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Basel III Pillar III Disclosures

As at June 30, 2015

Table of Content

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

Table of Figure

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

Basel III Pillar III Disclosures

As at June 30, 2015

1. Introduction

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

Pillar 1: Minimum capital requirement

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

Pillar 2: Supervisory review process

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

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

Pillar 3: Market discipline

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

2. Scope of application

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

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

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

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

4. Capital information

4.1 Capital structure

Tier 1 Capital

Common Equity Tier 1

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

Additional Tier 1

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

Tier 2 Capital

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

Table 1 Capital structure

Unit: Million Baht

Items	Financial Business		Bank-Only	
	Group			
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
1. Tier 1 capital (1.1+1.2)	158,295	108,256	145,764	98,986
1.1 Common Equity Tier1 (CET1)	157,024	106,919	145,764	98,986
1.1.1 Issued and paid up share capital	73,558	60,741	73,558	60,741
1.1.2 Premium on share capital	52,878	13,802	52,878	13,802
1.1.3 Legal reserve	2,878	2,878	2,878	2,878
1.1.4 Net profit after appropriation by resolution of the general meeting of shareholders or by the regulations of the banks registered in the country.	43,625	40,469	24,234	23,592
1.1.5 Other reserves				
1.1.5.1 Accumulated other comprehensive income.	6,787	6,631	6,848	6,693
1.1.5.2 Other items from owner changes	(5,218)	-	(5,218)	-
1.1.6 Items to be deducted from CET1				
1.1.6.1 Items to be deducted from CET1	(17,484)	(17,602)	(9,414)	(8,720)
1.2 Additional tier 1	1,271	1,337	-	-
1.2.1 Components, which eligible for additional tier 1 of the financial business group, of subsidiaries only portion held by non-controlling interest and third parties.	1,271	1,337	-	-
2. Tier 2 capital	29,782	39,423	20,913	33,439
2.1 Subordinated Debentures	14,843	27,875	14,843	27,875
2.2 General Provision	14,811	11,445	6,070	5,564
2.3 Components, which eligible for tier 2 of the financial business group, of subsidiaries only portion held by non-controlling interest and third parties.	128	103	-	-
3. Total regulatory capital (1+2)	188,077	147,679	166,677	132,425

4.2 Capital adequacy

The Bank has adopted the following Basel Approach for capital calculation

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

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

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

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

Table 2 Minimum capital requirements classified by types of risk

Unit: Million Baht

Minimum capital requirements for all risk	Financial Business Group		Bank-Only	
	June	December	June	December
	30, 2015	31, 2014	30, 2015	31, 2014
Performing	99,310	76,482	93,866	69,649
1. Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	673	252	672	251
2. Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	5,565	1,478	5,427	1,329
3. Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	51,405	32,884	58,634	40,895
4. Claims on retail portfolios	32,157	32,477	16,845	15,156
5. Residential mortgage exposures	5,896	5,510	5,896	5,510
6. Other assets	3,614	3,881	6,392	6,508
Non-performing	1,404	1,341	1,118	984
Minimum capital requirements for credit risk	100,714	77,823	94,984	70,633
1. Interest rate risk	1,852	412	1,852	412
2. Equity price risk	-	-	-	-
3. Foreign exchange rate risk	248	58	262	58
4. Commodity price risk	-	-	-	-
Minimum capital requirements for market risk	2,100	470	2,114	470
Minimum capital requirements for operational risk	10,329	9,786	5,896	5,509
Total minimum capital requirement	113,143	88,079	102,994	76,612

Table 3 Capital adequacy ratio

Unit: %

Ratio	Minimum BOT requirement	Financial Business Group		Bank-Only	
		June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
1. Total capital to risk-weighted assets	8.5	14.13	14.25	13.76	14.69
2. Tier 1 capital to risk-weighted assets	6.0	11.89	10.45	12.03	10.98
3. Common Equity Tier 1 to risk-weighted assets	4.5	11.80	10.32	12.03	10.98

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

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

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

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

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

Table 5: Reconciliation of regulatory capital components

Unit: Million Baht

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

Unit: Million Baht

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

Unit: Million Baht

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

Note

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

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

Disclosure of reconciliation of regulatory capital components

Unit: Million Baht

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

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

^{2/} Non-fully Basel III compliant Tier II capital instruments could be counted as capital at the amount not exceeding the aggregate cap which is calculated from phase-out of all financial instruments included in capital at the rate 10% each subsequent year starting from 1-Jan-2013. Sub-debt amount of THB 14,843 million could be wholly counted as capital as its balance not exceeding such aggregate cap.

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

Unit: Million Baht

Capital related items as at December 31, 2014	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	Referen ces
Asset			
1. CASH	31,155	31,155	
2. INTERBANK AND MONEY MARKET ITEMS - NET	80,364	80,736	
3. CLAIMS ON SECURITY	-	-	
4. DERIVATIVES ASSETS	2,653	2,653	
5. INVESTMENTS - NET	60,573	60,573	
6. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES - NET	1,217	-	
7. TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLE - NET			
7.1 LOANS TO CUSTOMERS	1,057,636	1,061,156	
7.2 ACCRUED INTEREST RECEIVABLES	2,636	2,818	
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES	1,060,272	1,063,974	
7.3 LESS: DEFERRED REVENUE	(44,875)	(44,875)	
7.4 LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS	(38,159)	(39,388)	
Qualified as capital		(11,445)	M
Non-qualified as capital		(27,943)	
7.5 LESS: REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING	(1,617)	(1,806)	
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLE - NET	975,621	977,905	
8. CUSTOMER'S LIABILITIES UNDER ACCEPTANCE	508	508	
9. PROPERTIES FOR SALE, NET	5,456	5,456	
10. PREMISES AND EQUIPMENT, NET	19,952	19,984	
11. GOODWILL AND OTHER INTANGIBLE ASSETS, NET	14,584	14,589	
GOODWILL		9,927	G
INTANGIBLE ASSETS		4,662	H
12. DEFERRED TAX ASSETS	7,889	8,285	J
13. OTHER ASSETS, NET	14,296	14,756	
TOTAL ASSET	1,214,268	1,216,600	

Unit: Million Baht

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

Unit: Million Baht

Capital related items as at December 31, 2014	Amount as disclosed in public financial statements – Financial Position ^{1/}	Amount as disclosed in the statement of financial position under the consolidated supervision ^{2/}	Referen ces
24.4 RETAINED EARNINGS			
24.4.1 APPROPRIATED - LEGAL RESERVE	2,878	2,878	C
24.4.2 UNAPPROPRIATED	46,451	46,569	
Net profit which already approved		39,423	D
Net profit await for approval		7,146	
24.5 NON-CONTROLLING INTEREST	460	1,677	
Qualified as AT1 capital		1,337	N
Qualified as T2 capital		103	O
Non-qualified as capital		237	
TOTAL SHAREHOLDERS' EQUITY	131,670	132,916	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,214,268	1,216,600	

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

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

Disclosure of reconciliation of regulatory capital components

Unit: Million Baht

Capital related items as at June 30, 2015		Component of regulatory capital reported by financial business group	References base on statement of financial position under the consolidated supervision
Total Tier 1 Capital (T1) = (CET1+AT1)		108,256	
Common Equity Tier 1 (CET1)		106,919	
1	Issued and paid up share capital (Common share)	60,741	A
2	Premium common stocks	13,802	B
3	Legal Reserve	2,878	C
4	Retained earnings after appropriation	40,469	D
5	Other comprehensive income		
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,390	E
	5.2 Revaluation surplus (deficit) of equity and debt securities for sales	241	F
6	Regulatory deduction		
	6.1 Goodwill	(9,927)	G
	6.2 Other Intangible Asset	(853)	H-I ^{1/}
	6.3 Deferred tax assets	(5,776)	J-K ^{2/}
	6.4 Net loss	(1,046)	D
Additional Tier 1 Capital (AT1)		1,337	
7	Non-controlling interest of consolidated subsidiaries to Additional tier 1	1,337	N ^{4/}
Tier 2 Capital (T2)		39,423	
8	Proceeds from issuing subordinated debt securities	27,875	L ^{3/}
9	General provision	11,445	M
10	Non-controlling interest of consolidated subsidiaries to Tier 2 capital	103	O ^{4/}
Total Regulatory Capital (TC = T1+T2)		147,679	

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

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

^{3/} Non-fully Basel III compliant Tier II capital instruments will be phase out at 10% p.a. starting from 1 Jan-2013 therefore sub-debt qualified to be Tier II capital amount is THB 27,875 million (80% of total sub-debt = 80% x 34,844)

^{4/} Non-controlling interest qualified as capital is calculated basing on BOT's requirement

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

Unit: Million Baht

Capital amount, eligible items, adjustment items and deduction items		Financial Business Group			
		June 30, 2015		December 31, 2014	
		Capital amount	Transitional adjustment amount*	Capital amount	Transitional adjustment amount*
Total Tier 1 Capital (T1) = (CET1+AT1)		158,295	(2,307)	108,256	(3,162)
Common Equity Tier 1 capital (CET1)		157,024	(1,967)	106,919	(2,791)
1	Issued and paid up share capital (Common share)	73,558		60,741	
2	Premium on common stocks	52,878		13,802	
3	Legal Reserve	2,878		2,878	
4	Retained earnings after appropriation	43,625		40,469	
5	Other comprehensive income				
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,322		6,390	
	5.2 Revaluation surplus (deficit) on investment in equity securities	86		87	
	5.3 Revaluation surplus (deficit) on investment in debt securities	378	568	154	618
	5.4 Profit (loss) from conversion of financial statement from a foreign operation	1			
	5.5 Other items from owner changes	(5,218)			
6	Regulatory deduction				
	6.1 Goodwill	(9,927)		(9,927)	
	6.2 Intangible Asset	(1,689)	(2,535)	(853)	(3,409)
	6.3 Deferred tax assets	(5,868)		(5,776)	
	6.4 Net loss	-		(1,046)	
Additional Tier 1 capital (AT1)		1,271	(340)	1,337	(371)
7	Non-controlling interest of consolidated subsidiaries to Additional tier 1	1,271	(340)	1,337	(371)
Tier 2 capital (T2)		29,782	(14,755)	39,423	(27,757)
8	Proceeds from issuing subordinated debt securities	14,843	(14,843)	27,875	(27,875)
9	General Provision	14,811		11,445	
10	Non-controlling interest of consolidated subsidiaries to Tier 2 capital	128	88	103	118
Total Regulatory Capital (TC = T1 + T2)		188,077	(17,062)	147,679	(30,919)

* 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			
		June 30, 2015		December 31, 2014	
		Capital amount	Transitional adjustment amount*	Capital amount	Transitional adjustment amount*
Total Tier 1 Capital (T1) = (CET1+AT1)		145,764	(945)	98,986	(1,249)
Common Equity Tier 1 capital (CET1)		145,764	(945)	98,986	(1,249)
1	Issued and paid up share capital (Common share)	73,558		60,741	
2	Premium on common stocks	52,878		13,802	
3	Legal Reserve	2,878		2,878	
4	Retained earnings after appropriation	24,234		23,592	
5	Other comprehensive income				
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	6,296		6,364	
	5.2 Revaluation surplus (deficit) on investment in equity securities	174		175	
	5.3 Revaluation surplus (deficit) on investment in debt securities	378	568	154	618
	5.4 Other items from owner changes	(5,218)			
6	Regulatory deduction				
	6.1 Goodwill	(7,762)		(7,762)	
	6.2 Intangible Asset	(1,009)	(1,513)	(467)	(1,867)
	6.3 Deferred tax assets	(643)		(491)	
Additional Tier 1 capital (AT1)		-	-	-	-
Tier 2 capital (T2)		20,913	(14,843)	33,439	(27,875)
7	Proceeds from issuing subordinated debt securities	14,843	(14,843)	27,875	(27,875)
8	General Provision	6,070		5,564	
Total Regulatory Capital (TC = T1 + T2)		166,677	(15,788)	132,425	(29,124)

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