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Basel III Pillar III Disclosures

As at December 31, 2016

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Basel III Pillar III Disclosures

As at December 31, 2016

1. Introduction

Guideline on capital supervised by the Bank of Thailand ("BOT") is referred from global regulatory framework on BASEL determined by Basel Committee on Banking Supervision ("BCBS"). The objective of this supervisory guideline is to improve the quality of the financial institution'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 financial institution and the supervisor. For the financial institution, it requires the financial institution 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 financial institution that have the problem.

Pillar 3: Market discipline

The third pillar aims to have the financial institution 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 financial institution.

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 namelist and business type of companies in financial business group under Full Consolidation level

The companies under financial business group under Full Consolidation level totaled 20 companies are as following:

Companies	Business Type
1. Bank of Ayudhya Public Company Limited	Commercial banking
2. Ayudhya Development Leasing Company Limited	Hire-purchase and leasing
3. Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing
4. Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans
5. Ayudhya Capital Services Company Limited	Credit cards and personal loans
6. General Card Services Limited	Credit cards and personal loans
7. Krungsriayudhya Card Company Limited	Credit cards and personal loans
8. Siam Realty and Services Security Company Limited	Car rental services and personnel services
9. Total Services Solutions Public Company Limited	Collection services
10. Krungsri Asset Management Company Limited	Fund management
11. Krungsri Ayudhya AMC Limited	Asset management
12. Krungsri Securities Public Company Limited	Securities
13. Krungsri Factoring Company Limited	Factoring
14. Krungsri Life Assurance Broker Limited	Life assurance broker
15. Krungsri General Insurance Broker Limited	General insurance broker
16. Tesco Card Services Limited	Credit cards and personal loans
17. Tesco Life Assurance Broker Limited	Life assurance broker
18. Tesco General Insurance Broker Limited	General insurance broker
19. Krungsri Leasing Services Company Limited	Hire-purchase, leasing and sales finance
20. Hattha Kaksekar Limited	Micro 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 statements from a foreign operation
  - Other items from owner changes, namely, capital surplus (deficit) due to the merger of businesses
- Deferred tax assets (deducted item)
- Goodwill (deducted item)
- Intangible assets (deducted item)

Additional Tier 1

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

Tier 2 Capital

- Long-term subordinated debentures
- General provision
- Components, which eligible for tier 2 of the Bank's financial business group, 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, 2016	June 30, 2016	December 31, 2016	June 30, 2016
1. Tier 1 Capital (1.1+1.2)	178,022	170,135	158,828	153,376
1.1 Common Equity Tier1 (CET1)	176,635	168,864	158,828	153,376
1.1.1 Issued and paid up share capital	73,558	73,558	73,558	73,558
1.1.2 Premium on share capital	52,879	52,879	52,879	52,879
1.1.3 Legal reserve	4,372	3,585	4,372	3,585
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	62,305	55,526	36,052	31,657
1.1.5 Other reserves				
1.1.5.1 Accumulated other comprehensive income	8,959	6,782	8,988	6,868
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	(20,220)	(18,248)	(11,803)	(9,953)
1.2 Additional Tier 1	1,387	1,271	-	-
1.2.1 Components, which eligible for additional tier 1 of the Bank's financial business group, only portion held by non-controlling interest and third parties	1,387	1,271	-	-
2. Tier 2 Capital	41,080	30,108	32,266	21,204
2.1 Subordinated debentures	24,844	14,843	24,844	14,843
2.2 General provision	16,066	15,104	7,422	6,361
2.3 Components, which eligible for tier 2 of the Bank's financial business group, only portion held by non-controlling interest and third parties	170	161	-	-
3. Total Regulatory Capital (1+2)	219,102	200,243	191,094	174,580

4.2 Capital adequacy

The Bank has adopted the following Basel Approach for capital calculation:

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

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

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

Unit: Million Baht

Minimum capital requirements	Financial Business Group		Bank-Only	
	December 31, 2016	June 30, 2016	December 31, 2016	June 30, 2016
Performing assets	107,881	101,433	103,352	97,392
1. Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	271	432	175	431
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	4,337	4,664	4,162	4,636
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	53,376	52,462	60,087	58,236
4. Claims on retail portfolios	37,007	32,241	22,844	19,555
5. Residential mortgage exposures	8,726	8,073	8,729	8,073
6. Other assets	4,164	3,561	7,355	6,461
Non-performing assets	1,368	1,276	1,198	1,073
Minimum capital requirements for credit risk	109,249	102,709	104,550	98,465
1. Interest rate risk	2,112	1,896	2,112	1,896
2. Equity price risk	-	11	-	11
3. Foreign exchange rate risk	183	150	112	143
4. Commodity price risk	-	-	-	-
Minimum capital requirements for market risk	2,295	2,057	2,224	2,050
Minimum capital requirements for operational risk	12,083	11,406	7,902	7,176
Total minimum capital requirements	123,627	116,172	114,676	107,691

Table 3 Capital adequacy ratio

Unit: %

Ratios	Minimum BOT requirement*		Financial Business Group		Bank-Only	
	December 31, 2016	June 30, 2016	December 31, 2016	June 30, 2016	December 31, 2016	June 30, 2016
1. Total capital / Total risk weighted assets	9.125	9.125	15.06	14.65	14.16	13.78
2. Total Tier 1 capital / Total risk weighted assets	6.625	6.625	12.24	12.45	11.77	12.11
3. Total Common Equity Tier 1 capital / Total risk weighted assets	5.125	5.125	12.14	12.36	11.77	12.11

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

5. 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 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;
- Policy and operation process on relevant risk management;
- 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, including reviewing the ICAAP, stress test process, and reporting 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 ("CC"), the Risk Management Committee ("RMC"), and the Collateral Valuation Committee.
- The Executive Committee and CC are comprised of high-level executives from the Risk Management Group and other relevant functions. The CC is authorized to approve credit applications up to Baht 3,000 million.
- The RMC 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 classifies customers into 3 groups, namely, corporate (including with the Japanese Customer, Multinational Customer ("MNC") 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 follows:

- *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 is required to measure customer credit risk using the internal rating models. These models uses several risk factors for assessing the credit rating, including industry risk, customer's management characteristic, financial performance, and other risk factors such as duration of relationship with the Bank and the repayment history and so on. The credit rating of each customer will be reviewed at least once a year. Also the credit ratings are used as a factor in loan approval as well.

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

1) BTMU Rating is used to assign a credit rating for Japanese, MNC, Bank and Thai Global Segment, Structured Finance Rating and Asset Securitization Rating.
2) BAY 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 follows:

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 its 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 companies under its 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 its financial business group's assets are reviewed at each financial statements 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 financial business group 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).

The companies under the Bank's financial business group which 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.

The companies under the Bank's financial business group which 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 its 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,	
	2016	2015	2016	2015
1. Assets on-statement of financial position	1,764,095	1,602,975	1,655,060	1,521,820
1.1 Net loans [1/]	1,538,122	1,407,071	1,435,241	1,328,128
1.2 Net investment in debt securities [2/]	126,536	106,870	126,536	106,870
1.3 Deposits (including accrued interest)	70,320	53,569	64,166	51,357
1.4 Derivatives assets	29,117	35,465	29,117	35,465
2. Off-balance items [3/]	2,031,545	1,928,024	2,031,607	1,928,114
2.1 Aval of bills, guarantees and letters of credit	9,990	6,993	9,990	6,993
2.2 OTC derivatives [4/]	1,971,685	1,837,333	1,971,753	1,837,333
2.3 Undrawn committed lines	49,870	83,698	49,864	83,788

[1/] Including accrued interest receivable and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring and including interbank and money market item-net.

[2/] Including investment in accounts 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, 2016								
	Assets on-statement of financial position					Off-balance items [3]			
	Total	Net loans[1]	Net investment in debt securities[2]	Deposits (including accrued interest)	Derivatives assets	Total	Aval of bills, guarantees, and letters of credit	OTC derivatives	Undrawn committed lines
1.Thailand	1,670,119	1,507,451	126,030	22,308	14,330	1,080,363	9,947	1,021,830	48,586
2.Asia Pacific (exclude Thailand)	74,140	42,239	386	25,808	5,977	453,317	43	452,621	653
3.North America and Latin America	21,551	1,404	120	18,246	1,781	243,666	-	243,039	627
4.Africa and Middle East	-	-	-	-	-	-	-	-	-
5.Europe	14,886	3,899	-	3,958	7,029	254,199	-	254,195	4
Total	1,780,966	1,554,993	126,536	70,320	29,117	2,031,545	9,990	1,971,685	49,870
Less: General Provision	(16,871)	(16,871)	-	-	-	-	-	-	-
Total	1,764,095	1,538,112	126,536	70,320	29,117	2,031,545	9,990	1,971,685	49,870

[1/] Including accrued interest receivables and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring and including interbank and money market item-net.

[2/] Including investment in accounts receivable but, excluding accrued interest receivables and net of revaluation and impairment allowances.

[3/] Before multiplying by CCF

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 loans[1/]	Net investment in debt securities[2/]	Deposits (including accrued interest)	Derivatives assets	Total	Aval of bills, guarantees, and letters of credit	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 interest receivables and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring and including interbank and money market item-net.

[2/] Including investment in accounts receivable but, excluding accrued interest receivables and net of revaluation and impairment allowances.

[3/] Before multiplying by CCF.

Unit : Million Baht

Country or geographic area of debtor	Bank-Only								
	December 31, 2016								
	Assets on-statement of financial position					Off-balance items [3/]			
	Total	Net loans[1/]	Net investment in debt securities[2/]	Deposits (including accrued interest)	Derivatives assets	Total	Aval of bills, guarantees, and letters of credit	OTC derivatives	Undrawn committed lines
1.Thailand	1,574,047	1,412,236	126,030	21,451	14,330	1,080,431	9,947	1,021,898	48,586
2.Asia Pacific (exclude Thailand)	53,323	25,494	386	21,466	5,977	453,849	43	452,621	1,185
3.North America and Latin America	21,334	1,189	120	18,244	1,781	243,128	-	243,039	89
4.Africa and Middle East	-	-	-	-	-	-	-	-	-
5.Europe	13,778	3,744	-	3,005	7,029	254,199	-	254,195	4
Total	1,662,482	1,442,663	126,536	64,166	29,117	2,031,607	9,990	1,971,753	49,864
Less: General Provision	(7,422)	(7,422)	-	-	-	-	-	-	-
Total	1,655,060	1,435,241	126,536	64,166	29,117	2,031,607	9,990	1,971,753	49,864

[1/] Including accrued interest receivables and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring and including interbank and money market item-net.

[2/] Including investment in accounts receivable but, excluding accrued interest receivables and net of revaluation and impairment allowances.

[3/] Before multiplying by CCF.

Unit : Million Baht

Country or geographic area of debtor	Bank-Only								
	December 31, 2015								
	Assets on-statement of financial position					Off-balance items [3/]			
	Total	Net loans[1/]	Net investment in debt securities[2/]	Deposits (including accrued interest)	Derivatives assets	Total	Aval of bills, guarantees, and letters of credit	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 interest receivables and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring and including interbank and money market item-net.

[2/] Including investment in accounts 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, 2016				
	Within 1 year	Over 1 year	Total	Less: General Provision	Total
1. Assets on-statement of financial position	**711,134**	**1,069,832**	**1,780,966**	**(16,871)**	**1,764,095**
1.1 Net loans [1/]	594,824	960,169	1,554,993	(16,871)	1,538,122
1.2 Net investment in debt securities [2/]	38,046	88,490	126,536	-	126,536
1.3 Deposits (including accrued interest)	62,320	8,000	70,320	-	70,320
1.4 Derivatives assets	15,944	13,173	29,117	-	29,117
2. Off-balance items [3/]	**1,264,254**	**767,291**	**2,031,545**	**-**	**2,031,545**
2.1 Aval of bills, guarantees and letters of credit	8,763	1,227	9,990	-	9,990
2.2 OTC derivatives	1,217,236	754,449	1,971,685	-	1,971,685
2.3 Undrawn committed lines	38,255	11,615	49,870	-	49,870

[1/] Including accrued interest receivables and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring and including interbank and money market item-net.

[2/] Including investment in accounts 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, 2015				
	Within 1 year	Over 1 year	Total	Less: General Provision	Total
1. Assets on-statement of financial position	**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 investment in debt securities [2/]	36,662	70,208	106,870	-	106,870
1.3 Deposits (including accrued interest)	53,569	-	53,569	-	53,569
1.4 Derivatives assets	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, guarantees and letters of credit	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 including interbank and money market item-net.

[2/] Including investment in accounts 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, 2016				
	Within 1 year	Over 1 year	Total	Less: General Provision	Total
1. Assets on-statement of financial position	**667,819**	**994,663**	**1,662,482**	**(7,422)**	**1,655,060**
1.1 Net loans [1/]	557,663	885,000	1,442,663	(7,422)	1,435,241
1.2 Net investment in debt securities [2/]	38,046	88,490	126,536	-	126,536
1.3 Deposits (including accrued interest)	56,166	8,000	64,166	-	64,166
1.4 Derivatives assets	15,944	13,173	29,117	-	29,117
2. Off-balance items [3/]	**1,264,316**	**767,291**	**2,031,607**	**-**	**2,031,607**
2.1 Aval of bills, guarantees and letters of credit	8,763	1,227	9,990	-	9,990
2.2 OTC derivatives	1,217,304	754,449	1,971,753	-	1,971,753
2.3 Undrawn committed lines	38,249	11,615	49,864	-	49,864

[1/] Including accrued interest receivables and net of deferred revenues, allowances for doubtful accounts and revaluation allowances for debt restructuring and including interbank and money market item-net.

[2/] Including investment in accounts 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 investment in debt securities [2/]	36,662	70,208	106,870	-	106,870
1.3 Deposits (including accrued interest)	51,357	-	51,357	-	51,357
1.4 Derivatives assets	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, guarantees and letters of credit	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 including interbank and money market item-net.

[2/] Including investment in accounts 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 investment in debt securities before credit risk mitigation classified by countries or geographic areas of debtors and by asset classification specified by the BOT's regulation

Unit : Million Baht

Countries or geographic areas of debtors	Financial Business Group						
	December 31, 2016						
	Loans and accrued interest receivables net of deferred revenue [1/]						Investment in debt securities [2/]
	Normal	Special mentioned	Sub-standard	Doubtful	Doubtful of loss	Total	Doubtful of loss
1. Thailand	1,450,472	55,671	12,791	5,841	16,391	1,541,166	329
2. Asia Pacific (excluding Thailand)	40,964	1,692	43	35	5	42,739	-
3. North America and Latin America	500	927	-	-	-	1,427	-
4. Africa and Middle East	-	-	-	-	-	-	-
5. Europe	3,935	3	2	-	-	3,940	-
Total	1,495,871	58,293	12,836	5,876	16,396	1,589,272	329

Unit : Million Baht

Countries or geographic areas of debtors	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 of loss	Total	Doubtful of 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

[1/] Including interbank and money market item.

[2/] Including investment in accounts receivable.

Unit : Million Baht

Countries or geographic areas of debtors	Bank-Only						
	December 31, 2016						
	Loans and accrued interest receivables net of deferred revenue [1/]						Investment in debt securities [2/]
	Normal	Special mentioned	Sub-standard	Doubtful	Doubtful of loss	Total	Doubtful of loss
1. Thailand	1,367,095	43,528	9,045	5,129	12,804	1,437,601	50
2. Asia Pacific (excluding Thailand)	24,127	1,623	7	4	2	25,763	-
3. North America and Latin America	282	927	-	-	-	1,209	-
4. Africa and Middle East	-	-	-	-	-	-	-
5. Europe	3,780	1	1	-	-	3,782	-
Total	1,395,284	46,079	9,053	5,133	12,806	1,468,355	50

Unit : Million Baht

Countries or geographic areas of debtors	Bank-Only						
	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 of loss	Total	Doubtful of loss
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

[1/] Including interbank and money market item.

[2/] Including investment in accounts receivable.

Table 8 Provisions (general provisions and specific provisions) and bad debt charge - offs for loans and accrued interest receivables and investment in debt securities classified by countries or geographic areas

Unit: Million Baht

Countries or geographic areas of debtors	Financial Business Group			
	December 31, 2016			
	Loans and accrued interest receivables [1/]			Investment in debt securities [2/]
	General Provision	Specific Provision	Charge-off during the year	Specific Provision
1. Thailand	16,871	33,715	17,836	332
2. Asia Pacific (excluding Thailand)		500	12	8
3. North America and Latin America		23	-	2
4. Africa and Middle East		-	-	-
5. Europe		41	-	-
Total	16,871	34,279	17,848	342

Unit: Million Baht

Countries or geographic areas of debtors	Financial Business Group			
	December 31, 2015			
	Loans and accrued interest receivables [1/]			Investment in debt securities [2/]
	General Provision	Specific Provision	Charge-off during 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

[1/] Including provisions and charge-offs for loans and accrued interest receivables of interbank and money market item.

[2/] Including investment in accounts receivable.

Unit: Million Baht

Countries or geographic areas of debtors	Bank-Only			
	December 31, 2016			
	Loans and accrued interest receivables [1/]			Investment in debt securities [2/]
	General Provision	Specific Provision	Charge-off during the year	Specific Provision
1. Thailand	7,422	25,365	5,628	54
2. Asia Pacific (excluding Thailand)		269	-	8
3. North America and Latin America		20	-	2
4. Africa and Middle East		-	-	-
5. Europe		38	-	-
Total	7,422	25,692	5,628	64

Unit: Million Baht

Countries or geographic areas of debtors	Bank-Only			
	December 31, 2015			
	Loans and accrued interest receivables [1/]			Investment in debt securities [2/]
	General Provision	Specific Provision	Charge-off during 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

[1/] Including provisions and charge-offs for loans and accrued interest receivables of interbank and money market item.

[2/] Including investment in accounts 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, 2016					
	Normal	Special mentioned	Substandard	Doubtful	Doubtful of loss	Total
1. Agriculture and mining	17,171	660	93	103	777	18,804
2. Manufacturing and trading	378,467	15,880	4,187	1,411	6,250	406,195
3. Real estate and construction	83,917	2,846	1,321	172	1,587	89,843
4. Public utilities and services	147,206	13,051	275	530	1,700	162,762
5. Housing loans	191,525	2,058	1,197	1,419	2,267	198,466
6. Others	677,585	23,798	5,763	2,241	3,815	713,202
Total	**1,495,871**	**58,293**	**12,836**	**5,876**	**16,396**	**1,589,272**

Unit : Million Baht

Type of business	Financial Business Group					
	December 31, 2015					
	Normal	Special mentioned	Substandard	Doubtful	Doubtful of loss	Total
1. Agriculture and mining	13,771	1,107	86	109	765	15,838
2. Manufacturing and trading	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 loans	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**

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

Unit : Million Baht

Type of business	Bank-Only					
	December 31, 2016					
	Normal	Special mentioned	Substandard	Doubtful	Doubtful of loss	Total
1. Agriculture and mining	13,091	646	84	94	158	14,073
2. Manufacturing and trading	374,649	15,638	4,178	1,383	5,579	401,427
3. Real estate and construction	83,128	2,846	1,226	171	1,581	88,952
4. Public utilities and services	147,174	13,051	275	530	1,317	162,347
5. Housing loans	188,374	2,054	1,195	1,416	2,241	195,280
6. Others	588,868	11,844	2,095	1,539	1,930	606,276
Total	**1,395,284**	**46,079**	**9,053**	**5,133**	**12,806**	**1,468,355**

Unit : Million Baht

Type of business	Bank-Only					
	December 31, 2015					
	Normal	Special mentioned	Substandard	Doubtful	Doubtful of loss	Total
1. Agriculture and mining	13,707	1,106	86	109	118	15,126
2. Manufacturing and trading	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 loans	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**

* 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, 2016			December 31, 2015		
	General provision	Specific provision	Bad debt charge-off during the year	General provision	Specific provision	Bad debt charge-off during the year
1. Agriculture and mining	16,871	548	174	14,089	425	497
2. Manufacturing and trading		10,538	1,345		9,063	1,119
3. Real estate and construction		1,442	157		1,302	864
4. Public utilities and services		2,425	964		2,161	979
5. Housing loans		1,930	203		1,583	327
6. Others		17,396	15,005		17,949	14,866
Total	16,871	34,279	17,848	14,089	32,483	18,652

Unit: Million Baht

Type of business	Bank-Only					
	December 31, 2016			December 31, 2015		
	General provision	Specific provision	Bad debt charge-off during the year	General provision	Specific provision	Bad debt charge-off during the year
1. Agriculture and mining	7,422	358	159	5,238	326	122
2. Manufacturing and trading		10,088	1,233		8,582	831
3. Real estate and construction		1,403	156		1,297	861
4. Public utilities and services		2,120	964		1,853	819
5. Housing loans		1,883	194		1,571	297
6. Others		9,843	2,922		8,201	2,445
Total	7,422	25,692	5,628	5,238	21,830	5,375

* 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

Items	Financial Business Group					
	December 31, 2016			December 31, 2015		
	General provision	Specific provision	Total	General provision	Specific provision	Total
Provisions at the beginning of the years	14,089	32,483	46,572	14,423	26,952	41,375
Bad debt charge-offs during the years	-	(17,848)	(17,848)	-	(18,652)	(18,652)
Increase or decrease of provisions during the years	2,783	19,644	22,427	(338)	24,183	23,845
Others	(1)	-	(1)	4	-	4
Provisions at the end of the years	**16,871**	**34,279**	**51,150**	**14,089**	**32,483**	**46,572**

Unit: Million Baht

Items	Bank-Only					
	December 31, 2016			December 31, 2015		
	General provision	Specific provision	Total	General provision	Specific provision	Total
Provisions at the beginning of the years	5,238	21,830	27,068	5,564	14,978	20,542
Bad debt charge-offs during the years	-	(5,628)	(5,628)	-	(5,375)	(5,375)
Increase or decrease of provisions during the years	2,185	9,490	11,675	(330)	12,227	11,897
Others	(1)	-	(1)	4	-	4
Provisions at the end of the years	**7,422**	**25,692**	**33,114**	**5,238**	**21,830**	**27,068**

* 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, 2016			December 31, 2015		
	Assets on-statement of financial position	Off-balance items**	Total	Assets on-statement of financial position	Off-balance items**	Total
1. Performing assets	**1,851,139**	**184,051**	**2,035,190**	**1,700,875**	**159,257**	**1,860,132**
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	163,626	10,553	174,179	166,653	3,937	170,590
1.2 Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	106,455	108,753	215,208	121,298	75,982	197,280
1.3 Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	677,698	50,267	727,965	613,366	54,576	667,942
1.4 Claims on retail portfolios	582,335	14,462	596,797	513,478	24,716	538,194
1.5 Residential mortgage exposures	184,229	16	184,245	150,164	46	150,210
1.6. Other assets	136,796	-	136,796	135,916	-	135,916
2. Non-performing assets	**15,052**	**466**	**15,518**	**13,959**	**244**	**14,203**
3. First-to-default credit derivative and securitization	**-**	**-**	**-**	**-**	**-**	**-**
Total	**1,866,191**	**184,517**	**2,050,708**	**1,714,834**	**159,501**	**1,874,335**

* After multiplying by CCF and net of specific provisions.

** Including repo-style transactions and reverse repo.

Unit: Million Baht

Type of assets	Bank-Only					
	December 31, 2016			December 31, 2015		
	Assets on-statement of financial position	Off-balance items**	Total	Assets on-statement of financial position	Off-balance items**	Total
1. Performing assets	1,759,925	184,094	1,944,019	1,636,816	159,686	1,796,502
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	161,793	10,445	172,238	166,641	3,938	170,579
1.2 Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	101,954	108,772	210,726	119,096	76,016	195,112
1.3 Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	787,093	50,346	837,439	746,066	54,877	800,943
1.4 Claims on retail portfolios	359,954	14,515	374,469	294,344	24,809	319,153
1.5 Residential mortgage exposures	184,276	16	184,292	150,168	46	150,214
1.6. Other assets	164,855	-	164,855	160,501	-	160,501
2. Non-performing assets	13,300	466	13,766	11,579	244	11,823
3. First-to-default credit derivative and securitization	-	-	-	-	-	-
Total	1,773,225	184,560	1,957,785	1,648,395	159,930	1,808,325

* After multiplying by CCF and net of specific provisions.

** Including repo-style transactions and reverse repo.

6.2 Credit risk exposures by the Standardized Approach

The Bank calculates its capital to credit risk weighted assets under the Standardized Approach. The Bank uses ratings assigned from the following 5 External Credit Agency Rating Institutions ("ECAIs") 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 Assets	Financial Business Group															
	December 31, 2016															
	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	229,406	1,480	3,528	1,129	-											
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	-	63,031	35,572	20,629	2											
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	-	55,657	41,591	22,245	65	249			4		573,678					
4. Claims on retail portfolios										557,517	17,244					
5. Residential mortgage exposures								88,872		95,256	116					
6. Other assets						154,539	5,385				47,905	-	-	-	-	-
RW(%)			50	100	150	0	20		50	75	100	150				
Non-performing assets [2/]			1	1,292	-	201	31		2,027	738	7,231	3,996				
Assets specified by the BOT as items to be deducted from capital fund	20,091															

[1/] After multiplying by CCF

[2/] For no credit risk mitigation part, risk weights depend on the ratio of provisions to total exposures.

Unit: Million Baht

Type of Assets	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 no credit risk mitigation part, risk weights depend on the ratio of provisions to total exposures.

Unit: Million Baht

Type of Assets	Bank-Only															
	December 31, 2016															
	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	228,599	1,480	3,523	-	-											
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	-	60,347	35,021	19,382	2											
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	-	91,262	46,591	22,183	60				4		643,084					
4. Claims on retail portfolios										336,513	16,367					
5. Residential mortgage exposures								88,872		95,324	94					
6. Other assets						152,772	5,256				85,479	-	-	-	-	-
RW(%)			50	100	150	0	20		50	75	100	150				
Non-performing assets [2/]			1	1,292	-	201	31		1,718	738	6,574	3,211				
Assets specified by the BOT as items to be deducted from capital fund	11,803															

[1/] After multiplying by CCF

[2/] For no credit risk mitigation part, risk weights depend on the ratio of provisions to total exposures.

Unit: Million Baht

Type of Assets	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 no credit risk mitigation part, risk weights depend on the ratio of provisions to total exposures.

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

Unit: Million Baht

Type of assets	Financial Business Group				Bank-Only			
	December 31, 2016		December 31, 2015		December 31, 2016		December 31, 2015	
	Eligible financial collateral	Guarantees and credit derivatives	Eligible financial collateral	Guarantees and credit derivatives	Eligible financial collateral	Guarantees and credit derivatives	Eligible financial collateral	Guarantees and credit derivatives
Performing assets	115,872	65,249	70,443	95,651	115,203	65,249	69,713	95,894
1. Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	9,076	-	2,802	-	9,076	-	2,802	-
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	67,878	44,213	24,308	62,183	67,878	44,213	24,308	62,183
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	16,933	20,983	16,169	15,352	16,711	20,983	15,899	15,260
4. Claims on retail portfolios	21,983	53	27,162	18,116	21,536	53	26,702	18,451
5. Residential mortgage exposures	2	-	2	-	2	-	2	-
6. Other assets	-	-	-	-	-	-	-	-
Non-performing assets	205	1,320	254	1,015	205	1,320	254	1,015
Total	116,077	66,569	70,697	96,666	115,408	66,569	69,967	96,909

7. Market risk

Objective

Market risk is the threat of an adverse impact on income and capital funds caused by price fluctuations in the trading and banking books related to interest rates, exchange rates, equity instruments, and commodities. Although movement of market risk factors are external and beyond the Bank's control, the Bank emphasizes on effective market risk management and monitors market risk exposure closely for timely responses to changes in the business environment.

By leveraging our MUFG synergies, the Bank has started offering more new products and services to achieve our growth target, serving varied and sophisticated customer demand while meeting regulatory requirements. These complex financial products and services include the foreign currency bond business, foreign currency loans, more currencies with more options for foreign exchange (FX) forward transactions, and FX exotic options.

Throughout 2016 the Bank continued to strengthen and enhance market risk management to align ourselves with international standards and practices, with continuous BTMU strong support and close collaboration. In addition, the concept of key risk indicators (KRIs) has been implemented to the Bank's Financial Business Group to ensure that its overall market risk is well controlled and kept relatively low.

Principles

The Bank monitors and controls market risk under the risk appetite approved by the Board of Directors. The Bank also reviews risk policies and limits to ensure that they are commensurate with the scope, volume, and complexity of transactions and with changing business and market conditions. The Bank has also adopted the ICAAP and ERM concepts to determine market risk – one of the key components of KRIs and merging ICAAP into the ERM process. Under this framework, the Bank assesses all material risks to develop comprehensive risk management guidelines and maintains sufficient capital for both normal and stressed business conditions to achieve sustainable growth and returns for shareholders.

Organization and structure

The Board of Directors is responsible for market risk appetite approval and delegates the authority to manage and control market risk consistent with the bank policies to the RMC. The Asset & Liability Management Committee ("ALCO") establishes guidelines for appropriately managing assets, liabilities, and off-balance sheet items. The Bank's organizational structure clearly segregates the responsibilities and duties of the units responsible for executing transactions, operations, and risk management to avoid conflicts of interest.

Enhanced Market Risk Management Structure

In 2016 the Bank established a new Risk Analytic Regulatory Reporting Section under the Market Risk Management Division to ensure that all regulatory reports comply with regulations governing the Bank, the Bank's financial business group and BTMU.

In addition to providing strategic risk management options and reporting risk exposure to the RMC to manage and control market risk consistent with the bank policy. The Market Risk Management Division has also collaborated with relevant teams within the Bank and BTMU to promote new business and services that serve customer requirements at an acceptable market risk. The Global Markets Group executes transactions and manages positions under risk limits approved by the Board of Directors. The Strategic Assets and Liabilities Management Department provides the ALCO with analyses of the Bank's and competitors' balance sheet management as well as strategic risk options for more efficient market risk management.

Measurement system

Enhanced Market Risk Management Tools

To achieve more efficient market risk management, the Bank recognizes the importance of risk measurement tools appropriate to the size and complexity of transactions both on- and off-balance sheet. During 2016 two important market risk management projects were introduced to focus on continually enhancing systems that can simulate and formulate more active market risk management strategies within a risk appetite that meets regulatory requirements:

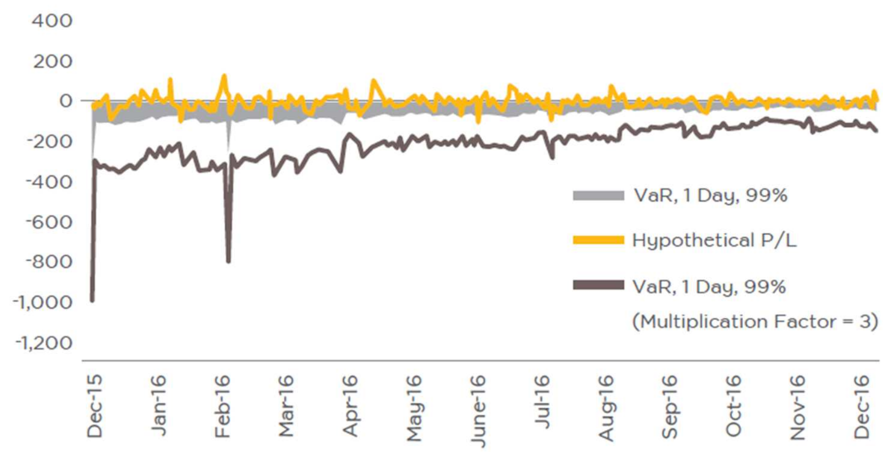
- To study for the implementation of the new system for certain treasury products that can alleviate the weaknesses to replace the existing system, and
- To upgrade the current system for interest rate risk in the banking book and market risk in the trading book to comply with revised and new regulatory reporting standards: for example, the BCBS's final rule for Interest Rate Risk in the Banking Book (IRRBB) and the Fundamental Review of the Trading Book (FRTB) as published by BCBS.

Trading Book Transaction Risks

In 2016 more advanced techniques were introduced to monitor trading book market risk exposure as the Bank continues using Value-at-Risk (VaR) and conduct backtesting to assess the reliability of the models. The Bank also conducts stress testing to assess risk under crisis situations.

Picture 1: The Bank's Total Daily Value-at-Risk (VaR) Backtesting during December 2015 – December 2016

Unit: Million Baht



The following are definitions of market risk in trading book:

1) Interest Rate Risk Management

Interest rate risk management refers to loss affecting income and/or shareholder equity due to interest rate changes that can be on- and off-balance sheet in the trading book. The Bank manages its interest rate risk exposure from debt instruments and derivatives in the trading book position according to the size and complexity of transactions under the market risk supervision policy framework in accordance with BOT's regulations.

2) Foreign Exchange Risk Management

Foreign exchange risk refers to loss affecting income and/or shareholder equity from exchange rate fluctuations that affect foreign currency transactions and foreign currency assets and liabilities. Bank policy is to limit its net foreign currency position. (most foreign currency transactions are mainly services provided to the Bank customers.)

3) Equity Price Risk Management

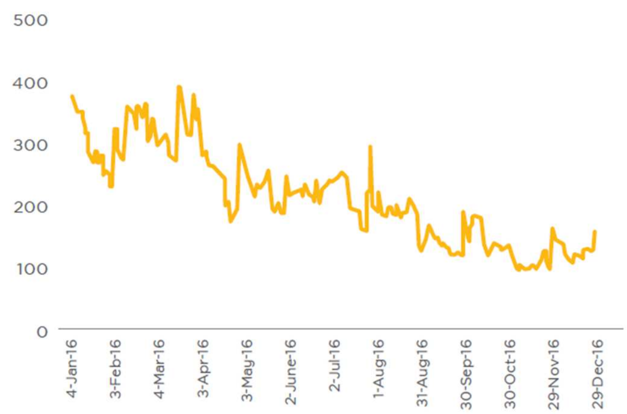
Equity price risk refers to loss affecting income and/or shareholders' equity from equity price movements. Bank policy is to invest in equity securities over the medium- to long-term. Equity price risk management requires assessing an issuer's potential.

2016 Risk Factors Affecting Trading Exposure

The Bank focused on three key external factors in 2016: a potential rise in US interest rates; ongoing monetary easing policies in both Japan and the Eurozone; and concerns over the hard landing of the Chinese economy. Meanwhile, internal factors were volatile as financial and capital markets fluctuated – especially in the second half of the year – reflecting volatility in USD/THB and SET movements.

Picture 2: The Bank's Total Daily Value-at-Risk (VaR) Movement 2016

Unit: Million Baht



Introducing new financial products and services and a more active position trading by the front office created market risk for the Bank in 2016. However, these risk factors have been closely monitored and promptly reported to Management and related committees by the Market Risk Management Division to ensure that our market risk was within the risk appetite approved by the Board of Directors.

The Bank's aggregate 2016 market risk was well within acceptable levels. The VaR for a 10-day holding period, 99 percent confidence level of trading book, averaged Baht 213.28 million.

Market Risk Capital Requirement

The Bank assesses and maintains a capital charge for market risk following the Basel approach at the Bank and its financial business group levels based on a standardized approach (SA) that complies with the BOT's notification on the Market Risk Supervision Policy of Financial Institutions. In addition, the Bank has adopted a more advanced technique i.e. the contingent loss method as approved by the BOT to replace the Delta-Plus method used previously to maintain a market risk capital charge for FX option products.

Picture 3: The Bank's financial business group: Minimum Market Risk Capital Requirement

as of December 31, 2016

8. Operational Risk

Objectives and Key Risk Factors

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

Key risk factors can arise from the misconduct of internal and external individuals, inadequate procedural design and internal controls, noncompliance 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 such as political crises, pandemics, flooding, and other environmental impacts.

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 impacts.

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

Principles

The Bank recognizes that operational risk is a significant concern and will provide sufficient resources to manage risk by promoting 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's operational risk management policies, approved by the Board of Directors. Bank policy stipulates 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 Bank's financial business group. All business units as primary operational risk owners and risk-takers have prime responsibility for day-to-day identifying and managing of operational risk inherent in their products, activities, procedures, and systems according to Bank policy.

The RMC, assigned by the Board of Directors, is responsible for formulating strategies and for oversight of the adequacy of risk and control procedures. The RMC meets monthly to review and make recommendations on 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 to ensure that operational risk is well-mitigated and properly managed. In addition, the Internal Audit function provides an independent check on the proper functioning of the design, adequacy, and effectiveness of our internal controls.

2016 Measurement and Achievements

Besides the operation to use the more complex risk measurement method. The Bank continues to strengthen and improve risk management across the Bank and the companies under its 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 are collected and tracked bank-wide and for business units to provide early warning signals of deterioration in the Group's internal controls: If risk exceeds acceptable thresholds, action will be taken.

All departments are responsible for reporting operational risk incidents that result in losses beyond a certain threshold (both direct and indirect losses) including near-misses and nonfinancial impact events to the Operational Risk Management Department. The Bank established a Significant Incident Management Working Group. For significant incidents, a root cause is analyzed and raised through working group discussion to ensure effective preventive measures and root-cause analysis and to leverage lessons learned from significant operational risk incidents to others business processes.

An ongoing process to manage and monitor potential operational risks that might stem from outsourcing or insourcing arrangements is in place. When considering outsourcing and insourcing the continuity of business operations, providing customer service, and suitable customer protection are our main benchmarks for accountability. The Bank implemented the operational risk system to record and link RCSA, KRI and Operational Risk Loss Data where appropriate. This risk system enables a comprehensive view, analysis, and reporting of the Group's operational risk profile.

The Bank embedded the new product/process/system Risk Assessment Program to ensure that all new products—or significant changes to existing processes and systems—are subject to comprehensive risk evaluation and are approved by management before launch.

The Bank's financial business group recognizes the importance of business continuity management to ensure that if disruptions occur anywhere across the Bank's financial business group key products and customer services can be provided 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 Bank's financial business group, with all units and subsidiaries accountable to report their operational risks such as RCSA, KRI and data loss to the Operational Risk Management Department for analysis. Group operational risk profiles and performance reports are then prepared and delivered to the RMC and the Board of Directors regularly to detect early changes of key operational risks within the Group and to drive appropriate decision-making.

Capital Requirements

The Bank currently uses the Standardized Approach (SA) to calculate operational risk capital within the 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, reports the equity price risk in the banking book and ensures 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 and reviews the total limit. Additionally, the ALCO 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 ALCO 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 at least once a year. Furthermore, an investment performance monitoring is reported to the ALCO on monthly basis.

9.2.2 Equity investment for other purposes

The Bank 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 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,	
	2016	2015	2016	2015
1. Equity exposures				
1.1 Equities listed and publicly traded in the Stock Exchange (both domestic and foreign)				
- At cost	4,856	3,021	4,746	3,021
- Market value	5,085	2,967	5,085	2,967
1.2 Other equities (both domestic and foreign)	352	408	60,979	49,271
2. Gains (losses) of sale of equities during the reporting periods	60	(133)	60	(141)
3. Revaluation surplus (deficit) on investment in equity securities – available for sales	234	(159)	344	(49)
4. Minimum capital requirements for equity exposures by SA approach	499	324	4,395	3,853

10. Interest rate risk in the banking book

Objective

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 shareholder equity.

The Bank assesses the probable impact on net interest income (earnings perspective) from mismatches of the interest rate structure and on-statement of financial position and off-balance sheet positions. The Bank also conducts repricing gap analysis by static simulation and dynamic simulation based on projected interest rate trends. In addition, the Bank analyzes interest rate risk which reflects the sensitivity of the economic value of shareholder equity (economic value perspective).

Banking Book Transaction Risks

Banking Book Interest Rate Risk Management

In 2016, more advanced techniques such as Value-at-Risk (VaR) have been considered and studied to monitor balance sheet risk arising from interest rate changes that adversely affect net interest earnings and shareholder equity. In addition, the Bank has reduced interest rate risk by rebalancing the bond portfolio in view of limited probability for policy rate cut going forward and to take advantage of yield- curve projections as strategies proposed by the Global Markets team.

Picture 4: The Bank's Financial Business Group Assets and Liabilities based on Next Repricing Maturity

As of December 31, 2016 | As of December 31, 2015

The Bank's Financial Business Group Net Interest Income Sensitivity and Impact on Economic Value of Equity

Our net interest income sensitivity over the next 12 months and impact on economic value of equity has been simulated and reported to Management and related committees by the Market Risk Management Division to ensure that the interest rate risk is within the risk appetite as approved by the Board of Directors. Results of the Bank's financial business group interest rate risk assessment (assuming a 1.00 percent increase in interest rates and yield curve of all types of assets, liabilities, and off-balance sheet items at their different repricing periods) are shown below:

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,	
	2016	2015	2016	2015
Baht	(881)	(910)	(998)	(877)
USD	-	-	-	-
EURO	-	-	-	-
Others	(470)	(71)	(420)	(79)
Total effect of changes in interest rates	(1,351)	(981)	(1,418)	(956)
% of estimate interest income-net for the next year	-1.97%	-1.58%	-2.45%	-1.70%

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

** All currencies converted into THB

Table 17: The effect of changes in yield curve* to economic value of equity

Unit: Million Baht

Currency **	Economic Value of Equity Impacts			
	Financial Business Group		Bank-Only	
	December 31,		December 31,	
	2016	2015	2016	2015
Baht	(5,474)	(6,068)	(5,155)	(5,719)
USD	-	-	-	-
EURO	-	-	-	-
Others	(376)	297	(108)	277
Total effect of changes in yield curve	(5,850)	(5,771)	(5,263)	(5,442)
% of total capital fund	-2.67%	-3.00%	-2.75%	-3.27%

* Use the percentage changes in increase yield curve of 100 bps.

** All currencies converted into THB

11. Liquidity risk management

Objective

Liquidity risk arises from failure to pay debts and contingent liabilities by the due date because of an inability to convert assets into cash; it also relates to failure to obtain sufficient funds, or finding that fund procurement comes at a higher cost, thus adversely affecting income and capital funds.

To effectively control and manage the Bank's and its financial business group risk, The Bank applies standard liquidity risk measurements such as the Basel III Liquidity Coverage Ratio (LCR) and liquidity gap to assess liquidity risk that meets international standards and BOT's guidelines. In addition, the Bank manages foreign currency liquidity risk, determines suitable foreign currency denominated liquid assets, does financial position analysis in major currencies consistent with BTMU funding sources, and prepares a liquidity cushion, regularly testing liquidity contingency plans.

The official monthly LCR has been implemented in January based on BOT's regulations. The Bank maintained the LCR at a minimum of 60 percent in 2016, also setting the internal additional threshold for monitoring and controlling LCR daily. The Market Risk Management Division has also strengthened the funding liquidity risk management limit structure by expanding the time horizontal on funding liquidity risk monitoring from a one-month period to three- and six-month periods based on BTMU advice.

Principles

The Bank emphasizes managing acceptable liquidity risk and controlling liquidity risk consistent with the Bank's risk appetite and reasonable operating costs. The Bank places great importance on effective liquidity risk management and controls by establishing liquidity risk management policies and emergency contingency plans, maintaining liquid assets in compliance with BOT's regulations, and emphasize managing excess liquidity commensurate with the current economic situation. The Bank seeks to ensure that adequate cash and other liquid assets are available for both the Bank and its financial business group. Qualitative and quantitative approaches are used to ensure appropriate risk diversification.

Organization and structure

The RMC is responsible for managing liquidity risk within the guidelines and limits approved by the Board of Directors who delegate management responsibility to the RMC with the authority to manage and control liquidity risk consistent with Bank policy. The ALCO closely monitors liquidity positions and liquidity risk. 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.

In 2016, the Bank established a new special section called Risk Analytic Regulatory Reporting under the Market Risk Management Division to ensure that all regulatory reports comply with applicable regulations that govern the Bank, the Bank's financial business group and BTMU.

Liquidity Risk Management Structure

The Market Risk Management Division provides strategic options for risk management and reports risk exposure to the RMC to manage and control liquidity risk consistent with the Bank policy. The Strategic Assets and Liabilities Management Department provides the ALCO with analyses of the Bank's and competitors' balance sheet management including our liquidity risk and funding strategic options. The Global Markets Group is responsible for monitoring and managing daily liquidity.

Measurement system

Enhanced Liquidity Risk Management Tools

To achieve more efficient liquidity risk management the Bank recognizes the importance of risk measurement tools appropriate to the size and complexity of transactions both on-statement of financial position and off-balance sheet items. During 2016 two major liquidity risk management projects were implemented to enhance the system. The Bank can simulate and formulate better liquidity risk management strategies to meet regulatory requirements because the Bank:

- Upgraded the current system to comply with new Basel III reporting requirements: Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), and
- Improved behavioral assumptions for various on-statement of financial position and off-balance items using a cash flow modeling concept to measure liquidity gaps based on analyzing our data and customer profiles to better reflect actual customer behavior.

Liquidity Risk Factors

In 2016 the Bank's aggregate liquidity risk was relatively low considering our maturity mismatch and liquidity cushion. Early warning signs for monitoring liquidity risk were, also, within risk appetite.

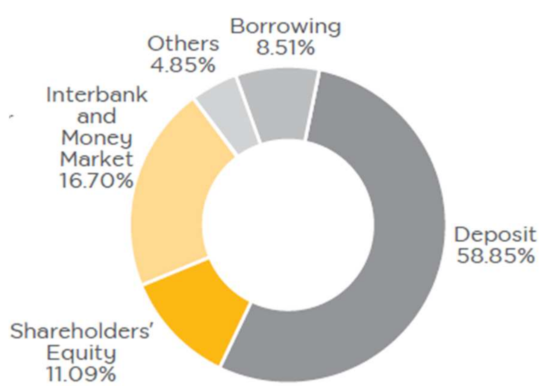
The Bank has also reviewed the structure of our funding sources to suit changing market conditions and liquidity trends in the commercial banking system. The Bank's funding sources are short-term deposits which are mostly less than one year including non-matured deposits, while the use of funds for lending have maturity dates longer than the deposits. Our liquidity risk factors arise 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 items, employing various liquidity risk management tools such as cash flow/liquidity projections and liquidity gap analyses by assets, liabilities, and contingent liabilities based on remaining contractual maturities. The Bank also considers, both normal and crisis situations, adjusts the results based on behavioral maturity aligned with actual behavior to ensure the efficient liquidity risk reporting and monitoring.

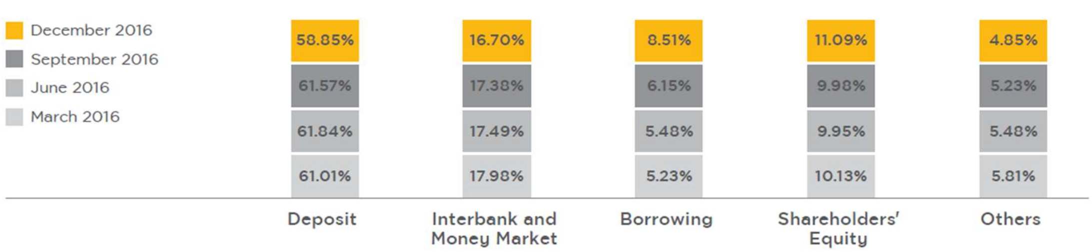
The Bank's major funding source is customer deposits, which are well diversified customer type, deposit type, and maturity by deposit campaigns. Other funding sources included interbank and money market items as well as debt issued and BTMU borrowings.

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.

Picture 5: The Bank's Financial Business Group's Sources of Funds as of December 31, 2016



Picture 6: The Bank's Financial Business Group Funding Profile Movement



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

Table 18: Significant information of financial instrument eligible for capital fund

	Topic	Unique identifier BAY22NA	Unique identifier BAY272A
1	Issuer	Bank of Ayudhya Public Company Limited	Bank of Ayudhya Public Company Limited
2	Unique identifier	TH0023032B04	TH0023037201
	BOT's regulation treatment		
3	Type of financial instruments (common equity tier 1/ additional tier 1/ tier 2)	Tier 2 Capital	Tier 2 Capital
4	Qualified or non-qualified Basel III	Not fully qualified under Basel III rules	Qualified under Basel III rules
5	If non-qualified Basel III, please specify	No right to postpone interest payment and no loss absorption at point of non-viability Clause	–
6	Transitional phase out or fully countable	Gradual reduction on capital calculation for all Lot (Aggregate cap) from January 1, 2013 onwards	Fully countable but gradual reduction on capital calculation for the remaining 5 years.
7	Eligible at the Bank/ financial business group/ financial business group and the Bank	Financial business group Level and the Bank Level	Financial business group Level and the Bank Level
8	Amount recognized in regulatory capital (unit: Million Baht)	Baht 14,844 million	Baht 10,000 million
9	Par value of instrument (unit: Baht)	Baht 1,000.-	Baht 1,000.-
10	Accounting classification	Liabilities measured at amortized cost	Liabilities measured at amortized cost
11	Original date of issuance	November 7, 2012	August 11, 2016
12	Perpetual or dated	Having maturity date	Having maturity date
13	Original maturity date	November 7, 2022	February 11, 2027
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	Having right to early redeem if permission in writing is granted by the BOT

	Topic	Unique identifier BAY22NA	Unique identifier BAY272A
15	Optional call date, contingent call dates and redemption amount	November 7, 2017 The debenture issuer may redeem all the debentures prior to the due date of the redemption plan and replacement plan to the BOT, the permission in writing is granted by the BOT. The debentures will be redeemed according to the par value per unit together with payment of the interest redemption if, after the issuer submits calculated to (and excluding) the early redemption date, subject to conditions 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.	November 11, 2021 Subject to obtaining the prior written approval of the BOT and compliance with any other condition imposed by the BOT. The Subordinate Instruments will be redeemed according to the par value per unit together with payment of the interest. The issuer may early redeem prior to the maturity date, if it falls under any of the following events:- (a) On any interest payment date falling after the lapse of 5 years from the issue date. (b) If there is a change in tax law after the issue date which results in a change to the tax treatment of the Subordinate Instruments that is not to the benefit of the Issuer. (c) If the Subordinate Instruments are fully excluded from Tier 2 capital as a result of the change in the applicable regulations. (d) Any other event as permitted by the BOT after the Issue
16	Subsequent call dates, if applicable	On any interest payment date after the 5^{th} (fifth) anniversary of the date of issuance of the debentures	On any interest payment date after the 5^{th} (fifth) anniversary of the date of issuance of the Subordinate Instruments.
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Fixed Rate until maturity date	Fixed Rate until maturity date

	Topic	Unique identifier BAY22NA	Unique identifier BAY272A
18	Coupon rate and any related index	None	None
19	Existence of a dividend stopper	No dividend stopper	No dividend stopper
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory and comply with the Terms and Conditions governing the rights and obligations of the issuers and the instrument holders.
21	Existence of step up or other incentive to redeem	No incentive to redeem	No incentive to redeem
22	Noncumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	None	None
25	If convertible, full or partial	None	None
26	If convertible, conversion rate	None	None
27	If convertible, specify instrument type convertible into	None	None
28	If convertible, specify issuer of instrument it converts into	None	None
29	Write-down feature	No write down feature	Write down feature
30	If write-down, write-down trigger(s)	No write down feature	Upon the occurrence of the Non-Viability Events of the Issuer and the government authority decides to grant financial assistance to it. The Instrument holders shall be forced to write-down.
31	If write-down, full or partial	No write down feature	Full or partial write down
32	If write-down, permanent or temporary	No write down feature	Permanent
33	If temporary write-down, description of how to write down	No write down feature	–

	Topic	Unique identifier BAY22NA	Unique identifier BAY272A
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Superior to the holders of Additional Tier 1 securities according to BOT's notification (if any) and preferred shareholders and/or common shareholders of the Issuer	Superior to the holders of (a) all classes of equity securities of the issuer, including holders of preference shares (b) Additional Tier 1 securities (c) Other Liabilities (if any) of the issuer that by their terms or by operation of law rank junior to the Subordinated Instruments (together, the Junior Instruments).

Table 19: Reconciliation of regulatory capital components

Unit: Million Baht

Capital related items as at December 31, 2016	Amount as disclosed in public financial statements – Financial Position 1/	Amount as disclosed in the statement of financial position under the consolidated supervision 2/	Ref.
Asset			
1. CASH	36,142	36,142	
2. INTERBANK AND MONEY MARKET ITEMS - NET	200,283	200,609	
3. CLAIMS ON SECURITY	13,839	13,839	
4. DERIVATIVES ASSETS	29,117	29,117	
5. INVESTMENTS - NET	131,782	131,782	
6. INVESTMENTS IN SUBSIDIIARIES, ASSOCIATES AND JOINT VENTURES- NET	1,919	-	
7. TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLE - NET			
7.1 LOANS TO CUSTOMERS	1,506,222	1,511,847	
7.2 ACCRUED INTEREST RECEIVABLES	3,865	4,038	
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES	1,510,087	1,515,885	
7.3 LESS:DEFERRED REVENUE	(57,340)	(57,340)	
7.4 LESS:ALLOWANCE FOR DOUBTFUL	(48,274)	(49,342)	
Qualified as capital		(16,066)	P
Non-qualified as capital		(33,276)	
7.5 LESS:REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING	(1,188)	(1,370)	
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLE - NET	1,403,285	1,407,833	
8. CUSTOMER'S LIABILITIES UNDER ACCEPTANCE	476	476	
9. PROPERTIES FOR SALE, NET	4,256	4,256	
10. PREMISES AND EQUIPMENT, NET	25,221	25,249	
11. GOODWILL AND OTHER INTANGIBLE ASSETS,	16,699	16,710	
GOODWILL		12,450	I
INTANGIBLE ASSETS		4,260	J
12. DEFERRED TAX ASSETS	4,714	5,085	
Deferred tax liabilities of intangible assets		(249)	K
Deferred tax asset of other items		5,334	L
13. OTHER ASSETS, NET	15,455	16,095	
TOTAL ASSET	1,883,188	1,887,193	

Unit: Million Baht

Capital related items as at December 31, 2016	Amount as disclosed in public financial statements – Financial Position 1/	Amount as disclosed in the statement of financial position under the consolidated supervision 2/	Ref.
LIABILITIES			
14. DEPOSITS	1,108,288	1,107,320	
15. INTERBANK AND MONEY MARKET ITEMS - NET	314,400	316,000	
16. LIABILITIES PAYABLE ON DEMAND	4,176	4,176	
17. LIABILITIES TO DELIVER SECURITY	13,839	13,839	
18. DERIVATIVES LIABILITIES	20,581	20,581	
19. DEBT ISSUED AND BORROWINGS	160,326	160,326	
Debt instruments that are qualified as capital		24,844	N
Other issued debt and borrowings		135,482	
20. BANK'S LIABILITIES UNDER ACCEPTANCES	476	476	
21. PROVISIONS	7,333	7,357	
22. DEFERRED TAX LIABILITIES	456	456	
Deferred tax liabilities of intangible assets		36	M
Deferred tax assets of other items		(51)	O
Deferred tax liabilities of other items		471	
23. OTHER LIABILITIES	44,545	45,946	
TOTAL LIABILITIES	1,674,420	1,676,477	
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	52,879	52,879	B
24.3 OTHER RESERVES			
24.3.1 Appraisal surplus	8,423	8,423	E
24.3.2 Revaluation surplus (deficit) on investments	759	670	
Investment in equity securities		187	F
Investment in debt securities		483	
Qualified as capital		290	F
Non-qualified as capital		193	

Unit: Million Baht

Capital related items as at December 31, 2016	Amount as disclosed in public financial statements – Financial Position [1/]	Amount as disclosed in the statement of financial position under the consolidated supervision [2/]	Ref.
24.3.3 Profit (loss) from conversion of financial statement from a foreign operation	99	99	
Qualified as capital		59	G
Non-qualified as capital		40	
24.3.4 Deficit from business combination under common control	(5,218)	(5,218)	H
24.4 RETAINED EARNINGS			
24.4.1 APPROPRIATED - LEGAL RESERVE	4,372	4,372	C
24.4.2 UNAPPROPRIATED	73,308	73,425	
Net profit which already approved		62,305	D
Net profit await for approval		11,120	
24.5 NON-CONTROLLING INTEREST	588	2,508	
Qualified as AT1 capital		1,387	Q
Qualified as T2 capital		170	R
Non-qualified as capital		951	
TOTAL SHAREHOLDERS' EQUITY	208,768	210,716	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,883,188	1,887,193	

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, 2016		Component of regulatory capital reported by financial business group	References base on statement of financial position under the consolidated supervision
Total Tier 1 Capital (T1) = (CET1+AT1)		178,022	
Common Equity Tier 1 (CET1)		176,635	
1	Issued and paid up share capital	73,558	A
2	Premium on share capital	52,879	B
3	Legal reserve	4,372	C
4	Retained earnings after appropriation	62,305	D
5	Other comprehensive income		
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	8,423	E
	5.2 Revaluation surplus (deficit) on investment in equity and debt securities – available for sales	477	F
	5.3 Profit (loss) from conversion of financial statement from a foreign operation	59	G
	5.4 Other items from owner changes	(5,218)	H
6	Regulatory deduction		
	6.1 Goodwill	(12,450)	I
	6.2 Intangible assets	(2,385)	J+K-M[1/]
	6.3 Deferred tax assets	(5,385)	L-O
Additional Tier 1 Capital (AT1)		1,387	
7	Non-controlling interest of consolidated companies under the Bank's financial business group to additional tier 1	1,387	Q[2/]
Tier 2 Capital (T2)		41,080	
8	Proceeds from issuing subordinated debentures	24,844	N[3/]
9	General provision	16,066	P
10	Non-controlling interest of consolidated companies under the Bank's financial business group to tier 2 capital	170	R[2/]
Total Regulatory Capital (TC = T1+T2)		219,102	

[1/] Intangible assets e.g. software licenses, phase-out at 20% p.a. during a transitional period of 2015 – 2018, as at December 31, 2016 the deduction amount is THB 2,385 million [60% x (4,260 – 249 -36)]

[2/] Non-controlling interest qualified as capital is calculated basing on BOT's requirement

[3/] 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 January 1, 2013 therefore sub-debt amount Baht 14,844 million that not exceed criteria so that of all able to count to capital fund. Sub-debt which is issued in 2016 amount Baht 10,000 million has complied the Basel III rules, then fully countable.

Unit: Million Baht

Capital related items as at June 30, 2016	Amount as disclosed in public financial statements – Financial Position [1/]	Amount as disclosed in the statement of financial position under the consolidated supervision [2/]	Ref.
Asset			
1. CASH	29,528	29,528	
2. INTERBANK AND MONEY MARKET ITEMS - NET	197,405	197,696	
3. CLAIMS ON SECURITY	29,101	29,101	
4. DERIVATIVES ASSETS	30,711	30,711	
5. INVESTMENTS - NET	103,996	103,996	
6. INVESTMENTS IN SUBSIDIIARIES AND ASSOCIATES AND JOINT VENTURES - NET	1,749	-	
7. TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLE - NET			
7.1 LOANS TO CUSTOMERS	1,411,779	1,416,830	
7.2 ACCRUED INTEREST RECEIVABLES	3,602	3,790	
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES	1,415,381	1,420,620	
7.3 LESS:DEFERRED REVENUE	(53,401)	(53,401)	
7.4 LESS:ALLOWANCE FOR DOUBTFUL	(46,895)	(47,930)	
Qualified as capital		(15,104)	O
Non-qualified as capital		(32,826)	
7.5 LESS:REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING	(1,431)	(1,605)	
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLE - NET	1,313,654	1,317,684	
8. CUSTOMER'S LIABILITIES UNDER ACCEPTANCE	771	771	
9. PROPERTIES FOR SALE, NET	4,624	4,624	
10. PREMISES AND EQUIPMENT, NET	20,616	20,641	
11. GOODWILL AND OTHER INTANGIBLE ASSETS,	14,117	14,125	
GOODWILL		9,927	I
INTANGIBLE ASSETS		4,198	J
12. DEFERRED TAX ASSETS	5,330	5,695	
Deferred tax liabilities of intangible assets		(272)	K
Deferred tax asset of other items		5,967	L
13. OTHER ASSETS, NET	27,199	27,732	
TOTAL ASSET	1,778,801	1,782,304	

Unit: Million Baht

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

Unit: Million Baht

Capital related items as at June 30, 2016	Amount as disclosed in public financial statements – Financial Position [1/]	Amount as disclosed in the statement of financial position under the consolidated supervision [2/]	Ref.
24.3.4 Deficit from business combination under common control	(5,218)	(5,218)	H
24.4 RETAINED EARNINGS			
24.4.1 APPROPRIATED - LEGAL RESERVE	3,585	3,585	C
24.4.2 UNAPPROPRIATED	65,918	66,034	
Net profit which already approved		55,526	D
Net profit await for approval		10,508	
24.5 NON-CONTROLLING INTEREST	446	2,196	
Qualified as AT1 capital		1,271	P
Qualified as T2 capital		161	Q
Non-qualified as capital		764	
TOTAL SHAREHOLDERS' EQUITY	198,385	200,163	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,778,801	1,782,304	

Note

[1/] This represents Consolidated statement of financial position publically disclosed in SEC website

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

Unit: Million Baht

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

[1/] Intangible assets e.g. software licenses, phase-out at 20% p.a. during a transitional period of 2015 – 2018, as at June 30, 2016 the deduction amount is THB 2,354 million [60% x (4,198-272-2)]

[2/] Non-controlling interest qualified as capital is calculated basing on BOT's requirement

[3/] 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 January 1, 2013 therefore sub-debt amount Baht 14,843 million that not exceed criteria so that of all able to count to capital fund.

Table 20: 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, 2016		June 30, 2016	
		Capital amount	Transitional adjustment amount*	Capital amount	Transitional adjustment amount*
Total Tier 1 Capital (T1) = (CET1+AT1)		178,022	(1,776)	170,135	(1,562)
Common Equity Tier 1 capital (CET1)		176,635	(1,357)	168,864	(1,222)
1	Issued and paid up share capital	73,558		73,558	
2	Premium on share capital	52,879		52,879	
3	Legal reserve	4,372		3,585	
4	Retained earnings after appropriation	62,305		55,526	
5	Other comprehensive income				
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	8,423		6,155	
	5.2 Revaluation surplus (deficit) on investment in equity securities	187		106	
	5.3 Revaluation surplus (deficit) on investment in debt securities	290	193	519	346
	5.4 Profit (loss) from conversion of financial statement from a foreign operation	59	40	2	1
	5.5 Other items from owner changes	(5,218)		(5,218)	
6	Regulatory deduction				
	6.1 Goodwill	(12,450)		(9,927)	
	6.2 Intangible assets	(2,385)	(1,590)	(2,354)	(1,569)
	6.3 Deferred tax assets	(5,385)		(5,967)	
Additional Tier 1 capital (AT1)		1,387	(419)	1,271	(340)
7	Non-controlling interest of consolidated companies under the Bank's financial business group to additional tier 1	1,387	(419)	1,271	(340)
Tier 2 capital (T2)		41,080	(14,781)	30,108	(14,783)
8	Proceeds from issuing subordinated debentures	24,844	(14,844)	14,843	(14,843)
9	General provision	16,066		15,104	
10	Non-controlling interest of consolidated companies under the Bank's financial business group to tier 2 capital	170	63	161	60
Total Regulatory Capital (TC = T1 + T2)		219,102	(16,557)	200,243	(16,345)

* 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, 2016		June 30, 2016	
		Capital amount	Transitional adjustment amount*	Capital amount	Transitional adjustment amount*
Total Tier 1 Capital (T1) = (CET1+AT1)		158,828	(819)	153,376	(687)
Common Equity Tier 1 capital (CET1)		158,828	(819)	153,376	(687)
1	Issued and paid up share capital	73,558		73,558	
2	Premium on share capital	52,879		52,879	
3	Legal reserve	4,372		3,585	
4	Retained earnings after appropriation	36,052		31,657	
5	Other comprehensive income				
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	8,423		6,155	
	5.2 Revaluation surplus (deficit) on investment in equity securities	275		194	
	5.3 Revaluation surplus (deficit) on investment in debt securities	290	193	519	346
	5.4 Other items from owner changes	(5,218)		(5,218)	
6	Regulatory deduction				
	6.1 Goodwill	(10,285)		(7,762)	
	6.2 Intangible assets	(1,518)	(1,012)	(1,549)	(1,033)
	6.3 Deferred tax assets	-		(642)	
Additional Tier 1 capital (AT1)		-	-	-	-
Tier 2 capital (T2)		32,266	(14,844)	21,204	(14,843)
7	Proceeds from issuing subordinated debentures	24,844	(14,844)	14,843	(14,843)
8	General provision	7,422		6,361	
Total Regulatory Capital (TC = T1 + T2)		191,094	(15,663)	174,580	(15,530)

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