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Basel III Pillar III Disclosures

As of June 30, 2017

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Basel III Pillar III Disclosures

As of June 30, 2017

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 in financial business group under Full Consolidation level totaled 21 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
21. Krungsri Finnovate Company Limited	Venture capital

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	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
1 Tier 1 capital (1.1+1.2)	**184,762**	178,022	**162,948**	158,828
1.1 Common equity tier1 (CET1)	**183,560**	176,635	**162,948**	158,828
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	4,372	4,372	4,372
1.1.4 Net profit after appropriation by resolution of the annual general meeting of shareholders or by the regulations of the banks registered in the country	70,115	62,305	40,644	36,052
1.1.5 Other reserves				
1.1.5.1 Accumulated other comprehensive income	8,890	8,959	9,067	8,988
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	(21,036)	(20,220)	(12,354)	(11,803)
1.2 Additional tier 1	**1,202**	1,387	**-**	-
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	1,202	1,387	-	-
2 Tier 2 capital	**58,057**	41,080	**49,383**	32,266
2.1 Subordinated debentures	41,851	24,844	41,851	24,844
2.2 General provision	16,013	16,066	7,532	7,422
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	193	170	-	-
3 Total regulatory capital (1+2)	**242,819**	219,102	**212,331**	191,094

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 2017, the Bank maintains, as a policy, a minimum capital adequacy ratio above the minimum official requirement, which is currently required at 9.75% (8.5% of the minimum capital adequacy ratio plus 1.25% 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 risk

Unit: Million Baht

Minimum capital requirements	Financial Business Group		Bank-Only	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
Performing assets	107,502	107,881	101,588	103,352
1 Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) that are treated as claims on sovereigns	421	271	246	175
2 Claims on banks, public sector entities (PSEs) that are treated as claims on banks and securities companies	3,178	4,337	3,007	4,162
3 Claims on corporate and public sector entities (PSEs) that are treated as claims on corporate	52,752	53,376	57,253	60,087
4 Claims on retail portfolios	38,028	37,007	24,688	22,844
5 Residential mortgage exposures	9,214	8,726	9,215	8,729
6 Other assets	3,909	4,164	7,179	7,355
Non-performing assets	1,391	1,368	1,228	1,198
Minimum capital requirements for credit risk	108,893	109,249	102,816	104,550
1 Interest rate risk	1,852	2,112	1,863	2,112
2 Equity price risk	22	-	21	-
3 Foreign exchange rate risk	84	183	280	112
4 Commodity price risk	-	-	-	-
Minimum capital requirements for market risk	1,958	2,295	2,164	2,224
Minimum capital requirements for operational risk	12,826	12,083	8,133	7,902
Total minimum capital requirements*	123,677	123,627	113,113	114,676

* The minimum capital requirements are calculated based on the minimum regulatory capital adequacy ratio at 8.5%. If capital conservation buffer of 1.25% up to 2017 had been included, total capital requirements as of June 30, 2017, would have been Baht 141,866 million on a Financial Business Group basis and Baht 129,747 million on a Bank-Only basis.

Table 3 Capital adequacy ratio

Unit: %

Ratios	Minimum BOT requirement*		Financial Business Group		Bank-Only	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
1. Total capital / Total risk weighted assets	9.750	9.125	16.69	15.06	15.96	14.16
2. Total Tier 1 capital / Total risk weighted assets	7.250	6.625	12.70	12.24	12.25	11.77
3. Total Common Equity Tier 1 capital / Total risk weighted assets	5.750	5.125	12.62	12.14	12.25	11.77

* The minimum regulatory capital adequacy ratio is 8.5%; however, BOT has required the Commercial Banks to gradually increase and maintain the Conservation Buffer at a fixed rate of 0.625% per annum since January 1, 2016 until reaching 2.5% by January 1, 2019.

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

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

Topic		Unique identifier BAY22NA	Unique identifier BAY272A	Unique identifier BAY27NA
1	Issuer	Bank of Ayudhya Public Company Limited	Bank of Ayudhya Public Company Limited	Bank of Ayudhya Public Company Limited
2	Unique identifier	TH0023032B04	TH0023037201	TH0023037B09
	BOT's regulation treatment			
3	Type of financial instruments (common equity tier 1/ additional tier 1/ tier 2)	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital
4	Qualified or non-qualified Basel III	Not fully qualified under Basel III	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.	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	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	Baht 17,007 million
9	Par value of instrument (unit: Baht)	Baht 1,000.-	Baht 1,000.-	Baht 1,000.-

	Topic	Unique identifier BAY22NA	Unique identifier BAY272A	Unique identifier BAY27NA
10	Accounting classification	Liabilities measured at amortized cost	Liabilities measured at amortized cost	Liabilities measured at amortized cost
11	Original date of issuance	November 7, 2012	August 11, 2016	May 24, 2017
12	Perpetual or dated	Having maturity date	Having maturity date	Having maturity date
13	Original maturity date	November 7, 2022	February 11, 2027	November 24, 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	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 redemption if, after the issuer submits calculated to (and excluding) the early redemption date, subject to conditions as follows:	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:-	August 24, 2022 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:-

	Topic	Unique identifier BAY22NA	Unique identifier BAY272A	Unique identifier BAY27NA
		(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.	(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 Date.	(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 Date.
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.	On any interest payment date after the 5^{th} (fifth) anniversary of the date of issuance of the Subordinate Instruments.

	Topic	Unique identifier BAY22NA	Unique identifier BAY272A	Unique identifier BAY27NA
	Coupons / dividends			
17	Fixed or floating dividend/coupon	Fixed Rate until maturity date	Fixed Rate until maturity date	Fixed Rate until maturity date
18	Coupon rate and any related index	None	None	None
19	Existence of a dividend stopper	No 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.	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	No incentive to redeem
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	None	None	None
25	If convertible, full or partial	None	None	None
26	If convertible, conversion rate	None	None	None
27	If convertible, specify instrument type convertible into	None	None	None
28	If convertible, specify issuer of instrument it converts into	None	None	None
29	Write-down feature	No write-down feature	Write-down feature	Write-down feature

	Topic	Unique identifier BAY22NA	Unique identifier BAY272A	Unique identifier BAY27NA
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.	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	Full or partial write-down
32	If write-down, permanent or temporary	No write-down feature	Permanent	Permanent
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	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).	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 5: Reconciliation of regulatory capital components

Unit: Million Baht

Capital related items as of June 30, 2017			Amount as disclosed in public - Financial Position Statements[1/]	Amount as disclosed under the consolidated supervision - Financial Position Statements[2/]	Ref.
ASSETS					
1	CASH		30,976	30,976	
2	INTERBANK AND MONEY MARKET ITEMS, NET		207,021	207,288	
3	CLAIM ON SECURITY		11,048	11,048	
4	DERIVATIVES ASSETS		17,161	17,161	
5	INVESTMENTS, NET		125,377	125,377	
6	INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES, NET		2,095	-	
7	LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET				
	7.1	Loans to customers	1,538,256	1,542,358	
	7.2	Accrued interest receivables	3,953	4,138	
		Total loans to customers and accrued interest receivables	1,542,209	1,546,496	
	7.3	Less: Deferred revenue	(62,755)	(62,755)	
	7.4	Less: Allowance for doubtful accounts	(50,831)	(51,851)	
		Qualified as capital		(16,013)	P
		Non-qualified as capital		(35,838)	
	7.5	Less: Revaluation allowance for debt restructuring	(1,259)	(1,443)	
		NET LOANS AND ACCRUED INTEREST RECEIVABLES	1,427,364	1,430,447	
8	CUSTOMERS' LIABILITY UNDER ACCEPTANCE		518	518	
9	PROPERTIES FOR SALE, NET		3,935	3,935	
10	PREMISES AND EQUIPMENT, NET		25,161	25,184	
11	GOODWILL AND OTHER INTANGIBLE ASSETS, NET		16,656	16,667	
	Goodwill			12,642	I
	Intangible assets			4,025	J
12	DEFERRED TAX ASSETS		4,694	5,047	
	Deferred tax liabilities of intangible assets			(276)	K
	Deferred tax assets of other items			5,323	L
13	OTHER ASSETS, NET		16,525	17,134	
TOTAL ASSETS			1,888,531	1,890,782	

Unit: Million Baht

Capital related items as of June 30, 2017	Amount as disclosed in public - Financial Position Statements[1/]	Amount as disclosed under the consolidated supervision - Financial Position Statements[2/]	Ref.
LIABILITIES			
14 DEPOSITS	1,163,312	1,162,293	
15 INTERBANK AND MONEY MARKET ITEMS - NET	256,881	256,881	
16 LIABILITIES PAYABLE ON DEMAND	6,233	6,233	
17 LIABILITIES TO DELIVER SECURITY	11,048	11,048	
18 DERIVATIVES LIABILITIES	17,757	17,757	
19 DEBT ISSUED AND BORROWINGS	173,122	173,122	
Debt instruments that are qualified as capital		41,851	N
Other issued debt and borrowings		131,271	
20 BANK'S LIABILITIES UNDER ACCEPTANCES	518	518	
21 PROVISIONS	7,939	7,965	
22 DEFERRED TAX LIABILITIES	255	255	
Deferred tax liabilities of intangible assets		22	M
Deferred tax assets of other items		(89)	O
Deferred tax liabilities of other items		322	
23 OTHER LIABILITIES	34,474	35,594	
TOTAL LIABILITIES	1,671,539	1,671,666	
EQUITY			
24.1 ISSUED AND PAID-UP SHARE CAPITAL-COMMON SHARE	73,558	73,558	A
24.2 PREMIUM ON SHARE CAPITAL	52,879	52,879	B
24.3 OTHER RESERVES			
24.3.1 Appraisal surplus	8,294	8,294	E
24.3.2 Revaluation surplus (deficit) on investments	910	822	
Investment in equity securities		136	F
Investment in debt securities		686	
Qualified as capital		549	F
Non-qualified as capital		137	
24.3.3 Profit (loss) from conversion of financial statements from a foreign operation	(111)	(111)	
Qualified as capital		(89)	G
Non-qualified as capital		(22)	
24.3.4 Deficit from business combination under common control	(5,218)	(5,218)	H

Unit: Million Baht

Capital related items as of June 30, 2017	Amount as disclosed in public - Financial Position Statements[1/]	Amount as disclosed under the consolidated supervision - Financial Position Statements[2/]	Ref.
24.4 RETAINED EARNINGS			
24.4.1 APPROPRIATED - LEGAL RESERVE	4,372	4,372	C
24.4.2 UNAPPROPRIATED	81,627	81,743	
Net profit which already approved		70,115	D
Net profit await for approval		11,628	
24.5 NON-CONTROLLING INTEREST	681	2,777	
Qualified as AT1 capital		1,202	Q
Qualified as T2 capital		193	R
Non-qualified as capital		1,382	
TOTAL EQUITY	216,992	219,116	
TOTAL LIABILITIES AND EQUITY	1,888,531	1,890,782	

Note

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

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

Disclosure of reconciliation of regulatory capital components

Unit: Million Baht

Capital related items as of June 30, 2017		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)		184,762	
Common equity tier 1 (CET1)		183,560	
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	70,115	D
5	Other comprehensive income		
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	8,294	E
	5.2 Revaluation surplus (deficit) on investment in equity and debt securities-available for sales	685	F
	5.3 Profit (loss) from conversion of financial statements from a foreign operation	(89)	G
	5.4 Other items from owner changes	(5,218)	H
6	Regulatory deduction		
	6.1 Goodwill	(12,642)	I
	6.2 Intangible assets	(2,982)	J+K-M[1/]
	6.3 Deferred tax assets	(5,412)	L-O
Additional tier 1 capital (AT1)		1,202	
7	Non-controlling interest of consolidated companies under the Bank's financial business group to additional tier 1	1,202	Q[2/]
Tier 2 Capital (T2)		58,057	
9	Proceeds from issuing subordinated debentures	41,851	N[3/]
10	General provision	16,013	P
11	Non-controlling interest of consolidated companies under the Bank's financial business group to tier 2 capital	193	R[2/]
Total Regulatory Capital (TC = T1+T2)		242,819	

[1/] Intangible assets e.g. software licenses, phase-out at 20% p.a. during a transitional period of 2014 – 2018 as of June 30, 2017 the deduction amount is THB 2,982 million [80% x (4,025-276-22)]

[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 1 Jan-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 are issued in 2017 and 2016, amount Baht 17,007 million and Baht 10,000 million, respectively, have complied the Basel III rules, then fully countable.

Unit: Million Baht

Capital related items as of December 31, 2016			Amount as disclosed in public - Financial Position Statements[1/]	Amount as disclosed under the consolidated supervision - Financial Position Statements[2/]	Ref.
ASSETS					
1	CASH		36,142	36,142	
2	INTERBANK AND MONEY MARKET ITEMS, NET		200,283	200,609	
3	CLAIM ON SECURITY		13,839	13,839	
4	DERIVATIVES ASSETS		29,117	29,117	
5	INVESTMENTS, NET		131,782	131,782	
6	INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES, NET		1,919	-	
7	LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, 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 accounts	(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)	
		NET LOANS AND ACCRUED INTEREST RECEIVABLES	1,403,285	1,407,833	
8	CUSTOMERS' LIABILITY 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, NET		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 assets of other items			5,334	L
13	OTHER ASSETS, NET		15,455	16,095	
TOTAL ASSETS			1,883,188	1,887,193	

Unit: Million Baht

Capital related items as of December 31, 2016	Amount as disclosed in public - Financial Position Statements[1/]	Amount as disclosed under the consolidated supervision - Financial Position Statements[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	
EQUITY			
24.1 ISSUED AND PAID-UP SHARE CAPITAL-COMMON SHARE	73,558	73,558	A
24.2 PREMIUM ON SHARE CAPITAL	52,879	52,879	B
24.3 OTHER RESERVES			
24.3.1 Appraisal surplus	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	
24.3.3 Profit (loss) from conversion of financial statements 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

Unit: Million Baht

Capital related items as of December 31, 2016	Amount as disclosed in public - Financial Position Statements[1/]	Amount as disclosed under the consolidated supervision - Financial Position Statements[2/]	Ref.
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 EQUITY	208,768	210,716	
TOTAL LIABILITIES AND 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 of 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 statements 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	
9	Proceeds from issuing subordinated debentures	24,844	N[3/]
10	General provision	16,066	P
11	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.

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, 2017		December 31, 2016	
		Capital amount	Transitional adjustment amount*	Capital amount	Transitional adjustment amount*
Total Tier 1 Capital (T1) = (CET1+AT1)		184,762	(883)	178,022	(1,776)
Common Equity Tier 1 capital (CET1)		183,560	(630)	176,635	(1,357)
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		4,372	
4	Retained earnings after appropriation	70,115		62,305	
5	Other comprehensive income				
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	8,294		8,423	
	5.2 Revaluation surplus (deficit) on investment in equity securities	136		187	
	5.3 Revaluation surplus (deficit) on investment in debt securities	549	137	290	193
	5.4 Profit (loss) from conversion of financial statements from a foreign operation	(89)	(22)	59	40
	5.5 Other items from owner changes	(5,218)		(5,218)	
6	Regulatory deduction				
	6.1 Goodwill	(12,642)		(12,450)	
	6.2 Intangible assets	(2,982)	(745)	(2,385)	(1,590)
	6.3 Deferred tax assets	(5,412)		(5,385)	
Additional tier 1 capital (AT1)		1,202	(253)	1,387	(419)
7	Non-controlling interest of consolidated companies under the Bank's financial business group to additional tier 1	1,202	(253)	1,387	(419)
Tier 2 capital (T2)		58,057	(14,813)	41,080	(14,781)
8	Proceeds from issuing subordinated debentures	41,851	(14,844)	24,844	(14,844)
9	General provision	16,013		16,066	
10	Non-controlling interest of consolidated companies under the Bank's financial business group to tier 2 capital	193	31	170	63
Total regulatory capital (TC = T1 + T2)		242,819	(15,696)	219,102	(16,557)

* 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, 2017		December 31, 2016	
		Capital amount	Transitional adjustment amount*	Capital amount	Transitional adjustment amount*
Total Tier 1 Capital (T1) = (CET1+AT1)		162,948	(332)	158,828	(819)
Common Equity Tier 1 capital (CET1)		162,948	(332)	158,828	(819)
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		4,372	
4	Retained earnings after appropriation	40,644		36,052	
5	Other comprehensive income				
	5.1 Changes in capital surplus from appraisal of lands, buildings or units in condominium	8,294		8,423	
	5.2 Revaluation surplus (deficit) on investment in equity securities	224		275	
	5.3 Revaluation surplus (deficit) on investment in debt securities	549	137	290	193
	5.4 Other items from owner changes	(5,218)		(5,218)	
6	Regulatory deduction				
	6.1 Goodwill	(10,476)		(10,285)	
	6.2 Intangible assets	(1,878)	(469)	(1,518)	(1,012)
	6.3 Deferred tax assets	-		-	
Additional tier 1 capital (AT1)		-	-	-	-
Tier 2 capital (T2)		49,383	(14,844)	32,266	(14,844)
7	Proceeds from issuing subordinated debentures	41,851	(14,844)	24,844	(14,844)
8	General provision	7,532		7,422	
Total regulatory capital (TC = T1 + T2)		212,331	(15,176)	191,094	(15,663)

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