risk management, in response to changing economic circumstances at domestic and abroad. The RMC decided to place greater importance on monitoring the market risk exposure closely and established a reporting procedure to cope with any negative signals about the movement of market risk factors to ensure the effectiveness and timely implementation of our risk management.

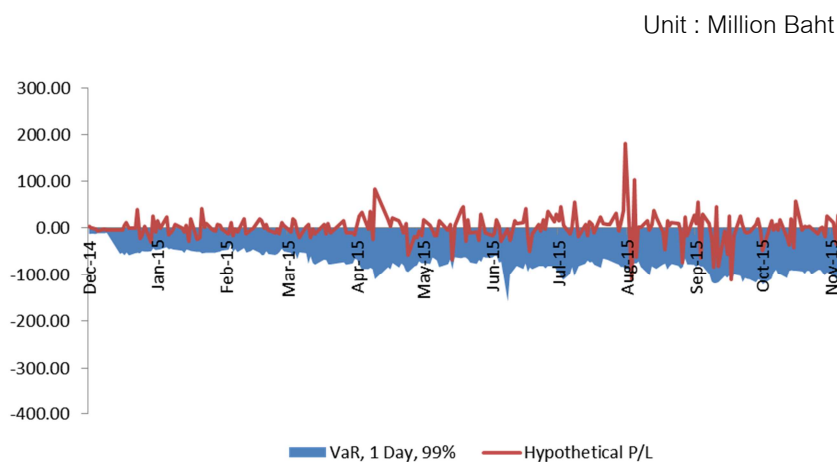
The assessment, control, and monitoring of market risk in the trading book; the Bank uses Value-at-Risk and conduct back-testing to assess the reliability of the models. The Bank also conducts stress testing to assess risk under crisis situations.

The movements of total daily VaR for a 10-day holding period, 99-percent confidence level of trading book and back testing, as follows:

Picture 1: The Bank's Total Daily Value-at-Risk (VaR) Movement 2015



Picture 2: The Bank's Total Daily Value-at-Risk (VaR) Back Testing 2015 (December) – 2014 (December)



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

Objectives and Key Risk Factors

The Bank's operational risk definition refers to the risk of loss resulting from inadequate or failed internal procedures, technology problems, human factors, or external events. The definition includes legal risk but excludes strategic risk and reputation risk.

Key risk factors can arise from the misconduct of internal and external persons, inadequate procedural design and internal controls, non-compliance with laws or regulations, system collapse or inadequate systems that may lead to data corruption, programming errors, security breaches and system failures. The risk factors from external events are uncontrollable factors such as political crises, pandemics, flooding and other environmental impact.

Operational risks may occur in any part of the Bank's business and will result in financial or non-financial impacts including legal and regulatory breaches or reputational damage.

The Bank commits to effectively manage and mitigate major operational risks with a proactive approach as well as continue to embed a culture of operational risk awareness throughout the Bank and its companies in financial business group.

Principles

We recognize that operational risk is a significant concern and will provide sufficient resources to manage the risk within acceptable levels through the promotion of sound operational risk management governance and frameworks. Every employee is accountable for managing operational risk.

Organization and Structure

Operational risk is managed under the Group Operational Risk Management Policies, approved by the Board of Directors. The Bank's policies stipulate the minimum requirements for 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, procedures and systems according to Bank policies.

The Risk Management Committee, assigned by the Board of Directors, is responsible for formulating strategies, and for oversight of the adequacy of risk and control procedures. The Committee has a monthly meeting to review and make recommendations regarding operational risk profiles. The Operational Risk Management Department, an independent function reporting to the Chief Risk Officer, is responsible for designing, maintaining and continuously 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 performs audit engagement to provide 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 the Japanese Financial Service Agency's (JFSA) requirements and with strong support from our strategic partners MUFG/BTMU, the Bank is adopting more sophisticated operational risk measurements called the Advanced Measurement Approach (AMA).

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

The four data elements measured are: (1) internal loss data; (2) external loss data; (3) scenario analysis and (4) the business environment and internal control factors as key elements in developing the AMA capital model.

Collecting adequate and sufficient Operational Risk Losses Data to build a comprehensive internal loss database is a key component of the AMA operational risk management framework. Losses beyond a certain threshold (both direct loss and indirect loss), including near-misses and non-financial impact events, are systematically collected by the business units and reported to the Operational Risk Management Department.

We adopt an external loss data source in order to use as a key element for scenario analysis and enrich the identification and assessment of the Bank and the companies in financial business group's key operational risks by benchmarking internal loss data records against the industry.

We establish procedures and methodologies of scenario analysis following the MUFG/BTMU AMA capital model. Risk scenarios are identified and prepared in order suit Krungsri's business environment and ensure the exhaustive coverage of potential severe loss events.

Review Measurement System Achievements in 2015

While the AMA is underway, we continue to strengthen and improve our risk management system across the Bank and the companies in financial business group.

The Risk and Control Self-Assessment (RCSA) Program, a tool that provides a forward- looking view of key risks, is reviewed regularly based on historical loss data and changes in the business environment.

Key Risk Indicators (KRI) are collected and tracked for bank-wide as well as 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.

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, and service provision to customers, as well as a suitable customer protection system are also our main benchmarks of accountability when considering 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 for customers can be carried out or recovered within a reasonable period. Key risks and threats are periodically assessed and reviewed by senior management from a business-continuity perspective, including political crises, pandemics, technology disruptions, flooding and other environmental impacts.

A 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 detect early changes of key operational risks within the Group and 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.

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 Procedure 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,	
	2015	2014	2015	2014
1. Equity exposures				
1.1 Equities listed and publicly traded in the Stock Exchange (both domestic and foreign)				
- At cost	3,021	4,792	3,021	4,641
- Market value	2,967	4,846	2,967	4,846
1.2 Other equities (both domestic and foreign)	408	436	49,271	48,634
2. Gains (losses) of sale of equities during the reporting periods	(133)	1,019	(141)	980
3. Net revaluation surplus from valuation AFS equity	(159)	108	(49)	218
4. Minimum capital requirements for equity exposures by SA approach	324	459	3,853	3,958

10. Interest rate risk in the banking book

Interest rate risk refers to the risk arising from changes in interest rates that have an adverse effect on the net interest earnings and the shareholders' equity. The Bank assesses the probable impact on net interest income (earning perspective) from mismatches of the interest rate structure and on-statement of financial position and off-balance sheet positions. We also conduct re-pricing gap analysis in terms of static simulation and dynamic simulation according to the projected interest rate trend. In addition, we analyze

interest rate risk which reflects the sensitivity of the economic value of shareholder equity (Economic value perspective).

Risk Factors Affecting the Bank's Banking Book Exposures in 2015

The Bank adjusted statement of financial position structures to be consistent with forecasted interest rate trends, within a specified risk appetite. In addition, the Bank prepared a report on interest rate risk gaps and assessed net interest income sensitivity over the next 12 months, based on an assumption of a 1.00-percent change in interest rates of all types of assets, liabilities and off-balance sheet items at their different re-pricing periods. The results of interest rate risk assessment and re-pricing mismatch 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	
	2015	2014	2015	2014
Baht	(981)	(857)	(956)	(634)
USD	-	-	-	-
EURO	-	-	-	-
Others	-	-	-	-
Total effect of changes in interest rates	(981)	(857)	(956)	(634)
% of estimate interest income-net for the next year	-1.58%	-1.47%	-1.70%	-1.32%

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

** All currency converted into THB

11. Liquidity risk management

Liquidity risk means risk resulting from the Bank's failure to pay its debts and obligations when due because of an inability to convert assets into cash, or its failure to procure enough funds, or, if the fund comes with an exceptionally high cost that may affect the Bank's income and capital funds. The Bank continuously analyzes and assesses liquidity risks in order to ensure that liquidity positions are adequate for normal business operations and stressed conditions, within an acceptable risk appetite and appropriate management costs.

The Bank has reviewed its liquidity risk management policy and procedures in order to effectively control and manage risk in the Bank and Full Consolidation. We apply standard liquidity risk indicators, such

as the Liquidity Coverage Ratio (LCR), to assess and analyze liquidity risk that meets international standards and the BOT's guidelines on maintenance of liquid assets by requiring maintenance of an LCR ratio of at least 60% by January 2016. In addition, The Bank monitors and manages foreign-currency liquidity risk and determines a suitable level of foreign-currency denominated liquid assets, statement of financial position analysis in major currency, consistent with funding sources from BTMU and growth in foreign-currency borrowing. 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 controls liquidity risk under risk appetites approved by the Board of Directors. We place great importance on effective liquidity risk management and controls by establishing liquidity risk management policies and emergency contingency plans. We maintain liquid assets in compliance with the BOT's regulations and emphasize 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. We seek to ensure that there is adequate cash and other liquid assets 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 (BOD) delegates to management through the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO) the authority to manage and control liquidity risk in a manner consistent with policies. The ALCO closely monitors liquidity positions and liquidity risk. Our 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

The Market Risk Management Division provides risk management strategic option and reports the Bank's liquidity risk exposures to RMC. Strategic Assets and Liabilities Management Department provides ALCO with sufficient analyses of the Bank's and competitors balance sheet management as well as Bank's liquidity risk and funding strategic options. The Global Markets Group is responsible for monitoring and managing daily liquidity.

Guidelines on Maintenance of Liquid Assets Under Stressed Scenario (LCR)

In May 2015, BOT announced guidelines on liquid assets for expected net cash outflows over 30 days under acute stressed scenarios of at least 60% by January 2016. Thereafter, the requirement will rise by 10% each year to reach 100% from January 2020 onwards.

LCR-BOT Phased- in Implementation (Solo basis)	In 2015 Observation Period	Jan-2016 → 60%	Jan-2017 → 70%	Jan-2018 → 80%	Jan-2019 → 90%	Jan-2020 → 100%
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The Bank assesses the impacts of compliance and calculates and reports the daily LCR ratios to relevant committees in order to ensure that compliance will not have any impact on the liquidity risk management of the Bank and the financial business Group.

Measurement system

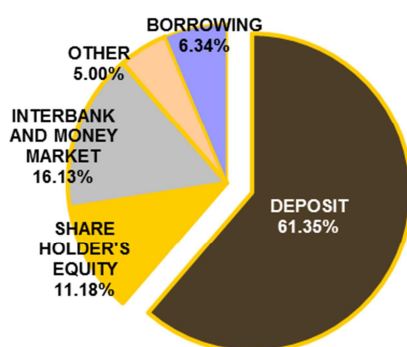
Liquidity risk factors

The Bank's sources of funds are from short-term deposits which are mostly less than one year including non-matured deposits, while the use of funds for lending have maturity dates longer than the deposits. The Bank's liquidity risk factors are from the structure of sources and the use of funds. The Bank realizes the importance of adequate liquidity risk measurement tools and methodologies appropriate to the size and complexity of transactions both on-statement of financial position and off-balance sheets. The Bank plans to enhance the liquidity risk management system over the next 3 years. With this enhanced system, the Bank can simulate and formulate more active liquidity risk management strategies and support the new reporting requirements of the BOT.

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 liquidity risk reporting and monitoring systems are efficient.

In 2015, the Bank's aggregate liquidity risk was quite low. Movement of liquidity ratios and early warning signs for monitoring liquidity risk were, nonetheless, within risk appetite.

Picture 3: Financial Group's Sources of Funds as of December 31, 2015



The major funding source of the Bank is customer deposits which are well diversified in terms of customer type, deposit type and maturity by deposit campaigns to maintain our customer base. The Bank

continues to focus on expanding its retail deposit customer base by offering savings products that earn appropriate yield, along with improved services to facilitate customer needs.

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

Topic		Unique identifier BAY22NA
		The debentures will be redeemed according to the par value per unit together with payment of the interest redemption if, after the issuer submits calculated to (and excluding) the early redemption date, subject to conditions as follows: (a) If the debenture issuer can prove that the interests on the Debentures cannot or can no longer be deducted as expenses of the debenture issuer for tax purpose; or (b) Any additional cases or conditions as may be hereafter stipulated by the BOT.
16	Subsequent call dates, if applicable	On any interest payment date after the 5 th (fifth) anniversary of the date of issuance of the Debentures
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Fixed Rate until maturity date
18	Coupon rate and any related index	None
19	Existence of a dividend stopper	No dividend stopper
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No incentive to redeem
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	None
25	If convertible, full or partial	None
26	If convertible, conversion rate	None
27	If convertible, specify instrument type convertible into	None
28	If convertible, specify issuer of instrument it converts into	None
29	Write-down feature	No write down feature
30	If write-down, write-down trigger(s)	No write down feature
31	If write-down, full or partial	No write down feature
32	If write-down, permanent or temporary	No write down feature
33	If temporary write-down, description of how to write down	No write down feature

Topic		Unique identifier BAY22NA
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

On March 19, 2015, the BOT has granted the early redemption to the Bank for the whole amount of the subordinated debentures no. BAY206A. Therefore, the Bank had exercised the right to redeem the aforementioned subordinated debentures on June 23, 2015.

Table 18: Reconciliation of regulatory capital components

Unit: Million Baht

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

Unit: Million Baht

Capital related items as at December 31, 2015	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	Ref.
LIABILITIES			
14. DEPOSITS	1,046,290	1,045,266	
15. INTERBANK AND MONEY MARKET ITEMS - NET	275,059	276,659	
16. LIABILITIES PAYABLE ON DEMAND	3,211	3,211	
17. LIABILITIES TO DELIVER SECURITY	-	-	
18. DERIVATIVES LIABILITIES	26,692	26,692	
19. DEBT ISSUED AND BORROWINGS	108,121	108,121	
Debt instruments that are qualified as capital		14,843	N
Other issued debt and borrowings		93,278	
20. BANK'S LIABILITIES UNDER ACCEPTANCES	559	559	
21. PROVISIONS	6,759	6,773	
22. DEFERRED TAX LIABILITIES	32	32	
Deferred tax liabilities of intangible assets		2	M
Deferred tax liabilities of other items		30	
23. OTHER LIABILITIES	48,046	49,522	
TOTAL LIABILITIES	1,514,769	1,516,835	
SHAREHOLDERS' EQUITY			
24.1 ISSUED AND PAID-UP SHARE CAPITAL (COMMON SHARE)	73,558	73,558	A
24.2 PREMIUM OR DISCOUNT ON COMMON SHARE	52,878	52,878	B
24.3 OTHER RESERVES			
24.3.1 Appraisal surplus	6,244	6,244	E
24.3.2 Revaluation surplus (deficit) on investments	952	864	
Investment in equity securities		(127)	F
Investment in debt securities			
Qualified as capital		396	F
Non-qualified as capital		595	
24.3.3 Profit (loss) from conversion of financial statement from a foreign operation	3	3	G
24.3.4 Deficit from business combination under common control	(5,218)	(5,218)	H

Unit: Million Baht

Capital related items as at December 31, 2015	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	Ref.
24.4 RETAINED EARNINGS			
24.4.1 APPROPRIATED - LEGAL RESERVE	3,585	3,585	C
24.4.2 UNAPPROPRIATED	58,353	58,469	
Net profit which already approved		48,664	D
Net profit await for approval		9,805	
24.5 NON-CONTROLLING INTEREST	393	1,968	
Qualified as AT1 capital		1,346	P
Qualified as T2 capital		134	Q
Non-qualified as capital		488	
TOTAL SHAREHOLDERS' EQUITY	190,748	192,351	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,705,517	1,709,186	

Note

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

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

Disclosure of reconciliation of regulatory capital components

Unit: Million Baht

Capital related items as at December 31, 2015		Component of regulatory capital reported by financial business group	References base on statement of financial position under the consolidated supervision
Total Tier 1 Capital (T1) = (CET1+AT1)		163,655	
Common Equity Tier 1 (CET1)		162,309	
1	Issued and paid up share capital (Common share)	73,558	A
2	Premium common stocks	52,878	B
3	Legal Reserve	3,585	C
4	Retained earnings after appropriation	48,664	D
5	Other comprehensive income		
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,244	E
	5.2 Revaluation surplus (deficit) of equity and debt securities for sales	269	F
	5.3 Profit (loss) from conversion of financial statement from a foreign operation	1	G ^{1/}
	5.4 Other items from owner changes	(5,218)	H
6	Regulatory deduction		
	6.1 Goodwill	(9,927)	I
	6.2 Other Intangible Asset	(1,704)	J+K-M ^{2/}
	6.3 Deferred tax assets	(6,041)	L
Additional Tier 1 Capital (AT1)		1,346	
7	Non-controlling interest of consolidated subsidiaries to Additional tier 1	1,346	P ^{3/}
Tier 2 Capital (T2)		28,911	
8	Proceeds from issuing subordinated debt securities	14,843	N ^{4/}
9	General provision	13,934	O
10	Non-controlling interest of consolidated subsidiaries to Tier 2 capital	134	Q ^{3/}
Total Regulatory Capital (TC = T1+T2)		192,566	

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

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

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

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

Unit: Million Baht

Capital related items as at June 30, 2015	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	Ref.
Asset			
1. CASH	27,667	27,667	
2. INTERBANK AND MONEY MARKET ITEMS - NET	180,565	180,898	
3. CLAIMS ON SECURITY	-	-	
4. DERIVATIVES ASSETS	25,976	25,976	
5. INVESTMENTS - NET	109,095	109,095	
6. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES AND JOINT VENTURES - NET	1,403	-	
7. TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLE - NET			
7.1 LOANS TO CUSTOMERS	1,291,300	1,296,099	
7.2 ACCRUED INTEREST RECEIVABLES	3,709	3,896	
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES	1,295,009	1,299,995	
7.3 LESS: DEFERRED REVENUE	(46,430)	(46,430)	
7.4 LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS	(43,114)	(44,189)	
Qualified as capital		(14,811)	O
Non-qualified as capital		(29,378)	
7.5 LESS: REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING	(1,614)	(1,823)	
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLE - NET	1,203,851	1,207,553	
8. CUSTOMER'S LIABILITIES UNDER ACCEPTANCE	556	556	
9. PROPERTIES FOR SALE, NET	5,183	5,183	
10. PREMISES AND EQUIPMENT, NET	20,344	20,373	
11. GOODWILL AND OTHER INTANGIBLE ASSETS, NET	14,491	14,498	
GOODWILL		9,927	I
INTANGIBLE ASSETS		4,571	J
12. DEFERRED TAX ASSETS	5,148	5,525	
Deferred tax liabilities of intangible assets		(343)	K
Deferred tax asset of other items		5,868	L
13. OTHER ASSETS, NET	18,031	18,224	
TOTAL ASSET	1,612,310	1,615,548	

Unit: Million Baht

Capital related items as at June 30, 2015	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	Ref.
LIABILITIES			
14. DEPOSITS	1,007,315	1,006,558	
15. INTERBANK AND MONEY MARKET ITEMS - NET	270,056	271,540	
16. LIABILITIES PAYABLE ON DEMAND	3,629	3,629	
17. LIABILITIES TO DELIVER SECURITY	-	-	
18. DERIVATIVES LIABILITIES	20,880	20,880	
19. DEBT ISSUED AND BORROWINGS	81,297	81,297	
Debt instruments that are qualified as capital		14,843	N
Other issued debt and borrowings		66,454	
20. BANK'S LIABILITIES UNDER ACCEPTANCES	556	556	
21. PROVISIONS	6,244	6,253	
22. DEFERRED TAX LIABILITIES	28	28	
Deferred tax liabilities of intangible assets		5	M
Deferred tax liabilities of other items		23	
23. OTHER LIABILITIES	37,997	39,068	
TOTAL LIABILITIES	1,428,002	1,429,809	
SHAREHOLDERS' EQUITY			
24.1 ISSUED AND PAID-UP SHARE CAPITAL (COMMON SHARE)	73,558	73,558	A
24.2 PREMIUM OR DISCOUNT ON COMMON SHARE	52,878	52,878	B
24.3 OTHER RESERVES			
24.3.1 Appraisal surplus	6,322	6,322	E
24.3.2 Revaluation surplus (deficit) on investments	1,120	1,032	
Investment in equity securities		86	F
Investment in debt securities			
Qualified as capital		378	F
Non-qualified as capital		568	
24.3.3 Profit (loss) from conversion of financial statement from a foreign operation	1	1	G
24.3.4 Deficit from business combination under common control	(5,218)	(5,218)	H

Unit: Million Baht

Capital related items as at June 30, 2015	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	Ref.
24.4 RETAINED EARNINGS			
24.4.1 APPROPRIATED - LEGAL RESERVE	2,878	2,878	C
24.4.2 UNAPPROPRIATED	52,197	52,313	
Net profit which already approved		43,625	D
Net profit await for approval		8,688	
24.5 NON-CONTROLLING INTEREST	572	1,975	
Qualified as AT1 capital		1,271	P
Qualified as T2 capital		128	Q
Non-qualified as capital		576	
TOTAL SHAREHOLDERS' EQUITY	184,308	185,739	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,612,310	1,615,548	

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.

Unit: Million Baht

Capital related items as at June 30, 2015		Component of regulatory capital reported by financial business group	References base on statement of financial position under the consolidated supervision
Total Tier 1 Capital (T1) = (CET1+AT1)		158,295	
Common Equity Tier 1 (CET1)		157,024	
1	Issued and paid up share capital (Common share)	73,558	A
2	Premium common stocks	52,878	B
3	Legal Reserve	2,878	C
4	Retained earnings after appropriation	43,625	D
5	Other comprehensive income		
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,322	E
	5.2 Revaluation surplus (deficit) of equity and debt securities for sales	464	F
	5.3 Profit (loss) from conversion of financial statement from a foreign operation	1	G ^{1/}
	5.4 Other items from owner changes	(5,218)	H
6	Regulatory deduction		
	6.1 Goodwill	(9,927)	I
	6.2 Other Intangible Asset	(1,689)	J+K-M ^{2/}
	6.3 Deferred tax assets	(5,868)	L
Additional Tier 1 Capital (AT1)		1,271	
7	Non-controlling interest of consolidated subsidiaries to Additional tier 1	1,271	P ^{3/}
Tier 2 Capital (T2)		29,782	
8	Proceeds from issuing subordinated debt securities	14,843	N ^{4/}
9	General provision	14,811	O
10	Non-controlling interest of consolidated subsidiaries to Tier 2 capital	128	Q ^{3/}
Total Regulatory Capital (TC = T1+T2)		188,077	

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

^{2/} Intangible assets e.g. software licenses, phase-out at 20% p.a. during a transitional period of 2014 – 2018, as at December 31, 2015 the deduction amount is THB 1,689 million [40% x (4,571-343-5)]

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

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

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

Unit: Million Baht

Capital amount, eligible items, adjustment items and deduction items		Financial Business Group			
		December 31, 2015		June 30, 2015	
		Capital amount	Transitional adjustment amount*	Capital amount	Transitional adjustment amount*
Total Tier 1 Capital (T1) = (CET1+AT1)		163,655	(2,344)	158,295	(2,307)
Common Equity Tier 1 capital (CET1)		162,309	(1,959)	157,024	(1,967)
1	Issued and paid up share capital (Common share)	73,558		73,558	
2	Premium on common stocks	52,878		52,878	
3	Legal Reserve	3,585		2,878	
4	Retained earnings after appropriation	48,664		43,625	
5	Other comprehensive income				
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,244		6,322	
	5.2 Revaluation surplus (deficit) on investment in equity securities	(127)		86	
	5.3 Revaluation surplus (deficit) on investment in debt securities	396	595	378	568
	5.4 Profit (loss) from conversion of financial statement from a foreign operation	1	2	1	
	5.5 Other items from owner changes	(5,218)		(5,218)	
6	Regulatory deduction				
	6.1 Goodwill	(9,927)		(9,927)	
	6.2 Intangible Asset	(1,704)	(2,556)	(1,689)	(2,535)
	6.3 Deferred tax assets	(6,041)		(5,868)	
Additional Tier 1 capital (AT1)		1,346	(385)	1,271	(340)
7	Non-controlling interest of consolidated subsidiaries to Additional tier 1	1,346	(385)	1,271	(340)
Tier 2 capital (T2)		28,911	(14,752)	29,782	(14,755)
8	Proceeds from issuing subordinated debt securities	14,843	(14,843)	14,843	(14,843)
9	General Provision	13,934		14,811	
10	Non-controlling interest of consolidated subsidiaries to Tier 2 capital	134	91	128	88
Total Regulatory Capital (TC = T1 + T2)		192,566	(17,096)	188,077	(17,062)

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

Unit: Million Baht

Capital amount, eligible items, adjustment items and deduction items		Bank-Only			
		December 31, 2015		June 30, 2015	
		Capital amount	Transitional adjustment amount*	Capital amount	Transitional adjustment amount*
Total Tier 1 Capital (T1) = (CET1+AT1)		146,183	(1,070)	145,764	(945)
Common Equity Tier 1 capital (CET1)		146,183	(1,070)	145,764	(945)
1	Issued and paid up share capital (Common share)	73,558		73,558	
2	Premium on common stocks	52,878		52,878	
3	Legal Reserve	3,585		2,878	
4	Retained earnings after appropriation	24,376		24,234	
5	Other comprehensive income				
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,224		6,296	
	5.2 Revaluation surplus (deficit) on investment in equity securities	(38)		174	
	5.3 Revaluation surplus (deficit) on investment in debt securities	396	595	378	568
	5.4 Other items from owner changes	(5,218)		(5,218)	
6	Regulatory deduction				
	6.1 Goodwill	(7,762)		(7,762)	
	6.2 Intangible Asset	(1,110)	(1,665)	(1,009)	(1,513)
	6.3 Deferred tax assets	(706)		(643)	
Additional Tier 1 capital (AT1)		-	-	-	-
Tier 2 capital (T2)		20,082	(14,843)	20,913	(14,843)
7	Proceeds from issuing subordinated debt securities	14,843	(14,843)	14,843	(14,843)
8	General Provision	5,238		6,070	
Total Regulatory Capital (TC = T1 + T2)		166,264	(15,913)	166,677	(15,788)

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